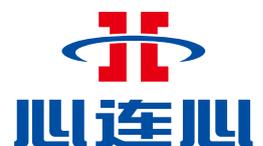




High-Efficiency  
Fertilisers in China

中國高效肥

ANNUAL REPORT 2016 年報



China XLX Fertiliser Ltd.  
中國心連心化肥有限公司\*

(Incorporated in Singapore with limited liability)

(於新加坡註冊成立之有限公司)

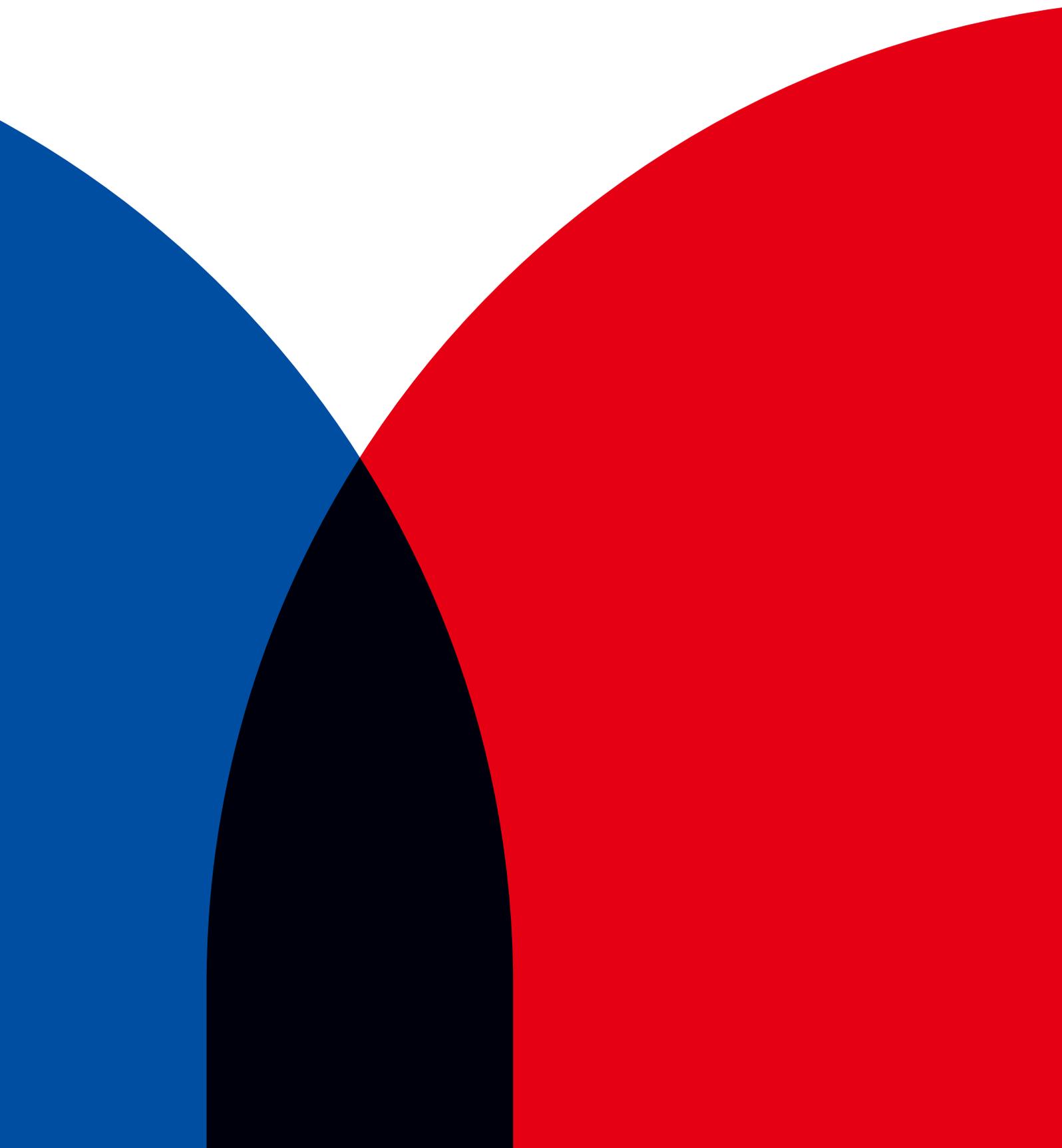
Stock Code 股份代號：1866

\* For identification purpose only 僅供識別

## **CHINA XLX CULTURE** 中國心連心文化

We attribute our achievements and breakthroughs to our dedicated team at China XLX. The team is committed to uphold the vision with integrity, discipline and strong commitment.

我們所有的成績與突破，都歸功於誠信為本、紀律嚴明、專注投入、放眼未來和充滿快樂的中國心連心團隊。



## CHINA XLX DEVELOPMENT STRATEGY:

"Adhere to Produce Good Fertiliser". Explore and appropriate develop new energy and new chemical materials. Adhere to the competitive strategy of combination of "combination of low cost and differentiation" with the focus on fertiliser industry. Based on the fundamental conditions of "Henan, Xinjiang, Jiujiang" bases, become market-oriented, follow the development path with high standard, parks and bases with special features.

### 中國心連心發展戰略：

「堅持化肥、做好化肥」。探索並適度發展新能源及新材料化工品。堅持「低成本和差異化相結合」的競爭策略做好化肥主業。根據「河南、新疆、九江」基地基礎條件，以市場為導向，走高標準、園區化、基地特色化發展道路。

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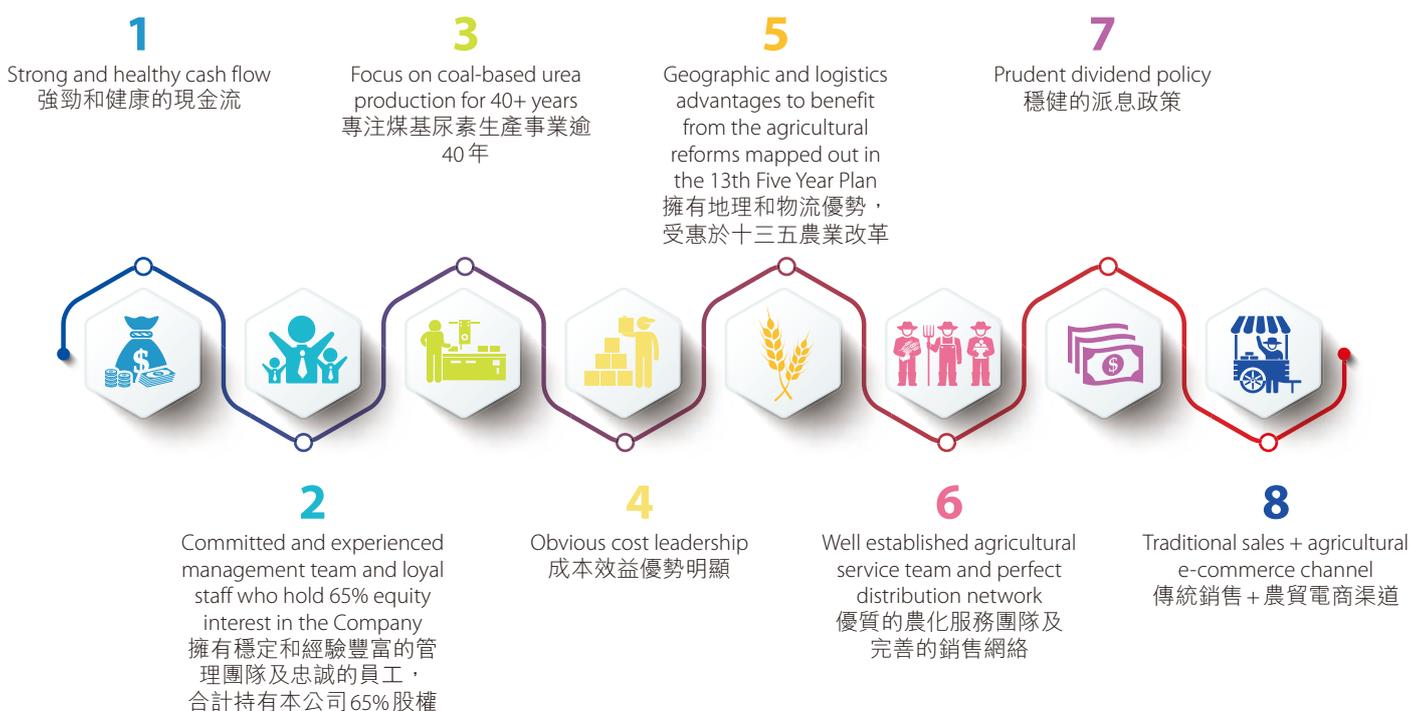
# Company Profile

## 公司概況

- Leading enterprise in the PRC chemical fertiliser industry
- Largest single scale urea producer in the PRC
- The most cost-effective urea producer in the PRC (Honourably recognised as “Ammonia Energy Consumption Leader” for five consecutive years)
- New/High Tech Enterprise in the PRC (enjoying preferential income tax rate of 15%)
- The first producer mastering the production of control release urea production patented technology in the PRC
- 中國化肥行業領軍企業
- 中國單體規模最大的尿素生產商
- 中國最具成本效益的尿素生產商(連續五年獲得「合成氮能效领跑者標杆企業」榮譽稱號)
- 中國高新技術企業(享受15%的優惠所得稅率)
- 中國第一家掌握控失尿素生產專利技術的生產企業

China XLX was incorporated with limited liability on 17 July 2006 in Singapore under the Companies Act, with its registered office at 80 Robinson Road, #02-00, Singapore 068898. The Group's headquarters and principal place of business is located in Xinxiang Economic and Technological Development Zone, Henan Province, the PRC. In terms of capacity and efficiency, the Group is now one of the largest and most cost-efficient coal-based urea producers in the PRC, aiming to become **“the most respected enterprise in the chemical fertiliser industry in the PRC”**. The principal activity of the Company is investment holding and the principal activities of its principal subsidiary, namely Henan XLX, are research and development, manufacturing, sales of urea, compound fertiliser, methanol, furfuryl alcohol, vehicle urea, melamine and related differentiated products. Currently, its annual production capacity of urea, compound fertiliser and methanol are 2,600,000 tons, 1,850,000 tons and 300,000 tons, respectively. China XLX has been listed on the Main Board of the SEHK since 8 December 2009 with stock code “1866”.

中國心連心是於二零零六年七月十七日根據公司法在新加坡註冊成立之有限公司，本公司的註冊辦事處位於80 Robinson Road, #02-00, Singapore 068898。本集團總部和主要營業地點位於中國河南省新鄉經濟技術開發區。就產能和生產效率而言，本集團目前是中國最大且最具成本效益的煤基尿素生產商之一，目標是成為「**中國最受尊重的化肥企業集團**」。本公司的主要業務為投資控股，而其主要附屬公司河南心連心的主要業務為尿素、複合肥、甲醇、糠醇、車用尿素、三聚氰胺及相關差異化產品的研發、生產、銷售。目前擁有尿素年產能260萬噸，複合肥年產能185萬噸和甲醇年產能30萬噸。中國心連心自二零零九年十二月八日起在聯交所主板掛牌上市，股份代號「1866」。



# Corporate Information

## 公司資料

### BOARD

#### EXECUTIVE DIRECTORS

LIU Xingxu (*Chairman of the Board*)  
ZHANG Qingjin (*Chief Executive Officer*)  
YAN Yunhua (*Chief Financial Officer*)

#### NON-EXECUTIVE DIRECTOR

LIAN Jie

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

ONG Kian Guan  
LI Shengxiao  
ONG Wei Jin

### BOARD COMMITTEES

#### AUDIT COMMITTEE

ONG Kian Guan (*Chairman*)  
LI Shengxiao  
ONG Wei Jin

#### REMUNERATION COMMITTEE

ONG Wei Jin (*Chairman*)  
ONG Kian Guan  
LI Shengxiao

#### NOMINATION COMMITTEE

LI Shengxiao (*Chairman*)  
LIU Xingxu  
ONG Kian Guan  
ONG Wei Jin

### AUTHORISED REPRESENTATIVES UNDER LISTING RULES

YAN Yunhua  
SOON Yuk Tai

### JOINT COMPANY SECRETARIES

SOON Yuk Tai  
TEO Meng Keong

### 董事會

#### 執行董事

劉興旭 (*董事會主席*)  
張慶金 (*首席執行官*)  
閻蘊華 (*首席財務官*)

#### 非執行董事

廉潔

#### 獨立非執行董事

王建源  
李生校  
王為仁

### 董事會委員會

#### 審核委員會

王建源 (*主席*)  
李生校  
王為仁

#### 薪酬委員會

王為仁 (*主席*)  
王建源  
李生校

#### 提名委員會

李生校 (*主席*)  
劉興旭  
王建源  
王為仁

### 上市規則下的授權代表

閻蘊華  
孫玉蒂

### 聯席公司秘書

孫玉蒂  
張明強

## Corporate Information

### 公司資料

#### AUDITOR

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore, 048583  
Partner-in-charge: YONG Kok Keong

#### LEGAL ADVISORS

Reed Smith Richards Butler (Hong Kong)  
Hiways Law Firm (China)  
Shook Lin & Bok LLP (Singapore)

#### PRINCIPAL BANKERS

China Construction Bank  
Bank of China  
Industrial & Commercial Bank of China  
Bank of Communications  
China CITIC Bank  
HSBC

#### REGISTERED OFFICE

80 Robinson Road  
#02-00, Singapore 068898

#### HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN PRC

Xinxiang Economic and Technological Development Zone  
Henan Province  
PRC 453731

#### STOCK CODE

Hong Kong Stock Code: 1866

#### CORPORATE WEBSITE

[www.chinaxlx.com.hk](http://www.chinaxlx.com.hk)

#### 核數師

安永會計師事務所  
One Raffles Quay  
North Tower, Level 18  
Singapore, 048583  
項目合夥人：楊國強

#### 法律顧問

禮德齊伯禮律師行(香港)  
海華永泰律師事務所(中國)  
旭齡及穆律師事務所(新加坡)

#### 主要往來銀行

中國建設銀行  
中國銀行  
工商銀行  
交通銀行  
中信銀行  
滙豐銀行

#### 註冊辦事處

80 Robinson Road  
#02-00, Singapore 068898

#### 總辦事處暨中國主要營業地點

中國河南省  
新鄉經濟技術開發區  
郵編：453731

#### 股份代號

香港股份代號：1866

#### 公司網址

[www.chinaxlx.com.hk](http://www.chinaxlx.com.hk)

## Financial Highlights

### 財務概要

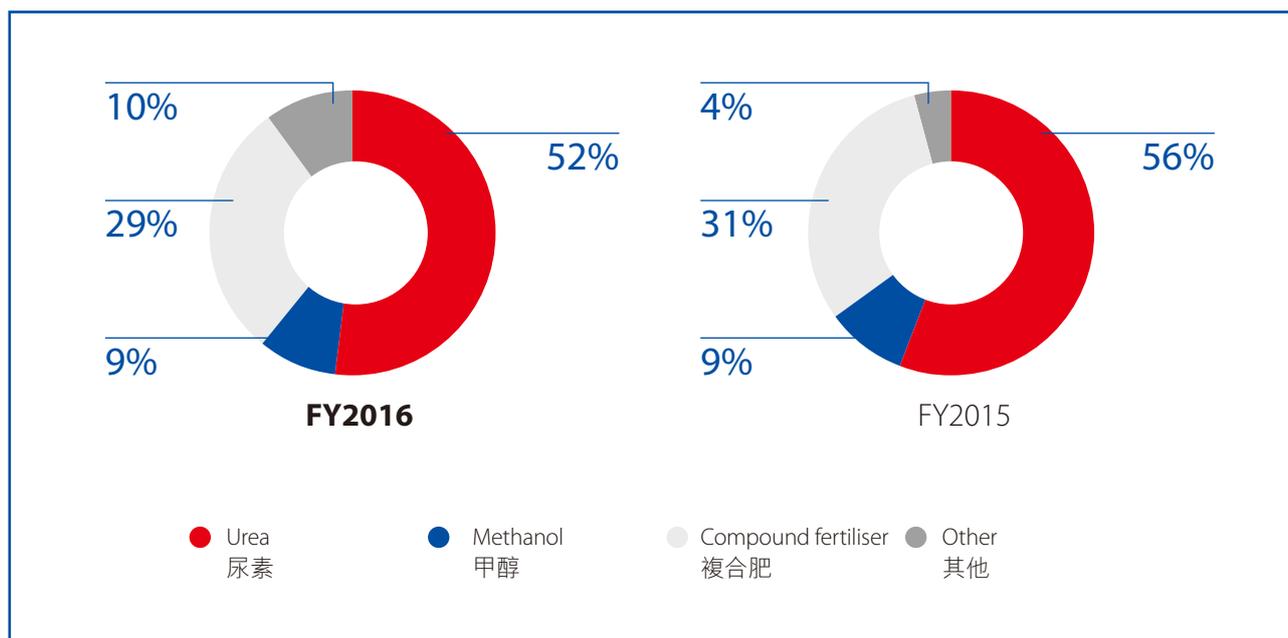
#### RESULTS PERFORMANCE

#### 業績表現

(RMB million)	(人民幣 百萬元)	2015 2015 年度	2016 2016 年度	Change (%) 同比變幅 (%)
Revenue	收入	5,788	5,711	(1.3)
Cost of sales	銷售成本	(4,465)	(4,687)	5.0
Gross profit	毛利	1,323	1,024	(22.6)
Profit before tax	除稅前溢利	478	40	(91.6)
Income tax expense	所得稅開支	(70)	(11)	(84.3)
Net profit	純利	408	29	(92.9)
Basic and diluted earnings per share (RMB cents)	每股基本及攤薄盈利 (人民幣分)	34.76	2.56	(92.6)
Dividend per share (RMB cents)	每股派息 (人民幣分)	8.30	4.00	(51.8)
Gearing ratio (%)	資本負債率 (%)	71.20	71.16	(0.1)

#### REVENUE BREAKDOWN BY SEGMENT

#### 分類產品收入



# Major Events in 2016

## 二零一六年度大事記



1



2



3



4



5.1

5.2



6

### 1月 JANUARY

The Group launched nitro compound fertiliser products named “珍維多” and “逍逍樂”. The introduction of new products is the Group’s result of low-cost and differentiation development strategy, which also better meets the demand of agricultural customised specific fertiliser.

本集團推出《珍維多》及《逍逍樂》硝基複合肥產品，新產品的推出，是本集團低成本和差異化發展戰略的結晶，也可以更好地滿足農業個性化專用肥的需求。 **1**

### 2月 FEBRUARY

“Full Team Charge and Win 2016” (全員加速·決勝2016) marketing work conference of the Group was successfully held.

本集團「全員加速·決勝2016」營銷工作會議成功召開。 **2**

### 3月 MARCH

The Group’s second phase of water-soluble fertiliser project in Xinjiang was commenced successfully, which further enhances production capacity and profitability.

本集團位於新疆的水溶肥二期項目開車成功，進一步提升產能及盈利能力。 **3**

### 4月 APRIL

Henan XLX won the Grand Slam during the “2015 China Nitrogen Fertiliser Enterprise Top 20” (2015年中國氮肥企業20強) hosted by the China Nitrogen Fertiliser Industry Association, and was recognised as “2015 National Nitrogen Fertiliser Enterprises Top 20 Urea Production” (2015年全國氮肥企業尿素產量20強), “2015 National Nitrogen Fertiliser Enterprises Top 20 Ammonia Energy Production” (2015年全國氮肥企業合成氨產量20強) and “2015 National Nitrogen Fertiliser Enterprises Top 20 Total Profit” (2015年全國氮肥企業利潤總額20強). The Group’s product differentiation development strategy and results were recognised.

河南心連心在中國氮肥工業協會主辦「2015年中國氮肥企業20強」評選中奪得大滿貫，分別榮獲「2015年全國氮肥企業尿素產量20強」、「2015年全國氮肥企業合成氨產量20強」以及「2015年全國氮肥企業利潤總額20強」榮譽稱號，本集團的產品差異化發展策略及業績備受肯定。

The Group’s new compound fertiliser plant in southern Xinjiang has commenced construction, which further enhances the Group’s profitability and overall competitiveness. The new facilities will be mainly for the production of compound fertiliser products, including water-soluble fertiliser and drip fertigation fertiliser products, while the new equipments have an annual capacity of 100,000 tons of compound fertiliser and 150,000 tons of drip fertigation fertiliser.

本集團位於新疆南部的複合肥新廠開始施工，進一步增強本集團盈利能力及整體競爭力，新設施主要用於生產複合肥產品，包括水溶肥及滴灌肥產品，新設備年產能10萬噸複合肥以及15萬噸的滴灌肥。 **4**

### 5月 MAY

The Company was shortlisted as a constituent of the MSCI China Small Cap Index, which fully demonstrated the recognition of investors in the development strategy of the Company, thus enhances the reputation and status of the Company in the capital market and brings positive impact to the trading liquidity of the Company.

本公司獲納入MSCI中國小型股指數成份股，充分顯示投資者對本公司發展策略的認同，有助提升本公司在資本市場的知名度和地位，為本公司的交易流通量帶來正面影響。 **5.1**

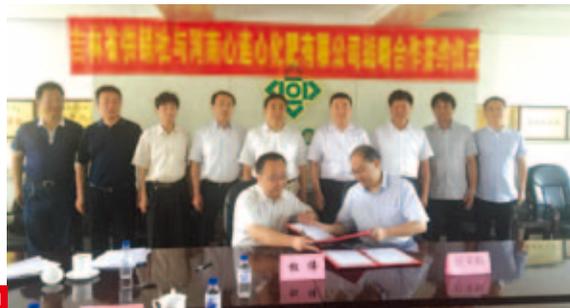
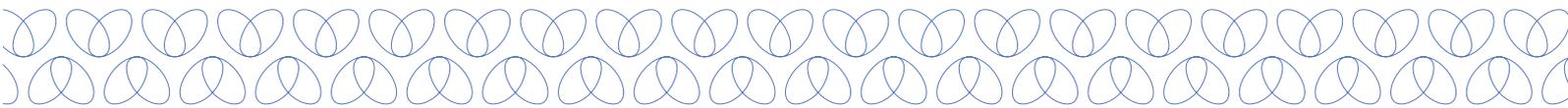
The Group entered into a letter of intent with Jiujiang Pengze County Government for clean production comprehensive utilisation project investment, and seized the opportunity to explore the central market.

本集團攜手九江市彭澤縣政府，簽訂清潔生產綜合利用項目投資意向書，把握機遇開拓中部市場。 **5.2**

### 6月 JUNE

The Group established a new sulfur compound fertiliser project with an annual production capacity of 200,000 tons. After commencing operation, it can help the Group to grasp the prospect and potential demand of sulfur compound fertiliser market, increase the sales of sulfur compound fertiliser and raise profit, and consolidate the advantages of the Group in the domestic high-efficiency compound fertiliser market.

本集團新建年產能20萬噸硫基複合肥項目，該項目建成投產後，有助於本集團把握硫基複合肥市場的良好前景和潛在需求，增加硫基複合肥的銷量，提高利潤，並鞏固本集團在國內高效複合肥市場的優勢。 **6**



7.1



7.2



8



9.1



9.2



10



11

## 7月 JULY

The Group entered into a strategic cooperation framework agreement with Jilin Province Supply and Marketing Cooperation, to build compound fertiliser production base in Changchun City with an annual production capacity of 500,000 tons. After commencing operation, the annual compound fertiliser production capacity of the Group will exceed 2,000,000 tons. 本集團與吉林省供銷合作社達成戰略合作框架協議，擬在長春市建設年產能50萬噸複合肥生產基地，投產後本集團複合肥年產能將突破200萬噸。 **7.1**

Henan XLX was recognised as the "Ammonia Energy Consumption Leader" by China Petro and Chemical Industry Association for the fifth consecutive year, the energy-saving and emission reduction effort were remarkable.

河南心連心連續五年被中國石油和化學工業聯合會授予「合成氨能效領跑者標杆企業」榮譽稱號，節能減排成效顯著。 **7.2**

## 8月 AUGUST

Liu Xingxu, the Chairman of the Board was granted the Alibaba "Internet + Agriculture" Top Ten Talents. The Group's online brand "雙心化肥" won the Top Ten Marketing Innovation Award.

董事會主席劉興旭獲阿裡巴巴「互聯網+農資」十大風雲人物，本集團旗下線上品牌「雙心化肥」獲十大營銷創新獎。 **8**

## 9月 SEPTEMBER

The Group's melamine project in Xinjiang Plant V has successfully commenced operation and becomes a new point of growth for the Group's future profitability. 本集團位於新疆第五廠的三聚氰胺項目成功投產，成為本集團未來盈利新增長點。 **9.1**

The Group's second phase of 600,000 tons compound fertiliser expansion project has successfully commenced operation, the annual compound fertiliser production capacity increased to 1,850,000 tons. 本集團60萬噸複合肥擴建項目二期實現一次投產成功，複合肥年產能增至185萬噸。 **9.2**

## 10月 OCTOBER

Henan XLX was recognised as the "2014-2015 Governor Quality Award" (2014-2015年度省長質量獎), representing the high recognition of the comprehensive management ability of the Group. 河南心連心榮膺「2014-2015年度省長質量獎」，表明對本集團綜合經營能力的高度肯定。 **10**

## 11月 NOVEMBER

Henan XLX was recognised as "Henan Top 100 Private Enterprises" (河南民營企業100強), "Henan Top 100 Private Taxpaying Enterprises" (河南民營企業納稅100強) and "Henan Top 100 Private Manufacturing Enterprises" (河南民營企業製造業100強).

河南心連心榮獲「河南民營企業100強」、「河南民營企業納稅100強」及「河南民營企業製造業100強」榮譽稱號。 **11**

## 12月 DECEMBER

Henan XLX was recognised as the "National, Provincial and Municipal" tertiary intellectual property superior enterprise ("國家、省、市"三級知識產權優勢企業). 河南心連心榮獲「國家、省、市」三級知識產權優勢企業榮譽稱號。

## Chairman's Statement

### 主席報告

Dear Shareholders,

On behalf of the Board, I present the business performance of the Group for FY2016 to you.

各位股東：

本人謹代表董事會，向閣下報告本集團二零一六財政年度的業務表現。

#### BUSINESS REVIEW

In 2016, the industry was in deep adjustment and accelerated shuffling period. The external circumstance was tough, while internal transformation and upgrade entered into a crucial turning period. With the superposition of internal and external pressure, the Group still adhered to upgrade, innovation and development. The foundation was more solid, the direction was more progressive, the idea of transformation was clearer, and the confidence of development was stronger. The core competitiveness was gradually formed and emerged.

In 2016, the Group's plant I, plant II, plant III, plant IV and plant V (in Xinjiang) achieved stable and efficient operation. Urea production capacity utilisation reached more than 100%. The Group achieved urea production of 2.88 million tons and overall production capacity utilisation of 111%.

#### DIVIDEND AND DIVIDEND PAYOUT RATIO

The Board proposed the payment of a final dividend of RMB4 cents per share for the year ended 31 December 2016 (2015: RMB8.3 cents) on 22 June 2017 to Shareholders whose names appear on the Company's Register of Members on 2 June 2017. The dividend payout ratio has remained above 20% of net profit after tax of the Group for ten consecutive years from 2007 to 2016.

#### 業務回顧

二零一六年度，行業進入深度調整和加速洗牌期，外部形勢十分嚴峻，內部轉型升級也進入了關鍵的爬坡期。在內外壓力的疊加下，本集團仍然堅持升級、堅持創新、堅持發展，各項基礎更加穩固，前進的方向更加明確，轉型的思路更加清楚，發展的信心更加堅定，核心競爭力正在逐漸形成、逐步顯現。

二零一六年，本集團一廠、二廠、三廠、四廠及位於新疆的五廠均實現穩定高效運營。尿素產能利用率均超過100%，本集團實現尿素產量288萬噸，整體產能利用率111%。

#### 股息和派息比例

董事會建議於二零一七年六月二十二日向於二零一七年六月二日名列本公司股東名冊的股東派發截至二零一六年十二月三十一日止年度末期股息，每股人民幣4分（二零一五年：人民幣8.3分）。本集團於二零零七年至二零一六年連續十年派息比例均在每年稅後純利的20%以上。



**LIU Xingxu 劉興旭**

*Chairman of the Board 董事會主席*



## CORPORATE GOVERNANCE

With its mission to serve the best interests of the Shareholders, the Board has consistently strived to enhance the standard of corporate governance and to develop a standardised, highly effective and scientific corporate governance mechanism. The Group held nine Board meetings in the year 2016 to review and approve matters including the quarterly results, interim report, annual report, dividend payout ratio, connected transactions and development strategies of the Group. The AC, the RC and the NC have exercised and performed the rights and duties conferred on them by the Board with a view of raising the standards of the Company's risk management and internal control and perfecting the Company's governance structure. For internal audit: internal audit was mainly conducted by the internal audit team of the Company in 2016, focusing on enhancing internal risk control over fixed assets, capital management, financial report, purchasing, inventories, security of funds and other key processes, and thereby enhancing operational efficiency.

## INVESTOR RELATIONS

The Group highly values its relationship with its investors and communicates with them through a number of channels. It aims to provide the latest information on the Group's operations and business development to its investors, so that they can obtain all necessary information on a timely manner to make informed investment decisions. Please refer to the "Investor relations" section of this annual report for more details.

## 企業管治

董事會以實現股東的最大利益為目標，始終不斷提升企業管治水平，建立規範、高效、科學化的公司治理機制。本集團在二零一六年度召開了九次董事會會議，對本集團的季度業績、中期報告、年報、派息比率、關連交易及發展戰略等議題進行了審議和批准。審核委員會、薪酬委員會及提名委員會在本公司風險管理及內部監控水平的提高和本公司治理結構的完善等方面，都履行了董事會賦予的權利和責任。內控審計方面：二零一六年主要由本公司內審團隊進行內控審計，重點對固定資產、資金管理、財務報告、採購、存貨、資金安全等關鍵流程進行審計、控制內部風險，提升運營效率。

## 投資者關係

本集團高度重視投資者關係維護，通過多種渠道與投資者進行溝通，旨在為投資者提供有關本集團的運營和業務發展的最新信息，讓其及時瞭解所需資料並作出相應的投資決定。具體內容可以參見本年報「投資者關係」一節。

# Chairman's Statement

## 主席報告

### PROSPECTS

Strategic Planning: "Adhere to Produce Good Fertiliser". Explore and appropriate develop new energy and new chemical materials. Adhere to the competitive strategy of combination of "combination of low cost and differentiation" with the focus on fertiliser industry. Based on the fundamental conditions of "Henan, Xinjiang, Jiujiang" bases, become market-oriented, follow the development path with high standard, parks and bases with special features.

- **Henan Base:** Position as the Group's core base, create "fertiliser as base, chemical as complement" characteristics of the base. Exploit resources synergies of the park, enhance sustained profitability of the base.
- **Xinjiang Base:** Fully utilise local resource advantage, develop coal chemical industry oriented by high resource conversion, rapidly develop strong profitability of the base in 2-3 years.
- **Jiangxi Base:** Market-oriented, fully utilise waterborne transport advantage, establish "fertiliser as base, fertiliser and chemical side by side" with modernization of the chemical park base.

### STRATEGIC OBJECTIVES

For the next three years, we will actively respond to demand of society and industrial upgrading and development, focus on "technical innovation, product innovation, marketing innovation, service innovation", enhance marketing service professional standards, highlighting the sound brand position of "Pioneer of High-Efficiency Fertiliser in China" and "Leader of Chemical Industry".

Better tomorrow is our corporate's mission, and it is the dream of all China XLX people to strive for a strong corporate. In accordance with the overall development strategy of the Group, we adhere to the competitive strategy of "combination of low cost and differentiation"; achieve industry-leading cost consumption, industry-leading technology level, market-leading brand marketing and industry-leading safety and environmental protection in the name of "Pioneer of High-Efficiency Fertiliser in China" in leading the industry. We will proactively shoulder more corporate responsibility in leading the industry, supporting the continuous exploration of high-efficiency chemical fertilisers and agricultural science, rewarding farmers and serving the community, with higher standards, and strive to become "the most respected enterprise in the chemical fertiliser industry in China".

### 前景展望

戰略導向：「堅持化肥、做好化肥」。探索並適度發展新能源及新材料化工品。堅持「低成本和差異化相結合」的競爭策略做好化肥主業。根據「河南、新疆、九江」基地基礎條件，以市場為導向，走高標準、園區化、基地特色化發展道路。

- **河南基地：**定位本集團的核心根據地，打造「以肥為主、以化為補」的特色基地。發揮園區資源協同效應，提升基地持續盈利能力。
- **新疆基地：**充分利用當地資源優勢，以資源高轉化為導向發展煤化工行業，2-3年內迅速形成較強盈利能力的基地。
- **江西基地：**以市場為導向，充分利用水運優勢，打造「以肥為基、肥化並舉」的現代化化工園區基地。

### 戰略目標

未來三年，我們將積極響應社會及行業升級發展的要求，重點做好「技術創新、產品創新、營銷創新、服務創新」，著力提升營銷服務專業化水平，突出「中國高效肥倡導者」、「化工品行業領先」的強勢品牌定位。

為了明天更美好是我們的企業使命，更是全體心連心人員不懈追求的強企之夢，根據本集團發展總戰略，堅持「低成本和差異化相結合」的競爭策略，實現成本消耗行業領先，技術水平行業領先，品牌營銷市場領先，安全環保行業領先，以「中國高效肥倡導者」身份引領行業。同時主動擔負更大的企業責任，以更高標準引領行業，支持行業對高效能化肥和科技農業的持續探索，且回報農民，服務社會，努力成為「中國最受尊重的化肥企業集團」。

## APPRECIATION

Last but not least, on behalf of the Board, I would like to take this opportunity to extend my heartfelt gratitude to all Shareholders, the Company's management team, all the staff, customers and friends who have been caring for and supporting us. In 2017, the Group's senior management and staff continue working cohesively under the leadership of the Board to endeavour to achieve better performance and investment returns for the Shareholders through its strategy of "combination of low cost and differentiation".



**LIU Xingxu**  
*Chairman of the Board*  
27 March 2017

## 致謝

最後，藉此機會，本人謹代表董事會向各位股東，公司管理層、全體員工、所有客戶和關心支持本集團發展的各界朋友們，致以衷心的感謝！二零一七年，本集團的高級管理層和全體員工，將在董事會領導下，團結一致，堅持「低成本和差異化相結合」的戰略，努力為各位股東贏得最佳的業績回報。



董事會主席  
**劉興旭**  
二零一七年三月二十七日

# Management Discussion and Analysis

## 管理層討論與分析

### (I) BUSINESS REVIEW

#### PRODUCTION POSITION OF THE GROUP IN 2016

##### PRODUCTION

As at the end of 2016, the Group's total annual production of urea reached 2,879,000 tons, and the total annual production of compound fertiliser and methanol reached 976,000 tons and 342,000 tons respectively.

##### PRODUCTION CAPACITY UTILISATION

### (I) 業務回顧

#### 本集團二零一六年生產情況

##### 產量

截至二零一六年末，本集團尿素年總產量達到2,879千噸，複合肥及甲醇的年總產量分別達到976千噸及342千噸。

##### 產能利用率的情況

Year ended 31 December  
截至十二月三十一日止年度

		2016 二零一六年			2015 二零一五年		
		Total actual production capacity 總實際產能 thousand tons 千噸	Total actual production 總實際產量 thousand tons 千噸	Capacity utilisation rate 產能利用率 %	Total actual production capacity 總實際產能 thousand tons 千噸	Total actual production 總實際產量 thousand tons 千噸	Capacity utilisation rate 產能利用率 %
Urea	尿素	2,600	2,879	111	2,600	2,474	95
Compound fertiliser	複合肥	1,850	976	53	1,100	872	79
Methanol	甲醇	300	342	114	300	342	114

## COAL AND ELECTRICITY CONSUMPTION

## 煤和電耗情況

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年	2015 二零一五年
Fixed bed technology coal consumption (tons)	固定床技術 煤消耗(噸)	<b>Urea per ton 每噸尿素</b>	Urea per ton 每噸尿素
Raw coal	原料煤	<b>0.605</b>	0.611
Fuel coal	燃料煤	<b>0.151</b>	0.146
Total coal consumption	總煤耗量	<b>0.756</b>	0.757
		<b>2016 二零一六年</b>	2015 二零一五年
Coal water slurry technology coal consumption (tons)	水煤漿技術 煤消耗(噸)	<b>Urea per ton 每噸尿素</b>	Urea per ton 每噸尿素
Raw coal	原料煤	<b>0.778</b>	0.785
Fuel coal	燃料煤	<b>0.212</b>	0.248
Total coal consumption	總煤耗量	<b>0.990</b>	1.033
		<b>2016 二零一六年</b>	2015 二零一五年
Electricity consumption (KWh)	電耗量(千瓦時)	<b>KWh per ton 每噸千瓦時</b>	KWh per ton 每噸千瓦時
Urea (Fixed bed technology)	尿素(固定床技術)	<b>769</b>	771
Urea (Coal water slurry technology)	尿素(水煤漿技術)	<b>338</b>	344
Methanol	甲醇	<b>875</b>	882

# Management Discussion and Analysis

## 管理層討論與分析

### REVENUE

Revenue for FY2016 decreased by approximately RMB77 million or approximately 1.3% from approximately RMB5,788 million in FY2015 to approximately RMB5,711 million. The decrease in revenue was mainly due to the decline of average selling prices of urea, compound fertiliser and methanol.

### UREA

Revenue derived from the sales of urea decreased by approximately RMB296 million or approximately 9.1% from approximately RMB3,236 million in FY2015 to approximately RMB2,940 million in FY2016. The decrease was mainly due to the decrease in average selling price of urea by approximately 23.3%. The decrease in average selling price of urea was offset by the increase in sales volume by approximately 404,000 tons or approximately 18.5% from approximately 2,185,000 tons in FY2015 to approximately 2,589,000 tons in FY2016 due to the commencement of production of the Xinjiang Project.

### METHANOL

Revenue derived from the sales of methanol decreased by approximately RMB16 million or approximately 2.9% from approximately RMB548 million in FY2015 to approximately RMB532 million in FY2016. Such decrease was mainly due to a decrease in the average selling price of methanol by approximately 1.9%.

### COMPOUND FERTILISER

Revenue derived from the sales of compound fertiliser decreased by approximately RMB108 million or approximately 6.1% from approximately RMB1,766 million in FY2015 to approximately RMB1,658 million in FY2016. Such decrease was mainly due to the decrease in average selling price of compound fertiliser by approximately 18.8%. The decrease in average selling price of compound fertiliser was offset by the increase in sales volume by approximately 128,000 tons or approximately 15.6% from approximately 820,000 tons in FY2015 to approximately 948,000 tons in FY2016 due to the expansion of sales network and increase in production capacity.

### 收入

二零一六財政年度的收入由二零一五財政年度的約人民幣5,788,000,000元減少約人民幣77,000,000元或約1.3%至約人民幣5,711,000,000元。此項減少乃主要由於尿素、複合肥及甲醇平均售價下降。

### 尿素

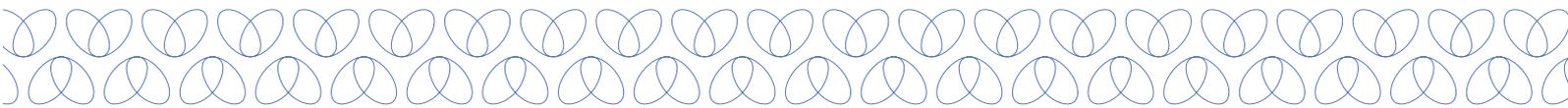
尿素的銷售收入由二零一五財政年度的約人民幣3,236,000,000元減少約人民幣296,000,000元或約9.1%至二零一六財政年度的約人民幣2,940,000,000元。此項減少乃主要由於尿素平均售價下降約23.3%。尿素平均售價下降被銷量上升抵銷，由於新疆項目投產，尿素銷量由二零一五財政年度的約2,185,000噸增加約404,000噸或約18.5%至二零一六財政年度的約2,589,000噸。

### 甲醇

甲醇的銷售收入由二零一五財政年度的約人民幣548,000,000元減少約人民幣16,000,000元或約2.9%至二零一六財政年度的約人民幣532,000,000元。此項減少乃主要由於甲醇的平均售價下降約1.9%。

### 複合肥

複合肥的銷售收入由二零一五財政年度的約人民幣1,766,000,000元減少約人民幣108,000,000元或約6.1%至二零一六財政年度的約人民幣1,658,000,000元。此項減少乃主要由於複合肥平均售價下降約18.8%。複合肥平均售價下降被銷量增加抵銷，由於擴展銷售網絡及提高產能，令複合肥銷量由二零一五財政年度的約820,000噸增加約128,000噸或約15.6%至二零一六財政年度的約948,000噸。



## PROFITABILITY

Overall profit margin decreased from approximately 22.9% in FY2015 to approximately 17.9% in FY2016 mainly due to the decrease in urea and compound fertiliser gross profit margin. The decrease was partially offset by the increase in methanol gross profit margin.

### UREA

Gross profit margin for urea sales decreased from approximately 27.4% in FY2015 to approximately 19% in FY2016. This was mainly due to the decrease in average selling price of urea affected by the low domestic grain prices and weak international commodity prices. The decrease was partially offset by the decrease in average cost of sales by approximately 15.0% due to the lower average coal purchase price and the outstanding performance of Plant IV and Xinjiang Project.

### METHANOL

Gross profit margin for methanol increased from approximately 12.4% in FY2015 to approximately 15.0% in FY2016. This was mainly due to the decrease in average cost of sales by approximately 4.7% resulted from the weak international energy prices.

### COMPOUND FERTILISER

Gross profit margin for compound fertiliser decreased from approximately 19.9% in FY2015 to approximately 16.8% in FY2016. This was mainly due to the decrease in average selling price by approximately 18.8% resulted from the low grain prices. The decrease was partially offset by the decrease in average cost of sales by approximately 14.1% as a result of lower raw material prices.

## 盈利能力

整體毛利率由二零一五財政年度的約22.9%減少至二零一六財政年度的約17.9%，乃由於尿素及複合肥的毛利率減少。此項減少被甲醇毛利率上升所部分抵銷。

### 尿素

尿素銷售的毛利率由二零一五財政年度的約27.4%減少至二零一六財政年度的約19%。這主要是由於受國內糧食價格低及國際商品價格疲弱影響，尿素的平均售價下降。該減少被平均銷售成本下降所部分抵銷，由於煤炭平均採購價較低以及四廠及新疆項目優異的經營表現，平均銷售成本減低約15.0%。

### 甲醇

甲醇的毛利率由二零一五財政年度的約12.4%增加至二零一六財政年度的約15.0%。這主要是由於受國際能源價格疲弱影響，甲醇的平均售價降低約4.7%所致。

### 複合肥

複合肥的毛利率由二零一五財政年度的約19.9%減少至二零一六財政年度的約16.8%。該減少主要由於糧食價格低導致複合肥平均售價減少約18.8%。此項減少被較低原材料成本價導致的平均銷售成本下降約14.1%所部分抵銷。

# Management Discussion and Analysis

## 管理層討論與分析

### OTHER INCOME AND GAINS

Other income and gains decreased by approximately RMB11 million from approximately RMB81 million in FY2015 to approximately RMB70 million in FY2016. The decrease was mainly due to the reduction of net profit from sale of by-products and bank interest income for deposits by approximately RMB12 million and RMB10 million, respectively. The decrease was partially offset by the increase in subsidy income, amortisation of deferred grants and rental income by approximately RMB7 million, RMB1 million and RMB1 million, respectively.

### SELLING AND DISTRIBUTION EXPENSES

Selling and distribution expenses increased by approximately RMB88 million from approximately RMB347 million in FY2015 to approximately RMB435 million in FY2016. Such increase was mainly due to the increase in loading and unloading costs and salaries by approximately RMB66 million and RMB21 million, respectively. The increase in selling and distribution expenses was also in line with the rapid expansion of the Group's sales networks and the growth of sales volumes as a result of the commencement of production of Xinjiang Project and the expansion of compound fertiliser production capacity in FY2016. The increase was partially offset by the decrease in advertisement expenses and conference expense by approximately RMB4 million and RMB2 million, respectively.

### GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses increased by approximately RMB2 million from approximately RMB317 million in FY2015 to approximately RMB319 million in FY2016. The increase was mainly due to the increase in depreciation and amortisation costs and research and laboratory expenses by approximately RMB10 million and RMB2 million, respectively. The increase was partially offset by the decrease in repair expenses, office expenses and travelling expenses by approximately RMB2 million, RMB2 million and RMB2 million, respectively.

### 其他收入及收益

其他收入及收益由二零一五財政年度的約人民幣81,000,000元減少約人民幣11,000,000元至二零一六財政年度的約人民幣70,000,000元。此項減少主要由於銷售副產品的純利及存款之銀行利息收入分別減少約人民幣12,000,000元及人民幣10,000,000元。此項減少被補助收入、遞延補貼攤銷及租賃收入分別增加約人民幣7,000,000元、人民幣1,000,000元及人民幣1,000,000元所部分抵銷。

### 銷售及分銷開支

銷售及分銷開支由二零一五財政年度的約人民幣347,000,000元增加約人民幣88,000,000元至二零一六財政年度的約人民幣435,000,000元。此項上升主要由於裝卸費及薪金分別增加約人民幣66,000,000元及人民幣21,000,000元。銷售及分銷開支增加亦符合本集團銷售網絡快速擴張，以及二零一六財政年度新疆項目開始投產及複合肥產能擴大導致的銷售量上升。此項增加被廣告開支及會議開支分別減少約人民幣4,000,000元及人民幣2,000,000元所部分抵銷。

### 一般及行政開支

一般及行政開支由二零一五財政年度的約人民幣317,000,000元增加約人民幣2,000,000元至二零一六財政年度的約人民幣319,000,000元。此項增加主要由於折舊及攤銷成本以及研發及實驗室開支分別增加約人民幣10,000,000元及人民幣2,000,000元。此項增加被維修費用、辦公開支及差旅費分別減少約人民幣2,000,000元、人民幣2,000,000元及人民幣2,000,000元所部分抵銷。

## OTHER EXPENSES

Other expenses remained stable at RMB33 million in FY2016 compared to FY2015. The major changes are the increase in unrealised exchange losses, net by approximately RMB12 million which was partially offset by the decrease in loss on disposal of items of property, plant and equipment by approximately RMB15 million.

## FINANCE COSTS

Finance costs increased by approximately RMB38 million from approximately RMB228 million in FY2015 to approximately RMB266 million in FY2016 mainly due to the decrease in amount of interest capitalised by approximately RMB60 million followed by the commencement of production of Xinjiang Project.

## INCOME TAX EXPENSE

Income tax expense decreased by approximately RMB59 million from approximately RMB70 million in FY2015 to approximately RMB11 million in FY2016 due to lower taxable profits generated by the Group.

## PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The profit attributable to owners of the parent decreased by approximately RMB379 million or approximately 92.6% from approximately RMB409 million in FY2015 to approximately RMB30 million in FY2016. This was mainly due to the decrease in gross profit and other income and gains by approximately RMB300 million and RMB11 million, respectively and the increase in selling and distribution expenses and finance costs by approximately RMB88 million and RMB38 million, respectively. The decrease in profit attributable to owners of the parent was partially offset by the decrease in income tax expense by approximately RMB59 million.

## 其他開支

其他開支於二零一六財政年度為人民幣33,000,000元，與二零一五財政年度相比維持穩定。主要變動為未變現匯兌虧損淨額增加約人民幣12,000,000元，部分被出售物業、廠房及設備項目的虧損減少約人民幣15,000,000元抵銷。

## 財務成本

財務成本由二零一五財政年度的約人民幣228,000,000元增加約人民幣38,000,000元至二零一六財政年度的約人民幣266,000,000元，主要由於緊隨新疆項目投產利息資本化金額減少約人民幣60,000,000元所致。

## 所得稅開支

所得稅開支由二零一五財政年度的約人民幣70,000,000元減少約人民幣59,000,000元至二零一六財政年度的約人民幣11,000,000元，乃由於本集團產生的應課稅溢利減少所致。

## 母公司擁有人應佔溢利

母公司擁有人應佔溢利由二零一五財政年度的約人民幣409,000,000元減少約人民幣379,000,000元或約92.6%至二零一六財政年度的約人民幣30,000,000元。此乃主要由於毛利和其他收入及收益分別減少約人民幣300,000,000元及人民幣11,000,000元以及銷售及分銷開支和財務成本分別增加約人民幣88,000,000元及人民幣38,000,000元所致。母公司擁有人應佔溢利減少被所得稅開支減少約人民幣59,000,000元所部分抵銷。

# Management Discussion and Analysis

## 管理層討論與分析

### (II) FINANCIAL REVIEW

#### GEARING

The Group monitors capital using a gearing ratio, which is net debt divided by the aggregate of total capital and net debt. The Group's policy is to keep the gearing ratio below 90%.

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	貿易應付款項	185,577	140,229
Bills payable	應付票據	655,020	998,738
Accruals and other payables	應計費用及其他應付款項	1,422,739	1,310,389
Due to related companies	應付關連公司款項	4,391	8,805
Loan from a non-controlling interest	非控股權益貸款	100,000	-
Interest-bearing bank and other borrowings	計息銀行及其他借款	4,357,542	4,458,951
Bonds payable	應付債券	800,000	800,000
Less: Cash and cash equivalents	減：現金及現金等價物	(512,806)	(581,355)
Less: Pledged deposits	減：已抵押存款	(226,349)	(397,884)
Net debt	負債淨額	6,786,114	6,737,873
Equity attributable to owners of the parent	母公司擁有人應佔權益	3,035,787	3,001,017
Less: Statutory reserve fund	減：法定儲備金	(285,412)	(275,880)
Total capital	總資本	2,750,375	2,725,137
Capital and net debt	資本和負債淨額	9,536,489	9,463,010
Gearing ratio	資本負債比率	71.16%	71.20%

Net debt includes interest-bearing bank and other borrowings, bonds payable, loan from a non-controlling interest, trade and bills payables, amounts due to related companies, accruals and other payables, less cash and cash equivalents and pledged deposits. Capital includes equity attributable to owners of the parent less the above-mentioned restricted statutory reserve fund.

### (II) 財務狀況回顧

#### 資產負債

本集團使用資產負債比率(負債淨額除以總資本加負債淨額總和)來監控資本。本集團的政策是將資產負債比率維持在90%以下。

負債淨額包括計息銀行及其他借款、應付債券、非控股權益貸款、貿易應付款項及應付票據、應付關連公司款項、應計費用及其他應付款項，減現金及現金等價物和已抵押存款。資本包括母公司擁有人應佔權益減上述受限制法定儲備金。

## LOANS

### AMOUNTS PAYABLE IN ONE YEAR OR LESS, OR ON DEMAND

		As at 31 December 2016 於二零一六年十二月三十一日		As at 31 December 2015 於二零一五年十二月三十一日	
		Secured 有抵押 RMB'000 人民幣千元	Unsecured 無抵押 RMB'000 人民幣千元	Secured 有抵押 RMB'000 人民幣千元	Unsecured 無抵押 RMB'000 人民幣千元
Bank loans	銀行貸款	261,150	495,006	287,873	602,295
RMB bond	人民幣債券	-	200,000	-	-
		<b>261,150</b>	<b>695,006</b>	287,873	602,295

## 貸款

### 於一年內應付或按要求償還的款項

### AMOUNTS PAYABLE AFTER ONE YEAR

		As at 31 December 2016 於二零一六年十二月三十一日		As at 31 December 2015 於二零一五年十二月三十一日	
		Secured 有抵押 RMB'000 人民幣千元	Unsecured 無抵押 RMB'000 人民幣千元	Secured 有抵押 RMB'000 人民幣千元	Unsecured 無抵押 RMB'000 人民幣千元
Bank loans	銀行貸款	176,000	3,421,750	178,000	3,386,238
Loan from government	政府貸款	-	3,636	-	4,545
RMB bond	人民幣債券	-	600,000	-	800,000
		<b>176,000</b>	<b>4,025,386</b>	178,000	4,190,783

### 於一年後應付的款項

## DETAILS OF COLLATERAL

As at 31 December 2016, the Group had a short-term loan of approximately RMB259 million (2015: RMB286 million) secured by pledged fixed deposits.

## 抵押品詳情

於二零一六年十二月三十一日，本集團約人民幣259,000,000元(二零一五年：人民幣286,000,000元)的短期貸款由已抵押定期存款作抵押。

# Management Discussion and Analysis

## 管理層討論與分析

### (III) PROSPECTS

In 2016, the domestic urea market was affected by the adverse domestic and international macro-economic environment, the continuously declining energy prices and the decreasing domestic grain prices. In particular, coal price has rebounded since September 2016, but it did not help the urea price. The domestic urea industry as a whole has suffered severe loss, and the overall operating rate in the urea industry was less than 55%. The Group expects that the depressed domestic urea market environment will speed up consolidation within the industry and squeeze out obsolete and inefficient producers.

The Group expects the profitability of the Company to make steady improvement in 2017. Despite the downturn of domestic grain prices, with the launch of production capacity reduction policy in the domestic coal industry, the domestic urea price will be supported by coal price to a certain extent in 2017. As the international energy prices gradually pick up, the domestic methanol market will also recover. The profitability of methanol and other chemical products will be improved. The Group is able to adjust its product mix and maximise the profitability of the Group in accordance with the profitability of each product. Further measures on domestic environmental protection will speed up industry consolidation and squeeze out obsolete and inefficient producers, which will gradually alleviate the overcapacity in the fertiliser industry. Leveraging on the scale advantage, technological advantage, cost leadership and differentiation advantage of the Group, we believe that our core competitiveness will be strengthened.

### (IV) PROPOSED FINAL DIVIDEND

The Board recommended the payment of a final dividend of RMB4.00 cents per ordinary share for the year ended 31 December 2016 (2015: RMB8.30 cents per ordinary share), subject to the approval of Shareholders at the 2017 AGM, the final dividend will be paid on 22 June 2017 in HK\$.

The translation of RMB into HK\$ for the purpose of dividend payment in HK\$ is made at the rate of approximately RMB1.00 = HK\$1.1182, which is the official exchange rate of HK\$ against RMB as quoted on 31 March 2017 by The Hongkong and Shanghai Banking Corporation Limited. Therefore, based on the above translation of the exchange rate, the dividend to be paid in HK\$ will be HK\$0.0447 per share.

### (III) 前景

二零一六年由於國內外宏觀經濟不景氣，能源價格持續低迷以及國內糧食價格下降，影響國內尿素市場，特別是二零一六年九月份以來煤炭價格有所回升，但並沒有傳導到尿素價格。國內尿素行業整體虧損嚴重，使尿素行業整體開工率低於55%。本集團預計低迷的國內尿素市場行情將加速行業整合和淘汰落後產能。

本集團預計二零一七年本公司盈利情況平穩轉好。雖然國內糧食價格持續低迷，由於國內推出煤炭行業去產能政策，二零一七年煤炭價格會對國內尿素價格有一定支撐。隨著國際能源價格的逐漸回升，國內甲醇市場也會得到一定恢復，甲醇等化工產品盈利能力將得到改善。而本集團可以根據各產品盈利情況，調整產品結構，最大化提高本集團盈利能力。隨著國內環保力度的進一步加大，有利於行業整合和淘汰落後產能，化肥行業產能過剩的狀況會逐步緩解。憑藉本集團的規模優勢，技術優勢，成本領先及差異化優勢，我們相信本集團的核心競爭力將更加強大。

### (IV) 建議末期股息

董事會建議就截至二零一六年十二月三十一日止年度派付末期股息，每股普通股人民幣4.00分（二零一五年：每股普通股人民幣8.30分），待股東於二零一七年股東週年大會上批准後，末期股息將於二零一七年六月二十二日以港元派付。

就以港元派付股息而言，人民幣乃按約人民幣1.00元兌1.1182港元的匯率換算為港元，該匯率為香港上海滙豐銀行有限公司於二零一七年三月三十一日所報的港元兌人民幣官方匯率。因此，基於上述匯率換算，將以港元派付的股息為每股0.0447港元。

## (V) SUPPLEMENTARY INFORMATION

### 1. RECONCILIATION BETWEEN SINGAPORE FINANCIAL REPORTING STANDARDS ("SFRSs") AND IFRSs

For the year ended 31 December 2016, there were no material differences between the consolidated financial statements of the Group prepared under SFRSs and IFRSs (which include all IFRSs, IASs and Interpretations).

### 2. OPERATIONAL AND FINANCIAL RISKS

#### (i) MARKET RISK

The major market risks of the Group include changes in the average selling prices of key products, changes in the costs of raw materials (mainly coal) and fluctuations in interest and exchange rates.

#### (ii) COMMODITY PRICE RISK

The Group is also exposed to commodity price risk arising from fluctuations in product sale prices and costs of raw materials.

#### (iii) INTEREST RATE RISK

The major market interest rate risk that the Group is exposed to includes the Group's long-term debt obligations which are subject to floating interest rates.

#### (iv) FOREIGN EXCHANGE RISK

The Group's revenue and costs are primarily denominated in RMB. Some costs may be denominated in Hong Kong dollars, United States dollars or Singapore dollars.

## (V) 補充資料

### 1. 新加坡財務報告準則(「新加坡財務報告準則」)與國際財務報告準則的對賬

截至二零一六年十二月三十一日止年度，本集團根據新加坡財務報告準則及國際財務報告準則(包括所有國際財務報告準則、國際會計準則及詮釋)編製的綜合財務報表並無重大差異。

### 2. 營運及財務風險

#### (i) 市場風險

本集團的主要市場風險包括主要產品平均售價變動、原材料(主要為煤)的成本變動及利率和匯率的波動。

#### (ii) 商品價格風險

本集團亦面臨因產品售價及原材料成本波動而產生的商品價格風險。

#### (iii) 利率風險

本集團承擔的主要市場利率風險包括本集團受浮動利率影響的長期債務承擔。

#### (iv) 外匯風險

本集團的收入及成本主要以人民幣計值。部分成本可能以港元、美元或新加坡元計值。

# Management Discussion and Analysis

## 管理層討論與分析

### (v) INFLATION AND CURRENCY RISK

According to the data released by the National Bureau of Statistics of China, the consumer price index of the PRC increased by approximately 2.0% in the year ended 31 December 2016 as compared with an increase by approximately 1.4% in 2015. Such inflation in the PRC did not have a significant effect on the Group's operating results.

### (vi) LIQUIDITY RISK

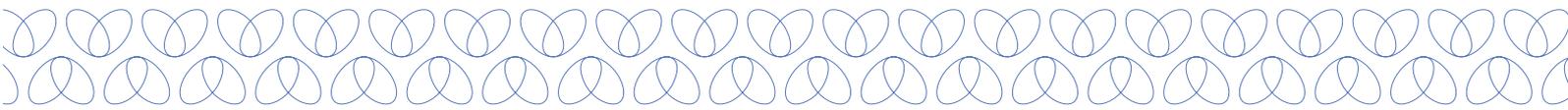
The Group monitors its risk exposure to shortage of funds. The Group regularly reviews the maturity of both its financial investments and financial assets (e.g., trade receivables and other financial assets) and the projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. As at 31 December 2016, approximately RMB956 million (31 December 2015: RMB890 million), or approximately 18.5% (31 December 2015: 16.9%) of the Group's debts will mature in less than one year based on the carrying value of the borrowings reflected in the financial statements.

### (v) 通脹及貨幣風險

根據中國國家數據統計局公佈的數據，中國的消費者物價指數於截至二零一六年十二月三十一日止年度上漲約2.0%，而二零一五年亦上漲約1.4%。中國的通脹對本集團的經營業績並無重大影響。

### (vi) 流動資金風險

本集團監控其資金短缺的風險。本集團定期檢討其財務投資及金融資產（例如貿易應收款項及其他金融資產）的到期情況及經營業務的預測現金流量。本集團的目標是通過使用銀行透支及銀行貸款，維持資金持續及靈活性之間的平衡。於二零一六年十二月三十一日，根據於財務報表內所反映的借款的賬面值，本集團債務中約人民幣956,000,000元（二零一五年十二月三十一日：人民幣890,000,000元）或約18.5%（二零一五年十二月三十一日：16.9%）將於一年內到期。



**(vii) GEARING RISK**

The Group monitors its capital ratios in order to support its business and maximise shareholders' value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may raise new debt or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 2015. The gearing ratio of the Group (calculated as net debt divided by the aggregate of total capital and net debt) decreased from approximately 71.20% as at 31 December 2015 to approximately 71.16% as at 31 December 2016.

**(vii) 資產負債風險**

本集團監控其資本比率，以支持其業務及最大化股東價值。本集團根據經濟狀況變動管理資本結構以及就此作出調整。本集團可以透過籌集新債或發行新股以保持或調整資本結構。於截至二零一六年及二零一五年十二月三十一日止年度，管理資本的目標、政策或流程概無任何變動。於二零一六年十二月三十一日，本集團資產負債比率(負債淨額除以總資本加負債淨額總和)自二零一五年十二月三十一日的約71.20%下降至約71.16%。

**3. CONTINGENT LIABILITIES**

As at 31 December 2016, the Group had no material contingent liabilities (2015: Nil).

**3. 或然負債**

於二零一六年十二月三十一日，本集團並無任何重大或然負債(二零一五年：無)。

**4. MATERIAL LITIGATION AND ARBITRATION**

As at 31 December 2016, the Group was not involved in any litigation or arbitration.

**4. 重大訴訟及仲裁**

於二零一六年十二月三十一日，本集團並未牽涉任何訴訟或仲裁。

# Directors, Senior Management and Company Secretaries

董事、高級管理層及公司秘書

## BOARD

### EXECUTIVE DIRECTORS

#### MR. LIU XINGXU CHAIRMAN OF THE BOARD

Aged 62, is principally in charge of our Group's overall strategic planning and business development. Mr. Liu was appointed as an executive Director on 26 July 2006. He is also a member of the NC. Mr. Liu has over 20 years of experience in the chemical fertiliser industry. He is currently the expert consultant of the Advisory Committee of China Nitrogen Fertiliser Industry Association. Mr. Liu was appointed the factory head of Xinxiang Fertiliser Factory, a state-owned enterprise, in charge of factory operations in 1994 and then became the chairman and the general manager of XLX Chem from July 2003 to July 2006. He was the general manager of Henan XLX from July 2006 to April 2016, and has also been the chairman of Henan XLX since July 2006. In February 2003, Mr. Liu was awarded the "Provincial Safe Production Advanced Worker" by Safe Production Committee of Henan Province and Personnel Bureau of Henan Province for his outstanding performance in safety work. In April 2004, he was awarded the "Henan Province Labour Model (Advanced Worker)" and in 2005, he was awarded the "Henan Province Outstanding Private Enterprise Entrepreneur" by the People's Government of Henan Province. He was also the winner of "National Labour Day Medal" in 2009 issued by All China Federation of Trade Unions, and was awarded the "China Petroleum & Chemical Outstanding Private Enterprises Entrepreneurs Innovation Award" in May 2014. In 2015, he was awarded the "Henan Economic Celebrity of the year 2014" and "Model Worker of China". Mr. Liu graduated from Xinxiang Broadcasting and Television University in July 1986 with a Diploma in Arts. In 2006, he completed EDP (Executive Development Program) from Guanghua School of Management, Peking University. In 2010, Mr. Liu was awarded the qualification of "Senior Economist" by the People's Government of Henan Province and the EMBA degree from Tsinghua University. Mr. Liu is the controlling shareholder and a director of Pioneer Top Holdings Limited, a substantial Shareholder.

## 董事會

### 執行董事

#### 劉興旭先生 董事會主席

62歲，主要負責本集團的整體戰略規劃及業務發展。劉先生於二零零六年七月二十六日出任執行董事，彼亦為提名委員會成員。劉先生於化肥業擁有逾20年經驗，目前是中國氮肥工業協會顧問委員會專家顧問。劉先生於一九九四年獲委任為國有企業新鄉化肥總廠廠長，負責工廠營運，及後於二零零三年七月至二零零六年七月成為心連心化工董事長及總經理。彼於二零零六年七月至二零一六年四月出任河南心連心總經理，並自二零零六年七月起出任河南心連心董事長。於二零零三年二月，劉先生獲河南省安全生產監督委員會及河南省人事局頒授「全省安全生產先進工作者」的殊榮，以表揚其於安全工作方面的傑出表現。彼獲河南省人民政府於二零零四年四月頒授「河南省勞動模範(先進工作者)」的殊榮及於二零零五年頒授「河南省優秀民營企業家」的殊榮，並於二零零九年被中華全國總工會授予「全國五一勞動獎章」殊榮及於二零一四年五月被授予「中國石油和化工優秀民營企業家創新成就獎」殊榮。彼於二零一五年獲「二零一四年度河南經濟年度人物」及「全國勞動模範」稱號。劉先生於一九八六年七月畢業於新鄉廣播電視大學文學系，於二零零六年完成北京大學光華管理學院高級管理人員培訓課程，於二零一零年獲河南省人民政府頒發「高級經濟師」殊榮，並獲得清華大學高級管理人員工商管理碩士學位。劉先生為主要股東Pioneer Top Holdings Limited的控股股東及董事。

#### MR. ZHANG QINGJIN CHIEF EXECUTIVE OFFICER

Aged 50, is principally in charge of overall management and day-to-day business operations of our Group. Mr. Zhang was appointed as an executive Director on 27 March 2015. Mr. Zhang was the deputy general manager of Henan XLX from November 2006 to July 2011, and was the executive deputy general manager of Henan XLX from July 2011 to April 2016, and then he has become the general manager of Henan XLX since April 2016. He has over 20 years of experience in the chemical fertiliser industry. He is currently the vice chairman of China Nitrogen Fertiliser Industry Association. Mr. Zhang joined Xinxiang Fertiliser Factory in July 1987 and held various positions, including unit head of equipment and facility department, unit head of production and technical department, section head of equipment and facility upgrade and department head of technical upgrade in Xinxiang Fertiliser Factory. Mr. Zhang was appointed as the manager of the technical centre of XLX Chem from August 2003 to July 2006. He was also the manager of the technical centre of Henan XLX from July 2006 to November 2006. Mr. Zhang graduated from Zhengzhou Engineering College (currently known as "Zhengzhou University") in July 1987 with a diploma in chemical equipment, and obtained the EMBA degree from Tsinghua University in 2009.

#### MS. YAN YUNHUA CHIEF FINANCIAL OFFICER

Aged 46, is principally in charge of all financial matters within our Group. Ms. Yan was appointed as an executive Director on 10 November 2006. Ms. Yan obtained the "Accountant" certification from the Ministry of Finance of the PRC in May 1997. She graduated from Xi'an Jiaotong University in July 2003 with a degree in accountancy and obtained the "Senior Accountant" certification from Henan Province Accountant Series Senior Assessment Committee in December 2005. Ms. Yan obtained the EMBA (Executive Master of Business Administration) degree from Guanghua School of Management, Peking University in July 2009. Ms. Yan has 20 years of accounting and finance experience. Ms. Yan is currently the executive chairman of the Finance Research Committee of China Nitrogen Fertiliser Industry Association and the vice chairman of Henan Provincial Association of CFO. She joined Xinxiang Fertiliser Factory in December 1997 and held various positions in Xinxiang Fertiliser Factory, including the deputy head of finance division and the deputy chief accountant. She was also the chief accountant in charge of finance of XLX Chem from 2003 to July 2006. She was the deputy general manager of Henan XLX from July 2006 to April 2016, and has become the vice chairman of Henan XLX since April 2016. Ms. Yan was awarded the "Accountants Contribution Award" in the PRC in 2008, "Advanced Worker in Accounting of Henan Province" in 2009, and "Labour Day Medal of Henan Province" in 2015. Ms. Yan is the controlling shareholder and a director of Go Power Investments Limited, a substantial Shareholder.

#### 張慶金先生 首席執行官

50歲，主要負責本集團整體管理及日常業務經營。張先生於二零一五年三月二十七日獲委任為執行董事。張先生於二零零六年十一月至二零一一年七月出任河南心連心副總經理，於二零一一年七月至二零一六年四月出任河南心連心常務副總經理，並自二零一六年四月起成為河南心連心總經理。彼於化肥業擁有逾20年經驗，目前為中國氮肥工業協會副理事長。張先生於一九八七年七月加盟新鄉化肥總廠亦曾任多個職位，包括設備科科長、生產技術科科長、技改辦設備組組長及新鄉化肥總廠技改部門主管等。張先生於二零零三年八月至二零零六年七月獲委任為心連心化工技術中心經理。彼亦於二零零六年七月至二零零六年十一月出任河南心連心技術中心經理。張先生於一九八七年七月畢業於鄭州工學院（現稱鄭州大學），獲得化學設備文憑，並於二零零九年獲得清華大學高級管理人員工商管理碩士學位。

#### 閻蘊華女士 首席財務官

46歲，主要負責本集團內所有財務事宜。閻女士於二零零六年十一月十日獲委任為執行董事。閻女士於一九九七年五月獲中國財政部頒授「會計師資格認證」證書。彼於二零零三年七月畢業於西安交通大學，取得會計學士學位，並於二零零五年十二月獲河南省會計系列高評會頒授「高級會計師資格認證」證書。閻女士於二零零九年七月獲北京大學光華管理學院頒授高級管理人員工商管理碩士學位，擁有20年會計及財務經驗，目前擔任中國氮肥工業協會財務研究會執行主席及河南總會計師協會副會長等職務。彼於一九九七年十二月加盟新鄉化肥總廠，曾擔任多個職位，包括財務科副科長及副總會計師，亦於二零零三年至二零零六年七月出任心連心化工總會計師，負責財務事宜。彼於二零零六年七月至二零一六年四月出任河南心連心副總經理，並自二零一六年四月起成為河南心連心副董事長。閻女士於二零零八年榮獲「中國總會計師貢獻獎」，二零零九年被評為「河南省先進會計工作者」，及二零一五年獲「河南省五一勞動獎章」殊榮。閻女士為主要股東Go Power Investments Limited的控股股東及董事。

## Directors, Senior Management and Company Secretaries

### 董事、高級管理層及公司秘書

#### NON-EXECUTIVE DIRECTOR

##### MR. LIAN JIE

Aged 42, has been appointed as a non-executive Director since 21 December 2011. Mr. Lian has been appointed as an independent non-executive director of Bosideng International Holdings Limited and Stella International Holdings Limited since 10 July 2013 and 1 February 2017, both companies are listed on the SEHK; and has been appointed as the president of Perfect World Co., Ltd. (a company listed on the Shenzhen Stock Exchange) since 22 September 2016. He was also an independent director of Bona Film Group Limited (delisted from NASDAQ Stock Market with effect from 8 April 2016). He resigned as a partner of Primavera Capital Group (a private equity fund which focuses on China) on 22 September 2016, and has served as a senior advisor to Primavera Capital Group with effect from the same date. From 2009 to 2010, Mr. Lian served as a managing director of Hong Kong Investment Banking, China International Capital Corporation Limited, before which he held various positions in The Goldman Sachs Group, Inc., including as a managing director of Hong Kong Investment Banking Division during 2001 to 2009. Mr. Lian owns a Master of Business Administration degree of Tuck School of Business at Dartmouth College. Nitro Capital Limited (a substantial Shareholder) is wholly owned by Primavera Capital (Cayman) Fund I L.P., which in turn is within Primavera Capital Group.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

##### MR. ONG KIAN GUAN

Aged 49, has been appointed as an independent non-executive Director since 11 May 2007. He is also the chairman of the AC and a member of both the RC and the NC. He is a practising member and a fellow of the Institute of Singapore Chartered Accountants (formerly the "Institute of Certified Public Accountants of Singapore"), and also a partner of Baker Tilly TFW LLP. He has more than 20 years of professional experience in financial audits of multinational corporations and public listed companies from diverse industries. He is currently an independent director of Alliance Mineral Assets Limited and the lead independent director of Serrano Limited, both companies are listed on the SGX-ST, and also the lead independent non-executive director of Weiye Holdings Limited (a company listed on the SGX-ST and the SEHK). He was the lead independent director of China Haida Ltd. (a company listed on the SGX-ST) from October 2006 to April 2015, and also an independent non-executive director of China Animal Healthcare Ltd. (a company listed on the SEHK) from December 2007 to June 2014. Mr. Ong graduated from the Nanyang Technological University in Singapore with a bachelor of Accountancy degree in May 1992.

#### 非執行董事

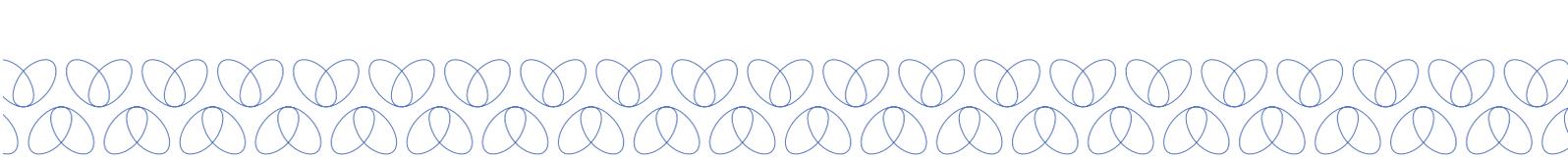
##### 廉潔先生

42歲，自二零一一年十二月二十一日起獲委任為非執行董事。廉先生自二零一三年七月十日及二零一七年二月一日起獲委任為波司登國際控股有限公司及九興控股有限公司的獨立非執行董事，該兩家公司均於聯交所上市；及自二零一六年九月二十二日起獲委任為完美世界股份有限公司（一家於深圳證券交易所上市的公司）總裁。彼亦曾為博納影業集團有限公司（二零一六年四月八日起於納斯達克股票市場退市）的獨立董事。彼於二零一六年九月二十二日辭任春華資本集團（一家專注於中國的私募股權基金）合伙人，並自同日起擔任春華資本集團高級顧問。廉先生於二零零九年及二零一零年曾為中國國際金融有限公司香港投資銀行部董事總經理。在此之前，彼曾於高盛集團有限公司擔任多個職務，包括於二零零一年至二零零九年期間擔任香港投資銀行部董事總經理。廉先生擁有達特茅斯學院塔克商學院的工商管理碩士學位。Nitro Capital Limited（主要股東）由春華資本集團（開曼）一號基金全資擁有，而春華資本集團（開曼）一號基金則屬春華資本集團旗下公司。

#### 獨立非執行董事

##### 王建源先生

49歲，自二零零七年五月十一日起獲委任為獨立非執行董事。彼亦為審核委員會主席以及薪酬委員會和提名委員會的成員。彼為新加坡特許會計師協會（前稱「新加坡註冊會計師公會」）執業會計師及資深會員，亦為Baker Tilly TFW LLP的合夥人。彼在從事不同行業的跨國公司及公眾上市公司的財務審核有逾20年的專業經驗。彼現為Alliance Mineral Assets Limited的獨立董事及Serrano Limited的首席獨立董事，該兩家公司均於新交所上市，同時為偉業控股有限公司（一家於新交所及聯交所上市的公司）的首席獨立非執行董事。彼自二零零六年十月至二零一五年四月曾任中國海達國際有限公司（一家於新交所上市的公司）的首席獨立董事，亦自二零零七年十二月至二零一四年六月曾任中國動物保健品有限公司（一家在聯交所上市的公司）的獨立非執行董事。王先生於一九九二年五月畢業於新加坡南洋理工大學，取得會計學學士學位。



#### MR. LI SHENGXIAO

Aged 54, has been appointed as an independent non-executive Director since 11 May 2007. He is also the chairman of the NC and a member of both the AC and the RC. Mr. Li has been a professor in Shaoxing University since 2004, and is currently the Head of Regional Development Research Centre in Shaoxing University. He has been the instructor of establishment of small and medium enterprises in Zhejiang Province, Small and Medium Enterprises Bureau in Zhejiang Province since 2006. Mr. Li has been appointed as an independent director of Bank of Shaoxing Co., Ltd since November 2013. Mr. Li is also an independent director of Anhui Jiangnan Chemical Industry Co., Ltd. (a company listed on the Shenzhen Stock Exchange) and Zhejiang China Light & Textile Industrial City Group Co., Ltd (a company listed on the Shanghai Stock Exchange). Mr. Li graduated from Hangzhou University (currently known as "Zhejiang University") in July 1987 with a graduation certificate in politics. He then obtained a master's degree in law from Hangzhou University in July 1990. He was awarded the "high school outstanding youth teacher of Zhejiang Province" in September 1991.

#### MR. ONG WEI JIN

Aged 50, has been appointed as an independent non-executive Director since 11 May 2007. He is also the chairman of the RC and a member of both the AC and the NC. He is a partner in Harry Elias Partnership LLP (a Singapore law firm). He is currently an independent director of Luzhou Bio-chem Technology Limited and CFM Holdings Limited, both companies are listed on the SGX-ST. Mr. Ong obtained a Bachelor of Laws degree from the National University of Singapore in 1990, a Master of Business Administration degree from University of Hull in 1993, and a Master of Laws degree from the National University of Singapore in 1995.

#### 李生校先生

54歲，自二零零七年五月十一日起獲委任為獨立非執行董事。彼亦為提名委員會主席以及審核委員會和薪酬委員會的成員。李先生自二零零四年起出任紹興文理學院教授，及目前為紹興文理學院區域發展研究中心主任。彼自二零零六年起出任浙江省中小企業局浙江省中小企業創業指導師。李先生自二零一三年十一月起擔任紹興銀行股份有限公司的獨立董事。李先生亦為安徽江南化工股份有限公司（一家於深圳證券交易所上市的公司）和浙江中國輕紡城集團股份有限公司（一家於上海證券交易所上市的公司）的獨立董事。李先生於一九八七年七月畢業於杭州大學（現稱浙江大學）政治專業。彼其後於一九九零年七月取得杭州大學法學碩士學位。彼於一九九一年九月獲頒授「浙江省高校傑出青年教師」的殊榮。

#### 王為仁先生

50歲，自二零零七年五月十一日起獲委任為獨立非執行董事。彼亦為薪酬委員會主席以及審核委員會和提名委員會的成員。彼為Harry Elias Partnership LLP（一家新加坡律師事務所）的合夥人。彼現為魯洲生物科技有限公司及CFM Holdings Limited的獨立董事，該兩家公司均於新交所上市。王先生於一九九零年獲新加坡國立大學頒授法學士學位，於一九九三年獲University of Hull頒授工商管理碩士學位，並於一九九五年獲新加坡國立大學頒授法學碩士學位。

## Directors, Senior Management and Company Secretaries

### 董事、高級管理層及公司秘書

#### SENIOR MANAGEMENT

##### MR. LI YUSHUN

Aged 56, is the deputy general manager in charge of the research and development department of Henan XLX since 31 July 2006. Mr. Li has more than 30 years of experience in the chemical fertiliser industry. He joined Xinxiang Fertiliser Factory in August 1982 and was appointed as the deputy factory head of Xinxiang Fertiliser Factory in 1993. Mr. Li was the deputy general manager of XLX Chem from August 2003 to July 2006. Mr. Li graduated from Zhengzhou Engineering College (currently known as Zhengzhou University) in July 1982 with a major in chemical technology. In 2004, he was awarded "First in Third Prize for Adopting the Improved Water Solution Full Circulation Method Urea Technology to Expand Production and Reduce Wastage" by the People's Government of Xinxiang. In November 2006, he was awarded the "Second Prize in Integrated Treatment and Environmental Protection Project for Zero Discharge of Waste Water Produced in the Production of Nitrogen Fertiliser" by China Nitrogen Fertiliser Industry Association. He was recognised as a "Model Worker of Hehan Province" in April 2014.

##### MR. WANG NAIREN

Aged 53, is the deputy general manager in charge of the sales and purchasing of Henan XLX since 31 July 2006. He has more than 20 years of experience in the chemical fertiliser industry. He held various positions in Xinxiang Fertiliser Factory, including the office head of nitrogen fertiliser plant and the deputy head and assistant to head of Xinxiang Fertiliser Factory from March 1993. Mr. Wang was the deputy general manager of sales and marketing department of XLX Chem from August 2003 to July 2006. Mr. Wang obtained a certificate of completion in master's course of business administration from Tianjin Institute of Finance and Economics (currently known as Tianjin University of Finance and Economics) in June 2002.

#### 高級管理層

##### 李玉順先生

56歲，自二零零六年七月三十一日起出任河南心連心副總經理，主管技術研發。李先生於化肥業擁有超過30年經驗。彼於一九八二年八月加盟新鄉化肥總廠，並於一九九三年獲委任為新鄉化肥總廠副廠長。李先生於二零零三年八月至二零零六年七月出任心連心化工副總經理。李先生於一九八二年七月畢業於鄭州工學院（現稱鄭州大學）化學工藝專業。於二零零四年，彼獲新鄉市人民政府頒授「採用改良水溶液全循環法尿素新工藝尿素擴產降耗改造等級三等獎第一名」的殊榮。於二零零六年十一月，彼獲中國氮肥工業協會頒授「氮肥生產污水零排放總和治理環保工程二等獎」的殊榮。彼於二零一四年四月獲「河南省勞動模範」殊榮。

##### 王乃仁先生

53歲，自二零零六年七月三十一日起出任河南心連心副總經理，主管供銷。彼於化肥業擁有超過20年經驗。彼曾於新鄉化肥總廠擔任多個職位，包括自一九九三年三月出任氮肥分廠辦公室主任，以及新鄉化肥總廠副廠長及廠長助理。王先生自二零零三年八月至二零零六年七月出任心連心化工營銷市場部副總經理。王先生於二零零二年六月獲得天津財經學院（現稱天津財經大學）頒授工商管理碩士課程畢業證書。

#### MR. ZHAO LIANZI

Aged 54, is the deputy general manager in charge of the strategy and logistics department of Henan XLX since February 2012. He has almost 20 years of experience in the chemical fertiliser industry. He held various positions in the Group, including the deputy head of Xinxiang Fertiliser Factory from February 1999 to August 2000. He was the general manager of 河南新新化肥股份有限公司 from August 2000 to December 2003, the general manager of 河南心連心化肥有限公司複合肥分公司 from December 2003 to July 2010, and the assistant to general manager of Henan XLX from July 2010 to February 2012. Mr. Zhao obtained a certificate of completion in master's course of business administration from Tianjin Institute of Finance and Economics (currently known as Tianjin University of Finance and Economics) in June 2002. In 2007, he completed EDP (Executive Development Program) from Guanghua School of Management, Peking University.

#### MR. WANG PINGBIAO

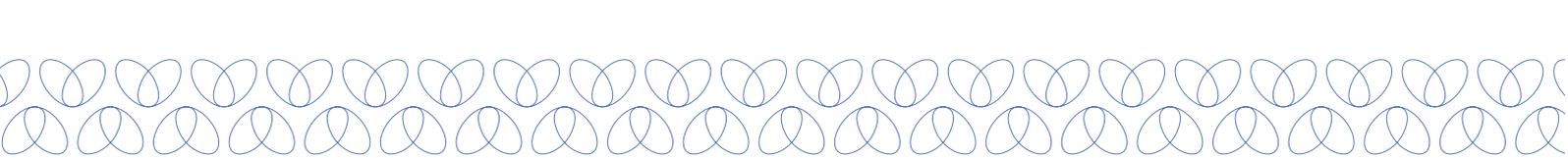
Aged 46, is the deputy general manager in charge of the production department of Henan XLX since 29 April 2016. Mr. Wang has more than 20 years of experience in the chemical fertiliser industry. He joined Xinxiang Fertiliser Factory in July 1992 and held various positions, including the deputy director of technical transformation of Xinxiang Fertiliser Factory and the deputy head of nitrogen fertiliser plant. He was the head of 河南心連心化肥有限公司二分公司 from January 2005 to September 2008, the head of 河南心連心化肥有限公司三分廠 from September 2008 to January 2010 and the head of 河南心連心化肥有限公司四分公司 since October 2010. Mr. Wang graduated from Zhengzhou Engineering College (currently known as Zhengzhou University) with a tertiary certificate in June 1992, and obtained a master degree in Executive Master of Business Administration from Tsinghua University in 2008.

#### 趙連紫先生

54歲，自二零一二年二月起出任河南心連心副總經理，主管戰略與物流。彼於化肥行業有近20年經驗。彼在本集團先後擔任多個職務，包括於一九九九年二月至二零零零年八月出任新鄉化肥總廠副廠長。彼自二零零零年八月至二零零三年十二月出任河南新新化肥股份有限公司總經理，自二零零三年十二月至二零一零年七月出任河南心連心化肥有限公司複合肥分公司總經理，及自二零一零年七月至二零一二年二月出任河南心連心總經理助理。趙先生於二零零二年六月獲得天津財經學院（現稱天津財經大學）頒授工商管理碩士課程畢業證書，亦於二零零七年完成北京大學光華管理學院高級管理人員培訓課程。

#### 王平彪先生

46歲，自二零一六年四月二十九日起出任河南心連心副總經理，主管生產。王先生於化肥業擁有超過20年經驗。彼於一九九二年七月加盟新鄉化肥總廠，曾任多個職位，包括新鄉化肥總廠技改辦副科長及氮肥廠副廠長等。彼於二零零五年一月至二零零八年九月間曾出任河南心連心化肥有限公司二分公司廠長，二零零八年九月至二零一零年一月出任河南心連心化肥有限公司三分廠廠長，二零一零年十月起出任河南心連心化肥有限公司四分公司廠長。王先生於一九九二年六月畢業於鄭州工學院（現稱鄭州大學），獲得專業證書，並於二零零八年獲得清華大學高級管理人員工商管理碩士學位。



## Directors, Senior Management and Company Secretaries

### 董事、高級管理層及公司秘書

#### JOINT COMPANY SECRETARIES

##### SOON YUK TAI

Aged 50, has been appointed as one of the joint company secretaries of the Company since 1 September 2012. Ms. Soon is a director of the Corporate Services Division of Tricor Services Limited, a global professional services provider specialising in integrated business, corporate and investor services. She is a Chartered Secretary and a fellow of both The Institute of Chartered Secretaries and Administrators in the United Kingdom and The Hong Kong Institute of Chartered Secretaries. Ms. Soon has extensive experience in a diversified range of corporate services and has been providing professional services to a number of companies listed on the Main Board of the SEHK in Hong Kong and the Growth Enterprise Market of the SEHK.

##### TEO MENG KEONG

Aged 48, has been appointed as one of the joint company secretaries of the Company since 1 September 2012. Mr. Teo is a senior manager of the Tricor Evatthouse Corporate Services Division of Tricor Singapore Pte. Ltd., and has over 19 years of experience in corporate secretarial practice and business consultancy. His area of exposure includes advisory and assistance in compliance matters of both public and private limited companies, and business advisory to foreign investors including application of various licenses to expedite setting up of businesses.

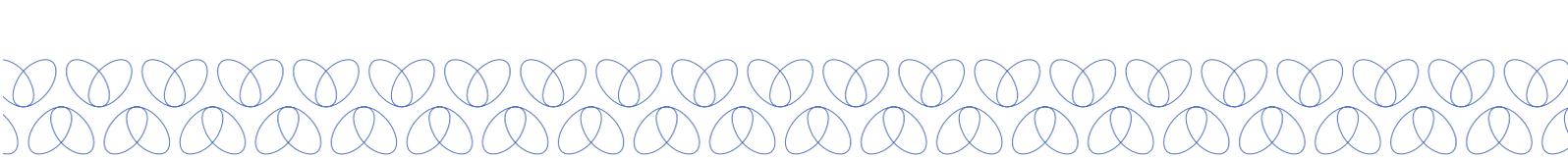
#### 聯席公司秘書

##### 孫玉蒂

50歲，自二零一二年九月一日起出任本公司聯席公司秘書。孫女士乃卓佳專業商務有限公司（一家提供商務、企業及投資者綜合服務之全球性專業服務公司）企業服務部之董事。彼為特許秘書，並為英國特許秘書及行政人員公會以及香港特許秘書公會資深會員。孫女士於各類企業服務方面擁有豐富經驗，並一直為多家在聯交所主板及聯交所創業板上市之公司提供專業服務。

##### 張明強

48歲，自二零一二年九月一日起出任本公司聯席公司秘書。張先生為Tricor Singapore Pte. Ltd.之Tricor Evatthouse Corporate Services部門之高級經理，於公司秘書實務及業務諮詢方面擁有逾19年經驗。彼之專業領域包括就上市及私人有限公司之合規事宜之諮詢及協助，以及向海外投資者提供業務諮詢（包括申請不同牌照以促進開設業務）。



## Investor Relations

### 投資者關係

During 2016, the Company continued to strengthen its efforts in maintaining investor relations, and analyst reports and roadshows became the main focus for work promotion, so as to truly serve as a bridge for effective communication between the Company and the capital market. The Company also listens attentively to various suggestions and proposals from the capital market with regards to the Company's operations and management in a proactive, sincere and humble manner, so as to optimise the Company's operational management quality, enhance the Company's profitability and Shareholders' value and maximise their interests.

### TIMELY, RIGHTEOUS, FAIR AND ACCURATE INFORMATION DISCLOSURE

The Company has been in strict compliance with the information disclosure principles for listed companies by making timely, righteous, fair and accurate information disclosure, which improves the transparency of the Company, establish a smooth communication channel and enhance its interaction and communication with the capital market. In 2016, the Company published more than 50 announcements. Such publications have objectively and comprehensively disclosed information regarding the results, operating performance, financial information, dividend payment, poll results of shareholder meetings and certain other voluntary disclosures. The Company's website ([www.chinaxlx.com.hk](http://www.chinaxlx.com.hk)) is also an important channel for its information disclosure and important platform for investors to obtain information on the Company.

### MULTIPLE-CHANNEL, COMPREHENSIVE INVESTOR RELATIONS ACTIVITIES

The Company continued to conduct comprehensive communication with capital market through various communication channels including results announcement conference, press conference, large roadshow activities, one-on-one investor meetings, investor forums, site visits by investors, communicating its development philosophy and strategies, growth progress and latest updates and results on operation and management, and sharing its understanding and expectation on the industry and the market. Further, the Company also developed various user-friendly promotion and communication platforms such as website, WeChat public platforms and other formats, with their contents covering industry policies, information of listed companies in the industry, corporate news and announcements.

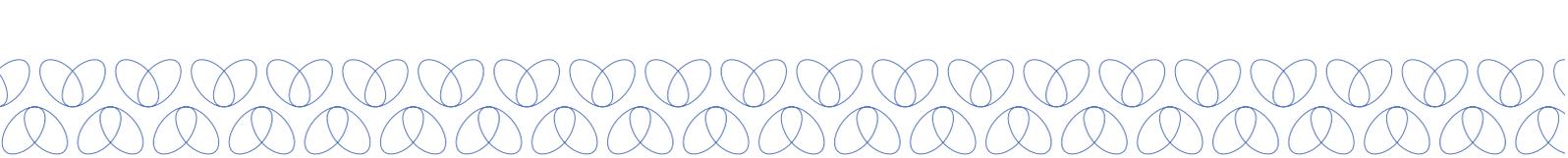
二零一六年，本公司繼續加強投資者關係維護工作，並將分析師報告及路演推介作為重點工作進行推進，使其真正成為本公司和資本市場之間有效的溝通橋樑。同時本著積極、誠懇和務實的態度聆聽資本市場對於本公司經營管理上的意見和建議，不斷優化和完善本公司的運營管理素質，努力提升本公司盈利能力與股東價值，確保股東利益最大化。

### 及時、公正、公平和準確的信息披露

本公司嚴格遵守上市公司信息披露原則，實施及時、公正、公平和準確的信息披露，增加本公司透明度，建立暢順的溝通渠道以及加強與資本市場的互動溝通。二零一六年，本公司共發佈了超過50份公告，客觀及詳細地披露了有關業績、經營狀況、財務信息、分紅派息、股東大會投票結果以及若干自願性披露。本公司的網站([www.chinaxlx.com.hk](http://www.chinaxlx.com.hk))亦是本公司信息披露的重要發放渠道之一，也是投資者獲取本公司信息的重要平臺。

### 多渠道、全方位開展投資者關係活動

本公司繼續通過業績發佈會、新聞發佈會、大型路演推介活動、一對一投資者會議、投資者論壇、邀請投資者實地考察等形式多渠道、全方位與資本市場溝通，及時向資本市場傳遞本公司的發展理念與策略、增長故事以及經營管理的最新動態和業績，分享我們對行業和市場的理解和展望。除此之外，本公司策劃開發多種人性化宣傳溝通平臺，如網站、微信公眾平臺等形式，內容涵蓋行業政策、同行業上市公司信息、公司新聞及公告等。



## Investor Relations

### 投資者關係

Meanwhile, according to the needs and styles of analysts and different investors, the Company flexibly and proactively arranged corporate senior management to participate in various investor relations activities. During 2016, the Company's senior management including the Chairman of the Board and the Chief Financial Officer participated in plenty of investor activities to fully communicate with the capital market, which realised multi-channelled communications. In 2016, beside holding press conferences after interim and annual results announcements, the Company also attended various investor forums organised by a number of investment banks and funds, conducted one-on-one meetings and conference calls regularly, and made interactive communication with almost 500 investors and analysts throughout the year. Meanwhile, we attach great importance to investors' onsite visits, and arranged over twenty plant visits to the headquarters of the Group in 2016, so as to gradually give investors and analysts a better idea of the business and operations of the Group.

### STEADY AND CONTINUOUS SHAREHOLDER RETURNS

The Company attaches great importance to the Shareholders' views on its dividend payout. The Company determines its dividend payout every year with reference to the Company's financial status, long-term development needs and potential investment opportunities. When we were listed on the SGX-ST in 2007, we promised to the Shareholders that our dividend payout ratio for each of the 3 years from 2007 to 2009 would not be less than 20% of our net profit after tax, and we have kept our promises. Even after the period of promise, we are still keeping the dividend payout ratio at above 20%.

同時，本公司根據分析師和不同類型投資者的需求和特點，靈活及主動地安排了企業高級管理層參與不同投資者關係活動。二零一六年，本公司董事會主席及首席財務官等高管參與了大量的各類型投資者活動，充分與資本市場進行交流，實現了多渠道的溝通。二零一六年，除半年度、年度業績公告後均舉辦業績發佈會外，本公司積極參加了多家投行和基金舉辦的投資者論壇，再加上日常的一對一會議和電話會議，全年與近五百人次投資者和分析師進行了互動交流。同時，本公司高度重視投資者實地考察，二零一六年先後組織二十多批次投資者實地考察本集團總部，逐步加深投資者及分析師對本集團業務和經營狀況的瞭解。

### 穩定持續的股東回報

本公司高度重視股東對股息方面的意見，並就本公司的實際財務狀況、長遠發展需要和投資機遇等因素來厘定每年的派息。本公司曾於二零零七年在新加坡交易所上市時向股東承諾，二零零七年至二零零九年三年內每年的派息比例不低於每年稅後純利的20%，本公司均兌現有關承諾。承諾期過後，本公司目前仍然將派息比例維持在20%以上。

# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Company is committed to achieving and maintaining a high standard of corporate governance principles and processes in managing the business and affairs, so as to improve the performance, accountability, and transparency of the Group. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business.

The Company has applied the principles as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 to the Listing Rules.

During the year ended 31 December 2016, the Board has reviewed its corporate governance practices and considers that the Company has complied with the code provisions as set out in the CG Code, except for the deviation of code provision A.2.1 for the period from 1 January to 25 April 2016. Key corporate governance principles and practices of the Company as well as the details of the foregoing deviation are summarised below.

#### A THE BOARD

##### A1. RESPONSIBILITIES AND DELEGATION

The primary role of the Board is taking leadership and control of the Company to protect and enhance long-term Shareholders' value. It sets the corporate strategies of the Group, and sets directions and goals for the management. The Board also supervises the management and monitors performance of these goals to enhance Shareholders' value. The Board is responsible for the overall corporate governance of the Group.

The day-to-day management, administration and operation of the Group are delegated to the executive Directors and the management. Each executive Director has accumulated sufficient and valuable experience to hold his/her position in order to ensure that his/her fiduciary duties can be carried out in an effective and efficient manner.

### 企業管治實務

本公司致力達到並維持高水準的企業管治原則和流程，以管理其業務及事務，從而改善本集團的表現、問責制度和透明度。董事會制定合適的政策，並實施適用於本集團業務行為及增長的企業管治實務。

本公司已應用載於上市規則附錄14內的企業管治守則(「企業管治守則」)所載之原則。

截至二零一六年十二月三十一日止年度，董事會已審閱其企業管治實務，認為除自二零一六年一月一日至四月二十五日期間偏離守則條文第A.2.1條外，本公司已遵守企業管治守則所載的守則條文。本公司的主要企業管治原則及實務以及前述偏離的詳情於下文概述。

#### A 董事會

##### A1. 責任及授權

董事會的主要角色是領導及控制本公司，以保護和提升長遠的股東價值。其為本集團制定公司策略，並為管理層制定方向和目標。董事會亦要監督管理層和監察目標表現，以提升股東價值。董事會負責本集團的整體企業管治。

執行董事及管理層獲委派負責本集團的日常管理、行政和運作。各執行董事累積了充分和寶貴的經驗，能夠勝任其職務，並確保能夠以有成效和高效的方式履行其受信職責。

# Corporate Governance Report

## 企業管治報告

The Board has established an internal framework to ensure that the type of material transactions which required Board's approval is consistently applied throughout the Group. Matters requiring Board's approval include:

- i. Overall Group business and budget strategy
- ii. Capital expenditures, investments or divestments exceeding certain material limits
- iii. All capital-related matters including capital issuance and redemption
- iv. Significant policies governing the operations of the Company
- v. Corporate strategic development and restructuring
- vi. Risk management strategy
- vii. Any major corporate activities involving changes in Shareholders' rights and risk profile

Regular meetings of the Board are held to deliberate the strategic policies of the Company including significant acquisitions and disposals, review and approve annual budgets, review the performance of the business and approve the public release of periodic financial results.

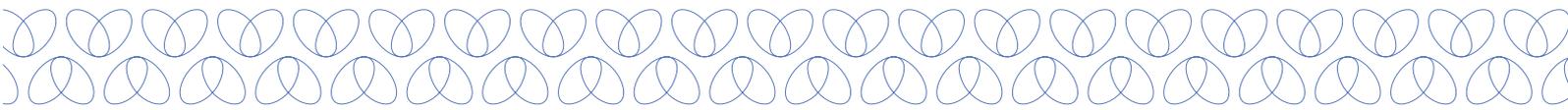
All Directors are from time to time furnished with information concerning the Company to enable them to be fully cognizant of the decisions and actions of the Company's executive management. The Board has unrestricted access to the Company's records and information. Any Director may request for independent professional advice in appropriate circumstances at the Company's expense, upon reasonable request made to the Board.

董事會已成立內部框架，確保需要董事會批准的重大交易在本集團內一致應用。需要董事會批准的事宜包括：

- i. 本集團整體業務及預算策略
- ii. 資本開支、超過重大限額的投資或撤資
- iii. 包括資本發行及贖回在內的所有資本相關事宜
- iv. 本公司管治營運的重要政策
- v. 企業策略發展及重組
- vi. 風險管理策略
- vii. 涉及股東權力及風險預測變動的任何主要企業活動

董事會舉行定期會議，以商討本公司的策略性政策，包括重大的收購和出售事項、審閱和批准年度預算、檢討業務表現和批准向外公佈定期的財務業績。

所有董事都會不時獲提供有關本公司的資料，以使他們能夠全面得知本公司執行管理層作出的決策和採取的行動。董事會在獲取本公司的記錄和資料方面並不受限制。任何董事於向董事會作出合理要求後，可於適當情況下徵求獨立專業意見，費用由本公司承擔。



Senior management members are available to provide explanatory information in the form of briefings to the Directors or formal presentations at Board meetings, or by external consultants engaged on specific projects.

The Board has formed specialised committees namely the AC, the NC and the RC (collectively the “**Committees**”) to assist in carrying out and discharging its duties and responsibilities efficiently and effectively. The Committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis. The effectiveness of each of the Committees is also constantly reviewed by the Board.

The company secretary(ies) of the Company (the “**Company Secretary(ies)**”) and/or his/her representative(s) attend(s) all Board meetings and meetings of the Committees to ensure that Board procedures are followed and applicable rules and regulations are complied with. Draft minutes of meetings of the Board and the Committees are circulated to Directors and the Committees members, as the case may be, for comments within a reasonable time after each meeting and the final version of minutes are available for Directors’ inspection.

高級管理層會以簡報形式向董事報告或在董事會會議上作正式演示，以提供說明資料，又或由參與特別項目的外部顧問提供說明資料。

董事會已組成多個專責委員會，即審核委員會、提名委員會和薪酬委員會（統稱「**委員會**」），以協助董事會以有成效和高效的方式執行和履行其職責和責任。委員會是按照已清楚界定並會定期予以檢討的職權範圍和運作流程履行工作。董事會亦會定期檢討各委員會的成效。

本公司的公司秘書（「**公司秘書**」）及／或其代表會出席所有董事會會議和各委員會的會議，確保該等會議遵循董事會程序和遵守適用的規則和法規。董事會及各委員會會議的會議記錄初稿均須供各董事及各委員會委員（視乎情況而定）傳閱，以供彼等在每一次會議後的合理時間內提供意見，而會議記錄最後定稿可供各董事查閱。

# Corporate Governance Report

## 企業管治報告

### A2. BOARD COMPOSITION

The composition of the Board as at 31 December 2016 is as follows:

#### **Executive Directors:**

Mr. Liu Xingxu (Chairman of the Board and Member of the NC)

Mr. Zhang Qingjin (Chief Executive Officer)

Ms. Yan Yunhua (Chief Financial Officer)

#### **Non-executive Director:**

Mr. Lian Jie

#### **Independent Non-executive Directors:**

Mr. Ong Kian Guan (Chairman of the AC, Member of the RC and the NC)

Mr. Li Shengxiao (Chairman of the NC, Member of the AC and the RC)

Mr. Ong Wei Jin (Chairman of the RC, Member of the AC and the NC)

Throughout the year ended 31 December 2016, the Board has met the requirements of Listing Rules 3.10 and 3.10A of having three independent non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications, accounting and related financial management expertise.

### A2. 董事會構成

於二零一六年十二月三十一日，董事會的組成如下：

#### **執行董事：**

劉興旭先生 (董事會主席及提名委員會成員)

張慶金先生 (首席執行官)

閻蘊華女士 (首席財務官)

#### **非執行董事：**

廉潔先生

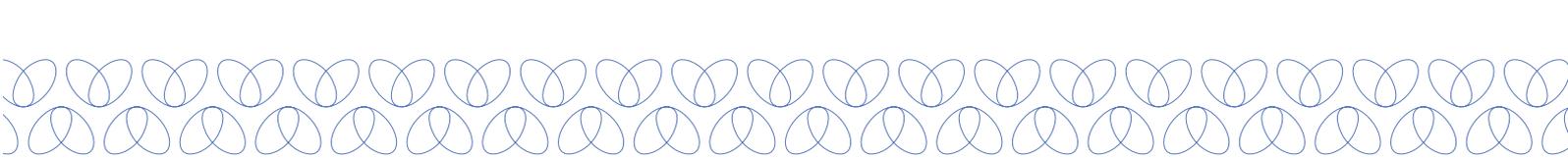
#### **獨立非執行董事：**

王建源先生 (審核委員會主席、薪酬委員會及提名委員會成員)

李生校先生 (提名委員會主席、審核委員會及薪酬委員會成員)

王為仁先生 (薪酬委員會主席、審核委員會及提名委員會成員)

於截至二零一六年十二月三十一日止整個年度，董事會均遵守上市規則第3.10及3.10A條有關須有三名獨立非執行董事(佔董事會人數至少三分之一)及其中一名獨立非執行董事具有適當的專業資格、會計及相關財務管理專長的規定。



The Board has maintained the necessary balance of skills and experience appropriate for the business requirements and objectives of the Group and for the exercise of independent judgement. The independent non-executive Directors bring different business and financial expertise, experiences and independent judgement to the Board and they are invited to serve on the Committees. Through participation in Board meetings, taking the lead in managing issues involving potential conflicts of interests and/or serving on the Committees, the independent non-executive Directors have made contributions to the effective direction of the Company and provided adequate checks and balances to safeguard the interests of both the Group and the Shareholders.

The biographical details of the Directors and the relationship between Board members, if any, are set out in the section headed "Directors, Senior Management and Company Secretaries" of this annual report.

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in light of the independence guidelines set out in the Listing Rules.

### A3. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. Liu Xingxu had been the Chairman of the Board and the Chief Executive Officer of the Company since the incorporation of the Company. This deviated from the code provision A.2.1 of the CG Code which stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. However, the Board had considered such structure beneficial to the Group as the Board believed that Mr. Liu, who has extensive experience in the industry, would provide the Company with strong and consistent leadership and visions, and also allow for effective and efficient planning and implementation of business decisions and strategies. He also ensured timeliness of information flow between the Board and the management.

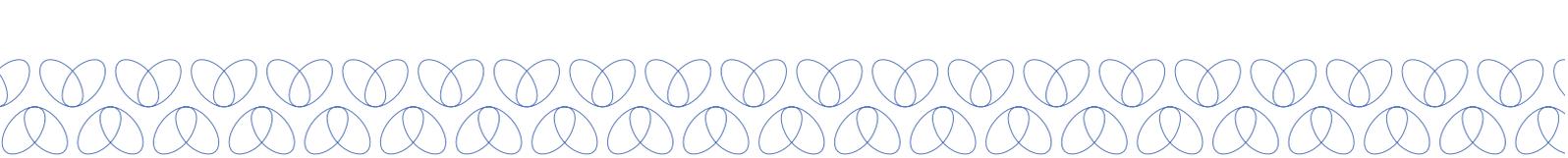
董事會一直就本集團業務的需要及目標與行使獨立判斷之間所需要的技巧及經驗維持必要的平衡。獨立非執行董事為董事會提供不同的業務及財務專業知識、經驗及獨立判斷，而彼等獲邀服務各個委員會。獨立非執行董事透過參與董事會會議、在管理涉及潛在利益衝突的事宜上擔當領導工作及／或服務於各個委員會，有助本公司訂立有效的方針及給予充份的制衡作用，以保障本集團及股東的利益。

董事的履歷詳情以及董事會成員之間的關係(如有)載列於本年報「董事、高級管理層及公司秘書」一節。

本公司已收到每名獨立非執行董事根據上市規則的規定作出有關其獨立性的書面年度確認書。本公司認為所有獨立非執行董事均具備根據上市規則所列表載的獨立性指引的獨立性。

### A3. 主席和首席執行官

自本公司註冊成立以來，董事會主席兼首席執行官為劉興旭先生。這偏離了企業管治守則的守則條文第A.2.1條，其規定主席及首席執行官的職位須予區分，且不應由同一人兼任。然而，董事會一直認為該架構有利於本集團，因為董事會認為劉先生於業內擁有豐富的經驗，能為本公司提供有力及貫徹一致的領導和遠見，使本公司能有效快捷地規劃及執行業務上的決策及策略。他亦負責確保董事會與管理層之間適時交換資料。



## Corporate Governance Report

### 企業管治報告

On 26 April 2016, the Company announced that Mr. Zhang Qingjin, an executive Director, took up the role as the Chief Executive Officer of the Company, while Mr. Liu remained as the Chairman of the Board with effect from 26 April 2016. The Board considered that such segregation of the roles of the Chairman of the Board and the Chief Executive Officer of the Company was principally necessitated by an increase in the scale of the Group's operations, and the resultant separation of the duties of Chairman and Chief Executive Officer would enable a more timely management of the Group's affairs and further reinforce the Group's development.

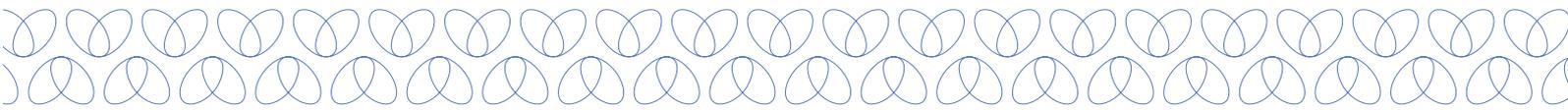
Since then, the Company has complied with the code provision A.2.1, with Mr. Liu focusing on the overall strategic planning and business development of the Group as the Chairman of the Board, whereas Mr. Zhang being responsible for the overall management, administrative functions and day-to-day business operations of the Group as the Chief Executive Officer of the Company.

In addition, the Directors are of the view that the balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) on the Board and the existence of AC, RC and NC (comprising all or a majority of independent non-executive Directors) in overseeing different aspects of the Company's affairs, are adequate safeguards to ensure a balance of power and authority.

於二零一六年四月二十六日，本公司宣佈，執行董事張慶金先生接任本公司首席執行官的職務，而劉先生仍為董事會主席，自二零一六年四月二十六日起生效。董事會認為，本公司董事會主席與首席執行官職務的分離主要是本集團經營規模擴大的所需，因此主席與首席執行官職務的分離將有助更及時地管理本集團事務及進一步加強本集團發展。

此後，本公司符合守則條文第A.2.1條的規定，劉先生作為董事會主席專注於本集團的整體戰略規劃及業務發展，而張先生作為本公司首席執行官負責本集團的整體管理、行政工作及日常業務經營。

此外，董事認為董事會由人數均衡的執行董事及非執行董事（包括獨立非執行董事）組成，以及設立審核委員會、薪酬委員會及提名委員會（由全體或大部份獨立非執行董事所組成）監察本公司不同範疇的事宜，已足夠保障權力及授權的平衡。



#### A4. APPOINTMENT AND RE-ELECTION OF DIRECTORS

The procedures and processes of appointment and removal of Directors are laid down in the Constitution.

Each of the executive Directors has entered into a service contract with the Company, whereas the Company has issued a letter of appointment to each of the independent non-executive Directors and the non-executive Director. All Directors are appointed for a specific term of 3 years. They are also subject to retirement and re-election in accordance with the Constitution at least once every three years at an AGM.

Pursuant to the Constitution, Ms. Yan Yunhua, Mr. Lian Jie and Mr. Ong Kian Guan, being the number nearest to but not less than one-third of the Directors who are subject to retirement by rotation, shall retire by rotation at the 2017 AGM. The above three retiring Directors, being eligible, will offer themselves for re-election at the 2017 AGM. The Board recommended the re-appointment of these retiring Directors standing for re-election at the 2017 AGM. The Company's circular, sent together with this annual report, contains detailed information of these retiring Directors pursuant to the requirements of the Listing Rules.

#### A5. INDUCTION AND CONTINUING DEVELOPMENT FOR DIRECTORS

Each newly appointed Director receives induction on the first occasion of his/her appointment, so as to ensure that he/she has appropriate understanding of the business and operations of the Group and that he/she is sufficiently aware of his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

#### A4. 委任及重選董事

委任及罷免董事的程序及流程載於章程。

各執行董事已與本公司訂立服務合同，而本公司已向各獨立非執行董事和非執行董事發出委任函。全體董事的特定委任年期為三年，並須根據章程最少每三年於股東週年大會作退任及重選一次。

根據章程條文，閻蘊華女士、廉潔先生及王建源先生（作為須輪席告退的最接近但不少於三分之一董事）須於二零一七年股東週年大會上輪席告退。上述三名退任董事將符合資格於二零一七年股東週年大會上膺選連任。董事會建議重新委任於二零一七年股東週年大會上候任重選的該等退任董事。連同本年報寄出的本公司通函根據上市規則規定載有該等退任董事的詳細資料。

#### A5. 董事就任須知及持續發展

每位新委任董事於首次接受委任時均會獲得就任須知，以確保該董事對本集團的業務及運作均有適當理解，以及充分理解其本人按上市規則及有關監管規定所應負責任及義務。

## Corporate Governance Report

### 企業管治報告

The existing Directors are continually updated with legal and regulatory developments, and the business and market changes to refresh their knowledge and to facilitate the discharge of their responsibilities. Continuing briefings and professional development to Directors are arranged whenever necessary. In addition, reading materials on new or changes to salient laws and regulations applicable to the Group are provided to Directors from time to time for their studying and reference.

During the year ended 31 December 2016, the Directors have participated training as follows:

- Mr. Liu Xingxu, Ms. Yan Yunhua, Mr. Zhang Qingjin attended training sessions conducted by the Company relating to directors' duties and responsibilities under the Listing Rules, the Companies Act and other applicable laws and regulations.
- All Directors (being Mr. Liu Xingxu, Ms. Yan Yunhua, Mr. Zhang Qingjin, Mr. Lian Jie, Mr. Ong Kian Guan, Mr. Li Shengxiao and Mr. Ong Wei Jin) received regular briefings and updates from the Company Secretaries/Company's management on the Group's business, operations and corporate governance matters.
- Mr. Liu Xingxu, Ms. Yan Yunhua, Mr. Zhang Qingjin, Mr. Ong Kian Guan Mr. Li Shengxiao and Mr. Ong Wei Jin attended relevant seminars organised by professional firms/institutions.

現任董事持續獲得最新法律及法規發展以及業務及市場變動資訊，以更新彼等的知識及協助履行彼等的職責。本公司將於有需要時為董事提供持續簡介及專業發展。此外，本公司不時提供適用於本集團的主要法律及法規的新例或其變動的閱讀材料予董事研究及參考。

截至二零一六年十二月三十一日止年度，董事已參加下列培訓：

- 劉興旭先生、閻蘊華女士、張慶金先生出席由本公司進行有關上市規則、公司法及其他適用法律及法規項下董事職務及職責的培訓課程。
- 全體董事（即劉興旭先生、閻蘊華女士、張慶金先生、廉潔先生、王建源先生、李生校先生及王為仁先生）定期自公司秘書／公司管理層收取有關本集團業務、經營及企業管治事宜的簡介及更新。
- 劉興旭先生、閻蘊華女士、張慶金先生、王建源先生、李生校先生及王為仁先生已出席由專業公司／機構組織的相關研討會。

- Mr. Liu Xingxu, Ms. Yan Yunhua, Mr. Zhang Qingjin, Mr. Ong Kian Guan Mr. Li Shengxiao and Mr. Ong Wei Jin read technical bulletins, periodicals and other publications on subjects relevant to the Group and on their responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

- 劉興旭先生、閻蘊華女士、張慶金先生、王建源先生、李生校先生及王為仁先生已就與本集團相關的主題以及上市規則及相關監管規定項下彼等的職責及責任細閱技術性公佈、期刊及其他出版刊物。

#### A6. DIRECTORS' ATTENDANCE RECORDS

The attendance records of each Director at the meetings of the Board and the Committees and the general meeting of the Company held during the year ended 31 December 2016 are set out below:

#### A6. 董事出席記錄

各董事於截至二零一六年十二月三十一日止年度本公司舉行的董事會會議、委員會會議及股東大會的出席記錄載列如下：

		Attendance of Meetings 會議出席次數				
		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
No. of Meetings Held 會議次數		9	5	1	1	1
Name of Director 董事姓名						
<i>Executive Directors:</i> 執行董事：						
Mr. Liu Xingxu	劉興旭先生	9	N/A 不適用	N/A 不適用	1	1
Ms. Yan Yunhua	閻蘊華女士	9	N/A 不適用	N/A 不適用	N/A 不適用	1
Mr. Zhang Qingjin	張慶金先生	8	N/A 不適用	N/A 不適用	N/A 不適用	1
<i>Non-executive Director:</i> 非執行董事：						
Mr. Lian Jie	廉潔先生	1	N/A 不適用	N/A 不適用	N/A 不適用	0
<i>Independent non-executive Directors:</i> 獨立非執行董事：						
Mr. Ong Kian Guan	王建源先生	9	5	1	1	1
Mr. Li Shengxiao	李生校先生	9	5	1	1	1
Mr. Ong Wei Jin	王為仁先生	9	5	1	1	1

# Corporate Governance Report

## 企業管治報告

In addition, the Chairman of the Board held a meeting with the independent non-executive Directors without the presence of executive Directors during the year under review.

While the Board considers Directors' attendance at the meetings of the Board and the Committees to be important, it should not be the only criterion to measure the Directors' contributions. The Board also takes into account the contributions by Board members in other forms including periodical reviews, and provision of guidance and advice on various matters relating to the Group.

### A7. MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code (Appendix 10 to the Listing Rules) as its own code of conduct regarding Directors' dealings in the Company's securities. The Company has made specific enquiry of all the Directors, and the Directors confirmed that they have complied with the Model Code throughout the year ended 31 December 2016.

The Company has also established written guidelines on no less exacting terms than the Model Code (the "**Employees Written Guidelines**"), governing securities transactions by the relevant employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by relevant employees was noted by the Company during the year ended 31 December 2016.

In case when the Company is aware of any restricted period for dealings in the Company's securities, the Company will notify the Directors and relevant employees in advance.

此外，於回顧年內，董事會主席與獨立非執行董事舉行了一次會議，會上並無執行董事列席。

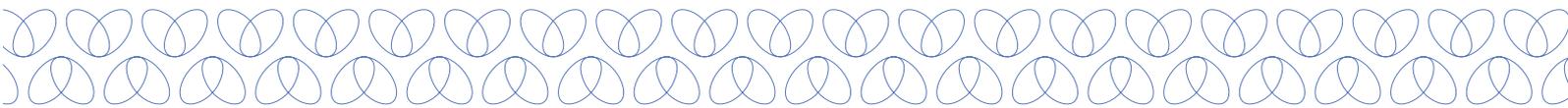
雖然董事會認為董事出席董事會和委員會的會議很重要，但這不應是衡量董事表現的唯一標準，而是應同時考慮董事會成員在其他方面的貢獻，包括就本集團不同事項定期審閱以及提供指引及建議。

### A7. 進行證券交易的標準守則

本公司已採納標準守則(上市規則附錄10)，作為其有關董事進行本公司證券買賣的行為守則。本公司已向所有董事作出具體查詢，董事確認已於截至二零一六年十二月三十一日止年度內一直遵守標準守則。

本公司亦已就監管有關僱員(彼等可能擁有關於本公司及/或其證券的內幕消息)進行證券買賣制訂一套書面指引(「**僱員書面指引**」)，其條款並不比標準守則所載條文寬鬆。截至二零一六年十二月三十一日止年度，本公司並無發現有關僱員有任何不遵守僱員書面指引的事件。

倘若本公司知悉任何有關買賣本公司證券的限制期，本公司將會事先通知董事及有關僱員。



## A8. CORPORATE GOVERNANCE FUNCTIONS

The Board as a whole is responsible for performing the corporate governance functions set out in the code provision D.3.1 of the CG Code. The Board has reviewed and monitored the Company's corporate governance policies and practices, the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and the Employees Written Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

## B. BOARD COMMITTEES

The Board has established three Board committees, namely, the AC, the RC and the NC, for overseeing particular aspects of the Company's affairs. All the Committees have been established with defined written terms of reference, which are available on the websites of the SEHK ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaxlx.com.hk](http://www.chinaxlx.com.hk)). All the Committees should report to the Board on their decisions or recommendations made.

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

### B1. AUDIT COMMITTEE

The AC comprises a total of three members, being the three existing independent non-executive Directors, namely Mr. Ong Kian Guan, Mr. Li Shengxiao and Mr. Ong Wei Jin. The chairman of the AC is Mr. Ong Kian Guan, who possesses the appropriate professional qualifications, accounting and related financial management expertise as required under Rule 3.10(2) of the Listing Rules. None of the members of the AC is a former partner of the Company's existing external auditor.

## A8. 企業管治職能

董事會整體負責履行企業管治守則的守則條文第D.3.1條載列的企業管治職能。董事會檢討及監察本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司就遵守法律及監管規定的政策及常規、標準守則及僱員書面指引的遵守、以及本公司就企業管治守則及本企業管治報告內的披露資料的遵守。

## B. 董事會委員會

董事會已成立三個董事會委員會，分別為審核委員會、薪酬委員會及提名委員會，藉以監督本公司事務的特定範疇。所有已設立的委員會均已制定明確界定的書面職權範圍，詳情可於聯交所 ([www.hkexnews.hk](http://www.hkexnews.hk)) 及本公司 ([www.chinaxlx.com.hk](http://www.chinaxlx.com.hk)) 網站覽閱。所有委員會均須向董事會報告彼等所作出的決策或建議。

所有委員會均獲提供充分資源以履行彼等的職責，並可在合理要求下於適當情況下尋求獨立專業意見，費用由本公司承擔。

### B1. 審核委員會

審核委員會由合共三名成員組成，即三名現有獨立非執行董事王建源先生、李生校先生及王為仁先生。審核委員會主席為王建源先生，彼擁有上市規則第3.10(2)條所規定的適當專業資格、會計及相關財務管理專長。概無審核委員會成員為本公司現任外部核數師的前合夥人。

# Corporate Governance Report

## 企業管治報告

The main duties of the AC are reviewing the financial information and reports of the Group and considering any significant or unusual items raised by the financial officers of the Group or the external auditor before submission to the Board; reviewing the relationship with and the terms of appointment of the external auditor and making the relevant recommendation to the Board; and reviewing the Company's financial reporting system, risk management and internal control systems and internal audit function.

The Company has in place a whistle-blowing policy for employees of the Group to raise concerns about possible improprieties in financial reporting, internal control or other matters. The AC constantly receives updates from the external auditor pertaining to the latest changes to the accounting standards and issues which have a direct impact on financial statements.

During the year ended 31 December 2016, the AC has held 5 meetings. Details of individual attendance of each member at the meetings are set out in section A6 above. The AC has performed the following major works during the year ended 31 December 2016:

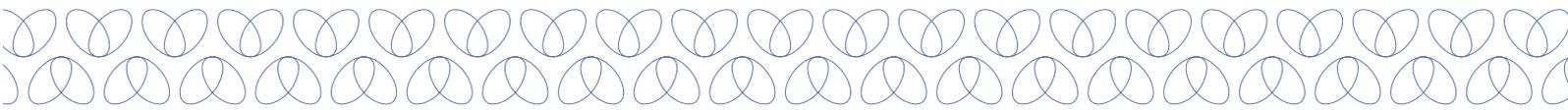
- Review and discussion of the annual financial statements, results announcement and report for the year ended 31 December 2015, the related accounting principles and practices adopted by the Group, and the relevant audit findings;
- Review and discussion of the interim financial statements, results announcement and report for the six months ended 30 June 2016, and the related accounting principles and practices adopted by the Group;

審核委員會的主要職責為審閱本集團的財務資料及報告，並於向董事會提呈之前考慮本集團財務負責人或外部核數師所提出的任何重大或不尋常事項；檢討與外部核數師的關係及外部核數師的任期並向董事會提出相關推薦建議；及檢討本公司財務報告系統、風險管理及內部監控系統以及內部審核職能。

本公司為本集團員工設有申訴政策，可對財務報告、內部控制或其他事宜任何可能違規之處提出質疑。審核委員會一直收取外部核數師有關於對財務報表有直接影響的會計準則及問題的最新變動的資料。

於截至二零一六年十二月三十一日止年度，審核委員會已舉行5次會議。各委員的個別出席會議詳情載列於上文A6節。於截至二零一六年十二月三十一日止年度，審核委員會已進行下列主要工作：

- 審閱及討論截至二零一五年十二月三十一日止年度的年度財務報表、業績公佈及報告、本集團採納的相關會計原則及慣例以及相關審核結果；
- 審閱及討論截至二零一六年六月三十日止六個月的中期財務報表、業績公佈及報告以及本集團採納的相關會計原則及慣例；



- Review and discussion of the financial results for the first quarter ended 31 March 2016 and the third quarter ended 30 September 2016 respectively;
  - Review of the independence of the external auditor and recommendation of its re-appointment for the year ended 31 December 2016;
  - Review and discussion of the effectiveness of the financial reporting system, the risk management and internal control systems and the internal audit function;
  - Review and discussion of the continuing connected transactions for the year ended 31 December 2016 and recommendation of the relevant renewals;
  - Review and discussion of the significant issues on the financial reporting, operational and compliance controls;
  - Review of the arrangement of whistle-blowing policy; and
  - Review and discussion of Ernst & Young LLP's audit plan for the year ended 31 December 2016.
- 審閱及討論分別截至二零一六年三月三十一日止第一季度及截至二零一六年九月三十日止第三季度的財務業績；
  - 審閱外部核數師的獨立性並建議於截至二零一六年十二月三十一日止年度續聘外部核數師；
  - 審閱及討論財務報告系統、風險管理及內部監控系統以及內部審核功能的有效性；
  - 審閱及討論截至二零一六年十二月三十一日止年度的持續關連交易以及有關更新建議；
  - 審閱及討論財務報告、營運及合規控制重大問題；
  - 審閱申訴政策的安排；及
  - 審閱及討論安永會計師事務所截至二零一六年十二月三十一日止年度的審核計劃。

During the year ended 31 December 2016, the external auditor has met the AC twice and discussed with the AC on issues arising from the audit and financial reporting matters.

截至二零一六年十二月三十一日止年度，外部核數師已與審核委員會會面兩次並與審核委員會討論審核及財務報告事宜所產生的問題。

# Corporate Governance Report

## 企業管治報告

The AC, having reviewed all non-audit services provided by the external auditor of the Company, was satisfied that the nature and extent of such services would not affect the independence and objectivity of the external auditor. The AC recommended that Ernst & Young LLP be nominated for re-appointment as the Company's external auditor at the 2017 AGM. There is no disagreement between the Board and the AC regarding the selection, appointment, resignation or dismissal of external auditor.

### B2. REMUNERATION COMMITTEE

The RC comprises a total of three members, being the three existing independent non-executive Directors, namely Mr. Ong Kian Guan, Mr. Li Shengxiao and Mr. Ong Wei Jin. The chairman of the RC is Mr. Ong Wei Jin.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses and benefits in kind, will be covered by the RC. Each RC member will abstain from voting on any resolution in respect of his own remuneration package.

The principal responsibilities of the RC include reviewing and making recommendations to the Board on the Company's remuneration policy and structure and the remuneration packages of Directors and senior management (i.e. the model described in the code provision B.1.2(c)(ii) of the CG Code is adopted). The RC is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by the Board with reference to the performance of the individual and the Company as well as the market practice and conditions.

審核委員會已審閱本公司外部核數師提供的所有非審核服務，信納該等服務的性質及範疇將不會影響外部核數師的獨立性及客觀性。審核委員會建議在二零一七年股東週年大會上提名安永會計師事務所再次獲委任為本公司的外部核數師。董事會與審核委員會之間在外部核數師的揀選、委任、辭任或免職上並無意見不合。

### B2. 薪酬委員會

薪酬委員會由合共三名成員組成，即三名現有獨立非執行董事王建源先生、李生校先生及王為仁先生。薪酬委員會主席為王為仁先生。

有關薪酬的所有事宜，包括但不限於董事袍金、薪金、津貼、花紅和實物利益，將會由薪酬委員會負責。各薪酬委員會成員將就有關其本身的薪酬組合的任何決議案放棄投票。

薪酬委員會的主要責任包括向董事會就本公司薪酬政策及架構以及董事及高級管理層的薪酬組合作出審閱及推薦建議（即採納企業管治守則的守則條文第B.1.2(c)(ii)條所述的模式）。薪酬委員會亦負責就制定有關薪酬政策及架構訂立具透明度的程序，以確保概無董事或其任何聯繫人將參與決定其本身的薪酬，而薪酬將由董事會參考個別人士及本公司的表現以及市場慣例及環境而釐定。

In setting remuneration packages, the RC will take into consideration the pay and employment conditions in comparable companies within the industry. The RC will also review the remuneration packages of the independent non-executive Directors and the non-executive Director to ensure that they are commensurate with the contributions and responsibilities of the Directors. Each of the executive Directors entered into a service contract with the Company, which covers each of their terms of employment. The Company will submit the quantum of Directors' fees of each year to the Shareholders for approval at each AGM.

During the year ended 31 December 2016, the RC has held 1 meeting. Details of individual attendance of each member at the meeting are set out in section A6 above. At the said meeting, the RC reviewed the remuneration framework for the Directors, key executive staff, top five highest paid employees and immediate family members of the Directors for the year ended 31 December 2015 and the remuneration proposal for the year ended 31 December 2016, by reference to the Group's performance and profitability as well as the remuneration level of certain listed corporations within the industry.

Pursuant to the code provision B.1.5 of the CG Code, the annual remuneration of the members of the senior management by band for the year ended 31 December 2016 is set out below:

Remuneration band (RMB) 薪酬範圍(人民幣元)	Number of individuals 人數
500,000-700,000	2
700,001-900,000	3

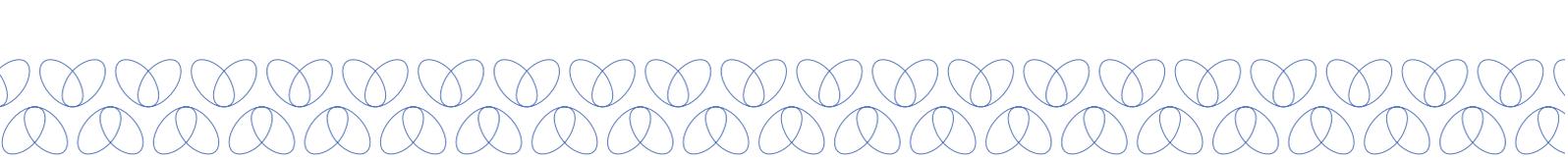
Details of the remuneration of each Director for the year ended 31 December 2016 are set out in note 9 to the consolidated financial statements contained in this annual report.

在制定薪酬組合時，薪酬委員會將考慮行業內可資比較公司的薪酬和聘用條件。薪酬委員會亦將檢討獨立非執行董事及非執行董事的薪酬組合，以確保彼等的薪酬與董事的貢獻和責任相稱。各執行董事已與本公司訂立包含其聘用條件的服務合同。本公司將於各股東週年大會上提交每年的董事袍金總額，以供股東批准。

於截至二零一六年十二月三十一日止年度，薪酬委員會已舉行1次會議。各委員的個別出席會議詳情載列於上文A6節。於上述會議上，薪酬委員會經參考本集團的業績表現、盈利能力以及業界內若干上市公司的薪酬水平，檢討截至二零一五年十二月三十一日止年度各董事、主要行政人員、五大最高薪僱員及董事的直系親屬的薪酬結構以及截至二零一六年十二月三十一日止年度的薪酬建議。

根據企業管治守則守則條文第B.1.5條，截至二零一六年十二月三十一日止年度高級管理層成員的年度薪酬按範圍劃分載列如下：

截至二零一六年十二月三十一日止年度各董事的薪酬詳情載於本年報綜合財務報表附註9內。



## Corporate Governance Report

### 企業管治報告

#### B3. NOMINATION COMMITTEE

The NC comprises a total of four members, being the Chairman of the Board, namely Mr. Liu Xingxu, and the three existing independent non-executive Directors, namely Mr. Ong Kian Guan, Mr. Li Shengxiao and Mr. Ong Wei Jin. Accordingly, a majority of the members are independent non-executive Directors. The chairman of the NC is Mr. Li Shengxiao.

The principal responsibilities of the NC include reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board on an annual basis and recommending any changes to the Board; identifying qualified and suitable individuals to become Board members and selecting and making recommendations to the Board on the selection of individuals nominated for directorships; assessing the independence of independent non-executive Directors; and making recommendations to the Board on relevant matters relating to the appointment or re-appointment of Directors and succession planning for Directors.

The NC has established and implemented processes including taking into consideration the attendance records at the meetings of the Board and the Committees for monitoring and evaluating the performance of the Board as a whole and effectiveness and contribution of individual Directors.

The Directors shall disclose to the Company details of other significant offices held by them. Where a Director has multiple directorships, the NC will evaluate whether or not the Director is able to carry out and has been adequately carrying out his/her duties as a Director. For the year ended 31 December 2016, the Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company.

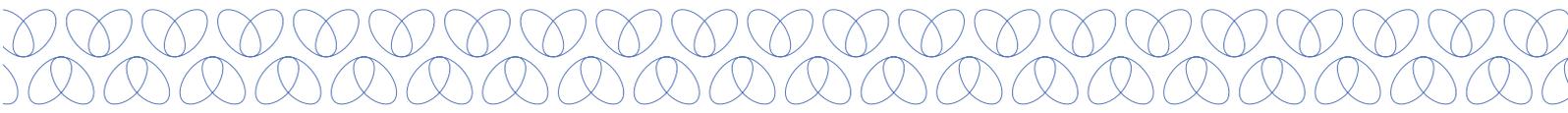
#### B3. 提名委員會

提名委員會由合共四名成員組成，即董事會主席劉興旭先生及三名現有獨立非執行董事王建源先生、李生校先生及王為仁先生。因此，大部分成員均為獨立非執行董事。提名委員會主席為李生校先生。

提名委員會的主要職責包括每年檢討董事會的架構、人數及組成(包括技能、知識及經驗方面)，並就任何變動向董事會提出建議；物色具備合適資格可擔任董事會成員的人士，並挑選提名有關人士出任董事及就此向董事會提出建議；評核獨立非執行董事的獨立性；及就董事委任或重新委任的相關事宜以及董事繼任計劃向董事會提出建議。

提名委員會已成立並執行情序(包括考慮董事會及各委員會會議的出席記錄)，以監察及評估董事會整體的表現、有效性以及個別董事的貢獻。

各董事須向本公司披露有關彼等所擔任其他重大職務的詳情。如果一名董事同時出任多家公司的董事，提名委員會將評估該董事是否能夠和是否充分履行其作為董事的職責。就截至二零一六年十二月三十一日止年度而言，董事會信納各董事都分配了足夠的時間和資源來處理本公司的事務。



In selecting suitable candidates for directorships of the Company, the NC may make reference to certain criteria such as the Company's needs, the integrity, experience, skills and professional knowledge of the candidate, and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities. External recruitment professionals might be engaged to carry out selection process when necessary.

The Company also recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance and hence the purpose of the Board diversity. To comply with the code provision A.5.6 of the CG Code, a Board diversity policy was adopted by the Company pursuant to which the NC is responsible for monitoring the implementation of the Board diversity policy and assessing the Board composition under diversified perspectives (including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry and regional experience). The NC shall report its findings and make recommendations to the Board, if any. Such policy and objectives, if any, will be reviewed from time to time to ensure their appropriateness in determining the optimum composition of the Board.

The NC considered an appropriate balance of diversity perspectives of the Board is maintained and has not set any measurable objective implementing the Board diversity policy.

甄選本公司的合適董事人選時，提名委員會可能會參考本公司的需要、該候選人的誠信、經驗、技能及專業知識以及彼為履行其職務及職責而將投放的時間及精力等若干因素。如有需要，外部招聘專業人士或會受聘進行甄選程序。

本公司明白並深信董事會成員多元化對提升本公司的表現素質裨益良多。根據企業管治守則條文第A.5.6條的規定，本公司已採納董事會成員多元化政策，據此，提名委員會負責監督董事會成員多元化政策的實施，及從多元化的角度評估董事會組成（包括但不限於性別、年齡、文化及教育背景、專業資格、技能、知識以及行業及地區經驗）。提名委員會應向董事會報告其監察結果及提出建議（如有）。有關政策及目標（如有）將不時被檢討，以保證彼等決定董事會最佳組成的適宜性。

提名委員會認為董事會能維持多元化觀點的適當平衡，及並無訂立任何為執行董事會成員多元化政策的可計量目標。

# Corporate Governance Report

## 企業管治報告

During the year ended 31 December 2016, the NC has held 1 meeting. Details of individual attendance of each member at the meeting are set out in section A6 above. At the said meeting, the NC: (i) reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate to the requirements for the business of the Group; (ii) assessed the independence of all the independent non-executive Directors; and (iii) recommended the re-election of the retiring Directors at the 2016 AGM.

### C. DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information to the Shareholders in compliance with statutory requirements and the Listing Rules.

The Directors have acknowledged their responsibilities for preparing the financial statements of the Company for the year ended 31 December 2016.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group and put forward to the Board for approval.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern.

於截至二零一六年十二月三十一日止年度，提名委員會已舉行1次會議。各委員的個別出席會議詳情載列於上文A6節。於上述會議上，提名委員會：(i)檢討董事會架構、規模及組成以確保其取得專業知識、技能及經驗的平衡並適合本集團的業務要求；(ii)評估所有獨立非執行董事的獨立性；及(iii)建議於二零一六年股東週年大會上重選退任董事。

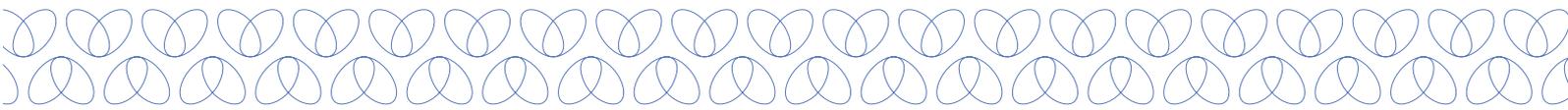
### C. 董事就財務報表的財務報告責任

董事會向股東負責，並應注意其責任，包括根據法定規定及上市規則提供適時的資料和確保向股東全面披露重大的資料。

董事已知悉彼等就編製本公司截至二零一六年十二月三十一日止年度財務報表的責任。

董事會負責就年報及中期報告、內幕消息公佈以及上市規則及其他監管要求規定的其他披露資料，作出平衡、清晰而容易理解的評估。管理層向董事會提供解說及資料，以便董事會可就本集團的財務資料及狀況作出知情評估，以供董事會審批。

概無任何事件或狀況的重大不明朗因素會對本集團持續經營的能力構成重大懷疑。



#### D. RISK MANAGEMENT AND INTERNAL CONTROLS

The Group's risk management and internal control systems have a key role in the identification and management of risks that are significant to the achievement of the Group's business objectives. The process of business risk management has been integrated throughout the Group into business planning and monitoring processes. The Company's management continuously assesses the likelihood of risk occurrence, provides treatment plans, monitors the risk management progress, and reports to the AC and the Board on all findings. The management would also report to the AC and the Board on the effectiveness of the Group's risk management and internal control systems.

The AC ensures that a review of the effectiveness of the Group's risk management and internal control systems covering all material internal controls (including financial, operational, compliance and information technology controls), with respect to the design, implementation and monitoring of such systems, is conducted annually and put forward to the Board for consideration. In this regard, the AC reviews the audit plans and the findings of the external and internal auditors, and ensures that the Company will follow up on the auditor's recommendations raised, if any, during the audit process.

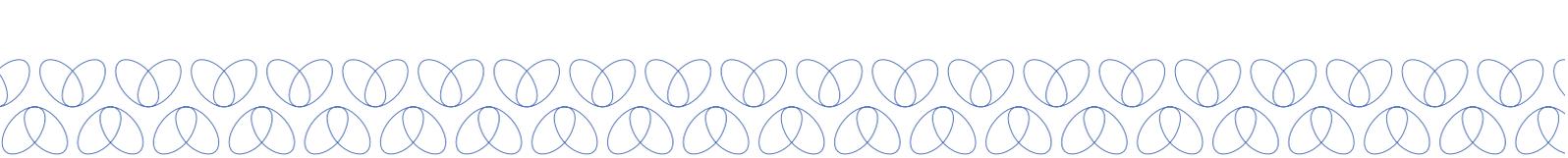
The Board acknowledges its responsibility for the Group's risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board, with the assistance of the management and the AC, has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems to safeguard the interests of the Company's shareholders and the Group's assets.

#### D. 風險管理及內部監控

本集團的風險管理及內部監控系統在識別和管理對達致其業務目標而言屬重大的風險方面發揮著重要作用。業務風險管理程序在本集團的整個範圍內已經融入其業務計劃和監控程序。本公司管理層持續評估風險發生的可能性、提供處理方案、監管風險管理流程並向審核委員會及董事會報告所有發現。管理層亦會向審核委員會及董事會報告本集團風險管理及內部監控系統的有效性。

審核委員會確保每年審閱本集團的風險管理及內部監控系統的有效性，涵蓋主要內部監控(包括財務、營運、合規和信息技術監控)以及該等系統的設計、實施及監管，並提呈董事會供審議。就此而言，審核委員會審閱外部和內部核數師的審核計劃和發現，以及確保本公司跟進核數師在審核過程中提出的建議(如有)。

董事會承認其須對本集團的風險管理及內部監控系統負責，並有責任檢討該等系統的有效性。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。董事會在管理層及審核委員會協助下，具有評估及釐定本公司為達成戰略目標所願承擔的風險性質及程度，並制定及維持合適及有效的風險管理及內部監控系統以保障本公司股東的利益及本集團的資產權益的整體責任。



## Corporate Governance Report

### 企業管治報告

Based on the reports submitted by the external and internal auditors and the various management controls put in place, the Board has conducted a review of the effectiveness of the Group's risk management and internal control systems for the year ended 31 December 2016. With the concurrence of the AC, the Board considered that the Group's risk management and internal control systems maintained by the management are effective and adequate to address the financial, operational and compliance risks of the Group throughout the year ended 31 December 2016.

During the year ended 31 December 2016, the Board has also received assurance from the Chief Executive Officer and Chief Financial Officer of the Company that (i) the financial records have been properly maintained and the financial statements give a true and fair view of the Company/Group's operation and finances; and (ii) the Company/Group have put in place and will continue to maintain reliable, comprehensive and sound systems of risk management, internal control and corporate governance that will withstand the scrutiny of any audit and review by the external auditor.

The Company has implemented control procedures throughout the year ended 31 December 2016 to ensure that unauthorised access and use of inside information are strictly prohibited.

#### E. INTERNAL AUDIT

The primary functions of the Company's internal audit include assessing if adequate internal control system is in place to protect the funds and assets of the Group and to ensure compliance with the internal control procedures; assessing if operation of the business processes under review is conducted efficiently and effectively; and identifying and recommending improvements to the internal control procedures, where required.

The Board with the concurrence of the AC is satisfied with the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions.

基於外部及內部核數師所提交的報告以及已實施的各類管理控制措施，董事會已就本集團截至二零一六年十二月三十一日止年度的風險管理及內部監控系統的有效性進行檢討。經審核委員會同意，董事會認為管理層所維持的本集團風險管理及內部監控系統於截至二零一六年十二月三十一日止年度足以有效及充分應對本集團的財務、營運和合規風險。

截至二零一六年十二月三十一日止年度，董事會亦已收到本公司首席執行官及首席財務官的保證，彼等確保(i)財務記錄已妥為保管及財務報表真實及公平地反映本公司／本集團的經營及財務情況；及(ii)本公司／本集團已妥善設立並將繼續保持可靠、全面及穩健的風險管理、內部監控及企業管治系統，將可承受外部核數師進行的任何審核及審閱的核查。

於截至二零一六年十二月三十一日止整個年度，本公司已實行監控程序，以確保嚴禁未經授權地取得及使用內幕消息。

#### E. 內部審核

本公司內部審核的主要職務包括評核是否有充分的內部監控系統，以保護本集團的資金和資產，以及確保遵循監控流程；評核所審閱的業務運作流程是否高效和有效地運作；及識別和建議就內部監控流程的改善(如適用)。

董事會(經審核委員會同意)信納本集團的會計、內部審核及財務報告職能的資源、人員資格及經驗、培訓計劃及預算的充足性。

## F. COMPANY SECRETARIES

Mr. Teo Meng Keong of Tricor Evatthouse Corporate Services (a division of Tricor Singapore Pte. Ltd.) and Ms. Soon Yuk Tai of Tricor Services Limited, both of which companies being external service providers, have been engaged by the Company as its joint Company Secretaries.

Their primary contact persons at the Company are Ms. Yan Yunhua, the Chief Financial Officer of the Company and an executive Director, and Mr. Zhu Weiwei, the Head of Investor Relations of the Company. The biographical details of Mr. Teo and Ms. Soon are set out in the section headed "Directors, Senior Management and Company Secretaries" of this annual report.

During the year ended 31 December 2016, both Mr. Teo and Ms. Soon have taken not less than 15 hours of relevant professional training.

## G. EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

The statement of the external auditor of the Company about their reporting responsibilities on the Company's financial statements for the year ended 31 December 2016 is set out in the section headed "Independent Auditor's Report" of this annual report.

The fees paid/payable to Ernst & Young LLP, the Company's external auditor, in respect of audit services and non-audit services for the year ended 31 December 2016 are analysed below:

<b>Type of services provided by the external auditor</b> 外部核數師提供的服務種類	<b>Fees paid/payable</b> 已付／應付費用 (S\$'000) (新加坡千元)
<b>Audit services</b> 審核服務	
- Audit fee for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度的審核費用	493
<b>Non-audit services</b> 非審核服務	
- Tax consultation fee for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度的稅務諮詢費用	10
<b>TOTAL:</b> 總計	<b>503</b>

## F. 公司秘書

外部服務供應商Tricor Evatthouse Corporate Services (Tricor Singapore Pte. Ltd.的分部)的張明強先生及外部服務供應商卓佳專業商務有限公司的孫玉蒂女士已獲本公司委聘為其聯席公司秘書。

張先生及孫女士於本公司的主要聯絡人為本公司首席財務官兼執行董事閻蘊華女士及本公司投資者關係主任朱偉偉先生。張先生及孫女士的履歷詳情載列於本年報「董事、高級管理層及公司秘書」一節。

於截至二零一六年十二月三十一日止年度，張先生及孫女士已進行不少於15小時的相關專業培訓。

## G. 外部核數師及核數師酬金

本公司外部核數師就其對截至二零一六年十二月三十一日止年度本公司財務報表的申報責任作出的聲明載於本年報「獨立核數師報告」一節。

就截至二零一六年十二月三十一日止年度的審核服務及非審核服務而已付／應付予本公司外部核數師安永會計師事務所的費用分析如下：

# Corporate Governance Report

## 企業管治報告

### H. COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Group recognises the importance of transparent and timely disclosure of corporate information, which enables Shareholders and investors to make the best investment decision. Price sensitive information will be publicly released before the Company's disclosure of any of such information to any group of investors or analysts. Financial results and reports will be announced or issued within the prescribed periods under the statutory or regulatory requirements.

In line with continuous obligations of the Company pursuant to the Listing Rules, the Board's policy is that all Shareholders be informed of all major developments that impact the Group. Information is disseminated to the Shareholders and investors on a timely basis through:

- i. Announcements, financial reports, circulars and news releases published on the website of the SEHK;
- ii. Financial reports prepared and issued to all Shareholders;
- iii. Press releases on major developments of the Group;
- iv. Notices of and explanatory memoranda for AGM and EGM; and
- v. the Company's website at [www.chinaxlx.com.hk](http://www.chinaxlx.com.hk) at which the Shareholders can access information of the Group, roadshows organised by banks and plant visits.

Shareholders are encouraged to attend general meetings to ensure high level of accountability and to stay apprised of the Group's strategy and goals. Notices of general meetings will be published on the websites of the SEHK and the Company. The chairmen of the Committees are normally available at general meetings to answer any question relating to the work of the Committees. The external auditor shall also be present at AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

### H. 與股東及投資者的溝通

本集團確認企業資料透明度及適時披露的重要性，其可使股東及投資者作出最佳投資決定。價格敏感資料將於本公司向任何投資者或分析員團體披露任何該等資料前向外公佈。財務業績和報告將於法定或監管規定項下訂明的期間內公佈或發出。

為配合本公司根據上市規則的持續責任，董事會的政策是讓全體股東得知影響本集團的所有重大發展。本公司通過以下方式適時向股東及投資者發佈資料：

- i. 在聯交所網站刊登公佈、財務報告、通函和新聞發佈；
- ii. 為全體股東編制並向他們發出財務報告；
- iii. 有關本集團重大發展的新聞稿；
- iv. 股東週年大會和股東特別大會的通告和說明備忘錄；及
- v. 本公司的網站([www.chinaxlx.com.hk](http://www.chinaxlx.com.hk))，股東可於該網站瀏覽本集團的資料，銀行安排的路演以及廠房參觀活動。

本公司鼓勵股東出席股東大會，以確保高度的問責水準和得知本集團的策略和目標。股東大會通告將在聯交所和本公司網站內公佈。各委員會的主席一般都會出席股東大會，回答與各委員會工作有關的問題。外部核數師亦應出席股東週年大會，以回答有關進行審核、核數師報告的編製及內容、會計政策及核數師的獨立性的問題。

Besides, for putting forward any enquiries to the Board, Shareholders and investors may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries. Shareholders and investors may send their written enquiries to the following:

Address: 17/F, Yat Chau Building, 262 Des Voeux Road Central,  
Hong Kong  
(For the attention of the Head of Investor Relations)

Fax: (852) 2521 9955

Email: weiwei.zhu@chinaxlx.com.hk

Inquiries are dealt with in an informative and timely manner.

## I. SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, a separate resolution shall be proposed at general meetings on each substantially separate issue, including the election of individual Directors, for Shareholders' consideration and voting.

### 11. CONVENING AN EXTRAORDINARY GENERAL MEETING

Pursuant to Article 47 of the Constitution, the Directors may whenever they think fit, and shall on requisition in accordance with the statute, proceed with proper expedition to convene an EGM.

Pursuant to the Companies Act:

- (a) Shareholders holding 10% or more of the paid-up capital of the Company which carries the right to vote at general meetings as at the date of the deposit of the requisition, may request the Board to convene an EGM. The written requisition must specify the objects of the meeting, be signed by the Shareholders concerned and deposited at the registered office of the Company for the attention of the Board or the Company Secretaries;

此外，就向董事會作出任何查詢而言，股東及投資者可向本公司寄送書面查詢。本公司一般將不會處理任何口頭或匿名查詢。股東及投資者可透過以下方式寄送其書面查詢：

地址：香港上環德輔道中 262 號  
一洲大廈 17 樓  
(註明投資者關係主任收)

傳真：(852) 2521 9955

電郵：weiwei.zhu@chinaxlx.com.hk

查詢將獲詳細及時處理。

## I. 股東的權利

為保障股東的權益及權利，本公司將就各重大個別事宜(包括選舉個別董事)於股東大會提呈獨立決議案以供股東考慮及投票表決。

### 11. 股東召開股東特別大會

根據章程第 47 條，董事倘認為合適及倘規程有所規定，可適當地隨時召開股東特別大會。

根據公司法：

- (a) 於遞交要求日期持有本公司繳足股本 10% 或以上並有權於股東大會上投票的股東，可要求董事會召開股東特別大會。書面要求必須指明大會目的及必須經有關股東簽署，且送達本公司的註冊辦事處(須註明收件人為董事會或公司秘書)；

# Corporate Governance Report

## 企業管治報告

(b) The Board shall proceed to convene an EGM within 21 days of the deposit of such written requisition. Such EGM shall be held within 2 months after the deposit of such written requisition; and

(c) If the Directors do not within 21 days after the date of the deposit of the requisition proceed to convene an EGM, the Shareholders who deposited requisition, or any of them representing more than 50% of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by Directors, convene an EGM, but any EGM so convened shall not be held after the expiration of 3 months from that date.

(b) 董事會將於遞交該書面要求日期起計21日內召開股東特別大會。有關股東特別大會須於遞交該書面要求後2個月內舉行；及

(c) 倘董事未有於遞交要求日期後起計21日內召開股東特別大會，則遞交要求的股東（或當中持有彼等全體總投票權一半以上的任何人士）可自行召開股東特別大會，而彼等所召開的股東特別大會須盡量以與董事召開大會相同的方式召開，惟任何據此召開的股東特別大會均不得於上述日期起計3個月屆滿後舉行。

### 12. PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

In general, subject to the paragraph below, no resolution may be proposed at a general meeting (whether it is an EGM or an AGM) if such resolution is not included in the notice convening the general meeting. However, if the proposal is to amend an existing resolution set out in the notice convening the general meeting and such amendment is within the scope of the notice, such amendment may be made if approved by the Shareholders by ordinary resolution.

### 12. 於股東大會上提出議案

一般而言，受下文所限，倘決議案並無載列於召開股東大會（不論是股東特別大會或股東週年大會）的通告內，則該決議案不可於股東大會上提呈。然而，倘建議乃為修訂召開股東大會的通告所載的現有決議案，而有關修訂屬於該通告範圍以內，則有關修訂須待股東以普通決議案方式通過後作出。

On the requisition in writing of either (i) any number of Shareholders representing not less than 5% of the total voting rights of all the Shareholders having at the date of the requisition a right to vote at the general meeting to which the requisition related; or (ii) not less than 100 Shareholders on which there has been paid up an average sum, per Shareholder, of not less than S\$500, the Company shall be under a duty to:

- (a) Give to the Shareholders entitled to receive notice of the next AGM notice of any resolution which may properly be moved and is intended to be moved at that meeting; and
- (b) Circulate to the Shareholders entitled to have notice of any general meeting sent to them any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting.

Notice of any such intended resolution shall be given, and any such statement shall be circulated, to the Shareholders entitled to have notice of the meeting sent to them by serving a copy of the resolution or statement on each such Shareholder in any manner permitted for service of notice of the meeting, and notice of any such resolution shall be given to any other Shareholder by giving notice of the general effect of the resolution in any manner permitted for giving him/her notice of meetings of the Company. The requisition shall be deposited at the registered office of the Company at least 6 weeks before the meeting.

For the avoidance of doubt, the Shareholder must provide his/her full name, contact details and identification, in the originally signed written requisition, notice or statement (as the case may be), in order to give effect thereto. Information of the Shareholder may be disclosed as required by law.

During the year under review, the Company has not made any changes to the Constitution. An up-to-date version of the Constitution is available on the websites of the SEHK and the Company. Shareholders may refer to the Constitution for further details of the rights of Shareholders.

All resolutions put forward at general meetings shall be voted by poll pursuant to the Listing Rules, and poll results will be posted on the websites of the SEHK and the Company after each general meeting.

在(i)於遞交要求日期持有不少於全體股東總投票權(賦有於要求所涉股東大會上的投票權)5%的股東(不論人數);或(ii)不少於100名股東(而持有股份的每名股東平均已繳足金額不少於500新加坡元)以書面方式提出要求下,本公司有責任:

- (a) 向有權接收下一屆股東週年大會通告的股東發出通知,以告知任何可能於該大會上正式動議並擬於會上動議的決議案;及
- (b) 向有權獲發送任何股東大會通告的股東傳閱不超過1,000字的陳述書,以告知於該大會上提呈的任何建議決議案所述事宜或將處理的事項。

任何此等擬定決議案的通知及任何此等陳述書,應以准許用於送達大會通告的方式,經送達該決議案或陳述書的副本至各有關股東,向有權獲送交大會通告的股東發出或傳閱;至於向任何其他股東發出任何此等決議案的通告,則須以准許用於向該等股東發出本公司大會通告的方式,向其發出具該決議案大意的通知。有關要求須於大會舉行前至少六個星期送達本公司註冊辦事處。

為免產生疑問,股東必須呈交已簽署的書面呈請、通知或聲明(視情況而定)的原件並於其上提供其全名、聯絡資料及身分證明,以令有關呈請、通知或聲明生效。股東資料或須根據法例規定予以披露。

於回顧年度,本公司並無對章程作出任何更改。章程的最新版本可於聯交所及本公司網站查閱。有關股東權利的進一步詳情,股東可參考章程。

股東大會上提呈的所有決議案將根據上市規則進行投票表決,且投票表決的結果將於各股東大會結束後在聯交所及本公司網站上刊載。

## Directors' Statement

### 董事報告

The Directors are pleased to present their report to the Shareholders together with the audited consolidated financial statements of the Group for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 46 to the financial statements.

### BUSINESS REVIEW

A review of the business of the Group during the year, a discussion on the Group's future business development, and the description of possible risks and uncertainties that the Group may be facing are set out in the Chairman's Statement and the Management Discussion and Analysis of this annual report. The financial risk management objectives and policies of the Group are set out in note 43 to the consolidated financial statements. In addition, an analysis of the Group's performance during the year using financial key performance indicators is set out in the Financial Highlights of this annual report. Discussions on the Group's compliance with the relevant laws and regulations and relationships with its key stakeholders that have a significant impact on the Group are included in the Chairman's Statement, Investor Relations and Corporate Governance Report of this annual report and in this Directors' Statement.

The Group places much importance on environmental protection, energy-saving and emission reduction, continuously processes environmental transformation of production systems, promotes the implementation of clean production, and continuously formulates and improves a series of regulation policies to improve our environmental management, laying a solid foundation for future development. Please refer to the separate 2016 Environmental, Social and Governance ("ESG") Report of the Group, sent together with this annual report, for further details of the Group's ESG-related risks, environmental policies and performance and other ESG information.

### RESULTS AND DIVIDENDS

The Group's profit for the year ended 31 December 2016 and the Group's financial position at that date are set out in the financial statements on pages 84 to 193 of this annual report.

No interim dividend was paid during the year. The Directors recommend the payment of a final dividend of RMB4 cents (2015: RMB8.3 cents) per share in respect of the year to the Shareholders whose names appear on the Register of Members on 2 June 2017. Subject to the approval of Shareholders at the 2017 AGM, the final dividend will be paid on 22 June 2017 in HK\$.

董事欣然向股東提呈其報告連同截至二零一六年十二月三十一日止年度本集團的經審核綜合財務報表。

### 主要業務

本公司的主要業務是投資控股。附屬公司的主要業務詳情載列於財務報表附註46。

### 業務回顧

本年度本集團業務回顧、對本集團未來業務發展的討論，以及描述本集團可能面對的可能風險及不確定因素載於本年報的主席報告及管理層討論與分析。本集團的財政風險管理目標及政策載於綜合財務報表附註43。此外，本年度用作分析本集團表現的財務主要績效指標載於本年報的財務概要。本集團就對其有重大影響的相關法律法規的遵守和與關鍵利益相關者的關係情況的討論列於本年報的主席報告、投資者關係及企業管治報告以及本董事報告。

本集團高度重視環境保護與節能減排工作，持續進行生產系統環保改造，推進實施清潔生產，不斷制定並完善一系列環境管理規章制度，夯實未來發展的基礎。本集團有關環境、社會及管治的風險、環境政策及績效以及其他環境、社會及管治資料的進一步詳情，請參閱連同本年報一併寄出的本集團獨立的二零一六年環境、社會及管治（「環境、社會及管治」）報告。

### 業績及股息

本集團截至二零一六年十二月三十一日止年度的溢利及本集團於該日的財務狀況載於本年報第84至第193頁的財務報表。

本年度並無派付中期股息。董事建議就本年度向於二零一七年六月二日名列股東名冊的股東派發末期股息每股人民幣4分（二零一五年：人民幣8.3分）。待股東於二零一七年股東週年大會上批准後，末期股息將於二零一七年六月二十二日以港元派付。

## SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out on page 194 of this annual report.

## SHARE CAPITAL AND CONVERTIBLE BONDS

There were no movements in the Company's issued capital and convertible bonds during the year. Details of the Company's share capital and convertible bonds are set out in notes 33 and 31 to the financial statements, respectively.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Constitution or the laws of Singapore, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing Shareholders.

## PURCHASE, REDEMPTION OR SALE OF SHARES

Neither the Company, nor its subsidiaries purchased, redeemed or sold its equity securities during the year.

## DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Act, amounted to RMB49,538,000 of which RMB40,000,000 has been proposed as a final dividend for the year.

## MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for less than 20% (2015: less than 20%) of the total sales for the year. Purchases from the Group's five largest suppliers accounted for 47% (2015: 53%) of the total purchases for the year and purchases from the largest supplier included therein amounted to 15% (2015: 17%).

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest suppliers.

## 財務資料概要

本集團於過去五個財政年度的綜合業績及資產與負債概要(乃摘錄自己刊發的經審核財務報表)載於本年報第194頁。

## 股本及可換股債券

本公司的已發行股本及可換股債券於本年度並無變動。本公司的股本及可換股債券詳情分別載於財務報表附註33及31。

## 優先購買權

章程或新加坡(本公司註冊成立的司法權區)的法律並無優先購買權條文,致使本公司有責任按比例向現有股東提呈發售新股份。

## 購買、贖回或出售股份

本公司或其附屬公司於本年度概無購買、贖回或出售其股本證券。

## 可供分派儲備

於二零一六年十二月三十一日,本公司之可供分派儲備(根據公司法的條文規定計算)達人民幣49,538,000元,當中人民幣40,000,000元已作為本年度建議派發末期股息。

## 主要客戶及供應商

於回顧年度內,銷售予本集團五名最大客戶佔本年度總銷售額少於20%(二零一五年:少於20%)。本集團向五名最大供應商採購則佔本年度總採購額47%(二零一五年:53%),而其中向最大供應商採購則佔15%(二零一五年:17%)。

董事或彼等的任何緊密聯繫人或任何股東(據董事所知擁有本公司已發行股本5%以上者)概無擁有本集團五名最大供應商的任何實益權益。

## Directors' Statement

### 董事報告

#### CHARITABLE CONTRIBUTIONS

During the year, the Group made charitable contributions totalling RMB319,000 (2015: RMB427,000).

#### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Company has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

#### DIRECTORS

The Directors during the year are:

##### Executive Directors:

Liu Xingxu  
Zhang Qingjin  
Yan Yunhua

##### Non-executive Director:

Lian Jie

##### Independent Non-executive Directors:

Ong Kian Guan  
Li Shengxiao  
Ong Wei Jin

In accordance with Articles 89 and 90 of the Constitution, Ms. Yan Yunhua, Mr. Lian Jie and Mr. Ong Kian Guan will retire by rotation and, being eligible, will offer themselves for re-election at the 2017 AGM.

The Company has received annual confirmation of independence from each of the independent non-executive Directors and considers them to be independent.

#### BIOGRAPHIES OF DIRECTORS, SENIOR MANAGEMENT AND COMPANY SECRETARIES

Biographical details of the Directors, the senior management of the Group and the Company Secretaries are set out on pages 24 to 30 of this annual report.

#### 慈善捐款

於本年度，本集團作出慈善捐款合共人民幣319,000元(二零一五年：人民幣427,000元)。

#### 遵守相關法律法規

據董事會所知，本公司在各重大方面均已遵守對本公司業務及營運具有重大影響的相關法律法規。

#### 董事

本年度的董事如下：

##### 執行董事：

劉興旭  
張慶金  
閻蘊華

##### 非執行董事：

廉潔

##### 獨立非執行董事：

王建源  
李生校  
王為仁

根據章程細則第89條及第90條，閻蘊華女士、廉潔先生及王建源先生將輪席告退，並符合資格於二零一七年股東週年大會上膺選連任。

本公司已從各獨立非執行董事接獲年度獨立確認書，並視彼等為獨立。

#### 董事、高級管理層及公司秘書的履歷

董事、本集團高級管理層及公司秘書的履歷詳情載於本年報第24至30頁。

## ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors or their respective spouses or minor children to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors entered into a service contract with the Company for a term of three years, unless terminated in accordance with the provisions of the service contract by either party giving to the other not less than six months' prior notice in writing.

The Company has issued a letter of appointment to each of the independent non-executive Directors and the non-executive Director for a term of three years, unless terminated by either party giving to the other not less than three months' prior notice in writing.

No Director proposed for re-election at the 2017 AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## DIRECTORS' REMUNERATION

The Directors' remuneration is subject to approval by the Remuneration Committee with reference to the Directors' duties, responsibilities and performance and the results of the Group. Details of the Directors' remuneration are set out in note 9 to the financial statements.

## HIGHEST PAID INDIVIDUALS

During the year, the five individuals with the highest remuneration in the Group are all Directors and senior management of the Group. Details of the highest paid individuals are set out in note 10 to the financial statements.

## PERMITTED INDEMNITY PROVISION

As set out in Article 147 of the Constitution, a permitted indemnity provision (as defined in the Hong Kong Companies Ordinance) for the benefit of the Directors is currently in force and was in force throughout the year.

## 董事收購股份及債權證的安排

本公司於本年度結算日或本年度內任何時間概無作為一方訂立任何安排，而其目的為（或其目的之一為）致使董事或彼等各自之配偶或未成年子女可藉收購本公司或任何其他法團的股份或債權證而獲益。

## 董事的服務合同

各執行董事與本公司訂立服務合同，任期為三年，除非任何一方根據服務合同向另一方發出不少於六個月之書面通知，予以終止。

本公司已向各獨立非執行董事及非執行董事發出委任函，任期為三年，除非任何一方向另一方發出不少於三個月之書面通知，予以終止。

概無於二零一七年股東週年大會上提呈膺選連任的董事與本公司訂立不可由本公司於一年內毋須支付賠償（法定賠償除外）予以終止的服務合同。

## 董事酬金

董事酬金須待薪酬委員會參考董事的職務、職責及表現和本集團的業績後批准，始可作實。董事酬金詳情載於財務報表附註9。

## 最高薪酬個人

年內，本集團五名最高薪酬個人全部為董事及本集團的高級管理層。最高薪酬個人的詳情載於財務報表附註10。

## 獲准許彌償條文

載於章程第147條有關惠及董事的獲准許彌償條文（按香港公司條例定義）於現在及年內均為有效。

## Directors' Statement

### 董事報告

#### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

Save as disclosed in the section headed "Continuing Connected Transactions" and in note 40(a) to the financial statements, no Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance in relation to the business of the Group to which the Company or any of its subsidiaries was a party subsisted at the end of or at any time during the year under review.

#### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SHARES

As at 31 December 2016, the interests of the Directors and chief executive of the Company in Shares, as recorded in the register required to be kept by the Company pursuant to Section 164 of the Companies Act and Section 352 of the SFO, or as otherwise notified to the Company and the SEHK pursuant to the Model Code as set out in Appendix 10 to the Listing Rules, were as follows:

#### LONG POSITIONS

##### 好倉

#### 董事於交易、安排或合同的權益

除「持續關連交易」一節及財務報表附註40(a)所披露外，於回顧年度結算日或年內任何時間，董事或董事的關連實體概無於本公司或其任何附屬公司所訂立對本集團業務而言屬重大的任何交易、安排或合同中直接或間接擁有重大權益。

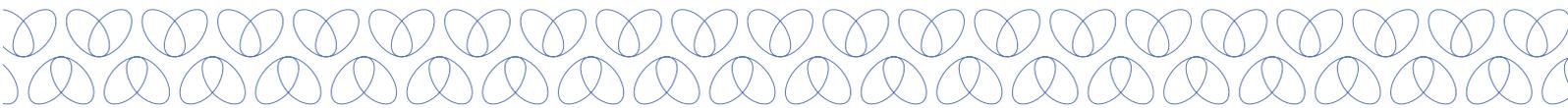
#### 董事及主要行政人員於股份的權益

於二零一六年十二月三十一日，董事及本公司主要行政人員於股份中擁有記載於按公司法第164條及證券及期貨條例第352條由本公司存置的登記冊內的權益，或根據上市規則附錄十所載的標準守則須知會本公司及聯交所的權益如下：

#### Number of ordinary shares interested 擁有權益的普通股數目

Name of Directors 董事姓名	Personal interests 個人權益	Corporate interests 公司權益	Total interests 總權益	Approximate percentage <sup>#</sup> of the Company's issued share capital 佔本公司已發行股本的約百分比 <sup>#</sup>
Mr. Liu Xingxu 劉興旭先生	600,000	360,207,999 (Note 附註(a))	360,807,999	36.08%
Ms. Yan Yunhua 閻蘊華女士	300,000	277,085,000 (Note 附註(b))	277,385,000	27.74%
Mr. Ong Kian Guan 王建源先生	100,000	–	100,000	0.01%

# The percentage represents the number of ordinary shares interested divided by the number of the Company's issued shares as at 31 December 2016.  
該百分比指擁有權益的普通股數目除以本公司於二零一六年十二月三十一日的已發行股份數目。



Notes:

- (a) These shares were held by Pioneer Top Holdings Limited (“**Pioneer Top**”), an investment holding company established in the British Virgin Islands (the “**BVI**”). Mr. Liu Xingxu beneficially owned 42% of the equity interest in Pioneer Top, and held the remaining 58% of the equity interest in Pioneer Top in trust for 7 beneficiaries (including Mr. Zhang Qingjin) under a trust agreement dated 26 July 2016. Pursuant to the trust agreement, Mr. Liu Xingxu is irrevocably granted the absolute discretion to exercise the voting rights and the rights to the day-to-day management of Pioneer Top.
- (b) These shares were held by Go Power Investments Limited (“**Go Power**”), an investment holding company established in the BVI. Ms. Yan Yunhua beneficially owned 12.74% of the equity interest in Go Power, and held the remaining 87.26% of the equity interest in Go Power in trust for a total of 1,463 beneficiaries under a trust agreement dated 26 July 2016. Pursuant to the trust agreement, Ms. Yan Yunhua is irrevocably granted the absolute discretion to exercise the voting rights and the rights to the day-to-day management of Go Power.

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company nor their associates had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which has been recorded in the register maintained by the Company pursuant to Section 164 of the Companies Act and Section 352 of the SFO, or which has been notified to the Company and the SEHK pursuant to the Model Code.

## INTERESTS OF DIRECTORS IN COMPETING BUSINESSES

During the year and up to the date of this annual report, none of the Directors has any interest in a business which competes or may compete with the business of the Group under the Listing Rules.

## MANAGEMENT CONTRACTS

During the year, no contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed.

## OPTIONS

The Group has no share option scheme.

附註：

- (a) 該等股份由 Pioneer Top Holdings Limited (「**Pioneer Top**」) (一間於英屬處女群島 (「**英屬處女群島**」) 成立之投資控股公司) 持有。劉興旭先生實益擁有 Pioneer Top 42% 股權，並根據日期為二零一六年七月二十六日的信託協議為 7 名受益人 (包括張慶金先生) 信託持有 Pioneer Top 餘下 58% 股權。根據該信託協議，劉興旭先生獲不可撤回地授予權利，全權酌情行使 Pioneer Top 的投票權及其日常管理權。
- (b) 該等股份由 Go Power Investments Limited (「**Go Power**」) (一間於英屬處女群島成立之投資控股公司) 持有。閻蘊華女士實益擁有 Go Power 12.74% 股權，並根據日期為二零一六年七月二十六日的信託協議為合共 1,463 名受益人信託持有 Go Power 餘下 87.26% 股權。根據該信託協議，閻蘊華女士獲不可撤回地授予權利，全權酌情行使 Go Power 的投票權及其日常管理權。

除上文所披露者外，於二零一六年十二月三十一日，董事及本公司主要行政人員或彼等的聯繫人概無於本公司或其任何相聯法團 (定義見證券及期貨條例第 XV 部) 的股份、相關股份或債權證中擁有或被視為擁有記載於按公司法第 164 條及證券及期貨條例第 352 條由本公司存置的登記冊內的任何權益或淡倉，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

## 董事於競爭業務的權益

年內及截至本年報刊發日期，根據上市規則，概無董事在任何與本集團從事的業務競爭或可能競爭的業務中擁有權益。

## 管理合同

年內，概無就有關本公司全部或大部份業務的管理及行政訂立或存在任何合同。

## 購股權

本集團並無購股權計劃。

## Directors' Statement

### 董事報告

#### EQUITY-LINKED AGREEMENTS

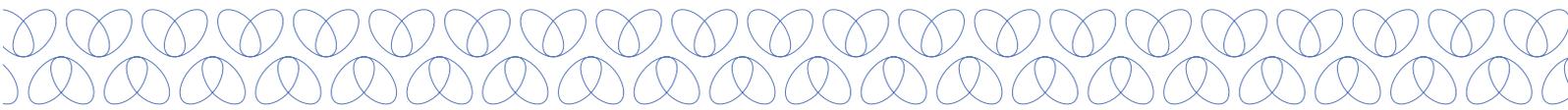
On 27 November 2011, the Company entered into the Subscription Agreement with Nitro Capital Limited (“Nitro”), pursuant to which Nitro agreed to subscribe and pay for the convertible bonds of an aggregate principal amount of approximately RMB324 million due the fifth anniversary of the date of issue by the Company which bear interest of 4.5% per annum (the “Bonds”). The Directors were of the view that the issue of the Bonds can provide additional funds for expansion of the Group’s plant IV and Xinjiang project, and general working capital purposes. As the Company intended to engage long-term strategic investor to help further improve its corporate governance and shareholder base in the long-term perspective, the Directors also considered that Nitro can help bring in more insights from the investors’ perspective and leverage the extensive resources to explore more expansion opportunities for the Company.

As all the conditions for completion of the subscription and issue of the Bonds under the Subscription Agreement (the “Bonds Issue”) were satisfied, the completion of the Bonds Issue took place on 21 December 2011, and the net proceeds received by the Company were approximately RMB322 million. Nitro was entitled to convert their Bonds into Conversion Shares, at any time on or after 21 December 2011 and up to the close of business on: (i) the fifth business days before 21 December 2016 (both days inclusive) unless previously redeemed or purchased and cancelled as provided in the terms and conditions of the Bonds; (ii) a date no later than 10 days prior to the dated fixed for redemption thereof if the Bonds had been called for redemption by the Company before 21 December 2016; (iii) the deemed conversion date pursuant to the terms and conditions of the Bonds if the Bonds had been called for mandatory conversion; and (iv) the day prior to the giving of notice requiring redemption by Nitro if such notice had been given. Assuming full conversion of the Bonds at the initial conversion price of approximately RMB1.84 per Share, the Bonds will be convertible into 176,000,000 ordinary Shares.

#### 股票掛鈎協議

於二零一一年十一月二十七日，本公司與 Nitro Capital Limited (「Nitro」) 訂立認購協議，據此，Nitro 已同意認購本公司於發行滿五週年之日到期的本金總額約人民幣 3.24 億元的可換股債券，年利率 4.5%，並支付認購款 (「債券」)。董事認為，發行債券可為本集團的第四廠及新疆項目擴充提供額外資金，以及作一般營運資金用途。由於本公司認為長期策略投資者加入有助進一步長遠改善其企業管治以及股東基礎，董事亦認為，Nitro 有助從投資者的角度帶來更多深入見解，並利用豐富的資源為本公司探索更多擴充機遇。

由於認購協議項下認購完成及債券發行 (「債券發行」) 的所有條件已獲達成，債券發行於二零一一年十二月二十一日完成，本公司的所得款項淨額為約人民幣 3.22 億元。Nitro 有權於二零一一年十二月二十一日或之後的任何時間將其債券轉換為轉換股份，直至 (i) 二零一六年十二月二十一日前第五個營業日 (包括首尾兩日) 營業時間結束時為止，除非先前根據債券條款及條件的規定贖回或購回及註銷；(ii) 倘本公司於二零一六年十二月二十一日前要求贖回該債券，則直至指定贖回日期前不超過十日的營業時間結束時為止；(iii) 倘債券被要求強制轉換，則直至根據債券的條款及條件於視作轉換日期的營業時間結束時為止；及 (iv) 倘 Nitro 要求贖回的通知已經發出，則直至發出該通知日期前一天營業時間結束時為止。假設債券按初始轉換價值每股約人民幣 1.84 元獲悉數轉換，債券將獲轉換為 176,000,000 股普通股股份。



Prior to the original maturity date of the Bonds of 21 December 2016, the Company was approached by Nitro about extension of the maturity date of the Bonds as Nitro had noted the prices at which the Shares were trading and the possible further downward pressure on the market price of the Shares if the Bonds were to mature and be converted into Shares in the immediate future. In consideration of the Company agreeing to the extension, Nitro agreed to lower the annual interest rate of the Bonds. As the Company shared the same concerns with Nitro, the Directors believed that it would be in the interests of the Shareholders as a whole to defer the conversion of the Bonds and the potential disposal of Shares following such conversion to a later time, while lowering the interest rate of the Bonds.

On 14 December 2016, the Company and Nitro entered into the Amendment Agreement to, among other things, extend the maturity date and lower the interest rate of the Bonds. The completion of the Amendment Agreement was conditional upon, amongst other things, approval of the SEHK having been obtained for the listing of, and permission to deal in, the ordinary Shares to be allotted and issued by the Company (the **"New Conversion Shares"**) upon conversion of the Bonds as amended and restated under the Amendment Agreement (the **"Restated Bonds"**).

The completion of the Amendment Agreement took place on 20 December 2016 upon the satisfaction of the conditions thereof. The Restated Bonds due 21 December 2018, which bear an interest rate of 2% per annum subsequent from (and including) 20 December 2016 to (and excluding) 21 December 2018, were issued by the Company to Nitro. No additional fund was raised by the issue of the Restated Bonds. Nitro was entitled to convert their Restated Bonds into New Conversion Shares, at any time on or after 20 December 2016 and up to the close of business on: (i) the fifth business days before 21 December 2018 (both days inclusive) unless previously redeemed or purchased and cancelled as provided in the terms and conditions of the Restated Bonds; (ii) the deemed conversion date pursuant to the terms and conditions of the Restated Bonds if the Restated Bonds had been called for mandatory conversion; and (iii) the day prior to the giving of notice requiring redemption by Nitro if such notice had been given. Assuming that the Restated Bonds will be converted in full at the conversion price of approximately RMB1.84, an aggregate of approximately 176,000,000 ordinary Shares will be issued.

Further details of the Bonds Issue are included in note 31 to the financial statements and in the announcements of the Company dated 28 November 2011, 19 December 2011, 21 December 2011, 14 December 2016 and 20 December 2016.

於債券原定到期日二零一六年十二月二十一日前，Nitro就延長債券到期日接洽本公司，因Nitro注意到股份的成交價，以及如債券近期到期並轉換為股份，可能對股份市價帶來進一步下跌壓力。作為本公司同意該延長的代價，Nitro同意將債券的年利率降低。由於本公司亦與Nitro有相同擔憂，董事相信，將轉換債券及於該轉換後可能出售股份延遲至較後時間，同時降低債券利率，符合股東的整體利益。

於二零一六年十二月十四日，本公司與Nitro訂立修訂協議，以(其中包括)延長債券到期日及降低債券利率。修訂協議須待(其中包括)取得聯交所批准根據修訂協議修訂及重列之債券(「**經重述債券**」)轉換後本公司將配發及發行的普通股股份(「**新轉換股份**」)上市及買賣後，方告完成。

修訂協議在該協議之條件達成後於二零一六年十二月二十日完成，將於二零一八年十二月二十一日到期，由(及包括)二零一六年十二月二十日至(不包括)二零一八年十二月二十一日年利率2%的經重述債券已由本公司向Nitro發行。發行經重述債券不會籌集額外資金。Nitro有權於二零一六年十二月二十日或之後的任何時間將其經重述債券轉換為新轉換股份，直至(i)二零一八年十二月二十一日前第五個營業日(包括首尾兩日)營業時間結束時為止，除非先前根據經重述債券條款及條件的規定贖回或購回及註銷；(ii)倘經重述債券被要求強制轉換，則直至根據經重述債券的條款及條件於視作轉換日期的營業時間結束時為止；及(iii)倘Nitro要求贖回的通知已經發出，則直至發出該通知日期前一天營業時間結束時為止。假設經重述債券按轉換價值約人民幣1.84元獲悉數轉換，將發行176,000,000普通股股份。

債券發行之進一步詳情載於財務報表附註31及本公司日期為二零一一年十一月二十八日、二零一一年十二月十九日、二零一一年十二月二十一日、二零一六年十二月十四日及二零一六年十二月二十日之公告。

## Directors' Statement

### 董事報告

Save as disclosed above, no other equity-linked agreements that will or may result in the Company issuing Shares or that require the Company to enter into any agreements that will or may result in the Company issuing Shares were entered into by the Company during the year or subsisted at the end of the year.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, the following parties had interests of 5% or more in the issued Shares and underlying shares of the Company according to the register of interests required to be kept by the Company pursuant to Section 88 of the Companies Act and Section 336 of the SFO:

### LONG POSITIONS

#### 好倉

除上文所披露者外，年內或於年結日本公司並無訂立其他將會或可能導致本公司發行股份的股票掛鈎協議，或要求本公司訂立將會或可能導致本公司發行股份的任何協議。

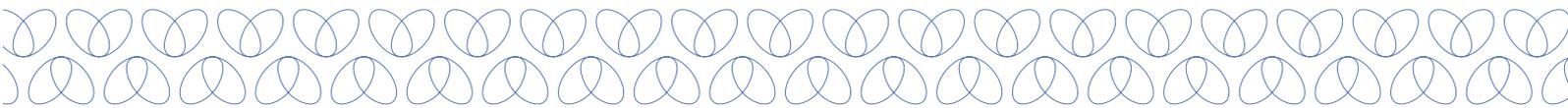
### 主要股東於股份及相關股份的權益

於二零一六年十二月三十一日，按本公司根據公司法第88條及證券及期貨條例第336條須存置的權益登記冊，下列各方於本公司已發行股份及相關股份擁有5%或以上的權益：

Name of substantial Shareholders 主要股東名稱	Capacity 身份	Number of issued ordinary shares interested 擁有權益的已發行普通股數目	Number of underlying shares upon conversion of the convertible bonds 轉換可換股債券時的相關股份數目	Total interests 總權益	Approximate percentage of ordinary shares/ underlying shares over the Company's issued share capital 佔本公司已發行股本中的普通股／相關股份約百分比
Pioneer Top (Note 附註 (a))	Beneficial owner 實益擁有人	360,207,999	–	360,207,999	36.02%*
Go Power (Note 附註 (b))	Beneficial owner 實益擁有人	277,085,000	–	277,085,000	27.71%*
Nitro (Note 附註 (c))	Beneficial owner 實益擁有人	–	176,000,000	176,000,000	14.97%**

\* The percentage represents the number of issued ordinary shares interested divided by the number of the Company's issued shares as at 31 December 2016.  
該百分比指擁有權益的已發行普通股數目除以本公司於二零一六年十二月三十一日的已發行股份數目。

\*\* The percentage represents the number of underlying shares interested divided by the number of the Company's issued shares as at 31 December 2016, as enlarged by the number of shares supposed to be issued after full conversion of the convertible bonds.  
該百分比指擁有權益的相關股份數目除以本公司於二零一六年十二月三十一日的已發行股份數目，而本公司已發行股份數目經於悉數轉換可換股債券後擬發行之股份的數目擴大。



#### Notes:

- (a) Pioneer Top is an investment holding company established in the BVI. Mr. Liu Xingxu beneficially owned 42% of the equity interest in Pioneer Top, and held the remaining 58% of the equity interest in Pioneer Top in trust for 7 beneficiaries under a trust agreement dated 26 July 2016, including 7% for Mr. Zhang Qingjin, an executive Director and the Company's Chief Executive Officer; 7% for Mr. Li Yushun and 7% for Mr. Wang Nairen, the Company's senior management; 7% for Mr. Ru Zhengtao, 7% for Mr. Zhu Xingye and 7% for Mr. Shang Dewei, the Company's employees; and 16% for Mr. Li Buwen, the Company's former executive Director. Mr. Liu Xingxu has the absolute discretion to exercise the voting rights held by Pioneer Top in the Company in accordance with the trust agreement. This interest held by Pioneer Top has also been disclosed as the interest of Mr. Liu Xingxu in the above section headed "Directors' and Chief Executive's Interests in Shares".
- (b) Go Power is an investment holding company established in the BVI. Ms. Yan Yunhua beneficially owned 12.74% of the equity interest in Go Power, and held the remaining 87.26% of the equity interest in Go Power in trust for a total of 1,463 beneficiaries under a trust agreement dated 26 July 2016. Ms. Yan Yunhua has the absolute discretion to exercise the voting rights held by Go Power in the Company in accordance with the trust agreement. This interest held by Go Power has also been disclosed as the interest of Ms. Yan Yunhua in the above section headed "Directors' and Chief Executive's Interests in Shares".
- (c) Nitro is an investment holding company established in the Cayman Islands and is a wholly-owned subsidiary of Primavera Capital (Cayman) Fund I L.P.

Save as disclosed above, as at 31 December 2016, no person, other than the Directors whose interests are set out in the section headed "Directors' and Chief Executive's Interests in Shares" above, had an interest or a short position in the shares, underlying shares or debentures of the Company that was required to be recorded in the register maintained by the Company pursuant to Section 88 of the Companies Act and Section 336 of the SFO.

## CONTRACTS OF SIGNIFICANCE

No contracts of significance were entered into between the Company or any of its subsidiaries and the controlling Shareholder or any of its subsidiaries during the year.

#### 附註：

- (a) Pioneer Top 乃於英屬處女群島成立之投資控股公司。劉興旭先生實益擁有 Pioneer Top 42% 股權，並根據日期為二零一六年七月二十六日的信託協議為 7 名受益人信託持有 Pioneer Top 餘下 58% 股權，該七名受益人包括執行董事及本公司首席執行官張慶金先生 (7%)；本公司的高級管理層李玉順先生 (7%) 及王乃仁先生 (7%)；本公司的僱員茹正濤先生 (7%)、朱性業先生 (7%) 及尚德偉先生 (7%)；以及前執行董事李步文先生 (16%)。根據該信託協議，劉興旭先生可全權酌情行使 Pioneer Top 於本公司持有的投票權。Pioneer Top 持有的該權益亦在上文「董事及主要行政人員於股份的權益」一節披露為劉興旭先生的權益。
- (b) Go Power 乃於英屬處女群島成立之投資控股公司。閻蘊華女士實益擁有 Go Power 12.74% 股權，並根據日期為二零一六年七月二十六日的信託協議為合共 1,463 名受益人信託持有 Go Power 餘下 87.26% 股權。根據該信託協議，閻蘊華女士可全權酌情行使 Go Power 於本公司持有的投票權。Go Power 持有的該權益亦在上文「董事及主要行政人員於股份的權益」一節披露為閻蘊華女士的權益。
- (c) Nitro 乃於開曼群島成立之投資控股公司，並為春華資本集團 (開曼) 一號基金的全資附屬公司。

除上文所披露者外，於二零一六年十二月三十一日，除於上文「董事及主要行政人員於股份的權益」一節所載董事的權益外，概無人士於本公司的股份、相關股份或債權證中擁有按公司法第 88 條及證券及期貨條例第 336 條須記載於由本公司存置的登記冊內的權益或淡倉。

## 重大合約

於本年度，本公司或其任何附屬公司並無與任何控股股東或其附屬公司訂立任何重大合約。

## Directors' Statement

### 董事報告

#### CONTINUING CONNECTED TRANSACTIONS

During the year, the Group had the following continuing connected transactions, and has complied with the disclosure requirements of Chapter 14A of the Listing Rules.

As at 31 December 2016, Mr. Liu Xingxu, Ms. Yan Yunhua and Mr. Zhang Qingjin (being executive Directors) and Mr. Li Buwen (being a former executive Director who resigned on 27 March 2015) collectively held an aggregate of approximately 11.8% interest in XLX Chem, and together are the largest shareholder of XLX Chem and have the largest influence through their shareholders' rights on the major decisions in XLX Chem. Therefore, XLX Chem, its subsidiaries and associates (collectively "XLX Chem Group") are deemed as the Company's connected persons under Rule 14A.07 of the Listing Rules.

#### NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

##### (I) UTILITIES SUPPLY AGREEMENT

The Group entered into the Utilities Supply Agreement on 13 November 2014 with XLX Chem Group, pursuant to which Henan XLX agreed to supply water, electricity and steam to XLX Chem Group. This arrangement helps the Group to improve the utilisation of its utilities facilities, and the additional income received from providing such utilities to XLX Chem Group can be used to reduce the overall maintenance, labour and management costs to the Group of maintaining such facilities. Pursuant to the agreement, the price for the supply of electricity is determined on the basis of usage rate as recorded in the relevant meters with reference to the price set out by the PRC government or relevant authorities; and the price for supply of water and steam is determined on the basis of usage rate as recorded in the relevant meters with reference to the actual costs plus a 10% mark-up.

The Utilities Supply Agreement has a term commencing from 1 January 2015 up to and including 31 December 2016. The Group has set the annual cap for the income received by the Group from XLX Chem Group under the agreement at RMB7,000,000 for FY2016.

#### 持續關連交易

於本年度，本集團已進行以下持續關連交易，並已遵守上市規則第14A章的披露規定。

於二零一六年十二月三十一日，劉興旭先生、閻蘊華女士及張慶金先生(執行董事)及李步文先生(已於二零一五年三月二十七日辭任的前執行董事)共同持有心連心化工合共約11.8%權益，而彼等共同為心連心化工的最大股東及通過其股東權利對心連心化工的主要決定具有重大影響。因此，根據上市規則第14A.07條，心連心化工、其附屬公司及聯營公司(統稱為「心連心化工集團」)均被視為本公司關連人士。

#### 不獲豁免持續關連交易

##### (I) 水電及蒸汽供應協議

本集團已於二零一四年十一月十三日與心連心化工集團訂立水電及蒸汽供應協議，據此，河南心連心同意向心連心化工集團供應水電及蒸汽。此安排有助本集團提高水電及蒸汽設施的使用率，並從心連心化工集團取得額外收入，可用於減少本集團維護該等設施的整體維修、人力及管理成本。根據該協議，電力供應價格參考中國政府或相關部門規定的價格根據相關儀錶記錄的使用率釐定；水及蒸汽供應價格參考實際成本加10%標價根據相關儀錶記錄的使用率釐定。

水電及蒸汽供應協議的期限自二零一五年一月一日開始，直至二零一六年十二月三十一日(包括該日)。本集團已就本集團根據該協議向心連心化工集團收取的收入，將二零一六財政年度的年度上限釐定為人民幣7,000,000元。

For the year ended 31 December 2016, the aggregate amount received by the Group from XLX Chem Group for the sales of water, electricity and steam amounted to RMB1,436,102 and has been accounted for as other income in the Group's consolidated statement of profit or loss and other comprehensive income.

In consideration of the abovementioned benefits to the Group, the Utilities Supply Agreement was renewed on 30 December 2016 with a term of three years commencing from 1 January 2017 and ending on 31 December 2019 (both dates inclusive).

## (II) EQUIPMENT PURCHASE AGREEMENT

The Group entered into the Equipment Purchase Agreement on 13 November 2014 with XLX Chem Group, pursuant to which XLX Chem Group agreed to supply equipment, including pipes, containers and high-pressure containers, to Henan XLX for the Group's production. Accordingly, the Group benefits from reliable and timely delivery of equipment and cost effectiveness. Pursuant to the agreement, the prices for equipment purchases are determined by the Group's internal qualification and tendering procedures with potential suppliers of equipment, which vary depending on the product type, quantity and quality specifications as required by Henan XLX.

The Equipment Purchase Agreement has a term commencing from 1 January 2015 up to and including 31 December 2016. The Group has set the annual cap for the amount paid by the Group to XLX Chem Group for purchases of equipment under the agreement at RMB33,000,000 for FY2016.

For the year ended 31 December 2016, the aggregate amount paid by the Group for the purchases of equipment from XLX Chem Group was RMB26,136,238 which has been included in spare parts inventories in the Group's consolidated statement of financial position.

In consideration of the abovementioned benefits to the Group, the Equipment Purchase Agreement was renewed on 30 December 2016 with a term of three years commencing from 1 January 2017 and ending on 31 December 2019 (both dates inclusive).

截至二零一六年十二月三十一日止年度，本集團就銷售水電及蒸汽從心連心化工集團收取的總額為人民幣1,436,102元，已作為其他收入計入本集團的綜合損益及其他全面收益表。

經考慮本集團上述收益，水電及蒸汽供應協議於二零一六年十二月三十日續期，自二零一七年一月一日起至二零一九年十二月三十一日止（包括首尾兩日），為期三年。

## (II) 設備購買協議

本集團已於二零一四年十一月十三日與心連心化工集團訂立設備購買協議，據此，心連心化工集團同意向河南心連心供應設備，包括管道、容器及高壓容器，以供本集團生產之用。因此，本集團受益於可靠且及時的設備交付及成本效益。根據該協議，設備購買價格由本集團與潛在設備供應商的內部資格及招標程序釐定，根據河南心連心需要的產品種類、數量及質素規格有所變動。

設備購買協議的期限自二零一五年一月一日開始，直至二零一六年十二月三十一日（包括該日）。本集團已就本集團根據該協議就購買設備向心連心化工集團支付的金額，將二零一六財政年度的年度上限釐定為人民幣33,000,000元。

截至二零一六年十二月三十一日止年度，本集團就購買設備向心連心化工集團已付總額為人民幣26,136,238元，有關金額已計入本集團綜合財務狀況表的備用零件存貨。

經考慮本集團上述收益，設備購買協議於二零一六年十二月三十日續期，自二零一七年一月一日起至二零一九年十二月三十一日止（包括首尾兩日），為期三年。

## Directors' Statement

### 董事報告

#### (III) GENERAL LEASE AGREEMENT

The Group entered into the General Lease Agreement on 21 August 2013 with XLX Chem Group, pursuant to which XLX Chem agreed to lease certain living quarters with an aggregate area of 138,134.89 square meters located at XLX Chem West Courtyard Living Quarters, Xiaoji Town, Xinxiang City, Henan, China (中國河南新鄉市小冀鎮心連心化工西院生活區) to Henan XLX. The living quarters include industrial kitchens, canteens, staff dormitories, warehouses and apartments, which can provide the general staff of Henan XLX with convenient residential facilities and reduce the time required for daily work commute. Pursuant to the agreement, the monthly lease amount is determined with reference to prevailing market rates of similar premises in Henan Province. The General Lease Agreement has a term commencing from 19 August 2013 up to and including 18 August 2016.

In order to continue to take advantage of the strategic location of the accommodation and catering facilities of XLX Chem, which are in proximity to the Group's production factories, the General Lease Agreement was renewed on 18 August 2016 with a term of three years commencing from 19 August 2016 and ending on 18 August 2019 (both days inclusive). The Group has set the fixed monthly lease paid by the Group to XLX Chem Group at RMB186,600 in respect of the General Lease Agreement (i.e. RMB2,239,200 as the annual cap for FY2016).

For the year ended 31 December 2016, the lease paid by the Group to XLX Chem Group under these agreements was approximately RMB2,239,200 which has been accounted for as general and administrative expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

#### (III) 一般租賃協議

本集團已於二零一三年八月二十一日與心連心化工集團訂立一般租賃協議，據此，心連心化工同意向河南心連心出租若干總面積為138,134.89平方米的生活區，生活區位於中國河南新鄉市小冀鎮心連心化工西院生活區。生活區包括工業廚房、食堂、員工宿舍、倉庫及公寓，為河南心連心一般員工提供便利住宿設施及減少日常工作通勤所需時間。根據該協議，每月租金根據河南省類似物業市場現時市價釐定。一般租賃協議的年期自二零一三年八月十九日開始，直至二零一六年八月十八日(包括該日)。

為繼續利用位於本集團生產工廠附近的心連心化工住宿及餐飲設施的戰略位置優勢，一般租賃協議於二零一六年八月十八日續期，自二零一六年八月十九日起至二零一九年八月十八日止(包括首尾兩日)，為期三年。本集團已就一般租賃協議釐定由本集團支付予心連心化工集團的固定月租人民幣186,600元(二零一六財政年度的年度上限為人民幣2,239,200元)。

截至二零一六年十二月三十一日止年度，本集團根據該等協議支付予心連心化工集團的租金為約人民幣2,239,200元，已作為一般及行政開支計入本集團的綜合損益及其他全面收益表。

#### (IV) GENERAL ACCOMMODATION AND CATERING AGREEMENT

The Group entered into the General Accommodation and Catering Agreement on 13 November 2014 with XLX Chem Group, pursuant to which Xinxiang Xinlianxin Hotel Co., Ltd. (“**XLX Hotel**”), an associate of XLX Chem, agreed to provide accommodation and catering services to Henan XLX for general staff and guests located in Xiaoji Town, Xinjiang City of Henan Province, the PRC. Accordingly, the Group can take advantage of the strategic location of XLX Hotel's accommodation and catering facilities which is located at the Group's staff residential area and is nearby the Group's headquarters and factory site in Henan Province. Pursuant to the agreement, the rates for accommodation and catering services are determined with reference to prevailing market rates of 3 other similar premises and services in the same province or nearest city.

The General Accommodation and Catering Agreement has a term commencing from 1 January 2015 up to and including 31 December 2016. The Group has set the annual cap for the service expenses paid by the Group to XLX Chem Group under the agreement at RMB10,000,000 for FY2016.

XLX Hotel has ceased to be an associate of XLX Chem since 30 November 2015. For the year ended 31 December 2016, no transaction contemplated under this agreement was carried out.

#### (V) LIFTING SERVICES AGREEMENT

The Group entered into the Lifting Services Agreement on 13 November 2014 with XLX Chem Group, pursuant to which Xinxiang Xinlianxin Lifting Equipment Co., Ltd. (“**XLX Lifting**”), a subsidiary of XLX Chem, agreed to provide lifting services to Henan XLX. This arrangement enables lifting equipment and machines to reach the Group's production base promptly upon request. Pursuant to the agreement, the fees for lifting services are calculated based on the market price of similar services in the nearest city comparing with at least 3 other vendors.

#### (IV) 一般住宿及餐飲協議

本集團已於二零一四年十一月十三日與心連心化工集團訂立一般住宿及餐飲協議，據此，心連心化工集團的聯營公司新鄉市心連心賓館有限公司（「**心連心賓館**」）同意向河南心連心位於中國河南省新鄉市小冀鎮的全體員工及賓客提供住宿及餐飲服務。因此，本集團能夠利用心連心賓館（位於本集團員工公寓及毗鄰本集團位於河南省的總部及工廠）住宿及餐飲設施的戰略性位置。根據該協議，住宿及餐飲服務的價格乃參考同一省份或最近城市的其他3個類似物業及服務的現行市場價格釐定。

一般住宿及餐飲協議的期限自二零一五年一月一日開始，直至二零一六年十二月三十一日（包括該日）。本集團已就本集團根據該協議向心連心化工集團支付的服務開支，將二零一六財政年度的年度上限釐定為人民幣10,000,000元。

自二零一五年十一月三十日，心連心賓館已不再為心連心化工的聯營公司。截至二零一六年十二月三十一日止年度，本協議項下並無擬進行的交易。

#### (V) 吊裝服務協議

本集團已於二零一四年十一月十三日與心連心化工集團訂立吊裝服務協議，據此，心連心化工附屬公司新鄉市心連心吊裝有限公司（「**心連心吊裝**」）同意向河南心連心提供吊裝服務。該安排使吊裝設備及機械可按要求及時到達本集團的生產基地。根據協議，吊裝服務費用乃根據最近城市類似服務的市場價格計算，與最少3間其他供應商比較。

## Directors' Statement

### 董事報告

The Lifting Services Agreement has a term commencing from 1 January 2015 up to and including 31 December 2016. The Group has set the annual cap for the service expenses paid by the Group to XLX Chem Group under the agreement at RMB10,000,000 for FY2016.

XLX Lifting has ceased to be a subsidiary of XLX Chem since 30 November 2015. For the year ended 31 December 2016, no transaction contemplated under this agreement was carried out.

#### (VI) NEW LIFTING LEASE AGREEMENT

The Group entered into the New Lifting Lease Agreement on 13 November 2014 with XLX Chem Group, pursuant to which Henan XLX agreed to lease machinery and equipment (on an as-needed basis) to be used by XLX Lifting. The lease of lifting machinery and equipment increases the flexibility in the Group's production planning and operation. Pursuant to the agreement, the fees for lifting leases are calculated based on the market price of similar leases in the nearest city comparing with at least 3 other vendors.

The New Lifting Lease Agreement has a term commencing from 1 January 2015 up to and including 31 December 2016. The Group has set the annual cap for the income received by the Group from XLX Chem Group under the agreement at RMB3,230,000 for FY2016.

XLX Lifting has ceased to be a subsidiary of XLX Chem since 30 November 2015. For the year ended 31 December 2016, no transaction contemplated under this agreement was carried out.

吊裝服務協議的期限自二零一五年一月一日開始，直至二零一六年十二月三十一日(包括該日)。本集團已就本集團根據該協議向心連心化工集團支付的服務開支，將二零一六財政年度的年度上限釐定為人民幣10,000,000元。

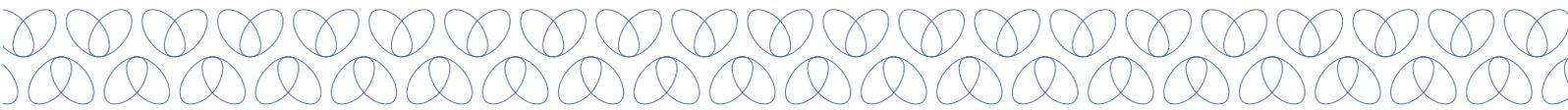
自二零一五年十一月三十日，心連心吊裝已不再為心連心化工的附屬公司。截至二零一六年十二月三十一日止年度，本協議項下並無擬進行的交易。

#### (VI) 新吊裝租賃協議

本集團已於二零一四年十一月十三日與心連心化工集團訂立新吊裝租賃協議，據此，河南心連心同意租賃機械及設備(按需要基準)予心連心吊裝。本集團透過吊裝機械及設備租賃增加基於生產規劃及運營中的靈活性。根據該協議，吊裝租賃費用乃根據最近城市類似租賃的市場價格計算，與最少3間其他供應商比較。

新吊裝租賃協議的期限自二零一五年一月一日開始，直至二零一六年十二月三十一日(包括該日)。本集團已就本集團根據該協議從心連心化工集團收取的收入，將二零一六財政年度的年度上限釐定為人民幣3,230,000元。

自二零一五年十一月三十日，心連心吊裝已不再為心連心化工的附屬公司。截至二零一六年十二月三十一日止年度，本協議項下並無擬進行的交易。



The independent non-executive Directors have reviewed the above continuing connected transactions and confirmed that these continuing connected transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms or better; and
- (3) according to the relevant agreement, governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

Ernst & Young LLP, the Company's auditor, were engaged to report on the Group's continuing connected transactions in accordance with International Standard on Assurance Engagements 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and with reference to Practice Note 740 *Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules* issued by the Hong Kong Institute of Certified Public Accountants. Ernst & Young LLP have issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions disclosed above by the Group in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the SEHK.

## **BANK LOANS AND OTHER BORROWINGS**

Details of the bank loans and other borrowings of the Group are set out in note 29 to the financial statements.

## **CORPORATE GOVERNANCE**

The Company is committed to maintaining a high standard of corporate governance practices. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 33 to 57 of this annual report.

## **SUBSIDIARIES**

Details of the Company's subsidiaries are set out in note 46 to the financial statements.

獨立非執行董事已審閱上述持續關連交易，並確認該等持續關連交易：

- (1) 於本集團一般及日常業務過程中進行；
- (2) 按一般商業條款或按更佳條款進行；及
- (3) 根據有關協議的條款進行，該等條款為公平及合理，並符合股東整體利益。

本公司核數師安永會計師事務所已獲委聘根據香港會計師公會頒佈的《國際審驗應聘服務準則3000》的「歷史財務資料審計或審閱以外的審驗應聘」並參照《實務說明》第740號「關於《香港上市規則》所述持續關連交易的核數師函件」就本集團持續關連交易提交報告。安永會計師事務所已根據上市規則第14A.56條就本集團於上文披露的持續關連交易發出載有其調查結果和結論的無保留意見函件。核數師函件副本已由本公司向聯交所提交。

## **銀行貸款及其他借款**

本集團的銀行貸款及其他借款詳情載列於財務報表附註29。

## **企業管治**

本公司致力維持高水平的企業管治常規。本公司採納的企業管治常規的資料載於本年報第33至第57頁的企業管治報告內。

## **附屬公司**

本公司附屬公司詳情載於財務報表附註46。

## Directors' Statement

### 董事報告

#### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public at the date of this report.

#### RESPONSIBILITIES OF DIRECTORS ON FINANCIAL STATEMENTS

The Companies Act requires the Directors to prepare financial statements for each financial year. These financial statements should give a true and fair view of the financial position of the Group as at the end of the reporting period of a particular year and on the financial performance of the Group for the year then ended. In preparing the financial statements, the Directors should:

- (a) select and apply consistently appropriate accounting policies, and make prudent, fair and reasonable judgement and estimation;
- (b) report the reasons for any seriously deviation from accounting practice; and
- (c) prepare the financial statements on a going concern basis, unless it is inappropriate to assume that the Group could continue to operate.

The Directors are responsible for the proper keeping of accounting records in order to secure the assets of the Company and the Group. The Directors are also responsible for adopting reasonable measures to prevent and check any fraudulences and irregularities.

#### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2016, there were 6,542 (2015: 6,665) employees in the Group. Staff remuneration packages are determined in consideration of market conditions and the performance of the individuals concerned, and are subject to review from time to time. The Group also provides other staff benefits including medical and life insurance, and grants discretionary incentive bonuses to eligible staff based on their performance and contributions to the Group.

#### 充足公眾持股量

根據本公司獲得的公開資料及據董事所知悉，於本報告刊發日期，本公司的已發行股本總數中至少 25% 由公眾人士持有。

#### 董事就財務報表須承擔的責任

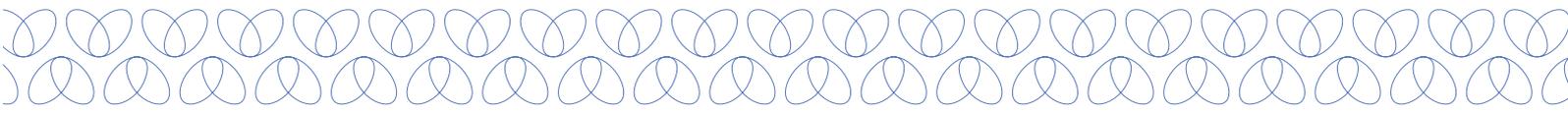
公司法規定董事須就每個財政年度編製財務報表。該等財務報表須真實與公平地列報本集團於某年度申報期間結算日的財政狀況及本集團截至該日止年度的財務表現。在編製該等財務報表時，董事應：

- (a) 挑選及貫徹運用適當的會計政策，並作出審慎、公平及合理的判斷及估計；
- (b) 匯報嚴重偏離任何會計常規的原因；及
- (c) 以持續經營基準編製財務報表，除非假設本集團能持續經營為不恰當。

董事負責妥善保存會計記錄，以保護本公司和本集團的資產。董事亦負責採納合理措施，防止及檢查任何欺詐及失當行為。

#### 僱員及薪酬政策

於二零一六年十二月三十一日，本集團有 6,542 名（二零一五年：6,665 名）僱員。員工薪酬待遇乃經考慮市況及有關個人的表現後釐定，並可不時予以檢討。本集團亦提供其他員工福利，包括醫療保險及壽險，並根據合資格員工的表現及對本集團的貢獻，授出酌情獎勵花紅。



## AUDITOR

Ernst & Young LLP have expressed their willingness to accept re-appointment as the auditor of the Company.

On behalf of the Board

**Liu Xingxu**  
*Director*

27 March 2017

**Yan Yunhua**  
*Director*

## 核數師

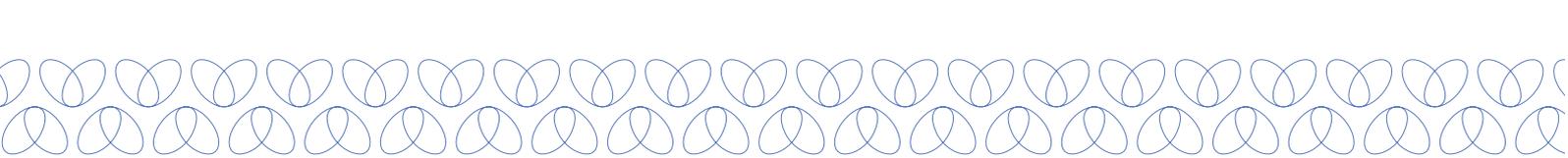
安永會計師事務所已表明願意接納續聘為本公司核數師。

代表董事會

**董事**  
**劉興旭**

**董事**  
**閔蘊華**

二零一七年三月二十七日



## Statement by Directors

### 董事陳述

We, Liu Xingxu and Yan Yunhua, being two of the Directors of China XLX Fertiliser Ltd., do hereby state that, in the opinion of the Directors,

- (i) the accompanying statements of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2016, and the results, changes in equity and cash flows of the Group for the year ended 31 December 2016; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

**Liu Xingxu**  
Director

**Yan Yunhua**  
Director

27 March 2017

吾等，劉興旭及閻蘊華，同為中國心連心化肥有限公司的其中兩名董事，謹此陳述，依董事的意見：

- (i) 隨附的財務狀況表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表連同其附註，是為真實而公允地提供本集團和本公司於二零一六年十二月三十一日的狀況，以及截至二零一六年十二月三十一日止年度本集團的業績、權益變動及現金流量而編製；及
- (ii) 於本陳述發出日期，吾等具有充分理據相信本公司將能於債項到期時償還債項。

代表董事會

**董事**  
**劉興旭**

**董事**  
**閻蘊華**

二零一七年三月二十七日

# Independent Auditor's Report

獨立核數師報告



To the members of China XLX Fertiliser Ltd.

(Incorporated in Singapore with limited liability)

## OPINION

We have audited the financial statements of China XLX Fertiliser Ltd. (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 84 to 193, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and International Financial Reporting Standards ("IFRSs") so as to give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year then ended.

## BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by International Auditing and Assurance Standards Board ("IAASB"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致中國心連心化肥有限公司全體股東

(於新加坡註冊成立的有限公司)

## 意見

我們已審核中國心連心化肥有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)載於第84至193頁的財務報表，當中包括二零一六年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及包括主要會計政策概要的綜合財務報表附註。

我們認為，貴集團綜合財務報表已按照新加坡公司法(「該法案」)第50章及國際財務報告準則(「IFRS」)妥為編制，以真實及公平地反映於二零一六年十二月三十一日貴集團的綜合財務狀況，及截至該日止年度的貴集團綜合財務表現、綜合權益變動及綜合現金流量狀況。

## 意見基礎

我們已根據國際審計及核證準則委員會(「國際審計及核證準則委員會」)所頒佈的國際審核準則(「國際審核準則」)的規定執行審核。我們在該等標準下的責任已詳述於報告中「核數師就審核綜合財務報表承擔的責任」部分。依據會計與企業管理局(「ACRA」)「註冊會計師和會計公司的職業行為準則和道德規範」(「ACRA準則」)及與我們在新加坡的財務報表審核相關的職業道德規範，我們是獨立於貴集團的。我們已遵循該等規範及ACRA準則履行職業道德責任。我們相信，我們所獲得的審核證據充足且適當地為我們的意見提供基礎。

# Independent Auditor's Report

## 獨立核數師報告

### 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

### IMPAIRMENT ASSESSMENT OF GOODWILL

As at 31 December 2016, the goodwill allocated to the coal mining cash-generating unit ("CGU") is carried at RMB25,361,000, representing 0.29% of the total non-current assets of the Group. Management determined the recoverable amount of this CGU based on value in use calculations using cash flow projections covering a 31-year period. Based on the annual impairment testing, no impairment charge was recognised during the financial year.

As disclosed in note 16 to the consolidated financial statements, the cash flow projections included key assumptions on budgeted gross margin, raw material price, commodity price and discount rate. Management estimated the budgeted gross margin based on the average gross margin achieved in the year immediately before the budget year adjusted for expected efficiency improvements and expected market developments. The raw material and commodity prices are based on forecast price indices. The discount rate used take into consideration the specific risks relating to the CGU. We determined this to be a key audit matter because the impairment assessment was complex and involved significant management judgement.

### 主要審核事宜

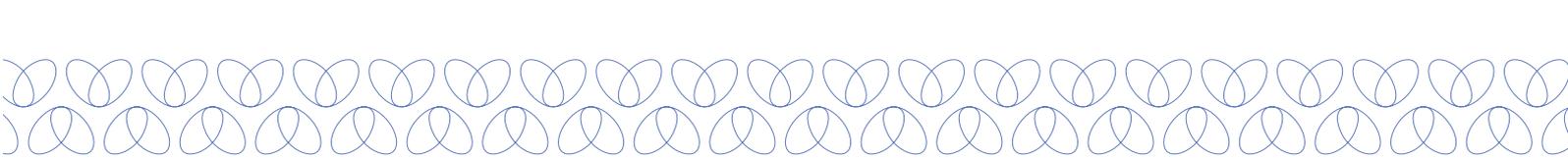
主要審核事宜是我們根據專業判斷所決定，在當前時期綜合財務報表審核中最重要的事宜。我們在綜合財務報表審核過程中將該等事宜作為一個整體來對待，並由此形成我們的意見。我們並不對該等事宜各自作出意見。以下我們將分別闡述我們是如何對下述各項事宜進行審核。

我們已履行在報告中「核數師就審核綜合財務報表承擔的責任」部分提出的責任，其中包括與該等事宜有關的職責。因此，我們的審核包括用於我們對綜合財務報表存有重大錯誤陳述風險的評估程序。我們的審核程序所獲得的結果，包括針對以下事宜的程序，可為我們對於隨附的綜合財務報表的審核意見提供基礎。

### 商譽的減值評估

於二零一六年十二月三十一日，分配予煤礦開採現金產生單位（「CGU」）的商譽達到人民幣25,361,000元，佔貴集團非流動資產總值的0.29%。管理層按使用價值計算釐定此現金產生單位的可收回金額，而使用價值乃採用涵蓋31年期間的現金流量預測計算。根據年度減值測試，於本財政年度內並無確認減值撥備。

如綜合財務報表附註16所披露的，現金流量預測包括有關預算毛利率、原材料價格、商品價格及折現率的關鍵假設。管理層按緊接預算年度之前年度的已得平均毛利率為基準估計預算毛利率，並就預期效率改進及預期市場發展而作出調整。原材料價格及商品價格乃基於預報價格指數。採用的折現率已考慮與現金產生單位有關的特殊風險。我們認為這是一項主要審核事宜，因為減值評估較為複雜且涉及重要的管理層判斷。



As part of our audit, we checked that the cash flow projections were based on approved management budgets that reflected business plans. We involved our internal valuation specialists to assist us in assessing the valuation method used by management and evaluating certain key assumptions used in the cash flow projections. We evaluated the assumptions used by comparing the budgeted gross margin to historical data, comparing the raw material price and commodity price to external observable data, and assessing the reasonableness of the discount rate used by the management. We assessed the sensitivity of the value in use balance to changes in the respective assumptions. We also assessed the Group's disclosures on the key assumptions and adequacy of the sensitivity analysis in note 16 to the consolidated financial statements.

### IMPAIRMENT ASSESSMENT OF COAL MINING RIGHTS

During the year ended 31 December 2016, the Group performed impairment assessment on the coal mining rights of RMB95,099,000, representing 1.07% of the total non-current assets of the Group.

The impairment assessment involved significant management assumptions and estimation that are affected by future market and economic conditions. Management determined the recoverable amounts of coal mining rights based on value in use calculations using discounted cash flows. The estimation of recoverable amounts of the coal mining rights is dependent on macro-economic assumptions of future coal prices, future coal output, discount rate used in the cash flow projections and projection on operating costs. Management reviews the useful lives of coal mining rights annually taking into consideration the actual coal output and the estimated coal mine reserve. The estimation of the coal mine reserve is an inherent industry risk due to the technical complexity in assessing the coal quantity and the subjective management judgements involved in the estimation. Based on the impairment test, management assessed that the coal mining rights were not impaired as at 31 December 2016. As impairment assessment of the coal mining rights are inherently complex and judgemental, we determined this to be a key audit matter.

As part of our audit, we involved our internal valuation specialists to assist us in assessing the valuation method used by the management and evaluating certain key assumptions used in the impairment analysis. We compared future coal prices and internal assumptions to historical data as well as the economic and industry forecast. We also assessed the reasonableness of the discount rate used by the management. We assessed the sensitivity of the coal mining rights balance to changes in the respective assumptions. We also have assessed the adequacy of the disclosure made on the impairment assessment of coal mining rights in note 17 to the consolidated financial statements.

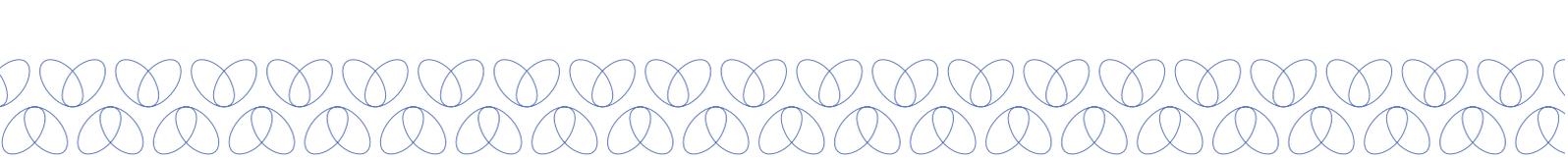
作為審核的一部分，我們根據經批准的管理預算（反映業務計劃）核查現金流量預測。我們已邀請我們的內部評估專家協助我們評估管理層使用的估值方法，以及評估現金流量預測所使用的若干關鍵假設。我們透過將預算毛利率與歷史資料比較、將原材料價格及商品價格與外部可觀察數據比較評估所使用的假設，以及評估管理層所用折現率的合理性。我們評估各項假設變動情況下使用價值結餘的敏感度。我們亦評估貴集團有關主要假設的披露以及綜合財務報表附註16內敏感度分析的充分性。

### 煤礦開採權的減值評估

截至二零一六年十二月三十一日止年度，貴集團已執行價值人民幣95,099,000元的煤礦開採權的減值評估，佔本集團非流動資產總額1.07%。

減值評估涉及受未來市場及經濟狀況影響的重大管理假設及估計。管理層根據使用折現現金流量計算的使用價值釐定煤礦開採權的可收回金額。煤礦開採權可收回金額估計取決於對未來煤炭價格、未來煤炭產量、現金流量預測中使用的折現率及與經營成本預測所作出的宏觀經濟假設。管理層已經考慮實際煤炭產量及煤礦估計儲藏量，審閱每年煤礦開採權的有效期。煤礦儲藏量的估計為固有行業風險，乃由於評估煤炭數量及主觀管理判斷估計的技術複雜性。基於減值測試，管理層評估得出，煤礦開採權於二零一六年十二月三十一日未出現減值。由於煤炭採礦權的減值評估具有內在的複雜性和判斷性，我們將其定為主要審核事宜之一。

作為審核的一部分，我們已邀請我們的內部評估專家協助我們評估管理層的估值方法及減值分析中的若干關鍵假設。我們將未來煤炭價格和內部假設及經濟和行業預測與歷史資料相比較。我們已評估管理層所用折現率的合理性。我們已評估煤礦開採權結餘對各自假設變動的敏感度。在綜合財務報表附註17中，我們亦已評估對煤礦開採權的減值評估之披露的充分性。



## Independent Auditor's Report

### 獨立核數師報告

#### OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

Management is responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Act and IFRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

#### 載於年報的其他資訊

管理層需對其他資訊負責。除綜合財務報表和我們的核數師報告外，其他資訊包括年度報告中所含資訊。

我們對綜合財務報表的意見不包括其他資訊，並且我們不會作出與之相關的任何形式的確切結論。

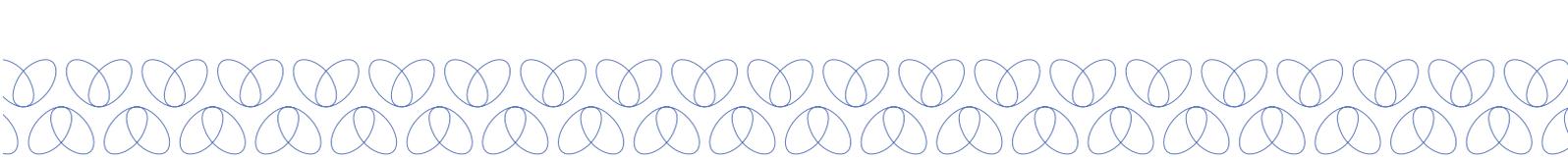
至於我們對綜合財務報表的審核，我們的責任是透過閱讀其他資訊，從而判斷其他資訊是否與綜合財務報表存在重大抵觸以及我們在審核或其他過程中所獲得的知識是否出現重大錯誤陳述。如果基於我們所做的工作，我們得出該其他資訊存在重大錯誤陳述的結論，則我們必須報告該事實。在這方面，我們沒有任何報告。

#### 董事就綜合財務報表須承擔的責任

貴公司董事須負責根據該法案及國際財務報告準則編制提供真實及公平意見的綜合財務報表，以及制定並維持能夠有效合理保證資產不因越權使用或處分而遭受損失的內部會計控制系統；以及交易得到合理授權並根據必要對其作出記錄以准許編制真實及公平的財務報表及維持資產問責。

在綜合財務報表的編制中，貴公司董事須負責評估貴集團持續經營的能力及適當公開與持續經營相關的情況以及使用會計持續經營基礎，除非管理層意圖對貴集團進行清算或者停止運作，或除此之外無其他可行方案。

董事的責任包括監督貴集團的財務報告流程。



## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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 ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

## 核數師就審核綜合財務報表承擔的責任

我們致力於獲得關於綜合財務報表作為整體不存在任何重大錯誤陳述的合理確信，不論是否因欺詐或錯誤引起，以及發出包括我們意見的核數師報告。合理確信屬於高等級的確信，但不能保證依據國際審核準則作出的審核總是能夠檢測出存在的重大錯誤陳述。錯誤陳述可能是由欺詐或錯誤引起的，並且，如果該等錯誤陳述獨立或在合計中影響到根據該等綜合財務報表作出經濟決定的使用者，則會被視為重大錯誤陳述。

作為依據國際審核準則所作審核的一部分，我們作出專業的判斷並在審核過程中保持專業的懷疑態度。我們亦：

- 區別及評估綜合財務報表存在重大錯誤陳述的風險，不論是由欺詐或錯誤引起的，以及獲得充足且適當的審核證據為我們的審核意見提供基礎。未檢測出由欺詐引起的重大錯誤陳述的風險比由錯誤引起的重大錯誤陳述高，因為欺詐可能包括串通、偽造、故意遺漏、失實或內部控制失控。
- 瞭解與審核相關的內部控制，從而設計適當的審核程序，但並非對貴集團內部控制的有效性發表意見。
- 評價管理層所採用會計政策的合適性及作出會計估計和相關披露的合理性。

## Independent Auditor's Report

### 獨立核數師報告

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 推斷管理層使用會計持續經營基礎的合適性以及基於所獲的審核證據，推斷是否存在與可能導致對貴集團持續經營能力產生懷疑的事件或情況相關的重大不確定性。如果我們推斷存在重大不確定性，我們須在核數師報告中提及有關財務報表中的相關披露，如果該等披露並不充分，我們或者需要修改我們的意見。我們的推斷基於截至作出核數師報告之日所獲得的審核證據。然而，未來的事件或情況可能會導致貴集團中止持續經營。
- 評價綜合財務報表的整體呈報方式、結構和內容，包括披露，以及綜合財務報表是否以公平的方式已呈現基本交易和事件。
- 獲得與貴集團內部的實體或者商業活動的財務資訊相關的充足且適當的審核證據，以對綜合財務報表發表意見。我們負責貴集團審核的管理、監督及執行。我們對我們的審核意見負有全部責任。

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.

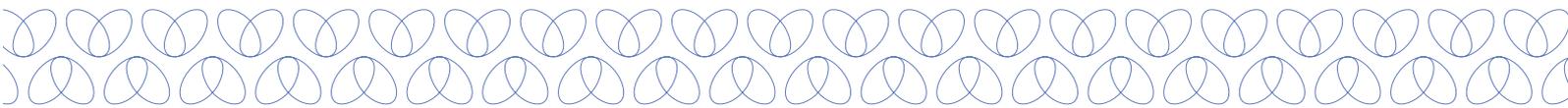
We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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.

我們就包含但不限於計劃範圍及審核時間以及有意義的審核結果，其中包括我們在審核過程中發現的內部控制存在的重大缺陷等事宜與審核委員會進行溝通。

我們亦已為審核委員會提供一份我們根據職業道德規範中的獨立性要求所制定的報表，從而就可能視為涉及我們的獨立性及適用的相關保障的所有關係及其他事宜與董事進行溝通。

透過與審核委員會的溝通，我們判定該等事宜對本期綜合財務報表的審核具有重要意義並將其定為主要審核事宜。我們在我們的核數師報告中對該等事宜作出說明，除非法律法規禁止對該等事宜的公開披露或者在極端情況下，我們判定於報告內披露該等事宜將產生不利影響，而該等不利影響合理預計將大於該等披露為公眾帶來的權益。



## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Group have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yong Kok Keong.

### Ernst & Young LLP

*Public Accountants and Chartered Accountants*

One Raffles Quay  
North Tower, Level 18  
Singapore

27 March 2017

## 其他法律和法規規定的報告

我們認為，貴集團已按照該法案的條文妥為保存該法案規定貴集團須保存的會計及其他記錄。

本獨立核數師報告的審計項目合夥人為楊國強。

### 安永會計師事務所

*執業會計師及註冊會計師*

One Raffles Quay  
North Tower, Level  
Singapore

二零一七年三月二十七日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表 Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>REVENUE</b>	<b>收入</b>	6	<b>5,710,698</b>	5,788,181
Cost of sales	銷售成本		<b>(4,687,090)</b>	(4,464,611)
Gross profit	毛利		<b>1,023,608</b>	1,323,570
Other income and gains	其他收入及收益	6	<b>69,985</b>	80,699
Selling and distribution expenses	銷售及分銷開支		<b>(435,334)</b>	(347,186)
General and administrative expenses	一般及行政開支		<b>(318,612)</b>	(317,496)
Other expenses	其他開支		<b>(33,192)</b>	(33,181)
Finance costs	財務成本	8	<b>(266,366)</b>	(228,190)
<b>PROFIT BEFORE TAX</b>	<b>除稅前溢利</b>	7	<b>40,089</b>	478,216
Income tax expense	所得稅開支	11	<b>(11,054)</b>	(69,945)
Profit for the year	年內溢利		<b>29,035</b>	408,271
<b>OTHER COMPREHENSIVE INCOME/(LOSS)</b>	<b>其他全面收入/(虧損)</b>			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods:	於後續期間重新分類至損益賬的其他全面收入/(虧損)			
Available-for-sale investments:	可供出售投資：			
Change in fair value	公平值變動	18	<b>505</b>	(1,097)
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<b>年內其他全面收入/(虧損)</b>		<b>505</b>	(1,097)
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>年內全面收入總額</b>		<b>29,540</b>	407,174
Profit attributable to:	應佔溢利：			
Owners of the parent	母公司擁有人		<b>30,120</b>	408,780
Non-controlling interest	非控股權益		<b>(1,085)</b>	(509)
			<b>29,035</b>	408,271
Total comprehensive income attributable to:	應佔全面收入總額：			
Owners of the parent	母公司擁有人		<b>30,625</b>	407,683
Non-controlling interest	非控股權益		<b>(1,085)</b>	(509)
			<b>29,540</b>	407,174
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT</b>	<b>母公司普通股權益持有人應佔每股盈利</b>			
Basic and diluted (RMB cents per share)	基本及攤薄(人民幣分)	13	<b>2.56</b>	34.76

# Consolidated Statement of Financial Position

綜合財務狀況表 31 December 2016 於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	8,201,521	8,013,765
Prepaid land lease payments	預付土地租賃款項	15	374,414	190,949
Goodwill	商譽	16	25,361	25,361
Coal mining rights	煤礦開採權	17	95,099	99,514
Available-for-sale investment	可供出售投資	18	6,708	7,500
Prepayments	預付款項	19	126,416	182,592
Prepayments to a related company	支付予關連公司的預付款項	22	-	44,000
Deferred tax assets	遞延稅項資產	32	23,801	19,714
Total non-current assets	非流動資產總額		8,853,320	8,583,395
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Available-for-sale investment	可供出售投資	18	4,185	3,680
Prepayments	預付款項	19	355,913	241,184
Deposits and other receivables	按金及其他應收款項	19	432,578	492,256
Inventories	存貨	20	449,505	453,921
Trade and bills receivables	貿易應收款項及應收票據	21	75,117	66,281
Due from related companies	應收關連公司款項	22	9,146	2,430
Income tax recoverable	可收回所得稅		1,076	12,898
Pledged time deposits	已抵押存款	23	226,349	397,884
Cash and cash equivalents	現金及現金等價物	23	512,806	581,355
Total current assets	流動資產總額		2,066,675	2,251,889
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	24	185,577	140,229
Bills payable	應付票據	25	655,020	998,738
Accruals and other payables	應計費用及其他應付款項	26	1,195,987	1,193,612
Due to related companies	應付關連公司	22	4,391	8,805
Income tax payable	應付所得稅		191	4
Deferred grants	遞延補貼	27	5,979	4,536
Loan from a non-controlling interest	非控股權益貸款	28	24,750	-
Interest-bearing bank and other borrowings	計息銀行及其他借款	29	756,156	890,168
Bond payable	應付融資債券	30	200,000	-
Total current liabilities	流動負債總額		3,028,051	3,236,092
Net current liabilities	淨流動負債		(961,376)	(984,203)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>7,891,944</b>	<b>7,599,192</b>

# Consolidated Statement of Financial Position

綜合財務狀況表 31 December 2016 於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Loan from a non-controlling interest	非控股權益貸款	28	75,250	-
Interest-bearing bank and other borrowings	計息銀行及其他借款	29	3,601,386	3,568,783
Deferred grants	遞延補貼	27	48,804	49,450
Deferred tax liabilities	遞延稅項負債	32	56,791	63,165
Accruals and other payables	應計費用及其他應付款項	26	226,752	116,777
Bonds payable	應付融資債券	30	600,000	800,000
Total non-current liabilities	非流動負債總額		4,608,983	4,598,175
Net assets	淨資產		3,282,961	3,001,017
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益</b>			
Share capital	股本	33	881,124	881,124
Convertible bonds	可換股債券	31	322,436	322,436
Revaluation reserve	重估儲備		505	-
Statutory reserve fund	法定儲備金	34	285,412	275,880
Retained profits	保留溢利		1,546,310	1,521,577
			3,035,787	3,001,017
<b>Non-controlling interest</b>	<b>非控股權益</b>		247,174	-
Total equity	總權益		3,282,961	3,001,017

Liu Xingxu  
劉興旭

Director  
董事

Yan Yunhua  
閔蘊華

Director  
董事

# Consolidated Statement of Changes In Equity

綜合權益變動表 Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non- controlling interest 非控股權益	Total equity 總權益
		Issued capital 已發行股本 (note 33) (附註33)	Convertible bonds 可換股債券 (note 31) (附註31)	Available- for-sale investment revaluation reserve 可供出售 投資重估 儲備	Statutory reserve fund 法定儲備金 (note 34) (附註34)	Retained profits 保留溢利	Total 總計			
	Notes 附註	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	RMB'000 人民幣千元	RMB'000 人民幣千元	
At 1 January 2015	於二零一五年一月一日	881,124	322,436	1,097	229,180	1,241,118	2,674,955	(1,499)	2,673,456	
Profit for the year	年內溢利	-	-	-	-	408,780	408,780	(509)	408,271	
Other comprehensive loss for the year:	年內其他全面虧損：									
Change in fair value of an available-for-sale investment	可供出售投資公平值 變動	-	-	(1,097)	-	-	(1,097)	-	(1,097)	
Total comprehensive income/(loss) for the year	年內全面收入/(虧損) 總額	-	-	(1,097)	-	408,780	407,683	(509)	407,174	
Acquisition of a non-controlling interest of a subsidiary	收購附屬公司非控股 權益	46(c)	-	-	(702)	(6,323)	(7,025)	2,008	(5,017)	
Transfer to statutory reserve fund	轉撥至法定儲備金	34	-	-	47,402	(47,402)	-	-	-	
2014 final dividend paid	已付二零一四年 末期股息	-	-	-	-	(60,000)	(60,000)	-	(60,000)	
Convertible bonds interest	可換股債券利息	31	14,596	-	-	(14,596)	-	-	-	
Payment of convertible bonds interest	支付可換股債券利息	-	(14,596)	-	-	-	(14,596)	-	(14,596)	
At 31 December 2015	於二零一五年 十二月三十一日	881,124	322,436	-	275,880	1,521,577	3,001,017	-	3,001,017	

# Consolidated Statement of Changes In Equity

綜合權益變動表 Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔							Non- controlling interest	Total equity 總權益
		Issued capital 已發行股本 (note 33) (附註 33) RMB'000 人民幣千元	Convertible bonds 可換股債券 (note 31) (附註 31) RMB'000 人民幣千元	Available- for-sale investment revaluation reserve 可供出售投 資重估儲備 RMB'000 人民幣千元	Statutory reserve fund 法定儲備金 (note 34) (附註 34) RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元			
At 1 January 2016	於二零一六年一月一日	881,124	322,436	-	275,880	1,521,577	3,001,017	-	3,001,017	
Profit for the year	年內溢利	-	-	-	-	30,120	30,120	(1,085)	29,035	
Other comprehensive income for the year:	年內其他全面收入總額：									
Change in fair value of an available-for-sale investment	可供出售投資公平值 變動	-	-	505	-	-	505	-	505	
Total comprehensive income/(loss) for the year	年內全面收入/(虧損) 總額	-	-	505	-	30,120	30,625	(1,085)	29,540	
Disposal of partial interest in a subsidiary without loss of control	出售附屬公司部分權益 而並無導致失去控制權	46(a)	-	-	-	101,741	101,741	248,259	350,000	
Transfer to statutory reserve fund	轉撥至法定儲備金	34	-	-	9,532	(9,532)	-	-	-	
2015 final dividend paid	已付二零一五年末期股息	-	-	-	-	(83,000)	(83,000)	-	(83,000)	
Convertible bonds interest	可換股債券利息	31	14,596	-	-	(14,596)	-	-	-	
Payment of convertible bonds interest	支付可換股債券利息	-	(14,596)	-	-	-	(14,596)	-	(14,596)	
At 31 December 2016	於二零一六年 十二月三十一日	881,124	322,436	505	285,412	1,546,310	3,035,787	247,174	3,282,961	

# Consolidated Statement of Cash Flows

綜合現金流量表 Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

			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
<b>CASH FLOWS FROM OPERATING ACTIVITIES 經營活動現金流量</b>				
Profit before tax	除稅前溢利		40,089	478,216
Adjustments for:	經調整：			
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	7	8,610	4,436
Amortisation of coal mining rights	煤礦開採權攤銷	7	4,415	3,721
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	7	522,118	385,063
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損	7	2,424	17,294
Impairment loss of an available-for-sale investment	可供出售投資的減值虧損	7	792	1,021
Amortisation of deferred grants	遞延補貼攤銷	6	(5,943)	(4,605)
Interest income	利息收入	6	(15,705)	(25,619)
Finance costs	財務成本	8	266,366	228,190
			823,166	1,087,717
Decrease/(increase) in inventories	存貨減少/(增加)		4,416	(113,113)
Increase in trade and bills receivables	貿易應收款項及應收票據增加		(8,836)	(29,921)
Decrease/(increase) in prepayments	預付款項減少/(增加)		(101,937)	17,031
Decrease/(increase) in deposits and other receivables	按金及其他應收款項減少/(增加)		59,678	(143,701)
Movement in balances with related companies	關連公司結餘變動		(11,130)	(39,329)
Increase/(decrease) in trade and bills payables	貿易應付款項及應付票據增加/(減少)		(298,370)	136,628
Increase/(decrease) in accruals and other payables	應計費用及其他應付款項增加/(減少)		162,978	(75,053)
Cash generated from operations	經營活動產生的現金流量		629,965	840,259
Government grants received	已收取政府補貼	27	6,740	16,186
Interest paid	已付利息	8	(278,081)	(299,460)
Interest received	已收利息		15,705	25,619
Tax paid	已付稅項		(9,506)	(72,277)
Net cash flows from operating activities	經營活動現金流量淨額		364,823	510,327

# Consolidated Statement of Cash Flows

綜合現金流量表 Year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>投資活動現金流量</b>		
Proceeds from disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	20,440	2,434
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(723,500)	(1,271,552)
Acquisition of a non-controlling interest in a subsidiary	收購附屬公司非控股權益	46(c) -	(5,017)
Acquisition of a subsidiary	收購附屬公司	36 -	(94,442)
Acquisition of prepaid land lease payment through acquisition of a subsidiary	透過收購附屬公司收購預付土地租賃付款	35, 37 (61,000)	-
Additions of land use rights	添置土地使用權	15 (91,842)	-
Decrease in pledged time deposits	已抵押定期存款減少	171,535	96,380
Net cash flows used in investing activities	投資活動所用現金流量淨額	(684,367)	(1,272,197)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>融資活動現金流量</b>		
Dividend paid on ordinary shares	已付普通股股息	12 (83,000)	(60,000)
Payment of convertible bonds interest	支付可換股債券利息	31 (14,596)	(14,596)
Proceeds from issue of a long-term bond	發行長期融資債券所得款項	-	600,000
Repayment of a long-term bond	償還長期融資債券	-	(250,000)
Proceeds from loans and borrowings	貸款及借款所得款項	2,064,545	1,876,678
Proceeds from a loan from a non-controlling interest of a subsidiary	附屬公司非控股權益貸款所得款項	100,000	-
Capital injection from a non-controlling interest of a subsidiary	附屬公司非控股權益注資	46(a) 350,000	-
Repayments of loans and borrowings	償還貸款及借款	(2,165,954)	(1,442,246)
Net cash flows from financing activities	融資活動所得現金流量淨額	250,995	709,836
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物減少淨額</b>	<b>(68,549)</b>	<b>(52,034)</b>
Cash and cash equivalents at beginning of year	年初現金及現金等價物	581,355	633,389
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>年末現金及現金等價物</b>	<b>512,806</b>	<b>581,355</b>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>	<b>現金及現金等價物結餘分析</b>		
Cash at banks and on hand and cash and cash equivalents as stated in the consolidated statement of financial position	於綜合財務狀況表所述之銀行存款及現金及現金等價物	23 512,806	581,355

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 1. CORPORATE AND GROUP INFORMATION

China XLX Fertiliser Ltd. is a limited liability company incorporated in Singapore on 17 July 2006 under the Singapore Companies Act and its shares are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at 80 Robinson Road, #02-00, Singapore 068898. The principal place of business of the Group is located at Xinxiang High Technology Development Zone (Xiaoji Town), Henan Province, the People's Republic of China (the "PRC"). The principal activity of the Company consists of investment holding. Particulars of all the Group's subsidiaries are disclosed in note 46.

### 2.1 BASIS OF PREPARATION

The Group and the Company had net current liabilities of approximately RMB961 million and RMB16 million, respectively as at 31 December 2016. After taking into account the available unutilised banking facilities, the directors of the Company consider that the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

Should the Group be unable to continue as a going concern, adjustments would have to be made to restate the values of assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively. The effects of these adjustments have not been reflected in these consolidated financial statements.

These financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act"), International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and Interpretations) issued by the International Accounting Standards Board ("IASB") and the disclosure requirements of the Hong Kong Companies Ordinance.

These financial statements have been prepared on a historical cost basis, except for available-for-sale investments, which have been measured at fair value. These financial statements are presented in Renminbi ("RMB") and all values in the tables are rounded to the nearest thousand ("RMB'000") except when otherwise indicated.

## 1. 公司及集團資料

中國心連心化肥有限公司是於二零零六年七月十七日根據新加坡公司法在新加坡註冊成立的有限公司，其股份於香港聯合交易所有限公司上市。本公司的註冊辦事處位於 80 Robinson Road, #02-00, Singapore, 068898。本集團主要營業地點位於中華人民共和國（「中國」）河南省新鄉經濟開發區（小冀鎮）。本公司的主要業務為投資控股。本集團所有附屬公司之詳情乃於附註 46 披露。

### 2.1 編製基準

本集團及本公司於二零一六年十二月三十一日分別有流動負債淨額約人民幣 961,000,000 元及人民幣 16,000,000 元。經考慮可得未動用銀行信貸，本公司董事認為本集團將於負債到期時將有充足營運資金撥資其營運及於負債到期時的財務責任，故此，適合按持續經營基準編製財務報表。

倘本集團未能以持續經營基準繼續運作，應作出調整重列資產價值至其可收回金額、就可能出現之任何其他負債作出撥備以及將非流動資產及負債分別重新分類為流動資產及負債。可能作出任何該等調整的影響並未於該等綜合財務報表中反映。

此等財務報表乃根據第 50 章新加坡公司法（「公司法」）條文、國際會計準則理事會（「國際會計準則理事會」）所頒佈的國際財務報告準則（「國際財務報告準則」）（其包括所有國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋）及香港公司條例的披露規定編製而成。

此等財務報表乃按歷史成本方法編製而成，惟以公平值計量的可供出售投資除外。此等財務報表以人民幣（「人民幣」）呈列，而除另有指明外，表內所有價值乃湊整至最接近的千位（「人民幣千元」）。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 2.1 BASIS OF PREPARATION (CONTINUED)

### BASIS OF CONSOLIDATION

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

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

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

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

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

## 2.1 編製基準(續)

### 綜合基準

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)於截至二零一六年十二月三十一日的財務報表。附屬公司指本公司直接或間接控制之實體(包括結構性實體)。當本集團通過參與投資對象之相關活動而承擔可變回報之風險或有權享有可變回報,並且有能力運用對投資對象之權力(即是使本集團目前有能力主導投資對象之相關活動之現時權利)影響該等回報時,即取得控制權。

當本公司直接或間接擁有少於投資對象大多數之投票或類似權利,在評估其是否擁有對投資對象之權力時,本集團會考慮所有相關事實及情況,包括:

- (a) 與投資對象其他投票權持有者之合同安排;
- (b) 其他合同安排產生之權利;及
- (c) 本集團之投票權及潛在投票權。

附屬公司與本公司之財務報告的報告期相同,並採用一致會計政策編製。附屬公司之業績由本集團取得控制權之日起計綜合計算,並繼續綜合入賬至該控制權終止日為止。

損益及其他全面收益的各組成部分乃歸屬於本集團母公司擁有人及非控股權益,即使此舉引致非控股權益出現虧絀結餘亦然。所有集團內公司間之資產及負債、權益、收入、開支及本集團成員公司間交易相關之現金流均於綜合賬目時全數抵銷。

## 2.1 BASIS OF PREPARATION (CONTINUED)

### BASIS OF CONSOLIDATION (CONTINUED)

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

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Consolidation of the subsidiaries in the PRC is based on the subsidiaries' financial statements prepared in accordance with IFRSs. Profits reflected in the financial statements prepared in accordance with IFRSs may differ from those reflected in the PRC statutory financial statements of the subsidiaries, prepared for PRC financial reporting purposes. In accordance with the relevant laws and regulations, profits available for distribution by the PRC subsidiaries are based on the amounts stated in the PRC statutory financial statements.

## 2.1 編製基準(續)

### 綜合基準(續)

倘事實及情況反映以上附屬公司會計政策所述三項控制權因素其中一項或多項有變，則本集團會重估是否仍然控制投資對象。附屬公司擁有權權益的變動(並無失去控制權)，於入賬時列作權益交易。

倘本集團失去對一間附屬公司之控制權，則其撤銷確認(i)該附屬公司之資產(包括商譽)及負債、(ii)任何非控股權益之賬面值及(iii)於權益內記錄之累計交易差額；及確認(i)所收代價之公平值、(ii)所保留任何投資之公平值及(iii)損益賬中任何因此產生之盈餘或虧損。先前於其他全面收益表內確認的本集團應佔成分會視乎情況，按倘本集團直接出售相關資產及負債所要求的相同基準重新分類至損益或保留溢利。

集團內公司間的交易及股息產生的所有集團內公司間結餘、收支及未變現收益及虧損乃全數對銷。

位於中國的附屬公司乃按附屬公司根據國際財務報告準則編製的財務報表綜合入賬。根據國際財務報告準則編製的財務報表內反映的溢利可能有別於附屬公司為中國財務申報目的而編製的中國法定財務報表所反映者。根據相關法律及法規，中國附屬公司可分派溢利乃根據中國法定財務報表所列的金額得出。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised IFRSs for the first time for the current year's financial statements.

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

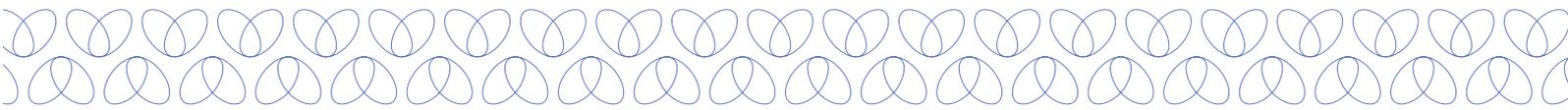
Except for the amendments to IFRS 10, IFRS 12 and IAS 28, amendments to IFRS 11, IFRS 14, amendments to IAS 16 and IAS 41, amendments to IAS 27, and certain amendments included in the *Annual Improvements 2012-2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

## 2.2 會計政策的變動及披露

本集團已就本年度之財務報表首次採納下列新訂及經修訂國際財務報告準則。

國際財務報告準則第14號	<i>規管遞延賬目</i>
國際財務報告準則第11號修訂本	<i>收購共同業務權益的會計方法</i>
國際會計準則第16號及國際會計準則第38號修訂本	<i>釐清可接受之折舊及攤銷方法</i>
國際會計準則第16號及國際會計準則第41號修訂本	<i>農業：生產性植物</i>
國際會計準則第27號修訂本	<i>於獨立財務報表內使用權益法</i>
二零一二年至二零一四年週期的年度改進	<i>對一系列國際財務報告準則的修訂</i>
國際會計準則第1號修訂本	<i>披露措施</i>
國際財務報告準則第10號、國際財務報告準則第12號及國際會計準則第28號修訂本	<i>投資實體：應用綜合豁免</i>

除去國際財務報告準則第10條、第12條和國際會計準則第28條的修訂、國際財務報告準則第11條和第14條的修訂、國際會計準則第16條和第41條的修訂、國際會計準則第27條的修訂以及二零一二年至二零一四年年度改進週期中個別與編制本集團的財務報表並不相關的修訂，各修訂的性質及影響概述如下：



## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

- (a) Amendments to IAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:
- (i) the materiality requirements in IAS 1;
  - (ii) that specific line items in profit or loss and the statement of financial position may be disaggregated;
  - (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
  - (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and profit or loss. The amendments have had no significant impact on the Group's financial statements.

## 2.2 會計政策的變動及披露(續)

- (a) 國際會計準則第1號修訂本包括狹義重點改進關於財務報表之呈報及披露。該等修訂釐清：
- (i) 國際會計準則第1號內之重大規定；
  - (ii) 損益及財務狀況表內之特定項目可分行列示；
  - (iii) 實體呈報財務報表附註之序列具有靈活性；及
  - (iv) 採用權益法計入應佔聯營公司及合營公司之其他綜合收益必須合計為一項目呈報，並分列為可於或不可於往後期間重新分類往損益。

此外，該等修訂釐清財務狀況表及損益呈報額外小計之規定。相關修訂對本集團的財務報表並未造成重大影響。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

(b) Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

(c) Annual Improvements to *IFRSs 2012-2014 Cycle* issued in September 2014 sets out amendments to a number of IFRSs. Details of the amendments are as follows:

- IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in IFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

## 2.2 會計政策的變動及披露(續)

(b) 國際會計準則第16號及國際會計準則第38號修訂本釐清國際會計準則第16號及國際會計準則第38號的原則，即收益反映經營業務(其中資產是一部分)所產生的經濟利益模式，而不是透過使用資產所耗費的經濟利益。因此，收益法不能用於折舊物業、廠房及設備，而僅可在非常有限的情況下用以攤銷無形資產。該等修訂本只對未來適用。由於本集團並無使用收益法計算其非流動資產的折舊，故該等修訂本不會對本集團的財務狀況或業績產生任何影響。

(c) 於二零一四年九月頒佈的二零一二年至二零一四年週期國際財務報告準則的年度改進載列國際財務報告準則的多項修訂。修訂詳情如下：

- 國際財務報告準則第5號持有以備出售的非流動資產和終止經營：澄清所有人銷售計劃或分配計劃的改變不得視為新的出售計劃，而是原計劃的延續。因此，國際財務報告準則第5號的申請要求不發生任何改變。該等修訂還澄清，出售方法的改變不影響持有以備出售的非流動資產或出售群組的分類日期。該等修訂將按預期實行。該等修訂對本集團並無重大影響，因為年內本集團持有的以備出售的出售群組的銷售計劃或出售方案並未發生任何改變。

## 2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>4</sup> No mandatory effective date yet determined but available for adoption

## 2.3 已頒佈但尚未生效的準則

本集團並未於該等財務報表中應用下列已頒佈但尚未生效的新訂及經修訂國際財務報告準則。

國際財務報告準則第2號修訂本	以股份為基礎的付款之分類及計量 <sup>2</sup>
國際財務報告準則第4號修訂本	採用國際財務報告準則第9號金融工具同時應用國際財務報告準則第4號保險合約 <sup>2</sup>
國際財務報告準則第9號	金融工具 <sup>2</sup>
國際財務報告準則第10號及國際會計準則第28號修訂本	投資者與其聯營公司或合營企業之間出售或注入資產 <sup>4</sup>
國際財務報告準則第15號	客戶合約收入 <sup>2</sup>
國際財務報告準則第15號修訂本	澄清國際財務報告準則第15號客戶合約收入 <sup>2</sup>
國際財務報告準則第16號	租賃 <sup>3</sup>
國際會計準則第7號修訂本	披露措施 <sup>1</sup>
國際會計準則第12號修訂本	確認遞延稅項資產的未實現虧損 <sup>1</sup>
國際會計準則第40號修訂本	轉讓投資物業 <sup>2</sup>
國際財務報告詮釋委員會詮釋第22號	外幣交易及墊付代價 <sup>2</sup>
二零一四年至二零一六年週期的年度改進	對一系列國際財務報告準則的修訂 <sup>1</sup>

<sup>1</sup> 於二零一七年一月一日或之後開始的年度期間生效

<sup>2</sup> 於二零一八年一月一日或之後開始的年度期間生效

<sup>3</sup> 於二零一九年一月一日或之後開始的年度期間生效

<sup>4</sup> 尚未釐定法定生效日期但可供採納

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### 2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

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

The IASB issued amendments to IFRS 2 in June 2016 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding a certain amount in order to meet the employee's tax obligation associated with the share-based payment; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments clarify that the approach used to account for vesting conditions when measuring equity-settled share-based payments also applies to cash-settled share-based payments. The amendments introduce an exception so that a share-based payment transaction with net share settlement features for withholding a certain amount in order to meet the employee's tax obligation is classified in its entirety as an equity-settled share-based payment transaction when certain conditions are met. Furthermore, the amendments clarify that if the terms and conditions of a cash-settled share-based payment transaction are modified, with the result that it becomes an equity-settled share-based payment transaction, the transaction is accounted for as an equity-settled transaction from the date of the modification. The Group expects to adopt the amendments from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

In June 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. During 2016, the Group performed a high-level assessment of the impact of the adoption of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Group in the future. The expected impacts arising from the adoption of IFRS 9 are summarised as follows:

### 2.3 已頒佈但尚未生效的準則(續)

預期將適用於本集團的該等國際財務報告準則的進一步資料如下：

國際會計準則理事會已於二零一六年六月披露國際財務報告準則第2號修訂本，主要涉及以下三個方面：可行權條件對以現金結算的股份支付交易計量的影響；保留一定數量的具有淨結算功能的股份支付交易分類，以履行員工與股份支付相關的稅務責任；以及闡明在何等情況下對股份支付交易的條款及條件的修改將使其分類由現金結算轉變為權益結算。該等修訂澄清計量權益結算股份支付時，用於說明可行權條件的方法也適用於現金結算股份支付。該等修訂規定在特殊情況下，當滿足一定條件時，為履行員工與股份支付的相關稅務責任而保留的一定量的具有淨股份結算功能的股份交易支付方式可被整體定義為以權益結算的股份支付交易方式。此外，該等修訂澄清，如果現金結算股份支付交易的條款及條件有所更改，且其因此轉變為權益結算股份支付交易，該交易自更改之日起即算作權益結算股份支付交易。本集團預期於二零一八年一月一日採納該等修訂。預測該等修訂對本集團的財務報表並不會造成重大影響。

於二零一四年六月，國際會計準則委員會頒佈國際財務報告準則第9號終訂本，收納各期金融工具項目，取代國際會計準則第39號及香港財務報告準則第9號所有先前版本。該準則引入有關分類及計量、減值及對沖會計的新規定。本集團預期由二零一八年一月一日起採納國際財務報告準則第9號。二零一六年度，本集團已對採納國際財務報告準則第9號條例的影響進行高水準評估。初步評估的依據來源於當前可用資訊，或取決於本集團從進一步詳細分析或所獲取的額外合理且可靠資訊中得知的變化。國際財務報告準則第9號造成的預期影響概述如下：

## 2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

### (a) CLASSIFICATION AND MEASUREMENT

The Group does not expect that the adoption of IFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currently held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

### (b) IMPAIRMENT

IFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under IFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses that are estimated based on the present value of all cash shortfalls over the remaining life of all of its trade and other receivables. The Group will perform a more detailed analysis which considers all reasonable and supportable information, including forward-looking elements, for estimation of expected credit losses on its trade and other receivables upon the adoption of IFRS 9.

## 2.3 已頒佈但尚未生效的準則(續)

### (a) 分類與計量

本集團預測國際財務報告準則第9號的採納不會對金融資產的分類和計量產生重大影響。預計其將繼續按公平值計量所有當下按公平值持有的金融資產。目前持有可供銷售的權益投資將透過其他全面收益按公平值進行計量，因為其目的為在可預見未來內持有，且本集團期望應用該選擇以在其他全面收益中呈現公平值變化。當投資終止確認時，權益投資的其他全面收益中記錄的收益及虧損無法轉回損益。

### (b) 減值

國際財務報告準則第9號要求，透過其他並非按照國際財務報告準則第9號項下規定，透過損益按公平值計量的綜合收益、租賃應收賬款、貸款承諾和財務擔保合同等，以攤銷成本或公平值記錄的債務工具的減值，應每十二個月或每期根據預期信貸損失模型進行一次記錄。本集團期望採用該等簡化方法並記錄根據所有貿易及其他應收賬款剩餘期間的所有現金短缺情況現值進行估算的全期預期損失。本集團將進行更詳細的分析，綜合考慮所有合理且可靠的資訊，用前瞻性的視野預估因採用國際財務報告準則第9號而帶來的在貿易和其他應收款項上的預期信貸損失。

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### 2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to IFRS 10 and IAS 28 was removed by the IASB in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for application now.

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. In June 2016, the IASB issued amendments to IFRS 15 to address the implement issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt IFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt IFRS 15 on 1 January 2018 and is currently assessing the impact of IFRS 15 upon adoption.

### 2.3 已頒佈但尚未生效的準則(續)

國際財務報告準則第10號及國際會計準則第28號修訂本解決國際財務報告準則第10號及國際會計準則第28號之間對於處理投資者與其聯營公司或合營企業之間的銷售或注資的規定的不一致性。該等修訂本要求於投資者與其聯營公司或合營企業之間的銷售或注資構成一項業務時，確認全部收益或虧損。對於不構成業務的資產交易，交易所產生的收益或虧損以無關連的投資者於該聯營公司或合營企業的權益為限，於投資者的損益中確認。該等修訂本只對未來適用。國際會計準則理事會已於二零一六年一月取消此前國際財務報告準則第10號及國際會計準則第28號的強制生效日期，並將於完成對聯營公司及合營企業會計方面的大範圍審查後決定新的強制生效日期。但現階段已經可以根據該等修訂進行申請。

國際財務報告準則第15號建立一個新的五步模式，以計算於自客戶合約產生的收益。根據國際財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。國際財務報告準則第15號的原則為計量及確認收益提供更加系統化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額、關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代國際財務報告準則項下所有現時收益確認的規定。二零一六年六月，國際會計準則理事會已發佈國際財務報告準則第15號修訂本，以解決識別履行責任，委託人和代理人應用指南，智慧財產權許可以及轉型等實施問題。該等修訂還用於說明確保實體能夠持續應用國際財務報告準則第15號，以及減少應用準則的成本和複雜性。本集團預期於二零一八年一月一日採納國際財務報告準則第15號，現正進行評估採納國際財務報告準則第15號之影響。

### 2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 16 replaces IAS 17 Leases, I(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, I(SIC)-Int 15 *Operating Leases – Incentives* and I(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in IAS 40. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under IFRS 16 is substantially unchanged from the accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between operating leases and finance leases. The Group expects to adopt IFRS 16 on 1 January 2019 and is currently assessing the impact of IFRS 16 upon adoption.

### 2.3 已頒佈但尚未生效的準則(續)

國際財務報告準則第16號取代國際會計準則第17號租賃，香港財務報告解釋公告第4號確定一項協議是否包含租賃，香港解釋公告第15號經營租賃：激勵措施以及香港解釋公告第27號評價涉及租賃法律形式的交易的實質。該準則已規定租賃確認、計量、報告和披露原則，並要求承租人確認大多數租賃的資產與負債。該準則包括兩項承租人確認豁免項目 – 低值資產租賃和短期租賃。於租賃生效日期起，承租人需確認用於支付租賃費用(即租賃負債)的負債並確認租賃期內代表標的資產使用權的資產(即使用權資產)。除非使用權資產符合國際會計準則第40號中對投資物業的定義，否則其隨後將按照成本減去累計折舊和減值損失計量。租賃負債隨著租賃負債利息不斷增加而增長，並在支付租賃費用後減少。承租人需分別確認租賃負債的利息支出以及使用權資產的折舊支出。承租人還需在特殊事件發生時重新計量租賃負債，如：租賃條款發生改變，或是用於確定支付金額的相關指標、利率發生改變造成未來租賃費用發生改變。承租人需逐步確認租賃負債重新計量金額，以調節使用權資產。國際財務報告準則第16號項下規定的承租人會計與國際會計準則第17號項下規定的並無實質性改變。承租人將繼續按照與國際會計準則第17號相同的分類原則對所有租賃進行分類，並對經營租賃和金融租賃作出區分。本集團預期於二零一九年一月一日採納國際財務報告準則第16號，現正進行評估採納國際財務報告準則第16號之影響。

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## 2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to IAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

Amendments to IAS 12 were issued with the purpose of addressing the recognition of deferred tax assets for unrealised losses related to debt instruments measured at fair value, although they also have a broader application for other situations. The amendments clarify that an entity, when assessing whether taxable profits will be available against which it can utilise a deductible temporary difference, needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. The Group expects to adopt the amendments from 1 January 2017.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### BUSINESS COMBINATIONS AND GOODWILL

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For items that are traded in active markets, the fair value is determined by reference to quoted market prices. For items with no active market, the fair value is determined using appropriate valuation techniques, such as the discounted cash flow analysis. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

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

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

## 2.3 已頒佈但尚未生效的準則(續)

國際會計準則第7號修訂本要求實體進行披露，以讓財務報表的使用者評估財務活動所產生的負債變化，包括因現金流量所產生的變化和非現金變化。該等修訂將要求財務報表作出進一步披露。本集團預期於二零一七年一月一日採納該等修訂。

國際會計準則第12號修訂本主要針對確認遞延稅項資產，以抵消因按公平值計量的債務工具而產生未變現虧損的問題，同時亦可廣泛應用於其他情形。該等修訂澄清，在實體評估是否可利用應課稅溢利抵消可扣除暫時性差額時，需要考慮稅法是否限制用於抵消可扣除暫時性差額轉回扣除額的應課稅溢利來源。此外，該等修訂還為實體如何確定未來可課稅溢利，如何解釋可課稅溢利可能包括收回超出其帳面值的部分資產的情形。本集團預期於二零一七年一月一日採納該等修訂。

## 3. 主要會計政策概要

### 業務合併及商譽

業務合併乃採用收購法作會計處理。收購的可識別資產及於業務合併中所承擔的負債乃於收購日期初步按其公平值計量。對於活躍市場中的交易項目，公平值乃參考所報市場價而釐定。對於非活躍市場項目，公平值乃採用諸如折現現金流量分析等適用估值方法釐定。與收購相關的成本於已產生成本及已接收服務之期間確認為開支。

本集團收購業務時，根據於收購日期的訂約條款、經濟環境及相關條件，就適當分類及指定承擔之金融資產及負債作出評計，此包括由被收購者將主合約所含的衍生項目獨立出來。

業務合併分階段進行，過往所持的股本權益乃於收購日期重新計量為公平值，且任何相關收益或虧損於損益賬確認。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### BUSINESS COMBINATIONS AND GOODWILL (CONTINUED)

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

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

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December 2016. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

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

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

### 3. 主要會計政策概要(續)

#### 業務合併及商譽(續)

任何收購方轉讓之或然代價於收購日公平值確認。分類為資產或負債之或然代價以公平值計量，公平值變動於損益或其他綜合收益確認。被歸類為股權之或然代價不重新計量，後續結算於股權內作會計處理。

商譽最初按成本計量，即所轉讓總代價、已確認非控股股東權益之金額及本集團先前持有被收購方股權之公平值之總和，超出所收購可識別資產及所承擔負債淨額之差額。倘此代價及其他項目之總和低於資產淨值之公平值，於評估後，其差額將於損益內確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值檢測，倘有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢測。本集團每年對截至二零一六年十二月三十一日之商譽進行減值檢測。就減值檢測而言，於業務合併所收購商譽，乃自收購日期起分配至預期於合併所產生之協同效益中受惠之本集團各現金產生單位或各現金產生單位組，而不論本集團其他資產或負債有否轉撥至該等單位或單位組。

減值按與商譽有關之現金產生單位(現金產生單位組)可收回金額評估釐定。倘現金產生單位(現金產生單位組)之可收回金額低於賬面值，則確認減值虧損。就商譽確認之減值虧損不會於往後期間撥回。

倘商譽分配至現金產生單位(或現金產生單位組)組成部份，該單位部份業務出售時，與售出業務有關之商譽將計入業務賬面值，以釐定出售盈虧。於該等情況售出之商譽，按售出業務及保留現金產生單位部份相對價值基準計算。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the parent, and are presented separately in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

### FAIR VALUE MEASUREMENT

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

## 3. 主要會計政策概要(續)

### 與非控股權益之交易

非控股權益指不可直接或間接歸於母公司擁有人的附屬公司股權，在綜合損益及其他全面收益表及綜合財務狀況表的權益項下獨立呈列，並與母公司擁有人應佔權益分開列示。

本公司擁有人並無導致失去附屬公司控制權之擁有權益變動按權益交易入賬。於此情況下，控股及非控股權益的賬面款額將作出調整以反映其於附屬公司相關權益之變動。非控股權益數額之調整額與已付或已收代價公平值間差額，直接於權益確認，歸於母公司擁有人。

### 公平值計量

本集團於各報告期末按公平值計量其衍生金融工具及股權投資。公平值為市場參與者於計量日期在有序交易中出售資產所收取或轉讓負債所支付的價格。公平值計量乃假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公平值乃基於市場參與者為資產或負債定價時所用的假設計量(假設市場參與者依照彼等的最佳經濟利益行事)。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### FAIR VALUE MEASUREMENT (CONTINUED)

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

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

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

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

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

#### FUNCTIONAL CURRENCY

The Group's principal operations are conducted in the PRC. The directors have determined the currency of the primary economic environment in which each entity in the Group operates, ie., functional currency, to be RMB. Sales prices and major costs of providing goods and services including major operation expenses are primarily influenced by fluctuations in RMB.. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

### 3. 主要會計政策概要(續)

#### 公平值計量(續)

非金融資產之公平值計量參考市場參與者可從使用該資產得到之最高及最佳效用，或將該資產售予另一可從使用該資產得到最高及最佳效用之市場參與者，從而產生經濟效益之能力。

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

於財務報表計量或披露公平值之所有資產及負債，根據對於公平值計量整體屬重要之最低輸入值水準按如下所述在公平值架構中分類：

- 第一級 – 基於相同資產或負債於活躍市場的報價(未經調整)
- 第二級 – 基於對公平值計量而言屬重大的可觀察(直接或間接)最低層輸入數據的估值方法
- 第三級 – 基於對公平值計量而言屬重大的不可觀察最低層輸入數據的估值方法

就按經常性基準於本財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公平值計量整體而言屬重大的最低層輸入數據)釐定是否發生不同等級轉移。

#### 功能貨幣

本集團之主要業務於中國境內進行。董事釐定本集團各實體經營的主要經濟環境貨幣(即功能貨幣)人民幣。提供商品及服務的銷售價格及主要成本(包括主要經營開支)主要受人民幣波動影響。本集團對各實體釐定其功能貨幣，而計入各實體之財務報表之項目乃以功能貨幣計量。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

For consolidation purpose, the assets and liabilities of foreign operations are translated into RMB at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

## 3. 主要會計政策概要(續)

### 外幣交易

外幣交易乃以本公司及其附屬公司各自的功能貨幣計量，並且於初步確認時，以功能貨幣按與於交易日期的普遍匯率相若的匯率入賬。以外幣計值的貨幣資產及負債按相應申報期末的普遍匯率換算。按歷史成本以外幣計量的非貨幣項目以初步交易日期的匯率換算。按公平值以外幣計量的非貨幣項目以釐定公平值當日的匯率換算。

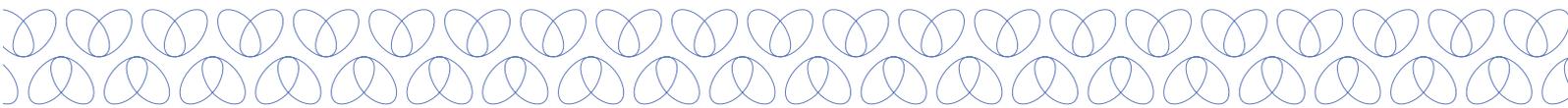
因於申報期末清償貨幣項目或換算貨幣項目而產生的匯兌差額乃在損益賬內確認。

為進行綜合入賬，海外業務的資產及負債乃按申報期末的匯率換算成人民幣，而其損益按交易日期的現行匯率換算。換算產生的匯兌差額乃於其他全面收入表內確認。出售海外業務時，有關該特定海外業務的其他全面收入之部分於損益賬中確認。

### 關連方

倘下列任何條件適用，與本集團有關聯之一方：

- (a) 為一人士或該人士的直系親屬，且該人士：
  - (i) 控制或共同控制本集團；
  - (ii) 對本集團具有重大影響力；或
  - (iii) 為本集團或本集團之母公司的主要管理人員的成員；



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### RELATED PARTIES (CONTINUED)

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### 3. 主要會計政策概要(續)

#### 關連方(續)

或

- (b) 倘下列任何條件適用，為一家實體：
- (i) 該實體與本集團皆為同一集團的成員公司；
  - (ii) 該實體為另一間實體的聯營公司或合營企業(或為另一間實體的母公司、附屬公司，或其他同系附屬公司的聯營公司或合營企業)；
  - (iii) 該實體與本集團皆為同一第三方的合營企業；
  - (iv) 一家實體為第三方實體的合營企業且另一家實體為該第三方實體的聯營公司；
  - (v) 該實體是為本集團或本集團關聯實體的雇員利益而設立的退休福利計劃；
  - (vi) 該實體為(a)所指的人士控制或共同控制；
  - (vii) 所指的人士對該實體具有重大影響力，或為該實體(或該實體的母公司)的主要管理人員的成員；及
  - (viii) 該實體或其任何集團成員公司提供主要管理人員服務予本集團或本集團之母公司。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives and residual values used for this purpose are as follows:

		Years 年期	Residual value 剩餘價值
Buildings	樓宇	15-25年	3 to 至10%
Other fixtures and structures	其他固定附著物及建築	15-25年	3 to 至10%
Plant and machinery	廠房及機器	8-15年	3 to 至10%
Office equipment and furniture	辦公室設備及傢俱	5	3 to 至10%
Motor vehicles	汽車	5	3 to 至10%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

## 3. 主要會計政策概要(續)

### 物業、廠房及設備以及折舊

物業、廠房及設備(不包括在建工程)乃按成本減累計折舊及任何累計減值虧損計量。物業、廠房及設備項目的成本包括其購買價格及令該資產進入其擬使用的工作環境及地點之任何直接應佔成本。

於物業、廠房及設備項目投入運作後產生的開支,例如維修及保養,一般於其產生期間在損益賬內扣除。當達致認可標準時,則主要檢驗開支按資產賬面值被資本化,作為資產的替代。倘若絕大部分物業、廠房及設備於中途須被替換,則本集團將有關部分確認為具特定可使用年期之個別資產並相應折舊。

折舊以直線法計算,以於其估計可使用年期撇銷各物業、廠房及設備項目的成本至其剩餘價值。用作此用途之估計可使用年期及剩餘價值如下:

	Years 年期	Residual value 剩餘價值
Buildings	15-25年	3 to 至10%
Other fixtures and structures	15-25年	3 to 至10%
Plant and machinery	8-15年	3 to 至10%
Office equipment and furniture	5	3 to 至10%
Motor vehicles	5	3 to 至10%

當物業、廠房及設備項目的部分有不同的可使用年期,該項目的成本會按合理基準於部分之間分配,而各部分會作獨立折舊。剩餘價值、可使用年期及折舊法至少於各財政年末進行檢討及調整(如適用)。

物業、廠房及設備項目,包括初步確認之任何重要部分乃於出售後或當使用或出售該項目預期不會產生未來經濟利益時終止確認。於終止確認該資產的年度之損益表內確認的任何出售或停用之收益或虧損,為相關資產的銷售所得款項淨額及賬面值之差額。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION (CONTINUED)

Construction in progress represents buildings and plant and machinery under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### COAL MINING RIGHTS

Coal mining rights are stated at cost less accumulated amortisation and any accumulated impairment losses. A coal mining right is amortised on the straight-line basis over its estimated useful life. The useful life of the coal mining right is reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the mine. The coal mining right is written off to profit or loss if the coal mining property is abandoned.

#### PREPAID LAND LEASE PAYMENTS

Prepaid land lease payments are initially measured at cost. Following initial recognition, prepaid land lease payments are measured at cost less accumulated amortisation and accumulated impairment losses. The prepaid land lease payments are amortised on the straight-line basis.

The amortisation period and method are reviewed at each financial year end. The amortisation expense is recognised in profit or loss.

#### IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

### 3. 主要會計政策概要(續)

#### 物業、廠房及設備以及折舊(續)

在建工程指興建中的樓宇以及廠房及機器，乃按成本減任何減值虧損列賬，並不予以折舊。成本包括建築期間的直接建築成本及相關借貸資金的資本化借貸成本。在建工程於完成及可供使用時會被重新分類為物業、廠房及設備的合適類別。

#### 煤礦開採權

煤礦開採權以成本減累計攤銷及任何累計減值虧損列賬。煤礦開採權於其估計可使用年期內以直線法攤銷。煤礦開採權之可使用年期乃根據本集團之生產計劃及經探明及可能的礦產儲備進行年度審閱。倘煤礦開採物業遭遺棄則煤礦開採權將於損益賬中撇銷。

#### 預付土地租賃款項

預付土地租賃款項初步按成本計量。於初步確認後，預付土地租賃款項乃按成本減累計攤銷及累計減值虧損計量。預付土地租賃款項乃以直線法攤銷。

攤銷期及方法於各財政年末予以檢討。攤銷開支乃於損益賬內確認。

#### 非金融資產減值

本集團於各申報日期評估是否有跡象顯示資產可能出現減值。倘存在任何該跡象，或當資產須進行年度減值測試時，本集團會對資產的可收回金額作出估計。

## Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### IMPAIRMENT OF NON-FINANCIAL ASSETS (CONTINUED)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation and amortisation, had no impairment loss been recognised previously. Such a reversal is recognised in profit or loss unless the asset is measured at a revalued amount, in which case the reversal is treated as a revaluation increase.

### 3. 主要會計政策概要 (續)

#### 非金融資產減值 (續)

資產的可收回金額為資產或現金產生單位的公平值減出售成本與其使用價值兩者中之較高者，並且就個別資產進行釐定，除非該資產不能產生較大程度上獨立於其他資產或資產組合所產生之現金流入。倘資產或現金產生單位的賬面值超過其可收回金額，該資產則被視為出現減值，並須撇減至其可收回金額。於評估使用價值時，預期由資產產生的估計未來現金流量按反映市場現時對貨幣時間價值評估及資產特定風險的除稅前折現率，折現至其現值。釐定公平值減出售成本時將考慮最近市場交易(如有)。倘並無該等交易可供識別，則使用適合的估值模型。這些計算通過價值倍數或其他可利用的公平值指標以作支援。

本集團以詳細預算及預測計算作為其減值計算的基礎，而該等預算及預測計算乃根據本集團獲分配個別資產的各現金產生單位分別編製。該等預算及預測計算一般涵蓋五年期間。對於更長期間，長期增長率將予計算並於第五年後應用於估計未來現金流量。

減值虧損於損益賬內確認為與減值資產功能一致的開支類別，但之前被重新估值的資產除外，該重估乃計入其他全面收入表內。在此情況下，減值亦於其他全面收入表內確認，而確認金額乃以之前的任何重估金額為限。

就資產(商譽除外)而言，於各申報日期評估是否有任何跡象顯示過往確認的減值虧損可能不再存在或已減少。如存在該跡象，則本集團估計資產或現金產生單位的可收回金額。過往確認的減值虧損僅於用作釐定資產可收回金額的估計自最近確認減值虧損以來出現變動時撥回。倘出現該情況，資產的賬面值則增加至其可收回金額，惟增加金額不得超過假設過往並無確認減值虧損而釐定的賬面值(已扣除折舊及攤銷)。有關撥回於損益賬內確認，但該資產是以重估金額計量則另作別論，在這種情況下，撥回乃作為重估增加處理。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### INVESTMENTS AND OTHER FINANCIAL ASSETS

##### INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

##### SUBSEQUENT MEASUREMENT

The subsequent measurement of financial assets depends on their classification as follows:

##### (a) LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in other expenses for receivables.

### 3. 主要會計政策概要(續)

#### 投資及其他金融資產

##### 初步確認及計量

在初始確認時，金融資產分為透過損益、貸款、應收賬款及可出售金融投資以公平值計量的金融資產，或在有效對沖內指定為對沖工具的衍生品（如適用）。在初始確認時，金融資產以公平值加上獲得該資產時的交易成本進行計量，當金融資產透過損益以公平值進行計量時除外。

所有正常購買及銷售的金融資產會在交易日（即本集團承諾購買或出售資產的日期）確認。正常購買或銷售指於按照市場規定或慣例一般訂立的期間內進行資產交付的金融資產買賣。

##### 其後計量

其後視乎金融資產的分類而計量金融資產載述如下：

##### (a) 貸款及應收款項

貸款及應收款項為固定或可釐定付款金額及沒有活躍市場報價的非衍生金融資產。在初始計量後，該資產將隨後以攤余成本進行計量，採用實際利率法減去減值限額。攤余成本是根據收購的折扣或溢價進行計算的，包括作為實際利率組成部分的費用或成本。其他損益的收益包括實際利率攤銷。減值虧損確認為貸款和其他應收款項的損益。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

#### (b) AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other gains or losses. Interest whilst holding the available-for-sale financial investments are reported as interest income and are recognised in profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (i) the variability in the range of reasonable fair value estimates is significant for that investment or (ii) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

## 3. 主要會計政策概要 (續)

### 投資及其他金融資產 (續)

#### (b) 可供出售金融資產

可供出售金融投資指的是，上市和非上市權益投資和債務證券中的非衍生金融資產。被分為可供出售類別的權益投資，並無被分為持作交易用途或指定為按公平值列入損益賬的類別。這類債務證券指的是可無限期持有的債券，且可根據流動性需求和市場變化進行出售。

在初始確認之後，可供出售金融投資以公平值計量，未能實現的損益確認為其他可供出售投資重新估值儲備的收益，直至投資終止確認，此時整體的收益和虧損將確認為其他收入的損益，或直至投資被確定為減值，此時的累計損益將被重新分類，從可供出售的投資重新估值儲備，變為其他損益中的收益或虧損。將可供出售的金融資產投資的利息列為利息收入，並按照以下「收入確認」的政策確認為損益。

無法可靠地計量非上市權益投資的公平值的原因是(i)對於這項投資來說，合理的公平值的變動非常重要，或(ii)無法合理評估或使用一定範圍內的變動來估測公平值，此類投資應以成本減去所有減值虧損列報。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

##### (b) AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

#### DE-RECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### 3. 主要會計政策概要(續)

#### 投資及其他金融資產(續)

##### (b) 可供出售金融資產(續)

本集團將評估在短期內出售可供出售金融資產的能力和意向是否適當。在極少數情況下，由於市場不活躍，本集團無法對這些金融資產進行交易時，如果管理層有能力和意向在可預見的未來或到期日之前持有這些資產，本集團可以選擇重新對這些金融資產進行分類。

對於從可供出售類別重新分類的金融資產，重新分類當日的公平帳面值將成為新的攤銷成本，該權益中，已確認該資產從前的損益將在剩餘期限內根據實際利率攤銷為損益。在剩餘期限內，攤銷成本與到期金額之間的差距也將根據資產的實際利率進行攤銷。如果資產在隨後被確定為減值，則權益記錄中的金額將被重新劃分為損益。

#### 金融資產的終止確認

金融資產(或，如適用，一部分金融資產或一組相似金融資產的一部分)將於以下情況中終止確認(即移出本集團的綜合財務狀況表)：

- 從資產中收回現金流量的權利已失效；或
- 本集團將其從資產中收回現金流量的權利轉讓，或在「轉移」協議項下承擔向第三方支付已收現金流量全額的責任，且並無實質拖延；(a) 本集團已轉讓資產大部分風險及回報，或(b) 本集團並無轉讓或留存資產大部分風險及回報，惟已轉讓資產控制權。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

#### DE-RECOGNITION OF FINANCIAL ASSETS (CONTINUED)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

## 3. 主要會計政策概要 (續)

### 投資及其他金融資產 (續)

#### 金融資產的終止確認 (續)

當本集團轉讓其收回資產現金流量的權利或簽訂轉移協議後，其將評估其是否留存資產所有權的風險及回報以及相應程度。倘資產大部分風險及回報並未轉讓或留存，資產控制權亦未轉讓，本集團將繼續確認轉讓資產以確定本集團的持續參與。在此情況下，本集團同樣確認關聯負債。已轉讓資產和關聯負債基於反映本集團已留存權利和責任的情況下進行計量。

形式為已轉讓資產擔保的持續參與以低於資產原始帳面值及本集團需償還對價的最大金額計量。

#### 金融資產減值

本集團將於每報告期末對是否有客觀證據證明一項金融資產或一組金融資產減值進行評估。資產初始確認後出現一個或多個事件，而該等事件對能夠可靠估算的該項金融資產或該組金融資產預估未來現金流量產生影響，則會出現減值。減值的證據可能包括，負債人正在面臨重大財政困難、利息或本金支付方面違約或犯罪的跡象，彼等陷入破產或其他金融重組的可能性，以及顯示預估未來現金流量將大幅減少的可觀察資料，例如與違約相關的逾期欠款或經濟條件變化。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

##### (a) FINANCIAL ASSETS CARRIED AT AMORTISED COST

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

### 3. 主要會計政策概要(續)

#### 金融資產減值(續)

##### (a) 按攤銷成本列賬的金融資產

就按攤銷成本列賬的金融資產而言，本集團首先對具個別重要性的金融資產進行評估，評估是否顯示個別存在減值，並對非具個別重要性的金融資產進行評估，評估是否有客觀跡象顯示共同存在減值。若本集團確定經個別評估的金融資產(不論是否具重要性)並無客觀跡象顯示存在減值，則該項資產包括一組具相類似信貸風險特性的金融資產內的資產，並對該資產共同進行減值評估。資產若經個別評估減值，且其減值虧損被或繼續被確認入賬，則有關資產均不會被納入共同減值評估之內。

已識別的減值虧損金額計量為資產帳面值和預估未來現金流量的現值的差額(未產生之未來信貸虧損除外)。預估未來現金流量的現值以金融資產的原始實際利率折舊(即在初始確認下計算的實際利率)。

資產的賬面值會透過使用撥備賬目扣除，而虧損會於損益賬內確認。利息收入採用計量減值虧損時用以折現未來現金流量的利率，以所減少賬面值繼續累計。未來收回並無希望，所有抵押品已變現或已轉讓至本集團時，即沖銷貸款和應收賬款以及任何相關撥備。

倘在隨後期間內預估減值虧損因確認減值後發生的事件而增加或減少，此前確認的減值虧損透過調整撥備帳目而增加或減少。倘沖銷被收回，將計入損益中的其他費用。

# Notes to Financial Statements

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

#### (b) FINANCIAL ASSETS CARRIED AT COST

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses are not reversed.

#### (c) AVAILABLE-FOR-SALE FINANCIAL ASSETS

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

## 3. 主要會計政策概要 (續)

### 金融資產減值 (續)

#### (b) 按成本列賬的金融資產

倘有客觀證據顯示出現減值虧損，則虧損金額乃按該資產的賬面值及以相似金融資產目前市場收益率折現之估計未來現金流量現值的差額計量。減值虧損不可轉回。

#### (c) 可供出售金融資產

對於可供出售金融投資，本集團將於每報告期末對是否有客觀證據證明一項投資或一組投資減值進行評估。

當可供出售資產出現減值時，成本(已扣除任何已償還本金及攤銷)及現有公平值的差額，扣減過往在損益賬內確認的任何減值虧損，將從其他全面收益表扣除，並於損益賬內確認。

倘權益投資分類為可供出售投資，則客觀證據包括投資的公平值大幅或長期下跌至低於其成本。「大幅」是根據投資的原始成本進行評估，而「長期」則是根據公平值低於原始成本期間的時長衡量的。當存在減值的證據，累計虧損 – 收購成本和當前公平值之差，減去該投資之前確認於損益中的減值虧損 – 從其他全面收益中移除，並確認於損益之中。權益工具的減值虧損分類為可供出售時，不得透過損益轉回。彼等公平值在減值後的增值直接確認於其他全面收益。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### IMPAIRMENT OF FINANCIAL ASSETS (CONTINUED)

##### (c) AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

#### FINANCIAL LIABILITIES

##### INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bill payables, certain accrual and other payables, loan from a non-controlling interest, amounts due to related companies, interest-bearing bank and other borrowings and bonds payable.

### 3. 主要會計政策概要(續)

#### 金融資產減值(續)

##### (c) 可供出售金融資產(續)

確定是否屬「顯著」或「持續」時須作出判斷。在作出判斷時，本集團會評估(其中包括)一項投資的公平值少於其成本的持續時間或程度。

就分類為可供出售的債務工具而言，減值乃根據按攤銷成本列賬的金融資產的相同標準評估。然而，減值所錄得的金額乃被計量為攤銷成本與現行公平值之間的差額的累計虧損，減之前在損益賬內確認的投資的任何減值虧損。未來利息收入採用計量減值虧損時用以折現未來現金流量的利率，根據資產的所減少賬面值繼續累計。利息收入乃記錄為財務收入的一部分。債務工具的減值虧損可透過損益轉回，前提是該等工具的公平值隨後增值是因為減值虧損確認於損益後出現的事件所客觀導致的。

#### 金融負債

##### 初步確認及計量

金融負債在初始確認中透過損益、貸款和借款，或作為指定為有效對沖中的對沖工具的衍生品分類為以公平值列賬的金融負債。

初步確認金融負債時，乃以公平值(倘屬貸款及借款)減去直接應佔交易成本計量。

本集團的金融負債包括貿易應付款項、應付票據、若干應計費用及其他應付款項、非控股權益貸款、應付關連公司、計息銀行及其他借款和應付融資債券。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### FINANCIAL LIABILITIES (CONTINUED)

#### SUBSEQUENT MEASUREMENT

The subsequent measurement of financial liabilities depends on their classification as follows:

#### (a) FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

## 3. 主要會計政策概要(續)

### 金融負債(續)

#### 其後計量

金融負債的隨後計量視乎彼等的分類而定，並載述如下：

#### (a) 透過損益以公平值列賬的金融負債

透過損益以公平值列賬的金融負債包括持作交易用途的金融負債，以及於初始確認時透過損益以公平值列賬的指定金融負債。

倘其收購目的為於短期購回，則金融負債會被分類為持作買賣。這類別包括本集團訂立之衍生金融工具(並非指定為對沖關係中之對沖工具)(定義見國際會計準則第39號)。獨立的嵌入式衍生工具亦會被分類為持作買賣，除非其被指定為實際對沖工具。持作交易用途的負債的收益或虧損在損益中確認。損益中確認的淨公平值收益或虧損並不包括任何關於該等金融負債的利息支出。

於初始確認時透過損益以公平值列賬的指定金融負債指定於初始確認日期，且前提為已達到國際會計準則第39號標準。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### FINANCIAL LIABILITIES (CONTINUED)

##### (b) LOANS AND BORROWINGS

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

##### (c) FINANCIAL LIABILITIES AT AMORTISED COST

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

#### DE-RECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

#### OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

### 3. 主要會計政策概要 (續)

#### 金融負債 (續)

##### (b) 貸款及借款

於初始確認後，計息貸款及借款隨後以攤銷成本計量，除非折舊影響並不重大，否則應使用實際利率法，並以成本列賬。當負債不再確認時，收益及虧損於損期賬內確認，並進行實際利率攤銷過程。

計算攤銷成本時將作為實際利率不可分割一部分的收購折舊或溢價以及費用或成本納入考慮範圍內。實際利率攤銷包含於損益中的財務成本。

##### (c) 以攤銷成本列賬的金融負債

於初步確認後，並非透過損益以公平值列賬的金融負債其後使用實際利率法按攤銷成本計量。當負債不再確認時，收益及虧損於損期賬內確認，並進行攤銷過程。

#### 終止確認金融負債

當負債的義務解除或消除或到期時，則終止確認金融負債。

當現有金融負債為同一貸款人以幾乎不同的條款作出的另一筆金融負債取代時，或現有負債的條款被大幅修改，該轉換或修改視為不再確認原本負債，及確認新負債，而有關賬面值的差額在損益賬內確認。

#### 抵銷金融工具

倘有現行可強制執行之法律權利抵銷已確認金額，並且擬以淨額基準進行結算或同時將資產變現及負債清償，方可將金融資產及金融負債抵銷，淨額於財務狀況表呈報。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### CONVERTIBLE BONDS

Convertible bonds issued by the Group are recognised and included in shareholders' equity based on the terms of the contract. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the convertible bonds is not remeasured in subsequent years. Convertible bond interest of 4.5% per annum is payable in cash annually in arrears on the anniversary of the issue date (i.e. 21 December 2011) in each year, commencing on the first anniversary of the issue date, which are accrued and paid through the transfer from retained profits of the Group.

### BONDS PAYABLE

Bonds payable are classified under loans and borrowings and recognised initially at fair value. After initial recognition, bonds payable are subsequently measured at cost because the effect of discounting would be immaterial as their terms are relatively short.

### CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash and bank balances and short-term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including short-term deposits, and assets similar in nature to cash, which are not restricted as to use.

## 3. 主要會計政策概要(續)

### 可換股債券

本集團發行的可換股債券根據合約條款予以確認及計入股東權益內。交易成本從權益中扣除，並扣除相關所得稅。可換股債券的賬面值於其後年內不會重新計量。可換股債券利息每年4.5%將以現金於年末，即發行日期(二零一一年十二月三十一日)的每一週年日支付，自發行日期的第一個週年日開始，予以累計並透過自本集團保留溢利的轉撥支付。

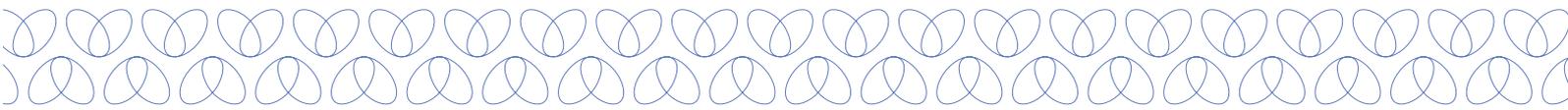
### 應付融資債券

應付融資債券被分類為貸款及借款，初步確認時以公平值計量。於初步確認後，應付融資債券其後以成本計量，原因是其年期相對較短，折現影響並不重大。

### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括現金及銀行結餘以及可隨時兌換為已知金額現金且價值變動風險不重大及到期日一般為收購後三個月以內的短期、高流動性投資，減按要求償還並組成本集團現金管理的完整部分的銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括手頭現金及銀行現金，包括無被限制使用的短期存款及與現金性質相近的資產。



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### 3. 主要會計政策概要(續)

#### 存貨

存貨乃按成本及可變現淨值兩者之較低者呈列。使存貨達致目前地點及狀態所產生的成本入賬如下：

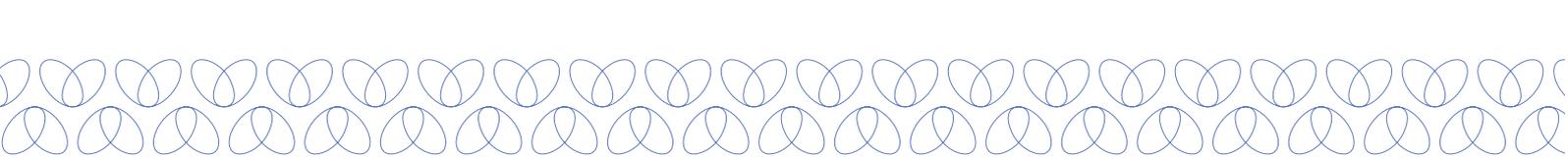
在需要時，就損毀、陳舊及滯銷項目提取撥備，將存貨的賬面值調整至成本及可變現淨值(以較低者為準)。

可變現淨值乃日常業務過程中的估計售價，減去估計完成的成本及估計作出銷售所需的成本。

#### 撥備

當因過往事件以致目前須承擔責任(法定或推定)，而有可能須就清償有關責任而產生資源流出，及能夠可靠估計該責任的金額。

撥備須於各申報期末作出審閱及調整以反映當時最佳估計。倘不再因清償責任而產生經濟資源流出，則會將撥備撥回。倘資金時間價值的影響屬重大，則按反映(如適用)有關負債特定風險之現時除稅前折現率就撥備進行折現。倘使用折現法，隨著時間過去而增加之撥備會被確認為財務成本。



## Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### GOVERNMENT GRANTS

Government grants are received from the local PRC government on a discretionary basis as determined by the government. They are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the consolidated statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

#### BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

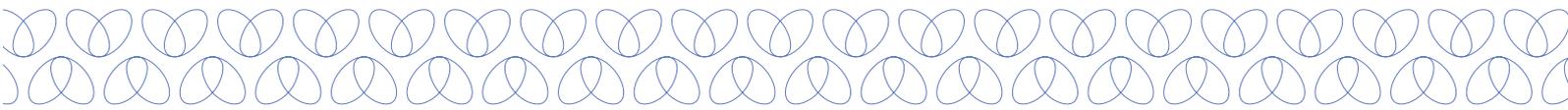
### 3. 主要會計政策概要(續)

#### 政府補貼

政府補貼乃按政府釐定的酌情基準從中國地方政府收取。政府補貼於可合理確定補貼能予以收取以及符合所有附帶條件後按其公平值確認。當補貼與開支項目有關，則以有系統方式，將補貼在有關期間內於收入中確認，以抵銷擬作補償的成本。與資產相關的補貼，其公平值確認為綜合財務狀況表遞延資本帳目並透過每年分期公佈於相關資產預估使用年期於損益攤銷。

#### 借貸成本

由合資格資產，即需要花費較長時間而用於預期用途或出售的資產的收購、建造或生產直接所致的借款成本作為該等資產成本的部分被資本化。該等借款成本於大部分資產可用於預期用途或出售時停止資本化。由尚待支出於合資格資產的特定借款進行臨時投資所獲投資收益從資本化借款成本中扣除。所有其他借款成本於產生當期支出。借貸成本包括利息及實體就借取資金時招致的其他成本。



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### EMPLOYEE BENEFITS – PENSION BENEFITS

The employees of the Group's subsidiaries which operates in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs as stipulated by the PRC regulations to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiaries' employers.

The Company makes contributions to the Central Provident Fund Scheme in Singapore, a defined contribution pension scheme. Contributions to the defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

Pension contributions are recognised as an expense as they become payable in accordance with the rules of the relevant schemes.

#### LEASES

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from lessor are charged to profit or loss on the straight-line basis over the lease terms.

### 3. 主要會計政策概要 (續)

#### 僱員福利 – 退休福利

在中國內地經營的本集團附屬公司之僱員須參與地方市政府所運作的中央退休金計劃。該等附屬公司必須向按照中國法律規定由政府機構管理的退休金繳付其薪金成本的若干百分比，該等機構負責管理附屬公司僱員金額。

本公司向新加坡的界定供款退休金計劃中央公積金計劃作出供款。界定供款退休金計劃的供款乃於履行有關服務的期間內確認為開支。

退休金供款確認開支，因其按照相關計劃規定為應付款項。

#### 租約

資產擁有權的絕大部分回報及風險由出租人保留的租約入賬列為經營租約。當本集團為承租人時，經營租約項下的應付租金扣除出租人已收任何獎勵後於租期內以直線法自損益賬扣除。

# Notes to Financial Statements

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

#### (a) SALE OF GOODS

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of the goods to the customer, which generally coincides with delivery and acceptance of the goods sold.

#### (b) INTEREST INCOME

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

#### (c) SUBSIDY INCOME

Subsidy income represents subsidies received from the government and is recognised upon cash receipt and when all the relating conditions are fulfilled.

#### (d) AMORTISATION OF DEFERRED GRANTS

Deferred grants are amortised and credited to profit or loss by annual instalments over the expected useful life of the relevant assets the grants are intended to compensate.

#### (e) COMPENSATION INCOME

Compensation income is recognised when the Group's right to receive payment is established.

#### (f) RENTAL INCOME

Rental income is recognised on a time proportion basis over the lease term.

## 3. 主要會計政策概要(續)

### 收入確認

於經濟利益有較大可能流入本集團，且收入能夠準確計量時，無論是否付款均確認收入。收入按照已收或應收代價公平值計量，經考慮合約定義的付款條件，不包括稅項或徵稅。確認收入前亦必須符合以下具體確認條件：

#### (a) 銷售貨品

來自銷售貨品的收入乃於貨品擁有權之重大風險及回報轉至客戶時確認，一般於交付及收取所出售貨物時致。

#### (b) 利息收入

利息收入乃透過採用精確折現於金融工具預期年期(或較短期間，倘適用)的估計收取的未來現金至金融資產賬面淨值的利率，以實際利率法按累計基準確認。

#### (c) 補助金收入

補助金收入指來自政府的補助金，於收取現金並達成所有相關條件時確認。

#### (d) 遞延補貼攤銷

遞延補貼於補貼擬作補償的相關資產的預期可使用年期內，按年度分期在損益賬內攤銷及入賬。

#### (e) 補償收益

補償收益於本集團收取付款之權利確立時確認。

#### (f) 租賃收入

租賃收入在租約期間按時間比例確認。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### INCOME TAXES

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

#### CURRENT TAX

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

#### DEFERRED TAX

Deferred tax is provided using the liability method on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

### 3. 主要會計政策概要(續)

#### 所得稅

所得稅包括即期和遞延稅項。與確認於損益之外的稅項有關的所得稅確認於損益以外，並確認於其他全面收益或直接確認於權益之中。

#### 即期稅項

根據截至報告期末已制定或實質制定的稅率(及稅法)，並考慮本集團經營所在國家的相關法律的普遍解釋及做法，即期稅項資產及負債以預估向稅務機關收回或支付的金額計量。

#### 遞延稅項

遞延稅項乃以負債法按資產及負債的稅基與其就財務申報而言的賬面值於報告日期的所有暫時性差額計提撥備。

所有稅項暫時性差額均會確認遞延稅項負債，惟於以下情況則除外：

- 倘遞延稅項負債乃由並非屬業務合併的交易中初步確認商譽或資產或負債所產生，而在交易時對會計溢利及應課稅溢利或虧損均無影響；及
- 就涉及附屬公司、聯營公司及合營企業的投資的應課稅暫時性差額而言，倘可控制撥回暫時性差額的時間，以及暫時性差額可能不會在可見將來撥回。

# Notes to Financial Statements

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### INCOME TAXES (CONTINUED)

#### DEFERRED TAX (CONTINUED)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## 3. 主要會計政策概要 (續)

### 所得稅 (續)

#### 遞延稅項 (續)

遞延稅項資產乃就所有可扣稅暫時差額、未動用稅項抵免和未動用稅項虧損之結轉而確認。但該確認以將有應課稅溢利以動用可扣稅暫時差額、未動用稅項抵免和未動用稅項虧損之結轉以作對銷為限，惟以下情況除外：

- 與可扣稅暫時差額有關之遞延稅項資產乃因在一項並非業務合併之交易中初次確認資產或負債而產生，且交易時並不影響會計溢利或應課稅溢利或虧損；及
- 就與於附屬公司、聯營公司及合營企業的投資有關之可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回以及將有應課稅溢利以動用暫時差額以作抵銷之情況下，方予確認。

遞延稅項資產之賬面值於每個申報期末予以審閱，並減至不再可能擁有足夠之應課稅溢利以動用全部或部分遞延稅項資產為限。未確認之遞延稅項資產於各申報期末重新評估，並以可能擁有充足應課稅溢利以供收回全部或部分遞延稅項資產為限確認。

遞延稅項資產及負債以預期資產被變現或清償負債的期間適用之稅率計量，並以於申報期末生效或實際生效之稅率（及稅法）為基準。

倘存在可依法強制執行之權利，以即期稅項資產抵銷即期稅項負債，且遞延稅項與同一應課稅實體及同一稅務機關有關，則遞延稅項資產及遞延稅項負債會互相抵銷。

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### VALUE-ADDED TAX ("VAT")

The Group's sales of goods in the PRC are generally subject to VAT at the applicable tax rates of 13% (for urea and compound fertiliser segments) and 17% (for methanol segment) for PRC domestic sales. However, as part of the government subsidies for the fertiliser industry, full VAT exemption was given to urea and compound fertiliser sales in prior years.

Revenues, expenses and assets are recognised net of the amount of VAT, except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

#### SEGMENT REPORTING

For management purposes, the Group is organised into operating segments based on their products and the segment results are reported directly to the management of the Company who regularly reviews the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in note 5, including the factors used to identify the reportable segments and the measurement basis of segment information.

### 3. 主要會計政策概要(續)

#### 增值稅(「增值稅」)

本集團於中國銷售貨品一般須繳納增值稅，中國國內銷售的適用稅率為13%(尿素及複合肥分部)及17%(甲醇分部)。然而，作為政府給予肥料業的補助金的一部分，於過往年度銷售尿素及複合肥的增值稅會獲得全數豁免。

收入、開支及資產於扣除增值稅金額後確認，惟於以下情況則除外：

- 倘因購買資產或服務產生的增值稅不可從稅局收回，則增值稅確認為收購資產的成本的一部分或開支項目的一部分(如適用)；及
- 應收款項及應付款項乃計及增值稅的金額列賬。

增值稅可從稅局收回的淨額或應付稅局的淨額乃作為應收款項或應付款項的一部分計入財務狀況表。

#### 分部報告

就管理而言，本集團根據其產品分類經營分部，並直接向本公司管理層申報分部業績，而本公司管理層會定期檢討分部業績，以分配資源至分部及評估分部表現。該等分部各自的額外披露載於附註5，包括用以識別可申報分部的因素及分部資料的計量基準。

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## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### CONTINGENCIES

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group;

or

- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the consolidated statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

### DIVIDENDS

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

## 3. 主要會計政策概要(續)

### 或然事項

或然負債指：

- (a) 因過去事件而可能產生的債務，此等債務僅就某一宗或多宗不確定未來事件會否發生才能確認，而本集團並不能完全控制此等未來事件會否發生；

或

- (b) 因過往事件而產生的現有債務並無被確認的原因：
  - (i) 不可能需要具經濟利益的資源流出以清償有關債務；或
  - (ii) 不能充份可靠地計量債務金額。

或然資產是因過去事件而可能產生的資產，而其僅就某一宗或多宗不確定未來事件會否發生才能確認，而本集團並不能完全控制此等未來事件會否發生。

或然負債及資產在本集團的綜合財務狀況表中不予確認，但於業務合併中承擔，且為現有債務，以及可以可靠地釐定其公平值的或然負債除外。

### 股息

末期股息於股東大會上獲股東批准後才確認為負債。

#### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

##### JUDGEMENTS

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

##### INCOME TAXES

The Group has exposure to income taxes in Singapore and the PRC. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's income tax recoverable, income tax payable, deferred tax assets and deferred tax liabilities at 31 December 2016 were RMB1,076,000, RMB191,000, RMB23,801,000 and RMB56,791,000, respectively (2015: RMB12,898,000, RMB4,000, RMB19,714,000 and RMB63,165,000, respectively).

#### 4. 重大會計判斷及估計

編製本集團綜合財務報表需要管理層作出判斷、估計及假設，該等判斷、估計及假設影響在各申報期末的收入、開支、資產及負債的申報金額以及或然負債的披露。然而，該等假設及估計的不明朗因素可導致可能需要對於未來期間受影響的資產或負債的賬面值作出重大調整的後果。

##### 判斷

在應用本集團的會計政策時，除涉及估計者外，管理層已作出下列判斷，而該等判斷對於綜合財務報表內確認的金額有最重大的影響：

##### 所得稅

本集團在新加坡及中國須繳納所得稅。釐定所得稅撥備時涉及重大判斷。在日常業務過程中，若干交易及計算法均不能確定最終稅款的釐定。本集團根據會否有額外稅項到期的估計，確認對預期稅務事宜之負債。倘該等事宜之最終稅務結果與初步確認之金額不同，該等差額將影響作出有關釐定期間之所得稅及遞延稅項撥備。本集團於二零一六年十二月三十一日的可收回所得稅、應付所得稅、遞延稅項資產及遞延稅項負債的賬面值分別為人民幣1,076,000元、人民幣191,000元、人民幣23,801,000元及人民幣56,791,000元（二零一五年：分別為人民幣12,898,000元、人民幣4,000元、人民幣19,714,000元及人民幣63,165,000元）。

# Notes to Financial Statements

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## 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

### ESTIMATION UNCERTAINTY

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

### IMPAIRMENT OF GOODWILL

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2016 was RMB25,361,000 (2015: RMB25,361,000). Further details are given in note 16.

### USEFUL LIVES OF PLANT AND MACHINERY

The cost of plant and machinery for the production of fertilisers is depreciated on the straight-line basis over the estimated useful lives of the assets. Management estimates the useful lives of the production lines to be within 8 to 15 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of the plant and machinery and therefore depreciation charges could be changed in line with revisions to the expected economic useful lives. The carrying amount of the Group's plant and machinery at 31 December 2016 was RMB5,158,337,000 (2015: RMB4,947,091,000).

## 4. 重大會計判斷及估計(續)

### 估計不明朗因素

有關未來事件的主要假設及申報期末估計不明朗因素的其他主要來源描述載於下文。當編製財務報表時，本集團根據可獲得的參數作出假設及估計。然而，現有情況及對未來發展的假設或會因本集團控制能力外產生的市場變動或情況而改變。有關變動會在發生時於假設內有所反映。

### 商譽減值

本集團至少每年釐定商譽是否減值。這要求估計商譽分配的現金產生單位的使用價值。使用價值的估計要求本集團對來自現金產生單位的預期未來現金流量作出估計，並選擇適當的折現率以計算該等現金流量的現值。於二零一六年十二月三十一日商譽的賬面值為人民幣25,361,000元(二零一五年：人民幣25,361,000元)。進一步詳情載於附註16。

### 廠房及機器的可使用年期

生產肥料的廠房及機器的成本乃按直線法於該等資產的估計可使用年期予以折舊。管理層估計生產線的可使用年期為8至15年。預期使用程度及技術發展的變動可能會影響廠房及機器的經濟可使用年期，因此，折舊開支乃與預期經濟可使用年期的修訂進行一致改變。本集團廠房及機器於二零一六年十二月三十一日的賬面值為人民幣5,158,337,000元(二零一五年：人民幣4,947,091,000元)。

## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### ESTIMATION UNCERTAINTY (CONTINUED)

#### IMPAIRMENT OF COAL MINING RIGHTS

The carrying values of coal mining rights are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable in accordance with the accounting policy for the impairment of non-financial assets in the section of summary of significant accounting policies. The recoverable amounts of the coal mining rights, or, where appropriate, the cash-generating units to which they belong, are calculated as the value in use. Estimating the value in use requires the Group to estimate the expected future cash flows from the cash-generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows. At 31 December 2016, no impairment loss has been recognised for the coal mining rights. The carrying amount of the coal mining rights at 31 December 2016 was RMB95,099,000 (2015: RMB99,514,000).

#### COAL MINE RESERVE

The estimation of the Group's coal mine reserve are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before an estimated coal mine reserve can be designated as "proved" and "probable". Proved and probable coal mine reserve estimates are updated on regular intervals taking into recent production and technical information about each mine. In addition, as prices and cost levels change from year to year, the estimate of the proved and probable coal mine reserve also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in related amortisation rates.

The capitalised cost of the coal mining right is amortised over the estimated useful life of the related coal mine reserve. The useful life is reviewed annually in accordance with the production of the plants of the Group and the proven and probable reserves of the coal mines. The carrying amount of the coal mining rights at 31 December 2016 was RMB95,099,000 (2015: RMB99,514,000).

## 4. 重大會計判斷及估計(續)

### 估計不明朗因素(續)

#### 煤礦開採權的減值

當出現任何事件或情況發生變化，顯示賬面值根據會計政策的主要會計政策概要一節非金融資產減值不可收回時，本公司會評估煤礦開採權的賬面值的減值。煤礦開採權或其所屬的現金產生單位(如適用)的可回收價值按以使用價值計算。使用價值的評估需要本集團評估來自現金產生單位的未來現金流量，以及選擇合適的折現率以計算該等現金流量的現時價值。於二零一六年十二月三十一日，煤礦開採權並無確認減值虧損。於二零一六年十二月三十一日煤礦開採權的賬面值為人民幣95,099,000元(二零一五年：人民幣99,514,000元)。

#### 煤礦儲備

由於採集該等資料過程中的主觀判斷，本集團的煤礦儲備的估計不可避免為非精確值，僅表示約計數量。指定估計煤礦儲備為「經探明」及「可能」之前，應參照有關須達成的工程標準的官方指引。經探明及可能的煤礦儲備估計乃在考慮每個煤礦近期的產量及技術資料後定期予以更新。此外，由於價格及成本水平逐年變動，經探明及可能的煤礦儲備的估計亦將變動。該變動被視為作為會計目的的估計變動，並以預期基準反映於有關攤銷率中。

煤礦開採權的資本化成本按有關煤礦儲備的估計使用年期予以攤銷。使用年期根據本集團煤礦產量及經探明及可能的煤礦儲備每個年度予以檢視。於二零一六年十二月三十一日煤礦開採權的賬面值為人民幣95,099,000元(二零一五年：人民幣99,514,000元)。

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## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

### ESTIMATION UNCERTAINTY (CONTINUED)

#### IMPAIRMENT OF AN AVAILABLE-FOR-SALE INVESTMENT

The Group classifies a listed equity investment as available for sale and recognises movements of its fair value in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in profit or loss. At 31 December 2016, provision for impairment loss of RMB1,613,000 (2015: RMB2,118,000) has been made for available-for-sale investment. The carrying amount of this available-for-sale investment was RMB4,185,000 (2015: RMB3,680,000). Further details are given in note 18.

## 5. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on its products, and has the following operating segments:

- (i) Manufacture and sale of urea
- (ii) Manufacture and sale of compound fertiliser
- (iii) Manufacture and sale of methanol
- (iv) Manufacture and sale of other products such as furfuryl alcohol, crude methanol, liquid ammonia, ammonia solution and melamine

In the opinion of the directors, there were only limited operations in the subsidiaries that are engaged in coal mining and the sale of coal and the assets and liabilities were not material for the purpose of segment reporting. Accordingly, a separate operating segment for the coal mining business carried out by these subsidiaries has not been presented.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

## 4. 重大會計判斷及估計(續)

### 估計不明朗因素(續)

#### 可供出售投資減值

本集團將上市股本投資分類為可供出售，並於權益表內確認其公平值變動。當公平值下降時，管理層就價值下降作出假設，以釐定是否有減值須於損益賬內確認。於二零一六年十二月三十一日，減值虧損撥備人民幣1,613,000元(二零一五年：人民幣2,118,000元)已作可供出售投資。此可供出售投資之賬面值為人民幣4,185,000元(二零一五年：人民幣3,680,000元)。進一步詳情載於附註18。

## 5. 經營分部資料

就管理而言，本集團按其產品劃分為業務單位，並擁有以下可申報經營分部：

- (i) 生產及銷售尿素
- (ii) 生產及銷售複合肥
- (iii) 生產及銷售甲醇
- (iv) 生產及銷售其他產品，如糠醇、未提煉甲醇、液態氨、氨溶液及三聚氰胺

董事認為，從事煤礦開採及煤炭銷售的附屬公司開展的業務十分有限，故其資產及負債對分部申報而言並不重大。因此，並無另立獨立經營分部以呈列該等附屬公司所經營的煤礦開採業務。

除上文所指外，並無經營分部已合併組成上述可申報經營分部。

## 5. OPERATING SEGMENT INFORMATION (CONTINUED)

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit, which is a measure of gross profit. Group financing (including finance costs), income taxes and other unallocated items, as explained below, are managed on a group basis and are not allocated to operating segments.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

### ALLOCATION BASIS

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise other income and gains, other expenses, selling and distribution expenses, general and administrative expenses, finance costs and income tax expense.

Group assets and liabilities cannot be directly attributable to individual segments as it is impracticable to allocate them to the segments. Assets of the Group are utilised interchangeably between different segments and there is no reasonable basis to allocate liabilities of the Group between different segments. Accordingly, it is not meaningful to disclose assets, liabilities and capital expenditure by operating segments.

### GEOGRAPHICAL INFORMATION

There is no geographical information presented as the Group mainly operates in Mainland China only.

## 5. 經營分部資料(續)

管理層獨立地監控本集團經營分部的業績，就資源分配及考績作出決策。分部業績基於可申報分部利潤進行評估，該利潤根據毛利計量。本集團的融資(包括財務成本)、所得稅及其他未分配項目(如下文所述)以組合基準管理，且並未分配至經營分部。

分部間的銷售和轉讓是按當時市場價格出售予第三方的銷售價格來進行交易。

### 分配基準

分部業績包括分部直接應佔的項目及按合理基準所分配的項目。未分配項目包括其他收入及收益、其他開支、銷售及分銷開支、一般及行政開支、財務成本以及所得稅開支。

本集團的資產及負債不能直接分配至個別分部，因將其分配至分部並不實際可行。本集團的資產乃於不同分部之間交替使用，而且沒有合理基準將本集團的負債於不同分部之間分配。因此，按經營分部披露資產、負債及資本開支並無意義。

### 地區資料

由於本集團主要只在中國內地經營業務，因此並無呈列地區資料。

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## 5. OPERATING SEGMENT INFORMATION (CONTINUED)

### SEGMENT PROFIT INFORMATION

The directors of the Company are of the opinion that the segment profit is the gross profit.

## 5. 經營分部資料(續)

### 分部溢利資料

本公司董事認為分部溢利為毛利。

Year ended 31 December 2016 截至二零一六年 十二月三十一日止年度		Urea 尿素 RMB'000 人民幣千元	Compound fertiliser 複合肥 RMB'000 人民幣千元	Methanol 甲醇 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Elimination 對銷 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>REVENUE</b>	<b>收入</b>						
Sales to external customers	銷售給外部客戶	2,939,765	1,657,994	532,401	580,538	-	5,710,698
Intersegment sales	分部間銷售	273,336	11,230	2,266	6,366	(293,198)	-
Total revenue	總收入	3,213,101	1,669,224	534,667	586,904	(293,198)	5,710,698
Segment result	分部業績	558,767	277,821	79,720	107,300	-	1,023,608
<i>Reconciliation:</i>	<i>對賬:</i>						
Interest income	利息收入						15,705
Unallocated other income and gains	未分配其他收入 及收益						54,280
Unallocated expenses	未分配開支						(787,138)
Finance costs	財務成本						(266,366)
Profit before tax	除稅前溢利						40,089
Income tax expense	所得稅開支						(11,054)
Profit for the year	年內溢利						29,035
<b>Other segment information:</b>	<b>其他分部資料:</b>						
Loss on disposal of items of property, plant and equipment	出售物業、廠房 及設備項目的虧損						2,424
Depreciation of items of property, plant and equipment	物業、廠房及設備 項目折舊						522,118
Amortisation of prepaid land lease payments	預付土地租賃 款項攤銷						8,610
Amortisation of coal mining rights	煤礦開採權攤銷						4,415
Capital expenditure*	資本開支*						824,580

## 5. OPERATING SEGMENT INFORMATION (CONTINUED)

### SEGMENT PROFIT INFORMATION (CONTINUED)

Year ended 31 December 2015 截至二零一五年 十二月三十一日止年度	Urea 尿素 RMB'000 人民幣千元	Compound fertiliser 複合肥 RMB'000 人民幣千元	Methanol 甲醇 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Elimination 對銷 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	
<b>REVENUE</b>	<b>收入</b>						
Sales to external customers	3,235,610	1,765,700	547,935	238,936	-	5,788,181	
Intersegment sales	401,771	9,745	1,788	9,434	(422,738)	-	
Total revenue	3,637,381	1,775,445	549,723	248,370	(422,738)	5,788,181	
Segment result	886,805	351,140	68,092	17,533	-	1,323,570	
<i>Reconciliation:</i>	<i>對賬：</i>						
Interest income	利息收入						25,619
Unallocated other income and gains	未分配其他收入 及收益						55,080
Unallocated expenses	未分配開支						(697,863)
Finance costs	財務成本						(228,190)
Profit before tax	除稅前溢利						478,216
Income tax expense	所得稅開支						(69,945)
Profit for the year	年內溢利						408,271
<b>Other segment information:</b>	<b>其他分部資料：</b>						
Loss on disposal of items of property, plant and equipment	出售物業、廠房 及設備項目的虧損						17,294
Depreciation of items of property, plant and equipment	物業、廠房及設備 項目折舊						385,063
Amortisation of prepaid land lease payments	預付土地租賃 款項攤銷						4,436
Amortisation of coal mining rights	煤礦開採權攤銷						3,721
Capital expenditure*	資本開支*						1,622,414

\* Capital expenditure consists of additions to property, plant and equipment and intangible assets including assets from the acquisition of a subsidiary.

## 5. 經營分部資料(續)

### 分部溢利資料(續)

\* 資本開支包括添置物業、廠房及設備及無形資產包括來自收購附屬公司的資產。

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### 6. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after deduction of relevant taxes and allowances for returns and trade discounts.

An analysis of the Group's revenue, other income and gains is as follows:

### 6. 收入、其他收入及收益

收入指出售貨品並扣除相關稅項、退貨及折扣後的淨發票價值。

本集團的收入、其他收入及收益分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收入</b>		
Sales of goods	銷售貨品	5,710,698	5,788,181
<b>Other income and gain</b>	<b>其他收入及收益</b>		
Bank interest income	銀行利息收入	15,705	25,619
Net profit from sales of by-products	銷售副產品的純利	7,474	19,968
Amortisation of deferred grants (note 27)	遞延補貼攤銷(附註27)	5,943	4,605
Subsidy income	補助金收入	25,681	18,565
Compensation income	補償收益	10,373	9,774
Rental income	租賃收入	2,787	1,932
Others	其他	2,022	236
		<b>69,985</b>	<b>80,699</b>

## 7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of inventories sold#	銷售存貨成本#		4,687,090	4,464,611
Depreciation of items of property, plant and equipment	物業、廠房及設備項目折舊	14	522,118	385,063
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	15	8,610	4,436
Amortisation of coal mining rights	煤礦開採權攤銷	17	4,415	3,721
Minimum lease payments under operating leases:	經營租約項下的最低租金付款：			
Land	土地		1,272	1,792
Buildings	樓宇		2,239	2,239
Factories	工廠		1,000	3,450
			4,511	7,481
Auditor's remuneration	核數師酬金		2,317	2,522
Employee benefit expenses (including directors' remuneration (note 9)):	僱員福利開支(包括董事薪酬(附註9))：			
Salaries and bonuses	薪金及花紅		349,114	341,614
Pension scheme contributions (defined contribution scheme)	退休金計劃供款(定期供款計劃)		23,380	23,677
Benefits in kind	實物利益		26,331	25,889
			398,825	391,180
Impairment loss of an available-for-sale investment*	可供出售投資的減值虧損*	18	792	1,021
Unrealised exchange losses, net*	未變現匯兌虧損，淨額*		24,398	12,484
Realised exchange losses, net*	已變現匯兌虧損，淨額*		3,815	1,137
Loss on disposal of items of property, plant and equipment*	出售物業、廠房及設備項目的虧損*		2,424	17,294

\* Included in "Other expenses" disclosed in the consolidated statement of profit or loss and other comprehensive income

# Included wages and salaries of RMB89,103,000 (2015: RMB52,719,000) disclosed under employee benefit expenses and depreciation charges of RMB454,565,000 (2015: RMB316,834,000) disclosed under depreciation of items of property, plant and equipment

## 7. 除稅前溢利

本集團的除稅前溢利乃經扣除：

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of inventories sold#		4,687,090	4,464,611
Depreciation of items of property, plant and equipment	14	522,118	385,063
Amortisation of prepaid land lease payments	15	8,610	4,436
Amortisation of coal mining rights	17	4,415	3,721
Minimum lease payments under operating leases:			
Land		1,272	1,792
Buildings		2,239	2,239
Factories		1,000	3,450
		4,511	7,481
Auditor's remuneration		2,317	2,522
Employee benefit expenses (including directors' remuneration (note 9)):			
Salaries and bonuses		349,114	341,614
Pension scheme contributions (defined contribution scheme)		23,380	23,677
Benefits in kind		26,331	25,889
		398,825	391,180
Impairment loss of an available-for-sale investment*	18	792	1,021
Unrealised exchange losses, net*		24,398	12,484
Realised exchange losses, net*		3,815	1,137
Loss on disposal of items of property, plant and equipment*		2,424	17,294

\* 計入綜合損益及其他全面收益表所披露的「其他開支」。

# 計入於僱員福利開支披露的工資及薪金人民幣89,103,000元(二零一五年：人民幣52,719,000元)；於物業、廠房及設備項目折舊披露的折舊開支人民幣454,565,000元(二零一五年：人民幣316,834,000元)。

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### 8. FINANCE COSTS

The Group's finance costs are analysed as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest on bank loans, overdrafts, other loans and bonds payable (including government loans)	銀行貸款、銀行透支、其他貸款及融資債券(包括政府貸款)的應付利息	278,081	299,460
Less: Interest capitalised (note 37)	減：利息資本化(附註37)	(11,715)	(71,270)
		<b>266,366</b>	228,190

### 8. 財務成本

本集團的財務成本分析如下：

## 9. DIRECTORS' REMUNERATION

Directors' remuneration, disclosed pursuant to the Listing Rule, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, for the year is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Fees	袍金	800	800
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	2,217	2,229
Performance related bonuses*	業績花紅*	-	8,044
Pension scheme contributions	退休金計劃供款	123	111
		2,340	10,384
		3,140	11,184

\* In the prior year, certain executive directors of the Company were entitled to bonuses which were determined as a percentage of the profit after tax of the Group.

## 9. 董事酬金

根據上市規則，香港公司條例第383(1)(a)、(b)、(c)及(f)節及公司(披露董事利益資料)規例第2部列載的本年度董事薪酬如下：

\* 前一年度，本公司若干執行董事有權獲得按本集團除稅後溢利百分比釐定的花紅。

### (a) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Ong Kian Guan	王建源	300	300
Li Shengxiao	李生校	250	250
Ong Wei Jin	王為仁	250	250
		800	800

There were no other emoluments payable to the independent non-executive directors during the year (2015: Nil).

### (a) 獨立非執行董事

年內付予獨立非執行董事之袍金如下：

年內概無應付予獨立非執行董事的其他酬金(二零一五年：無)。

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## 9. DIRECTORS' REMUNERATION (CONTINUED)

### (b) EXECUTIVE DIRECTORS AND A NON-EXECUTIVE DIRECTOR

## 9. 董事酬金

### (b) 執行董事及一名非執行董事

Year ended 31 December 2016 截至二零一六年 十二月三十一日止年度		Fees 袍金 RMB'000 人民幣千元	Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 RMB'000 人民幣千元	Performance- related bonuses* 考績花紅* RMB'000 人民幣千元	Pension scheme contributions 退休金 計劃供款 RMB'000 人民幣千元	Total remuneration 總計酬金 RMB'000 人民幣千元
Executive directors: 執行董事：						
Liu Xingxu 劉興旭		-	859	-	41	900
Yan Yunhua 閻蘊華		-	679	-	41	720
Zhang Qingjin 張慶金		-	679	-	41	720
		-	2,217	-	123	2,340
Non-executive director: 非執行董事：						
Lian Jie 廉潔		-	-	-	-	-
		-	2,217	-	123	2,340
Year ended 31 December 2015 截至二零一五年 十二月三十一日止年度						
Executive directors: 執行董事：						
Liu Xingxu 劉興旭		-	863	3,218	37	4,118
Yan Yunhua 閻蘊華		-	683	2,413	37	3,133
Zhang Qingjin (appointed on 27 March 2015) 張慶金(於二零一五年三月二十七日委任)		-	683	2,413	37	3,133
Li Buwen (resigned on 27 March 2015) 李步文(於二零一五年三月二十七日辭任)		-	-	-	-	-
		-	2,229	8,044	111	10,384
Non-executive director: 非執行董事：						
Lian Jie 廉潔		-	-	-	-	-
		-	2,229	8,044	111	10,384

\* Performance-related bonuses are based on the profit before tax of the Group for each financial year.

\* 考績花紅乃根據各財政年度本集團除稅前溢利計算得出。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2015: Nil).

年內概無董事放棄或同意放棄任何酬金的安排(二零一五年：無)。

During the year, no remuneration was paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office.

年內，本集團並無向董事支付酬金，作為加入或於加入本集團時的獎勵或作為離職的補償。

## 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three (2015: three) directors, details of whose remuneration are set out in note 9 above. Details of the remuneration of the remaining two (2015: two) non-director, highest paid employees for the year are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	450	468
Performance-related bonuses	業績花紅	1,200	1,200
Pension scheme contributions	退休金計劃供款	82	74
		<b>1,732</b>	<b>1,742</b>

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		2016 二零一六年	2015 二零一五年
Nil to RMB500,000	零至人民幣 500,000 元	-	-
RMB500,001 to RMB1,000,000	人民幣 500,001 元至 人民幣 1,000,000 元	2	2
		<b>2</b>	<b>2</b>

During the year, no remuneration was paid by the Group to the five individuals with the highest emoluments in the Group as an inducement to join or upon joining the Group or as compensation for loss of office.

## 10. 五名最高薪酬僱員

本集團本年度的五名最高薪酬僱員包括三名(二零一五年：三名)董事，其酬金的詳情載於上文附註9。有關其餘兩名(二零一五年：兩名)非董事最高薪酬僱員的酬金的詳情如下：

酬金屬下列範圍之內的非董事最高薪酬僱員的數目如下：

本年度內，本集團並無向五名最高薪酬的僱員支付酬金，作為加入或於加入本集團時的獎勵或作為離職的補償。

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## 11. INCOME TAX

The Company was incorporated in Singapore and was subject to income tax at the rate of 17% (2015: 17%) for the year.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates.

The Company's subsidiaries in Mainland China are subject to income tax at the rate of 25% (2015: 25%). In prior years, one of the subsidiaries was given the New/High Tech Enterprise Award as recognition of its innovation and use of state-of-the-art equipment. This award brought this subsidiary a tax concession of a lower income tax rate (i.e. 15%) for the years ended 31 December 2014, 2015 and 2016.

The major components of income tax expense for the financial years ended 31 December 2016 and 2015 are:

## 11. 所得稅

本公司於新加坡註冊成立，於本年度須按17%（二零一五年：17%）的所得稅稅率繳納稅項。

於其他地方應課稅溢利的稅項按本集團經營所在的國家現行的稅率計算。

本公司的附屬公司於中國內地須按所得稅稅率25%（二零一五年：25%）繳納稅項。過往年度，其中一家附屬公司獲發高新技術企業證書，以肯定其科技創新及使用先進的技術設備。該獎項使該附屬公司於截至二零一四年、二零一五年及二零一六年十二月三十一日止年度可享有較低所得稅稅率（即15%）的稅務優惠。

截至二零一六年及二零一五年十二月三十一日止財政年度所得稅開支之主要部分如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current – PRC	即期 – 中國		
Charge for the year	年度稅項	18,504	85,671
Under/(over)provision in prior years	過往年度撥備不足/ (超額撥備)	3,011	(6,037)
Deferred (note 32)	遞延稅項(附註32)	(10,461)	(9,689)
Total tax charge for the year	本年度稅項開支總額	11,054	69,945

## 11. INCOME TAX (CONTINUED)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and its subsidiaries are domiciled to the tax charge for the year at the effective tax rate is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	40,089	478,216
Tax at statutory tax rates	按法定稅率計算的稅項	13,148	121,800
Adjustments in respect of current tax of previous periods	就過往期間的即期稅項作出的調整	3,011	(6,037)
Effect of a tax concession	稅務優惠的影響	(15,210)	(58,114)
Expenses not deductible for tax	不可扣稅開支	5,319	1,582
Tax losses not recognised	未確認稅項虧損	4,874	10,725
Others	其他	(88)	(11)
Tax charge at the effective rate of 27.6% (2015: 14.6%)	按實際稅率 27.6% (二零一五年：14.6%) 計算的稅項開支	11,054	69,945

## 12. DIVIDEND

		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
Proposed final dividend – RMB4.0 cents (2015: RMB8.3 cents) per ordinary share	建議末期股息 – 每股普通股人民幣 4.0 分 (二零一五年：人民幣 8.3 分)	40,000	83,000

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

## 11. 所得稅(續)

本年度使用適用於本公司及其附屬公司所在國家的法定稅率計算的除稅前溢利的稅項開支與按實際稅率計算的稅項開支對賬如下：

## 12. 股息

於年內建議的末期股息須待本公司股東於即將舉行的股東週年大會上批准，始可作實。

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### 13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic and diluted earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares (inclusive of mandatorily convertible instruments issued) of 1,176,000,000 (2015: 1,176,000,000), as adjusted to reflect the convertible bonds issued in 2011.

The calculation of basic and diluted earnings per share is based on:

### 13. 母公司普通股權益持有人應佔每股盈利

每股基本及攤薄盈利金額乃根據母公司普通股權益持有人應佔年內溢利，及經調整以反映二零一一年已發行的可換股債券的普通股加權平均數1,176,000,000股（包括已發行的強制性可換股工具）（二零一五年：1,176,000,000股）計算得出。

每股基本及攤薄盈利乃基於以下數據計算得出：

		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
<b>Earnings</b>	<b>盈利</b>		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	用於計算每股基本及攤薄盈利的母公司普通股權益持有人應佔溢利	30,120	408,780
		2016 二零一六年 Number of shares 股份數目	2015 二零一五年 Number of shares 股份數目
<b>Shares</b>	<b>股份</b>		
Weighted average number of ordinary shares (inclusive of mandatorily convertible instruments issued) for the purpose of calculating basic and diluted earnings per share	就計算每股基本及攤薄盈利而言的普通股加權平均數（包括已發行的強制性可換股工具）	1,176,000,000	1,176,000,000

## 14. PROPERTY, PLANT AND EQUIPMENT

31 December 2016

		Buildings	Other fixtures and structures	Plant and machinery	Office equipment and furniture	Motor vehicles	Construction in progress	Total
		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
Cost:	成本：							
At 1 January 2016	於二零一六年一月一日	1,024,708	1,174,414	6,284,876	263,823	79,009	898,385	9,725,215
Additions	添置	4,642	15,727	58,833	11,241	8,406	633,889	732,738
Transfers	轉讓	43,193	34,592	549,290	8,017	-	(635,092)	-
Disposals	出售	(11,134)	-	(15,356)	(1,343)	(1,968)	-	(29,801)
At 31 December 2016	於二零一六年十二月三十一日	1,061,409	1,224,733	6,877,643	281,738	85,447	897,182	10,428,152
Accumulated depreciation:	累計折舊：							
At 1 January 2016	於二零一六年一月一日	106,569	133,112	1,337,785	104,831	29,153	-	1,711,450
Depreciation provided during the year	年度折舊撥備	42,035	48,530	385,576	33,640	12,337	-	522,118
Disposals	出售	(1,396)	(439)	(4,055)	(120)	(927)	-	(6,937)
At 31 December 2016	於二零一六年十二月三十一日	147,208	181,203	1,719,306	138,351	40,563	-	2,226,631
Net carrying amount:	賬面淨值：							
At 31 December 2016	於二零一六年十二月三十一日	914,201	1,043,530	5,158,337	143,387	44,884	897,182	8,201,521

The Group has pledged plant and machinery with a net carrying value of RMB220,991,000 (2015: RMB245,546,000) to secure a bank borrowing granted to the Group (note 29).

## 14. 物業、廠房及設備

於二零一六年十二月三十一日

本集團已抵押賬面淨值人民幣220,991,000元(二零一五年：人民幣245,546,000元)廠房及機器以確保授予本集團一項銀行借款(附註29)。

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## 14. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

31 December 2015

		Buildings 樓宇 RMB'000 人民幣千元	Other fixtures and structures 其他固定 附著物及建築 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Office equipment and furniture 辦公室設備 及傢俱 RMB'000 人民幣千元	Motor vehicles 汽車 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 2015	於二零一五年一月一日	646,163	877,176	4,326,534	180,991	49,239	2,168,891	8,248,994
Additions	添置	2,874	10,553	61,360	35,755	31,302	1,296,122	1,437,966
Acquisition of a subsidiary (note 36)	收購附屬公司(附註36)	3,903	62,972	6,401	6	37	-	73,319
Transfers	轉讓	371,772	224,281	1,922,641	47,934	-	(2,566,628)	-
Disposals	出售	(4)	(568)	(32,060)	(863)	(1,569)	-	(35,064)
At 31 December 2015	於二零一五年十二月三十一日	1,024,708	1,174,414	6,284,876	263,823	79,009	898,385	9,725,215
Accumulated depreciation:	累計折舊:							
At 1 January 2015	於二零一五年一月一日	76,351	98,874	1,067,053	78,248	21,197	-	1,341,723
Depreciation provided during the year	年度折舊撥備	30,222	34,403	283,869	27,370	9,199	-	385,063
Disposals	出售	(4)	(165)	(13,137)	(787)	(1,243)	-	(15,336)
At 31 December 2015	於二零一五年十二月三十一日	106,569	133,112	1,337,785	104,831	29,153	-	1,711,450
Net carrying amount:	賬面淨值:							
At 31 December 2015	於二零一五年十二月三十一日	918,139	1,041,302	4,947,091	158,992	49,856	898,385	8,013,765

## 14. 物業、廠房及設備(續)

於二零一五年十二月三十一日

## 15. PREPAID LAND LEASE PAYMENTS

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	194,792	199,228
Additions	添置	91,842	-
Addition through acquisition of a subsidiary	透過收購附屬公司添置	105,000	-
Amortisation during the year	年內攤銷	(8,610)	(4,436)
Carrying amount at 31 December	於十二月三十一日 的賬面值	383,024	194,792
Current portion included in prepayments	計入預付款項 的即期部分	(8,610)	(3,843)
Non-current portion	非即期部分	374,414	190,949

## 15. 預付土地租賃款項

## 16. GOODWILL

## 16. 商譽

		RMB'000 人民幣千元
Cost and net carrying amount at 1 January 2015	於二零一五年一月一日之成本及賬面淨額	6,950
Acquisition of a subsidiary (note 36)	收購附屬公司(附註36)	18,411
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月三十一日、二零一六年一月一日及二零一六年十二月三十一日	25,361
Cost:	成本：	
At 1 January 2015	於二零一五年一月一日	6,950
Acquisition of a subsidiary (note 36)	收購附屬公司(附註36)	18,411
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月三十一日、二零一六年一月一日及二零一六年十二月三十一日	25,361
Accumulated impairment:	累計減值：	
At 1 January 2015, 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年一月一日、二零一五年十二月三十一日、二零一六年一月一日及二零一六年十二月三十一日	-
Net carrying amount:	賬面淨值：	
At 31 December 2016	於二零一六年十二月三十一日	25,361
At 31 December 2015	於二零一五年十二月三十一日	25,361

### IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations amounting to RMB25,361,000 (2015: RMB25,361,000) has been allocated to the coal mining cash-generating unit for impairment testing.

The recoverable amount of the coal mining cash-generating unit has been determined based on a value-in-use calculation using cash flow projections based on financial budgets covering a 31-year period approved by management. The pre-tax discounted rate applied to the cash flow projections is 10.9% (2015: 9.36%).

### 商譽減值測試

透過業務合併收購的人民幣25,361,000元(二零一五年：人民幣25,361,000元)的商譽已分配至煤礦開採權現金產生單位，以進行減值測試。

煤礦開採權現金產生單位的可收回金額已按使用價值計算為基準釐定，而使用價值乃採用經管理層批准的財務預算為基準，涵蓋31年期間的現金流量預測計算。稅前現金流量預測採用10.9%(二零一五年：9.36%)的折現率折現。

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## 16. GOODWILL (CONTINUED)

### ASSUMPTIONS USED IN THE VALUE-IN-USE CALCULATION

The following describes each key assumption on which management has based its cash flow projections to undertake the impairment testing of goodwill:

#### (i) BUDGETED GROSS MARGIN

The basis used to determine the value assigned to the future gross margin is the average gross margin achieved in the year immediately before the budget year, increased for expected efficiency improvements and expected market development.

#### (ii) RAW MATERIAL PRICE

The basis used to determine the value assigned to raw material price is the forecast price indices during the budget year.

#### (iii) COMMODITY PRICE

The basis used to determine the value assigned to commodity price is the expectation of future changes in the market.

#### (iv) PRE-TAX DISCOUNT RATE

The pre-tax discount rate used is before tax and reflects specific risks relating to the relevant unit.

## 16. 商譽(續)

### 使用價值計算採用的假設

各主要假設如下所述，據此管理層已根據現金流量預測對商譽進行減值測試：

#### (i) 預算毛利率

用於釐定未來毛利率的指定價值的基準為緊接預算年度之前年度的已得平均毛利率，可根據預期效率改進及預期市場發展增加。

#### (ii) 原材料價格

用於釐定原材料價格的指定價值的基準為預算年度內預報價格指數。

#### (iii) 商品價格

用於釐定商品價格的指定價值的基準為市場未來變動的預期。

#### (iv) 稅前折現率

採用的稅前折現率為稅前並反映有關相關單元的特殊風險。

## 17. COAL MINING RIGHTS

## 17. 煤礦開採權

		RMB'000 人民幣千元
<b>31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	
Cost at 1 January 2016, net of accumulated amortisation	於二零一六年一月一日的成本，扣除累計攤銷	99,514
Amortisation provided during the year (note 7)	年度攤銷撥備(附註7)	(4,415)
At 31 December 2016	於二零一六年十二月三十一日	95,099
At 31 December 2016:	於二零一六年十二月三十一日：	
Cost	成本	109,570
Accumulated amortisation	累計攤銷	(14,471)
Net carrying amount	賬面淨值	95,099
<b>31 December 2015</b>	<b>於二零一五年十二月三十一日</b>	
Cost at 1 January 2015, net of accumulated amortisation	於二零一五年一月一日的成本，扣除累計攤銷	39,594
Acquisition of a subsidiary (note 36)	收購附屬公司(附註36)	63,641
Amortisation provided during the year (note 7)	年度攤銷撥備(附註7)	(3,721)
At 31 December 2015	於二零一五年十二月三十一日	99,514
At 31 December 2015:	於二零一五年十二月三十一日：	
Cost	成本	109,570
Accumulated amortisation	累計攤銷	(10,056)
Net carrying amount	賬面淨值	99,514

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### 18. AVAILABLE-FOR-SALE INVESTMENTS

		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
<b>NON-CURRENT</b>	<b>非流動</b>		
Unquoted equity investment, at cost:	非上市股本投資，按成本：		
PRC	中國	6,708	7,500
<b>CURRENT</b>	<b>流動</b>		
Listed equity investment, at fair value:	上市股本投資，按公平值：		
Singapore	新加坡	4,185	3,680

The above investments in equity securities were designated as available-for-sale financial assets and have no fixed maturity or coupon rate.

During the year, the fair value gain in respect of an available-for-sale investment recognised in other comprehensive income amounted to RMB505,000. In the prior year, impairment losses of RMB1,021,000 and RMB1,097,000 were charged to profit or loss and other comprehensive income, respectively.

As at 31 December 2016, the Group's listed equity investment with a carrying value of RMB4,185,000 (2015: RMB3,680,000) was classified as a current asset because the directors of the Company had intention to dispose of the investment in the forthcoming year. The market value of the Group's listed equity investment at the date of approval of these financial statements was approximately RMB4,185,000. This listed equity instrument is designated as available-for-sale financial asset and has no fixed maturity date or coupon rate.

The Group's investment in an unlisted equity security represents a 15% equity interest in the unlisted registered capital of Manas Biyuan Water Supply Company Limited ("Biyuan"), a company registered in the PRC, and was stated at cost of RMB7,500,000 (2015: RMB7,500,000) less impairment of RMB792,000 (2015: Nil) because the directors of the Company consider that the range of a reasonable fair value estimates is so significant that the fair value cannot be measured reliably. The Group has no control nor significant influence over the financial and operating policies of Biyuan. The Group does not intend to dispose of it in the near future.

### 18. 可供出售投資

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>NON-CURRENT</b>	<b>非流動</b>		
Unquoted equity investment, at cost:	非上市股本投資，按成本：		
PRC	中國	6,708	7,500
<b>CURRENT</b>	<b>流動</b>		
Listed equity investment, at fair value:	上市股本投資，按公平值：		
Singapore	新加坡	4,185	3,680

上述股本證券投資分類為可供出售金融資產及並無固定到期日或票息率。

本年度，於其他全面收入中確認可供出售投資有關之公平值收益金額為人民幣505,000元。於上年，減值虧損人民幣1,021,000元及人民幣1,097,000元已分別自損益及其他全面收入內扣除。

於二零一六年十二月三十一日，本集團賬面值為人民幣4,185,000元(二零一五年：3,680,000元)的上市股本投資以分類為流動資產，因為本公司董事計劃於來年出售投資。本集團之上市股本投資於該等財務報表獲批准的日期的市值約為人民幣4,185,000元。上市股本工具指定為可供出售金融資產及並無固定到期日或票面息率。

本集團之未上市股本證券投資乃指於瑪納斯縣碧源供水有限責任公司(「碧源」，一間於中國註冊成立之公司)的未上市註冊資本的15%股權，並且按成本人民幣7,500,000元(二零一五年：人民幣7,500,000元)減減值人民幣792,000元(二零一五年：無)列賬，因為估計合理公平值範圍太大，本公司董事認為無法可靠計量其公平值。本集團無意於可見未來出售有關投資。

## 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

## 19. 預付款項、按金及其他應收款項

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>NON-CURRENT</b>	<b>非流動</b>		
Prepayments for purchases of items of property, plant and equipment	購買物業、廠房及設備項目的預付款項	118,391	174,567
Prepayment for acquisition of an available-for-sale investment	收購可供出售投資的預付款項	8,025	8,025
		<b>126,416</b>	<b>182,592</b>
<b>CURRENT</b>	<b>流動</b>		
Prepayments:	預付款項：		
Advanced deposits to suppliers	預付供應商的按金	341,572	230,946
Current portion of prepaid land lease payments	預付土地租賃款項的即期部分	8,610	3,843
Others	其他	5,731	6,395
		<b>355,913</b>	<b>241,184</b>
Deposits and other receivables:	按金及其他應收款項：		
Deposits	按金	-	300
VAT recoverable	應收增值稅	357,925	416,025
Others	其他	74,653	75,931
		<b>432,578</b>	<b>492,256</b>
Total prepayments, deposits and other receivables (classified as current)	預付款項、按金及其他應收款項總額(分類為即期)	<b>788,491</b>	<b>733,440</b>

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### 20. INVENTORIES

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	181,210	196,063
Parts and spares	部件及備用零件	60,020	61,492
Work-in-progress	在製品	11,973	6,028
Finished goods	製成品	196,302	190,338
		449,505	453,921

### 21. TRADE AND BILLS RECEIVABLES

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	73,514	65,381
Bills receivable	應收票據	1,603	900
		75,117	66,281

Trade receivables are non-interest-bearing and are normally settled on terms of 30 to 90 days. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The Group's bills receivable are non-interest-bearing and are normally settled on terms of 90 to 180 days. Trade and bills receivables are denominated in RMB.

The Group's trading terms with its customers are mainly payment in advance or on credit for certain customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over these balances.

### 20. 存貨

### 21. 貿易應收款項及應收票據

貿易應收款項為免息及一般於30至90日內清償。該等應收賬款以其原始發票金額確認，該等金額代表其在初始確認時的公平值。本集團的應收票據為免息及一般於90至180日內清償。貿易應收款項及應收票據以人民幣計值。

本集團與其客戶的交易條款主要為預付款項，若干客戶或可取得信貸期。各客戶有信貸期上限。本集團尋求維持對其尚未到期的應收款項的嚴格控制，以減低信貸風險。逾期結餘會由高級管理層定期審閱。鑒於上文所述，及本集團的貿易應收款項分佈於大量分散的客戶，故並無重大信貸集中風險。本集團並無就該等結餘持有任何抵押品或其他信貸保證。

## 21. TRADE AND BILLS RECEIVABLES (CONTINUED)

An aging analysis of the Group's trade receivables as at the end of the reporting period, based on the invoice date, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 month	1個月以內	39,452	20,326
1 to 3 months	1至3個月	10,289	32,163
3 to 6 months	3至6個月	14,617	9,513
6 to 12 months	6至12個月	5,974	1,494
Over 12 months	12個月以上	3,182	1,885
		<b>73,514</b>	<b>65,381</b>

The aging analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期亦未減值	49,741	52,489
Less than 3 months past due	逾期3個月以下	14,617	9,513
More than 3 months past due	逾期3個月以上	9,156	3,379
		<b>73,514</b>	<b>65,381</b>

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

## 21. 貿易應收款項及應收票據(續)

本集團貿易應收款項於申報期末的賬齡分析(根據發票日期)如下:

未被視為個別或全部已減值的貿易應收款項的賬齡分析如下:

未逾期亦未減值的應收款項與大量近期沒有拖欠記錄的分散客戶有關。

已逾期但未減值的應收款項與若干與本集團存有良好往績記錄的獨立客戶有關。根據過往經驗，本公司董事認為毋須就該等結餘計提減值撥備，因信貸質素並無重大變動及該等結餘仍被視為可全數收回。

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### 21. TRADE AND BILLS RECEIVABLES (CONTINUED)

At 31 December 2016, the Group endorsed bills receivable accepted by banks in Mainland China (the "Endorsed Bills") with an aggregate carrying amount of RMB362,132,000 (2015: RMB133,092,000) with maturity ranging from one to six months at the end of the reporting period, to certain of its suppliers for settlement of the trade payables due to these suppliers (the "Endorsement"). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, all risks and rewards relating to the Endorsed Bills have been substantially transferred upon the Endorsement. Accordingly, the Group has derecognised the full carrying amounts of the Endorsed Bills and the associated trade payables. The maximum exposure arising from the Group's Continuing Involvement in the Endorsed Bills and the undiscounted cash flows to repurchase these Endorsed Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Endorsed Bills are not significant.

During the years ended 31 December 2016 and 2015, the Group has not recognised any gain or loss on the date of transfer of the Endorsed Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The Endorsement has been made evenly throughout the year.

### 21. 貿易應收款項及應收票據(續)

於二零一六年十二月三十一日，本集團已向若干供應商背書獲中國銀行兌現，面值總額為人民幣362,132,000元(二零一五年：人民幣133,092,000元)的應收票據(「背書票據」)，以清償應付該等供應商的貿易應付款項(「背書」)，期限為報告期末一至六個月內。根據中國有關可轉讓票據的法律，倘中國銀行拖欠還款，背書票據的持有人有權向本集團追索欠款(「持續參與」)。董事認為，與背書票據有關的絕大部分風險和回報在作出背書後已獲轉讓。因此，本集團已終止確認背書票據和相關的貿易應付款項的全數賬面值。本集團因持續參與背書票據而面臨的最大風險和購回該等背書票據的未折現現金流量，均相等於其賬面值。董事認為，本集團持續參與背書票據的公平值並不重大。

於截至二零一六年及二零一五年十二月三十一日止年度，本集團並無確認於轉讓背書票據日期的任何收益或虧損。於年內或累積期間，均無來自持續參與的任何收益或虧損獲確認。背書已於整個年度內平均作出。

## 22. BALANCES WITH RELATED COMPANIES

Particulars of the balances with related companies, in which certain shareholders, executive directors of the Company are also direct/indirect shareholders and directors, disclosed pursuant to section 383 of the Hong Kong Companies Ordinance, are as follows:

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Due from related companies</b>	<b>應收關連公司款項</b>		
Non-current:	非即期：		
Henan Xinlianxin Chemicals Group Co., Ltd.	河南心連心化工集團 有限公司 (i)	-	44,000
Current:	即期：		
Xinxiang Xinlianxin Lifting Equipment Co., Ltd.	新鄉市心連心吊裝 有限公司 (ii)	-	2,430
Xinxiang Xinlianxin Chemicals Equipment Co., Ltd.	新鄉市心連心化工設備 有限公司 (iii)	9,146	-
		<b>9,146</b>	2,430
<b>Due to related companies</b>	<b>應付關連公司款項</b>		
Current:	即期：		
Xinjiang Antai Shenzhou Fengtou Co., Ltd.	新疆安泰神州封頭 有限公司 (iv)	(2,192)	(2,355)
Henan Xinlianxin Chemicals Group Co., Ltd.	河南心連心化工集團 有限公司 (v)	(1,967)	(6,105)
Biyuan	碧源 (vi)	(232)	(345)
		<b>(4,391)</b>	(8,805)

## 22. 與關連公司的結餘

與關連公司的結餘的詳情(其中本公司若干股東、執行董事亦為直接／間接股東及董事)根據香港公司條例383節披露如下：

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### 22. BALANCES WITH RELATED COMPANIES (CONTINUED)

Notes:

- (i) The prior year's balance represented prepayment for the consideration for the transfer of the land use right from Henan Xinlianxin Chemicals Group Co., Ltd. under a land transfer agreement entered into between the parties. Further details are set out in note 35 and 40(a)(x).
- (ii) The prior year's balance represented prepayments for lifting services from Xinxiang Xinlianxin Lifting Equipment Co., Ltd. under a lifting services agreement. Further details are set out in note 40(a)(v).
- (iii) Balance represented prepayments for equipment purchases from Xinxiang Xinlianxin Chemicals Equipment Co., Ltd. under an equipment purchase agreement. Further details are set out in note 40(a)(iv).
- (iv) Balance represented payable for equipment purchases from Xinjiang Antai Shenzhou Fengtuo Co., Ltd. under an equipment purchase agreement. Further details are set out in note 40(a)(iv).
- (v) Balance represented payable for equipment purchases from Henan Xinlianxin Chemicals Group Co., Ltd. under an equipment purchase agreement.
- (vi) Balance represented payable for water supply from Biyuan under a water supply agreement.

The balances are unsecured, repayable on demand and interest-free and the carrying amounts of these balances approximate their fair values.

### 22. 與關連公司的結餘(續)

附註：

- (i) 上年度結餘指根據雙方訂立的土地轉讓協議轉讓河南心連心化工集團有限公司的土地使用權代價預付款項。進一步詳情乃載於附註35及40(a)(x)。
- (ii) 上年度結餘指根據吊裝服務協議自新鄉市心連心吊裝有限公司的吊裝服務預付款項。進一步詳情乃載於附註40(a)(v)。
- (iii) 根據設備購買協議，自新鄉市心連心化工設備有限公司採購設備的預付款項餘額。進一步詳情乃載於附註40(a)(iv)。
- (iv) 結餘指根據設備購買協議自新疆安泰神州封頭有限公司購買設備應付款項。進一步詳情乃載於附註40(a)(iv)。
- (v) 結餘指根據設備購買協議自河南心連心化工集團有限公司購買設備應付款項。
- (vi) 結餘指根據水供應協議自碧源水供應應付款項。

結餘為無抵押、按要求應付及免息且該等結餘之賬面值與其公平值相若。

### 23. CASH AND CASH EQUIVALENTS AND PLEDGED TIME DEPOSITS

### 23. 現金及現金等價物以及已抵押存款

		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
Time deposits	定期存款	226,349	397,884
Less: Pledged time deposits for bills payable (note 25)	減：就應付票據已抵押的定期存款(附註25)	(226,349)	(397,884)
		-	-
Cash at banks and on hand	銀行存款及現金	512,806	581,355
Cash and cash equivalents	現金及現金等價物	512,806	581,355

At 31 December 2016, the cash and bank balances of the Group denominated in RMB amounted to RMB499,666,000 (2015: RMB572,441,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between one day and six months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

於二零一六年十二月三十一日，以人民幣計值的本集團現金及銀行結餘達到人民幣499,666,000元(二零一五年：人民幣572,441,000元)。人民幣並不可自由兌換為其他貨幣，然而，根據中國內地的外匯管制條例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行存款按日常銀行存款利率的浮動利率賺取利息。短期定期存款介乎一日至六個月之間的可變期間，視乎本集團即時的現金需求而定，並按各自的短期定期存款利率賺取利息。銀行結餘及已抵押存款乃存放於信譽可靠兼無近期拖欠記錄的銀行。

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### 24. TRADE PAYABLES

An aging analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 month	1個月以內	88,652	108,352
1 to 3 months	1至3個月	52,215	19,433
3 to 6 months	3至6個月	13,375	2,551
6 to 12 months	6至12個月	16,680	3,852
Over 12 months	12個月以上	14,655	6,041
		185,577	140,229

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days. Trade payables are denominated in RMB.

### 25. BILLS PAYABLE

The Group's bills payable had an average maturity period of 90 to 180 days and were interest-free. Bills payable were denominated in RMB and were secured by time deposits of RMB226,349,000 (2015: RMB397,884,000) (note 23).

### 24. 貿易應付款項

貿易應付款項於申報期末的賬齡分析(根據發票日期)如下:

貿易應付款項為免息及一般於30至90日內清償。貿易應付款項以人民幣計值。

### 25. 應付票據

本集團的應付票據平均於90至180日內到期，且為免息。應付票據以人民幣計值，並以定期存款人民幣226,349,000元(二零一五年：人民幣397,884,000元)抵押(附註23)。

## 26. ACCRUALS AND OTHER PAYABLES

## 26. 應計費用及其他應付款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Current:</b>	<b>流動：</b>		
Accruals	應計費用		
Accrued expenses	應計開支	100,209	123,721
Accruals for construction costs and purchases of items of property, plant and equipment	建設費用及購買物業、廠房及設備項目的應計費用	415,538	575,665
		515,747	699,386
Other payables	其他應付款項		
Advanced purchase deposits from customers	客戶預付購買保證金	558,816	381,419
VAT and other operating tax payables	增值稅及其他應付經營稅項	8,048	10,826
Tender deposits	投標按金	28,516	26,918
Others	其他	84,860	75,063
		680,240	494,226
		1,195,987	1,193,612
<b>Non-current:</b>	<b>非流動：</b>		
Accruals and other payables	應計費用及其他應付款項		
Accruals for construction costs and purchases of items of property, plant and equipment	建設費用及購買物業、廠房及設備項目的應計費用	225,911	116,412
Others	其他	841	365
		226,752	116,777

Other payables are non-interest-bearing and have an average term of six months.

其他應付款項為免息，平均年期為六個月。

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### 27. DEFERRED GRANTS

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January	於一月一日	67,015	50,829
Received during the year	年內收取	6,740	16,186
At 31 December	於十二月三十一日	73,755	67,015
Accumulated amortisation:	累計攤銷：		
At 1 January	於一月一日	13,029	8,424
Amortisation during the year	年內攤銷 6	5,943	4,605
At 31 December	於十二月三十一日	18,972	13,029
Net carrying amount:	賬面淨值：		
Current	流動	5,979	4,536
Non-current	非流動	48,804	49,450
		54,783	53,986

As at 31 December 2016 and 31 December 2015, deferred grants related to government grants were given to the Group for the construction of production plants and installation and building of machinery to implement energy-saving production methods and to reduce production cost. They are amortised over the useful life of the related items of property, plant and equipment. There are no unfulfilled conditions or contingencies relating to these grants. During the year, aggregate government grants of RMB6,740,000 (2015: RMB16,186,000) were received by the Group.

### 27. 遞延補貼

於二零一六年及二零一五年十二月三十一日，本集團獲授與政府補貼有關的遞延補貼，以建設生產廠房以及安裝及建設機器，目的為推行節約能源生產方式及減低生產成本，並根據有關物業、廠房及設備項目的可使用年期攤銷。本集團並無與該等補貼有關的未履行條件或或然事項。於年內，政府已向本集團授予合共人民幣6,740,000元（二零一五年：人民幣16,186,000元）的補貼。

### 28. LOAN FROM A NON-CONTROLLING INTEREST

		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
Loan from a non-controlling interest	非控股權益貸款	100,000	-
Less:	減：		
Current portion	流動部分	(24,750)	-
Non-current portion	非流動部分	75,250	-

The loan from a non-controlling interest is unsecured and bears interest at 4.75% per annum. The loan is granted for a term of three years from 30 August 2016. According to the payment terms of the loan agreement between the parties, RMB24,750,000 is expected to be repaid within twelve months after the end of the reporting period and is considered as current liability as at 31 December 2016.

### 28. 非控股權益貸款

非控股權益貸款為無抵押及按年利率4.75%計息。獲授貸款的期限自二零一六年八月三日起為期三年。根據雙方訂立的貸款協議的支付條款，人民幣24,750,000元預期於申報期間末後十二個月內償還及於二零一六年十二月三十一日被視作流動負債。

## 29. INTEREST-BEARING BANK AND OTHER BORROWINGS

## 29. 計息銀行及其他借款

		2016 二零一六年			2015 二零一五年		
		Contractual interest rate 合約利率	Maturity 到期日	RMB'000 人民幣千元	Contractual interest rate 合約利率	Maturity 到期日	RMB'000 人民幣千元
<b>CURRENT</b>	<b>流動</b>						
Bank loans	銀行貸款						
- secured	- 有抵押	1.85% to 2.26%	2017 二零一七年	261,150	3.15% to 4.52%	2016 二零一六年	287,873
- unsecured	- 無抵押	4.00% to 6.88%	2017 二零一七年	495,006	2.84% to 7.21%	2016 二零一六年	602,295
				756,156			890,168
<b>NON-CURRENT</b>	<b>非流動</b>						
Bank loans	銀行貸款						
- secured	- 有抵押	4.13%	2018 二零一八年	176,000	4.52%	2018 二零一八年	178,000
- unsecured	- 無抵押	4.3% to 6.88%	2018 to 2021 二零一八年 至二零二一年	3,421,750	4.13% to 6.90%	2017 to 2021 二零一七年至 二零二一年	3,386,238
Loan from the government	政府貸款						
- unsecured	- 無抵押	Floating rate at 0.3% above the market prime lending rate 浮動利率0.3%加 市場最優惠借貸利率	2020 二零二零年	3,636	Floating rate at 0.3% above the market prime lending rate 浮動利率0.3%加 市場最優惠借貸利率	2020 二零二零年	4,545
				3,601,386			3,568,783
				4,357,542			4,458,951

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 29. INTEREST-BEARING BANK AND OTHER BORROWINGS (CONTINUED)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Analysed into:	分析為：		
Bank loans repayable:	應償還銀行貸款：		
Within one year or on demand	於一年內或於通知時	756,156	890,168
In the second year	於第二年	2,397,800	2,189,250
In the third to fifth years, inclusive	於第三至第五年 (包括首尾兩年)	1,199,950	367,759
Beyond five years	超過五年	-	1,007,229
		<b>4,353,906</b>	4,454,406
Other borrowings repayable:	應償還其他借款：		
In the third to fifth years, inclusive	於第三至第五年 (包括首尾兩年)	3,636	4,545
		<b>4,357,542</b>	4,458,951

Notes:

- (a) The Group's bank facilities amounting to RMB9,002,000,000 (2015: RMB8,468,545,000), of which RMB4,353,906,000 (2015: RMB4,454,406,000) had been utilised as at the end of the reporting period, are unsecured.
- (b) Included in secured bank loans are amounts of RMB259,150,000 (2015: RMB285,873,000) and RMB178,000,000 (2015: RMB180,000,000) which are secured by a Standby Documentary Credit of RMB300,000,000 (2015: RMB300,000,000) and certain of the Group's property, plant and equipment (note 14).
- (c) Balance of RMB420,419,000 (2015: RMB285,873,000) were denominated in United States dollars ("USD") as at the end of the reporting period. All borrowings are in RMB.

## 29. 計息銀行及其他借款(續)

附註：

- (a) 本集團人民幣9,002,000,000元(二零一五年：人民幣8,468,545,000元)的銀行融資額，其中人民幣4,353,906,000元(二零一五年：人民幣4,454,406,000元)於報告期末已獲動用，乃無抵押。
- (b) 包括有抵押銀行貸款人民幣259,150,000元(二零一五年：人民幣285,873,000元)及人民幣178,000,000元(二零一五年：人民幣180,000,000元)以人民幣300,000,000元(二零一五年：人民幣300,000,000元)備用信用證作抵押及以本集團若干物業、廠房及設備作抵押(附註14)。
- (c) 結餘人民幣420,419,000元(二零一五年：人民幣285,873,000元)於申報期末以美元(「美元」)計值。所有借款均以人民幣計值。

### 30. BONDS PAYABLE

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Analysed into amount repayable:	分析為應付金額：		
Within one year	一年內	200,000	-
In the second year	於第二年	600,000	200,000
In the third year	於第三年	-	600,000
		800,000	800,000

The RMB bonds totalling RMB200,000,000 and RMB600,000,000 have a maturity term of within one year and two years, respectively, and bear fixed interest rates of 7% per annum and 6.7% per annum, respectively, with interest payable semi-annually in arrears and annually in arrears, respectively.

### 31. CONVERTIBLE BONDS

On 21 December 2011, the Company issued RMB denominated convertible bonds with a nominal value of RMB324,366,000. There was no movement during the year. Convertible bonds interest of 4.5% per annum is payable in cash annually in arrears on the anniversary of the issue date (i.e., 21 December 2011) in each year, commencing on the first anniversary of the issue date, which is accrued and paid through the transfer from retained profits of the Group. The bonds are convertible into ordinary shares of the Company at the option of the bondholder at the initial conversion price of approximately RMB1.84 per share any time after the issuance of the convertible bonds. While the convertible bonds bear interest at 4.5% per annum, the Company may, at its sole discretion, elect to defer the interest pursuant to the terms of the convertible bonds.

Unless previously redeemed, purchased and cancelled or converted, all the convertible bonds outstanding shall be converted into ordinary shares of the Company on the fifth anniversary of the date of issue. On 14 December 2016, the Company and the bondholder agreed to extend the maturity date to 21 December 2018 and reduced the interest rate to 2% per annum.

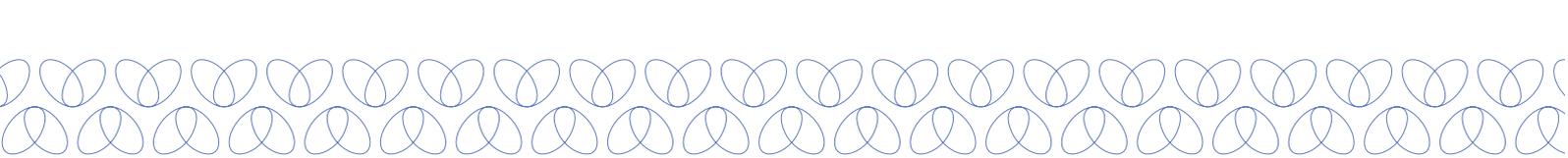
### 30. 應付融資債券

總額為人民幣200,000,000元及人民幣600,000,000元的人民幣債券到期年期分別為一年內及兩年，並分別按固定年利率7%及6.7%計息，利息乃分別每半年及每年於期末支付。

### 31. 可換股債券

於二零一一年十二月三十一日，本公司已發行面值為人民幣324,366,000元的以人民幣計值的可換股債券。本年度內可換股債券數目並無變動。年利率4.5%可換股債券應於每年（自發行日期第一週年開始）發行日期（即二零一一年十二月三十一日）週年以現金按年度支付，通過轉讓本集團保留溢利轉撥應計及支付。本公司債券持有人可於可換股債券發行後隨時按每股初始轉換價約人民幣1.84元將債券轉換為普通股。由於可換股債券按每年4.5%計息，根據可換股債券條款，本公司可全權酌情選擇遞延利息。

除過往被贖回、購買及撤銷或轉換外，所有未償還可換股債券應於發行日期的第五個週年轉換為本公司普通股。於二零一六年十二月十四日，本公司與債券持有人同意將到期日延長至二零一八年十二月三十一日，並將年利率降至2%。



## Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

### 31. CONVERTIBLE BONDS (CONTINUED)

The convertible bonds are redeemable at the option of the holder of the convertible bonds only upon the occurrence of a winding-up (any step taken by any person at the sole election of the Company not under direction of any third party, including judicial or regulatory) with a view to the voluntary winding-up or dissolution or administration of any group companies (including but not limited to a members' voluntary solvent winding-up), or any group companies cease or threaten to cease to carry on all or substantially all of its business or operations) at a redemption price which shall be equivalent to the aggregate of the outstanding principal amount of the convertible bonds together with a redemption premium of 8.0% per annum on the outstanding principal amount, up to the date fixed for redemption. In the opinion of the directors, the Company is able to defer or control the redemption of the principal, the payment of bond interest and other cash payments to the bondholder. Accordingly, the convertible bonds are classified as equity instruments.

During the year, bond interest of RMB14,596,000 (2015: RMB14,596,000) was accrued and paid to the bondholder.

### 31. 可換股債券

可換股債券持有人可僅於發生清盤(任何人士經本公司全權選擇(並非根據任何第三方指示)採取任何司法或監管措施,以自動清盤或解散或管理任何集團成員公司(包括但不限於成員公司自動清盤),或任何集團公司終止或威脅終止經營其全部或大部分業務或經營活動),由可換股債券持有人選擇按贖回價(贖回價應相等於截至指定贖回日期,可換股債券未償還本金連同未償還本金每年8.0%的贖回溢價)贖回。董事認為,本公司可遞延或控制本金的贖回、向債券持有人的債券利息付款及其他現金付款。因此,可換股債券分類為股本工具。

於本年度內,應計債券利息為人民幣14,596,000元(二零一五年:人民幣14,596,000元)已支付予債券持有人。

### 32. DEFERRED TAX

The movements in deferred tax liabilities and assets during the year are as follows:

#### DEFERRED TAX LIABILITIES

### 32. 遞延稅項

本年度遞延稅項負債及資產變動情況如下：

#### 遞延稅項負債

		Fair value adjustments arising from acquisition of subsidiaries 收購一家附屬公司產生的公平值調整 (note a) (附註 a) RMB'000 人民幣千元	Withholding tax 預扣稅項 (note b) (附註 b) RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	8,680	40,222	48,902
Acquisition of a subsidiary (note 36)	收購附屬公司(附註 36)	15,288	–	15,288
Deferred tax credited to profit or loss during the year (note 11)	年內在損益賬計入的遞延稅項(附註 11)	(1,025)	–	(1,025)
At 31 December 2015 and at 1 January 2016	於二零一五年十二月三十一日及於二零一六年一月一日	22,943	40,222	63,165
Deferred tax credited to profit or loss during the year (note 11)	年內在損益賬計入的遞延稅項(附註 11)	(1,024)	(5,350)	(6,374)
At 31 December 2016	於二零一六年十二月三十一日	21,919	34,872	56,791

## Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

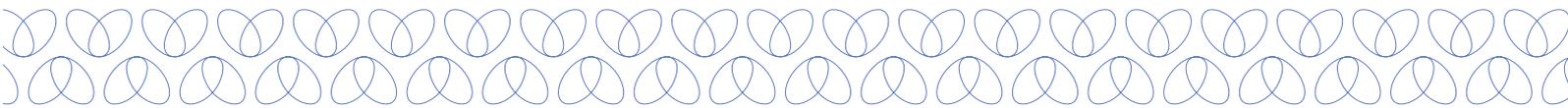
### 32. DEFERRED TAX (CONTINUED)

#### DEFERRED TAX ASSETS

### 32. 遞延稅項(續)

#### 遞延稅項資產

		Loss available for offsetting against future taxable profits 抵銷未來 溢利之未動用 稅項虧損 (note c) (附註 c)	Deductible temporary differences 可扣稅暫時差額	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	4,510	6,540	11,050
Deferred tax credited to profit or loss during the year (note 11)	年內在損益賬計入的遞延稅項(附註 11)	4,083	4,581	8,664
At 31 December 2015 and at 1 January 2016	於二零一五年十二月三十一日及於二零一六年一月一日	8,593	11,121	19,714
Deferred tax credited to profit or loss during the year (note 11)	年內在損益賬計入的遞延稅項(附註 11)	2,413	1,674	4,087
At 31 December 2016	於二零一六年十二月三十一日	11,006	12,795	23,801



## 32. DEFERRED TAX (CONTINUED)

Notes:

- (a) Deferred tax liabilities arising from fair value adjustments upon acquisitions of subsidiaries represent the deferred tax liabilities on the fair value uplift of the net tangible assets owned by the subsidiaries, arising in 2011 and 2015. The deferred tax liabilities are amortised to profit or loss over the estimated useful lives of the coal mining rights.
- (b) Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from foreign investment enterprises established in Mainland China for earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group made provision for deferred tax liabilities on withholding tax at 5% of the forecasted dividend pay-out of the earnings of all its PRC subsidiaries because the directors believe that the PRC subsidiaries would not pay out all their earnings as dividends.
- (c) At the end of the reporting period, the Group had estimated tax losses of RMB31,794,000 (2015: RMB27,988,000) arising in Singapore that can be used to offset against future taxable profits of the companies in which the losses arose. The Group had estimated tax losses arising in the PRC of approximately RMB112,141,000 (2015: RMB85,583,000) that will expire in three to five years. Deferred tax assets have not been recognised in respect of the tax losses amounted to RMB90,307,000 (2015: RMB69,595,000) as in the opinion of the directors, it is uncertain whether sufficient future taxable profits will be available against which the tax losses can be utilised.

## 32. 遞延稅項(續)

附註：

- (a) 收購一家附屬公司產生的公平值調整而產生的遞延稅項負債指因二零一一年及二零一五年產生附屬公司所擁有有形資產淨值增加的遞延稅項負債。遞延稅項負債乃以煤礦開採權估計使用年期損益攤銷。
- (b) 根據中國企業所得稅法，就二零零七年十二月三十一日後之收益在中國內地成立的外商投資企業向海外投資者宣派的股息會被徵收10%的預扣稅項。倘中國內地與海外投資者的司法權區訂有稅務條約，則較低的預扣稅率可能會適用。本集團已按其中國附屬公司的所有盈利的預測支派股息的5%就遞延稅項負債計提預扣稅撥備，因為董事認為中國附屬公司不會將其所有盈利作為股息派發。
- (c) 報告期末，本集團估計在新加坡產生的稅項虧損為人民幣31,794,000元(二零一五年：人民幣27,988,000元)，可用於抵消公司產生虧損之可課稅溢利。本集團估計在中國產生的稅項虧損約為人民幣112,141,000元(二零一五年：人民幣85,583,000元)，將在三至五年內到期。董事認為，未確認稅項虧損的遞延稅項資產金額為人民幣90,307,000元(二零一五年：人民幣69,595,000元)，同時亦不確定未來是否有充足的課稅溢利用於抵消稅項虧損。

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## 33. SHARE CAPITAL

		Number of ordinary shares 普通股數目		Amount 金額	
		2016 二零一六年	2015 二零一五年	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
Issued and fully paid	已發行及繳足	1,000,000,000	1,000,000,000	881,124*	881,124*

\* Equivalent to Singapore dollars ("SGD") 174,480,000

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

## 34. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

In accordance with the Wholly Foreign Owned Enterprise Law applicable to the subsidiaries in the PRC, the subsidiaries are required to make appropriations to the Statutory Reserve Fund (the "SRF"). At least 10% of the after tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiaries' registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiaries. The SRF is not available for dividend distribution to shareholders.

## 33. 股本

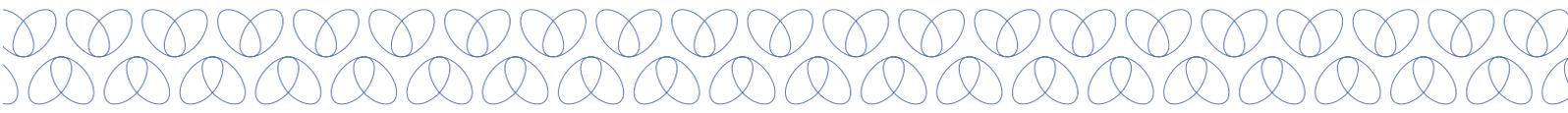
\* 相等於174,480,000新加坡元(「新加坡元」)。

普通股持有人有權享有本公司宣派的股息，所有普通股均同股同權，普通股概無面值。所有普通股均同股同權。普通股概無面值。

## 34. 儲備

本集團及本公司於本年度及過往年度的儲備金額及有關變動已於綜合權益變動表內呈列。

根據適用於中國附屬公司的外資企業法，該等附屬公司須撥款至法定儲備金(「法定儲備金」)。根據適用的中國會計準則及法規所釐定的除稅後溢利的至少10%必須分配至法定儲備金，直至法定儲備金的累計總額已達到該等附屬公司註冊資本的50%。經相關中國機構批准後，法定儲備金可用作抵銷任何累計虧損或增加該等附屬公司的註冊資本。法定儲備金不可用於向股東作出股息分派。



### 35. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

On 15 April 2016, the Group acquired a 100% equity interest in Xinxiang County Runcheng Trading Co., Ltd. ("Runcheng") from a related company of the Company (the "Runcheng Acquisition"). Runcheng is engaged in leasing of land. The Runcheng Acquisition forms part of the Group's strategy to construct a new production base, adopt advanced coal gasification technologies, and produce fine coal chemical products. The consideration of RMB106,000,000 for the Runcheng Acquisition was in the form of cash.

The Runcheng Acquisition was accounted for as the acquisition of assets and liabilities rather than business combination because Runcheng has not carried out any significant business transaction prior to the date of acquisition. The net outflow of cash and cash equivalents from the Runcheng Acquisition has been reflected in the consolidated statement of cash flow as part of the cash flow movement of the individual assets acquired.

### 35. 通過收購附屬公司收購資產

於二零一六年四月十五日，本集團已從一間關連公司收購新鄉縣潤誠貿易有限公司（「潤誠」）100%的股權（「潤誠收購事項」）。潤誠主要經營土地租賃業務。潤誠收購事項是本集團建成新的生產基地，採用新的煤氣化技術，產出優質煤化工產品策略的一部分。潤誠收購事項代價人民幣106,000,000元以現金形式支付。

由於潤誠於收購日之前並未進行任何重大的商業交易，因此該潤誠收購事項應作為收購資產與負債而非業務合併。潤誠收購事項中產生的現金及現金等價物淨流出作為所獲個別資產現金流出的一部分，已體現於綜合現金流量表中。

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### 35. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY (CONTINUED)

The net assets acquired in the Runcheng Acquisition were as follows:

		Note	Fair value recognised on acquisition 收購確認的公平值 RMB'000 人民幣千元
		附註	
Prepaid land lease payment	預付土地租賃款項	15	105,000
Cash and cash equivalents	現金及現金等價物		1,000
Assets acquired	收購資產		106,000
Satisfied by cash	以現金支付		106,000

An analysis of cash flows in respect of the Runcheng Acquisition was as follows:

		Note	RMB'000 人民幣千元
		附註	
Cash consideration	現金代價		(106,000)
Cash and cash equivalents acquired	收購的現金及現金等價物		1,000
Prepayment to the related company in last year	去年預付關連公司款項	22	44,000
Net outflow of cash and cash equivalents included in cash flows from investing activities	現金及現金等價物流出淨額 列入投資活動現金流		(61,000)

The above cash consideration in respect of the Runcheng Acquisition of RMB105,000,000 was partly settled by a prepayment to a related party of RMB44,000,000 paid in the prior year. The remaining amount of RMB61,000,000 represented net outflow of cash and cash equivalents included in cash flows used in investing activities in the consolidated statement of cash flows.

### 35. 通過收購附屬公司收購資產 (續)

潤誠收購事項取得的淨資產如下：

潤誠收購事項的現金流量分析如下：

上述有關潤誠收購事項現金代價人民幣105,000,000部分由去年關連方預付款人民幣44,000,000元結算。餘額人民幣61,000,000元指現金及現金等價物流出淨額，已反映於綜合現金流量表投資活動所用現金流。

### 36. BUSINESS COMBINATION

In the prior year, on 26 March 2015, the Group acquired a 100% equity interest in Manas Tianxin Coal Co., Ltd. ("Tianxin") from an independent third party. Tianxin is engaged in coal mining and sale of coal. The acquisition was made as part of the Group's strategy to secure a stable supply of coal for its production process and reduce the effects of any volatility in coal prices against the production costs of the Group. The acquisition consideration was in the form of cash, with RMB37,210,000 paid on the acquisition date and the remaining RMB57,232,000 paid on 30 September 2015.

The fair values of the identified assets and liabilities of Tianxin as at the date of acquisition were as follows:

		Notes	Fair value recognised on acquisition 於收購時確認的公平值 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	14	73,319
Coal mining right	煤礦開採權	17	63,641
Inventories	存貨		170
Other receivables	其他應收款項		251
Pledged deposit	已抵押存款		2,551
Other payables	其他應付款項		(48,613)
Deferred tax liabilities	遞延稅項負債	32	(15,288)
Total identifiable net assets at fair value	按公平值計可識別資產淨值總額		76,031
Goodwill on acquisition	收購時的商譽	16	18,411
Satisfied by cash	以現金支付		94,442
Net outflow of cash and cash equivalents included in cash flows from investing activities	現金及現金等價物流出淨額計入投資活動所得現金流		(94,442)

The above cash consideration in respect of the acquisition of a subsidiary of RMB94,442,000 represented net outflow of cash and cash equivalents of the same amount included in cash flows used in investing activities in the consolidated statement of cash flows.

Since the acquisition, Tianxin contributed a loss of RMB3,123,000 to the Group's consolidated profit for the year ended 31 December 2015. Had the acquisition taken place at the beginning of the prior year, the revenue of the Group and the profit of the Group for the prior year would have been RMB5,788,181,000 and RMB405,487,000, respectively.

### 36. 業務合併

於上一年度，於二零一五年三月二十六日，本集團自一名獨立第三方收購瑪納斯天欣煤業有限責任公司（「天欣」）100% 股權。天欣從事煤炭開採及煤炭銷售。收購乃作為本集團策略一部份以確保其生產過程的煤炭穩定供應及相對本集團的生產成本降低任何煤炭價格波動性的影響。收購代價乃以現金形式，人民幣 37,210,000 元於收購日期支付及餘額人民幣 57,232,000 元於二零一五年九月三十日支付。

於收購日期天欣的可識別資產及負債的公平值如下：

上述有關收購一間附屬公司的現金代價人民幣 94,442,000 指相同金額現金及現金等價物的流出淨額，包括於綜合現金流量表投資活動所用現金流。

自收購起，截至二零一五年十二月三十一日止年度天欣於本集團綜合溢利中錄得虧損人民幣 3,123,000 元。倘收購於上一年年初進行，則上一年度本集團收益及溢利將分別為人民幣 5,788,181,000 元及人民幣 405,487,000 元。

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 37. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### MAJOR NON-CASH TRANSACTIONS

#### (a) INTEREST CAPITALISATION

During the year, the Group capitalised interest expense of RMB11,715,000 (2015: RMB71,270,000) to property, plant and equipment (note 14).

#### (b) ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

During the year, the consideration of the Runcheng Acquisition of RMB105,000,000 was partly settled by a prepayment to a related party of RMB44,000,000 paid in the prior year.

## 38. OPERATING LEASE ARRANGEMENTS

At the end of the reporting period, the Group had outstanding operating lease agreements for buildings, and plant and machinery in Mainland China. Future minimum rentals payable of the Group under non-cancellable operating leases at the end of the reporting period are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	77,155	79,405
In the second to fifth years, inclusive	第二年至第五年 (包括首尾兩年)	86,212	155,359
After five years	五年以上	38,833	40,054
		<b>202,200</b>	<b>274,818</b>

## 37. 綜合現金流量表附註

### 主要非現金交易

#### (A) 資本化利息

於本年度內，本集團於物業、廠房及設備的資本化利息開支為人民幣11,715,000元(二零一五年：人民幣71,270,000元)(附註14)。

#### (B) 通過收購附屬公司收購資產

於本年度內，潤誠收購事項代價人民幣105,000,000元部分由去年關連方預付款人民幣44,000,000元結算。

## 38. 經營租約安排

於申報期末，本集團於中國內地擁有未履行樓宇、廠房及機器的經營租約協議。根據於申報期末的不可撤銷經營租約，本集團應付的未來最低租金如下：

### 39. COMMITMENTS

In addition to the operating lease commitments detailed in note 38 above, the Group had the following capital and other commitments at the end of the reporting period:

### 39. 承擔

除上文附註38所詳述的經營租約承擔外，本集團於申報期末擁有以下資本及其他承擔：

		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
Capital commitments	資本承擔		
Contracted, but not provided for:	已訂約但未撥備：		
Buildings	樓宇	212,026	238,119
Plant and machinery	廠房及機器	218,544	486,733
Coal mines	煤礦	27,606	27,134
Land use right	土地使用權	-	61,320
		458,176	813,306
Other commitments	其他承擔		
Purchases of raw materials	購買原材料	497,696	565,618

# Notes to Financial Statements

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## 40. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

## 40. 關連方交易

(a) 除了在此等財務報表其他部分載述的交易外，本集團於年內與關連方進行下列交易：

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of electricity, water and steam to: *	向以下公司銷售水電及蒸汽：*	(i)		
- Henan Shenzhou Heavy Sealing Co., Ltd. #	- 河南神州重型封頭有限公司#		-	917
- Xinxiang Xinlianxin Lifting Equipment Co., Ltd. #	- 新鄉市心連心吊裝有限公司#		-	19
- Xinxiang Xinlianxin Chemicals Equipment Co., Ltd. #	- 新鄉市心連心化工設備有限公司#		170	197
- Xinxiang Yuyuan Chemicals Co., Ltd. #	- 新鄉市玉源化工有限公司#		554	710
- Xinxiang Xinlianxin Hotel Co., Ltd. #	- 新鄉市心連心賓館有限公司#		-	357
- Henan XLX Jingmi Fengtong Co., Ltd. #	- 河南心連心精密封頭有限公司#		712	-
Service fee income for provision of calibration and testing services to:	向以下公司提供調試服務的服務費用收入：	(ii)		
- Henan Shenzhou Heavy Sealing Co., Ltd. #	- 河南神州重型封頭有限公司#		-	14
- Xinxiang Yuyuan Chemicals Co., Ltd. #	- 新鄉市玉源化工有限公司#		14	29
Sales of spare parts inventories to:	向以下公司銷售備用零件存貨：	(iii)		
- Xinxiang Xinlianxin Chemicals Equipment Co., Ltd. #	- 新鄉市心連心化工設備有限公司#		12	-
Purchases of spare parts inventories from:	向以下公司購買備用零件存貨：	(iv)		
- Xinxiang Xinlianxin Chemicals Equipment Co., Ltd. #	- 新鄉市心連心化工設備有限公司#		20,368	15,782
- Xinxiang Shenzhou Anti-corrosion Installation Co., Ltd. #	- 新鄉市神州防腐安裝有限公司#		1,160	-
- Xinjiang Antai Shenzhou Fengtong Co. Ltd. #	- 新疆安泰神州封頭有限公司#		4,608	-

#### 40. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) (continued)

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Service fee expenses for provision of lifting services from:	提供吊裝服務支付予以下公司的服務費用開支：	(v)		
– Xinxiang Xinlianxin Lifting Equipment Co., Ltd. #	– 新鄉市心連心吊裝有限公司#		–	3,277
– Xinxiang Xinlianxin Chemicals Equipment Co., Ltd. #	– 新鄉市心連心化工設備有限公司#		–	4,778
Operating lease expenses to:	經營租約開支予：	(vi)		
– Henan Xinlianxin Chemicals Group Co., Ltd.	– 河南心連心化工集團有限公司		2,239	2,239
Catering and accommodation expenses to:	餐飲費用開支予：	(vii)		
– Xinxiang Xinlianxin Hotel Co., Ltd. #	– 新鄉市心連心賓館有限公司#		–	4,765
Operating lease income from:	經營租約收入來自：	(viii)		
– Xinxiang Xinlianxin Lifting Equipment Co., Ltd. #	– 新鄉市心連心吊裝有限公司#		–	3,230
Purchase of raw materials from:	原材料購買自：	(ix)		
– Xinxiang Yuyuan Chemicals Co., Ltd. #	– 新鄉市玉源化工有限公司#		–	6,036
Prepayment for the purchase of a land use right from:	用於購買土地使用權之預付款來自：			
– Xinxiang Xinlianxin Chemicals Equipment Co., Ltd. #	– 新鄉市心連心化工設備有限公司#	(x)	–	105,322

# These companies are subsidiaries of Henan Chemicals Equipment Co., Ltd., which has common shareholders with the Company. The Company's executive directors and executive officers have certain equity interests in Henan Chemicals Equipment Co., Ltd.

\* The amounts represent gross sales of by-products. Loss incurred from these sales amounting to RMB594,000 (2015: profit of RMB457,000) is included in net profit from sales of by-products (note 6).

#### 40. 關連方交易(續)

(a) (續)

# 該等公司為河南化工設備有限公司的附屬公司，河南化工的股東與本公司的股東相同。本公司的執行董事及行政人員於河南化工設備有限公司擁有若干股權。

\* 該等金額代表副產品的銷售總額。該等銷售產生的虧損人民幣594,000元(二零一五年：溢利人民幣457,000元)乃計入銷售副產品的純利(附註6)。

# Notes to Financial Statements

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## 40. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) (continued)

Notes:

- (i) The sales of electricity were made according to the unit cost of electricity announced by the Henan Province Development and Reform Committee (河南省發展和改革委員會). The sales of water and steam were made according to mutually agreed terms with reference to the sales contract between the parties.
- (ii) The service fee income was received according to mutually agreed terms with reference to the service contract between the parties.
- (iii) The sales of spare parts inventories were charged based on mutually agreed terms with reference to the sales contract between the parties.
- (iv) The purchases of items of property, plant and equipment were charged based on the mutually agreed terms with reference to the sales contract between the parties.
- (v) The service fee expenses for the provision of lifting services were charged based on mutually agreed terms with reference to the service contract between the parties.
- (vi) The operating lease expenses for the year were charged at a fixed monthly amount of RMB186,600 (2015: RMB186,600).
- (vii) The catering and accommodation expenses were charged based on mutually agreed terms with reference to the service contract between the parties.
- (viii) In the prior year, the operating lease income was charged based on mutually agreed terms with reference to the rate of usage.
- (ix) In the prior year, the purchases of raw material were charged based on the mutual agreement between the parties with reference to the contract.
- (x) In the prior year, the consideration was determined with reference to the property valuation report issued by an independent professional property valuer in the PRC.

Certain of the related party transactions above constitute continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 40. 關連方交易(續)

(a) (續)

附註：

- (i) 銷售電力乃根據河南省發展和改革委員會公佈的電力單位成本作出。銷售用水及蒸汽乃根據銷售合約項下雙方彼此協定之條款作出。
- (ii) 服務費用收入乃根據服務合約項下雙方彼此協定之條款收取。
- (iii) 銷售備用零件存貨乃根據服務合約項下雙方彼此協定之條款收取。
- (iv) 購買物業、廠房及設備項目乃根據銷售合約項下雙方彼此協定之條款收取。
- (v) 提供吊裝服務的服務費用開支乃根據服務合約項下雙方彼此協定之條款收取。
- (vi) 年度經營租約開支乃根據每月人民幣186,600元(二零一五年：人民幣186,600元)收取。
- (vii) 餐飲費用乃根據服務合約項下雙方彼此協定之條款收取。
- (viii) 去年，經營租賃收入乃按雙方協定條款經參考使用率扣除。
- (ix) 去年，購買原材料乃按雙方協定條款經參考合約扣除。
- (x) 去年，代價乃經參考中國一名獨立專業物業估值師發出的物業估值報告釐定。

上文的若干關連方交易構成香港聯合交易所有限公司證券上市規則第十四A章所界定的持續關連交易。

#### 40. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of directors and key management personnel of the Group:

		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
Directors' fees	董事袍金	800	800
Salaries and bonuses	薪金及花紅	5,759	14,127
Contributions to defined contribution plans	定期供款計劃的已供款部分	313	262
		<b>6,872</b>	15,189
Comprise amounts paid to:	包括支付予下列人士的金額：		
– Directors of the Company	– 本公司董事	3,140	11,184
– Other key management personnel	– 其他主要管理人員	3,732	4,005
		<b>6,872</b>	15,189

Further details of the directors' remuneration are included in note 9 to these financial statements.

#### 40. 關連方交易(續)

(b) 本集團董事及主要管理人員的薪酬：

董事酬金的進一步詳情載於此等財務報表附註9。

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## 41. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

### FINANCIAL ASSETS

		Notes 附註	2016 二零一六年			2015 二零一五年		
			Loans and receivables 貸款及應收款項	Available-for-sale financial assets 可供出售 金融資產	Total 總計	Loans and receivables 貸款及應收款項	Available-for-sale financial assets 可供出售 金融資產	Total 總計
			RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Available-for-sale investments	可供出售投資	18	-	10,893	10,893	-	11,180	11,180
Trade and bills receivables	貿易應收款項及應收票據	21	75,117	-	75,117	66,281	-	66,281
Deposits and other receivables	按金及其他應收款項	19	74,653	-	74,653	76,231	-	76,231
Due from related companies	應收關連公司款項	22	9,146	-	9,146	2,430	-	2,430
Pledged time deposits	已抵押存款	23	226,349	-	226,349	397,884	-	397,884
Cash and cash equivalents	現金及現金等價物	23	512,806	-	512,806	581,355	-	581,355
			898,071	10,893	908,964	1,124,181	11,180	1,135,361

### FINANCIAL LIABILITIES

## 41. 按分類列示的金融工具

於申報期末，各類金融工具的賬面值如下：

### 金融資產

### 金融負債

#### Financial liabilities at amortised cost 按攤銷成本列賬的金融負債

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	貿易應付款項	24	185,577	140,229
Bills payable	應付票據	25	655,020	998,738
Financial liabilities included in accruals and other payables	計入應計費用及其他 應付款項的金融負債	26	855,875	918,144
Due to related companies	應付關連公司款項	22	4,391	8,805
Loan from a non-controlling interest	非控股權益貸款	28	100,000	-
Interest-bearing bank and other borrowings	計息銀行及其他借款	29	4,357,542	4,458,951
Bonds payable	應付融資債券	30	800,000	800,000
			6,958,405	7,324,867

## 42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

		Carrying amounts 賬面淨值		Fair values 公平值	
		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	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
<b>Financial asset</b>	<b>金融資產</b>				
Available-for-sale investment	可供出售投資	4,185	3,680	4,185	3,680

The carrying amount of financial liabilities approximate to their fair value.

Management has assessed that the fair values of cash and cash equivalents, pledged time deposits, trade and bills receivables, deposits and other receivables, amounts due from/to related companies, trade and bills payables, a loan from a non-controlling interest and financial liabilities included in accruals and other payables approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

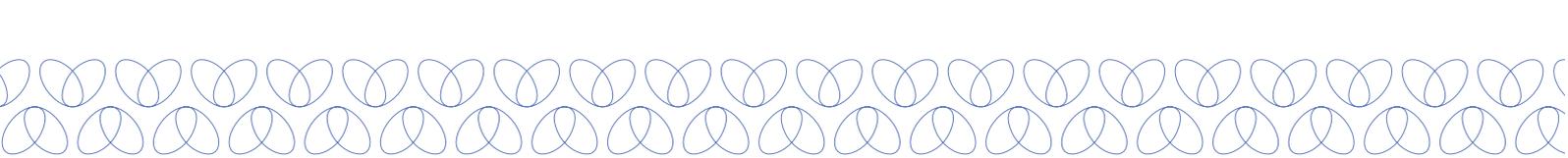
## 42. 金融工具的公平值及公平值架構

本集團的金融工具(惟賬面值與公平值合理相若者除外)的賬面值及公平值如下:

金融負債之賬面值接近其公平值。

經管理層評估，現金及現金等價物、已抵押定期存款、貿易應收款項及應收票據、按金及其他應收款項、應收／應付關連公司款項、貿易應付款項及應付票據、非控股權益貸款、計入應計費用及其他應付款項之金融負債之公平值與其賬面值相若，主要是其到期時間短使然。

本集團的企業融資部乃由財務經理領導，負責釐定計量金融工具之公平值的政策及程序。企業融資部直接向首席財務管及審核委員會匯報。於各申報日期，企業融資部分析金融工具的價值變動並釐定適用於估值的主要計算因素。估值由首席財務官審閱及批准，且就中期及年度財務申報而言，估值過程及結果由審核委員會每年討論兩次。



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### 42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of the financial assets and liabilities are included at the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair value of the non-current portion of other payables, a loan from a non-controlling interest, interest-bearing bank and other borrowings and bonds payable have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for non-current other payables, loan from a non-controlling interest, interest-bearing bank and other borrowings and bonds payable as at 31 December 2016 was assessed to be insignificant.

The fair value of the listed equity investment is determined by direct reference to its price quotation in an active market at the end of the reporting period.

The fair value of the unlisted equity investment was not disclosed because they cannot be reliably measured as the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair values.

### 42. 金融工具的公平值及公平值架構(續)

金融資產及負債的公平值以該工具於自願交易方(而非強迫或清盤銷售)當前交易下的可交易金額入賬。下列方法及假設乃用於估算公平值：

其他非即期應付款項部份、非控股權益貸款、計息銀行及其他借款及應付融資債券的公平值乃透過現時工具按類似條款所得的利率、信貸風險及餘下到期日折現預期未來現金流量而計算。於二零一六年十二月三十一日，本集團其他非即期應付款項、非控股權益貸款、計息銀行及其他借款及應付融資債券的不履約風險被評估為不重大。

上市股本投資的公平值乃透過直接參考其於申報期末在活躍市場上的所報價格釐定。

非上市股權投資的公平值未進行披露，乃因為該等公平值不能可靠地計量，原因是範圍內各種估計之可能性無法合理評估並用於估計公平值。

## 42. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instrument:

#### ASSET MEASURED AT FAIR VALUE:

As at 31 December 2016

Available-for-sale investment	可供出售投資	4,185
-------------------------------	--------	-------

As at 31 December 2015

Available-for-sale investment	可供出售投資	3,680
-------------------------------	--------	-------

During the year, there were no transfer of fair value measurements between Level 1 and Level 2 and no transfer into or out of Level 3 (2015: Nil).

#### LIABILITY MEASURED AT FAIR VALUE:

The Group had no financial liability measured at fair value as at 31 December 2016 and 31 December 2015.

## 42. 金融工具的公平值及公平值架構(續)

### 公平值架構

下表載列本集團金融工具的公平值計量架構：

#### 按公平值計量的資產：

於二零一六年十二月三十一日

Quoted prices  
in active markets  
在活躍市場上  
的報價  
(Level 1)  
(第一級)  
RMB'000  
人民幣千元

4,185

於二零一五年十二月三十一日

Quoted prices  
in active markets  
在活躍市場上  
的報價  
(Level 1)  
(第一級)  
RMB'000  
人民幣千元

3,680

於本年度內，第一級與第二級之間概無公平值計量轉入，亦無第三級公平值計量的轉入或轉出(二零一五年：無)。

#### 按公平值計量的負債：

於二零一六年及二零一五年十二月三十一日，本集團並無按公平值計量的金融負債。

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### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks, which are executed by the chief financial officer and finance manager.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

#### (a) CREDIT RISK

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets such as cash and cash equivalents, pledged time deposits, available-for-sale investments, amounts due from related companies, bills receivable and deposits and other receivables, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that the majority of customers who wish to trade are required to pay cash on delivery or in advance before collecting any goods. A minority of customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

### 43. 財政風險管理目標及政策

本集團面對其經營及使用金融工具所產生的財務風險。主要財務風險包括信貸風險、流動資金風險、利率風險及外幣風險。董事會檢討及協定管理該等風險的政策及程序，而該等政策及程序乃由首席財務官及財務經理執行。

下節提供有關本集團所面對上述財務風險以及管理該等風險的目標、政策及程序的詳情。

#### (a) 信貸風險

信貸風險為倘對手方不履行其責任時尚未清償的金融工具可能產生的虧損風險。本集團面對的信貸風險主要來自貿易及其他應收款項。就現金及現金等價物有抵押定期存款、可供出售投資、應收關連公司款項、應收票據及按金和其他應收款項等其他金融資產而言，本集團透過僅與信貸評級高的對手方買賣以減低信貸風險。

本集團的目標為於尋求持續收入增長的同時，減低信貸風險增加所產生的虧損。本集團僅與獲認可兼信譽良好的第三方交易。根據本集團的政策，大部分擬交易的客戶必須於交付時支付現金或於收取任何貨品前進行預付。少數擬按信貸條款進行交易的客戶則必須通過信貸核實程序。此外，應收結餘會被持續監察，而本集團的壞賬風險並不重大。

## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (a) CREDIT RISK (CONTINUED)

#### EXPOSURE TO CREDIT RISK

At the end of the reporting period, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

#### CREDIT RISK CONCENTRATION PROFILE

The Group assesses concentration of credit risk by monitoring on an on-going basis the aged analysis of its trade receivables. There are no significant concentrations of credit risk within the Group. At 31 December 2016, the Group's trade receivables of RMB4,020,000 (2015: RMB3,794,000) were due from its 10 largest customers.

### (b) LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

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.

## 43. 財政風險管理目標及政策(續)

### (a) 信貸風險(續)

#### 面對的信貸風險

於申報期末，本集團的最高信貸風險乃指各金融資產類別於財務狀況表內所確認的賬面值。

#### 信貸風險集中概況

本集團透過持續監察其貿易應收款項各個產品類別的賬齡分析評估信貸風險的集中程度。本集團並無存在重大信貸風險集中。於二零一六年十二月三十一日，本集團貿易應收款項人民幣4,020,000元(二零一五年：人民幣3,794,000元)為應收十大客戶的款項。

### (b) 流動資金風險

流動資金風險為本集團因資金短缺而難以履行財務責任的風險。本集團面對的流動資金風險主要來自金融資產及負債到期時間的錯配。本集團的目標為透過使用備用信貸融通維持資金持續性與靈活性之間的平衡。

本集團監察並維持管理層認為充裕的現金及現金等價物水平，以撥支本集團的營運及減低現金流量波動的影響。

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## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (b) LIQUIDITY RISK (CONTINUED)

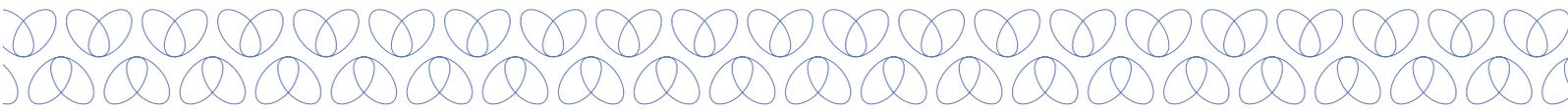
The maturity profile of the Group's financial liabilities at the end of the reporting period, based on the contractual undiscounted payment, is as follows:

		Within 1 year or on demand 1年內或於通知時 RMB'000 人民幣千元	1 to 3 years 1至3年 RMB'000 人民幣千元	3 to 5 years 3至5年 RMB'000 人民幣千元	Over 5 years 5年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2016</b>	<b>於二零一六年十二月三十一日</b>					
Trade payables	貿易應付款項	185,577	-	-	-	185,577
Bills payable	應付票據	655,020	-	-	-	655,020
Financial liabilities included in accruals and other payables	計入應計費用及其他應付款項 的金融負債	855,875	-	-	-	855,875
Due to related companies	應付關連公司款項	4,391	-	-	-	4,391
Loan from a non-controlling interest	非控股權益貸款	27,924	-	84,901	-	112,825
Interest-bearing bank and other borrowings	計息銀行及其他借款	823,459	2,557,795	1,548,619	-	4,929,873
Bonds payable	應付融資債券	205,522	660,933	-	-	866,455
		<b>2,757,768</b>	<b>3,218,728</b>	<b>1,633,520</b>	<b>-</b>	<b>7,610,016</b>
<b>31 December 2015</b>	<b>於二零一五年十二月三十一日</b>					
Trade payables	貿易應付款項	140,229	-	-	-	140,229
Bills payable	應付票據	998,738	-	-	-	998,738
Financial liabilities included in accruals and other payables	計入應計費用及其他應付款項 的金融負債	918,144	-	-	-	918,144
Due to related companies	應付關連公司款項	8,805	-	-	-	8,805
Interest-bearing bank and other borrowings	計息銀行及其他借款	961,727	2,407,348	483,211	1,386,381	5,238,667
Bonds payable	應付融資債券	-	921,498	-	-	921,498
		<b>3,027,643</b>	<b>3,328,846</b>	<b>483,211</b>	<b>1,386,381</b>	<b>8,226,081</b>

## 43. 財政風險管理目標及政策 (續)

### (b) 流動資金風險 (續)

根據合約性非折現付款，本集團金融負債於申報期末的到期概況如下：



## 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

### (c) INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily from its loans and borrowings subject to a floating interest rate.

#### SENSITIVITY ANALYSIS FOR INTEREST RATE RISK

##### *Fair value sensitivity analysis for fixed rate instruments*

The Group does not account for fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

##### *Cash flow sensitivity analysis for variable rate instruments*

For variable rate financial assets and liabilities, the Group has determined the carrying amounts of cash and short-term deposits based on their notional amounts, which reasonably approximate to their fair values because these are mostly short-term in nature or are repriced frequently. For interest-bearing bank and other borrowings, a change in interest rate at the reporting date would increase/(decrease) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

## 43. 財政風險管理目標及政策(續)

### (c) 利率風險

利率風險為本集團金融工具的公平值或未來現金流量因市場利率變動而出現波動的風險。本集團所面對的市場利率變動風險主要來自其浮動利率貸款及借款。

#### 利率風險敏感度分析

##### *定息工具的公平值敏感度分析*

本集團不會就定息金融資產及負債透過損益以公平值入賬。因此，利率於申報日期的變動並不影響損益。

##### *浮息工具的現金流量敏感度分析*

就浮息金融資產及負債而言，本集團已釐定現金及短期存款按名義金額得出的賬面值與其公平值合理地相若，因其大部分在本質上屬於短期或經常重新訂價。就計息銀行及其他借款而言，利率於申報日期的變動將按下文所示的金額增加／(減少)損益。此分析乃假設所有其他可變因素，尤其是外幣匯率保持不變。

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### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (c) INTEREST RATE RISK (CONTINUED)

##### SENSITIVITY ANALYSIS FOR INTEREST RATE RISK (CONTINUED)

Cash flow sensitivity analysis for variable rate instruments (continued)

		Increase in basis points 基點增加	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest expense	利息開支			
RMB	人民幣	10	(2,041)	(3,094)
USD	美元	10	(357)	(243)
Interest income	利息收入			
RMB	人民幣	10	425	487
USD	美元	10	7	7

#### (d) FOREIGN CURRENCY RISK

The Group holds cash and cash equivalents and interest-bearing bank borrowings denominated in foreign currencies for working capital purposes. At the end of the reporting period, these foreign currency net assets/(liabilities) (mainly in SGD, USD and Hong Kong dollars ("HKD")) are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
SGD	新加坡元	161	161
USD	美元	(412,482)	(381,154)
HKD	港元	5,284	69
		(407,037)	(380,924)

### 43. 財政風險管理目標及政策 (續)

#### (c) 利率風險 (續)

##### 利率風險敏感度分析 (續)

浮息工具的現金流量敏感度分析 (續)

		Increase in basis points 基點增加	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest expense	利息開支			
RMB	人民幣	10	(2,041)	(3,094)
USD	美元	10	(357)	(243)
Interest income	利息收入			
RMB	人民幣	10	425	487
USD	美元	10	7	7

#### (d) 外匯風險

本集團持有以外幣計值的現金及現金等價物和計息銀行借款作營運資金用途。於申報期末，該等以外幣結算的淨資產/(負債) (主要為新加坡元、美元及港元(「港元」))如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
SGD	新加坡元	161	161
USD	美元	(412,482)	(381,154)
HKD	港元	5,284	69
		(407,037)	(380,924)

### 43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

#### (d) FOREIGN CURRENCY RISK (CONTINUED)

The following table demonstrates the sensitivity to a reasonably possible change in the SGD, USD and HKD exchange rates (against RMB), with all other variables held constant, on the Group's profit, net of tax and equity.

		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
SGD	- strengthened 5% (2015: 5%) 新加坡元 — 轉強 5% (二零一五年: 5%)	8	8
	- weakened 5% (2015: 5%) — 轉弱 5% (二零一五年: 5%)	(8)	(8)
USD	- strengthened 2% (2015: 2%) 美元 — 轉強 2% (二零一五年: 2%)	(8,250)	(7,623)
	- weakened 2% (2015: 2%) — 轉弱 2% (二零一五年: 2%)	8,250	7,623
HKD	- strengthened 1% (2015: 1%) 港元 — 轉強 1% (二零一五年: 1%)	53	1
	- weakened 1% (2015: 1%) — 轉弱 1% (二零一五年: 1%)	(53)	(1)

### 44. CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 31 December 2015.

As disclosed in note 34, subsidiaries of the Group are required by the Wholly Foreign Owned Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by these subsidiaries for the years ended 31 December 2016 and 31 December 2015.

### 43. 財政風險管理目標及政策 (續)

#### (d) 外匯風險 (續)

下表顯示在所有其他可變因素保持不變下，本集團溢利(已扣除稅項及權益)對新加坡元、美元及港元(兌人民幣)的匯率的合理可能變動的敏感度。

### 44. 資本管理

本集團初步的資本管理目標是保護集團持續發展的能力並保持穩健的資本比率以為集團業務提供支援並儘量擴大股東價值。

本集團根據經濟現狀變化以及標的資產的風險特徵對其資本結構進行管理，並做出相應調整。本集團可以透過調整向股東派發的股息、向股東發還資本或發行新股以保持或調整資本結構。截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度，管理資本的目標、政策或程序概無任何變動。

誠如附註34所披露，本集團的附屬公司須根據中國外資企業法規定向不可分派的法定儲備金作出供款及維持儲備金，而使用法定儲備金須經相關中國機關批准。該等附屬公司於截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度已遵守此外部施加的資本要求。

## Notes to Financial Statements

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### 44. CAPITAL MANAGEMENT (CONTINUED)

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt includes a loan from a non-controlling interest, interest-bearing bank and other borrowings, bonds payable, trade and bills payables, amount due to related companies, accruals and other payables, less cash and cash equivalents, and pledged time deposits. Capital includes equity attributable to owners of the parent less the statutory reserve fund. The Group's policy is to keep the gearing ratio below 90%.

### 44. 資本管理(續)

本集團使用資產負債比率監控資本，資產負債比率為負債淨額除以總資本加負債淨額。負債淨額包括非控股權益貸款、計息銀行及其他借款、應付融資債券、貿易應付款項及應付票據、應付關連公司款項、應計費用及其他應付款項，減現金及現金等價物及已抵押定期存款。資本包括母公司擁有人應佔權益減法定儲備金。本集團的政策為維持90%以下的資產負債比率。

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	貿易應付款項	185,577	140,229
Bills payable	應付票據	655,020	998,738
Accruals and other payables	應計費用及其他應付款項	1,422,739	1,310,389
Due to related companies	應付關連公司款項	4,391	8,805
Loan from a non-controlling interest	非控股權益貸款	100,000	-
Interest-bearing bank and other borrowings	計息銀行及其他借款	4,357,542	4,458,951
Bonds payable	應付融資債券	800,000	800,000
Less: Cash and cash equivalents	減：現金及現金等價物	(512,806)	(581,355)
Pledged time deposits	已抵押存款	(226,349)	(397,884)
Net debt	負債淨額	6,786,114	6,737,873
Equity attributable to owners of the parent	母公司擁有人應佔權益	3,035,787	3,001,017
Less: Statutory reserve fund	減：法定儲備金	(285,412)	(275,880)
Adjusted capital	經調整資本	2,750,375	2,725,137
Capital and net debt	資本和負債淨額	9,536,489	9,463,010
Gearing ratio	資本負債比率	71.16%	71.20%

#### 45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

#### 45. 本公司的財務狀況表

於報告期末有關本公司財務狀況表資料如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	1,446,355	1,340,000
<b>CURRENT ASSETS</b>	<b>流動資產</b>		
Available-for-sale investment	可供出售投資	4,185	3,680
Due from a subsidiary	應收附屬公司款項	219,400	220,938
Prepayments	預付款項	318	318
Cash and cash equivalents	現金及現金等價物	13,034	22,628
Total current assets	流動資產總額	236,937	247,564
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>		
Accruals and other payables	應計費用及其他應付款項	9,270	11,303
Interest-bearing bank and other borrowings	計息銀行及其他借款	243,619	285,873
Total current liabilities	流動負債總額	252,889	297,176
Net current liabilities	淨流動負債	(15,952)	(49,612)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>	1,430,403	1,290,388
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>		
Interest-bearing bank and other borrowings	計息銀行及其他借款	176,800	-
Net assets	淨資產	1,253,603	1,290,388
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	881,124	881,124
Convertible bonds	可換股債券	322,436	322,436
Reserves	儲備	50,043	86,828
Total equity	總權益	1,253,603	1,290,388

# Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

## 45. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Note:

A summary of the Company's reserves is as follows:

## 45. 本公司的財務狀況表(續)

附註：

本公司的儲備概要如下：

		Convertible bonds 可換股債券 RMB'000 人民幣千元	Available- for-sale investment revaluation reserve 可供出售 投資重估儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	322,436	1,097	69,505	393,038
Profit for the year	本年度溢利	-	-	91,919	91,919
Other comprehensive income for the year:	本年度其他全面收入：				
Change in fair value of an available-for-sale investment	可供出售投資公平值變動	-	(1,097)	-	(1,097)
Total comprehensive income for the year	本年度全面收入總額	-	(1,097)	91,919	90,822
Convertible bonds interest	可換股債券利息	14,596	-	(14,596)	-
Payment of convertible bonds interest	支付可換股債券利息	(14,596)	-	-	(14,596)
Final 2014 dividend declared	已宣派二零一四年末期股息	-	-	(60,000)	(60,000)
At 31 December 2015	於二零一五年 十二月三十一日	322,436	-	86,828	409,264
At 1 January 2016	於二零一六年一月一日	<b>322,436</b>	-	<b>86,828</b>	<b>409,264</b>
Profit for the year	本年度溢利	-	-	<b>60,306</b>	<b>60,306</b>
Other comprehensive income for the year:	年內其他全面收入：				
Change in fair value of an available-for-sale investment	可供出售投資 公平值變動	-	<b>505</b>	-	<b>505</b>
Total comprehensive income for the year	本年度全面收入總額	-	<b>505</b>	<b>60,306</b>	<b>60,811</b>
Convertible bonds interest	可換股債券利息	<b>14,596</b>	-	<b>(14,596)</b>	-
Payment of convertible bonds interest	支付可換股債券利息	<b>(14,596)</b>	-	-	<b>(14,596)</b>
Final 2015 dividend declared	已宣派二零一五年末期股息	-	-	<b>(83,000)</b>	<b>(83,000)</b>
At 31 December 2016	於二零一六年 十二月三十一日	<b>322,476</b>	<b>505</b>	<b>49,538</b>	<b>372,479</b>

## 46. INFORMATION ABOUT SUBSIDIARIES

Particulars of Company's subsidiaries are as follows:

Name 名稱	Percentage of registration and operations 註冊及經營地點	Nominal value of registered capital 註冊資本面值	Place of equity interest attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Henan Xinlianxin Fertiliser Co., Ltd.* # 河南心連心化肥 有限公司* #	PRC/Mainland China 中國／中國內地	RMB1,446,355,200 人民幣 1,446,355,200 元	100%	–	Manufacture and trading of urea, compound fertiliser, methanol, liquid ammonia and ammonia solution 生產及銷售尿素、 複合肥、甲醇、 液態氨及氨溶液
Henan Shoulashou Fertiliser Co., Ltd.*@ 河南手拉手化肥 有限公司*@	PRC/Mainland China 中國／中國內地	RMB1,000,000 人民幣 1,000,000 元	–	100%	Dormant 暫停業務
Xinjiang Xinlianxin Energy Chemicals Co., Ltd.*@ (note a) ("Xinjiang XLX") 新疆心連心能源化工 有限公司*@ (附註 a) ("新疆心連心")	PRC/Mainland China 中國／中國內地	RMB1,185,000,000 人民幣 1,185,000,000 元	–	78.90%	Investment holding, manufacture and trading of urea and compound fertiliser 投資控股、生產 及銷售尿素 及複合肥
Manas Tianli Coal Co., Ltd. ("Tianli")*@ 瑪納斯天利煤業 有限責任公司 ("天利")*@	PRC/Mainland China 中國／中國內地	RMB65,000,000 人民幣 65,000,000 元	–	78.90%	Coal mining and sales of coal 煤礦開採及煤炭銷售
Manas Tianxin Coal Co., Ltd. ("Tianxin")*@ 瑪納斯天欣煤業 有限責任公司 ("天欣")*@	PRC/Mainland China 中國／中國內地	RMB39,550,000 人民幣 39,550,000 元	–	78.90%	Coal mining and sales of coal 煤礦開採及煤炭銷售
Henan Nongxin Fertiliser Co., Ltd. ("Nongxin")*@ (note c) 河南農心肥業有限公司 ("農心")*@ (附註 c)	PRC/Mainland China 中國／中國內地	RMB15,000,000 人民幣 15,000,000 元	–	100%	Manufacture and trading of compound fertiliser and related products 製造及銷售複合肥 及相關產品

## 46. 有關附屬公司資料

本公司附屬公司的詳情如下：

## Notes to Financial Statements

財務報表附註 31 December 2016 於二零一六年十二月三十一日

### 46. INFORMATION ABOUT SUBSIDIARIES (CONTINUED)

### 46. 有關附屬公司資料(續)

Name 名稱	Percentage of registration and operations 註冊及經營地點	Nominal value of registered capital 註冊資本面值	Place of equity interest attributable to the Company 本公司應佔 股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Xinxiang Country Runcheng Trading Co., Ltd. ("Runcheng")* (note b) 新鄉縣潤誠貿易 有限公司(「潤誠」)* (附註b)	PRC/Mainland China 中國/中國內地	RMB106,000,000 人民幣106,000,000元	-	100%	Leasing of land 租賃土地
Jiujiang Xinlianxin Fertiliser Co., Ltd. ("Jiujiang XLX")* 九江心連心化肥 有限公司* (「九江心連心」)*	PRC/Mainland China 中國/中國內地	RMB2,000,000 人民幣2,000,000元	-	100%	Manufacture and trading of urea and compound fertiliser 製造及銷售尿素 及複合肥
Xinlianxin (Jilin) Fertiliser Co., Ltd. ("Jilin XLX")* 心連心(吉林)化肥 有限公司 (「吉林心連心」)*	PRC/Mainland China 中國/中國內地	RMB5,000,000 人民幣5,000,000元	-	100%	Manufacture and trading of urea and compound fertiliser 製造及銷售尿素 及複合肥

\* The subsidiary is registered as a wholly-foreign-owned enterprise under PRC law.

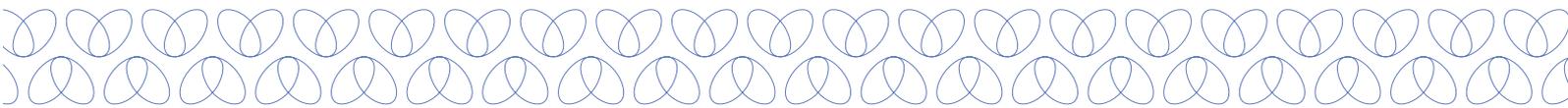
\* 該附屬公司是根據中國法律註冊成立的外商全資控股公司。

⊙ These subsidiaries are established in the PRC and registered under PRC law.

⊙ 該等附屬公司於中國成立並根據中國法例註冊。

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# 並非由Ernst & Young LLP, Singapore或安永會計師事務所全球網絡的其他成員會計師事務所審核。



#### 46. INFORMATION ABOUT SUBSIDIARIES(CONTINUED)

Notes:

- (a) During the year, the Group and an independent third party entered into a capital injection agreement. Pursuant to this agreement, the independent third party agreed to inject RMB350,000,000 into Xinjiang XLX, of which RMB100,000,000 was contributed as capital reserve. Following the completion of the capital injection, the Group's interest in Xinjiang XLX has been diluted from 100% to approximately 78.90% as at 31 December 2016.
- (b) During the year, the Group acquired Runcheng from XLX Chem. Further details of the Runcheng Acquisition are included in note 35 to the financial statements.
- (c) In the prior year, the Group acquired the remaining 49% interest of Nongxin at a consideration of RMB5,017,000. As a result, the Group owned 100% equity interest of Nongxin as at 31 December 2015.

#### 47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 27 March 2017.

#### 46. 有關附屬公司資料(續)

附註：

- (a) 於本年度內，本集團與一名獨立第三方訂立注資協議。根據此協議，該獨立第三方同意向新疆心連心注資人民幣350,000,000元，其中人民幣100,000,000元已繳足作為資本儲備。隨完成注資之後，於二零一六年十二月三十一日，本集團於新疆心連心的權益已由100%攤薄至約78.90%。
- (b) 於本年度內，本集團已自心連心化工收購潤誠。有關潤誠收購的進一步詳情乃載於財務報表附註35。
- (c) 於上一年度，本集團按代價人民幣5,017,000元收購農心的49%權益。因此，於二零一五年十二月三十一日，本集團擁有農心的100%股權。

#### 47. 批准財務報表

董事會已於二零一七年三月二十七日批准並授權刊發財務報表。

## Five-Year Financial Summary

### 五年財務資料摘要

A summary of the consolidated results and assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below.

以下載列本集團於過去五個財政年度的綜合業績及資產與負債概要，乃摘錄自已刊發之經審核財務報表。

		Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
<b>RESULTS</b>	<b>業績</b>					
REVENUE	收入	<b>5,710,698</b>	5,788,181	5,081,748	3,968,946	3,945,584
Cost of sales	銷售成本	<b>(4,687,090)</b>	(4,464,611)	(4,182,984)	(3,221,247)	(3,225,942)
Gross profit	毛利	<b>1,023,608</b>	1,323,570	898,764	747,699	719,642
Other income and gains	其他收入及收益	<b>69,985</b>	80,699	56,272	26,302	29,080
Selling and distribution expenses	銷售及分銷開支	<b>(435,334)</b>	(347,186)	(197,946)	(82,242)	(69,462)
General and administrative expenses	一般及行政開支	<b>(318,612)</b>	(317,496)	(242,789)	(275,984)	(202,493)
Other expenses	其他開支	<b>(33,192)</b>	(33,181)	(10,976)	(9,079)	(22,387)
Finance costs	財務成本	<b>(266,366)</b>	(228,190)	(218,020)	(95,073)	(82,359)
PROFIT BEFORE TAX	除稅前溢利	<b>40,089</b>	478,216	285,305	311,623	372,021
Income tax expense	所得稅開支	<b>(11,054)</b>	(69,945)	(48,579)	(52,230)	(61,020)
PROFIT FOR THE YEAR	年內溢利	<b>29,035</b>	408,271	236,726	259,393	311,001
Attributable to:	以下人士應佔：					
Owners of the parent	母公司擁有人	<b>30,120</b>	408,780	240,796	264,052	311,121
Non-controlling interest	非控股權益	<b>(1,085)</b>	(509)	(4,070)	(4,659)	(120)
		<b>29,035</b>	408,271	236,726	259,393	311,001
<b>ASSETS AND LIABILITIES AND NON-CONTROLLING INTERESTS</b>	<b>資產及負債及非控股權益</b>					
TOTAL ASSETS	總資產	<b>10,919,995</b>	10,835,284	9,588,469	7,302,884	5,117,217
TOTAL LIABILITIES	總負債	<b>(7,637,034)</b>	(7,834,267)	(6,915,013)	(4,789,033)	(2,788,785)
NON-CONTROLLING INTEREST	非控股權益	<b>(247,174)</b>	—	1,499	(2,571)	(7,230)
		<b>3,035,787</b>	3,001,017	2,674,995	2,551,280	2,321,202

## Glossary

### 詞彙表

In this annual report, unless the context states otherwise, the following terms shall have the following meanings:

於本年報內，除文義另有指明外，下列詞彙均具有以下涵義：

“AC” or “Audit Committee”	Audit Committee of the Company	「審核委員會」	指	本公司的審核委員會
“AGM”	Annual General Meeting of the Company	「股東週年大會」	指	本公司的股東週年大會
“Board”	The Board of Directors	「董事會」	指	董事會
“Companies Act”	The Companies Act (Chapter 50) of Singapore	「公司法」	指	新加坡法例第50章公司法
“Company” or “China XLX”	China XLX Fertiliser Ltd.	「本公司」或「中國心連心」	指	中國心連心化肥有限公司
“Constitution”	Constitution of the Company	「章程」	指	本公司的章程
“Director(s)”	Director(s) of the Company	「董事」	指	本公司的董事
“EGM”	Extraordinary General Meeting of the Company	「股東特別大會」	指	本公司的股東特別大會
“FY 2015”	The financial year ended 31 December 2015	「二零一五財政年度」	指	截至二零一五年十二月三十一日止的財政年度
“FY 2016”	The financial year ended 31 December 2016	「二零一六財政年度」	指	截至二零一六年十二月三十一日止的財政年度
“Group”	The Company and its subsidiaries altogether	「本集團」	指	本公司連同其附屬公司
“Henan XLX”	Henan Xinlianxin Fertiliser Co., Ltd., a wholly owned subsidiary of the Company	「河南心連心」	指	河南心連心化肥有限公司，為本公司的全資附屬公司
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong	「港元」	指	港元，香港法定貨幣
“Listing Rules”	The Rules Governing the Listing of Securities on the SEHK	「上市規則」	指	聯交所證券上市規則

## Glossary

### 詞彙表

“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 to the Listing Rules	「標準守則」	指	上市發行人董事進行證券交易的標準守則(上市規則附錄10)
“NC” or “Nominate Committee”	Nomination Committee of the Company	「提名委員會」	指	本公司的提名委員會
“PRC” or “China”	The People’s Republic of China	「中國」	指	中華人民共和國
“RC” or “Remuneration Committee”	Remuneration Committee of the Company	「薪酬委員會」	指	本公司的薪酬委員會
“RMB”	Renminbi, the lawful currency of the PRC	「人民幣」	指	中國法定貨幣人民幣
“S\$”	Singapore dollars	「新加坡元」	指	新加坡元
“SEHK”	The Stock Exchange of Hong Kong Limited	「聯交所」	指	香港聯合交易所有限公司
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)	「證券及期貨條例」	指	香港法例第571章證券及期貨條例
“SGX-ST”	Singapore Exchange Securities Trading Limited	「新交所」	指	新加坡證券交易所有限公司
“Shareholder(s)”	Shareholder(s) of the Company	「股東」	指	本公司的股東
“XLX Chem”	Henan Xinlianxin Chemicals Group Co., Ltd.	「心連心化工」	指	河南心連心化工集團有限公司



China XLX Fertiliser Ltd.  
中國心連心<sup>\*</sup>化肥有限公司<sup>\*</sup>

(Incorporated in Singapore with limited liability)  
(於新加坡註冊成立之有限公司)

Stock Code 股份代號：1866

<sup>\*</sup> For identification purpose only 僅供識別



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