



興發鋁業控股有限公司  
XINGFA ALUMINIUM HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(HKEX stock code: 98)

(香港交易所股份代號: 98)

2016  
Annual Report 年報

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## Corporate Information 公司資料

### Directors and Board Committees

#### Directors

##### *Executive Directors*

LIU Libin (*Chairman*)  
LUO Su (*Honorable Chairman*)  
LUO Riming (*Chief Executive Officer*)  
LIAO Yuqing  
DAI Feng (*Chief Financial Officer*)  
LAW Yung Koon  
WANG Zhihua

##### *Non-executive Director*

CHEN Shengguang

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

CHEN Mo  
HO Kwan Yiu  
LAM Ying Hung, Andy  
LIANG Shibin

##### *Alternate Director to LIU Libin*

WONG Siu Ki (*Chief Investment Officer*)

#### Board Committees

##### *Audit Committee*

LAM Ying Hung, Andy (*Chairman*)  
CHEN Mo  
HO Kwan Yiu  
CHEN Shengguang

##### *Remuneration Committee*

HO Kwan Yiu (*Chairman*)  
CHEN Mo  
LAM Ying Hung, Andy  
LUO Su  
LIU Libin

##### *Nomination Committee*

LUO Su (*Chairman*)  
CHEN Mo  
HO Kwan Yiu  
LAM Ying Hung, Andy  
LIU Libin

##### *Company Secretary*

TAM Ka Wai, Kelvin

### 董事及董事委員會

#### 董事

##### 執行董事

劉立斌 (主席)  
羅蘇 (榮譽主席)  
羅日明 (行政總裁)  
廖玉慶  
戴鋒 (財務總監)  
羅用冠  
王志華

##### 非執行董事

陳勝光

##### 獨立非執行董事

陳默  
何君堯  
林英鴻  
梁世斌

##### 劉立斌之替任董事

黃兆麒 (投資總監)

#### 董事委員會

##### 審核委員會

林英鴻 (主席)  
陳默  
何君堯  
陳勝光

##### 薪酬委員會

何君堯 (主席)  
陳默  
林英鴻  
羅蘇  
劉立斌

##### 提名委員會

羅蘇 (主席)  
陳默  
何君堯  
林英鴻  
劉立斌

#### 公司秘書

譚嘉偉

## Corporate Information 公司資料

### Authorized Representatives

LIU Libin  
DAI Feng  
WONG Siu Ki (alternate to LIU Libin)  
LAM Ying Hung, Andy (alternate to DAI Feng)

### Registered Office

Cricket Square Hutchins Drive P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### Head Office and Principal Place of Business in the PRC

No. 5, Zone D, Central Science and Technology Industrial Park,  
Sanshui District, Foshan City, Guangdong Province, China

### Principal Place of Business in Hong Kong

Unit 605, 6/F, Wing On Plaza, 62 Mody Street,  
Tsim Sha Tsui East, Kowloon, Hong Kong

### Principal Bankers

Bank of China, Foshan Branch  
Agriculture Bank of China, Foshan Nanzhuang Sub-branch  
China Construction Bank Corporation, Foshan Branch

### Legal Adviser

#### As to Hong Kong law:

Leung & Lau

#### As to Cayman Islands law:

Conyers Dill & Pearman

### 法定代表

劉立斌  
戴鋒  
黃兆麒 (劉立斌之替任代表)  
林英鴻 (戴鋒之替任代表)

### 註冊辦事處

Cricket Square Hutchins Drive P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 中國總辦事處及主要營業地點

中國廣東省佛山市三水區  
中心科技工業園D區5號

### 香港主要營業地點

香港九龍尖沙咀東部麼地道62號  
永安廣場6樓605室

### 主要往來銀行

中國銀行佛山分行  
中國農業銀行佛山南莊支行  
中國建設銀行股份有限公司佛山分行

### 法律顧問

#### 香港法律:

梁寶儀劉正豪律師行

#### 開曼群島法律:

Conyers Dill & Pearman

## Corporate Information 公司資料

### Auditors

KPMG  
8th Floor, Prince's Building,  
10 Chater Road, Central, Hong Kong

### Share Registrars

#### Principal Share Registrar and Transfer Office in the Cayman Islands

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

#### Branch Share Registrar and Transfer Office in Hong Kong

Tricor Investor Services Limited  
26th Floor, Tesbury Centre,  
28 Queen's Road East  
Wanchai, Hong Kong.

### Website

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

### Stock Code

00098.HK

### 核數師

畢馬威會計師事務所  
香港中環遮打道10號  
太子大廈8樓

### 股份過戶登記處

#### 開曼群島股份過戶登記總處

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

#### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港灣仔  
皇后大道東28號  
金鐘匯中心26樓

### 網址

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

### 股份編號

00098.HK

## Chairman's Statement 主席報告



*LIU Libin, Chairman*  
劉立斌，主席

I am pleased to present the 2016 annual results of Xingfa Aluminium Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”).

In 2016, Our Group’s revenue increased by approximately 12.0% to approximately RMB5,576.7 million (2015: RMB4,977.8 million) as a result of the increase in our sales volume. Our sales volume rose by approximately 12.3% to 324,645 tonnes (2015: 289,137 tonnes). Net profit attributable to the Company’s shareholders increased by approximately 12.3% to approximately RMB298.5 million (2015: RMB265.8 million). The Directors did not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: HK\$0.09).

本人欣然呈報興發鋁業控股有限公司（「本公司」，連同其附屬公司統稱「本集團」）二零一六年之年度業績。

二零一六年，本集團之收益因銷售量增加而增長約12.0%至約人民幣5,576,700,000元（二零一五年：人民幣4,977,800,000元）。本集團之銷售量上升約12.3%至324,645噸（二零一五年：289,137噸）。本公司股東應佔純利上升約12.3%至約人民幣298,500,000元（二零一五年：人民幣265,800,000元）。董事不建議派付截至二零一六年十二月三十一日止年度之末期股息（二零一五年：0.09港元）。

## Chairman's Statement 主席報告

In 2016, Xingfa Aluminium achieved a steady growth in terms of revenue, production and profit while product quality and efficiency are being maintained. We have developed our export market and it will become another growth engine to the Group in the future. Meanwhile, Xingfa Aluminium was accredited as National-recognized Enterprise Technology Center, marking its technology innovation into another new milestone.

In the years onward, Xingfa is undergoing the whole system upgrade on production processes to further enhance the overall production capacity and efficiency in the long run. More efforts and resources will be invested to develop the industrial aluminium profiles and R&D meanwhile expanding the sales channels of construction aluminium profiles into those cities lied on One-Belt-One-Road region.

Due to uncertain economic environment in China in line with our prudent approach, strengthening balance sheet management, optimizing product mix and enhancing operating efficiency are still our main focuses in 2017. With our commitment and efforts, I believe our Group will maintain its growth in 2017 and deliver sustainable returns to our shareholders.

On behalf of Xingfa, I would like to take this opportunity to thank every member of the Board, management and staff for contributing the success of the Group. Last but not least, I would like to express my appreciation to the customers and business partners and shareholders for their continuing support.

**LIU Libin, Chairman**

Foshan China, 31 March 2017

二零一六年，興發鋁業在保持產品質量及效率的同時，於營業額、生產及利潤方面均獲得平穩增長。我們也開拓了出口市場，其將成為本集團日後的另一個增長引擎。同時，興發鋁業獲認證為國家認定企業技術中心，標誌著其技術創新邁入另一個新的里程碑。

未來數年，興發將著力在有關生產工序之整體系統升級，長遠而言進一步提升整體產能及效率。本集團將加大力度及投入更多資源以發展工業鋁型材及研發，同時拓展建築鋁型材之銷售渠道至那些位於「一帶一路」地區之城市。

由於中國經濟環境的不確定性，按照我們的審慎做法，我們於二零一七年仍將主要集中增強資產負債表管理、優化產品組合及提高營運效率。秉承一貫之承擔及努力，本人相信本集團將可於二零一七年保持其平穩增長，並為本集團股東帶來可持續回報。

本人謹藉此機會代表興發衷心感謝董事會各位成員、管理層及員工對本集團之成就所作出之貢獻。最後，本人謹此對客戶、業務夥伴及股東一直以來之支持表示謝意。

**主席，劉立斌**

中國佛山，二零一七年三月三十一日

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



主席兼執行董事  
劉立斌先生  
Chairman & Executive Director  
Mr. Liu Libin



榮譽主席兼執行董事  
羅蘇先生  
Honorable Chairman &  
Executive Director  
Mr. Luo Su



行政總裁兼執行董事  
羅日明先生  
Chief Executive Officer &  
Executive Director  
Mr. Luo Riming



執行董事  
廖玉慶先生  
Executive Director  
Mr. Liao Yuqing



執行董事兼財務總監  
戴鋒先生  
Executive Director &  
Chief Financial Officer  
Mr. Dai Feng



執行董事  
羅用冠先生  
Executive Director  
Mr. Law Yung Koon



執行董事  
王志華先生  
Executive Director  
Mr. Wang Zhihua

### Review of operations

Xingfa Aluminium is one of the leading aluminium profiles manufacturers in the PRC and principally engaged in the manufacture and sale of aluminium profiles which are applied as construction and industrial materials. Currently, we are one of the largest providers of electricity conductive aluminium profile for metro vehicles in the PRC. Leveraging on our advanced research and development capability and commitment to quality, our Group has established extensive and stable sales networks in the PRC and overseas for the past 30 years.

### 營業回顧

興發鋁業是中國之領先鋁型材製造商之一，主要從事製造及銷售用作建築及工業材料之鋁型材。目前，本集團乃中國最大的機車導電鋁型材供應商之一。過去三十年，本集團憑藉先進研發能力及對質量之重視，於中國及海外建立廣泛及穩定之銷售網絡。



## Management Discussion and Analysis

### 管理層討論及分析

#### Revenue

Revenue and sales volume recorded approximately RMB5,576.7 million and 324,645 tonnes for the year ended 31 December 2016 (“Year”) respectively (2015: RMB4,977.8 million and 289,137 tonnes). The increase in revenue during the Year was mainly due to the increase in sales volume.

Our sales volume increased by approximately 12% year-on-year to 324,645 tonnes in the Year. In particular, industrial aluminium profiles increased by approximately 24% year-on-year to 63,640 tonnes in the Year (2015: 51,163 tonnes). Our sales volume for construction aluminium profiles also increased by approximately 10% year-on-year to 261,005 tonnes (2015: 237,974 tonnes).

The following table sets forth our revenue and its percentage of revenue by product category for the years ended 31 December 2016 and 2015:

		2016 二零一六年		2015 二零一五年	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
Manufacture and sale of aluminium profiles	生產及銷售鋁型材				
– Construction aluminium profiles	– 建築鋁型材	4,522,819	81.1	4,138,807	83.2
– Industrial aluminium profiles	– 工業鋁型材	968,861	17.4	757,894	15.2
		5,491,680	98.5	4,896,701	98.4
Others (Note)	其他 (附註)	85,016	1.5	81,128	1.6
Total	總計	5,576,696	100.0	4,977,829	100.0

Note: Our Group's other revenue represented revenue generated from the manufacture and sale of aluminium bars, moulds and spare parts and the provision of processing services.

#### 營業額

截至二零一六年十二月三十一日止年度（「本年度」），營業額及銷量分別錄得約人民幣5,576,700,000元及324,645噸（二零一五年：人民幣4,977,800,000元及289,137噸）。於本年度內營業額增加乃主要由於銷量上升所致。

本集團於本年度之銷量按年增長約12%至324,645噸。具體而言，工業鋁型材之銷量於本年度按年增長約24%至63,640噸（二零一五年：51,163噸）。本集團之建築鋁型材銷量按年增加約10%至261,005噸（二零一五年：237,974噸）。

下表載列本集團截至二零一六年及二零一五年十二月三十一日止年度按產品種類劃分之收益及其百分比：

附註：本集團其他收益指製造及銷售鋁棒、模具及零部件，以及提供加工服務所產生之收益。

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

Our Group's revenue by geographical segments during the years ended 31 December 2016 and 2015 are as follows:

本集團於截至二零一六年及二零一五年十二月三十一日止年度按地域劃分之收益如下：

		2016 二零一六年		2015 二零一五年	
		<i>RMB million</i>	%	<i>RMB million</i>	%
		人民幣百萬元	%	人民幣百萬元	%
The PRC	中國	5,459.3	97.9	4,885.1	98.1
North America	北美	0.2	0.0	1.3	0.0
Europe	歐洲	0.2	0.0	1.9	0.0
Hong Kong	香港	88.0	1.6	60.0	1.2
Asia Pacific (other than the PRC and Hong Kong)	亞太地區(中國及香港除外)	26.8	0.5	27.2	0.6
Others	其他	2.2	0.0	2.3	0.1
Total	總計	5,576.7	100.0	4,977.8	100.0

For the years ended 31 December 2016 and 2015, domestic sales in the PRC in aggregate accounted for approximately 97.9% and 98.1% of our Group's revenue respectively.

截至二零一六年及二零一五年十二月三十一日止年度，中國國內銷售總額佔本集團收益分別約97.9%及98.1%。

Our Group also exports directly to the United States, Europe and other Asian countries. For the years ended 31 December 2016 and 2015, non-domestic sales in aggregate accounted for approximately 2.1% and 1.9% of our Group's revenue respectively.

本集團產品亦直接出口至美國、歐洲及其他亞洲國家。截至二零一六年及二零一五年十二月三十一日止年度，非國內銷售總額佔本集團收益分別約2.1%及1.9%。

## Management Discussion and Analysis

### 管理層討論及分析

The following table sets forth the sales volume and average selling prices of our principal products during the years ended 31 December 2016 and 2015:

下表載列本集團主要產品於截至二零一六年及二零一五年十二月三十一日止年度之銷量及平均售價：

		2016 二零一六年	2015 二零一五年	Change in % 變動%
<b>Construction aluminium profiles</b>	<b>建築鋁型材</b>			
Revenue (RMB'000)	營業額 (人民幣千元)	<b>4,522,819</b>	4,138,807	9%
Quantity (tonnes)	數量 (噸)	<b>261,005</b>	237,974	10%
Average selling price per tonne (RMB)	每噸平均售價 (人民幣元)	<b>17,328</b>	17,392	0%
<b>Industrial aluminium profiles</b>	<b>工業鋁型材</b>			
Revenue (RMB'000)	營業額 (人民幣千元)	<b>968,861</b>	757,894	28%
Quantity (tonnes)	數量 (噸)	<b>63,640</b>	51,163	24%
Average selling price per tonne (RMB)	每噸平均售價 (人民幣元)	<b>15,224</b>	14,813	3%
<b>Total</b>	<b>總計</b>			
Revenue (RMB'000)	營業額 (人民幣千元)	<b>5,491,680</b>	4,896,701	12%
Quantity (tonnes)	數量 (噸)	<b>324,645</b>	289,137	12%
Average selling price per tonne (RMB)	每噸平均售價 (人民幣元)	<b>16,916</b>	16,936	0%

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

### Cost of sales

Our cost of sales increased by approximately 15% year-on-year to RMB4,751.6 million in the Year (2015: RMB4,148.1 million) which was aligned with the increase in revenue.

### Gross profit and gross profit margin

Gross profit margin decreased to 14.8% during the Year (2015: 16.7%) and sales to production ratio slightly decreased to 99% (2015: 100%).

The following table sets forth the gross profit margin of our aluminium profiles:

### 銷售成本

本集團於本年度之銷售成本按年增長約15%至人民幣4,751,600,000元(二零一五年:人民幣4,148,100,000元),並與營業額增長保持一致。

### 毛利及毛利率

於本年度內,毛利率下降至14.8%(二零一五年:16.7%),而銷售生產比率輕微下降至99%(二零一五年:100%)。

下表載列本集團鋁型材之毛利率:

		2016 二零一六年	2015 二零一五年
Industrial aluminium profiles	工業鋁型材	11.7%	15.2%
Construction aluminium profiles	建築鋁型材	14.9%	16.7%

The slight decrease of gross profit margin by 1.9 percentage point was mainly due to the Group lowered the processing fee in order to maintain the existing customers and attract new customers in the Year.

於本年度,毛利率輕微下降1.9個百分點乃主要由於本集團為維持現有客戶及吸引新客戶而降低加工費用所致。

## Management Discussion and Analysis

### 管理層討論及分析

#### Other income

Our Group recorded other income of approximately RMB40.1 million for the Year (2015: RMB41.4 million).

Government grants represent various forms of incentives and subsidies received from the local government authorities in the PRC. During the Year, the Group recognized government grants of approximately RMB30.8 million (2015: RMB24 million) as other income. Besides, due to the appreciation of foreign currencies against Renminbi during the Year, our Group recorded the net foreign exchange gains of approximately RMB3.7 million (2015: losses of RMB6.8 million), in relation to the receivables denominated in foreign currencies.

In contrary, due to the decrease in pledge deposit balance during the Year and lower interest rate applicable to pledged deposit, interest income decreased to approximately RMB7.5 million (2015: RMB10.2 million). In addition, the Group recorded loss on disposal of fixed assets of approximately RMB16.6 million (2015: RMB1.6 million) for the Year, mainly because the Group conducted an operational efficiency review on its machineries at the end of the Year, and disposed some of the moulds with net book value of RMB15.8 million (2015: Nil), which were no longer suitable for the current production.

#### Distribution costs

Distribution costs increased by approximately 16% to approximately RMB123.8 million for the Year (2015: RMB107.2 million), which was aligned with the increase in revenue.

#### Administrative expenses

Administrative expenses were approximately RMB279.7 million for the Year, which was approximately 5% lower than that in 2015 (2015: RMB294.0 million). During the Year, by strengthening our balance sheet management, we made less provision for bad debt of trade and other receivables during the Year of RMB6.8 million (2015: RMB17.3 million). Our administrative expenses as a percentage of revenue also decreased to approximately 5.0% (2015: 5.9%).

#### 其他收入

本集團於本年度錄得其他收入約人民幣40,100,000元(二零一五年:人民幣41,400,000元)。

政府補貼指收取中國地方政府機構之各類獎勵及補助金。於本年度,本集團已將政府補貼約人民幣30,800,000元(二零一五年:人民幣24,000,000元)確認為其他收入。此外,由於本年度外幣兌人民幣升值,故就以外幣計值之應收款項而言,本集團錄得外匯收益淨額約人民幣3,700,000元(二零一五年:虧損人民幣6,800,000元)。

反之,由於本年度已抵押存款餘額減少及適用於已抵押存款之利率下降,利息收入減少至約人民幣7,500,000元(二零一五年:人民幣10,200,000元)。此外,本集團於本年度錄得處置固定資產之虧損約人民幣16,600,000元(二零一五年:人民幣1,600,000元),乃主要由於本集團於本年度末對其機器進行運行效率審核,並處置賬面淨值為人民幣15,800,000元(二零一五年:無)之若干不再適合當前生產的模具所致。

#### 分銷成本

本年度分銷成本增加約16%至約人民幣123,800,000元(二零一五年:人民幣107,200,000元),此與營業額增加一致。

#### 行政開支

本年度行政開支約為人民幣279,700,000元,較二零一五年減少約5%(二零一五年:人民幣294,000,000元)。於本年度,透過加強資產負債表管理,我們年內作出之交易及其他應收賬款壞賬撥備較少,金額為人民幣6,800,000元(二零一五年:人民幣17,300,000元)。行政開支佔營業額之百分比亦下降至約5.0%(二零一五年:5.9%)。

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

### Finance costs

Finance costs decreased by approximately 21% to approximately RMB118.0 million for the Year (2015: RMB149.1 million) mainly due to the decrease in average loans borrowings and average borrowing interest rate during the Year.

### Profit for the Year and the net profit margin

During the Year, our Group recorded profit for the year of approximately RMB298.5 million (2015: RMB265.8 million) and the net profit margin kept stable at 5.4% (2015:5.3%).

## ANALYSIS OF FINANCIAL POSITION

### Current and quick ratios

The following table sets out the summary of our Group's current and quick ratios as at 31 December 2016 and 2015:

		2016 二零一六年	2015 二零一五年
Current Ratio (Note)	流動比率 (附註)	1.01	0.85
Quick Ratio (Note)	速動比率 (附註)	0.70	0.63

#### Note:

Current ratio is calculated based on the total current assets divided by the total current liabilities at the end of the year.

Quick ratio is calculated based on the difference between the total current assets and the inventories divided by the total current liabilities at the end of the year.

During the year, sales orders and sales volume increased due to the successful implementation of marketing strategies and expansion of sales channels, leading to increase in both trade receivables and inventories. As such, both current ratio and quick ratio increased in the year.

### 財務成本

本年度之財務成本減少約21%至約人民幣118,000,000元(二零一五年:人民幣149,100,000元),乃主要由於本年度之平均貸款及平均借貸利率下降所致。

### 年度溢利及純利率

年內,本集團錄得年度溢利約人民幣298,500,000元(二零一五年:人民幣265,800,000元),而純利率保持穩定為5.4%(二零一五年:5.3%)。

## 財務狀況分析

### 流動及速動比率

下表載列本集團於二零一六年及二零一五年十二月三十一日之流動及速動比率概要:

#### 附註:

流動比率以年終之流動資產總值除以流動負債總額計算。

速動比率以年終之流動資產總值與存貨之差額除以流動負債總額計算。

於本年度,銷售訂單及銷量因成功實施營銷策略及拓展銷售渠道而增加,導致交易應收賬款及存貨增加。因此,本年度之流動比率及速動比率均增加。

## Management Discussion and Analysis

### 管理層討論及分析

#### Gearing ratio

The following table sets out the summary of our Group's gearing ratio as at 31 December 2016 and 2015:

		2016 二零一六年	2015 二零一五年
Gearing ratio (Note)	負債比率 (附註)	<b>33.8%</b>	40.8%

#### Note:

Gearing ratio is calculated based on the loans and borrowings and obligations under finance leases divided by total assets and multiplied by 100%.

Benefited from the improvement in operating cash flows, our Group borrowed less from banks in the Year as compared to that in 2015. As such, gearing ratio dropped in the Year.

#### Inventory Turnover Days

The following table sets out the summary of our Group's inventory turnover days during the years ended 31 December 2016 and 2015:

		2016 二零一六年	2015 二零一五年
Inventory Turnover Days (Note)	存貨周轉期 (附註)	<b>63</b>	58

#### Note:

Inventory turnover days is calculated based on the average of the beginning and ending inventory balance before provision for the periods divided by the total cost of sales during the years multiplied by 365 days.

Inventories balance as at the respective years ended 31 December 2016 and 2015 represents aluminium profiles segment including our raw materials, work in progress and the unsold finished goods and property under development for sale.

The inventory turnover days increased due to: 1) the increased balance of property under development for sale; 2) the Group stocked up more raw materials in advance with as it anticipated that the aluminium ingot price may increase in early 2017.

#### 負債比率

下表載列本集團於二零一六年及二零一五年十二月三十一日之負債比率概要：

	2016 二零一六年	2015 二零一五年
	<b>33.8%</b>	40.8%

#### 附註：

負債比率以貸款及借貸以及融資租賃責任除以資產總值再乘以100%計算。

受益於營運現金流之改善，本集團於本年度之銀行借貸較二零一五年少。因此，本年度之負債比率下降。

#### 存貨周轉期

下表載列本集團截至二零一六年及二零一五年十二月三十一日止年度之存貨周轉期概要：

	2016 二零一六年	2015 二零一五年
	<b>63</b>	58

#### 附註：

存貨周轉期以計提撥備前之期初及期終之存貨結餘平均數除以年內之銷售成本總額再乘以365日計算。

於截至二零一六年及二零一五年十二月三十一日止各年度之存貨結餘為鋁型材分部，包括原材料、在製品及未售出製成品以及待售開發中物業。

存貨周轉期增加，乃由於：1)待售發展中物業結餘增加；2)因本集團預期鋁錠價格可能於二零一七年初增加而儲存較多原材料所致。

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

### Debtors' Turnover days

The following table sets out the summary of our Group's debtors turnover days during the years ended 31 December 2016 and 2015:

		2016 二零一六年	2015 二零一五年
Debtors' Turnover Days ( <i>Note</i> )	應收賬款記賬期 ( <i>附註</i> )	88	95

*Note:*

Debtors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills receivables for the periods divided by turnover during the years multiplied by 365 days.

By strengthening management over collection of account receivables, debtors' turnover days in the Year was improved.

### 應收賬款記賬期

下表載列本集團截至二零一六年及二零一五年十二月三十一日止年度之應收賬款記賬期概要：

		2016 二零一六年	2015 二零一五年
Debtors' Turnover Days ( <i>Note</i> )	應收賬款記賬期 ( <i>附註</i> )	88	95

*附註：*

應收賬款記賬期以期初及期終之交易應收款項及應收票據結餘之平均數除以年內之營業額再乘以365日計算。

通過對應收賬款的收回加強管理，本年度之應收賬款記賬期得到改善。

### Creditors' Turnover days

The following table sets out the summary of our Group's creditors turnover days during the years ended 31 December 2016 and 2015:

		2016 二零一六年	2015 二零一五年
Creditors' Turnover Days ( <i>Note</i> )	應付賬款記賬期 ( <i>附註</i> )	89	105

*Note:*

Creditors' turnover days is calculated based on the average of the beginning and ending balance of trade and bills payables for the periods divided by the total cost of sales during the years multiplied by 365 days.

Benefiting from the increasing profit and effective cash management in these two years, less payables recorded at the end of 31 December 2015 and 2016, which led to the creditors' turnover days decreased to normal level in 2016.

### 應付賬款記賬期

下表載列本集團截至二零一六年及二零一五年十二月三十一日止年度之應付賬款記賬期概要：

		2016 二零一六年	2015 二零一五年
Creditors' Turnover Days ( <i>Note</i> )	應付賬款記賬期 ( <i>附註</i> )	89	105

*附註：*

應付賬款記賬期以於期初及期終之交易應付款項及應付票據結餘之平均數除以年內之銷售成本總額再乘以365日計算。

受益於近兩年之溢利日益增加及有效之現金管理，於截至二零一五年及二零一六年十二月三十一日，本集團錄得應付賬款較少，應付賬款記賬期於二零一六年減少至正常水平。



## Management Discussion and Analysis

### 管理層討論及分析

#### Cash flow

The table below summarises our Group's cash flow during the years ended 31 December 2016 and 2015:

		2016 二零一六年 RMB'million 人民幣百萬元	2015 二零一五年 RMB'million 人民幣百萬元
Net cash generated from operating activities	經營活動所得現金淨額	488.7	464.2
Net cash used in investing activities	投資活動所用現金淨額	(115.2)	(161.8)
Net cash used in financing activities	融資活動所用現金淨額	(352.4)	(196.2)

We generally finance our operations through a combination of shareholders' equity, internally generated cash flows, bank borrowings and our cash and cash equivalents. Our Directors believe that on a long-term basis, our liquidity will be funded from operations and, if necessary, additional equity financing or bank borrowings.

#### Capital expenditures

Capital expenditure was used for acquisition of property, plant and equipment and lease prepayment. During the Year, our Group's capital expenditures were approximately RMB188.0 million (2015: RMB224.1 million). The significant capital expenditures during the Year were mainly for the acquisition of equipment for Xingfa's four plants.

#### Loans and borrowings

As at 31 December 2016, our Group's loans and borrowings amounted to approximately RMB1,803.4 million (31 December 2015: RMB2,000.5 million).

#### 現金流量

下表概述本集團截至二零一六年及二零一五年十二月三十一日止年度之現金流量：

本集團一般透過結合股東權益、內部產生之現金流量、銀行借貸及本集團之現金及現金等價物為其業務提供資金。本集團董事相信，長遠而言本集團之流動資金將來自營運及（如有需要）額外股本融資或銀行借貸。

#### 資本開支

資本開支乃用作購置物業、廠房及設備及預付租金。於本年度，本集團之資本開支約為人民幣188,000,000元（二零一五年：人民幣224,100,000元）。本年度之大額資本開支乃主要用作購買興發四個廠房之設備。

#### 貸款及借貸

於二零一六年十二月三十一日，本集團之貸款及借貸約為人民幣1,803,400,000元（二零一五年十二月三十一日：人民幣2,000,500,000元）。

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

### Banking facilities and guarantee

As at 31 December 2016, the banking facilities of our Group amounted to approximately RMB4,006.3 million (31 December 2015: RMB3,564.5 million), of which approximately RMB2,311.0 million were utilised (31 December 2015: RMB2,222.0 million).

No banking facilities were guaranteed by related parties.

### Contingent liabilities

As at 31 December 2016, our Group did not provide any guarantee in respect of liabilities of any company not being a member of our Group. Our Group had no material contingent liabilities as at 31 December 2016.

### Foreign Currency Risk

Renminbi is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government. The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong dollars and United States dollars.

### Interest Rate Risk

The Group's interest rate risk arises primarily from borrowings from banks. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The interest rates profile of the Group's loans and borrowings are disclosed in note 24(c) to the consolidated financial statements in this annual report.

### Credit Risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount.

### 銀行信貸額度及擔保

於二零一六年十二月三十一日，本集團之銀行信貸額度約為人民幣4,006,300,000元（二零一五年十二月三十一日：人民幣3,564,500,000元），其中約人民幣2,311,000,000元（二零一五年十二月三十一日：人民幣2,222,000,000元）已動用。

並無銀行信貸額度已獲關連方擔保。

### 或然負債

於二零一六年十二月三十一日，本集團並無就任何並非本集團成員公司之公司之負債作出任何擔保。於二零一六年十二月三十一日，本集團並無重大或然負債。

### 外幣風險

人民幣並非可自由兌換的貨幣，將款項匯出中國受到中國政府規定的限制。由於本集團之主要業務在中國進行，故本集團因銷售及採購以於中國營運所在地相關功能貨幣人民幣以外之貨幣計值而面對外幣風險。外幣交易主要以港元及美元計值。

### 利率風險

本集團之利率風險主要來自銀行借貸。按浮動利率及固定利率發出之借貸分別令本集團須承受現金流量利率風險及公平值利率風險。本集團貸款及借貸之利率概況於本年報綜合財務報表附註24(c)披露。

### 信貸風險

本集團之信貸風險主要來自交易及其他應收款項。管理層已制定信貸政策，並持續監察該等信貸風險。就交易及其他應收款項而言，對所要求信貸超過一定金額之所有客戶進行個別信貸評估。

## Management Discussion and Analysis

### 管理層討論及分析

Except for the financial guarantees given by the Company as set out in note 26 of the consolidated financial statements, the Group does not provide any other guarantees which would expose the Group or the Company to credit risk.

#### Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

## PROSPECTS

In line with our prudent approach and in view of the fragile China economic environment, strengthening balance sheet management, optimizing product mix and enhancing operating efficiency are still our main focuses in 2017. Meanwhile, aiming to develop Xingfa as an all-rounded and one-stop aluminium service provider, we are actively looking for business opportunities for both semi-upstream and downstream merger and acquisitions in China.

除綜合財務報表附註26所述本公司作出之財務擔保外，本集團並無提供任何其他擔保，致使本集團或本公司須承受信貸風險。

#### 流動資金風險

流動資金風險指本集團將無法履行到期之財務責任風險。本集團之政策乃定期監察流動資金需求及遵守借貸契約之情況，以確保維持充足現金儲備及獲主要財務機構提供足夠信貸資金，以應付短期及長遠之流動資金需求。

## 前景

按照我們的審慎做法且鑑於脆弱的中國經濟環境，我們於二零一七年仍將主要集中增強資產負債表管理、優化產品組合及提高營運效率。與此同時，為將興發發展為全面及一站式鋁型材服務供應商，我們正積極於中國物色準上游及下游併購之商機。

## Directors and Senior Management 董事及高級管理人員

### Directors

#### Executive Directors

**Mr. Liu Libin**, aged 44, became the Chairman of the Company since 8 September 2011. Mr. Liu obtained a Degree of Executive Master of Business Administration from South China University of Technology and has held various senior positions in financial, marketing and governmental fields. Mr. Liu had been the vice section chief (副科長) of finance division of Department of Foreign Trade and Economic Cooperation of Guangdong Province, finance manager and deputy general manager of Sinomart Development Co. Limited (經貿國際有限公司), director and general manager of the finance department of Goldsland Holdings Company Limited (廣新控股有限公司), deputy chairman of Guangdong Advertisement Co., Ltd. (廣東省廣告有限公司) and chairman of Guangdong Guangxin PACO Technology Co., Ltd. (廣東廣新柏高科技有限公司), a subsidiary of Guangdong Guangxin Holdings Group Ltd. (廣東省廣新控股集團有限公司). Mr. Liu is the chairman of the board of Guangdong Xingfa Aluminium Co., Ltd. (廣東興發鋁業有限公司) (“Guangdong Xingfa”), a wholly-owned subsidiary of the Company.

**Mr. Luo Su**, aged 78, is the honorable chairman of the Board, an executive Director and founder of the Group. He has over 20 years of experience in the aluminium profile industry. He is responsible for the overall management, operations, financial aspects, corporate directions and strategies of the Group. Mr. Luo is qualified as an 工業經濟師 (industrial economist) based on his previous experience with Nanhai Xingfa Aluminium Profiles Factory. Mr. Luo was certified as an outstanding entrepreneur of private enterprise by the People’s Government of Foshan City in 2003, an outstanding entrepreneur by the China Non Ferrous Metals Industry Association in 2005 and received an outstanding Guangdong patent award for the patent titled 鋁合金扁鑄錠同水平熱頂鑄造裝置 (aluminium alloy flat ingot horizontal heat-top casting device) in 2005. Mr. Luo is a deputy to the 12th Session of the People’s Congress of Foshan City for a term of five years from 2003 to 2008. Mr. Luo Su is the father-in-law of Mr. Liao Yuqing, an executive Director.

### 董事

#### 執行董事

**劉立斌先生**，44歲，在二零一一年九月八日起成為本公司的主席。劉先生於華南理工大學取得高級管理人員工商管理碩士學位(EMBA)，並於金融、市場推廣及政府領域擔任多個高級職位。劉先生曾擔任廣東省對外經濟貿易合作廳財務處之副科長、經貿國際有限公司之財務經理及副總經理、廣新控股有限公司董事兼財務部總經理、廣東省廣告有限公司之副董事長及廣東省廣新控股集團有限公司之附屬公司廣東廣新柏高科技有限公司之主席。劉先生亦為本公司全資附屬公司廣東興發鋁業有限公司(「廣東興發」)之董事會主席。

**羅蘇先生**，78歲，董事會榮譽主席、執行董事兼本集團創辦人，擁有逾20年鋁型材行業經驗，負責本集團之整體管理、營運、財務事宜，制定公司宗旨及策略。羅先生基於南海興發鋁型材廠之過往經驗而獲頒工業經濟師資格，於二零零三年獲佛山市人民政府評為傑出私營企業家，於二零零五年獲中國有色金屬工業協會評為傑出企業家，其鋁合金扁鑄錠同水平熱頂鑄造裝置專利於二零零五年獲得廣東省傑出專利獎。羅先生於二零零三年至二零零八年五年間擔任佛山市第十二屆人大代表。羅蘇先生為執行董事廖玉慶先生之岳父。

## Directors and Senior Management 董事及高級管理人員

**Mr. Luo Riming**, aged 60, is an executive Director and chief executive officer of the Company. He is responsible for the procurement and utilisation of equipment and infrastructure for the business of the Group. Mr. Luo is also responsible for the procurement of raw materials and the assessment and selection of suitable suppliers. He has over 30 years of experience in the aluminium profile industry. Mr. Luo established the Group in 1980s. Prior to joining the Group, Mr. Luo has worked at Nanhai Hardware Factory (township enterprise), Nanhai Power Supply Bureau, Nanzhuang Electric Appliance and Furniture Factory, Guangdong Xingfa Aluminium Profiles Factory and Xingfa Group. Mr. Luo obtained a bachelor's degree in economic management by the Guangdong Radio & TV University in 1998.

**Mr. Liao Yuqing**, aged 48, is an executive Director. He is also the supervisor of the sales and marketing department in charge of the sales and marketing activities of the Group and is responsible for the planning, development, implementation and evaluation of the marketing strategies of the Group. Mr. Liao joined the Group in January 1993. Prior to that, Mr. Liao was in the military between 1986 to 1991. Mr. Liao worked at the Agricultural Bank of China Jiujiang Branch from 1991 to 1992. Mr. Liao is the son-in-law of Mr. Luo Su, the chairman of the Group and an executive Director.

**Mr. Dai Feng**, aged 45, is the executive Director and Chief Financial Officer of the Company since 8 September 2011. Mr. Dai obtained the Degree of Executive Master of Business Administration (EMBA) from Jinan University, and held the qualifications of an accountant and auditor, China Certified Tax Agent, International Certified Internal Auditor and Master of International Public Accountant of Australia (澳大利亞公共會計師) ("MIPA"). Mr. Dai has extensive experience in accounting and auditing fields. He was the head of the supervising and auditing department and the finance department of 廣州羊城兆業企業集團有限公司 (unofficial English name being "Guangzhou Yang Cheng Zhao Ye Enterprise Group Ltd."), seconded finance controller of Guangzhou Lingnan International Enterprise Group Co., Ltd. (廣州嶺南國際企業集團有限公司), assistant to the head of finance department of Guangdong Guangxin Holdings Group Ltd. (廣東省廣新控股集團有限公司) and manager of finance department of Guangdong Guangxin Investment Holdings Co., Ltd. (廣東廣新投資控股有限公司). Mr. Dai is currently the supervisor of FSPG Hi-Tech Co., Ltd. (佛山佛塑科技集團股份有限公司), a company listed on Shenzhen Stock Exchange. Mr. Dai is also as a director and chief financial officer of Guangdong Xingfa.

**羅日明先生**, 60歲, 本公司執行董事兼行政總裁, 負責本集團業務之設備及基礎設施採購及使用, 亦負責採購原材料及評審並選定合適供貨商, 擁有逾30年鋁型材行業經驗。羅先生於二十世紀八十年代組建本集團。加入本集團前, 曾於南莊五金廠(鄉鎮企業)、南海供電局、南莊電器傢俱廠、廣東興發鋁型材廠及興發集團工作。羅先生於一九九八年獲得廣東廣播電視大學經濟管理學士學位。

**廖玉慶先生**, 48歲, 執行董事, 兼任銷售及市場推廣部監事, 負責本集團銷售及市場推廣活動, 並且負責規劃、開展、執行及檢討本集團之市場推廣策略。廖先生於一九九三年一月加入本集團。加入本集團前, 廖先生於一九八六年至一九九一年服兵役, 於一九九一年至一九九二年任職於中國農業銀行九江分行。廖先生為本集團主席兼執行董事羅蘇先生之女婿。

**戴鋒先生**, 45歲, 在二零一一年九月八日起為本公司的執行董事兼財務總監。戴先生於暨南大學取得工商管理碩士學位(EMBA), 並持有會計師及核數師、中國註冊稅務師、國際註冊內部審計師及澳大利亞公共會計師("MIPA")資格。戴先生於會計及審核領域擁有豐富經驗。他曾擔任廣州羊城兆業企業集團有限公司之監督及審核部及財務部主管、廣州嶺南國際企業集團有限公司之外派財務總監、廣東省廣新控股集團有限公司之財務部部長助理、廣東廣新投資控股有限公司財務部經理及佛山佛塑科技集團股份有限公司(一間於深圳證券交易所上市之公司)監事。戴先生亦獲委任為廣東興發之董事兼財務總監。

## Directors and Senior Management 董事及高級管理人員

**Mr. Law Yung Koon**, aged 59, is an executive director. He is responsible for the sales and marketing of our products in overseas market. Prior to joining the Group, Mr. Law was the general manager of Hang Fat Aluminium Profiles Company Limited, which was the sole distributor of the Group in Hong Kong and Macau and one of the suppliers of aluminium ingots.

**Mr. Wang Zhihua**, aged 46, is an executive Director. Prior to joining the Group in January 2003, from 1992 to 1997, Mr. Wang worked at Guanglian Industrial Co., Ltd. and the Guangzhou Branch of Huaxia Securities Co., Ltd. Mr. Wang obtained a bachelor's degree in statistics from the Jiangxi University of Finance and Economics in 1992. Mr. Wang was certified as a securities agent for the period from September 2001 to September 2004 by the Securities Association of China.

### Non-executive Director

**Mr. Chen Shengguang**, aged 53, is a non-executive Director of the Company since 8 September 2011. Mr. Chen held a master's degree in Sun Yat-Sen University and is a non-practicing certified public accountant in the PRC. He has extensive experience in accounting and finance fields. Mr. Chen was the deputy general manager of Guangdong Foreign Trade Imp. & Exp. Corporation (廣東省外貿開發公司), the head of finance department, the head of clearing centre and the deputy chief accountant of Guangdong Foreign Trade Group Co., Limited (廣東省廣新外貿集團有限公司) and a director of FSPG Hi-Tech CO., Ltd. (佛山佛塑科技集團股份有限公司), a company listed on Shenzhen Stock Exchange. Mr. Chen is currently deputy general manager of Guangdong Guangxin Holdings Group Limited (廣東省廣新控股集團有限公司).

**羅用冠先生**, 59歲, 執行董事, 負責本集團產品於海外市場之銷售及市場推廣。於加入本集團前, 羅先生為恆發鋁型材有限公司之總經理, 該公司為本集團於香港及澳門之唯一分銷商, 並為鋁錠供應商之一。

**王志華先生**, 46歲, 執行董事。二零零三年一月加入本集團前, 王先生自一九九二年至一九九七年於廣聯實業有限公司及華夏證券有限公司廣州分公司工作。王先生於一九九二年獲頒發江西財經大學統計學學士學位, 於二零零一年九月至二零零四年九月期間獲中國證券業協會認可證券代理之資格。

### 非執行董事

**陳勝光先生**, 53歲, 自二零一一年九月八日起為本公司非執行董事。陳先生持有中山大學之碩士學位並為一名中國非執業註冊會計師。彼於會計及金融領域擁有豐富經驗。陳先生曾擔任廣東省外貿開發公司之副總經理、廣東省廣新外貿集團有限公司之財務部部長、結算中心主任及副總會計師及佛山佛塑科技集團股份有限公司(一間於深圳證券交易所上市之公司)之董事。陳先生目前為廣東省廣新控股集團有限公司之副總經理。

## Directors and Senior Management 董事及高級管理人員

### Independent non-executive Directors

**Mr. Chen Mo**, aged 52, is an independent non-executive Director appointed on 29 February 2008. He obtained the lawyer qualification certificate issued by the Guangdong Provincial Department of Justice in June 1989. He has been a practicing lawyer in the PRC since 1993 and has been a partner of Goldsun Law Firm (國信聯合律師事務所) from 1998 to 2011. Mr. Chen was admitted as a lawyer by the Department of Justice of Guangdong Province in June 1989 and obtained three-level lawyer qualification (Third Grade Lawyer) from the Department of Personnel of Guangdong Province in 1999. Mr. Chen graduated from the Political Education Department of South China Normal University (華南師範大學) in 1986. He has been granted the 《律師從事證券法律業務資格證書》(Certificate of Engaging in Securities Law Business) jointly by the Ministry of Justice and China Securities Regulatory Commission in 1996, the 《律師從事集體科技企業產權界定法律業務資格證書》(Certificate of Engaging in Delimitation of Property Rights of Collective Science and Technology Enterprises) jointly by the Ministry of Justice, the Ministry of Science and Technology of the People's Republic of China and the State-owned Asset supervision and Administration Commission of the State Council in 1998, and the 《上市公司獨立董事培訓結業證》(Certificate of Completion of Training on Independent Directors of Listed Companies) by the China Securities Regulatory Commission and the School of Management of Fudan University jointly in 2001. Currently, Mr. Chen has been a partner of Guangdong Junhou Law Firm (廣東君厚律師事務所).

**Mr. Junius K. Y. Ho**, aged 54, is an independent non-executive Director appointed on 29 February 2008. He is a Senior Partner of Messrs. K.C. Ho & Fong, Solicitors & Notaries where he is the head of the Litigation and Commercial Department. He is also the Principal Representative of the Guangzhou Office. Having studied at Anglia Ruskin University in the United Kingdom (formerly known as Chelmer Institute of Higher Education), Junius obtained his Bachelor of Law Degree in 1984. He then joined the University of Hong Kong for the Post-graduate Certificate in Laws study. Junius was further awarded with the honorary degree of Doctor of Laws by Anglia Ruskin University in 2011.

### 獨立非執行董事

**陳默先生**，52歲，於二零零八年二月二十九日獲委任為本公司獨立非執行董事。一九八九年六月獲得廣東省司法廳頒發的律師執業資格證書。陳先生自一九九三年起為中國執業律師，由一九九八年至二零一一年為國信聯合律師事務所合夥人，一九八九年六月獲委任為廣東省司法廳律師，其後於一九九九年獲得廣東省人事廳三級律師資格。陳先生於一九八六年畢業於華南師範大學政治教育系，於一九九六年獲司法部及中國證券監督管理委員會聯合頒發《律師從事證券法律業務資格證書》，於一九九八年獲司法部、中華人民共和國科學技術部及國務院國有資產監督管理委員會頒發《律師從事集體科技企業產權界定法律業務資格證書》，於二零零一年獲中國證券監督管理委員會及復旦大學管理學院聯合頒發《上市公司獨立董事培訓結業證》。陳默先生現為廣東君厚律師事務所合夥人。

**何君堯先生**，54歲，於二零零八年二月二十九日獲委任為本公司獨立非執行董事。彼為何君柱律師樓的高級合夥人，主理訴訟及商業部門，亦同時兼任廣州辦事處首席代表。於英國安格利亞魯斯金大學（前稱州瑪高等教育學院）學習後，何先生於一九八四年取得法律學士學位。之後他攻讀香港大學法律研究生文憑課程。於二零一一年，何先生進一步獲安格利亞魯斯金大學頒授榮譽法學博士學位。

## Directors and Senior Management 董事及高級管理人員

Junius was admitted as a solicitor in Hong Kong in 1988. He was subsequently admitted in Singapore and England and Wales in 1995 and 1997 respectively. In 2003, he was appointed as a China-Appointed Attesting Officer.

Junius has over 20 years of legal experience and is committed in serving the community and contributing to the business economic co-operation between Hong Kong and the Mainland. Being the Past President and Council Member of the Law Society of Hong Kong, he actively participates in its current affairs. Apart from serving his own legal profession, he also serves various government and advisory boards as follows:-

1. Member of the Legislative Council (2016/2020);
2. Elected Member of the Tuen Mun District Council (2016/2019);
3. Member of the Council of Lingnan University of Hong Kong (2015/2018);
4. Arbitrator of Zhengzhou Arbitration Commission and South China International Economic and Trade Arbitration Commission (Shenzhen Court of International Arbitration);
5. Indigenous Village Representative of Leung Tin Tsuen;
6. Independent Director of Hong Kong Football Association (2011/2019);
7. Founder of Butterflyers Association Limited, a charitable organization;
8. Spokesman of New Territories Concern Group; and
9. Member of the Panel of Adjudicators of the Obscene Articles Tribunal.

何先生於一九八八年取得香港律師資格，其後分別在一九九五年及一九九七年取得新加坡及英格蘭及威爾斯律師資格。於二零零三年，彼獲委任為中國委託公證人。

何先生擁有逾20年之法律工作經驗，並致力於服務社區及促進香港與內地經貿合作。作為香港律師會之前任會長及現任理事，何先生積極參與其常務工作。除投身於其本身法律專業外，何先生亦擔任下列之多項政府及顧問部門之工作：

1. 香港特別行政區立法會議員(2016/2020)；
2. 香港屯門區區議員(2016/2019)；
3. 香港嶺南大學校董(2015/2018)；
4. 鄭州仲裁委員會國際仲裁院及華南國際經濟貿易仲裁委員會（深圳國際仲裁院）仲裁員；
5. 新界屯門良田村原居民村代表；
6. 香港足球總會獨立董事(2011/2019)；
7. 匯蝶公益有限公司創辦人；
8. 新界關注大聯盟發言人；以及
9. 管制淫褻及不雅物品審裁小組委員。



## Directors and Senior Management

### 董事及高級管理人員

**Mr. Lam, Ying Hung Andy**, aged 52, is an independent non-executive Director appointed on 29 February 2008. He is an associate member of various professional organisations, namely The Institute of Chartered Secretaries and Administrators, The Hong Kong Institute of Company Secretaries and The Hong Kong Institute of Bankers. Mr. Lam is also a fellow member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He obtained his master's degree in professional accounting from The Hong Kong Polytechnic University. Mr. Lam has over 20 years of experience in the accounting, banking and finance sectors and currently is working as the General Manager of Viking Logistics Limited, a private company which is an airfreight operator and transportation company. Mr. Lam was also the president of Dragon Junior Chamber, a local chamber affiliated with Junior Chamber International Hong Kong in 2004 and was elected as the national vice president of the Junior Chamber International Hong Kong in 2005. He is currently an independent non-executive director of Brilliant Circle Holdings International Limited and Synertone Communication Corporation.

林英鴻先生，52歲，於二零零八年二月二十九日獲委任為獨立非執行董事。林先生為多家專業機構之會員，包括英國特許秘書及行政人員公會、香港公司秘書公會及香港銀行學會，亦是英國特許公認會計師公會及香港會計師公會資深會員。林先生在香港理工大學取得專業會計碩士學位，擁有逾20年會計、銀行和金融行業經驗，目前在私人空運貨物兼運輸公司偉程物流有限公司擔任總經理。林先生於二零零四年擔任騰龍青年商會會長，該商會是國際青年商會香港總會之地方分支機構，並於二零零五年獲選為國際青年商會香港總會副會長。彼目前為貴聯控股國際有限公司和協同通信集團有限公司之獨立非執行董事。

## Directors and Senior Management 董事及高級管理人員

**Mr. Liang Shibin**, aged 76, is an independent non-executive Director appointed on 14 December 2013. He completed the programme of Nonferrous Metal and Heat Treatment in the Department of Special Metallurgy from 中南礦冶學院 (unofficial English translation being Central South Institute of Mining and Metallurgy) (now known as 中南大學 (Central South University)). From 1965 to 1982, Mr. Liang had worked in the special workshop of 東北輕合金加工廠 (unofficial English translation being Northeast Light Alloy Processing Factory) first as technician and later as engineer and specialized in atomic reactor technical matters. From 1982 to 1992, Mr. Liang had worked in 廣東省有色金屬加工廠 (unofficial English translation being Guangdong Nonferrous Metal Processing Factory) first as workshop manager, and later as deputy factory general manager and then factory general manager. From 1988 to 1992, he also served as the president of 廣東省鋁型材協會 (unofficial English translation being Guangdong Aluminium Profile Association). From 1992 to 2003, he first served as the general manager of 杭州宏昌鋁業公司 (unofficial English translation being Hangzhou Hongchang Aluminium Company) and later as the deputy general manager and chief engineer of 寧波鋁業公司 (unofficial English translation being Ningbo Aluminium Company). From 2003 to 2011, he served as a senior consultant of 福建省閩發鋁業股份有限公司 (Fujian Minfa Aluminium Co., Ltd.) (a company listed on Small and Medium-sized Enterprise Board of Shenzhen Stock Exchange with stock code: 002578). Mr. Liang has been acting as an independent director of 福建省閩發鋁業股份有限公司 (Fujian Minfa Aluminium Co., Ltd.) since April 2008.

梁世斌先生，76歲，於二零一三年十二月十四日獲委任為獨立非執行董事。彼自中南礦冶學院（現名中南大學）特種冶金系的有色金屬及熱處理專業畢業。自一九六五年至一九八二年，梁先生曾任職於東北輕合金加工廠專用車間，首先出任技術員，隨後出任工程師，專注於原子反應堆技術事宜。自一九八二年至一九九二年，梁先生曾任職於廣東省有色金屬加工廠，首先出任車間主任，隨後出任工廠副總經理及工廠總經理。自一九八八年至一九九二年，彼亦擔任廣東省鋁型材協會會長。自一九九二年至二零零三年，彼首先擔任杭州宏昌鋁業公司之總經理，隨後擔任寧波鋁業公司之副總經理兼總工程師。自二零零三年至二零一一年，彼擔任福建省閩發鋁業股份有限公司（一間於深圳證券交易所中小企業板上市之公司，股份代號：002578）之高級顧問。梁先生自二零零八年四月起一直擔任福建省閩發鋁業股份有限公司之獨立董事。

## Directors and Senior Management 董事及高級管理人員

### Alternative Director to LIU Libin

**Mr. Wong Siu Ki**, aged 41, is the Alternative Director to Mr. Liu Libin. He has extensive experience in accounting, finance and capital market fields. Currently, Mr. Wong is the Chief Investment Officer of the Group since April 2015. Prior to joining the Group, Mr. Wong worked in an international accounting firm from 1997 to 2003. Subsequently, between 2004 to 2007, Mr. Wong was appointed as the Chief Financial Officer cum Company Secretary to Eagle Brand Holdings Limited, a company listed on the main board of the Stock Exchange of Singapore. From August 2007 to April 2010, he was the Group's Chief Financial Officer and Company Secretary. From April 2010 to December 2012 Mr. Wong was appointed a non-executive Director of the Company. Since December 2012 Mr. Wong was appointed as alternative director to LIU Libin, who is the Chairman and Executive Director of the Company. Currently, Mr. Wong is an Independent Non-Executive Director to Major Holdings Limited and AMCO United Holding Limited, both are main board listed companies in Hong Kong.

Mr. Wong holds a bachelor's degree in Accountancy with First class honors from The Hong Kong Polytechnic University. Mr. Wong is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants and a member of the Institute of Chartered Accountants in England and Wales.

### Senior Management

**Mr. Lin Yan**, aged 48, is Vice President of the Company and was appointed on 26 August 2011. Mr. Lin is responsible for the sales operation of the Company. Prior to joining Xingfa Aluminium, Mr. Lin worked in a state-owned enterprise, Guangdong Metals & Minerals Import & Export Group Corporation (廣東省五金礦產進出口集團公司), with more than 20 years of experience in international trade. He was awarded a certificate of Economist by Ministry of Human Resources of the PRC in 1996. Mr. Lin held a Bachelor Degree in Economics from Jinan University, the Degree of Executive Master of Business Administration (EMBA) at South China University of Technology. Mr. Lin was also appointed as Vice General Manager of Guangdong Xingfa.

### 劉立斌之替任董事

**黃兆麒先生**，41歲，為劉立斌先生之替任董事。黃先生於會計、金融和資本市場領域擁有豐富經驗。自二零一五年四月起，黃先生現時為本集團之投資總監。加入本集團前，黃先生自一九九七年至二零零三年間在一家國際會計師行工作，其後於二零零四年至二零零七年獲鷹牌控股有限公司（一家於新加坡證券交易所主板上市之公司）委任為財務總監兼公司秘書。自二零零七年八月至二零一零年四月，彼為本集團之財務總監兼公司秘書。於二零一零年四月至二零一二年十二月，黃先生獲委任為本公司非執行董事。自二零一二年十二月起，黃先生獲委任為本公司主席兼執行董事劉立斌之替任董事。黃先生目前為美捷匯控股有限公司及雋泰控股有限公司（均為香港主板上市公司）之獨立非執行董事。

黃先生持有香港理工大學會計學學士（一級榮譽）學位，並為英國特許公認會計師公會資深會員、香港會計師公會資深會員及英格蘭及威爾斯特許會計師公會會員。

### 高級管理人員

**林巖先生**，48歲，在二零一一年八月二十六日獲委任為本公司之副總裁，負責本公司銷售業務。林先生加入興發鋁業前，於大型國有企業廣東省五金礦產進出口集團公司工作，有二十多年從事國際貿易的經驗。於一九九六年獲全國人力資源部經濟師資格。林先生持有暨南大學經濟學學士學位，華南理工大學高級工商管理碩士學位（EMBA）。林先生亦獲委任為廣東興發之副總經理。

## Directors and Senior Management 董事及高級管理人員

**Mr. Liu Yuntang**, aged 48, is the deputy general manager of the Company and is responsible for production management of the Group. Mr. Liu joined Guangdong Xingfa Aluminium Profiles Factory in 1993. Prior to joining the Group in October 1993, Mr. Liu worked at Nanhai Guangdong Cable Factory Co., Ltd. from 1991 to 1993. Mr. Liu was granted a bachelor's degree in engineering by the Guangdong Mechanics Institute in 1991. He was certified as assistant engineer in 1993 by the Nanhai City Science Technology Committee and certified as engineer in 2001 by the Foshan City Human Resources Bureau. He was awarded as senior engineer by Guangdong Human Resources and Social Security Department on 4 May 2015, and was granted a senior executive master in business administration degree by Sun Yat-sen University on 29 December 2015.

**Mr. Du Jinhong**, aged 61, is the deputy general manager of the Company and is head of the internal audit department. Prior to joining the Group in 1999, Mr. Du was the director (designate) of the finance department and chief financial officer of Xingfa Group from 1999 to 2005. From 1992 to 1999, Mr. Du worked at Nanhai Hengxing Architectural Ceramics Factory (1992 to 1993) and Nanzhuang Town Economy Development Head Office (1993 to 1999). He was certified as assistant accountant by the Nanhai City Science Technology Committee in 1993. Mr. Du holds a diploma in economics management granted by the Guangdong Administrative University in 1997.

**Mr. Guan Dubiao**, aged 46, is the deputy general manager and head of finance department of Guangdong Xingfa. Mr. Guan, senior CPA is currently the council member of Foshan City CPA Institute. Prior to joining the Group, Mr. Guan, after university graduation, started his accounting career in Foshan Nanzhuang Economic Development Company in 1991. Subsequently, Mr. Guan served as several important financial positions within the Group companies of Foshan Nanzhuang Economic Development Company. Mr. Guan joined the Group in 1999 as deputy head of finance department and Chief Accountant and subsequently promoted as head of finance department. He was further promoted as deputy general manager since September 2011.

### COMPANY SECRETARY

Mr. Tam Ka Wai, Kelvin is the company secretary of the Company. Mr. Tam is a solicitor of Leung & Lau, a law firm practising in Hong Kong laws. He has experience in corporate finance and compliances matters for the listed companies in Hong Kong. Mr. Tam was admitted as solicitor of the High Court of Hong Kong in 2013.

**劉允棠先生**，48歲，本公司副總經理，負責本集團之生產管理。劉先生於一九九三年加入廣東興發鋁型材廠。於一九九三年十月加入本集團前，劉先生於一九九一年至一九九三年任職於南海廣東電纜廠。劉先生於一九九一年獲廣東機械學院授予工程學士學位。劉先生於一九九三年獲南海市科學技術委員會評為助理工程師，於二零零一年獲佛山市人力資源局評為工程師。二零一五年五月四日廣東省人力資源和社會保障廳評為高級工程師，二零一五年十二月二十九日獲中山大學授予高級管理人員工商管理碩士學位。

**杜錦洪先生**，61歲，本公司之副總經理和稽核部主管。於一九九九年加入本集團前，杜先生於一九九九年至二零零五年擔任興發集團之財務部主管兼財務總監。自一九九二年至一九九九年，杜先生先後任職於南海市恆興建築陶瓷廠（一九九二年至一九九三年）及南莊鎮經濟發展總公司（一九九三年至一九九九年）。杜先生於一九九三年獲南海市科學技術委員會評為助理會計師，於一九九七年獲廣東行政學院頒發經濟管理文憑。

**關道標先生**，46歲，廣東興發副總經理兼財務部部長。關先生，高級會計師，現任佛山市會計學會常務理事。加入本集團前，關先生在一九九一年大學畢業後加入佛山南莊經濟發展總公司任會計工作，其後，關先生在佛山南莊經濟發展總公司之下屬公司擔任不同的主要財務職務。關先生於一九九九年加入本集團並任職財務部副部長兼主管會計，次年升任至財務部部長，二零一一年九月升任公司副總經理。

### 公司秘書

譚嘉偉先生是本公司之公司秘書。譚先生為香港執業律師行梁寶儀劉正豪律師行之律師，擁有香港上市公司企業融資及合規事宜方面之經驗。譚先生於二零一三年獲香港高等法院事務律師資格。

## Report of the Directors 董事會報告

The directors (“Directors”) of Xingfa Aluminium Holdings Limited (“Company”) present their report together with the audited consolidated financial statements of the Company and its subsidiaries (collected referred to as 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 other members of the Group are set out in note 12 in notes to the consolidated financial statements.

There were no significant changes in the nature of the Group’s principal activities during the year ended 31 December 2016.

### RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 December 2016 are set out in the consolidated statement of profit or loss on page 108 of the annual report.

### FINAL DIVIDEND

The Directors did not recommend the payment of final dividend for the year ended 31 December 2016 (2015: HK\$0.09).

興發鋁業控股有限公司(「本公司」)董事(「董事」)會呈報其報告,連同本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度之經審計綜合財務報表。

### 主要業務

本公司之主要業務為投資控股。本集團其他成員公司之主要業務詳情載於綜合財務報表附註之附註12。

於截至二零一六年十二月三十一日止年度內,本集團之主要業務性質並無重大變動。

### 業績及分配

本集團截至二零一六年十二月三十一日止年度之業績載於年報第108頁綜合損益表。

### 末期股息

董事不建議派發截至二零一六年十二月三十一日止年度之末期股息(二零一五年:0.09港元)。

## Report of the Directors 董事會報告

### CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the right to attend the forthcoming annual general meeting to be held on Friday, 30 June 2017, the register of members of the Company will be closed from Monday, 26 June 2017 to Friday, 30 June 2017 (both days inclusive). During such period, no transfer of the shares in the Company will be registered. In order to qualify for the attendance in the annual general meeting, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on Friday, 23 June 2017.

### FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years is set out on page 216.

### LOANS AND BORROWINGS

Details of the Group's loans and borrowings at the balance sheet date are set out in note 19 in notes to the consolidated financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 10 in notes to the consolidated financial statements.

As at 31 December 2016, the Group's property under development for sale amounted to approximately RMB254,278,000. Such property, namely Project Xingfa Plaza, is 100% owned by the Group and is located at the northern side of Jihua Road and the western side of Changang Road, Chancheng District, Foshan City, Guangdong Province, the PRC. The development of the property is in the final stage of construction and is scheduled to be completed in August 2017. The land use rights of the property have been granted for a term of 40 years expiring on 19 May 2050 for commercial service, office, culture and entertainment uses. The property comprises a parcel of land with a site area of approximately 16,961.36 sq.m.. Upon completion, the development will have a planned gross floor area of approximately 123,716.39 sq.m.

### 暫停辦理股份過戶登記手續

為釐定出席將於二零一七年六月三十日（星期五）舉行的應屆股東週年大會之權利，本公司將由二零一七年六月二十六日（星期一）起至二零一七年六月三十日（星期五）止（包括首尾兩日）暫停辦理股份過戶登記手續，於該期間內本公司將不會辦理任何股份過戶。為符合資格出席股東週年大會，所有過戶文件連同相關股票必須最遲於二零一七年六月二十三日（星期五）下午四時三十分前送達本公司之香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。

### 財務概要

本集團於過往五年之業績、資產及負債概要載於第216頁。

### 貸款及借貸

本集團於結算日之貸款及借貸詳情載於綜合財務報表附註之附註19。

### 物業、廠房及設備

本集團之物業、廠房及設備於年內之變動詳情載於綜合財務報表附註之附註10。

於二零一六年十二月三十一日，本集團之發展待售物業約為人民幣254,278,000元。有關物業（即興發廣場項目）由本集團擁有100%權益，位於中國廣東省佛山市禪城區季華路以北及禪港路以西。該物業的發展處於建築末期階段及計劃於二零一七年八月竣工。該物業獲授之土地使用權為期40年，於二零五零年五月十九日屆滿，作商業服務、辦公及文娛用途。該物業包括一幅地盤面積約16,961.36平方米之土地。於竣工後，該發展項目之計劃總建築面積將約為123,716.39平方米。

## Report of the Directors

### 董事會報告

#### SHARE CAPITAL

Details of the Company's paid-in capital for the year ended 31 December 2016 are set out in note 23 in notes to the consolidated financial statements.

#### DONATIONS

The Group made donation of RMB445,000 (2015: RMB132,000) for charitable or any other purposes during the Year.

#### EQUITY-LINKED AGREEMENT

Details of the equity-linked agreement entered into during the Year or subsisting at the end of the Year are set out below.

##### Share Option Scheme

The Company conditionally adopted a share option scheme ("Scheme") on 29 February 2008. The Scheme became effective on 31 March 2008. The purpose of the Scheme is to enable the Group to grant options to selected participants as incentives or rewards for their contribution to the Group.

Participants under the Scheme include directors and employees of the Group or any entity ("Invested Entity") in which the Group holds an equity interest; any suppliers, customers, advisers or consultants of the Group or any Invested Entity; any persons or entities that provide research development or other technological support to the Group or any Invested Entity; any holders of securities issued by any member of the Group or any Invested Entity; and any other groups or classes of participants whom the Board considers have contributed or will contribute to the Group.

The principal terms of the Scheme are summarised as follows:

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Group must not exceed 41,800,000 Shares, being 10% of Shares in issue on the date of listing of the Shares on the Stock Exchange unless approval of the shareholders of the Company ("Shareholders") has been obtained, and which must not in aggregate exceed 30% of the Shares in issue from time to time.

#### 股本

本公司截至二零一六年十二月三十一日止年度之實繳股本詳情載於綜合財務報表附註之附註23。

#### 捐款

於本年度，本集團作出人民幣445,000元（二零一五年：人民幣132,000元）之慈善捐款或作任何其他用途。

#### 股權掛鈎協議

於本年內訂立或於本年末存續之股權掛鈎協議詳情載於下文。

##### 購股權計劃

本公司於二零零八年二月二十九日有條件地採納一項購股權計劃（「該計劃」）。該計劃於二零零八年三月三十一日生效。該計劃旨在讓本集團向獲挑選參與者授出購股權作為彼等對本集團貢獻之鼓勵或獎勵。

該計劃項下之參與者包括本集團或本集團持有股權之任何實體（「投資實體」）之董事及僱員；本集團或任何投資實體之任何供應商、客戶、顧問或諮詢人；向本集團或任何投資實體提供研發或其他科技支援之任何人士或實體；本集團任何成員公司或任何投資實體所發行證券之任何持有人；及任何董事會認為對本集團已或將作出貢獻之其他組別或類別之參與者。

該計劃之主要條款概述如下：

根據該計劃及本集團任何其他計劃將予授出之所有購股權獲行使而可予發行之最高股份數目不得超過41,800,000股股份，即股份於聯交所上市日期已發行股份之10%，除非已取得本公司股東（「股東」）批准，且合共不得超過不時已發行股份之30%。

## Report of the Directors 董事會報告

No share option was granted by the Company since its adoption. As at the date of this report, the total number of Shares available for issue under the Scheme is 41,800,000 Shares, which represents 10% of the issued Shares as at the date of listing of the Shares on the Stock Exchange and as at the date of this report.

The maximum number of Shares issued and to be issued upon exercise of the options granted to each eligible participant (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued Shares from time to time.

The subscription price for the Shares under the Scheme shall be such price as the board of Directors (“Board”) may in its absolute discretion determine at the time of grant of the option but the subscription price shall not be less than the highest of (i) the closing price of a Share as stated in the Stock Exchange’s daily quotation sheets on the date of the Board approving the grant of an option, which must be a business day (“Offer Date”); (ii) the average closing price of a Share as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share.

An option may be exercised in whole or in part in accordance with the terms of the Scheme at any time during the period commencing immediately after the business day on which the option is deemed to be granted and accepted in accordance with the Scheme (“Commencement Date”) and expiring on such date of the expiry of the option as the Board may in its absolute discretion determine and which shall not exceed ten years from the Commencement Date but subject to the provisions for early termination thereof as set out in the Scheme.

Upon acceptance of the grant of an option, the grantee shall pay HK\$1.00 to the Company as nominal consideration for the grant.

The Scheme shall be valid and effective for a period of 10 years commencing on 31 March 2008.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company’s articles of association (“Articles”) or the laws of the Cayman Islands, 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.

自採納以來，本公司並無授予購股權。於本報告日期，根據該計劃可供發行之股份總數為41,800,000股股份，相當於股份於聯交所上市日期及於本報告日期已發行股份之10%。

因於任何12個月期間發行予每名合資格參與者之購股權（包括已行使及未行使購股權）獲行使而已發行及將予發行股份之最高數目，不得超過不時已發行股份之1%。

該計劃項下股份之認購價將為董事會（「董事會」）可能於授出購股權時全權酌情釐定之有關價格，惟認購價不得低於下列之最高者：(i)於董事會批准授出購股權日期（必須為營業日（「發售日期」））股份於聯交所每日報價表所示之收市價；(ii)緊接發售日期前五個營業日股份於聯交所每日報價表所示之平均收市價；及(iii)股份面值。

購股權可於緊隨被視為已根據該計劃獲授予及接納之營業日後開始（「開始日期」）至董事會可能全權酌情決定該購股權屆滿日期之期間內隨時根據該計劃之條款獲全數或部份行使，有關期間不得超過開始日期起十年，惟須受該計劃所載之提早終止條文所限。

於接納授予購股權後，承授人須向本公司支付1.00港元作為授予之名義代價。

該計劃由二零零八年三月三十一日起10年內有效及生效。

### 優先購買權

本公司之組織章程細則（「細則」）或開曼群島（即本公司註冊成立之司法權區）法例並無優先購買權之規定，致使本公司必須按比例向現有股東提呈發售新股份。



## Report of the Directors 董事會報告

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

### RESERVES

Details of movements in the reserves of the Group during the year are set out in note 23 in notes to the consolidated financial statements and in the consolidated statement of changes in equity.

### DISTRIBUTABLE RESERVES

As at 31 December 2016, the Company's reserves available for distribution calculated in accordance with the Companies, Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands amounted to RMB621,087,000 (2015: RMB605,869,000).

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2016, sales to the Group's five largest customers accounted for 20.3% (2015: 22.2%) of the Group's revenue where sales to the largest customer accounted for 8.5% (2015: 6.7%) of the Group's revenue.

For the year ended 31 December 2016, purchases from the five largest suppliers accounted for approximately 54.5% (2015: 55.6%) of the Group's total cost of purchase whereas purchases from the largest supplier accounted for approximately 30.9% (2015: 20.6%) of the Group's total cost of purchase.

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 customers or five largest suppliers during the year ended 31 December 2016.

### 購買、出售或贖回本公司上市證券

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

### 儲備

本集團儲備於年內之變動詳情載於綜合財務報表附註之附註23及綜合權益變動表。

### 可供分派儲備

於二零一六年十二月三十一日，本公司根據開曼群島法例第22章公司法（一九六一年第3號法例，經綜合及修訂）計算並可用作分派之儲備達人民幣621,087,000元（二零一五年：人民幣605,869,000元）。

### 主要客戶及供應商

截至二零一六年十二月三十一日止年度，本集團向五大客戶之銷售額佔本集團營業額20.3%（二零一五年：22.2%），而向最大客戶之營業額佔本集團營業額8.5%（二零一五年：6.7%）。

截至二零一六年十二月三十一日止年度，向五大供應商之採購額佔本集團總採購成本約54.5%（二零一五年：55.6%），而向最大供應商之採購額佔本集團總採購成本約30.9%（二零一五年：20.6%）。

於截至二零一六年十二月三十一日止年度內，董事或彼等任何緊密聯繫人士或任何股東（就董事所深知，擁有本公司已發行股本5%以上）概無擁有本集團五大客戶或五大供應商之任何實益權益。

## Report of the Directors 董事會報告

### BUSINESS REVIEW

Below is a business review of this report as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong). The discussion on a fair review of the Group's business, financial key performance indicators and performance and indication of future development of the Group for the year ended 31 December 2016 can be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. Those discussions form part of this report of the Directors.

### PRINCIPAL RISKS AND UNCERTAINTIES FACING THE GROUP

The Group is exposed to various risks and uncertainties. The effects of such risks may vary over time. The following table sets forth material risks classified by the Group and the relevant alleviating measures for each material risk for the management of such risks.

#### Business Risk

Firstly, most of the Group's revenue was generated from customers in the PRC. Should there be any material adverse change in the political, economic, legal or social conditions in the PRC and the Group is unable to divert sales to other markets outside of the PRC, the turnover, profitability and prospects may be adversely affected.

In order to alleviate such risk, the Group will put efforts to expand overseas market and increase the proportion of overseas sales. The Group will also continue to review competitive edges of the Group in the industry and market trend.

Secondly, the Group's production activities of aluminium profiles rely on, among other things, sufficient and uninterrupted supply of aluminium ingots, being our principal raw materials. The Group procures such principal raw materials from several major suppliers and has not entered into any long-term purchase contracts with any of our major suppliers of aluminium ingots for flexibility in purchasing aluminium ingots at competitive prices at various times.

### 業務回顧

按香港法例第622章公司條例附表5規定所作出的截至二零一六年十二月三十一日止年度本年報業務公平回顧及本集團表現的討論(包括本集團業務、財務關鍵績效指標、業績及預計日後發展)載於本年報「主席報告」及「管理層討論及分析」章節。該等討論組成本董事會報告一部分。

### 本集團面臨之主要風險及不明朗因素

本集團面臨若干風險及不明朗因素。該等風險之影響可不時發生變動。下表載列本集團分類之重大風險及就各重大風險的相關應對措施,以管理有關風險。

#### 業務風險

首先,本集團大部分營業額產生自中國客戶。倘中國政治、經濟、法律或社會環境出現任何重大不利變動,而本集團未能將銷售轉移至中國境外的其他市場,則營業額、盈利能力及前景可能收到不利影響。

為降低有關風險,本集團將致力拓展海外市場及增加海外銷售比例。本集團亦將繼續檢討本集團於業內之競爭優勢及市場趨勢。

其次,本集團鋁型材的生產活動依賴(其中包括)主要原材料鋁錠的充足及不間斷供應。本集團自若干主要供應商採購有關主要原材料,及並未與任何主要鋁錠供應商訂立任何長期購買合約,以於不同時期可按競爭性價格靈活購買鋁錠。

## Report of the Directors

### 董事會報告

In order to alleviate such risk, the Group will conduct investigation and assessment on suppliers periodically to ensure stable supply source of raw materials.

#### Financial risks

Delayed payments of customers who were granted credit period by the Group will increase the Group's exposure to financial risks and have an impact on financial performance and operating cash flows of the Group.

In order to alleviate such risk, the Group will review accounts receivable due from major customers on a regular basis and control over it to an appropriate level. The Group will also manage and control strictly internally and put additional efforts to collect trade receivables overdue.

## KEY RELATIONSHIPS

### 1. Employees

Human resources are the most valuable asset of the Group. Developing and retaining talents are vital to our success. The Group is committed to providing our employees with a safe, pleasant and healthy working environment. The Group rewards and recognises employees by competitive remuneration package and implements a key performance index scheme with appropriate incentives, and promote career development and progression by providing opportunities for career advancement.

In addition, each department of the Group is responsible for determining its training needs for employee in its department and any suggested applicable training courses either arranged internally or by external service providers shall be submitted to the senior management of the Group for approval. Knowledge, skills and capacities of employees are vital to continuous business growth and success of the Group. The Group strives to ensure that all employees can fulfill the relevant job requirements in terms of education, training, technical and work experience.

為降低有關風險，本集團將定期對供應商進行調查及評估以確保原材料供應源的穩定。

#### 金融風險

獲授予本集團信貸期的客戶若延遲付款將令本集團面臨的金融風險增加及對本集團之財務表現及營運現金流產生影響。

為降低有關風險，本集團將定期審閱應收主要客戶之賬款並將其控制在適當水平。本集團亦實施嚴密的內部管理及監控並盡力收回逾期應收賬款。

## 主要關係

### 1. 僱員

人力資源是本集團最具價值之資產。培養及留聘人才對我們的成功至關重要。本集團致力於為我們的僱員提供安全、舒適及健康的工作環境。本集團透過提供有競爭力的薪酬待遇以獎勵及認可我們的僱員，實施附帶適當激勵的主要業績指標計劃，通過提供晉升機會促進僱員職業生涯發展。

此外，本集團各部門負責確定本部門僱員培訓需求，內部安排或外界服務提供商建議的任何相關培訓課程須交由本集團高級管理層批准。僱員的知識、技能及能力對於本集團業務持續增長及成功至關重要。本集團致力確保所有僱員在教育、培訓、技術及工作經驗方面均符合相關工作要求。

## Report of the Directors 董事會報告

### 2 Suppliers

We have developed long-standing relationships with a number of our vendors and take great care to ensure that they share our commitment to quality and ethics. We carefully select our suppliers and require them to satisfy certain assessment criteria including track record, experience, financial strength, reputation, ability to produce high-quality products and quality control effectiveness.

### 3 Distributors and customers

We sell our products to distributors and customers. We require our distributors and customers to comply with the relevant laws and regulations and our sales and marketing policies, including but not limited to selling price, promotional activities and use of our ERP system. We also monitor the financial condition and repayment history of our distributors and customers, and sales performance of them.

## ENVIRONMENTAL POLICIES AND PERFORMANCES

As a supporter of environmental protection, the Company strives for efficient and effective use of energy and resources in operation and management level of the Company. Energy conservation is a priority under environmental protection and energy-saving devices are used to reduce power consumption for lights. To enhance environmental awareness and encourage daily participation among the staff, there are policies in relation to energy conservation so as to minimize negative environmental impacts.

A further discussion of the environmental policies of the Group is contained in the Environmental, Social and Governance Report of the Company.

### 2 供應商

我們已與我們的賣方建立長期的合作關係，並盡力確保其遵守我們對質素及道德的承諾。我們審慎挑選供應商，並要求其滿足若干評估標準，包括往績記錄、經驗、財務實力、聲譽、生產高質素產品的能力及質量控制效力。

### 3 分銷商及客戶

我們向分銷商及客戶銷售我們的產品。我們要求分銷商及客戶遵守相關法律法規以及我們的銷售及市場政策（包括但不限於銷售價格、推廣活動以及我們的ERP系統的使用）。我們亦會監控分銷商及客戶之財務狀況及過往付款情況，以及彼等的銷售表現。

## 環保政策及表現

作為環保擁護者，本公司致力在本公司的營運及管理層面做好高效利用能源及資源工作。環保以節能為先，本公司已使用節能裝置減少照明電力消耗。為提高環保意識及鼓勵員工日常參與環保，本公司已制定多項節能政策，致力將對環境的負面影響降至最低。

有關本集團環境政策的進一步討論載於本公司環境、社會及管治報告。

## Report of the Directors 董事會報告

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with relevant requirements could lead to adverse impact on business operation and financial position of the Group. The Board as a whole is responsible to ensure the Group is in compliance with relevant laws and regulations that have a significant impact on the Company. During the course of the business operations, the Group shall comply with different laws and regulations, including i) laws regarding employee recruitment and benefits, such as the “Labor Law of the PRC”, the “Labor Contract Law of the PRC”, and the “Rulings of Implementing the Labor Contract Law of the PRC”; and ii) the PRC national and local laws and regulations with respect of environmental protection, including the Environmental Protection Law of the PRC. For the year ended 31 December 2016, the Group was in strict compliance with these said laws and regulations.

### DIRECTORS

The Directors during the year ended 31 December 2016 and as at the date of this report were:

#### Executive Directors:

Mr. LIU Libin (*Chairman*)  
Mr. LUO Su (*Honorary Chairman*)  
Mr. LUO Riming (*Chief Executive Officer*)  
Mr. LIAO Yuqing  
Mr. DAI Feng (*Chief Financial Officer*)  
Mr. LAW Yung Koon  
Mr. WANG Zhihua

#### Non-executive Director:

Mr. CHEN Shengguang

#### Independent non-executive Directors:

Mr. CHEN Mo  
Mr. HO Kwan Yiu  
Mr. LAM Ying Hung Andy  
Mr. LIANG Shibin

### 遵守相關法律及法規

本集團深明遵守監管規定的重要性及不遵守相關規定會對本集團業務營運及財務狀況帶來不利影響之風險。董事會整體負責確保本集團遵守對本公司有重大影響之相關法律及法規。於業務營運過程中，本集團須遵守各類法律法規，包括 i) 有關員工招募及福利的法律，如《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及《中華人民共和國勞動合同法實施條例》；及 ii) 有關環境保護的中國國家及地方法律法規，包括中國環境保護法。本集團於截至二零一六年十二月三十一日止年度已嚴格遵守上述法律法規。

### 董事

於截至二零一六年十二月三十一日止年度內及截至本報告日期之董事如下：

#### 執行董事：

劉立斌先生 (主席)  
羅蘇先生 (榮譽主席)  
羅日明先生 (行政總裁)  
廖玉慶先生  
戴鋒先生 (財務總監)  
羅用冠先生  
王志華先生

#### 非執行董事：

陳勝光先生

#### 獨立非執行董事：

陳默先生  
何君堯先生  
林英鴻先生  
梁世斌先生

## Report of the Directors 董事會報告

### Alternative Directors to Mr. Liu Libin

Mr. WONG Siu Ki (*Chief Investment Officer*)

In accordance with Articles 108(A) and 108(B) of the Articles, each of Mr. LIU Libin, Mr. LUO Riming, Mr. LIAO Yuqing and Mr. DAI Feng will retire from the office of Director by rotation and each of them, being eligible, will offer himself for re-election at the Annual General Meeting.

Mr. LAW Yung Koon has entered into a service agreement with the Company for a fixed term of three years commencing from 1 May 2009 and his term of appointment has been renewed for a further three years commencing on 1 May 2012 and thereafter for a further three years commencing from 1 May 2015.

Each of Mr. CHEN Mo, Mr. HO Kwan Yiu and Mr. LAM Ying Hung Andy has been appointed for a fixed term of two years commencing from 1 March 2016.

Mr. LIANG Shibin has entered into an appointment letter with the Company for a fixed term of three years commencing from 14 December 2012 and thereafter for a further three years commencing from 14 December 2015.

Save as disclosed above, none of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and the Company considered all the independent non-executive Directors to be independent.

### 劉立斌先生之替任董事

黃兆麒先生 (投資總監)

根據細則第108(A)及108(B)條，劉立斌先生、羅日明先生、廖玉慶先生及戴鋒先生各自將輪席退任董事職務，而彼等各自將合資格並願意於股東週年大會上膺選連任。

羅用冠先生已與本公司訂立服務協議，由二零零九年五月一日起固定為期三年，而彼之任期已自二零一二年五月一日起另行續期三年及隨後自二零一五年五月一日起另行續期三年。

陳默先生、何君堯先生及林英鴻先生各自之固定委任年期由二零一六年三月一日起，為期兩年。

梁世斌先生已與本公司訂立委任函件，由二零一二年十二月十四日起固定為期三年及隨後自二零一五年十二月十四日起另行續期三年。

除上文所披露者外，概無董事與本公司或其任何附屬公司訂立本集團不可於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

本公司已根據聯交所證券上市規則（「上市規則」）第3.13條自每名獨立非執行董事取得有關其獨立性之年度確認書，而本公司認為全體獨立非執行董事均為獨立人士。

## Report of the Directors 董事會報告

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the Directors and the senior management of the Group are set out on pages 19 to 27 of the annual report.

#### Human resources

As at 31 December 2016, our Group employed a total of approximately 6,091 full time employees in the PRC which included management staff, technicians, salespersons and workers. In 2016, our Group's total expenses on the remuneration of employees were approximately RMB503.5 million, represented 9.0% of the revenue of our Group. Our Group's emolument policies are formulated on the performance of individual employees, which will be reviewed regularly every year. Apart from the provident fund scheme (according to the provisions of the Mandatory Provident Fund Schemes Ordinance for Hong Kong employees) or state-managed retirement pension scheme (for the PRC employees) and medical insurance, discretionary bonuses and employee share options are also awarded to employees according to the assessment of individual performance.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in the paragraph headed "Equity-linked Agreement" in this report.

### CONTRACT OF SIGNIFICANCE

Save as disclosed in note 27 in notes to the consolidated financial statements and in the paragraph headed "Connected transactions" in this report, (i) no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company, its holding company or any of its subsidiaries was a party during the year ended 31 December 2016; and (ii) no other contract of significance was entered into by, and/or subsisted between the Company or any of its subsidiaries with the controlling shareholder during the Year; and there is no other contract of significance in relation to provision of services by the controlling shareholder or any of its subsidiaries to the Group.

### 董事及高級管理層履歷

本集團董事及高級管理層之履歷詳情載於年報第19至27頁。

#### 人力資源

於二零一六年十二月三十一日，本集團於中國聘用合共約6,091名全職僱員，包括管理員工、技術人員、銷售人員及工人。於二零一六年，本集團之僱員薪酬總開支約為人民幣503,500,000元，佔本集團營業額9.0%。本集團之酬金政策乃按個別僱員之表現而制定，並會每年進行定期檢討。除根據強制性公積金計劃條例之規定為香港僱員設立公積金計劃，或為中國僱員參與國家管理之退休金計劃以及醫療保險外，本集團亦會根據個別表現評估結果向僱員提供酌情花紅及僱員購股權作為獎勵。

為鼓勵董事及合資格僱員，本公司已採納一項購股權計劃，計劃詳情載於本報告「股權掛鈎協議」一段內。

### 重大合約

除綜合財務報表附註之附註27及本報告「關連交易」一段所披露者外，(i)於截至二零一六年十二月三十一日止年度內，概無董事於本公司、其控股公司或其任何附屬公司所訂立任何對本集團業務重要之合約中直接或間接擁有重大權益；及(ii)本公司或其任何附屬公司與控股股東之間概無於年內訂立、及／或存在任何其他重大合約；及概無涉及本集團控股股東或任何附屬公司提供服務之任何其他重大合約。

## Report of the Directors 董事會報告

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

### 董事於本公司及其相聯法團之股份、 相關股份及債權證中之權益

As at 31 December 2016, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (“SFO”)) as recorded in the register required to be kept by the Company under section 352 of the SFO, or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 of the Listing Rules (“Model Code”), to be notified to the Company and the Stock Exchange, were as follows:

於二零一六年十二月三十一日，按本公司根據香港法例第571章證券及期貨條例（「證券及期貨條例」）第352條須予保存之登記冊所記錄，或根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）必須知會本公司及聯交所之資料，各董事及本公司主要行政人員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）之股份、相關股份及債權證之權益及淡倉如下：

#### Long position

#### 好倉

Company/Name of associated corporations 本公司／相聯法團名稱	Name of directors 董事姓名	Capacity 身份	Number and class of securities 證券數目及類別	Percentage shareholding in the same class of securities as at 31 December 2016 佔於二零一六年 十二月三十一日 同類證券持股量 百分比
Company 本公司	LUO Su 羅蘇	Beneficial owner 實益擁有人	57,109,200 ordinary Shares 57,109,200股 普通股	13.66%
Company 本公司	LUO Riming 羅日明	Beneficial owner 實益擁有人	51,813,700 ordinary Shares 51,813,700股 普通股	12.40%
Company 本公司	LIAO Yuqing 廖玉慶	Beneficial owner 實益擁有人	48,200,100 ordinary Shares 48,200,100股 普通股	11.53%



## Report of the Directors

### 董事會報告

Company/Name of associated corporations 本公司／相聯法團名稱	Name of directors 董事姓名	Capacity 身份	Number and class of securities 證券數目及類別	Percentage shareholding in the same class of securities as at 31 December 2016 佔於二零一六年十二月三十一日同類證券持股量百分比
Company 本公司	LAW Yung Koon 羅用冠	Beneficial owner 實益擁有人	19,050,000 ordinary Shares 19,050,000股 普通股	4.56%
		Interest of spouse 配偶權益	1,719,000 ordinary Shares 1,719,000股 普通股	0.41%
Company 本公司	WONG Siu Ki 黃兆麒	Beneficial owner 實益擁有人	50,000 ordinary Shares 50,000股 普通股	0.01%

Save as disclosed above, as at 31 December 2016, none of the Directors or the chief executive of the Company had registered an interest or short position in the shares, underlying shares of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year ended 31 December 2016 were rights to acquire benefits by means of the acquisitions of Shares in or debentures of the Company granted to any Director or their respective spouse or minor children, or were any such rights exercised by them; or was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

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概無登記於本公司或其任何相聯法團之股份、相關股份中擁有的根據證券及期貨條例第352條須予記錄或根據標準守則須知會本公司及聯交所之權益或淡倉。

### 董事購買股份之權利

於截至二零一六年十二月三十一日止年度內任何時間概無授予任何董事或彼等各自之配偶或未成年子女可透過購入本公司股份或債權證而獲益之權利，或由彼等行使任何該等權利；或由本公司或其任何附屬公司訂立任何安排致使董事可於任何其他法人團體獲得該等權利。

## Report of the Directors 董事會報告

### DIRECTOR'S INTERESTS IN COMPETING BUSINESS

Save as disclosed in the prospectus of the Company dated 17 March 2008, none of the Directors hold any interests in any competing business against the Company or any of its subsidiaries for the year ended 31 December 2016.

### SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS WHO ARE REQUIRED TO DISCLOSE THEIR INTERESTS PURSUANT TO PART XV OF THE SFO

As at 31 December 2016, the following persons, other than a Director or the executive of the Company, had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register required to be kept by the Company under section 336 of the SFO:

#### Long position

### 董事於競爭業務之權益

除本公司於二零零八年三月十七日刊發之售股章程所披露者外，截至二零一六年十二月三十一日止年度，董事概無於任何與本公司或其任何附屬公司進行競爭之業務中擁有任何權益。

### 根據證券及期貨條例第XV部須披露彼等之權益之主要股東及其他人士

於二零一六年十二月三十一日，下列人士（董事或本公司行政人員除外）於本公司之股份及相關股份中擁有權益或淡倉而須記錄於本公司根據證券及期貨條例第336條而存置之登記冊內：

#### 好倉

Name of entities 實體名稱	Capacity 身份	Number and class of Securities 證券數目及類別	Percentage shareholding in the same class of securities as at 31 December 2016 佔於二零一六年 十二月三十一日 同類證券持股量 百分比
Guangxin Aluminium (HK) Limited 香港廣新鋁業有限公司	Beneficial owner 實益擁有人	125,360,000 ordinary Shares 125,360,000股 普通股	29.99%
Guangxin Aluminium (HK) Limited 香港廣新鋁業有限公司	Interest of controlled corporation 受控制法團權益	125,360,000 ordinary Shares 125,360,000股 普通股	29.99%
State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province 廣東省人民政府國有資產監督 管理委員會	Interest of controlled corporation 受控制法團權益	125,360,000 ordinary Shares 125,360,000股 普通股	29.99%

## Report of the Directors 董事會報告

Save as disclosed above and in the paragraph headed “Directors’ interests in shares, underlying shares and debentures of the Company and its associated corporations” above, as at 31 December 2016, no other person had interests or short positions in the shares and underlying shares of the Company which are required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

除上文及於「董事於本公司及其相聯法團之股份、相關股份及債權證中之權益」一段所披露者外，於二零一六年十二月三十一日，概無其他人士於本公司之股份及相關股份中擁有權益或淡倉而須記錄於本公司根據證券及期貨條例第336條而存置之登記冊內。

### CONNECTED TRANSACTIONS

A. The following entities are connected parties of the Company and had continuing connected transactions with the Group during the year ended 31 December 2016:

### 關連交易

A. 以下公司為本公司之關連人士，並於截至二零一六年十二月三十一日止年度內與本集團進行持續關連交易：

Name of the entity 實體名稱	Connection with the Company 與本公司之關係
Guangdong Xingfa Curtain Wall, Door & Window Co., Ltd. (“Xingfa Curtain Wall”) 廣東興發幕牆門窗有限公司 (「興發幕牆」)	Owned as to 46% by Mr. LUO Su, as to 33% by Mr. LUO Riming and as to 21% by Mr. LIAO Yuqing. Each of Mr. LUO Su, Mr. LUO Riming and Mr. LIAO Yuqing is an executive Director. 分別由羅蘇先生、羅日明先生及廖玉慶先生擁有46%、33%及21%權益。羅蘇先生、羅日明先生及廖玉慶先生各自為執行董事。
Guangzhou Jinxing Construction Technology Co., Ltd. (“Guangzhou Jinxing”) 廣州景興建築科技有限公司 (「廣州景興」)	A shareholder holding 20% equity interests in Jiangxi Province Jingxing Aluminium Panel Manufacturing Co., Ltd (“江西省景興鋁模板製造有限公司”) (“Jiangxi Jingxing”), a company which the Group holds the remaining 80% equity interests and accounted for as an associate of the Group. 持有江西省景興鋁模板製造有限公司 (「江西景興」) 20% 股權之股東，江西景興餘下80% 股權由本集團持有，作為本集團聯營公司入賬。

B. During the year ended 31 December 2016, the following continuing connected transactions were non-exempt continuing connected transactions and are subject to announcement requirements.

B. 於截至二零一六年十二月三十一日止年度，下列持續關連交易為非豁免持續關連交易，並須遵守公佈規定。

## Report of the Directors 董事會報告

1. The following is a brief description of the continuing connected transactions:
1. 以下為持續關連交易之簡介：
- i. Sale of aluminium profiles by Guangdong Xingfa to Xingfa Curtain Wall  
廣東興發向興發幕牆銷售鋁型材
- During the year ended 31 December 2016, Guangdong Xingfa sold to Xingfa Curtain Wall certain construction materials specified by Xingfa Curtain Wall. The construction materials purchased by Xingfa Curtain Wall were further processed into window and curtain wall and sold to its customers.  
於截至二零一六年十二月三十一日止年度內，廣東興發向興發幕牆出售興發幕牆指定之若干建材。興發幕牆將購入之建材再加工為門窗及幕牆後向其客戶出售。
- For the year ended 31 December 2016, Guangdong Xingfa sold construction materials to Xingfa Curtain Wall for approximately RMB160,483,000.  
截至二零一六年十二月三十一日止年度，廣東興發銷售予興發幕牆之建材約人民幣160,483,000元。
- ii. Granting of a right to use the patents and other related technologies and services by Guangzhou Jingxing to Jiangxi Jingxing  
廣州景興向江西景興授出使用專利及其他相關技術與服務的權利
- During the year ended 31 December 2016, Guangzhou Jingxing agreed to grant to Jiangxi Jingxing a right to use of certain patents and other related technologies and services.  
於截至二零一六年十二月三十一日止年度內，廣州景興同意向江西景興授出使用若干專利及其他相關技術與服務的權利。
- For the year ended 31 December 2016, Jiangxi Jianxing has paid RMB2,377,000 licence and service fee to Guangzhou Jingxing.  
截至二零一六年十二月三十一日止年度，江西景興已向廣州景興支付許可及服務費人民幣2,377,000元。

## Report of the Directors

### 董事會報告

2. Set out below is the annual caps for the year ended 31 December 2016 of each of the continuing connected transactions set out above:

2. 下文載列上文所載每項持續關連交易截至二零一六年十二月三十一日止年度之年度上限：

**For the year ended  
31 December 2016  
截至二零一六年  
十二月三十一日止年度**

i. Sale of aluminium profiles by Guangdong Xingfa to Xingfa Curtain Wall	RMB220,000,000
i. 廣東興發向興發幕牆銷售鋁型材	人民幣220,000,000元
ii. Granting of a right to use the patents and other related technologies and services by Guangzhou Jingxing to Jiangxi Jingxing	RMB3,200,000
ii. 廣州景興向江西景興授出使用專利及其他相關技術與服務的權利	人民幣3,200,000元

3. Views of the independent non-executive Directors:

3. 獨立非執行董事之觀點：

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

獨立非執行董事已審閱上述持續關連交易，並確認該等交易乃：

- (1) in the ordinary and usual course of business of the Company;
- (2) on normal commercial terms or terms no less favourable to the Company than terms available to or from independent third parties; and
- (3) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

- (1) 於本公司一般及日常業務過程中訂立；
- (2) 按一般商業條款或不遜於本公司向獨立第三方提供或取得之條款訂立；及
- (3) 根據規管該等交易之相關協議並按公平合理之條款訂立，且符合本公司股東之整體利益。

The Company also confirmed that it has followed the pricing policies and guidelines when determining the price and terms of the transactions during the year.

本公司亦確認其已於年內在釐定交易之價格及條款時遵守定價政策及指引。

## Report of the Directors 董事會報告

4. The auditor of the Company was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued his letter to the Board containing his findings and conclusions in respect of the continuing connected transactions as set out above 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 Stock Exchange of Hong Kong Limited which stated that:
- a. nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;
  - b. for transactions involving the provision of goods or services by the Group, nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
  - c. nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;
4. 根據香港會計師公會發佈之香港核證委聘準則第3000號(經修訂)「歷史財務資料審核或審閱以外之核證委聘」並參考實務說明第740號「香港上市規則規定之持續關連交易之核數師函件」,本公司核數師已受聘對本集團持續關連交易作出報告。根據上市規則第14A.56條,核數師已就上述所載之持續關連交易向董事會發出載有其調查結果及結論之函件。本公司已向香港聯合交易所有限公司提供核數師函件之副本,當中表明:
- a. 核數師並無發現任何事項,令其相信所披露持續關連交易並未獲本公司董事會批准;
  - b. 就涉及本集團提供貨物或服務之交易而言,核數師並無發現任何事項,令其相信該等所披露持續關連交易於所有重大方面並未根據本集團之定價政策進行;
  - c. 核數師並無發現任何事項,令其相信該等所披露持續關連交易於所有方面並未根據規管該等交易之相關協議進行;

## Report of the Directors 董事會報告

d. with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to the attention of the auditor that causes the auditor to believe the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

C. The Directors confirm that the material related party transactions as disclosed in note 27 to the consolidated financial statements (except the transactions with Jiangxi Jingxing) fall under the definition of “connected transaction” or “continuing connected transaction” (as the case may be) in Chapter 14A of the Listing Rules. The Directors confirm that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

d. 就各項持續關連交易之總額而言，核數師並無發現任何事項，令其相信該等所披露持續關連交易已超出本公司所設定之年度上限。

C. 董事確認，綜合財務報表附註27所披露之重大關連方交易（與江西景興的交易除外）屬於上市規則第14A章定義下之「關連交易」或「持續關連交易」（視情況而定）。董事確認，本公司已遵守上市規則第14A章之披露規定。

### CORPORATE GOVERNANCE

In the opinion of the directors of the Company, save as set out in the Company’s corporate governance report in this annual report, the Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for year ended 31 December 2016.

### MODEL CODE

The Company adopted a set of codes for securities transactions on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct for securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code during the year ended 31 December 2016.

### PERMITTED INDEMNITY PROVISION

During the Year and as at the date of this report, an indemnity provision was in force such that the Directors should be indemnified by Company against all actions, costs, charges, losses, damages and expenses they may incur or sustain in the execution of their duty.

### 企業管治

本公司董事認為，除本年報內本公司之企業管治報告所載者外，本公司於截至二零一六年十二月三十一日年度內一直遵守上市規則附錄14所載之企業管治守則之全部守則條文。

### 標準守則

本公司已採納一套條款並不較上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）所載之條款寬鬆之證券交易守則作為其本身之證券交易操守守則。經向全體董事作出具體查詢後，全體董事確認彼等於截至二零一六年十二月三十一日止年度內已遵守標準守則所載之規定標準。

### 獲准許的彌償條文

於本年度內及截至本報告日期，彌償條文已生效，據此，董事獲本公司彌償於履行彼等之職責時可能產生或面臨的所有訴訟、成本、費用、虧損、損失及開支。

## Report of the Directors 董事會報告

### EVENTS AFTER THE END OF THE FINANCIAL YEAR

As disclosed in the Company's announcement dated 22 September 2016 (the "Joint Announcement") jointly issued by the Company, Guangxin Aluminium (HK) Limited, Mr. Luo Su, Mr. Luo Riming, Mr. Liao Yuqing, Mr. Law Yung Koon and Ms. Lam Yuk Ying (together, the "Joint Offerors"), the Joint Offerors put forward a pre-conditional proposal for the privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Law, Cap. 22 (Law 3 of 1961), as consolidated and revised, of the Cayman Islands. The pre-condition to make the proposal was satisfied on 21 March 2017. As at the date of this report, the proposal and the scheme of arrangement were still subject to a number of conditions and had not yet become effective. Further details of the proposal and the scheme of arrangement are set out in the Joint Announcement.

Save as disclosed above, there were not important events affecting the Company that have occurred since the end of the Year.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained sufficient public float as at the date of this report.

### AUDITORS

The financial statements have been audited by KPMG who shall retire and, being eligible, will offer themselves for re-appointment at the forthcoming Annual General Meeting. A resolution will be proposed at the forthcoming Annual General Meeting to re-appoint KPMG as auditors of the Company.

On behalf of the Board of Directors

**LIU Libin**  
Chairman

Foshan China, 31 March 2017

### 財政年度末之後之事件

誠如本公司、香港廣新鋁業有限公司、羅蘇先生、羅日明先生、廖玉慶先生、羅用冠先生及林玉英女士（合稱「聯合要約人」）聯合刊發之本公司日期為二零一六年九月二十二日之公佈（「聯合公佈」）所披露，聯合要約人提呈有關根據開曼群島法例第22章公司法（一九六一年法例三）（經綜合及修訂）第86條透過協議安排將本公司私有化之附有前提條件之建議。建議之先決條件已於二零一七年三月二十一日獲達成。於本報告日期，建議及協議安排仍須達成若干條件後方可作實及尚未生效。有關建議及協議安排之進一步詳情載於聯合公佈。

除上文所披露者外，自年末以來，概無發生影響本公司之重要事件。

### 足夠公眾持股量

根據本公司可獲提供之公開資料及就董事所知，於本報告日期，本公司一直維持足夠公眾持股量。

### 核數師

財務報表已由畢馬威會計師事務所審計，而畢馬威會計師事務所將於即將舉行之股東週年大會上告退，並符合資格且願意膺選連任。於應屆股東週年大會上將提呈一項決議案以續聘畢馬威會計師事務所為本公司核數師。

代表董事會

主席  
劉立斌

中國佛山，二零一七年三月三十一日



## Corporate Governance Report 企業管治報告

### CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Corporate Governance Code as set out in Appendix 14 to the Listing Rules (“Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”). In the opinion of the directors of the Company (“Directors”), save as mentioned in this Corporate Governance Report, the Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules for the year ended 31 December 2016.

The Directors are committed to upholding the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect and maximise the interests of the shareholders.

Set out below is a detailed discussion of the corporate governance practices adopted and observed by the Company throughout the year ended 31 December 2016.

#### A. DIRECTORS’ SECURITIES TRANSACTIONS

The Company adopted a set of codes of securities transactions on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”) as its own code of conduct for securities transactions. Having made specific enquiry of all Directors, all Directors confirmed that they had complied with the required standards set out in the Model Code during the year ended 31 December 2016.

### 企業管治常規

本公司已採納香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載之企業管治守則。本公司董事（「董事」）認為，除於本企業管治報告所述者外，本公司於截至二零一六年十二月三十一日止年度內一直遵守上市規則附錄14所載之企業管治守則之全部守則條文。

董事致力維持本公司之公司管治，確保具有正式及具透明度程序保障及為股東謀求最大利益。

下文載列本公司於截至二零一六年十二月三十一日止整個年度內所採納及遵守之企業管治常規之詳細討論。

#### A. 董事進行之證券交易

本公司已採納一套條款並不較上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）所載之條款寬鬆之證券交易守則作為其本身之證券交易操守守則。經向全體董事作出具體查詢後，全體董事確認彼等於截至二零一六年十二月三十一日止年度內已遵守標準守則所載之規定標準。

## Corporate Governance Report 企業管治報告

### B. BOARD OF DIRECTORS

#### (i) Board composition

The Board currently comprises a combination of executive Directors and non-executive Directors. As at the date of this report, the board of Directors (“Board”) consisted of the following Directors:

##### **Executive Directors:**

Mr. LIU Libin (*Chairman*)  
Mr. LUO Su (*Honorary Chairman*)  
Mr. LUO Riming (*Chief Executive Officer*)  
Mr. LIAO Yuqing  
Mr. DAI Feng  
Mr. LAW Yung Koon  
Mr. WANG Zhihua

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

Mr. CHEN Shengguang

##### **Independent non-executive Directors:**

Mr. CHEN Mo  
Mr. HO Kwan Yiu  
Mr. LAM Ying Hung Andy  
Mr. LIANG Shibin

##### **Alternate Director to Mr. Liu Libin:**

Mr. Wong Siu Ki (*Chief Investment Officer*)

The executive Directors, with the assistance from the senior management, form the core management team of the Company. The executive Directors have the overall responsibility for formulating the business strategies and development plan of the Group and the senior management are responsible for supervising and executing the plans of the Company and its subsidiaries (together, the “Group”)

### B. 董事會

#### (i) 董事會之組成

董事會現時由執行董事及非執行董事組成。於本報告日期，董事會（「董事會」）包括以下董事：

##### **執行董事：**

劉立斌先生（主席）  
羅蘇先生（榮譽主席）  
羅日明先生（行政總裁）  
廖玉慶先生  
戴鋒先生  
羅用冠先生  
王志華先生

##### **非執行董事：**

陳勝光先生

##### **獨立非執行董事：**

陳默先生  
何君堯先生  
林英鴻先生  
梁世斌先生

##### **劉立斌先生之替任董事：**

黃兆麒先生（投資總監）

在高級管理層之協助下，執行董事組成本公司之核心管理隊伍。執行董事肩負為本集團制訂業務策略及發展計劃之整體責任，高級管理層則負責監察及執行本公司及其附屬公司（統稱「本集團」）之計劃。

## Corporate Governance Report

### 企業管治報告

#### (ii) Board meetings

During the year ended 31 December 2016, there were three full board meetings held, at which:

- the Directors approved the continuing connected transaction involving the new master supply agreement;
- the Directors approved the annual results of the Group for the year ended 31 December 2015 and reviewed the results announcement, annual report and the circular to the shareholders of the Company in relation to the general mandate proposal and re-election of the Directors retiring by rotation;
- the Directors approved the interim results of the Group for the six months ended 30 June 2016 and reviewed the results announcement.

During the year ended 31 December 2016, the Board also discussed and approved the following matters by way of circulation of written resolutions:

- the Directors approved the issue of profit alert announcement in respect of the results of the Group for the year ended 31 December 2015; and
- the Directors approved the issue of profit alert announcement in respect of the results of the Group for the six months ended 30 June 2016.

Prior notices convening the Board meetings were despatched to the Directors setting out the matters to be discussed. At the meetings, the Directors were provided with the relevant documents to be discussed and approved. The company secretary of the Company is responsible for keeping minutes for the Board meetings.

#### (ii) 董事會會議

於截至二零一六年十二月三十一日止年度內，曾舉行三次董事會全體會議，會上：

- 董事批准涉及新主供應協議之持續關聯交易；
- 董事批准本集團截至二零一五年十二月三十一日止年度之全年業績，並審閱業績公佈、年報、有關一般授權建議及重選輪席退任之董事而致本公司股東之通函；
- 董事批准本集團截至二零一六年六月三十日止六個月之中期業績，並審閱業績公佈。

截至二零一六年十二月三十一日止年度，董事會亦以傳閱書面決議案之方式討論及批准下列事宜：

- 董事批准刊發有關本集團截至二零一五年十二月三十一日止年度之業績之盈利預告公佈；及
- 董事批准刊發有關本集團截至二零一六年六月三十日止六個月之業績之盈利預告公佈。

載有將於董事會會議上商討事項之通告已在會議召開前寄發予董事。會議上，董事獲提供將予考慮及批准之有關文件。本公司之公司秘書負責將董事會會議記錄存檔。

## Corporate Governance Report 企業管治報告

### (iii) Attendance record

The following is the attendance record of the board meetings held by the Board and general meetings during the year ended 31 December 2016:

### (iii) 出席記錄

以下為董事會於截至二零一六年十二月三十一日止年度所舉行之董事會會議及股東大會出席記錄：

		Attendance at meeting 會議出席率	
		Board Meetings 董事會會議	General Meeting 股東大會
<b>Executive Directors</b>		<b>執行董事</b>	
Mr. LIU Libin ( <i>Chairman</i> )	劉立斌先生 (主席)	3/3	1/1
Mr. LUO Su ( <i>Honorary Chairman</i> )	羅蘇先生 (榮譽主席)	3/3	1/1
Mr. LUO Riming ( <i>Chief Executive Officer</i> )	羅日明先生 (行政總裁)	3/3	1/1
Mr. LIAO Yuqing	廖玉慶先生	3/3	1/1
Mr. DAI Feng ( <i>Chief Financial Officer</i> )	戴鋒先生 (財務總監)	3/3	1/1
Mr. WANG Zhihua	王志華先生	3/3	1/1
Mr. LAW Yung Koon	羅用冠先生	3/3	1/1
<b>Non-executive Director</b>		<b>非執行董事</b>	
Mr. CHEN Shengguang	陳勝光先生	3/3	0/1
<b>Independent non-executive Directors</b>		<b>獨立非執行董事</b>	
Mr. CHEN Mo	陳默先生	3/3	1/1
Mr. HO Kwan Yiu	何君堯先生	3/3	1/1
Mr. LAM Ying Hung Andy	林英鴻先生	3/3	0/1
Mr. LIANG Shibin	梁世斌先生	3/3	1/1

According to the code provision A.1.1 of the Corporate Governance Code, the Board should meet regularly and board meetings should be held at least four times a year at approximately quarterly intervals. During the year ended 31 December 2016, the Board has held three full board meetings. Instead, the Board has discussed the company matters through exchange of emails and informal meeting among the Directors and obtaining board consent through circulating written resolutions.

根據企業管治守則之守則條文第A.1.1條，董事會須定期召開會議及須至少每年舉行四次董事會會議，大概每季舉行一次。於截至二零一六年十二月三十一日止年度，董事會已舉行三次董事會全體會議。而董事會已透過於董事間之電郵交流及非正式會議討論本公司事宜及透過傳閱書面決議案取得董事會同意。

## Corporate Governance Report 企業管治報告

### (iv) Independent non-executive Directors

In compliance with Rule 3.10(1) of the Listing Rules, the Company has appointed three independent non-executive Directors. The Board considers that all independent non-executive Directors have appropriate and sufficient industry or finance experience and qualifications to carry out their duties so as to protect the interests of shareholders of the Company. One of the independent non-executive Directors, Mr. LAM Ying Hung, has over 22 years in the accounting, banking and finance sectors and is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants.

The Company has received their annual written confirmations from all independent non-executive Directors in respect of their independence. The Board considers that all independent non-executive Directors are being considered to be independent.

### (v) Relationship among members of the Board

Mr. LIAO Yuqing, an executive Director, is the son-in-law of Mr. LUO Su, an executive Director and the Honorary Chairman. Save as aforesaid, there is no other family relationship between any of the Directors or chief executive officer. All of them are free to exercise their independent judgment.

### (iv) 獨立非執行董事

為符合上市規則第3.10(1)條，本公司委任三名獨立非執行董事。董事會認為，全體獨立非執行董事均具有合適及充足之業界或財務經驗及資格，以履行彼等之職責，以保障本公司股東之權益。其中一名獨立非執行董事林英鴻先生，在會計、銀行及金融業擁有逾22年經驗，並為英國特許公認會計師公會及香港會計師公會資深會員。

本公司已接獲全體獨立非執行董事就其獨立性而發出之年度書面確認。董事會認為全體獨立非執行董事均被視為獨立人士。

### (v) 董事會成員間之關係

執行董事廖玉慶先生為執行董事兼榮譽主席羅蘇先生之女婿。除上述者外，任何董事或主要行政人員之間概無任何其他家族關係。彼等全體均可作出獨立判斷。

## Corporate Governance Report 企業管治報告

### (vi) Continuous professional development

During the year ended 31 December 2016, the Company has provided regular updates to Directors on material changes to regulatory requirements applicable to the Directors and the Company and on the latest business development of the Company. The Directors confirmed that they have complied with code provision A.6.5 of the Corporate Governance Code on directors' training. During the year ended 31 December 2016, all Directors have participated in continuous professional development by attending seminars/in-house briefing/reading materials to develop and refresh their knowledge and skills in areas related to their roles, functions and duties of Directors such as corporate governance, regulatory updates and topics related to aluminium industry, and provided a record of training to the Company.

### (vi) 持續專業發展

於截至二零一六年十二月三十一日止年度，本公司已就董事及本公司適用之規管規定之重大變動以及有關本公司最新業務發展向董事提供定期更新資料。董事確認，彼等已遵守企業管治守則之守則條文第A.6.5條有關董事培訓之規定。於截至二零一六年十二月三十一日止年度，全體董事已透過出席研討會／內部簡報會／閱讀各種資料之方式參與持續專業發展，以發展及更新有關其作為董事之角色、職能及職責之知識及技能，如企業管治、最新規管資料及鋁材行業相關資料等，並已向本公司提供培訓記錄。

## C. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of the chairman and the chief executive officer are segregated. Mr. LIU Libin is the chairman of the Board. The chairman of the Board is chiefly responsible for managing the Board. Mr. LUO Riming is the chief executive officer of the Company who takes charge of the supervision of the execution of the policies determined by the Board. The chairman also chairs the Board meetings and briefs the Board members on the issues discussed at the Board meetings.

Code Provision of A.2.7 of the Corporate Governance Code requires the Chairman of the Board to hold meetings at least annually with the non-executive Director (including independent non-executive Director) without the executive Directors present. As Mr. LIU Libin, the Chairman of the Board, is also an executive Director, the Company has deviated from this code provision as it is not applicable. Currently, the Chairman may communicate with the non-executive Directors on a one-to-one or group basis periodically to understand their concerns, to discuss pertinent issues and to ensure that there is access to adequate and complete information.

## C. 主席及行政總裁

主席及行政總裁兩者角色分立。劉立斌先生為董事會主席。董事會主席主要負責管理董事會。羅日明先生則為本公司行政總裁，負責監察及落實董事會釐定之政策。主席亦主持董事會會議，並向董事會成員簡介於董事會會議上商討之事項。

企業管治守則之守則條文第A.2.7條規定，董事會主席須至少每年在沒有執行董事出席情況下與非執行董事（包括獨立非執行董事）舉行會議。由於董事會主席劉立斌先生亦為執行董事，故本公司已偏離此條並不適用的守則條文。目前，主席可透過單對單或小組會議與非執行董事定期溝通，以了解其關注、討論相關事務及確保可獲得足夠及完備的資料。

## Corporate Governance Report 企業管治報告

### D. INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of Mr. CHEN Mo, Mr. HO Kwan Yiu and Mr. LAM Ying Hung, Andy has been appointed for a fixed term of two years commencing from 1 March 2016.

Mr. LIANG Shibin has been appointed for a fixed term of three years commencing from 14 December 2015.

The independent non-executive Directors have attended the Board meetings and provided independent judgment on the issues discussed.

### E. REMUNERATION OF DIRECTORS

The Company established a remuneration committee with written terms of reference in compliance with the Corporate Governance Code. The remuneration committee comprises Mr. HO Kwan Yiu (Chairman), Mr. CHEN Mo, Mr. LAM Ying Hung Andy, Mr. LUO Su and Mr. LIU Libin. The primary duties of the remuneration committee are to review and determine the terms of remuneration packages, bonuses and other compensation payable to the Directors and senior management.

It is the Company's policy that the remuneration package of each Director and senior management shall be determined by reference to the duties, responsibilities, experience and qualifications of each candidate.

The following is the attendance record of the committee meetings held by the remuneration committee during the year ended 31 December 2016:

Mr. HO Kwan Yiu  
Mr. CHEN Mo  
Mr. LAM Ying Hung Andy  
Mr. LUO Su  
Mr. LIU Libin

何君堯先生  
陳默先生  
林英鴻先生  
羅蘇先生  
劉立斌先生

**Attendance  
at meeting  
會議出席率**

1/2  
2/2  
2/2  
2/2  
2/2

### D. 獨立非執行董事

陳默先生、何君堯先生及林英鴻先生各自之固定委任年期由二零一六年三月一日開始，為期兩年。

梁世斌先生之固定委任年期由二零一五年十二月十四日開始，為期三年。

獨立非執行董事已出席董事會會議，並就所商討之事項提供獨立判斷。

### E. 董事薪酬

本公司已遵守企業管治守則，成立薪酬委員會，並以書面界定其職權範圍。薪酬委員會由何君堯先生（主席）、陳默先生、林英鴻先生、羅蘇先生及劉立斌先生組成。薪酬委員會之主要職責為檢討及釐定薪酬組合、花紅及其他應付董事及高級管理層之酬金之條款。

根據本公司政策，每名董事及高級管理之薪酬組合須參考各候選人之職責、責任、經驗及資格而釐定。

以下為薪酬委員會於截至二零一六年十二月三十一日止年度舉行委員會會議之出席記錄：

## Corporate Governance Report 企業管治報告

### F. NOMINATION OF DIRECTORS

The Company established a nomination committee with written terms of reference in compliance with the Corporate Governance Code. The nomination committee comprises Mr. LUO Su (Chairman), Mr. LIU Libin, Mr. HO Kwan Yiu, Mr. CHEN Mo and Mr. LAM Ying Hung Andy. The primary duties of the nomination committee are to make recommendations to the Board on the nominees for appointment as Directors and senior management of the Group.

During the year ended 31 December 2016, no nomination committee meeting was held.

According to the articles of association of the Company, one-third of the Directors are subject to retirement by rotation or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from the office and offer themselves for re-election. The Directors to be retired by rotation shall be those who have been longest in office since their last appointment. At a full Board meeting held on 31 March 2016, the Directors have reviewed the performance of the Directors who would retire at the annual general meeting of the Company held on 3 June 2016 and approved to recommend the re-election of such Directors at the annual general meeting of the Company.

### F. 提名董事

本公司已遵守企業管治守則，成立提名委員會，並以書面界定其職權範圍。提名委員會由羅蘇先生（主席）、劉立斌先生、何君堯先生、陳默先生及林英鴻先生組成。提名委員會之主要職責為就提名委任為本集團董事及高級管理層之人士向董事會作出推薦意見。

於截至二零一六年十二月三十一日止年度內，提名委員會並無舉行會議。

根據本公司之組織章程細則，三分之一董事須輪席退任，如數目並非三或三之倍數，則為最接近但不少於三分之一之整數須退任並可重選連任。將予輪席退任之董事須為自彼等上一次獲委任起計任期為最長者。在二零一六年三月三十一日舉行之董事會全體會議上，董事已檢討會於本公司在二零一六年六月三日舉行之股東週年大會上退任董事之表現，並批准推薦該等董事於本公司之股東週年大會上重選連任。



## Corporate Governance Report 企業管治報告

The Company continuously seeks to enhance the effectiveness of the Board and to maintain the highest standards of corporate governance and recognises and embraces the benefits of diversity in the Board. The Board has adopted a Board Diversity Policy to comply with a new code provision of the Corporate Governance Code which was effective from 1 September 2013. The Company believes that a diversity of perspectives can be achieved through consideration of a number of factors, including but not limited to skills, regional and industry experience, cultural and educational background, race, gender and other qualities. In informing its perspective on diversity, the Company will also take into account factors based on its own business model and specific needs from time to time. The composition, experience and balance of skills on the Board are regularly reviewed to ensure that the Board retains a core of members with longstanding knowledge of the Group alongside new Director(s) appointed from time to time who bring fresh perspectives and diverse experiences to the Board. The process for the nomination of Directors is led by the Nomination Committee, which has been made on a merit basis. The Board will review the Board Diversity Policy on a regular basis to ensure its continued effectiveness. During the year ended 31 December 2016, the nomination committee was satisfied with the diversity of the existing Board composition and did not, for the time being, set up any measurable objective regarding board diversity.

本公司不斷尋求提升董事會之效率及維持最高水平之企業管治，且了解及認同董事會多元化之裨益。董事會採納董事會多元化政策以符合於二零一三年九月一日生效之企業管治報告之新守則條文。本公司認為多元化觀點可透過考慮若干因素而達致，包括但不限於技能、區域及行業經驗、文化及教育背景、種族、性別及其他質素。於達致於多元化觀點時，本公司亦將根據本身不時之業務模式及特別需要事宜作考慮。董事會組成、經驗及技能平衡將獲定期檢討，以確保董事會維持對本集團具有長期認識之核心成員以及為董事會帶來嶄新觀點及不同經驗之不時獲委任之新董事。提名委員會主導以優點為基準作出之提名董事程序。董事會將定期檢討董事會多元化政策，以確保其持續有效。於截至二零一六年十二月三十一日止年度，提名委員會信納現有董事會構成之多樣性，及暫時並無就董事會之多樣性設立任何可衡量之目標。

## Corporate Governance Report 企業管治報告

### G. AUDITORS' REMUNERATION

For the year ended 31 December 2016, KPMG, the Group's external auditor, provided annual audit services and other service to the Company. A breakdown of the remuneration of the Group's external auditor is as follows:

### G. 核數師酬金

於截至二零一六年十二月三十一日止年度，本集團外部核數師畢馬威會計師事務所向本公司提供年度核數服務及其他服務。本集團外部核數師之酬金明細如下：

For the year ended  
31 December 2016  
截至二零一六年  
十二月三十一日  
止年度  
(RMB'000)  
(人民幣千元)

Audit service	核數服務	
Annual audit services	年度審計服務	1,140
Other non-audit services (mainly for reviewing the interim financial information of the Group and conducting procedures in respect of continuing connected transactions)	其他非審計服務 (主要為審閱本集團中期財務資料及執行有關持續關連交易之程序)	683

### H. AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based upon the provisions and recommended practices of the Code of Corporate Governance. The primary duties of the audit committee are to review and supervise the financial reporting process and internal control systems of the Group. At present, members of the audit committee comprise Mr. LAM Ying Hung Andy (Chairman), Mr. CHEN Mo and Mr. HO Kwan Yiu, being the three independent non-executive Directors of the Company and Mr. CHEN Shengguang, a non-executive Director.

### H. 審核委員會

本公司已根據企業管治守則之條文及建議常規成立審核委員會，並以書面界定其職權範圍。審核委員會之主要職責為審閱及監察本集團之財務申報程序及內部監控系統。目前，審核委員會由三名本公司獨立非執行董事林英鴻先生（主席）、陳默先生及何君堯先生以及非執行董事陳勝光先生組成。

## Corporate Governance Report

### 企業管治報告

During the year ended 31 December 2016, the audit committee has held two meetings, at which:

- the audit committee members have reviewed and discussed with the external auditors of the Company the Group's consolidated financial statements for the year ended 31 December 2015, who is of the opinion that such statement complied with the applicable accounting standards, the Stock Exchange and legal requirements, and that adequate disclosures have been made;
- the audit committee have reviewed the reasonableness and fairness of the continuing connected transactions of the Company for the year ended 31 December 2015; and
- the audit committee members have reviewed and discussed with the external auditors of the Company the Group's unaudited consolidated financial statements for the six months ended 30 June 2016.

The following is the attendance record of the committee meetings held by the audit committee during the year ended 31 December 2016:

於截至二零一六年十二月三十一日止年度，審核委員會已舉行兩次會議，會上：

- 審核委員會成員已對本集團截至二零一五年十二月三十一日止年度之綜合財務報表作出審閱，並與本公司外聘核數師進行商討，其認為該報表符合適用會計準則、聯交所及法例規定，亦已作出足夠披露；
- 審核委員會亦已檢討本公司截至二零一五年十二月三十一日止年度之持續關連交易之合理性及公平性；及
- 審核委員會成員已與本公司外部核數師審閱及討論本集團截至二零一六年六月三十日止六個月之未經審核綜合財務報表。

以下為審核委員會於截至二零一六年十二月三十一日止年度舉行委員會會議之出席記錄：

		<b>Attendance at meeting 會議出席率</b>
Mr. CHEN Mo	陳默先生	2/2
Mr. HO Kwan Yiu	何君堯先生	1/2
Mr. LAM Ying Hung Andy	林英鴻先生	2/2
Mr. CHEN Shengguang	陳勝光先生	2/2

## Corporate Governance Report 企業管治報告

### I. DIRECTORS' ACKNOWLEDGEMENT

All Directors acknowledge their responsibility for preparing the accounts for the year ended 31 December 2016.

### J. RISK MANAGEMENT AND INTERNAL CONTROL

The Board has overall responsibilities for maintaining a sound and effective risk management and internal control system of the Group. The Board has not established a risk management committee. Instead, the full Board is responsible for performing the risk management function, including establishing and approving the overall risk management strategies of the Group from time to time, overseeing senior management's implementation of those strategies to align with the Company's overall business objectives, determining the Group's risk profile, overseeing risk management framework structure, reviewing key risks and mitigation strategies and ensuring risk management effectiveness.

A bottom-up and top-down approach is utilised to ensure a holistic risk management process. The bottom-up approach is supported by key business units to identify and prioritise risks while the topdown approach reviews and assesses if risks are comprehensively identified, prioritised, and properly addressed by key business units to accomplish the Group's objectives. The management team is regularly monitoring emerging risks for continuous risk assessment purpose and for building the risk-management based internal audit plan and periodically assess the adequacy and effectiveness of risk management and internal controls for ongoing risk assurance purposes. This enhances the effectiveness of the Group's risk and control framework.

### I. 董事確認

所有董事均已確認彼等編製截至二零一六年十二月三十一日止年度賬目之責任。

### J. 風險管理及內部監控

董事會整體負責維持本集團穩健而有效之風險管理及內部監控系統。董事會未成立風險管理委員會。董事會整體負責行使風險管理功能，包括不時建立及通過本集團整體的風險管理戰略，監督高級管理層對該等戰略的實施以符合本公司整體的業務目標，釐定本集團的風險預測，監督風險管理框架結構，審核主要風險及緩解戰略及保障風險管理的有效性。

集團利用自下而上及自上而下的方式，確保擁有一套完善的風險管理程序。自下而上的方式以核心業務單位識別風險及確定風險評級為基礎；而自上而下的方式則評估及檢討核心業務單位於實現本集團的目標時是否已全面識別風險、為風險劃分級別及予以妥善處理。管理層團隊為持續評估風險定期監測新出現的風險，建立以風險管理為基礎的內部審核計劃，並以現時的風險擔保為目的週期性評估風險管理及內部控制的適當性及有效性。此舉提高了本集團風險及控制框架的有效性。

## Corporate Governance Report

### 企業管治報告

The Group's risk management and internal control system is designed to reduce risks, safeguard the Group's assets, prevent and detect fraud and protect shareholders' investment as well as to ensure that proper accounting records are maintained and applicable legislation and regulations are complied with. During the year under review, through discussions with the management, the internal audit team and external auditors and with reference to a report submitted by the internal audit team, the Board has conducted assessments and reviews of the effectiveness of the Group's risk management and internal control system in various perspectives, including, among others, financial control, operational and compliance controls and risk management. The risk management and internal control systems are reviewed by the Board annually and each review covers a whole financial year.

The internal audit unit of the Company, which is subordinated to the Board, formulates the internal audit plan of the Group based on the strategic objectives analysis, business flow analysis, risk assessment and performance evaluation and the self-inspection mechanism with comprehensive risk management functions under the authority of the Board and the guidance of the Audit Committee. It regularly reports to the Audit Committee and the Board for its audit findings and recommendations on internal control. The system is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, and to manage rather than eliminate risks of failure in the Group's operational systems and in the achievement of the Group's business objectives.

本集團設立風險管理及內部監控系統，旨在減低風險、保障本集團資產、防止及偵查欺詐及保障股東權益，確保維持適當會計記錄，遵守合適法規及規例。於回顧年度，董事會透過與管理層、內部審計團隊及外聘核數師進行討論的方式，以及內部審計團隊所呈交報告，來評估與在各不同角度檢討本集團風險管理及內部監控系統之有效性，其中包括財務監控、營運與合規監控以及風險管理。風險管理及內部控制系統每年由董事會審核且每次審核覆蓋整個財政年度。

本公司內部審計單位－稽核室隸屬董事會，在董事會之授權範圍內及審核委員會指導下，透過戰略目標分析、業務流程分析、風險評估、績效衡量，結合全面風險管理的內部控制自查機制，擬定本集團內部稽核工作計劃，並定期就查核結果與內控建議向審核委員會及董事會彙報。該系統旨在就重大錯誤陳述或損失提供合理而非絕對之保障，並管理而非完全消除本集團營運系統失效之風險，以達致本集團之業務目標。

## Corporate Governance Report 企業管治報告

During the year under review, the internal audit unit of the Company continuously optimised job responsibilities and functions of different departments according to the annual audit plan approved by the Board. Such audit work covered financial, operation, statutory compliance and risk management of the Group at all levels and functions, taking into account of the manpower cost-effectiveness. During the year under review, the Board has reviewed the effectiveness of the Group's risk management and material internal controls system and is of the opinion that the resources for and qualifications of staff of the Company's accounting and financial reporting function are adequate and sufficient. Based on information furnished to it and on its own observations, the Board is satisfied with the present risk management and internal control systems of the Group and considers them effective and adequate. During the year under review and up to the date of this annual report, nothing has been found which requires substantial improvement.

The Company has formulated policies on information disclosure and regularly reminded Directors and employees to properly comply with relevant policies on inside information while notifying the Directors (who are also the senior management of the Group) and employees the latest guidance announced by the regulatory body on such information disclosure from time to time to keep all of them abreast of the latest information.

### K. CORPORATE GOVERNANCE FUNCTIONS

The Board has taken up the corporate government functions in accordance with code provision D3.1 of the Corporate Governance Code and has reviewed the Company's policies and practices on corporate governance and compliance, has reviewed and monitored the training and continuous professional development of Directors and senior management, has reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements and has reviewed the Company's compliance with the Corporate Governance Code during the year as well as the disclosures in this Corporate Governance Report.

於回顧年度，本公司稽核室在不斷完善部門崗位職責之前提下，遵循董事會通過之年度稽核計劃，對本集團進行各層級及機能之項目審計，審計範圍涵蓋財務、營運、法規遵循以及風險管理工作。於回顧年度，董事會已檢閱本集團的風險管理及重大內部監控系統的有效性並認為本公司會計之資源和員工資歷以及財務匯報職能均為適當和充分。根據董事會所獲得資料及其本身觀察，董事會滿意本集團現行之風險管理及內部監控系統及認為該系統是有效及充份的。於回顧年度及截至本年報的日期，並無發現有重大事項需要改進。

本公司已制定信息披露政策，並定期提醒董事及員工適當遵守內幕消息的相關政策，並會不時知會董事（彼等亦為本集團的高級管理層）及員工有關監管機構公佈的上述信息披露最新指引，以令彼等全體獲得最新的資訊。

### K. 企業管治職能

董事會根據企業管治守則之守則條文第D3.1條負責企業管治職能，並已審閱本公司企業管治及遵例方面之政策及常規；審閱及監察董事及高級管理層之培訓及持續專業發展；審閱及監察本公司遵守法定及規管規定之政策及常規；以及審閱本公司於本年度遵守企業管治守則之情況及於企業管治報告中之披露。

## Corporate Governance Report 企業管治報告

### L. COMPANY SECRETARY

The Company has appointed Mr. Tam Ka Wai as its company secretary who is not an employee of the Company. In delivering his service as company secretary of the Company, Mr. Tam has direct contact with Mr. Dai Feng (an executive Director and the Chief Financial Officer) and Mr. Wong Siu Ki (alternate Director to Mr. Liu Libin and the Chief Investment Officer). Mr. Tam has confirmed that for the year under review, he has taken no less than 15 hours of relevant professional training.

### M. SHAREHOLDER RIGHTS AND INVESTOR RELATIONS

Pursuant to article 64 of the Company's articles of association, any one or more shareholder(s) holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company. The written requisition must state the objects of the meeting, and must be signed by the relevant shareholder(s) and deposited to the Company Secretary at the Company's principal place of business, which is presently situated at Unit No. 5, 6th Floor, Wing On Plaza, No. 62 Mody Road, Kowloon, Hong Kong. Any shareholder enquiry may be directed to the Board through the Company Secretary by sending to the Company's principal place of business in Hong Kong.

### L. 公司秘書

本公司已委任譚嘉偉先生（其並非本公司僱員）為其公司秘書。於作為本公司之公司秘書提供其服務時，譚先生直接聯絡戴鋒先生（執行董事兼財務總監）及黃兆麒先生（劉立斌先生之替任董事兼投資總監）。譚先生確認彼已於回顧年度接受不少於15小時之相關專業培訓。

### M. 股東權利及投資者關係

根據本公司之組織章程細則第64條，任何一名或以上之股東，倘於提交要求日期，持有本公司繳足股本（附有股東於本公司股東大會上之投票權）不少於十分之一，則有權隨時向董事會或本公司秘書提交書面要求，要求董事會召開股東特別大會，以處理該要求書中指明之任何事宜，而該大會應於提交該要求書後兩個月內舉行。倘於提交書面要求後二十一日內，董事會未能落實召開該大會，則提出要求之人士可以相同方式自行召開大會，而因董事會未能應要求行事而導致提出要求之人士產生之所有合理費用，應由本公司向其歸還。書面要求須載明大會目的，且須由有關股東簽署及送交公司秘書，地址為本公司之主要營業地點，其現時位於香港九龍麼地道62號永安廣場6樓5室。任何股東可透過公司秘書以寄往本公司之香港主要營業地點之方式直接向董事會查詢。

## Corporate Governance Report 企業管治報告

There are no provisions allowing shareholders to put forward proposals at the general meeting under the Company's articles of association or under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised), of the Cayman Islands. Shareholders may follow the procedures set out above to convene an extraordinary general meeting for any business specified in such written requisition.

During the year ended 31 December 2016, there was no change in the Company's constitutional documents.

本公司之組織章程細則或根據開曼群島法例第22章公司法（一九六一年第3號法例，經綜合及修訂）並無准許股東於股東大會提呈建議之條文。股東可按上文所載程序召開股東特別大會，以處理有關書面要求中指明之任何事項。

截至二零一六年十二月三十一日止年度，本公司之公司組織章程文件並無變動。

On behalf of the Board of Directors

**LIU Libin**  
*Chairman*

Foshan China, 31 March 2017

代表董事會

主席  
**劉立斌**

中國佛山，二零一七年三月三十一日



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

### 1 MESSAGE FROM THE CHAIRMAN

As one of the earliest enterprises specialising in aluminium profiles production in Mainland China, for 33 years since its establishment, Xingfa Aluminium is always committed to forging the development patterns and products that meet the needs of modern society, in which it facilitates us to continue to innovate and transcend. Along with the nation's and the society's increasing concern on environmental protection and corporate social responsibilities, we seize the opportunities to become a leading enterprise with sustainable development in the industry.

High quality product is our commitment to sustainable development. The Group cares a lot about product innovation and scientific research, and has obtained over 423 national patents. We pursue for higher standard on product quality than average industry standard with some products reaching military quality certification system requirements. With the construction aluminium profiles and industrial aluminium profiles as the two key products of Xingfa Aluminium, we embed the principle of sustainable development into our products development. With construction aluminium profiles as our traditional key products, we promote its market position as green, environmentally-friendly, energy-saving and recyclable aluminium profile products, giving back to the society through our product contribution towards each family. With the lightweight and durable characteristics, we believe industrial aluminium has the strong potential in energy conservation and becoming the material for the society.

### 1 董事長致辭

興發鋁業作為中國大陸最早的專業生產鋁型材的企業之一，成立33年來一直致力於打造符合現代社會需求的發展模式和產品，這促使我們不斷創新、不斷超越。隨著國家和社會對環境保護和企業社會責任愈發重視，我們抓住機遇，成為行業內可持續發展的領先企業。

高質量的產品是可持續發展的承諾。本集團注重產品的創新和科研，已獲得國家專利多達423項。我們對產品質量的要求標準高於行業平均水平，部分產品達到了軍工質量認證體系的要求。建築鋁型材和工業鋁型材作為興發鋁業的兩大產品，我們緊扣可持續發展的宗旨來制定適用於相應產品的發展規劃。建築鋁型材作為集團的傳統主打產品，我們將其定位提升為綠色、環保、節能、可循環使用的鋁型材產品。從每個家庭的角度出發，為社會節能做貢獻。工業鋁型材以其輕便、耐用的特性為社會材料的轉型和節能帶來新的潛力，我們將加快發展工業鋁型材產品，努力把握產業變革與創新發展的歷史性機遇。

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

Energy conservation is the outset of sustainable development. The energy used during our production mainly comprises of natural gas and electricity, which gives obvious improvement to environmental protection. In 2013, we invested heavily in sourcing advanced natural gas renovation equipment and was the first to adopt large scale natural gas as production energy in the industry. Such move reduced workshop gas emissions by over 45%. In 2015, the government prohibited fire coal production which better demonstrated our forward-looking vision in sustainable development. Besides, we participated in photovoltaic power generation projects and utilised solar panels installed on plant rooftop for power generation, which can reduce carbon dioxide emissions of approximately 8,500 tonnes per annum and resulted significant social and environmental protection benefits. The Group is the industry's environmental protection demonstration unit and is the benchmark for other enterprises to follow.

Reducing hazardous emissions is one of the essential elements to sustainable development. The National environmental policy has been having increasingly stringent requirements on industrial production emissions. Though these generally increase the cost of operation, they bring about new opportunities. Since 2006, we have invested over RMB23 million in waste treatment facilities and invested approximately RMB13 million in equipment renovation in energy conservation and emission reduction. In 2014, the Group obtained the "Industrial Cleaner Production Application Demonstration Project" promulgated by MIIT (the "Ministry of Industry and Information Technology of the PRC"). In 2015, we obtained the honour of "Hong Kong – Guangdong Cleaner Production Excellent Partners" jointly promulgated by Economic and Information Commission of Guangdong Province and Environmental Protection Department of Hong Kong Special Administrative Region. In 2016, on a trial basis, we invited a number of industry environmental protection specialists to participate in a research to treat hazardous wastes, with the objective to transform the hazardous wastes into raw materials, thereby achieving closed-loop production. The Group always plays a leading industry role in green production and continues to approach our "green plant" objective.

節約能源使用可持續發展的開端。本集團生產使用的能源主要為天然氣和電，能源使用對環境的友好程度明顯改善。2013年，我們投入巨資採購先進的天然氣改造設備，在同行業中率先大規模採用天然氣作為生產能源，該舉措使得車間廢氣排放減少45%以上。2015年，國家明確禁止燃煤生產，更加證明了我們在可持續發展方面的前瞻性。除此以外，我們率先參與光伏發電項目，採用安裝在廠房屋頂的太陽能面板發電，這種方式每年可以減排二氧化碳約8,500噸，社會和環保的效益顯著。本集團是行業內的環保示範單位，並作為其他企業參觀學習的標桿。

降低有害排放是可持續發展的關鍵。國家環保政策對工業生產排放的要求愈發嚴格，這一方面使得行業承受更多的營運成本，但另一方面也為我們帶了新的機遇。2006年至今，我們在廢棄物處理設施的投入超過2,300萬元人民幣，在節能減排方面投入約1,300萬元人民幣的改造設備。2014年，本集團獲得國家工信部頒發的「工業清潔生產應用示範項目」。2015年，獲得廣東省經信委和香港特別行政區環保署聯合頒發的「粵港清潔生產優越夥伴」榮譽稱號。2016年，我們嘗試對有害廢棄物進行分開收集處理，並邀請多名業內環境保護專家參與研究，以實現有害廢棄物無害化處理或轉化為原料，實現閉環生產。本集團始終走在行業綠色生產的前列，向「綠色工廠」的目標不斷靠近。

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

Staff safety and development is safeguarding sustainable development. In light of the human-oriented and life-paramount concept, we give top priority to staff health and safety in our daily works. In 2016, we strengthened the safety and protection works, increased investments in safety facilities, and our safety production department carries out risk assessment on a weekly basis. On the other hand, we put more comprehensive training courses on safety knowledge in addition to the existing staff training system. During the year, we focused more on building a sound staff training system and course planning.

In recent years, the Group has always maintained a stable financial growth. In facing the enormous demand and potential of sustainable development in aluminium profiles industry, Xingfa Aluminium will adhere to the goal of “green factory”, implement the sustainable development concept from the Group’s strategic development to corporate culture, further promote the transformation of social materials utilisation, and actively perform our social responsibilities as a corporate citizen.

### 2 ABOUT THIS REPORT

#### Basis of Preparation

This report is the 2016 Environmental, Social And Governance Report of Xingfa Aluminium Holdings Limited (hereinafter referred to as “Xingfa Aluminium”). This report is prepared in accordance with the general disclosure requirements of the “Environmental, Social and Governance Reporting Guide” of Hong Kong Stock Exchange, covering the reporting period from 1 January 2016 to 31 December 2016.

#### Business of the Group

Founded in 1984, the headquarters of the Group is situated in Foshan city, Guangdong Province and is one of the earliest enterprises specialising in aluminium profiles production in Mainland China. During the reporting period, the Group mainly specialised in the production and sales of construction aluminium profiles and industrial aluminium profiles.

員工的安全和發展是可持續發展的保障。我們本著以人為本、生命至上的理念，將員工的健康與安全作為日常工作的重中之重。2016年，我們強化安全防範工作，增加在安全設施方面的投入，安全生產部門每週會對所有危險源進行重新識別。另一方面，我們在已有的員工培訓體系上增加更全面的安全知識培訓課程。建立健全的員工培訓體系與課程規劃將作為今年的工作重點。

近幾年來，本集團始終保持穩定的財務增長，面對鋁型材行業可持續發展的巨大需求與潛力，興發鋁業將堅持以「綠色工廠」為目標，在集團戰略發展到企業文化中貫徹可持續發展的理念，進一步推動社會材料使用的轉型，積極履行集團作為企業公民的社會責任。

### 2 關於本報告

#### 編製基礎

本報告是興發鋁業控股有限公司（以下簡稱興發鋁業）2016年度環境、社會及管治報告，本報告依據香港聯合交易所《環境、社會及管治報告指引》的一般披露要求編製，報告期間為2016年1月1日至2016年12月31日。

#### 集團業務

本集團總部位於廣東省佛山市，創立於1984年，是中國大陸最早專業生產鋁型材的企業之一。本報告期內，集團主要專業生產並銷售建築鋁型材、工業鋁型材。

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

### Scope of the Report

The subject that this Report covers is Xingfa Aluminium Holdings Limited and its subsidiaries and focuses on reporting the Group's environment and social policies relating to the production and sales of industrial aluminium profiles and construction aluminium profiles in the PRC during the reporting period.

### 報告範圍

本報告的主體範圍為興發鋁業控股有限公司及下屬子公司，著重於匯報報告期內本集團在中國的工業鋁型材及建築鋁型材的生產、銷售相關的環境和社會政策。興發鋁業董事會對本集團的可持續發展戰略和報告及風險管理負全面責任。

### 3 THE GROUP'S STRATEGY ABOUT ESG DEVELOPMENT

The Group's sustainable development strategy refers to always maintaining constant profit growth and improvement in overall capabilities amid the already leading competitive sector and operation environment of future expansion in pursuing for enterprise self-survival and sustainable development after taking into consideration of operation goals and market positions. In our sustainable development strategy, we placed great emphasis on internal management, information management, customer management, personnel management and market management, and established sustainable development plans in terms of networking, diversification and forward-looking. We formulated formal sustainable development strategy in the environmental, social and governance aspects, which covered the followings:

In order to enhance our flexibility and adaptive capability, we aim at reducing management expenses and improving management efficiency and focus on motivating staff enthusiasm and creativity in terms of management models. Whilst the organisation structure of the Group shifted from the pyramid type to more horizontal-direction structure, the structure of each department needs to be adjusted according to development needs. We have established and are continuing to improve the mechanisms such as decision-making, monitoring, interests, risks, code of conduct, investment, capital raising, audit, information disclosure, capital structure and equity management, incentive-tagging and so on, with the purpose of improving human and capital efficiency.

### 3 集團對於ESG發展的策略

本集團的可持續發展策略是指在追求企業自我生存和永續發展的過程中，在考慮經營目標和市場地位的基礎上，保持我們在已領先的競爭領域和未來擴張的經營環境中始終保持持續的盈利增長和整體能力的提高。本集團在可持續發展策略中強調的是內部管理、信息管理、客戶管理、人員管理、市場管理，並建立網絡式、多元化的、具備前瞻性的可持續發展計劃。我們在環境、社會及管治方面制定了正式的可持續發展策略，涵蓋以下內容：

為了增強集團的靈活性和應變能力，我們以降低管理費用、提高管理效率為目標，管理模式注重調動員工的積極性、創造性。集團的組織結構從金字塔式向更加扁平化方向轉變，各部門結構根據發展需要進行調整。我們建立並持續完善如決策、監督、利益、風險、行為規範、投資、籌資、審計、信息披露、資本結構和股權管理、激勵約束等機制，目的和作用在於提高人和資本的效率。

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

The key to product sustainable development lies on continuous innovation and optimisation. The Group is the first to adopt clean energy production and devotes a lot of resources in environmental protection. Not only can our production base satisfy the national environmental protection requirements, but can also be the demonstration unit in the aluminium profile industry. On the other hand, the construction of a complete sales service process is also the key to the sustainable development of our products. We keep on making constant sample testing and adjustment to produce profiles meeting customer needs from preliminary product design according to customer needs to the testing of customized profile implementation plan, then further to subsequent optimal design. We value product after-sales service and persist on providing professional and perfect service integrating customer-oriented sales concept, which enables our “Xingfa Brand” received well established perpetual reputation both within and outside the industry. We always adhere to the corporate mission of “let aluminium industry bring excellence for better human life”, research and develop and launch more low-carbon and energy-saving environmental protection products, including aluminium templates substituting wooden template operation, solar aluminium frame derived from photovoltaic new energy and a variety of industrial profiles clinging on environmental protection. In today’s ecologically fragile world, we insist on the sustainable development concept and continue to move forward in the course of environmental protection and energy conservation, paving a new and wonderful “aluminium” route for the world.

Talent resources are the first essential elements for the Group’s operation while human resources management is the focus of our management. The sustainable development of our talent resources is mainly focused on remuneration design, performance appraisal, job analysis, quality model, incentive-tagging, competition, recruitment, training and development, etc., with an aim to fully motivate the enthusiasm, and cohesion of our staff. Based on the position requirements, we make adjustments to talent resources introduction policies, introduce talent resources through various channels and attract talents by adopting sustainable development human resources policies.

產品的可持續發展關鍵在於不斷的創新和優化，本集團率先採用清潔能源進行生產，在環境保護方面投入大量資源，我們的生產基地不僅能滿足國家環境保護要求，還作為鋁型材行業的模範單位。另一方面，構建一條完整的銷售服務流程也是我們產品可持續發展的重點。從前期根據客戶需求構思產品，到試驗定制生產出來的型材實施方案，再到後續的最優化設計，我們堅持不斷地試樣和調整，生產出滿足客戶需求的型材。我們注重產品售後服務，堅持專業、完善的服務結合以客為主的銷售理念，使得「興發牌」在行業內外有口皆碑、長盛不衰。我們始終堅持「讓鋁業為人類美好生活添精彩」的企業使命，研發和推出更多低碳節能環保型的產品，包含替代木模板營運而生的鋁模板、光伏新能源催生的太陽能鋁邊框以及各種以環保著稱的工業型材。在生態脆弱的今天，我們堅持可持續的發展理念，繼續在環保節能的路上不斷前行，為世界新啟一場，絢爛的「鋁」程。

人才是本集團經營的第一要素，人力資源管理是集團管理的重點。我們的人才可持續發展主要集中在薪酬設計、績效考核、工作分析、素質模型、激勵約束、競爭淘汰、招聘引進、培訓開發等方面。目的是為了充分調動員工的積極性、凝聚力和向心力。我們根據崗位需求，調整人才引進政策，積極通過各種渠道引進人才，用可持續發展的人力政策吸收人才。

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

### 3.1 Issues that concern the Group

The Group is committed to promoting the ESG performance in the following aspects:

- Environmental protection: air emissions, other emissions management, use of packaging materials and use of resources
- Socially related: supply chain management, product responsibility, health and safety

### 3.2 Stakeholder Engagement

Stakeholders include both internal and external stakeholders, and the main stakeholders of the Group include our staff (from management to frontline staff), suppliers and customers. As 2016 was the first time we prepared the Environmental, Social and Governance Report, we have included our top management and department representatives in our stakeholders interviews and survey. In next year, we will continue to pay attention to stakeholders, review and update the materiality assessment, enable our report to reflect the latest progress in promoting sustainable development by the Group.

### 3.3 Materiality Assessment

We have engaged a third party independent consultant to conduct the stakeholder engagement and materiality assessment. Through a questionnaire survey and analysis on the opinions from our senior management, in identifying the most critical ESG issues from both internal and external expectations.

### 3.1 集團關注的議題

本集團致力提升以下方面的ESG表現：

- 環境保護：廢氣排放、其他排放物管理、包裝材料及資源使用
- 社會相關：供應鏈管理、產品責任、員工健康與安全

### 3.2 利益相關者參與

利益相關者包括內部利益相關者和外部利益相關者，本集團主要的利益相關者包括內部員工（從管理層到一線員工）、供應商和客戶等。鑒於2016年是我們首次編製環境、社會及管治報告，本報告主要由管理層團隊參與重要性評估。在明年，我們將持續關注各利益相關者，覆核並更新重要性評估，以確保報告反映本集團在可持續發展方面的最新進展。

### 3.3 重要性評估

基於利益相關者與重要性評估，我們聘請了第三方獨立顧問，與本集團一起進行重要性評估。通過問卷調查和分析相關高級管理人員提供的意見，以確定與我們的運營最相關的可持續發展問題以及利益相關者的期望。

## Environmental, Social and Governance Report

### 環境、社會及管治報告

We have identified the issues that pose significant impact on our sustainable development. These issues are listed as the key areas for our sustainable development.

#### Environment:

Important issues	The relevant Hong Kong Stock Exchange requirements
Air emissions	Emissions
Hazardous waste discharge	Emissions
Use of packaging materials	Use of Resources

#### Society:

Important issues	The relevant Hong Kong Stock Exchange requirements
Supply chain management	Supply Chain Management
Product responsibility	Product Responsibility
Health and safety	Health and Safety

我們識別出以下對本集團可持續發展有重大影響的議題。這些議題已被列為可持續發展的重點領域。

#### 環境：

重要議題	與之相關的香港聯交所要求
廢氣排放	排放物
有害廢物排放	排放物
包裝材料使用	資源使用

#### 社會：

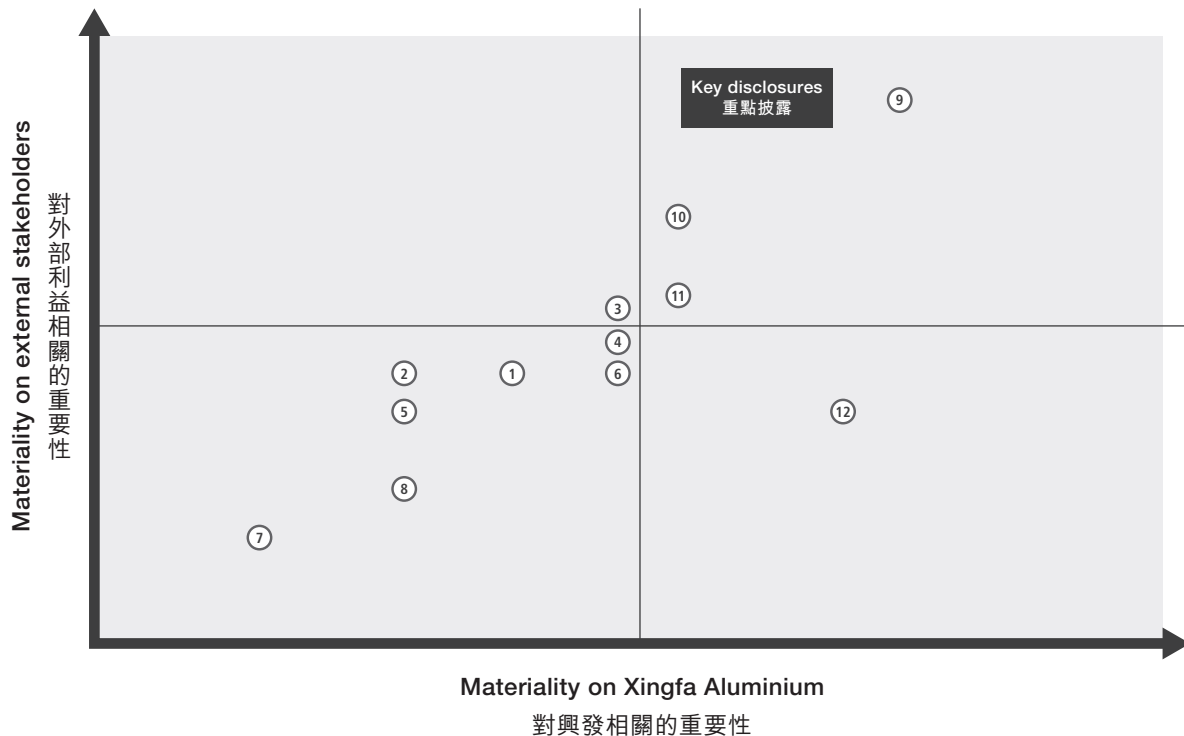
重要議題	與之相關的香港聯交所要求
供應鏈管理	供應鏈管理
產品責任	產品責任
健康與安全	健康與安全

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

The results of materiality assessment is set out as follows: Environment ● ; Society ●

重要性評估的結果如下：環境 ●；社會 ●

The results of materiality assessment in enviromental aspect  
環境層面重要性評估結果



**Description**

- 1 Plant/shop noise
- 2 Greenhouse gas emissions
- 3 Water consumption
- 4 Indoor air quality
- 5 Climatic change
- 6 Energy consumption related to transportation
- 7 Non-hazardous waste discharge
- 8 Energy consumption not related to transportation

**Material Environmental Aspects**

- 9 Air emissions
- 10 Hazardous waste discharge
- 11 Use of packaging materials
- 12 Use of electricity

**說明**

- 1 廠房／店舖噪音
- 2 溫室氣體排放
- 3 用水
- 4 室內空氣質量
- 5 氣候變化
- 6 運輸相關能耗
- 7 無害廢物排放
- 8 非運輸相關的能耗

**環境層面的重要議題**

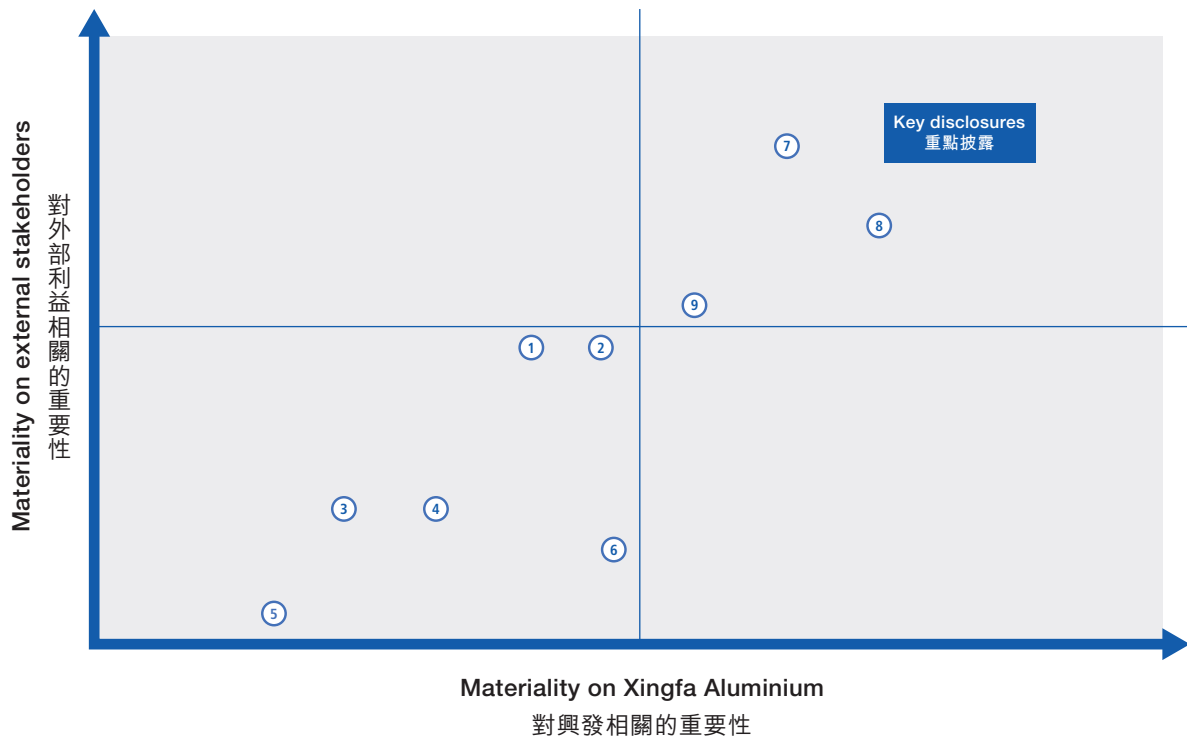
- 9 廢氣污染
- 10 有害廢物排放
- 11 包裝材料的使用
- 12 用電



## Environmental, Social and Governance Report

### 環境、社會及管治報告

The results of materiality assessment in social aspect  
社會層面重要性評估結果



#### Description

- 1 Child labour and labour exploitation
- 2 Anti-corruption
- 3 Employee benefits
- 4 Human rights
- 5 Community Investment
- 6 Staff development and training

#### Material Social Aspects

- 7 Product responsibility
- 8 Supply chain
- 9 Health and Safety

#### 說明

- 1 僱傭童工和勞動剝削
  - 2 反腐敗
  - 3 員工福利
  - 4 人權
  - 5 社區投資
  - 6 員工發展與培訓
- 社會層面的重要議題**
- 7 產品責任
  - 8 供應鏈
  - 9 健康與安全

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

### 4 Environment

#### 4.1 Environmental Protection Related Policies

The Group has passed the certifications of ISO 14000 Environment Management System and ISO 50001 Energy Management System, and formulated the environmental policies and sustainable development policies.

We formulated the Xingfa Aluminium Environmental Protection System which clearly stated that the primary mission for the Group's environmental protection is to govern production emissions by relying on technology, comprehensive utilization of production waste residue, prevent environmental pollution and develop clean production. We implement environmental protection target-oriented accountability system, set up safe environment office to lead and take charge of our environmental protection works. The environmental protection management personnel of each production workshop is responsible for carrying out specific environmental protection works. We implemented the reward and penalty system for environmental protection to reward or penalize employees with either outstanding performance or in violation of regulations respectively in respect of environmental protection.

Since our establishment, the Group has all along been focusing on whether its products and development direction are in line with the future needs of the society. As a socially responsible public company, we invested a lot of resources in environmental protection. Since 2006, we invested over RMB23 million in treatment equipment for waste gas, waste, water and heavy metals and approximately RMB13 million in energy conservation and emissions reduction.

### 4 環境

#### 4.1 環境保護相關政策

本集團已通過ISO 14000環境管理體系和ISO 50001能源管理體系認證，並制定環境政策及可持續發展政策。

我們制定了興發鋁業環境保護制度，明確了集團環境保護的主要任務是依靠科技治理生產排放，生產廢渣綜合利用，防治環境污染、發展潔淨生產。我們實行環境保護目標責任制，設立安全環境辦公室領導並負責集團的環境保護工作。各生產車間環境保護管理人員負責執行車間具體的環境保護工作。我們實行環境保護工作獎懲制度，對在環境保護方面表現突出或違反規定員工，給予獎勵或處罰。

本集團自建立以來一直關注產品和發展方向是否符合社會未來的需要。作為一家有社會責任的公眾公司，我們在環境保護方面投入了大量資源。2006年至今，我們對廢氣、廢物、水和重金屬處理設備投入超過2,300萬元人民幣，在節能減排設備改造方面投入約1,300萬元人民幣。

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

### 4.2 Air Emission

In our environmental policies, the Group requires stringent restriction of air and particulates emission into the atmosphere. Prior to air emission discharge, it must undergo purification treatment and shall not exceed the specified standard before discharging. Air emissions generated during the production process of the Group include nitrogen oxide, particulates and organic waste gas (benzene and xylene).

Nitrogen oxide and particulates are mainly come from casting workshop. We have already invested over RMB10 million to purchase natural gas energy transforming equipment. The use of natural gas as production energy has reduced air emission in workshops by over 45%. We also invested more than RMB3.9 million for upgrading casting equipment to improve energy efficiency. The natural gas resources consumed after upgrading decreased from 80 cubic meters per unit to 60 cubic meters per unit.

Organic waste gas is mainly generated from paint spraying process in fluorocarbon workshop. We started to treat the organic air emissions through a combined technology of recycled activated carbon absorption and catalytic combustion since 2015, which is currently the most effective way in organic air emissions treatment. Curing furnace flue gas generated from painting production line in fluorocarbon workshop is collected and treated through spray tower (liquid biological deodorization) after integrating with the activated carbon absorption method before discharge. The treated organic air emission is converted into carbon dioxide, water and some heat.

### 4.2 廢氣排放

本集團在環境政策中要求嚴格限制向大氣排放有毒有害的廢氣和粉塵。需排放的廢氣必須經過淨化處理，不得超過規定標準排放。本集團在生產過程中產生的廢氣包括氮氧化物、粉塵、有機廢氣（苯、二甲苯）。

氮氧化物和粉塵主要來源於熔鑄車間，我們已投入1,000多萬元人民幣採購天然氣能源改造設備，使用天然氣作為生產能源使得車間廢氣排放減少45%以上。我們對熔鑄設備投入390多萬元人民幣進行改造，提升能源使用效率，改造後的消耗天然氣能源從每單位80立方米下降至每單位60立方米。

有機廢氣主要產生於氟碳車間的噴漆過程。我們在2015年底開始使用活性炭吸附和催化燃燒結合的再生廢氣處理裝置，這是目前有機廢氣處理中技術中最有效的方式。氟碳車間噴漆生產線產生的固化爐廢氣經過收集後，通過噴淋塔（生物液除臭）結合活性炭吸附的方式處理後排放。經過處理後的有機廢氣轉化為二氧化碳、水和部分的热量。

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

We formulated specialized fire safety emergency plan to prevent emergencies that may occur due to organic air emissions treatment equipment, regulate and strengthen the control and handling of emergencies by the factory environment management system.

我們制定了專門的消防安全應急預案，以預防有機廢氣處理設備可能發生的突發情況，規範和強化工廠環境管理體系對突發事件的控制和處理。



Organic air emission treatment facilities  
有機廢氣處理設備

### 4.3 Other Emissions

The Group's environment policies have stipulated in details of management requirements for waste generation. Hazardous waste is disposed of by third party companies holding hazardous waste disposal qualifications, with which we signed contracts with them. For production units producing solid waste, we require choosing the ways and facilities that meet the requirements of environmental protection in collection, transportation, storage and treatment of solid waste produced. The policies also stipulated that it is not allowed to place, pile up and pour out solid waste at will. For production workshops discharging hazardous waste, when pollution incidents may or have occurred, emergency measures must be taken immediately to prevent pollution from spreading out, alleviate and even eliminate the impact of incidents. Major accident or emergent events should be reported to the safety and environment office of the Company for investigation within two hours after occurrence.

### 4.3 其他排放物

本集團的環境政策中詳細規定了對有害廢棄物的管理要求。我們通過與第三方具備有害廢棄物處理資質的公司簽訂合同，由其回收後對廢棄物進行處理。產生固體廢物的生產單位，我們要求選擇符合環境保護規定的方式與設施，收集、運輸、貯存、處置產生的固體廢物，同時採取防揚散、防流失、防滲漏和其他防止污染的措施。政策中規定對固體廢物不得隨意異置、堆放、傾倒。對於有害廢棄物排放的生產車間，在可能或者已經發生污染事故時，應當立即採取應急措施，控制污染蔓延，減輕、消除事故影響。在重大事故或者突發性事件發生後2小時內，應向公司安全環境辦公室報告，接受調查。

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For tackling hazardous waste that generated, we implement the national environmental report system and the “three-simultaneous system”, including the national wastage emission reporting and pollutant discharge permit system, Regulations on Environmental Protection and Management of the Construction Project of State Council of the People’s Republic of China (《中華人民共和國國務院建設專案環境保護管理條例》), Certain Issues relating to Environmental Protection and Regulations on the Management of Pollutant Discharge Fee Levy and Utilization (《排汙費徵收使用管理條例》) by State Council.

In 2016, we began to start trying to separate collection and treatment of hazardous waste (heavy metal nickel and chrome) and invited experts in environmental protection industry (such as college professors, subject specialists, professionals from environmental protection institutions, etc.) to participate in the Group’s research on material identification and non-hazardous treatment, with an objective to convert waste into non-hazardous waste before discharging or converting into production raw materials for circulating reuse. At present, the method to convert spraying waste into raw materials has passed preliminary testings.

針對有害廢棄物的產生，我們執行國家環境報告書制度和「三同時制度」，「三同時制度」包含國家排汙申報和污染排放許可制度、《中華人民共和國國務院建設項目環境保護管理條例》、國務院《關於環境保護若干問題的決定》以及《排汙費徵收使用管理條例》。

2016年，我們開始嘗試對有害廢棄物（重金屬鎳鉻、酸鹼廢水）進行分開收集和處理，並邀請環保行業專家（例如大學教授、學科專家、環保機構專業人士等）參與集團對物質鑒定和無害化處理的研究，目標是將廢棄物轉化為無害廢棄物進行排放或轉化為生產原材料循環使用。目前噴塗廢物轉化成原材料方法已經通過初步檢測。

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

The environmental policies of the Group requires strengthening the sewage treatment to reduce its discharge volume. The policies also requested that good work must be done in the closed-circuit circulation and comprehensive treatment of production wastewater. Specific stipulation regarding the prevention of wastewater pollution is as follows:

- Each workshop is responsible for “zero discharge” of harmful sewage.
  - Oily, acidic, alkaline and highly toxic wastewater is prohibited from discharging into the water system. It is strictly restricted to discharge pollutants into the water system to prevent pollution.
  - Cleaning oily or poisonous vehicles and containers that contain and store pollutants with water system is forbidden.
  - Testing center is responsible for conducting daily sewage inspection to ensure strictly controlled waste water is being discharged within standards.
- 本集團的環境政策中要求加強對污水的治理，減少污水排放量，並要求堅持做好生產廢水閉路循環和生產廢水綜合處理工作。具體防止廢水污染的規定如下：
- 各車間負責控制有害污水「零排放」。
  - 禁止向水體排放油類、酸類、鹼液、劇毒液的廢水，嚴格限制向水體排放、傾倒污染物，防止水體污染。
  - 禁止在水體清洗裝貯污染物的過油類或者有毒車輛和容器。
  - 檢測中心負責實行每天的污水檢測工作，嚴格控制水體的達標排放，做好記錄並上報檢查報告。

## Environmental, Social and Governance Report

### 環境、社會及管治報告

- The safety and environment office as well as the environmental protection management personnel of production workshop shall cooperate and accept unannounced inspection by the environmental protection agency on air emission, and wastewater discharge.

We have standardised and centralised processing of sewage generated from production workshop. Industrial wastewater treatment is being conducted by a qualified contractor. The contractor is required to ensure the treated waste water discharged meets the wastewater industry discharge standards of Guangdong Province.

#### 4.4 Utilization of Packaging Materials

The packaging materials used by the Group are mainly plastic products. We choose packaging materials suppliers that meet the requirements of relevant national laws and regulations. For sourcing packaging materials for products, the Group formulated the group-level sourcing management plan as its principal policy documents. At the same time, the Group also worked out the supplier evaluation control procedures, inspection procedures for major accessories, purchasing procedures for major accessories, quality target management and statistics requirements to be applied for the implementation of regulating and controlling supplier evaluation procedures and the sourcing work execution. Packaging materials suppliers are selected by tender and has already established long-term cooperative partnership with them.

- 由安全環境辦公室及生產車間環保管理人員配合接受環保局不定期的氣污、水體排放檢測工作。

我們對各生產車間產生的廢水統一進行集中處理。生產過程中產生工業廢水，我們通過全外包的形式進行處理，外包合同要求廢水處理的委託單位處理後的工業廢水排放需達到廣東省工業廢水的排放要求。

#### 4.4 包裝材料使用

本集團使用的包裝材料主要為塑料製品，我們採用符合國家相關法律法規要求的包裝材料供應商。針對產品包裝材料的採購，本集團制定了集團層面的採購管理方案作為主要的政策文件。同時，本集團還制定供應商評價控制程序、主要原輔料檢驗規程、主要原輔料採購規程、質量目標管理及統計規定，以適用於規範和控制供應商評估流程和採購工作的執行。包裝材料供應商通過招標方式採用，並建立長期合作夥伴關係。

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The sourcing management plan of the Group stipulates that the tender team is responsible for the qualification investigation of the bidders and requires that the bidder must be an unit registered in the People's Republic of China and possesses the legal person capacity that is in line with the relevant requirements of organization inviting the tenders. Bidders shall possess enterprise business license and tax registration certificate, and provide product specification, quality certificate, quality system certification, credit certifications and other materials.

The supplier evaluation process involves risk assessment on suppliers, of which, the score regarding the evaluation of product quality and hazardous substances control, environment and safety control of suppliers accounts for 40% of the overall risk assessment score of suppliers, which demonstrates that we attach great importance to whether the products of suppliers are meeting our environmental and quality requirements.

### 4.5 Resources Utilization

Since natural gas transformation equipment were fully put into use in 2013, the Group made remarkable achievements in the effective utilization of resources, including water, energy and other raw materials.

The Group took effective measures to increase resources utilisation, including using LED lamps, monitoring room temperature, using energy-efficient equipment, adopting more environmental clean technology, using alternative fuels with low emission, changing electrical machine to new and highly efficient motors, green planting and reclaiming waste heat of boiler. We checked carbon emission periodically and reported to Provincial National Development and Reform Commission (NDRC), and provided NDRC with original data to formulate carbon emission indicators in the future.

本集團採購管理方案中規定招標小組負責投標方資格審查，要求投標方必須是中華人民共和國註冊單位，並具備符合招標單位有關要求的法人資格，投標方具有企業營業執照和稅務登記證，要求提供產品說明書、質量證明書、各質量體系認證證書、信譽證書等材料。

供應商評估過程中涵蓋對供應商的風險評估，其中對供應商產品質量及有害物管控、供應商環境及安全管控方面的評估分值佔到了供應商整體風險評估分值的40%，體現出我們對供應商產品滿足環境、質量要求十分重視。

### 4.5 資源使用

2013年天然氣改造設備全面投入使用以來，本集團在有效使用資源（包括水、能源及其他原材料）方面的取得成效顯著。

本集團在提高資源有效使用的舉措包括：採用LED燈、監測室溫、使用節能設備、採用更環保清潔的技術、使用低排放替代燃料、將電機更換為新的高效電機、綠色種植、鍋爐餘熱回收供水。我們定期進行碳排放審計並報告至省發改委，向發改委提供原始數據用於制定未來的碳排放指標。



## Environmental, Social and Governance Report

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Take solar photovoltaic project as an example, the Group constructed the solar photovoltaic project supported by original roofing sheets in factory, and adopted the grid model of self-generating electricity and self-use residential electricity and operated in the forms of power line communication, which can reach an annual generating power of approximately 10.27 million kilowatt, saving standard coal volume of 3,286.4 tons, reduce carbon dioxide emission of 8,544.64 tons annually, sulphur dioxide of 92.02 tons and have a remarkable social and environmental efficiency as a result. In addition, after installing the solar panels on plant roof, the temperature in workshop dropped by 4-6 degree Celsius, saving energy consumption indirectly.



Solar plant rooftop of photovoltaic project  
光伏項目太陽能廠房屋頂

The Group started to use energy management centre system in December 2015. Such system automatically records data including water, electricity and natural gas consumption in each workshop through many automatic measuring facilities. The data would synchronize to the management center system which can analyse energy usage data and trends. Through supervision, worker can debug and repair control equipment timely, and monitor resources consumption of the entire factory base real time, which could further help the Group to enhance effective utilization of resources.

以太陽能光伏項目為例，本集團太陽能光伏項目依托廠區原有的廠房屋頂鋼板進行建設施工，採用自發自用余電的並網模式，以余電上網的方式進行運作，可實現年發電約1,027萬度，節省標準煤3,286.4噸，年減排二氧化碳8,544.64噸、二氧化硫92.02噸，社會及環境效益顯著。此外，廠房屋頂安裝太陽能面板後，車間內溫度降低4-6攝氏度，間接節省能耗。

本集團在2015年12月開始使用能源管理中心系統，系統通過多個自動計量裝置，自動記錄各車間設備的用水、用電、天然氣消耗等數據。數據將同步到管理中心系統，系統可以對能源使用數據進行統計和趨勢分析。通過監測，工作人員可以及時調試修理控制設備。實時監測整個工廠基地資源消耗情況，可以進一步幫助集團提升對資源的有效使用。

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### 4.6 Legal Compliance

The Group had no behaviour of breaching of relevant laws and regulations related to environment during the reporting period, nor received any violation notice from the government's environmental protection department.

### 4.6 法律合規性

本集團在報告期內未發生過違反環境相關的法律法規的行為，未收到政府環保部門的違法公告。

## 5 Society

### 5.1 Social-related Policy

As a leading enterprise of aluminium profile industry in China, the Group always considers that the existence of an enterprise is not just for making profits as its final object, but should take social responsibility for its clients, employees, society and the environment. We formulated our corporate social responsibility policy, focused on pursuing corporate social responsibility and advocated all employees to strictly comply with such policy. The Group's corporate social responsibility policy covered the following 11 aspects:

- **Comply with local laws and regulations:** The Group complies with State Labour Laws and relevant laws of other governments, and develops factory regulation system that complies with local laws. We only choose to establish long-term cooperation relationships with partners and suppliers who meet the requirements of laws and regulations.
- **Respect for human rights and freedom:** The Group is against discrimination, and considers everyone is equal regardless of gender, race, skin colour, nationality, political preference, religious beliefs and job positions.

## 5 社會

### 5.1 社會相關政策

作為中國鋁型材行業的領導企業，本集團始終認為一個企業的存在並不是以盈利為最終目的，它更應肩負起對客戶、員工、社會、環境等方面的社會責任。我們制定了集團的企業社會責任政策，致力推行企業社會責任，倡導全體員工嚴格遵守有關政策。本集團的企業社會責任政策涵蓋以下11個方面：

- **遵守企業當地的法律法規：**本集團遵守國家勞動法規及其他政府相關法律規定，制定適合當地法律的工廠規章制度。我們只選擇符合法律法規要求的合作商和供應商建立長期合作關係。
- **尊重人權與自由：**本集團反對歧視行為，不分性別、種族、膚色、國籍、政治傾向、宗教信仰，無論何種崗位，人人平等。

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- **Prohibit employing child labour:** The Group prohibits employing child labour under 16 years old, and carries out special protection to child labour according to laws. The Group only employs those employees above minimum recruitment age in compliance with Labour Law.
- **Sound remuneration and benefits system:** The Group provides employees with reasonable remuneration and benefits. The remuneration and benefits meet all applicable relevant laws, including minimum wage, overtime pay and statutory benefits.
- **Rational reward and penalty system:** The Group commits to rewarding outstanding employees properly in recognizing their performance, and give proper assistance to employees who underperformed to improve their performance.
- **Train excellent employees:** The Group provides employees with suitable education and training, helping them to enhance their skills and abilities so as to escalate their social and economic status.
- **Emphasize honest operation, eradicate corruption and bribery:** The Group requires holding fair and honest attitudes in any commercial behaviours. The Group strictly prohibits any forms of corruption, bribery, bribe-taking and embezzlement.
- **Establish harmonious communication mechanism:** The Group encourages employees and management to communicate openly and conduct direct dialogue. We set up employees' feedback channels, and protect them and forbid any revenge against employees expressing their views in any forms.
- **嚴禁僱傭童工:** 本集團禁止僱傭未滿16周歲的童工,並依法對未成年工實行特殊保護。本集團只僱傭符合勞動法規定最低受僱年齡以上的員工。
- **健全薪酬福利制度:** 本集團為員工提供合理的薪酬及福利,薪酬及福利符合所有適用的相關法律,包含最低工資、加班費及法定應有福利。
- **合理獎懲制度:** 本集團承諾對於表現績優的員工給予適當獎勵,以表彰績效。對於表現不良的員工給予適當協助,以提升績效。
- **培訓優秀員工:** 本集團向員工提供合適的教育和培訓,幫組員工提升技術和能力,以提高員工的社會及經濟地位。
- **強調誠信經營、杜絕貪污賄賂:** 本集團要求在任何商業行為中都秉持公正廉潔的處事態度。本集團嚴厲禁止任何形式的貪污、行賄、受賄及挪用公款行為。
- **建立和諧溝通機制:** 本集團鼓勵員工與管理層公開的溝通與直接對話,我們建立員工意見反饋渠道,對於發表意見的員工,我們提供保護並禁止任何形式的報復。

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

- **Share operating performance:** The Group's operating performance is achieved by all employees, and we promise to share it with employees and shareholders.
- **Create harmonious factory and participate in social care and enhance culture:** The Group advocates the creation of cozy "home of employees", positively participates in governmental and local activities, and helps to improve local economic and cultural standards.
- **Promote social responsibility:** The Group strives to promote corporate social responsibility and extends these to suppliers and dealers, and encourages business partners to execute and perfect corporate social responsibility policy.
- **經營成果共享:** 本集團的經營成果為全體員工共同努力達成，我們承諾與員工、股東共同分享。
- **構建和諧工廠和參與社會關懷、提升文化:** 本集團倡導營造溫馨的「員工之家」，積極參與政府及地方各項活動，幫助提升地方的經濟、文化水平。
- **推廣社會責任:** 本集團致力推行企業社會責任，並推廣至我們的供應商和經銷商，鼓勵業務夥伴執行與健全企業的社會責任政策。

### 5.2 Supply Chain Management

The Group formulated supply chain environmental and social risk management policy, and proposed environmental and social specific provisions on supply chain partners, and required suppliers' production to meet the laws and regulations relevant to the environment. The Group's tender purchasing team is led by senior management comprising the sourcing director and head of each branch company and department. The main method of raw materials purchasing is by tender invitation. Our supply chain environmental and social risk management policies include the followings:

- **Bidder's qualifications investigation:** The policy states that bidder must be a entity incorporated in the People's Republic of China, and meets the legal person capacity required by bidding units and owns an enterprise business license and tax registration certificate. He or she must provide product specifications, quality certificate, quality system (including environmental management system) certification, credit certificate.

### 5.2 供應鏈管理

本集團制定了供應鏈環境及社會風險管理政策，對參與到供應鏈合作夥伴在環境及社會方面提出了具體規定，要求供應商生產遵守環境相關的法律法規。本集團的招標採購小組由高級管理層領導，由採購總監及各分公司與部門主管組成。原材料採購以招標為主要方式。我們的供應鏈環境及社會風險管理政策涵蓋以下內容：

- **投標方資格審查:** 政策規定投標者必須是中華人民共和國註冊單位，並符合招標單位有關要求的法人資格，具有企業營業執照和稅務登記證。必須提供產品說明書、質量證明書、各質量體系認證證書（含環境管理體系）、信譽證書等材料。

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- Corporate Social Responsibility Management:** The policy requires the suppliers of the Group shall satisfy corporate social responsibility management in three dimensions including economic sustainability, environmental sustainability and social sustainability.
- Environmental risk management:** The policy requires suppliers to satisfy the requirements of regulatory, reporting and operational measures. For chemical materials purchased, general safety will be realized through strengthening environmental management, preventing environmental pollution incident, and integrating supplier environmental risk management and supply chain management to achieve “total safety”.
- Letter of guarantee entered into with suppliers on exclusion of environmentally hazardous substances:** All materials and components provided by suppliers are required to pass the tests conducted by professional testing organization, and stamped testing report with official seal shall be submitted.
- 企業社會責任管理:** 政策要求本集團供應商應滿足三個不同的企業社會責任維度，包括經濟可持續性、環境可持續性以及社會可持續性。
- 環境風險管理:** 政策要求供應商滿足監管、報告和運營措施的規定。對採購的化工類物資，加強環境管理，預防環境污染事故，將供應商環境風險管理與供應鏈管理相結合，實現「整體安全」。
- 與供應商簽訂環境有害物質不適用保證書:** 要求供應商提供的材料、零部件必須通過專業檢測機構檢測，並提交加蓋公章的檢測報告。

### 5.3 Product liability

The Group is an enterprise focusing on innovation and scientific research and has already obtained 423 national patents currently. We have stringent control on product quality in accordance with ISO9001 quality management system, national recognized laboratory management system, metrological certification management system, and employees' health and environmental management system. In addition, special requirements on military industry certification system are also in place in quality management. Our requirements on product quality are higher than the average industry standard.

### 5.3 產品責任

本集團一家注重創新與科研的企業，現已獲得國家專利多達423項。我們對產品質量的控制嚴格遵守ISO9001質量管理體系、國家認可實驗室管理體系、計量認證管理體系、職工健康與環保管理體系。除此以外，質量管理還有軍工認證體系的特殊要求，我們對產品質量的要求高於行業平均標準。

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

The Group commenced the implementation of Xingfa Aluminium Product Quality Management Manual from 1 June 2015. This manual is managed and amended by Quality Department of the Group. The update and amendment of its content shall report to the Quality Department, which is responsible for applying for amendment approval, and arranging amendment after obtaining approval.

Our Xingfa Aluminium Product Quality Management Manual emphasises product quality management, which includes the provision of satisfactory products to customers, protection of ecological environment and protection of staff safety and health. The general manager of the Company convened dealers' meeting once every year, visited key customers from time to time every month, and extensively seeking opinions on product quality and improvement from customers. For those faulty products, we prepared Control Procedure on Faulty Products, which are applicable to regulate and manage faulty products for recycling.

The Group advocates green life cycle on products, which means recycling defective products from customers for melting and re-producing aluminium profiles.

During the reporting period, there was no regulatory non-compliance in respect of product liability in the Group.

本集團在2015年6月1日起開始實施《興發鋁業產品質量管理手冊》，該手冊由集團質量部負責管理和修訂。手冊內容的更新和修改需要要上報質量部，由質量部提出修改申請，經過審批後再由質量部組織修改。

我們在《興發鋁業產品質量管理手冊》中強調產品質量管理包括向顧客提供滿意的產品、保護生態環境以及維護員工安全與健康。公司總經理每年召開一次經銷商會議，每月不定期走訪重點客戶，廣泛徵求客戶對產品質量以及改進方面的意見。針對不合格的產品，我們制定了《不合格品控制程序》，以適用於規範和管理不合格的產品，並對其進行回收處理。

本集團倡導產品綠色生命週期，即向客戶回收鋁型材產品或是次品，對其進行回爐重造。

在報告期內，集團未發生過違背有關產品責任的法律及規例的行為。

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#### 5.4 Health and Safety

The Group adheres to the human-oriented and life-paramount concept, and regards staff health and safety as the key focus of all importance in daily work. To safeguard staff safety and health during production, we prepared the Xingfa Aluminium Safety Production and Environmental Protection Management System, which emphasised that “all activities are based on the life and health of staff”. The Group established the safety production committee which is responsible for our overall safety production management works. For implementation, every production department has established its own safety production leading group respectively and is responsible for staff’s production safety work in respective departments. Currently, 24 staff are specially responsible for safety management.

Our safety production works are in line with the policy of “Safety First, Prevention Crucial and Comprehensive Treatment”, adhere to the principle of “Production Management must Encompass Safety Management and Person-in-charge is the Responsible Person”. The staff health and safety policy covers the followings:

- To organize regularly safety experts to conduct safety assessment on each production process and all equipment facilities, including performance and risk factors assessment, and disseminate the assessment results to leaders and staff, and further, placing hazardous signs at prominent locations.

#### 5.4 健康與安全

本集團堅持以人為本、生命至上的理念，將員工的健康與安全作為日常工作的重中之重。為保護員工在生產過程中的安全和健康，我們制定了《興發鋁業安全生產與環境保護管理制度》，制度中強調「所有活動要圍繞員工生命健康」。本集團設立了安全生產委員會全面負責集團的安全生產管理工作。在執行層面，由各生產部門分別成立安全生產領導小組來負責本部門的員工生產安全工作，目前專職負責安全管理的員工有24人。

本集團的安全生產工作貫徹「安全第一、預防為主、綜合治理」的方針，堅持「管生產必須管安全，誰主管，誰負責」的原則。員工的健康與安全政策涵蓋以下內容：

- 定期組織安全專家對各個生產環節、所有設備設施進行安全評價，包括性能和危險因素評估。並將評估結果及時向領導和員工傳播，同時在顯眼處放置危險源標示卡。

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- For dust, noise, toxic gas (such as benzene, xylene), the Group will promote and train staff, and allocate appropriate labour protection gear to production line staff. The safety production leading group in each department conducts inspection on the actual compliance of staff safety management, and for staff who is not wearing safety equipment properly, a warning will be given for the first time, and a fine will be imposed on the responsible leader and respective staff, i.e. strictly adheres to the penalty principle of “Person-in-charge is the Responsible Person”.
- To focus on the implementation of fire fighting management, including staff trainings on fire fighting knowledge, and deploying fire fighting facilities in workshops and office buildings. We required all staff whether in frontline of production line in workshops and in office buildings must understand fire fighting knowledge, and could use fire fighting equipment properly.
- The environmental measures adopted during production could reduce hazardous waste gas, waste and waste water emissions, which are crucial to staff health who are working in workshops for a long period of time. We are committed to indoctrinating environmental protection concept to staff, and require operating environmentally friendly, so as to attain achievement from actual application of environmental protection concept as well as environmental protection facility.
- 針對生產環境中存在的粉塵、噪音、有毒氣體（如苯、二甲苯），集團會對員工進行宣傳培訓，並為生產線員工配置合適的勞保用品。各部門的安全生產領導小組對員工遵守安全管理的實際情況進行檢查，對於員工不恰當佩戴安全裝備的行為，第一次對員工予以警告，第二次則會對負責的幹部和員工自身進行罰款，堅持「誰主管誰負責」的處罰原則。
- 重點落實對消防管理的工作，包括向員工培訓消防知識，在車間及辦公大樓配置消防設備。我們要求無論是車間生產線一線員工，還是辦公大樓內的員工都必須瞭解消防知識，會正確使用消防設備。
- 生產過程中的環保措施可以減少有害廢氣、廢物和廢水的排放，對長期在生產車間工作的員工健康十分重要。我們致力向員工灌輸環保理念，要求環保作業，使得環保理念和環保設施在實際的運用中取得成效。



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In 2016, the Group strengthened the safety and prevention work, increased its investment in safety facility, such as allocating safety belts and protective shelters when working at heights. Due to the continuous improvement in production technology of aluminium profiles, hazardous sources in the course of production would change with technology. The safety production department would re-identify all hazards weekly, including internal cross-checking, external experts assessment and at Group level inspection. In the first half of 2016, the Group made a clean sweep of over 1,000 hidden danger. The safety situation remained stable in the second half year, and achieved significant effect in strengthening safety and prevention work.

The Group offered a comprehensive safety consciousness and skills training for staff, and established consciousness alerting on safety of colleagues and mutual supervision. We stimulate staff and their families' initiatives through organizing monthly activity for safety education, engaged staffs and their families to study safety production knowledge, so as to further enhance safety and prevention consciousness. The safety management department established corresponding safety Wechat communication group through Wechat, the instant communication App, and those staff who are team leaders or above could blow the whistle or report the safety problems to management at any time, thus ensuring any information related to safety will be communicated at management level in a timely manner.

2016年，本集團強化安全防範工作，增加在安全設施方面的投入，如配置高空作業安全帶和保護罩。因為鋁型材生產工藝的不斷提升，生產過程的危險源會隨著工藝的變化而變化，安全生產部門每週會對所有危險源進行重新識別，包括內部交叉檢查、外部專家評估和集團層面檢查。2016年上半年，集團共排查1,000多個安全隱患。下半年安全形勢平穩，強化安全防範工作的效果顯著。

本集團為員工提供全面的安全意識和技能培訓，並建立對同事安全的關注及互相監督意識。我們通過舉辦安全宣傳月活動，調動員工及家屬的積極性，讓員工及家屬一起參與到安全生產知識的學習中，深化員工的安全防範意識。安全管理部門通過即時通信工具微信，建立了相應的安全微信溝通群，班長等級以上的員工可以隨時向管理層舉報或報告安全問題，確保任何安全相關的信息及時在管理層面溝通。

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

In future, by taking the past safety industry accidents as precedents, we conducted research on the mechanism of safety accidents. We attached importance to organize safety knowledge training for all team and group leaders, strengthened the safety management responsibilities of safety teams and groups, and emphasize “Production Management must Encompass Safety Management”. On the other hand, the Group managed comprehensively on workshops, dormitories, canteens and other living facilities, including distributing protective equipment, developing health training and employees’ health inspection projects.

During the reporting period, there was no regulatory non-compliance in respect of staff health and safety of the Group.

### 5.5 Employment

The Group published the policies on staff remuneration and dismissal, recruitment and promotion, working hours, vacation, equal opportunities, diversification, anti-discrimination and other benefits and welfare.

The Group offered competitive remuneration packages in the same industry and established a scientific and fair remuneration mechanism to ensure staff with excellent performance could obtain corresponding returns. We reviewed regularly the internal remuneration package at all levels, collected external remuneration industry information from labour market, strived to create a fair, reasonable and competitive remuneration system based on position, work capability, work performance, staff skills and benefits to the Group. Specific remuneration is implemented through the corporate management plan that approved annually.

在未來，我們將行業以往的安全事故作為案例信息，開展對安全事故發生機理的研究。我們將重點組織所有班組長進行安全知識培訓，強化安全班組的安全管理責任意識，強調「管生產必須管安全」。另一方面，本集團對生產車間、宿舍、飯堂及其他生活設施全面管理，包括派發防護用品、開展健康培訓、職工健康檢查項目。

在報告期內，集團未發生過違背有關僱員健康與安全的法律及規例的行為。

### 5.5 僱傭

本集團在員工手冊中發佈了員工薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利方面的政策。

本集團提供在同行業中具有競爭力的薪酬福利待遇，並建立科學與公正的薪酬機制，保證表現優秀的員工得到相應的回報。我們定期對內考察員工各級薪酬水平，對外收集本行業勞動力市場薪酬狀況，根據員工的職務、工作能力、工作業績、技術程度和集團效益等因素，力求建立公平、合理、極具競爭力的薪酬體系。具體薪酬實施通過每年發佈的公司管理方案。

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The personnel management principle that we adopted is performance incentives and assurance of internal fairness. For example, the monthly salary of production line staff is calculated by the comprehensive piecework approach on a team or group basis, ensuring more pay for more work. We adopted a policy whereby management personnel shall abstain from any matter relating to their family relatives, with an aim to ensure internal fairness, and requires that family relatives of management personnel are not allowed to work in respective departments.

We disseminated policy and information through posting announcements on bulletin board, emails, employee manual or training. Staff could put forward opinion and question to management through interview, E-mails or group discussion. At the same time, in the course of staff performance assessment, for different positions, they are being implemented according to the performance assessment measures in respective departments.

During the reporting period, there was no regulatory non-compliance in respect of remuneration and dismissal, recruitment and promotion, working hours, vacation, equal opportunity, diversification, anti-discrimination and other benefits and welfare in the Group.

我們採用的人員管理原則為績效獎勵與保證內部公平性。例如：生產線員工以班組綜合計件的方式核算每月的工資，以保證多勞多得。為保證內部公平，我們實行管理人員親屬迴避制度，要求管理人員的親屬不允許在其所在的部門工作。

我們通過公告欄張貼公告、電子郵件、員工手冊、課堂培訓等方式向員工傳達政策和信息，員工可通過面談、郵件、小組座談等方式向管理層提出意見和問題。同時對於員工的績效考核過程，不同崗位根據所在部門的績效考核辦法實施。

在報告期內，集團未發生過違背有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的法律及規例的行為。

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### 5.6 Development and training

The Group issued policy for staff development and training in the employee handbook. We regard providing staff opportunities and room for sustainable development as our responsibility. In addition to obtaining remuneration and benefits, staff could also participate in training and development opportunities that the Group will provide. Staff development and training are assurance to achieving operation targets, performance improvement and fulfillment of sustainable development, it is also a way for staff to accomplish competent in duties, self-improvement and potential development.

For staff career development, the Group performed staff position rotation as and when appropriate according to employees' capabilities, work performance and actual operation needs, which fully gave staff to demonstrate their abilities and potential to achieve the purpose of nurturing staff's abilities in varies aspects and improving overall working efficiency. We adhere to put internal promotion as the main principle and external recruitment as support in case of job vacancy exists. For staff who worked diligently with outstanding performance and outstanding abilities, they would be given priority for promotion and development opportunities.

At the same time, the Group prepared "Staff Training Management System" and "Methods for Staff Career Development Management" to guide staff training and implementation of specific development work. We provided trainings for staff through two approaches, which are class training and online learning.

### 5.6 發展及培訓

本集團在員工手冊中發佈了員工發展及培訓的政策，我們視為員工提供可持續發展的機會和空間作為己任。員工可以獲得薪金、享受福利以外，還可以參與集團適時提供的培訓和發展機會。員工的發展及培訓是完成經營目標、提高績效、實現持續發展的保證，同時也是員工勝任職責、提升自我、開發潛力的途徑。

在員工職業生涯發展方面，本集團根據員工的能力、工作表現和實際經營需要，實行適時將員工進行崗位輪換，充分發揮員工的才幹和潛質，達到培養員工多方面能力和提高整體工作效率的目的。在出現職位空缺時，我們堅持內部晉升為主、外部引進為輔的原則。工作勤奮、表現出色、能力出眾的員工將獲得優先的晉升和發展機會。

本集團同時制定了《員工培訓管理制度》以及《員工職業發展管理辦法》，來指導員工培訓及發展具體工作的執行。我們主要通過課堂培訓和在線學習兩種方式向員工提供培訓。

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#### 5.7 Labour standard

Our corporate social responsibility has expressly stipulated the prohibition of recruiting child labour under 16 years old. For minors between 16 to 18 years old, we carried out special protection in accordance with the laws. At the same time, the Group stated in the policy that we only recruit employees above the minimum recruitment age in compliance with Labour Law.

The Group illustrated the policy of preventing forced labour in the employee handbook. Our leading production model under the order-oriented approach falls under the seasonal-restricted industry category. Pursuant to the Labour Law and the approval from local labour department, we implemented a work system with integrated computation of workings hours to ensure staff's rest and right to take leave can harmonize with normal completion of production and work tasks through collective working, collective rest, on shift and adjustment leave and flexible working hours, etc.

During the reporting period, the Group did not find any misconduct or regulatory non-compliance related to child labour or forced labour prevention.

#### 5.8 Anti-corruption

The Group prepared the anti-corruption and anti-bribery code of conduct, which aims to enhance internal control within the Group. According to practical situation, we strengthened system supervision, promoted system anti-corruption, and reinforced supervision for key segments and staff in key positions that are vulnerable to corruption.

#### 5.7 勞工準則

本集團在企業社會責任政策中明文規定禁止僱傭未滿16周歲的童工。對於16至18周歲的未成年工，我們依法實行特殊保護。同時，本集團在政策中聲明只僱傭符合勞動法規規定之最低受僱年齡以上的員工。

本集團在員工手冊中闡述了防止強制勞工的政策。我們是以訂單為主導的生產模式，屬於受季節限制行業。根據勞動法與當地勞動部門的批准，我們實行綜合計時工作制，通過採用集中工作、集中休息、輪休調休、彈性工作時間等制度，來確保職工的休息休假權利和生產、工作任務的正常完成。

在報告期內，集團未發生過違背有關防止童工或強制勞工的法律及規例的行為。

#### 5.8 反貪污

本集團制定了反腐敗、反賄賂行為守則，目的是加強集團的內控機制。我們結合實際經營情況，強化制度監督，推進制度反腐，加強對易發生腐敗的重點環節以及重點崗位人員的監督。

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The applicable range for the code of conduct for anti-corruption and anti-bribery included material procurement, appointment of external processing, facility projects, business sales, equipment procurement and maintenance, quality supervision, other economic activities, and the process of management of individuals, properties and belongings. At the same time, all customers, suppliers, service providers and underwriters who had business relationship with the Group are covered by the management of this code, which covered as the followings:

- Requirements of anti-corruption and anti-bribery conduct for purchasing and sales staff
- Requirements of capital management involving anti-corruption and anti-bribery conduct during the purchasing and selling process
- Requirements of anti-corruption and anti-bribery conduct for accounting cashiers
- Regular check for evaluation system
- Whistle-blowing registration system

During the reporting period, the Group did not find any misconduct or regulatory non-compliance related to bribery, extortion, fraud and money laundering.

反腐敗、反賄賂行為守則的適用範圍包括在集團範圍內的物料採購、委外加工、設施工程、業務銷售、設備採購和維護、質量監督等經濟活動，以及人、財、物管理的過程。同時，所有與本集團有業務來往的客戶、供應商、服務商、承包商也在本守則管理範圍內，守則涵蓋以下內容：

- 對採購及銷售人員的反腐敗、反賄賂行為要求
- 對購進、銷售過程的資金管理中涉及的反腐敗、反賄賂行為要求
- 對會計出納人員的反腐敗、反賄賂行為要求
- 定期檢查考評制度
- 舉報登記制度

在報告期內，集團未發生違背有關防止賄賂、勒索、欺詐及洗黑錢的法律及規例的行為。

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#### 5.9 Community investment

The corporate social responsibility policy prepared by the Group covers the information of community investment. We advocate building harmonious factories, participating in community care, and improving cultural standard. Through building a warm “staff home” for employees, we actively participated in governmental and local community activities to help promoting the regional economic and cultural standard.

We concern about vulnerable groups, promotion of environmental protection awareness, charitable donations, support education and the like. We launched activities of corporate social responsibility, including organizing staff to visit elderly homes during the Lei Feng activity month, deploying summer camps for the children of migrating employees, supporting local education and donating funds for education purpose. The Group actively participated in charitable activities related to environmental protection which were organized by governmental sector and donated RMB300,000 annually to support the weak and help the poor.

#### 5.9 社區投資

本集團制定的企業社會責任政策中涵蓋了對社區投資的內容。我們倡導构建和谐工廠、參與社會關懷、提升文化水平。通過為員工營造溫馨的「員工之家」，我們積極參與政府及地方的社區活動，從而幫助提升地方的經濟、文化水平。

我們在關愛弱勢群體、推廣環保意識、慈善捐贈、支持教育等方面開展了企業社會責任活動，包括在雷鋒活動月組織員工探望敬老院老人，開展異地務工子女暑期夏令營，扶持當地教育並捐贈教育經費。本集團積極參加政府部門組織的環保公益活動，每年捐贈廣東省扶貧濟困基金30萬元人民幣。

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

### 6 ESG General Disclosure Reference List

### 6 環境、社會及管治一般披露參考表

ESG Aspect ESG層面	Key performance 關鍵績效	Description 描述	Page 頁數	Note 註釋
<b>Environment</b> 環境				
A1	Emissions 排放物	Policies on waste gas and greenhouse gas emissions, discharge into water and land, generation of hazardous and non-hazardous waste, etc.; and compliance with the relevant laws and regulations that have an important impact on the issuer. 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的政策；及遵守對發行人有重大影響的相關法律及規例。	74-78	
A2	Utilization of resources 資源使用	Policies on efficient use of resources (including energy, water and other raw materials). 有效使用資源（包括能源、水及其他原材料）的政策。	78-80	
A3	Environment and natural resources 環境及天然資源	Policies on minimizing the impact on the environment and natural resources made by the issuer 減低發行人對環境及天然資源造成重大影響的政策。	79-80	
<b>Society</b> 社會				
B1	Employment 僱傭	Policies on remuneration and dismissal, recruitment and promotion, working hours, holidays, equal opportunity, diversity, anti-discrimination as well as other benefits and welfare; and compliance with the relevant laws and regulations that have an important impact on the issuer. 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的政策；及遵守對發行人有重大影響的相關法律及規例。	80-90	
B2	Health and safety 健康與安全	Policies on providing a safe working environment and protecting employees from occupational hazards; and compliance with the relevant laws and regulations that have an important impact on the issuer. 有關提供安全工作環境及保障僱員避免職業性危害的政策；及遵守對發行人有重大影響的相關法律及規例。	86-88	
B3	Development and training 發展及培訓	Policies on improving employees' knowledge and skills for discharging duties at work; description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	91	



## Environmental, Social and Governance Report

### 環境、社會及管治報告

ESG				
Aspect	Key performance	Description	Page	Note
ESG層面	關鍵績效	描述	頁數	註釋
B4	Labour standards 勞工準則	Policies on preventing child labour and forced labour; and compliance with the relevant laws and regulations. 有關防止童工或強制勞工的政策；及遵守相關法律及規例。	92	
B5	Supply chain management 供應鏈管理	Policies on managing environmental and social risks of supply chain. 管理供應鏈的環境及社會風險政策。	83-84	
B6	Product liability 產品責任	Policies on health and safety, advertising, labelling and privacy relating to products and services provided as well as remedial measures; and compliance with the relevant laws and regulations. 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的政策；及遵守相關法律及規例。	84-85	
B7	Anti-corruption 反貪污	Policies on preventing bribery, extortion, fraud and money laundering; and compliance with the relevant laws and regulations. 有關防止賄賂、勒索、欺詐及洗黑錢的政策；及遵守相關法律及規例。	92-93	
B8	Community investment 社區投資	Policies on community engagement to understand the needs of the communities where the issuer operates and ensures its business activities take into consideration the communities' interests. 有關以社區參與來瞭解營運所在社區需要和確保其業務活動會考慮社區利益的政策。	94	

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告



**Independent Auditor's Report to the Shareholders of  
Xingfa Aluminium Holdings Limited**  
*(incorporated in the Cayman Islands with limited liability)*

### Opinion

We have audited the consolidated financial statements of Xingfa Aluminium Holdings Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 108 to 215, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

**獨立核數師報告**  
**致興發鋁業控股有限公司股東**  
*(於開曼群島註冊成立的有限公司)*

### 意見

本核數師(以下簡稱「我們」)已審計列載於第108至215頁的興發鋁業控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表,此財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表,以及綜合財務報表附註,包括主要會計政策概要。

我們認為,該等綜合財務報表已根據國際會計準則委員會頒佈的《國際財務報告準則》真實而中肯地反映了 貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量,並已遵照香港《公司條例》的披露要求妥為擬備。

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”) together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matters

Key audit matters are those matters that, in our professional 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.

### 意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」）以及與我們對開曼群島綜合財務報表的審計相關的道德要求，我們獨立於貴集團，並已履行這些道德要求以及守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及就其出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

<b>Revenue recognition: distributor arrangements</b>	<b>收益確認：分銷商安排</b>
<i>Refer to note 3 to the consolidated financial statements and the accounting policies on page 139.</i>	<i>請參閱綜合財務報表附註3及第139頁的會計政策。</i>
<b>The Key Audit Matter</b> 關鍵審計事項	<b>How the matter was addressed in our audit</b> 我們的審計如何處理該事項
Revenue mainly comprises sales of aluminium profiles to distributors and other customers in a variety of end-user markets. 收益主要來自向各種終端市場之分銷商及其他客戶銷售鋁型材。	Our audit procedures to assess the recognition of revenue from distributor arrangements included the following: 我們用以評估分銷商安排之收益確認的審計程序包括以下各項：

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Key audit matters (continued)

### 關鍵審計事項 (續)

Revenue recognition: distributor arrangements (continued)	收益確認：分銷商安排 (續)
Refer to note 3 to the consolidated financial statements and the accounting policies on page 139.	請參閱綜合財務報表附註3及第139頁的會計政策。
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>Sales to distributors accounted for approximately 65% of the Group's revenue for the year. Each year, the Group enters into a framework distribution agreement with each distributor and sells its products in accordance with the terms of separate purchase orders. Once the products are delivered to the location designated by the distributor, the risks and rewards of ownership of the goods are considered to have been transferred to the distributor and revenue is recognised accordingly.</p> <p>向分銷商之銷售佔 貴集團年內收益約65%。 貴集團每年與各分銷商訂立框架分銷協議及根據各採購訂單之條款銷售產品。一旦產品交付至分銷商指定的地點，則貨品的擁有權風險及回報被視為已轉移予分銷商並隨即確認收益。</p> <p>We identified the recognition of revenue from distributor arrangements a key audit matter because revenue is one of the key performance indicators of the Group and therefore there is an inherent risk of manipulation of the timing of recognition of revenue by management to meet specific targets or expectations.</p> <p>我們將分銷商安排之收益確認識別為關鍵審計事項，原因是收益乃 貴集團關鍵表現指標之一，故此管理層於確認收益安排時效以達致具體目標或預期時存在固有風險。</p>	<ul style="list-style-type: none"> <li>• assessing the design, implementation and operating effectiveness of management's key internal controls which govern revenue recognition;</li> <li>• 評估管理收益確認之管理層關鍵內部監控之設計、實施及運行效力；</li> <li>• reading distribution agreements entered into with distributors, on a sample basis, and considering whether any agreements contain terms permitting the distributors to make sales returns;</li> <li>• 抽樣閱覽與分銷商訂立之分銷協議，及考慮是否有任何協議包含允許分銷商售貨退回之條款；</li> <li>• for a sample of revenue transactions recorded just before and after the year end, inspecting the related goods delivery notes, which had been signed and dated by the distributors as evidence of their receipt of the goods, to assess if the related revenue had been recognised in the appropriate financial period on the basis of the terms of sale as set out in the distribution agreements and the terms of the purchase orders;</li> <li>• 就於年末前後記錄之收益交易樣本而言，檢查有關交貨單（其已由分銷商簽署及註明日期以作收貨憑證），以評估有關收益是否已根據分銷協議所載之銷售條款及採購訂單之條款於適當財務期間予以確認；</li> </ul>

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Key audit matters (continued)

### 關鍵審計事項 (續)

Revenue recognition: distributor arrangements (continued) 收益確認：分銷商安排 (續)	
Refer to note 3 to the consolidated financial statements and the accounting policies on page 139. 請參閱綜合財務報表附註3及第139頁的會計政策。	
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
	<ul style="list-style-type: none"> <li>evaluating the recoverability of long overdue receivables from distributors by enquiring of management the reasons for delay in settlement and comparing cash received in respect of these receivables after the reporting date with bank statements and other relevant underlying documentation; and</li> <li>通過向管理層查詢延遲償付的原因及將有關報告日期後該等應收款項之已收現金與銀行對賬單及其他相關文件對比，評估應收分銷商之逾期已久之款項的可收回性；及</li> <li>inspecting significant manual adjustments to revenue raised during the reporting period, enquiring of management the reasons for such adjustments and comparing the details of the adjustments with relevant underlying documentation.</li> <li>審查報告期內對收益所作的重大手動調整，向管理層詢問有關調整的原因，並將調整的詳情與相關文件進行比較。</li> </ul>

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Key audit matters (continued)

### 關鍵審計事項 (續)

Recoverability of trade receivables	交易應收賬款的可收回性
Refer to note 15 to the consolidated financial statements and the accounting policies on pages 123 to 125.	請參閱綜合財務報表附註15及第123至125頁的會計政策。
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>The carrying value of the Group's net trade receivables as at 31 December 2016 totalled RMB813,714,000, which included an allowance for doubtful debts of RMB32,885,000.</p> <p>於二零一六年十二月三十一日，貴集團交易應收賬款賬面值之淨額為人民幣813,714,000元，包括呆賬撥備人民幣32,885,000元。</p> <p>The Group's allowance for doubtful debts is based on management's estimate of the recoverability of individual trade receivables with reference to the ageing of overdue balances, repayment histories of individual debtors, existing customer-specific and market conditions and the fulfilment of repayment arrangements agreed with specific debtors.</p> <p>貴集團之呆賬撥備乃根據管理層對個別交易應收賬款之可收回性的估計，經參考逾期結餘之賬齡、個別債務人之償還歷史、現有客戶的具體狀況及市場狀況以及具體債務人協定償還安排之達致情況後計算得出。</p>	<p>Our audit procedures to assess the recoverability of trade receivables included the following:</p> <p>我們用以評估交易應收賬款之可收回性的審計程序包括以下各項：</p> <ul style="list-style-type: none"> <li>• obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to credit control, debt collection and the calculation of the allowance for doubtful debts;</li> <li>• 了解及評估有關信貸監控、債務收回及呆賬撥備計算之關鍵內部監控之設計、實施及運行效力；</li> <li>• assessing the classification of individual balances in the trade receivables ageing report by comparing the details in the trade receivables ageing report with underlying sales invoices, on a sample basis;</li> <li>• 通過抽樣將交易應收賬款賬齡報告之詳情與相關銷售發票進行比較，評估交易應收賬款賬齡報告內個別結餘之分類；</li> </ul>

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Key audit matters (continued)

Recoverability of trade receivables (continued)	交易應收賬款的可收回性 (續)
Refer to note 15 to the consolidated financial statements and the accounting policies on pages 123 to 125.	請參閱綜合財務報表附註15及第123至125頁的會計政策。
The Key Audit Matter 關鍵審計事項	How the matter was addressed in our audit 我們的審計如何處理該事項
<p>Management is required to exercise judgement in assessing the allowance for doubtful debts for individual trade receivables. The ability of the debtors to repay the Group depends on customer-specific and market conditions which involves inherent uncertainty. 管理層於評估個別交易應收賬款呆賬撥備時須行使判斷。債務人對貴集團的還款能力取決於客戶的具體狀況及市場狀況，包括內在不確定性。</p> <p>We identified the recoverability of trade receivables as a key audit matter because of the inherent uncertainty in assessing if trade receivables will be recovered in full and because the assessment of the allowance for doubtful debts requires the exercise of management judgement. 我們將交易應收賬款的可收回性識別為關鍵審計事項，原因是評估交易應收賬款是否可悉數收回之內在不確定性及評估呆賬撥備須行使管理判斷。</p>	<ul style="list-style-type: none"> <li>• obtaining an understanding of the basis of management's judgements about the recoverability of individual overdue balances and evaluating the allowance for doubtful debts made by management for these individual balances with reference to the industry in which the debtors are operating, the ageing of overdue balances, historical and post year-end payment records and repayment arrangements agreed with specific debtors. This included inspecting relevant correspondence with individual debtors;</li> <li>• 了解管理層就個別逾期結餘可收回性作出判斷之基準及在參考債務人營運的行業、逾期結餘之賬齡、歷史及年末後付款記錄及特定客戶協定之償還安排後，評估管理層就該等個別結餘作出之呆賬撥備。此包括調查個別債務人的相關信件；</li> <li>• assessing the historical accuracy of the estimates made by the management for the allowance for doubtful debts by comparing the level of allowance made by management as at 31 December 2015 with the actual new provisions, write offs and recoveries in respect of trade receivables as at 31 December 2015 during the current year; and</li> <li>• 通過將管理層於二零一五年十二月三十一日作出之撥備水平與本年度就於二零一五年十二月三十一日之交易應收款項實際作出之新撥備、撇銷及收回款項比較，評估管理層就呆賬撥備所作出估計的歷史準確性；及</li> <li>• comparing cash receipts from debtors subsequent to the financial year end relating to trade receivable balances at 31 December 2016 with bank statements and relevant underlying documentation, on a sample basis.</li> <li>• 按抽樣基準將該財政年度年結日後就二零一六年十二月三十一日之交易應收賬款結餘向債務人收取之現金收據與銀行賬單及相關文件對比。</li> </ul>

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Information other than the consolidated financial statements and auditor's report thereon

The directors are responsible for the other information. The other information comprises all 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.

### 綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

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

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。



## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Responsibilities of the directors for the consolidated financial statements

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

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

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

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

### 董事就綜合財務報表須承擔的責任

董事須負責根據國際會計準則委員會頒佈的《國際財務報告準則》及香港《公司條例》的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審計委員會協助董事履行監督 貴集團的財務報告過程的責任。

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體股東報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

### 核數師就綜合財務報表須承擔的責任 (續)

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

### 核數師就綜合財務報表須承擔的責任 (續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

## Independent Auditor's Report on the Consolidated Financial Statements 綜合財務報表之獨立核數師報告

### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

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

The engagement partner on the audit resulting in this independent auditor's report is Lam Kai Wa.

#### KPMG

*Certified Public Accountants*

8th Floor, Prince's Building

10 Chater Road

Central, Hong Kong

31 March 2017

### 核數師就綜合財務報表須承擔的責任 (續)

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

出具本獨立核數師報告的審計項目合夥人是林啟華。

#### 畢馬威會計師事務所

執業會計師

香港中環

遮打道十號

太子大廈八樓

二零一七年三月三十一日

**Consolidated Statement of Profit or Loss**  
**綜合損益表**

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣列示)

		Note	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
		附註		
<b>Revenue</b>	<b>營業額</b>	3	<b>5,576,696</b>	4,977,829
Cost of sales	銷售成本		(4,751,647)	(4,148,068)
<b>Gross profit</b>	<b>毛利</b>		<b>825,049</b>	829,761
Other income	其他收益	4	40,122	41,413
Distribution costs	分銷成本		(123,835)	(107,192)
Administrative expenses	行政開支		(279,706)	(293,970)
<b>Profit from operations</b>	<b>經營溢利</b>		<b>461,630</b>	470,012
Finance costs	財務成本	5(a)	(117,950)	(149,138)
Share of profit/(loss) of an associate	應佔聯營公司溢利／(虧損)	13	7,611	(214)
<b>Profit before taxation</b>	<b>除稅前溢利</b>	5	<b>351,291</b>	320,660
Income tax	所得稅	6	(52,815)	(54,893)
<b>Profit for the year attributable to equity shareholders of the Company</b>	<b>本公司權益股東應佔年度溢利</b>		<b>298,476</b>	265,767
<b>Basic and diluted earnings per share (RMB yuan)</b>	<b>每股基本及攤薄盈利 (人民幣元)</b>	9	<b>0.71</b>	0.64

The notes on pages 115 to 215 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in Note 23(b).

第115至215頁之附註為該等財務報表的一部份。本公司權益股東應佔年度溢利之應付股息詳情載於附註23(b)。

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

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣列示)

		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>Profit for the year</b>	年度溢利	298,476	265,767
<b>Other comprehensive income for the year that may be reclassified to profit or loss:</b>	可能重新分類至損益之年度其他全面收益：		
Exchange differences on translation of financial statements of operations outside the People's Republic of China (the "PRC")	換算中華人民共和國(「中國」)以外業務之財務報表之匯兌差額	1,493	270
<b>Total comprehensive income for the year attributable to equity shareholders of the Company</b>	本公司權益股東應佔年度全面收益總額	<b>299,969</b>	266,037

The notes on pages 115 to 215 form part of these financial statements. 第115至215頁之附註為該等財務報表的一部份。

**Consolidated Statement of Financial Position**  
**綜合財務狀況表**

At 31 December 2016

於二零一六年十二月三十一日

(Expressed in Renminbi)

(以人民幣列示)

			<b>31 December</b>	31 December
			<b>2016</b>	2015
			二零一六年	二零一五年
			十二月三十一日	十二月三十一日
		Note	<b>RMB'000</b>	<b>RMB'000</b>
		附註	人民幣千元	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	10	1,794,185	1,905,468
Lease prepayments	預付租金	11	294,461	301,494
Interest in an associate	於聯營公司之權益	13	9,515	1,416
Deferred tax assets	遞延稅項資產	22(b)	42,562	41,465
			<b>2,140,723</b>	2,249,843
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	14	963,458	678,262
Trade and other receivables	交易及其他應收款項	15	1,582,028	1,298,059
Pledged deposits	已抵押存款	16	212,815	278,141
Cash and cash equivalents	現金及現金等價物	17	443,431	416,012
			<b>3,201,732</b>	2,670,474
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	交易及其他應付款項	18	1,772,676	1,407,636
Loans and borrowings	貸款及借貸	19	1,384,150	1,699,467
Obligations under finance leases	融資租賃責任	20	-	6,712
Current taxation	即期稅項	22(a)	27,514	25,197
			<b>3,184,340</b>	3,139,012
<b>Net current assets/(liabilities)</b>	<b>流動資產／(負債)淨額</b>		<b>17,392</b>	(468,538)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>2,158,115</b>	1,781,305

## Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2016  
於二零一六年十二月三十一日  
(Expressed in Renminbi)  
(以人民幣列示)

			<b>31 December 2016</b>	31 December 2015
			二零一六年 十二月三十一日	二零一五年 十二月三十一日
		Note 附註	<b>RMB'000</b> 人民幣千元	RMB'000 人民幣千元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Loans and borrowings	貸款及借貸	19	419,252	301,000
Deferred income	遞延收入	21	47,847	56,769
Deferred tax liability	遞延稅項負債	22(b)	3,096	3,690
			<b>470,195</b>	361,459
<b>Net assets</b>	<b>資產淨值</b>		<b>1,687,920</b>	1,419,846
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	23	3,731	3,731
Reserves	儲備		<b>1,684,189</b>	1,416,115
<b>Total equity</b>	<b>權益總額</b>		<b>1,687,920</b>	1,419,846

Approved and authorised for issue by the board of directors on 31 March 2017.

於二零一七年三月三十一日獲董事會批准及授權刊發。

**Liu Libin**  
劉立斌  
Chairman  
主席

**Luo Riming**  
羅日明  
Executive Director  
執行董事

The notes on pages 115 to 215 form part of these financial statements.

第115至215頁之附註為該等財務報表的一部份。



## Consolidated Statement of Changes in Equity

### 綜合權益變動表

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣列示)

		Attributable to equity shareholders of the Company							Total
		本公司權益股東應佔							
		Share capital	Share premium	Capital reserve	Other reserve	Statutory reserves	Exchange reserves	Retained earnings	
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
	Note 23(c)	Note 23(d)(i)	Note 23(d)(iii)	Note 23(d)(ii)	Note 23(d)(iv)	Note 23(d)(v)			
	附註23(c)	附註23(d)(i)	附註23(d)(iii)	附註23(d)(ii)	附註23(d)(iv)	附註23(d)(v)			
Balance at 1 January 2015	於二零一五年一月一日之結餘	3,731	179,568	6,200	209,822	137,052	(3,751)	651,339	1,183,961
Changes in equity for 2015:	二零一五年權益變動:								
Profit for the year	年度溢利	-	-	-	-	-	-	265,767	265,767
Other comprehensive income	其他全面收益	-	-	-	-	-	270	-	270
Total comprehensive income	全面收益總額	-	-	-	-	-	270	265,767	266,037
Dividends approved in respect of the previous year	有關上年度已獲批准之股息	23(b)	-	-	-	-	-	(30,152)	(30,152)
Appropriation to reserves	轉撥至儲備		-	-	-	29,972	-	(29,972)	-
Balance at 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日之結餘	3,731	179,568	6,200	209,822	167,024	(3,481)	856,982	1,419,846
Changes in equity for 2016:	二零一六年權益變動:								
Profit for the year	年度溢利	-	-	-	-	-	-	298,476	298,476
Other comprehensive income	其他全面收益	-	-	-	-	-	1,493	-	1,493
Total comprehensive income	全面收益總額	-	-	-	-	-	1,493	298,476	299,969
Dividends approved in respect of the previous year	有關上年度已獲批准之股息	23(b)	-	-	-	-	-	(31,895)	(31,895)
Appropriation to reserves	轉撥至儲備		-	-	-	38,676	-	(38,676)	-
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	3,731	179,568	6,200	209,822	205,700	(1,988)	1,084,887	1,687,920

The notes on pages 115 to 215 form part of these financial statements.

第115至215頁之附註為該等財務報表的一部份。

## Consolidated Cash Flow Statement 綜合現金流量表

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣列示)

			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
		Note 附註		
<b>Operating activities</b>	<b>經營活動</b>			
Cash generated from operations	業務所得現金	17(b)	540,854	518,140
Income tax paid by the subsidiaries in the PRC	中國附屬公司已付所得稅		(49,800)	(54,233)
Income tax (paid)/recovered by the subsidiary in Hong Kong	香港附屬公司(已付)/收回利得稅		(2,389)	297
<b>Net cash generated from operating activities</b>	<b>經營活動所得現金淨額</b>		<b>488,665</b>	464,204
<b>Investing activities</b>	<b>投資活動</b>			
Interest received	已收利息		7,455	10,176
Proceeds received upon maturity of pledged deposits	於已抵押存款到期後已收所得款項		521,051	757,078
Payment for pledged deposits	已抵押存款付款		(455,725)	(705,005)
Payment for purchase of property, plant and equipment	購置物業、廠房及設備之付款		(188,012)	(224,097)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		30	-
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>		<b>(115,201)</b>	(161,848)

**Consolidated Cash Flow Statement**  
**綜合現金流量表**

For the year ended 31 December 2016  
截至二零一六年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣列示)

		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
	Note 附註		
<b>Financing activities</b>	<b>融資活動</b>		
Interest paid	已付利息	(116,710)	(136,461)
Proceeds from loans and borrowings	貸款及借貸所得款項	2,297,675	2,090,800
Repayment of loans and borrowings	償還貸款及借貸	(2,494,740)	(2,093,365)
Capital element of finance lease rentals paid	已付融資租賃租金資本部份	(6,712)	(25,814)
Interest element of finance lease rentals paid	已付融資租賃租金利息部份	(58)	(1,227)
Dividends paid	已付股息	(31,895)	(30,152)
	23(b)		
<b>Net cash used in financing activities</b>	<b>融資活動所用現金淨額</b>	<b>(352,440)</b>	<b>(196,219)</b>
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物增加淨額</b>	<b>21,024</b>	<b>106,137</b>
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日的現金及現金等價物</b>	<b>416,012</b>	<b>305,856</b>
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動之影響</b>	<b>6,395</b>	<b>4,019</b>
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日的現金及現金等價物</b>	<b>443,431</b>	<b>416,012</b>

The notes on pages 115 to 215 form part of these financial statements.

第115至215頁之附註為該等財務報表的一部份。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 1 Significant accounting policies

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (“IASs”) and Interpretations issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Groups is disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

### 1 主要會計政策

#### (a) 合規聲明

該等財務報表是按照所有適用國際財務報告準則（「國際財務報告準則」）編製。國際財務報告準則包括由國際會計準則委員會（「國際會計準則委員會」）頒佈的所有適用個別國際財務報告準則、國際會計準則（「國際會計準則」）及詮釋以及香港公司條例之適用披露規定。該等財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露條文。本集團所採用的主要會計政策披露如下。

國際會計準則委員會已頒佈若干新訂及經修訂國際財務報告準則，該等準則為於本集團本會計期間首次生效或可提早採納。初次應用該等與本集團有關之國際財務報告準則所引致當前和以往會計期間之任何會計政策變動，已反映於該等財務報表內，有關資料列載於附註1(c)。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 1 Significant accounting policies (continued)

#### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in an associate.

The consolidated financial statements are presented in Renminbi (“RMB”), rounded to the nearest thousand, which is the functional currency of the subsidiaries carrying out the principal activities of the Group.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 29.

### 1 主要會計政策 (續)

#### (b) 財務報表之編製基準

截至二零一六年十二月三十一日止年度的綜合財務報表由本公司及其附屬公司以(統稱「本集團」)及本集團於聯營公司之權益組成。

綜合財務報表乃按人民幣(「人民幣」)呈列，並已約整至最接近的千位，人民幣為從事本集團主要業務之附屬公司之功能貨幣。

財務報表之編製以歷史成本法為計量基準。

管理層編製符合國際財務報告準則規定之財務報表時，須作出影響政策應用和所呈報資產、負債及收支金額的判斷、估計和假設。該等估計和相關假設乃根據過往經驗及管理層相信於該等情況下屬合理的各項其他因素作出，所得結果用作判斷該等無法從其他渠道直接獲得之資產及負債賬面值之基礎。實際結果可能與該等估計不同。

估計及相關假設會持續檢討。會計估計之修訂會在修訂估計期間(倘修訂僅影響該期間)或修訂期間及未來期間(倘修訂影響目前及未來期間)確認。

管理層應用國際財務報告準則時所作出對財務報表有重大影響的判斷及估計不確定因素之主要來源載於附註29。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 1 Significant accounting policies (continued)

#### (c) Changes in accounting policies

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

#### (d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (Note 1(h)).

### 1 主要會計政策 (續)

#### (c) 會計政策變動

國際會計準則委員會已頒佈若干國際財務報告準則之修訂本，其乃於本集團之本會計期間首次生效。該等修訂對本集團於本期間或過往期間所編製或呈列之業績及財務狀況並無重大影響。

本集團並無應用任何於本會計期間尚未生效之新準則或詮釋。

#### (d) 附屬公司

附屬公司指由本集團控制的實體。倘本集團因參與某實體的營運而獲得或有權享有其可變回報，並能夠運用其對實體之權力影響該等回報，則本集團控制該實體。在評估本集團是否擁有控制權時，僅考慮實質權利（由本集團及其他人士持有）。

於一間附屬公司之投資自控制開始當日起至控制結束當日期間於綜合財務報表內綜合入賬。集團內公司間結餘、交易及現金流量以及集團內公司間交易產生之任何未變現溢利於編製綜合財務報表時悉數對銷。集團內公司間交易產生之未變現虧損以與未變現收益相同之方式對銷，惟僅於無減值證據時進行。

於本公司之財務狀況表中，於一間附屬公司之投資按成本減去減值虧損列賬（附註1(h)）。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 1 Significant accounting policies (continued)

#### (e) Associate

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (*Note 1(h)*). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investee's other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

### 1 主要會計政策 (續)

#### (e) 聯營公司

聯營公司是指本集團可以對其管理層發揮重大影響力(不是控制或共同控制)的企業，其中包括參與財務及經營決策。

於聯營公司的投資按權益法記入綜合財務報表。根據權益法，投資初始以成本入賬，調整本集團在收購當日應佔被投資方可辨認淨資產公平值超過投資成本的金額調整(如有)。其後，調整本集團收購後應佔被投資方的淨資產的變動及與該投資相關的任何減值虧損變動(*附註1(h)*)。收購當日出出成本的任何金額，本集團本年應佔被投資方的收購後的稅後業績及任何減值虧損在綜合損益表確認，而本集團應佔被投資方的收購後的稅後其他全面收益項目在綜合損益及其他全面收益表確認。

當本集團應佔聯營公司的虧損額超過其所佔權益時，本集團所佔權益會減少至零，並且不再確認額外虧損；但如本集團須履行法定或推定義務，或代被投資方作出付款則除外。就此而言，本集團的權益是以按照權益法計算投資的賬面金額，以及實質上構成本集團於聯營公司投資淨額一部份的長期權益為準。

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(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (e) Associate (continued)

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In the Company's statement of financial position, investments in associates are stated at cost less impairment losses (Note 1(h)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

In all other cases, when the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset.

#### (f) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (Note 1(h)).

- Buildings held for own use which are situated on leasehold land classified as held under operating leases (Note 1(g)); and
- Other items of plant and equipment.

### 1 主要會計政策 (續)

#### (e) 聯營公司 (續)

本集團與聯營公司之間交易所產生的未實現溢利和損失，均按本集團於被投資方的權益比例抵銷；但如未變現虧損顯示已轉讓資產出現減值，則該等未變現虧損會即時在損益內確認。

於聯營公司之投資在本公司的財務狀況表內按成本減減值虧損呈列(附註1(h))，惟分類為持作銷售(或計入分類為持作銷售之出售組別)者除外。

在所有其他情況下，如本集團對聯營公司不再有重大影響，應視同整體處置於被投資方所佔的權益，相關盈虧於損益中確認。重大影響喪失當日本集團所保留的於前被投資方的任何剩餘權益按公平值確認，該金額於金融資產初步確認時視為公平值。

#### (f) 物業、廠房及設備

以下物業、廠房及設備項目乃按成本減累計折舊及減值虧損呈列(附註1(h))。

- 位於分類為按經營租賃持有之租賃土地之持作自用樓宇(附註1(g))；及
- 其他廠房及設備項目。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (f) Property, plant and equipment (continued)

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (Note 1(s)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings and plants held for own use which are situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no more than 35 years after the date of completion.
- Machinery 3 – 20 years
- Motor vehicles 3 – 5 years
- Office equipment and others 3 – 10 years

### 1 主要會計政策 (續)

#### (f) 物業、廠房及設備 (續)

自建物業、廠房及設備項目成本包括材料成本、直接勞工費用、拆卸及搬遷項目以及恢復項目所在地原貌成本之初步估算(如相關)，以及生產成本及借貸成本(附註1(s))之適當部份。

物業、廠房及設備項目報廢或出售之收益或虧損按出售所得款項淨額與項目賬面值之差額釐定，並於報廢或出售日期於損益內確認。

折舊是採用直線法在物業、廠房及設備項目之估計可使用年內內撇銷項目之成本減估計剩餘價值(如有)，計算方法如下：

- 位於租賃土地持作自用之樓宇及廠房於未屆滿租期與估計可使用年期兩者之較短期間(不得超過落成日期起計35年)內折舊。
- 機器 3至20年
- 汽車 3至5年
- 辦公室設備及其他 3至10年

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (f) Property, plant and equipment (continued)

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

#### (g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

#### (i) *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

### 1 主要會計政策 (續)

#### (f) 物業、廠房及設備 (續)

倘物業、廠房及設備項目之各個部份擁有不同可使用年期，則該項目之成本值按合理基準於各個部份間分配，且各個部份單獨折舊。資產之可使用年期及其剩餘價值（如有）每年進行檢討。

#### (g) 租賃資產

倘本集團決定根據由一項或多項交易組成之安排於協定期內轉讓特定資產使用權以換取一筆或多筆款項，則有關安排屬於或包含租約。此乃根據有關安排性質評估而定，而不論有關安排是否為法律形式之租約。

#### (i) 本集團承租之資產之分類

本集團根據租約持有，且所有權之絕大部份風險及回報已轉移到本集團之資產乃分類為根據融資租賃持有之資產。所有權之絕大部份風險及回報並無轉移到本集團之租賃分類為經營租賃。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (g) Leased assets (continued)

##### (ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in Note 1(f). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 1(h). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

### 1 主要會計政策 (續)

#### (g) 租賃資產 (續)

##### (ii) 根據融資租賃收購之資產

倘本集團根據融資租賃收購資產之用途，則相等於所租賃資產之公平值之金額或（倘更低）有關資產之最低租賃付款之現值乃確認為物業、廠房及設備，而相應負債（扣除融資費用）乃記錄為融資租賃責任。誠如附註1(f)所載，折舊按有關租約之期限或（倘本集團將有可能取得資產之所有權）資產之可使用年期撇銷資產之成本或估值之比率予以計提。減值虧損按附註1(h)所載之會計政策入賬。租賃付款固有之融資費用按租期於損益內扣除，以產生扣除各個會計期間負擔之剩餘結餘之概約不變週期比率。或然租金乃於產生之會計期間於損益內扣除。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (g) Leased assets (continued)

##### (iii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

#### (h) Impairment of assets

##### (i) Impairment of receivables

Receivables that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;

### 1 主要會計政策 (續)

#### (g) 租賃資產 (續)

##### (iii) 經營租賃支出

如本集團使用根據經營租賃持有之資產，則根據租約支付之款項會在租期內之會計期間之損益中分期等額扣除，惟倘有其他能更清楚反映租賃資產所產生收益模式之入賬方式則除外。獲提供之租賃優惠於損益內確認為淨租金付款總額一部份。或然租金於所涉及會計期間之損益扣除。

收購根據經營租賃持有之土地之成本於租期內按直線法攤銷。

#### (h) 資產減值

##### (i) 應收款項減值

本集團於各報告期末審閱按成本或攤銷成本入賬之應收款項，以釐定是否有客觀減值跡象。客觀減值跡象包括本集團發現有關一項或多項下列虧損事件之可觀察數據：

- 債務人有重大財務困難；

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### 1 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (i) Impairment of receivables (continued)

- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

For trade and other current receivables carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material.

### 1 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (i) 應收款項減值 (續)

- 違反合約，例如拖欠利息或本金付款；
- 債務人可能破產或進行其他財務重組；及
- 技術、市場、經濟或法律環境之重大轉變對債務人有不利影響。

如出現任何有關證據，減值虧損釐定及確認如下：

以攤銷成本列賬之交易及其他即期應收款項而言，減值虧損按資產賬面值與估計未來現金流量現值（倘貼現影響重大，則以金融資產之原有實際利率（即於首次確認該等資產時計算之實際利率）貼現）之間之差額計算。

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(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (i) Impairment of receivables (continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

### 1 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (i) 應收款項減值 (續)

倘減值虧損金額於往後期間減少，而有關減少可與確認減值虧損後發生之事件客觀相關，則減值虧損會透過損益撥回。撥回減值虧損不得導致資產賬面值超出其於過往年度倘無確認減值虧損而應有之賬面值。

除計入交易及其他應收款項之應收貿易賬款及應收票據（視為不肯定可否收回而非不可收回）外，減值虧損會自相關資產直接撇銷。因此呆賬之減值虧損會於撥備賬記錄。倘本集團確認不可能收回應收賬款，有關款項會視為不可收回，並自應收貿易賬款及應收票據中直接撇銷，且會撥回在撥備賬中有關該債務之任何金額。其後收回先前自撥備賬扣除之金額自撥備賬撥回。撥備賬之其他變動及其後收回先前直接撇銷之金額均於損益確認。

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(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- lease prepayment;
- interest in an associate; and
- investment in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

##### - Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

### 1 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (ii) 其他資產減值

本集團於各報告期末審閱內部及外部資料，以確定下列資產有否減值跡象或先前確認之減值虧損是否不再存在或可能已減少：

- 物業、廠房及設備；
- 預付租金；
- 於一間聯營公司權益；及
- 本公司財務狀況表中於附屬公司的投資。

倘存在任何有關跡象，則會估計資產之可收回金額。

##### - 計算可收回金額

資產之可收回金額為其公平值減出售成本與使用價值之較高者。在評估使用價值時，會按可反映當時市場對貨幣時間價值及資產特定風險評估之稅前貼現率，將估計未來現金流量貼現至其現值。倘資產並無產生基本上獨立於其他資產所產生之現金流入，則以能獨立產生現金流入之最小資產組別（即現金產生單位）釐定可收回金額。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (ii) Impairment of other assets (continued)

###### – Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

###### – Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### 1 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (ii) 其他資產減值 (續)

###### – 確認減值虧損

倘資產或其所屬現金產生單位之賬面值超過可收回金額，則於損益確認減值虧損。就現金產生單位確認之減值虧損會按比例減少該單位（或該組單位）內其他資產之賬面值，惟資產之賬面值不可減至低於其個別公平值扣減出售成本（如能計量）或使用價值（如能釐定）。

###### – 撥回減值虧損

倘用作計算可收回金額之估計出現有利變化，則會撥回減值虧損。

所撥回之減值虧損僅限於過往年度並未確認減值虧損時應有之資產賬面值。所撥回之減值虧損在確認撥回年度計入損益。



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### 1 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with IAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (Notes 1(h)(i) and (ii)).

#### (i) Inventories

Inventories are carried at the lower of cost and net realisable value.

##### (i) Aluminium profiles manufacturing

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 1 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須遵照國際會計準則第34號中期財務報告編製有關財政年度首六個月之中期財務報告。於中期期末，本集團採用等同該財政年度末之減值測試、確認及撥回標準（附註1(h)(i)及(ii)）。

#### (i) 存貨

存貨以成本與可變現淨值之較低者列賬。

##### (i) 鋁型材製造

成本使用加權平均成本法計算，並包括所有購買成本、兌換成本及將存貨運送至目前地點及變成現狀所涉之其他成本。

可變現淨值為日常業務過程中之估計售價，減去估計完成成本及進行出售所需之估計成本。

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### 1 Significant accounting policies (continued)

#### (i) Inventories (continued)

##### (i) Aluminium profiles manufacturing (continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

##### (ii) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

### 1 主要會計政策 (續)

#### (i) 存貨 (續)

##### (i) 鋁型材製造 (續)

當存貨售出時，該等存貨之賬面值於確認有關收入期間內支銷。將存貨撇減至可變現淨值之金額及存貨之所有虧損於撇減或虧損發生期間內支銷。任何存貨撇減之撥回乃透過於撥回產生期間內扣減支銷之存貨金額而予以確認。

##### (ii) 物業發展

有關物業發展業務之存貨乃按成本與可變現淨值兩者中的較低者入賬。成本及可變現淨值乃按以下方式釐定：

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### 1 Significant accounting policies (continued)

#### (i) Inventories (continued)

##### (ii) Property development (continued)

###### – Property under development for sale

The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing costs capitalised (Note 1(s)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

###### – Completed property held for resale

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property. The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

### 1 主要會計政策 (續)

#### (i) 存貨 (續)

##### (ii) 物業發展 (續)

###### – 持作待售之發展中物業

待售發展中物業的成本由具體指定的成本組成，包括土地收購成本、發展、材料及物資總成本、工資及其他直接開支、適當部分的間接費用及已資本化借貸成本(附註1(s))。可變現淨值指估計售價減去估計完工成本及銷售物業時將產生的成本。

###### – 持作轉售之已落成物業

就本集團發展之已落成物業而言，成本按未出售物業應佔該發展項目總發展成本之比例釐定。可變現淨值為估計售價減去將於物業出售時產生的成本後所得數額。持有待售之已落成物業成本包括所有採購成本、加工成本及使存貨處於當前地點及狀況之其他成本。

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### 1 Significant accounting policies (continued)

#### (j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (Note 1(h)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

#### (k) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

#### (l) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with Note 1(p)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

### 1 主要會計政策 (續)

#### (j) 交易及其他應收款項

交易及其他應收款項乃初步按公平值確認，其後使用實際利息法按攤銷成本減呆賬減值撥備(附註1(h))列賬，惟倘應收款項乃向有關連人士提供且並無固定還款期或貼現影響微小之免息貸款則除外。於該等情況下，應收款項乃按成本值減呆賬減值撥備列賬。

#### (k) 計息借貸

計息借貸乃初步按公平值減應佔交易成本確認，於首次確認後按攤銷成本列賬，首次確認之金額與贖回價值之任何差額(連同任何應付利息及費用)於貸款期內以實際利率法於損益確認。

#### (l) 交易及其他應付款項

交易及其他應付款項乃初步按公平值確認。除根據附註1(p)(i)計算之財務擔保負債外，交易及其他應付款項其後按攤銷成本入賬，惟倘貼現影響並不重大，則按成本入賬。

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### 1 Significant accounting policies (continued)

#### (m) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

#### (n) Employee benefits

##### (i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

##### (ii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

### 1 主要會計政策 (續)

#### (m) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、活期銀行及其他金融機構存款，以及可隨時兌換為已知金額之現金及毋須承受重大價值變動風險且於購入後三個月內到期之短期高流動投資。

#### (n) 僱員福利

##### (i) 短期僱員福利及向定額供款退休計劃供款

薪金、年終花紅、有薪年假、向定額供款退休計劃作出之供款及非貨幣福利之成本於僱員提供相關服務之年度內計算。如延遲付款或結算並構成重大影響，則此等金額會以現值列賬。

##### (ii) 終止福利

終止福利乃於本集團不再撤回該等福利要約及涉及支付終止福利之重組成本確認時（以較早者為準）確認。

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### 1 Significant accounting policies (continued)

#### (n) Employee benefits (continued)

##### (ii) Termination benefits (continued)

Contribution to appropriate local defined contribution retirement schemes pursuant to the relevant labour rules and regulations in the PRC are recognised as an expense in profit or loss as incurred, except to the extent that they are included in the cost of inventories not yet recognised as an expense.

#### (o) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

### 1 主要會計政策 (續)

#### (n) 僱員福利 (續)

##### (ii) 終止福利 (續)

根據中國相關勞動規則及規例向當地適當的定額供款退休計劃作出的供款，於供款時在損益中確認為開支，惟已計入尚未確認為開支的存貨成本內者則除外。

#### (o) 所得稅

年內所得稅包括即期稅項及遞延稅項資產與負債之增減。即期稅項及遞延稅項資產與負債之增減於損益確認，惟有關於其他全面收益或直接於權益確認項目之即期稅項及遞延稅項資產與負債之增減則分別於其他全面收益或直接於權益確認。

即期稅項乃根據年內應課稅收入按報告期末已實施或大致實施的稅率計算之預計應付稅項，並會按過往年度之應付稅項調整。

可扣稅與應課稅暫時差額分別產生的遞延稅項資產及負債即作財務報告用途之資產與負債賬面值與相關稅基的差額。遞延稅項資產亦產生自未動用稅務虧損及未動用稅務抵免。

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### 1 Significant accounting policies (continued)

#### (o) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

### 1 主要會計政策 (續)

#### (o) 所得稅 (續)

除若干少數例外情況外，所有遞延稅項負債及所有遞延稅項資產（須可能有日後應課稅溢利可供動用該資產）均會確認。支持確認可扣稅暫時差額所產生遞延稅項資產的日後應課稅溢利包括撥回現有應課稅暫時差額所產生溢利，惟該等差額須與相同稅務機關及相同課稅公司有關，並預期於可扣稅暫時差額預期撥回的同一期間或遞延稅項資產所產生稅務虧損可撥回或結轉的各期間內撥回。釐定現有應課稅暫時差額是否支持確認未動用稅務虧損及抵免所產生遞延稅項資產的條件相同，即與同一稅務機關及課稅公司有關且預期於稅務虧損或抵免動用的期間撥回的差額會計算在內。

確認遞延稅項資產與負債的少數例外情況為首次確認並不影響會計或應課稅溢利的資產或負債（並非業務合併一部份）產生的暫時差額，以及有關投資附屬公司的暫時差額，如為應課稅差額，則本集團可控制撥回時間及該等差額於可見將來應不會撥回者，而如為可扣稅差額，即於可見將來或會撥回者。

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### 1 Significant accounting policies (continued)

#### (o) Income tax (continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

### 1 主要會計政策 (續)

#### (o) 所得稅 (續)

所確認遞延稅項金額乃根據預期資產及負債賬面值變現或結算方式，按報告期末已頒佈或實質頒佈的稅率計算。遞延稅項資產及負債不會貼現。

於各報告期末會檢討遞延稅項資產的賬面值，並會減少至不可能有足夠應課稅溢利供相關稅務優惠動用為止。任何有關減少會於可能有足夠應課稅溢利時撥回。

分派股息產生的額外所得稅會於確認支付相關股息的負債時確認。

即期稅項結餘與遞延稅項結餘以及相關增減會分開呈列，且不會對銷。倘本公司或本集團可合法將即期稅項資產與即期稅項負債對銷，並符合下列其他條件，則可將即期稅項資產與即期稅項負債以及遞延稅項資產與遞延稅項負債互相對銷：

- 如為即期稅項資產及負債，本公司或本集團擬按淨額結算，或同時變現資產及結算負債；或



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### 1 Significant accounting policies (continued)

#### (o) Income tax (continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

#### (p) Financial guarantees issued, provisions and contingent liabilities

##### (i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

### 1 主要會計政策 (續)

#### (o) 所得稅 (續)

- 如為遞延稅項資產及負債，則須與同一稅務機關所徵收所得稅有關：
  - 同一應課稅實體；或
  - 不同應課稅實體，計劃在預期有重大金額的遞延稅項負債或資產須予清償或收回的每個未來期間，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現及清償該資產及該負債。

#### (p) 已發出之財務擔保、撥備及或然負債

##### (i) 已發出之財務擔保

財務擔保乃要求發行人（即擔保人）為擔保受益人（「持有人」）就特定債務人未能根據債務工具條款於到期時付款所招致損失賠償特定款項之合約。

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### 1 Significant accounting policies (continued)

#### (p) Financial guarantees issued, provisions and contingent liabilities (continued)

##### (i) Financial guarantees issued (continued)

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

### 1 主要會計政策 (續)

#### (p) 已發出之財務擔保、撥備及或然負債 (續)

##### (i) 已發出之財務擔保 (續)

倘本集團發出財務擔保，該擔保之公平值首先確認為交易及其他應付款項之遞延收入。所出具財務擔保於發出時的公平值乃參照就類似服務的公平交易中所收取的費用（如可獲取有關資料），或參照於提供擔保時放款人實際收取的費用與放款人在未有提供擔保時估計可收取的費用（如可就有關資料作出可靠估計）之間的利率差異釐定。倘在發出該擔保時收取或應收取代價，則該代價根據適用於該類資產之本集團政策確認。若無任何已收或應收代價，則初步確認任何遞延收入時同時須於損益即時確認開支。

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### 1 Significant accounting policies (continued)

#### (p) Financial guarantees issued, provisions and contingent liabilities (continued)

##### (i) Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 1(p) (ii) if and when (a) it becomes probable that the holder of the guarantee will call upon the Group, under the guarantee, and (b) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

##### (ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

### 1 主要會計政策 (續)

#### (p) 已發出之財務擔保、撥備及或然負債 (續)

##### (i) 已發出之財務擔保 (續)

首先確認為遞延收入之擔保款額在擔保年期內於損益列為已發出之財務擔保之收入攤銷。此外，倘(a)擔保持有人可能根據擔保向本集團發出催繳通知；及(b)向本集團提出之申索款額預期超過現時就該擔保入賬之交易及其他應付款項金額(即首次確認之金額)減累計攤銷，則根據附註1(p)(ii)確認撥備。

##### (ii) 其他撥備及或然負債

當本集團或本公司因過往事件而須負上法律或推定責任，可能須為履行該責任而耗損經濟利益，並能可靠地估計時，則須就未能確定時間或金額之其他負債計提撥備。倘金額涉及重大時間價值，則有關撥備按預計履行責任所需支出之現值列賬。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (p) Financial guarantees issued, provisions and contingent liabilities (continued)

##### (ii) Other provisions and contingent liabilities (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

#### (q) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

##### (i) Sale of goods

Revenue is recognised when goods are delivered at the customer's consideration is taken to be the point in time when the customer has accepted the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

### 1 主要會計政策 (續)

#### (o) 已發出之財務擔保、撥備及或然負債 (續)

##### (ii) 其他撥備及或然負債 (續)

倘不大可能需要耗損經濟利益，或其金額未能可靠地預測，則須披露有關責任為或然負債，惟耗損經濟利益之可能性極低者除外。當潛在責任須視乎一項或多項未來事件是否發生方可確定是否存在，則該等責任亦披露為或然負債，惟耗損經濟利益之可能性極低者除外。

#### (q) 收益確認

收益按已收或應收代價之公平值計量。倘本集團可能獲得經濟利益，且收益及成本（如適用）能可靠地計量，則按下列方式於損益確認收益：

##### (i) 銷售貨品

收益在貨品於指定時間送達及客戶接收所有權相關之風險及回報時確認。收益並不包括增值稅或其他銷售稅，並已扣除任何交易折扣。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (q) Revenue recognition (continued)

##### (ii) Sale of properties

Revenue arising from the sale of properties held for sale is recognised upon the later of the signing of the sale and purchase agreement and the completion of the properties, which is taken to be the point in time when the risks and rewards of ownership of the property have passed to the buyer. Deposits and instalments received on properties sold prior to the date of revenue recognition are included in the statement of financial position under forward sales deposits and instalments received.

##### (iii) Services income

Revenue from services rendered is recognised in profit or loss upon the completion of transaction.

##### (iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

### 1 主要會計政策 (續)

#### (q) 收益確認 (續)

##### (ii) 銷售物業

出售待出售物業所產生的收入在簽訂買賣協議及於指定時間內完成物業及物業所有權的相關風險及回報轉予買家時確認。在確認收入前就出售物業收取的訂金和分期付款，則計入財務狀況表的遠期銷售訂金及已收分期付款內。

##### (iii) 服務收入

來自提供服務之收益於交易完成時於損益確認。

##### (iv) 經營租賃之租金收入

經營租賃之應收租金收入於相關租期內於損益分期等額確認，惟倘有其他方法能更清楚地反映使用租賃資產所得收益之模式則除外。租金優惠於損益確認為淨應收租金總額一部份。或然租金於所涉會計期間確認為收入。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (q) Revenue recognition (continued)

##### (v) Interest income

Interest income is recognised as it accrues using the effective interest method.

##### (vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are initially recognised as deferred income and subsequently recognised as other income in profit or loss over the useful life of the assets.

#### (r) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

### 1 主要會計政策 (續)

#### (q) 收益確認 (續)

##### (v) 利息收入

利息收入按實際利息法累計確認。

##### (vi) 政府補助金

倘可合理保證可收取政府補助金且本集團可符合有關條件，則政府補助金會首先於財務狀況表確認。補償本集團所涉開支之補助金於相關開支產生之相同期間按系統性基準於損益內確認為收益。補償本集團資產成本之補助金初步確認為遞延收入，並其後於損益按資產之可使用年期確認為其他收益。

#### (r) 外幣換算

年內之外幣交易按交易日當日之匯率換算。以外幣為單位之貨幣性資產及負債按報告期末當日之匯率換算。外匯收益及虧損於損益內確認。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (r) Translation of foreign currencies (continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates ruling at the end of the reporting period. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve.

#### (s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

### 1 主要會計政策 (續)

#### (r) 外幣換算 (續)

以外幣按歷史成本計算之非貨幣資產及負債按交易日當日之匯率換算。以外幣計值而以公平值列賬之非貨幣資產及負債乃按釐定公平值當日適用之匯率換算。

海外業務之業績按與交易日匯率相若之匯率換算為人民幣。財務狀況表項目按報告期末之匯率換算為人民幣。由此產生之匯兌差額直接於其他全面收益確認及於匯兌儲備中之權益獨立累計。

#### (s) 借貸成本

需要相當長時間方可作擬定用途或銷售之資產之收購、建設或生產直接相關之借貸成本撥作該資產成本一部份。其他借貸成本於產生期間予以支銷。

當合資格資產產生開支、涉及借貸成本及將資產作擬定用途或銷售所需之活動進行時，開始將借貸成本資本化為該資產成本一部份。於令合資格資產作擬定用途或銷售所需之絕大部份活動中止或完成時，將會暫停或不再將借貸成本資本化。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (t) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if 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 the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities 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.

### 1 主要會計政策 (續)

#### (t) 關連方

- (a) 倘屬以下人士，則該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本集團或本集團母公司之主要管理層成員。
- (b) 倘符合下列任何條件，則該實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
  - (ii) 一間實體為另一實體之聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
  - (iii) 兩間實體均為同一第三方之合營企業。
  - (iv) 一間實體為第三方實體之合營企業，而另一實體為該第三方實體之聯營公司。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (t) Related parties (continued)

- (b) An entity is related to the Group if any of the following conditions applies:  
(continued)
- (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).
- (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 Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

#### (u) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

### 1 主要會計政策 (續)

#### (s) 關連方 (續)

- (b) 倘符合下列任何條件，則該實體與本集團有關連：  
(續)
- (v) 實體為本集團或與本集團有關連之實體就僱員利益設立之離職福利計劃。
- (vi) 實體受(a)內所識別人士控制或共同控制。
- (vii) (a)(i)內所識別人士對實體有重大影響力或屬該實體(或該實體之母公司)之主要管理人員。
- (viii) 實體或實體所屬之本集團任何成員公司向本集團或本集團母公司提供主要管理人員服務。

某一人士之近親家屬成員指預期與實體進行買賣時可影響該人士或受該人士影響的有關家屬成員。

#### (u) 分部報告

經營分部及於財務報表中呈報之各分部項目金額自定期提供予本集團最高行政管理人員就資源分配及評估本集團不同業務及地理位置之表現之財務資料中識別出來。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 1 Significant accounting policies (continued)

#### (u) Segment reporting (continued)

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 2 Accounting estimates

Key sources of estimation uncertainty are as follows:

#### (a) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value.

The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future years is adjusted if there are significant changes from previous estimation.

### 1 主要會計政策 (續)

#### (u) 分部報告 (續)

就財務呈報而言，除非經營分部具備相似之經濟特徵及在產品及服務性質、生產工序性質、客戶類型或類別、用作分配產品或提供服務之方法及監管環境之性質方面相似，否則各個重大經營分部不會進行合算。個別非重大之經營分部，如果符合上述大部份標準，則可進行合計。

### 2 會計估計

估計不明朗因素之主要來源如下：

#### (a) 折舊

物業、廠房及設備經計及估計剩餘價值後，在估計可使用年期內以直線法折舊。

本集團每年檢討資產的可使用年限及剩餘價值（如有）。倘過往估計有重大改變，則調整日後年度的折舊開支。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 2 Accounting estimates (continued)

#### (b) Impairments

- (i) In considering the impairment losses that may be required for certain property, plant and equipment, lease prepayments, non-current financial assets and prepayment for machinery, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as revenue and operating costs.
- (ii) Impairment losses for bad and doubtful debts are assessed and provided based on the directors' regular review of aging analysis and evaluation of collectability. A considerable level of judgment is exercised by the directors when assessing the credit worthiness and past collection history of each individual customer.

An increase or decrease in the above impairment losses would affect the net profit or loss in future years.

### 2 會計估計 (續)

#### (b) 減值

- (i) 在考慮若干物業、廠房及設備、預付租金、非流動金融資產及機器預付項款的減值虧損時，須釐定該等資產的可收回款項。可收回款項為淨售價與使用值兩者之較高者。由於不易取得該等資產的市場報價，故難以精確估計售價。於釐定使用值時，將預期有關資產所得現金流量貼現至其現值時，需要對營業額水平及營運成本金額等項目作出重大判斷。本集團會運用一切可得資料，釐定可收回款項之合理約數，包括根據對營業額及營運成本等項目之合理且可以證據支持之假設和預測作出之估計。
- (ii) 呆壞賬減值虧損按董事定期檢討的賬齡分析和可收回程度評估進行評估及撥備。董事在評估各客戶的信用評級及過往收賬紀錄時作出很大程度上的判斷。

上述減值虧損的任何增減均會影響未來年度的純利或虧損淨額。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 2 Accounting estimates (continued)

#### (b) Impairments (continued)

(iii) Impairment losses for inventories are assessed and provided based on the directors' regular review of market price against inventories costs. A considerable level of judgment is exercised by the directors when assessing the market price.

An increase or decrease in the above impairment losses would affect the net profit or loss in future years.

### 2 會計估計 (續)

#### (b) 減值 (續)

(iii) 存貨減值虧損按董事定期對市價與存貨成本的檢討進行評估及撥備。董事在評估市價時作出很大程度上的判斷。

上述減值虧損的任何增減均會影響未來年度的純利或虧損淨額。

### 3 Revenue and segment reporting

#### (a) Revenue

The Group is principally engaged in the manufacturing and sale of aluminium profiles.

The amount of each significant category of revenue is as follows:

### 3 營業額及分部報告

#### (a) 營業額

本集團主要從事製造及銷售鋁型材。

各個重要收益類別金額如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Manufacture and sale of aluminium profiles	製造及銷售鋁型材	5,491,680	4,896,701
Manufacture and sale of aluminium panels, moulds and spare parts	製造及銷售鋁板、 模具及零部件	76,510	77,754
Provision of processing services	提供加工服務	8,506	3,374
		<b>5,576,696</b>	<b>4,977,829</b>

The Group's customer base is diversified and does not include any individual customer (2015:Nil) with whom transactions have exceeded 10% of the Group's revenue.

本集團客戶基礎多元化，且並不包括交易佔本集團營業額超過10%之任何個別客戶（二零一五年：無）。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 3 Revenue and segment reporting (continued)

#### (b) Segment reporting

The Group manages its businesses by product lines. In a manner consistent with the way in which the information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments.

- Industrial aluminium profiles: this segment manufactures and sells plain aluminium profiles, mainly for industrial usage.
- Construction aluminium profiles: this segment manufactures and sells aluminium profiles with surface finishing, including anodic oxidation aluminium profiles, electrophoresis coating aluminium profiles, powder coating aluminium profiles and PVDF coating aluminium profiles. Construction aluminium profiles are widely used in architecture decoration.

All other segments include the provision of processing services, manufacture and sale of aluminium panels, moulds and spare parts and property under development for sale.

### 3 營業額及分部報告 (續)

#### (b) 分部報告

本集團按產品線管理其業務。按與向本集團最高執行管理人員內部報告以進行資源分配及績效評估之資料一致之方式，本集團已呈列下列可報告分部。

- 工業鋁型材：該分部製造及銷售純鋁型材，主要用作工業用途。
- 建築鋁型材：該分部製造及銷售經表面處理鋁型材，包括陽極氧化鋁型材、電泳塗裝鋁型材、粉末噴塗鋁型材及PVDF噴塗鋁型材。建築鋁型材廣泛用於建築裝修。

所有其他分部包括提供加工服務、製造及銷售鋁板、模具及零部件及待售發展中物業。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 3 Revenue and segment reporting (continued)

#### (b) Segment reporting (continued)

##### (i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. However, other than reporting inter-segment sales of aluminium profiles, assistance provided by one segment to another, including sharing of assets and technical know-how, is not measured.

The measure used for reporting segment profit is gross profit. The Group's senior executive management is provided with segment information concerning segment revenue and profit. Segment assets and liabilities are not reported to the Group's senior executive management regularly.

### 3 營業額及分部報告 (續)

#### (b) 分部報告 (續)

##### (i) 分部業績、資產及負債

為進行分部績效評估及分部間資源分配，本集團高級執行管理人員按以下基準監察各個可報告分部應佔業績：

收益及開支乃參考該等分部所產生之銷售及該等分部所產生之開支或該等分部應佔資產折舊或攤銷所產生之其他開支分配至可報告分部。然而，除報告分部間銷售鋁型材外，某一分部向另一分部提供之協助（包括共用資產及專業技術）並不計算在內。

用於報告分部溢利之計量方式為毛利。本集團高級執行管理人員獲提供有關分部收益及溢利之分部資料。分部資產及負債並無定期向本集團高級執行管理人員報告。



## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 3 Revenue and segment reporting (continued)

### 3 營業額及分部報告 (續)

#### (b) Segment reporting (continued)

#### (b) 分部報告 (續)

##### (ii) Reconciliations of reportable segment profit

##### (ii) 可報告分部溢利之對賬

		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
Reportable segment profit derived from the Group's external customers	來自本集團外界客戶之可報告分部溢利	825,049	829,761
Other income	其他收益	40,122	41,413
Distribution costs	分銷成本	(123,835)	(107,192)
Administrative expenses	行政開支	(279,706)	(293,970)
Finance costs	財務成本	(117,950)	(149,138)
Share of profit/(loss) of an associate	應佔聯營公司溢利/(虧損)	7,611	(214)
Consolidated profit before taxation	除稅前綜合溢利	351,291	320,660

##### (iii) Geographic information

##### (iii) 地區資料

Analysis of the Group's revenue and results as well as analysis of the Group's carrying amount of segment assets and additions to property, plant and equipment by geographical market has not been presented as over 96% (2015: 98%) of the revenue are generated from the PRC market.

並無呈列本集團按地區市場劃分之收益及業績分析以及本集團分部資產賬面值及添置物業、廠房及設備之分析，原因為逾96%（二零一五年：98%）之收益均來自中國市場。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

#### 4 Other income

#### 4 其他收益

		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 income	利息收入	7,455	10,176
Government grants (i)	政府補貼(i)		
– Unconditional subsidies	– 無條件補貼	13,500	10,494
– Conditional subsidies (Note 21)	– 有條件補貼 (附註21)	17,314	13,524
Rental income	租金收入	14,735	15,584
Net foreign exchange gain/(loss)	外匯收益／(虧損)淨額	3,676	(6,842)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(16,558)	(1,523)
		<b>40,122</b>	<b>41,413</b>

(i) Government grants in the form of cash subsidies were received from various PRC government authorities.

##### – Unconditional subsidies

The entitlements of certain government grants amounting to RMB13,500,000 (2015: RMB10,494,000) were unconditional. They were funds to subsidise the operating expenses of the PRC subsidiaries of the Group during the current year.

##### – Conditional subsidies

The remaining government grants were conditional government grants and initially recorded as deferred income. The amount of conditional government grants charged to the consolidated statement of profit or loss for the year ended 31 December 2016 was RMB17,314,000 (2015: RMB13,524,000) (Note 21).

(i) 本集團自中國政府各機關獲得現金補貼形式的政府補助。

##### – 無條件補貼

金額為人民幣13,500,000元(二零一五年：人民幣10,494,000元)之若干政府補助配額為無條件。其為補貼年內本集團之中國附屬公司之營運開支提供資金。

##### – 有條件補貼

餘下政府補助為有條件政府補助，並初始列為遞延收入。於截至二零一六年十二月三十一日止年度之綜合損益表內扣除之有條件政府補助金額為人民幣17,314,000元(二零一五年：人民幣13,524,000元)(附註21)。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 5 Profit before taxation

Profit before taxation is arrived at after charging/  
(crediting):

#### (a) Finance costs:

		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 expenses on bank loans	銀行貸款之利息開支	102,765	129,090
Interest expenses on discounted bills	已貼現票據之利息開支	15,127	18,885
Finance charges on obligations under finance leases	融資租賃責任之財務費用	58	1,227
Total borrowing costs	借貸成本總額	117,950	149,202
Less: interest expenses capitalised into construction in progress	減：在建工程內之利息開支資本化	-	(64)
		<b>117,950</b>	<b>149,138</b>

#### (b) Staff costs:

		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, wages and other benefits	薪金、工資及其他福利	467,897	441,233
Contributions to defined contribution retirement plan	向界定退休福利計劃供款	35,561	29,022
		<b>503,458</b>	<b>470,255</b>

### 5 除稅前溢利

除稅前溢利乃扣除／（計入）以下各項後  
得出：

#### (a) 財務成本：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest expenses on bank loans	銀行貸款之利息開支	102,765	129,090
Interest expenses on discounted bills	已貼現票據之利息開支	15,127	18,885
Finance charges on obligations under finance leases	融資租賃責任之財務費用	58	1,227
Total borrowing costs	借貸成本總額	117,950	149,202
Less: interest expenses capitalised into construction in progress	減：在建工程內之利息開支資本化	-	(64)
		<b>117,950</b>	<b>149,138</b>

#### (b) 員工成本：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	467,897	441,233
Contributions to defined contribution retirement plan	向界定退休福利計劃供款	35,561	29,022
		<b>503,458</b>	<b>470,255</b>

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 5 Profit before taxation (continued)

#### (b) Staff costs: (continued)

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in defined contribution retirement benefit schemes (the “Schemes”) organised by the local authority whereby the PRC subsidiaries are required to make contributions to the Schemes based on certain percentages of the eligible employees’ salaries.

Contributions to the Mandatory Provident Fund (“MPF”) are required under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The Group and its employees in Hong Kong make monthly mandatory contributions to the MPF scheme at 5% of the employees’ relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions from employees and employers are subject to a cap of monthly relevant income of Hong Kong Dollars (“HKD”) 30,000 for the year ended 31 December 2016 (2015: HKD30,000).

The Group has no other material obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

### 5 除稅前溢利 (續)

#### (b) 員工成本：(續)

根據中國相關勞動規則及法規，中國附屬公司參與由地方政府機關組織的定額供款退休福利計劃（「計劃」），據此，中國附屬公司須按合資格僱員薪金的若干百分比對計劃作出供款。

香港強制性公積金計劃條例規定向強制性公積金（「強積金」）作出供款。本集團及其香港僱員每月按強制性公積金計劃條例下界定的僱員相關收入的5%向強積金計劃作出強制性供款。截至二零一六年十二月三十一日止年度，僱員及僱主的供款以每月相關收入30,000港元（二零一五年：30,000港元）為上限。

除上述供款外，本集團並無就支付僱員退休及其他退休後福利承擔其他重大責任。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 5 Profit before taxation (continued)

#### (c) Other items:

		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
Depreciation (i)	折舊(i)	280,468	176,964
Amortisation of lease prepayments (i)	預付租金攤銷(i)	7,033	7,033
Research and development costs (ii)	研發成本(ii)	23,898	23,477
Impairment losses on trade and other receivables (Note 15)	交易及其他應收款項減值虧損(附註15)	6,824	17,260
Auditors' remuneration	核數師酬金		
– audit services	– 審計服務	1,140	1,100
– other services	– 其他服務	683	620
Cost of inventories (i)	存貨成本(i)	4,751,647	4,148,068
Operating lease charges (i)	經營租賃支出(i)	1,458	823

(i) Cost of inventories for the year ended 31 December 2016 included RMB568,544,000 (2015: RMB432,225,000) relating to depreciation, amortisation, operating lease charges and staff costs, which amount is also included in the respective total amounts disclosed separately above or in Note 5(b) for each of these types of expenses.

(ii) Research and development costs include RMB10,228,000 (2015: RMB9,762,000) relating to staff costs of employees which amount is also included in total staff costs as disclosed in Note 5(b).

### 5 除稅前溢利 (續)

#### (c) 其他項目：

(i) 截至二零一六年十二月三十一日止年度，存貨成本包括涉及折舊、攤銷、經營租賃支出及員工成本之費用人民幣568,544,000元（二零一五年：人民幣432,225,000元），該金額亦已計入上文或附註5(b)分開披露的各類開支總額。

(ii) 研發成本包括僱員之員工成本人民幣10,228,000元（二零一五年：人民幣9,762,000元），該金額亦已計入附註5(b)披露之員工成本總額。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

#### 6 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

		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 tax</b>	<b>即期稅項</b>		
Provision for PRC corporate income tax	中國企業所得稅撥備	53,388	52,084
Provision for Hong Kong Profits Tax	香港利得稅撥備	1,118	930
		<b>54,506</b>	53,014
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences (Note 22(b))	臨時差額產生及撥回 (附註22(b))	(1,691)	1,879
		<b>52,815</b>	54,893

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.
- (ii) The provision for Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year ended 31 December 2016 (2015: 16.5%).

#### 6 於綜合損益表內之所得稅

(a) 於綜合損益表內之稅項為：

- (i) 根據開曼群島及英屬處女群島（「英屬處女群島」）規則及規例，本集團毋須繳納開曼群島及英屬處女群島之任何所得稅。
- (ii) 香港利得稅撥備乃按截至二零一六年十二月三十一日止年度之估計應課稅溢利以16.5%（二零一五年：16.5%）稅率計算。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 6 Income tax in the consolidated statement of profit or loss (continued)

#### (a) Taxation in the consolidated statement of profit or loss represents: (continued)

- (iii) Pursuant to the income tax rules and regulations of the PRC, the PRC subsidiaries of the Group are liable to PRC corporate income tax at a rate of 25% for 2016 (2015: 25%) except for Guangdong Xingfa Aluminium Co., Ltd. (“Guangdong Xingfa”), Xingfa Aluminium (Chengdu) Co., Ltd. (“Chengdu Xingfa”), Guangdong Xingfa Aluminium (Henan) Co., Ltd. (“Xingfa Henan”) and Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. (“Xingfa Jiangxi”) which were certified as “Advanced and New Technology Enterprises” (“ANTE”) and entitled to the preferential income tax rate of 15% for 2016 (2015: 15%).

### 6 於綜合損益表內之所得稅 (續)

#### (a) 於綜合損益表內之稅項為：(續)

- (iii) 根據中國所得稅規則及規例，本集團之中國附屬公司於二零一六年須按25%（二零一五年：25%）之稅率繳納中國企業所得稅，惟廣東興發鋁業有限公司（「廣東興發」）、興發鋁業（成都）有限公司（「成都興發」）、廣東興發鋁業（河南）有限公司（「興發河南」）及廣東興發鋁業（江西）有限公司（「興發江西」）具備「高新技術企業」（「高新技術企業」）之資格並於二零一六年享有15%（二零一五年：15%）之優惠所得稅稅率。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 6 Income tax in the consolidated statement of profit or loss (continued)

#### (a) Taxation in the consolidated statement of profit or loss represents: (continued)

- (iv) Pursuant to the new tax law in the PRC, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by tax treaty) on various types of passive income such as dividends derived from sources within the PRC. Pursuant to the Sino-Hong Kong Double Tax Arrangement and the related regulations, a qualified Hong Kong tax resident will be liable for a reduced withholding tax rate of 5% on dividends from a PRC enterprise if the Hong Kong tax resident is the “beneficial owner” and holds 25% or more of the equity interest of the PRC enterprise. As Guangdong Xingfa is held by a Hong Kong incorporated subsidiary, a rate of 5% is applicable to the calculation of this withholding tax.

At 31 December 2016, deferred tax liabilities of RMB3,096,000 (2015: RMB3,690,000) (Note 22(b)(i)) have been provided for in this regard based on the expected dividends to be distributed from Guangdong Xingfa in the foreseeable future in respect of the profits generated since 1 January 2008.

### 6 於綜合損益表內之所得稅 (續)

#### (a) 於綜合損益表內之稅項為：(續)

- (iv) 根據中國新稅法，由二零零八年一月一日起，在中國境內未設立機構、場所，或者雖在中國境內設立機構、場所但取得之有關收入與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入（如源於中國境內之股息）按10%稅率（除非按稅收協定減免）繳納預提稅。根據內地與香港訂立的《雙重徵稅安排》及相關法規，倘一名合資格香港稅務居民為「實益擁有人」並持有中國企業25%或以上的股權，則該香港稅務居民須就其來自中國企業的股息按優惠稅率5%繳納預提稅。由於廣東興發由一間於香港註冊成立之附屬公司持有，故計算此預提稅適用之稅率為5%。

於二零一六年十二月三十一日，以廣東興發在可預見將來就自二零零八年一月一日起所產生利潤將會派發的預期股息為基礎，已就人民幣3,096,000元（二零一五年：人民幣3,690,000元）之遞延稅項負債（附註22(b)(i)）作出撥備。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 6 Income tax in the consolidated statement of profit or loss (continued)      6 於綜合損益表內之所得稅 (續)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

(b) 按適用稅率計算之稅項開支與會計溢利對賬：

		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 taxation	除稅前溢利	351,291	320,660
Notional tax on profit before taxation, calculated at the rates applicable to the jurisdiction concerned	按相關司法權區適用稅率計算之除稅前溢利之名義稅項	91,827	83,208
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	837	758
Tax effect of share of (profit)/loss of an associate	應佔聯營公司(溢利)/虧損之稅務影響	(159)	32
Effect of tax concession	稅務優惠之影響	(35,800)	(32,795)
Super deduction on research and development expenses in respect of 2015 (i)	二零一五年之研發開支加計扣除(i)	(3,296)	-
Withholding tax effect on undistributed profits retained by PRC subsidiaries (Note 22)	中國附屬公司未分配保留溢利的預提稅影響(附註22)	(594)	3,690
Income tax expense	所得稅開支	52,815	54,893

(i) During the year of 2016, Guangdong Xingfa and Xingfa Henan obtained approval from local tax authorities to claim super deduction on research and development expenses. As such, the income tax for 2016 was reduced by RMB3,296,000 (2015: Nil). Such additional tax deduction on research and development expenses equals 50% of the amount actually incurred.

(i) 於二零一六年，廣東興發及興發河南已就申請加計扣除研發開支獲得當地稅務局批准。因此，二零一六年之所得稅減少人民幣3,296,000元(二零一五年：無)。有關對研發開支之額外稅務扣除相等於實際產生金額之50%。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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#### 7 Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

#### 7 董事酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露之董事酬金如下：

		Fees	Salary, allowance and benefits in kind	Contribution to retirement benefit plan	Bonus paid	2016 Total
		袍金	薪金、津貼 及實物利益	退休福利 計劃供款	已付花紅	二零一六年 總計
		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
<b>Executive directors</b>	<b>執行董事</b>					
Mr. LIU Libin	劉立斌先生	720	210	24	1,776	2,730
Mr. LUO Su	羅蘇先生	636	278	-	1,599	2,513
Mr. LUO Riming	羅日明先生	536	270	17	1,599	2,422
Mr. LIAO Yuqing	廖玉慶先生	536	283	18	1,776	2,613
Mr. LAW Yung Koon	羅用冠先生	533	-	15	823	1,371
Mr. WANG Zhihua	王志華先生	416	103	16	1,425	1,960
Mr. DAI Feng	戴鋒先生	320	203	24	1,421	1,968
<b>Non-executive director</b>	<b>非執行董事</b>					
Mr. CHEN Shengguan	陳勝光先生	-	-	-	-	-
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. CHEN Mo	陳默先生	150	-	-	-	150
Mr. HO Kwan Yiu	何君堯先生	150	-	-	-	150
Mr. LAM Ying Hung, Andy	林英鴻先生	180	-	-	-	180
Mr. LIANG Shibin	梁世斌先生	150	-	-	-	150
<b>Alternate director to Mr. Liu Libin</b>	<b>劉立斌先生之替任董事</b>					
Mr. WONG Siu Ki	黃兆麒先生	511	120	15	388	1,034
<b>Total</b>	<b>總計</b>	<b>4,838</b>	<b>1,467</b>	<b>129</b>	<b>10,807</b>	<b>17,241</b>

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 7 Directors' emoluments (continued)

### 7 董事酬金 (續)

		Salary, allowance and benefits	Contribution to retirement benefit plan	Bonus paid	2015 Total
	Fees	in kind	benefit plan		二零一五年 總計
	袍金	薪金、津貼 及實物利益	退休福利 計劃供款	已付花紅	
	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
<b>Executive directors</b>	<b>執行董事</b>				
Mr. LIU Libin	劉立斌先生	720	198	26	1,540
Mr. LUO Su	羅蘇先生	636	264	–	1,386
Mr. LUO Riming	羅日明先生	536	270	21	1,386
Mr. LIAO Yuqing	廖玉慶先生	536	267	9	1,540
Mr. LAW Yung Koon	羅用冠先生	502	–	14	615
Mr. WANG Zhihua	王志華先生	416	193	13	966
Mr. DAI Feng	戴鋒先生	320	198	26	1,232
<b>Non-executive director</b>	<b>非執行董事</b>				
Mr. CHEN Shengguan	陳勝光先生	–	–	–	–
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>				
Mr. CHEN Mo	陳默先生	150	–	–	–
Mr. HO Kwan Yiu	何君堯先生	150	–	–	–
Mr. LAM Ying Hung, Andy	林英鴻先生	180	–	–	–
Mr. LIANG Shibin	梁世斌先生	150	–	–	–
<b>Alternate director to Mr. Liu Libin</b>	<b>劉立斌先生之替任董事</b>				
Mr. WONG Siu Ki	黃兆麒先生	481	120	14	100
<b>Total</b>	<b>總計</b>	<b>4,777</b>	<b>1,510</b>	<b>123</b>	<b>8,765</b>
					<b>15,175</b>

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(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 8 Individuals with highest emoluments

Of the five Individuals with the highest emoluments, all of them (2015:5) are directors whose emoluments are disclosed in Note 7.

### 9 Earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB298,476,000 (2015: RMB265,767,000) and the weighted average number of 418,000,000 ordinary shares (2015: 418,000,000 shares).

There were no dilutive potential ordinary shares in issue for the years ended 31 December 2016 and 2015, and therefore, the diluted earnings per share are the same as the basic earnings per share.

### 8 最高薪酬人士

五名最高薪酬人士中，全部均為董事，彼等於之酬金於附註7披露（二零一五年：五名）。

### 9 每股盈利

每股基本盈利乃根據本公司普通權益股東應佔溢利人民幣298,476,000元（二零一五年：人民幣265,767,000元）及普通股加權平均數418,000,000股（二零一五年：418,000,000股）計算。

截至二零一六年及二零一五年十二月三十一日止年度，並無已發行潛在攤薄普通股，故每股攤薄盈利與每股基本盈利相同。

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(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 10 Property, plant and equipment

### 10 物業、廠房及設備

		Buildings and plants	Machinery	Motor Vehicles	Office equipment and others 辦公室設備 及其他	Construction in progress	Total
		樓宇及廠房	機器	汽車		在建工程	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2015	於二零一五年 一月一日	977,563	1,227,448	26,361	139,986	57,188	2,428,546
Additions	添置	-	158,221	1,321	5,760	35,944	201,246
Transfer from construction in progress	轉撥自在建工程	42,939	31,609	26	1,149	(75,723)	-
Disposal	出售	-	(2,007)	(110)	-	-	(2,117)
At 31 December 2015	於二零一五年 十二月三十一日	1,020,502	1,415,271	27,598	146,895	17,409	2,627,675
At 1 January 2016	於二零一六年 一月一日	1,020,502	1,415,271	27,598	146,895	17,409	2,627,675
Additions	添置	4,062	145,635	1,572	3,148	31,843	186,260
Transfer from construction in progress	轉撥自在建工程	15,310	19,924	67	-	(35,301)	-
Disposal	出售	(599)	(34,647)	(978)	-	-	(36,224)
At 31 December 2016	於二零一六年 十二月三十一日	1,039,275	1,546,183	28,259	150,043	13,951	2,777,711
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>						
At 1 January 2015	於二零一五年 一月一日	(76,752)	(373,980)	(17,313)	(77,762)	-	(545,807)
Charge for the year	本年度支出	(28,479)	(116,808)	(2,329)	(29,348)	-	(176,964)
Written back on disposals	出售時撥回	-	488	76	-	-	564
At 31 December 2015	於二零一五年 十二月三十一日	(105,231)	(490,300)	(19,566)	(107,110)	-	(722,207)
At 1 January 2016	於二零一六年 一月一日	(105,231)	(490,300)	(19,566)	(107,110)	-	(722,207)
Charge for the year	本年度支出	(29,410)	(231,343)	(1,916)	(17,799)	-	(280,468)
Written back on disposals	出售時撥回	194	18,061	894	-	-	19,149
At 31 December 2016	於二零一六年 十二月三十一日	(134,447)	(703,582)	(20,588)	(124,909)	-	(983,526)
<b>Net book value:</b>	<b>賬面淨值：</b>						
At 31 December 2016	於二零一六年 十二月三十一日	904,828	842,601	7,671	25,134	13,951	1,794,185
At 31 December 2015	於二零一五年 十二月三十一日	915,271	924,971	8,032	39,785	17,409	1,905,468

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 10 Property, plant and equipment (continued)

- (i) All properties owned by the Group are located in the PRC.
- (ii) Up to the date of this report, the Group is in the process of applying for the title certificates of certain properties with carrying value of approximately RMB248,150,000 as at 31 December 2016 (2015: RMB258,986,000). The directors of the Company are of the opinion that the use of and the conduct of operating activities at the properties referred to above are not affected by the fact that the Group has not yet obtained the relevant property title certificates.
- (iii) Certain plants with net book value of RMB483,163,000 (2015: RMB535,009,000) were pledged as securities for bank loans of the Group as at 31 December 2016. (Note 19(b))

As at 31 December 2016, there was no equipment held under the finance lease (31 December 2015: net book value of RMB85,122,000).

#### (iv) Change in estimates

The aluminium profiles are extruded or forced through moulds in different shapes, which are recorded under machinery and are designed to fulfil respective sales orders. The management had previously expected that the moulds could be generally used for 4 years, which is in line with the average sales cycle of aluminium profiles. With the technology improvement in aluminium engineering, the sales cycle of most aluminium profiles were less than 4 years, which in turn led to be shorter of the expected useful life of moulds.

### 10 物業、廠房及設備 (續)

- (i) 本集團擁有的全部物業均位於中國。
- (ii) 截至本報告日期，本集團正在為於二零一六年十二月三十一日之賬面值約為人民幣248,150,000元（二零一五年：人民幣258,986,000元）之若干物業申請辦理業權證。本公司董事認為，使用上述物業及在上述物業從事經營活動並不會因本集團尚未取得相關物業業權證書而受到影響。
- (iii) 於二零一六年十二月三十一日，賬面淨值為人民幣483,163,000元（二零一五年：人民幣535,009,000元）之若干廠房已抵押作為本集團銀行貸款之擔保。（附註19(b)）

於二零一六年十二月三十一日，概無於融資租賃項下持有任何設備（二零一五年十二月三十一日：賬面淨值為人民幣85,122,000元）。

#### (iv) 估計變動

鋁型材可由模具壓縮或塑造成不同模型，該等模型在機器項目中記錄，經設計後迎合相應銷售訂單。管理層先前預期模具一般可使用4年，此與鋁型材的平均銷售週期一致。隨著鋁材工程技術的改進，大部分鋁型材的銷售週期少於4年，而因此令模具的預期使用年期縮短。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 10 Property, plant and equipment (continued)

#### (iv) Change in estimates (continued)

In addition, the management previously expected that the moulds could retain a residual value of 20.51% after 4 years' usage. However, based on past years' experience and current market conditions, the residual value of these moulds was minimal.

Considering the above facts, circumstances and report from internal technicians, the management changed in estimates for the expected useful life of moulds to 3 years with no residual value. As a result, the expected useful life of the moulds decreased and its estimated residual value decreased. The effect of these changes on depreciation expense, recognized in 'cost of sales' in current and future periods, is as follows:

RMB'000 人民幣千元	2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年	2020 二零二零年
Increase/(decrease) in depreciation expense	93,306	47,039	9,374	(15,094)	(16,204)
折舊開支增加/ (減少)					

### 10 物業、廠房及設備 (續)

#### (iv) 估計變動 (續)

此外，管理層先前預期模具可在4年使用期後保留20.51%剩餘價值。然而，根據過往經驗及現行市況，該等模具的剩餘價值極微。

鑑於上述事實、情況及內部技術員之報告，管理層將模具的預期使用年期估計變更為3年，且不具有剩餘價值。因此，模具之預期使用年期減少及其估計剩餘價值減少。該等變動對折舊開支（記錄於「銷售成本」確認）於當前及未來期間的影響如下：

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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#### 11 Lease prepayments

#### 11 預付租金

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>		
At 1 January and 31 December	於一月一日及 十二月三十一日	352,929	352,929
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>		
At 1 January	於一月一日	(51,435)	(44,402)
Charge for the year	本年度支出	(7,033)	(7,033)
At 31 December	於十二月三十一日	(58,468)	(51,435)
<b>Carrying amount:</b>	<b>賬面值：</b>		
At 31 December	於十二月三十一日	294,461	301,494

- (i) Lease prepayments represent the Group's land use rights on leasehold land located in the PRC. As at 31 December 2016, the remaining period of the land use rights ranges from 36 to 43 years.
- (ii) The lease prepayments with carrying value of RMB294,461,000 (2015: RMB228,660,000) was pledged as securities for bank loans of the Group as at 31 December 2016 (Note 19(b)).

- (i) 預付租金指本集團位於中國之租賃土地之土地使用權。於二零一六年十二月三十一日，土地使用權之餘下年期介乎36至43年。
- (ii) 於二零一六年十二月三十一日，賬面值為人民幣294,461,000元（二零一五年：人民幣228,660,000元）之預付租金已抵押，作為本集團銀行貸款之擔保（附註19(b)）。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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### 12 Investments in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated:

### 12 於附屬公司之投資

下表僅載有主要影響本集團業績、資產或負債之附屬公司詳情。除另有指明者外，其持有之股份類別為普通股：

Name of companies 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Particulars of issued and paid up capital 已發行及 繳足資本詳情	Proportion of ownership interest			Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Held by the Company 由本公司 持有	Held by a subsidiary 由附屬公司 持有	
China Xingfa (BVI) Limited ("Xingfa BVI")	BVI 2 October 2007	United States Dollars ("USD") 1,000	100%	100%	-	Investment holding
China Xingfa (BVI) Limited ("Xingfa BVI")	英屬處女群島 二零零七年十月二日	1,000美元 ("美元")				投資控股
Xingfa Aluminium (Hong Kong) Limited ("Xingfa Hong Kong") 興發鋁業(香港)有限公司 ("興發香港")	Hong Kong 14 April 2008 香港 二零零八年 四月十四日	Hong Kong Dollars 1,000 1,000港元	100%	-	100%	Sales of aluminium profiles 銷售鋁型材
Guangdong Xingfa Aluminium Co., Ltd 廣東興發鋁業有限公司(i)(ii) ("Guangdong Xingfa") 廣東興發鋁業有限公司(i)(ii) ("廣東興發")	PRC 26 May 2006 中國 二零零六年 五月二十六日	RMB 360,040,000 人民幣 360,040,000元	100%	-	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材
Xingfa Aluminium (Chengdu) Co., Ltd. 興發鋁業(成都)有限公司(i)(iii) ("Xingfa Chengdu") 興發鋁業(成都)有限公司(i)(iii) ("興發成都")	PRC 7 July 2009 中國 二零零九年七月七日	RMB 130,000,000 人民幣 130,000,000元	100%	-	100%	Manufacturing and sales of aluminium profiles 生產及銷售鋁型材



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

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#### 12 Investments in subsidiaries (continued)

#### 12 於附屬公司之投資 (續)

Name of companies 公司名稱	Place and date of incorporation/ establishment 註冊成立/ 成立地點及日期	Particulars of issued and paid up capital 已發行及 繳足資本詳情	Proportion of ownership interest			Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Held by the Company 由本公司 持有	Held by a subsidiary 由附屬公司 持有	
Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. 廣東興發鋁業(江西)有限公司(i)(iii) ("Xingfa Jiangxi")	PRC 30 May 2012	RMB 100,000,000	100%	-	100%	Manufacturing and sales of aluminium profiles
廣東興發鋁業(江西)有限公司(i)(iii) (「興發江西」)	中國 二零一二年 五月三十日	人民幣 100,000,000元				生產及銷售鋁型材
Guangdong Xingfa Aluminium (Henan) Co., Ltd. 廣東興發鋁業(河南)有限公司(i)(iii) ("Xingfa Henan")	PRC 10 May 2010	RMB 100,000,000	100%	-	100%	Manufacturing and sales of aluminium profiles
廣東興發鋁業(河南)有限公司(i)(iii) (「興發河南」)	中國 二零一零年五月十日	人民幣 100,000,000元				生產及銷售鋁型材
Foshan Xingfa Real Estate Co., Ltd. 佛山市興發房地產開發有限公司 (i)(iii) ("Xingfa Real Estate")	PRC 5 June 2013	RMB 8,000,000	100%	-	100%	Development, sale and management of properties
佛山市興發房地產開發有限公司 (i)(iii) (「興發房地產」)	中國 二零一三年六月五日	人民幣 8,000,000元				物業開發、 銷售及管理
Foshan Xingfa Trading Co., Ltd. 佛山市興發商貿有限公司(i)(iii) ("Xingfa Trading")	PRC 6 February 2015	RMB10,000,000	100%	-	100%	Trading of aluminium profiles
佛山市興發商貿有限公司(i)(iii) (「興發商貿」)	中國 二零一五年二月六日	人民幣 10,000,000元				鋁型材貿易

(i) The English translation of the Company names are for reference only. The official names of these companies are in Chinese.

(i) 公司名稱之英文翻譯僅供參考。該等公司之正式名稱為中文名稱。

(ii) The subsidiary is a wholly foreign owned enterprise.

(ii) 該附屬公司為外商獨資企業。

(iii) The subsidiaries are companies with limited liability.

(iii) 該等附屬公司為有限責任公司。

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### 13 Interest in an associate

Details of the Group's interest in the associate, which is accounted for using the equity method in the consolidated financial statements, are as follows:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital 已發行及繳足資本詳情	Proportion of ownership interest 擁有權比例		Principal activities
				Group's effective interest 本集團實際權益	Held by a subsidiary 由附屬公司持有	
Jiangxi Province Jingxing Aluminium Panel Manufacturing Co., Ltd. ("Jiangxi Jingxing") 江西省景興鋁模板制造有限公司 (i)	Limited liability company	People's Republic of China	Registered capital of RMB5,000,000	80% (ii)	80% (ii)	Manufacturing and sales of aluminium panels
江西省景興鋁模板制造有限公司 ("江西景興") (i)	有限公司	中華人民共和國	註冊資本 人民幣5,000,000元			生產及銷售鋁板

- (i) The English translation of the company name is for reference only. The official name of the company is in Chinese.
- (ii) 20% of Jiangxi Jingxing's paid up capital was contributed by 廣州景興建築科技有限公司 (in English for identification only, Guangzhou Jingxing Construction Technology Co., Ltd.) ("Guangzhou Jingxing"). The Group has entered into the contractual arrangement with Guangzhou Jingxing. According to the agreement, Guangzhou Jingxing has control over Jiangxi Jingxing. Hence, the Group considered that Jiangxi Jingxing is an associate of the Group.

Jiangxi Jingxing, the only associate in which the Group participates, is an unlisted corporate entity whose quoted market price is not available.

During 2016, the amount of the Group's share of profit from this associate and the unrealised profit from transactions with this associate are RMB7,611,000 (2015: share of loss of RMB214,000) and RMB488,000 (2015: RMB689,000), respectively.

### 13 於聯營公司之權益

本集團於聯營公司的權益（於綜合財務報表使用權益法入賬）詳情如下：

- (i) 公司名稱之英文翻譯僅供參考。該公司之正式名稱為中文名稱。
- (ii) 江西景興之20%繳足股本由廣州景興建築科技有限公司（「廣州景興」）出資。本集團已與廣州景興訂立合約安排，根據協議，廣州景興已控制江西景興，因此本集團將江西景興視為本集團之聯營公司。

江西景興是本集團唯一參與的聯營公司，為非上市企業實體，其並無市場報價。

於二零一六年，本集團應佔該聯營公司的溢利及與該聯營公司的交易產生之未變現溢利金額分別為人民幣7,611,000元（二零一五年：應佔虧損人民幣214,000元）及人民幣488,000元（二零一五年：人民幣689,000元）。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

#### 14 Inventories

(a) Inventories in the consolidated statement of financial position comprise:

#### 14 存貨

(a) 於綜合財務狀況表內之存貨包括：

		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>Aluminium profiles manufacturing</b>	<b>鋁型材生產</b>		
Raw materials	原材料	274,478	143,275
Work in progress	在製品	82,074	73,261
Finished goods	製成品	352,628	290,021
		<b>709,180</b>	506,557
<b>Property under development for sale</b>	<b>待售發展中物業</b>		
Lease prepayment	預付租金	47,388	47,388
Deed tax	契稅	4,760	4,760
Construction cost	建築成本	202,130	119,557
		<b>254,278</b>	171,705
		<b>963,458</b>	678,262

The balance of property under development for sale is expected to be recovered after more than one year.

待售發展中物業餘額預期於逾一年後收回。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 14 Inventories (continued)

- (b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

### 14 存貨 (續)

- (b) 確認為開支及計入損益之存貨金額分析如下：

		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
Carrying amount of inventories sold	已售存貨賬面值	4,751,647	4,148,068

Certain inventories with carrying value of RMB100,000,000 were pledged as securities for bank loans of the Group as at 31 December 2016 (31 December 2015: RMB40,000,000) (Note 19(b)).

於二零一六年十二月三十一日，賬面值為人民幣100,000,000元之若干存貨已抵押作為本集團銀行貸款之擔保（二零一五年十二月三十一日：人民幣40,000,000元）（附註19(b)）。

### 15 Trade and other receivables

### 15 交易及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade debtors	交易應收賬款	846,599	646,697
Bills receivable	應收票據	675,086	585,037
Less: allowance for doubtful debts (Note 15(b))	減：呆賬撥備 (附註15(b))	(32,885)	(27,906)
		<b>1,488,800</b>	1,203,828
Other receivables	其他應收款項	13,882	17,260
Less: allowance for doubtful debts	減：呆賬撥備	(1,845)	-
		<b>12,037</b>	17,260
Prepayments and deposits	預付款項及按金	81,191	76,971
		<b>1,582,028</b>	1,298,059

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

#### 15 Trade and other receivables (continued)

Certain bills receivable with carrying value of RMB209,216,000 were pledged as securities for bank loans of the Group as at 31 December 2016 (31 December 2015: RMB260,292,000) (Note 19(b)).

The Group's trade and other receivables included amounts due from related parties of RMB78,695,000 (31 December 2015: RMB58,672,000) (Note 27(b)(i)). The remaining current trade and other receivables are expected to be recovered or recognised as expense within one year.

##### (a) Ageing analysis

As of the end of the reporting period, the aging analysis of trade debtors and bills receivables (which are included in trade and other receivables) based on the invoice date and net of allowance for doubtful debts, 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	一個月內	879,189	638,927
1 to 3 months	一至三個月	394,522	354,993
3 to 6 months	三至六個月	181,662	178,111
Over 6 months	超過六個月	33,427	31,797
		<b>1,488,800</b>	1,203,828

Trade debtors and bills receivable are due within 60 days to 90 days from the date of billing. Further details on the Group's credit policy are set out in Note 24(a).

#### 15 交易及其他應收款項 (續)

於二零一六年十二月三十一日，賬面值為人民幣209,216,000元之若干應收票據已抵押作為本集團銀行貸款之擔保（二零一五年十二月三十一日：人民幣260,292,000元）（附註19(b)）。

本集團之交易及其他應收款項包括應收關連方之款項人民幣78,695,000元（二零一五年十二月三十一日：人民幣58,672,000元）（附註27(b)(i)）。現時餘下之交易及其他應收款項預期於一年內收回或確認為開支。

##### (a) 賬齡分析

於報告期末，按發票日期計算並扣除呆賬撥備之交易應收賬款及應收票據（其乃計入交易及其他應收款項）之賬齡分析如下：

交易應收賬款及應收票據於發票日期後60日至90日內到期。有關本集團之信貸政策之進一步詳情載於附註24(a)。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 15 Trade and other receivables (continued)

#### (b) Impairment losses

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly (Note 1(h)).

The movement in the allowance for doubtful debts during 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
Balance at 1 January	於一月一日之結餘	27,906	11,111
Impairment losses recognised	已確認減值虧損	18,570	25,597
Write back	撤回	(13,591)	(8,337)
Uncollectible amounts written off	不可收回金額撤銷	-	(465)
Balance at 31 December	於十二月三十一日之結餘	32,885	27,906

At 31 December 2016, the Group's trade debtors of RMB33,498,000 (31 December 2015: RMB28,948,000) was individually determined to be impaired. The individually impaired receivable related to customers that were in financial difficulties and management assessed that the receivable is not expected to be recovered. Consequently, specific allowance for doubtful debts of RMB32,885,000 was recognised (2015: RMB25,327,000).

### 15 交易及其他應收款項 (續)

#### (b) 減值虧損

有關交易應收賬款及應收票據之減值虧損於撥備賬中記錄，除非本集團信納收回金額之可能性不大，在此情況下，減值虧損直接於交易應收賬款及應收票據中撤銷 (附註1(h))。

年內呆賬撥備之變動如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Balance at 1 January	於一月一日之結餘	27,906	11,111
Impairment losses recognised	已確認減值虧損	18,570	25,597
Write back	撤回	(13,591)	(8,337)
Uncollectible amounts written off	不可收回金額撤銷	-	(465)
Balance at 31 December	於十二月三十一日之結餘	32,885	27,906

於二零一六年十二月三十一日，本集團之交易應收賬款人民幣33,498,000元(二零一五年十二月三十一日：人民幣28,948,000元)被個別釐定為出現減值。該個別減值應收款項與有財政困難之客戶有關，而管理層估計該應收款項預期將不可收回。因此，人民幣32,885,000元之指定呆賬撥備(二零一五年：人民幣25,327,000元)已確認。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

#### 15 Trade and other receivables (continued)

##### (c) Trade debtors and bills receivable that are not impaired

Neither past due nor impaired	未逾期亦未減值
Less than 1 month past due	逾期少於一個月
1 to 3 months past due	逾期一至三個月
3 to 6 months past due	逾期三至六個月

Receivables that were neither past due nor impaired relate to a wide range of 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, management believes that no impairment allowance 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.

#### 16 Pledged deposits

Pledged deposits mainly represented bank deposits pledged to bank as securities for certain banking facilities (Note 19(b)), bills payable (Note 18), and other deposits, required by the local laws and regulations.

#### 17 Cash and cash equivalents

##### (a) Cash and cash equivalents comprise:

Cash at bank and on hand	銀行及手頭現金
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#### 15 交易及其他應收款項 (續)

##### (c) 並未減值之交易應收賬款及應收票據

2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
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1,444,123	1,172,184
35,383	6,742
4,987	12,584
3,694	11,276

1,488,187	1,202,786
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未逾期亦未減值之應收賬款乃與於近期並無拖欠款項記錄之多數客戶有關。

逾期但未減值之應收賬款乃與本集團有良好交易記錄之大量獨立客戶有關。根據過往經驗，由於該等客戶之信貸質素並無重大變動而結餘仍被認為可以全數收回，故管理層認為並無必要就該等結餘作出減值撥備。

#### 16 已抵押存款

已抵押存款主要指已抵押予銀行作為若干銀行信貸(附註19(b))、應付票據(附註18)之擔保之銀行存款，及當地法例及法規規定的其他存款。

#### 17 現金及現金等價物

##### (a) 現金及現金等價物包括：

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
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443,431	416,012
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## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 17 Cash and cash equivalents (continued)

### 17 現金及現金等價物 (續)

(b) Reconciliation of profit before taxation to cash generated from operations:

(b) 除稅前溢利與業務所得現金之對賬：

			2016 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 <b>RMB'000</b> 人民幣千元
		Note 附註		
Profit before taxation	除稅前溢利		351,291	320,660
Adjustments for:	經下列各項調整：			
Depreciation	折舊	5(c)	280,468	176,964
Amortisation of lease prepayments	攤銷預付租金	5(c)	7,033	7,033
Impairment losses on trade and other receivables	交易及其他應收款項減值虧損	5(c)	6,824	17,260
Interest income	利息收入	4	(7,455)	(10,176)
Finance costs	財務成本	5(a)	117,950	149,138
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	4	16,558	1,523
Share of (profit)/loss of an associate	應佔一間聯營公司(溢利)/虧損	13	(7,611)	214
Unrealised profit from transactions with an associate	來自與一間聯營公司交易的未變現溢利	13	(488)	(689)
Net foreign exchange gain	外匯收益淨額		(4,902)	(3,749)
Changes in working capital:	營運資金之變動：			
Change in inventories	存貨之變動		(285,196)	(46,655)
Change in trade and other receivables	交易及其他應收款項之變動		(290,306)	217,562
Change in trade and other payables	交易及其他應付款項之變動		365,779	(311,204)
Change in deferred income	遞延收入之變動		(9,091)	259
<b>Cash generated from operations</b>	<b>業務產生之現金</b>		<b>540,854</b>	<b>518,140</b>



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

#### 18 Trade and other payables

#### 18 交易及其他應付款項

		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
Trade payables	交易應付款項	683,596	530,181
Bills payable (i)	應付票據(i)	637,850	471,949
Receipts in advance	預收款項	124,281	117,033
Accrued payroll and benefits	應計工資及福利	135,220	117,579
Other payables and accruals	其他應付款項及 應計費用	166,604	145,600
Deferred income (Note 21)	遞延收入(附註21)	25,125	25,294
		<b>1,772,676</b>	<b>1,407,636</b>

Amounts due to related parties are included in trade and other payables, the breakdown of which is set out in Note 27(b)(ii). All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

As of the end of the reporting period, the aging analysis of trade payables and bills payable (which are included in trade and other payables), based on the invoice date, is as follows:

交易及其他應付款項包括應付關連方款項，其詳情載於附註27(b)(ii)。所有交易及其他應付款項預期將於一年內償付或確認為收入或應要求償還。

於報告期末，按發票日期計算之交易應付款項及應付票據（其乃計入交易及其他應付款項）之賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 month	一個月內	496,569	389,080
1 to 3 months	一至三個月	653,090	397,157
3 to 6 months	三至六個月	145,557	198,503
Over 6 months	超過六個月	26,230	17,390
		<b>1,321,446</b>	<b>1,002,130</b>

(i) Bills payable were secured by pledged bank deposits of RMB206,900,000 as at 31 December 2016 (31 December 2015: RMB179,893,000) (Note 16).

(i) 於二零一六年十二月三十一日，應付票據以人民幣206,900,000元（二零一五年十二月三十一日：人民幣179,893,000元）之已抵押銀行存款擔保（附註16）。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 19 Loans and borrowings

(a) Loans and borrowings were repayable as follows:

		2016 二零一六年 <i>RMB'000</i> 人民幣千元	2015 二零一五年 <i>RMB'000</i> 人民幣千元
Within one year	一年內	1,384,150	1,699,467
After 1 year but within 2 years	一年後但兩年內	402,651	175,000
After 2 years but within 5 years	兩年後但五年內	16,601	126,000
		419,252	301,000
		<b>1,803,402</b>	2,000,467

### 19 貸款及借貸

(a) 貸款及借貸應於下列日期償還：

(b) Terms

		2016 二零一六年 <i>RMB'000</i> 人民幣千元	2015 二零一五年 <i>RMB'000</i> 人民幣千元
Secured bank loans	有抵押銀行貸款	1,703,402	1,961,774
Unsecured bank loans	無抵押銀行貸款	100,000	38,693
		<b>1,803,402</b>	2,000,467

(b) 條款

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

#### 19 Loans and borrowings (continued)

##### (b) Terms (continued)

The secured bank loans were secured by the following assets of the Group as at the end of the reporting period.

		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 value of assets:	資產賬面值：		
Property, plant and equipment (Note 10)	物業、廠房及設備 (附註10)	483,163	535,009
Lease prepayments (Note 11)	預付租金 (附註11)	294,461	228,660
Bills receivable (Note 15)	應收票據 (附註15)	209,216	260,292
Pledged deposits (Note 16)	已抵押存款 (附註16)	1,062	84,263
Inventories (Note 14)	存貨 (附註14)	100,000	40,000
Total	總計	<b>1,087,902</b>	1,148,224

As at 31 December 2016, banking facilities of the Group totalling RMB4,006,338,000 (31 December 2015: RMB3,564,542,000) were utilised to the extent of RMB2,310,959,000 (31 December 2015: RMB2,221,955,000).

As at 31 December 2016, seven (2015: five) of the Group's banking facilities are subject to the fulfilment of covenants relating to certain of the subsidiaries' balance sheet ratios, which are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in Note 24(b). As at 31 December 2016, none of the covenants relating to drawn down facilities had been breached (2015: Nil).

#### 19 貸款及借貸 (續)

##### (b) 條款 (續)

於報告期末，有抵押銀行貸款以本集團以下資產作抵押。

於二零一六年十二月三十一日，於本集團合共人民幣4,006,338,000元（二零一五年十二月三十一日：人民幣3,564,542,000元）之銀行信貸中，人民幣2,310,959,000元（二零一五年十二月三十一日：人民幣2,221,955,000元）經已動用。

於二零一六年十二月三十一日，本集團七項（二零一五年：五項）銀行信貸須待達成有關附屬公司若干資產負債表比率之契約（常見於與金融機構訂立之貸款安排）後方可作實。倘本集團違反該等契約，已提取之信貸須於要求時償還。本集團定期監察其是否遵守該等契約。有關本集團對流動資金風險之管理之進一步詳情載於附註24(b)。於二零一六年十二月三十一日，並無違反任何有關已提取信貸之契約（二零一五年：無）。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 20 Obligations under finance leases

### 20 融資租賃責任

		2016 二零一六年		2015 二零一五年	
		Present value of the minimum lease payments 最低租賃 付款之現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃 付款總額 RMB'000 人民幣千元	Present value of the minimum lease payments 最低租賃 付款之現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃 付款總額 RMB'000 人民幣千元
Within 1 year	一年內	-	-	6,712	6,770
Less: total future interest expenses	減：未來利息開支總額		-		(58)
Present value of lease obligations	租賃責任之現值		-		6,712

### 21 Deferred income

### 21 遞延收入

The movements in deferred income as stated under current and non-current liabilities are as follows:

列入流動及非流動負債項下之遞延收入之變動如下：

		2016	2015
		二零一六年 RMB'000 人民幣千元	二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	82,063	81,804
Received during the year	於年內取得	8,223	13,783
Recognised in profit or loss (Note 4)	於損益內確認 (附註4)	(17,314)	(13,524)
At 31 December	於十二月三十一日	72,972	82,063
Less: current portion included in trade and other payables (Note 18)	減：列入交易及其他應付款項之流動部份 (附註18)	(25,125)	(25,294)
		47,847	56,769

Deferred income represents government grants obtained for the purposes of subsidising the Group's operation costs and sponsoring the costs of acquisition of fixed assets incurred by the Group. Government grants received are initially recognised in the consolidated statement of financial position as deferred income.

遞延收入指就補貼本集團之營運成本及資助本集團收購固定資產所產生之成本而取得之政府補助金。所取得之政府補助金初步於綜合財務狀況表內確認為遞延收入。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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#### 21 Deferred income (continued)

Government grants received to subsidise the operation costs are amortised through profit or loss on a systematic basis in the same periods in which the related costs of operation are incurred.

Government grants received for sponsoring costs of acquisition of fixed assets are recognised in profit or loss over the useful life of the asset.

#### 22 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

#### 21 遞延收入 (續)

就補貼經營成本而取得之政府補助金於相關經營成支產生之相同期間按系統性基準透過損益攤銷。

就收購固定資產所產生之資助成本而取得之政府補助金按資產使用年期於損益內確認。

#### 22 於綜合財務狀況表內之所得稅

(a) 於綜合財務狀況表內之即期稅項指：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	25,197	26,119
Provision for PRC income tax (Note 6(a))	中國所得稅撥備 (附註6(a))	53,388	52,084
Provision for Hong Kong Profits Tax (Note 6(a))	香港利得稅撥備 (附註6(a))	1,118	930
Income tax paid	已付所得稅	(52,189)	(53,936)
At 31 December	於十二月三十一日	27,514	25,197

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 22 Income tax in the consolidated statement of financial position (continued)

### 22 於綜合財務狀況表內之所得稅 (續)

#### (b) Deferred tax assets and liabilities recognised:

#### (b) 已確認遞延稅項資產及負債：

##### (i) Movement of each components of deferred tax assets and liabilities

##### (i) 遞延稅項資產及負債各部份之變動

The components of deferred tax assets/ (liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

年內於綜合財務狀況表確認之遞延稅項資產／(負債)組成部份及變動如下：

	Impairment of non-current financial assets	Employee benefits accrued but not paid	Impairment loss on bad and doubtful debts	Tax loss	Unrealised profit from intra-group transfer of certain land use right	Government grants in deferred income	Undistributed profit of PRC subsidiaries	Total
	非流動金融資產減值	應計未付僱員福利	呆壞賬減值虧損	稅項虧損	集團內公司間轉讓若干土地使用權產生之未變現溢利	遞延收入內之政府補助金	中國附屬公司未分派溢利	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Deferred tax assets/ (liabilities) arising from	所產生之遞延稅項資產／(負債)							
At 1 January 2015	1,787	549	1,765	198	23,494	11,861	-	39,654
(Charged)/credited to profit or loss (Note 6(a))	-	(549)	2,519	(198)	-	39	(3,690)	(1,879)
At 31 December 2015	1,787	-	4,284	-	23,494	11,900	(3,690)	37,775
At 1 January 2016	1,787	-	4,284	-	23,494	11,900	(3,690)	37,775
Credited/(charged) to profit or loss (Note 6(a))	-	-	1,027	1,024	-	(954)	594	1,691
At 31 December 2016	1,787	-	5,311	1,024	23,494	10,946	(3,096)	39,466

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 22 Income tax in the consolidated statement of financial position (continued)

(b) Deferred tax assets and liabilities recognised:  
(continued)

(ii) Reconciliation to the consolidated statement of financial position

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	42,562	41,465
Net deferred tax liability recognised in the consolidated statement of financial position	(3,096)	(3,690)
	<b>39,466</b>	<b>37,775</b>

(c) Deferred tax liabilities not recognised

The Group is subject to 5% withholding tax on dividends receivable from its PRC subsidiaries in respect of their profits generated since 1 January 2008. As at 31 December 2016, deferred tax liabilities in respect of temporary differences relating to such undistributed profits of RMB1,049,776,000 (2015: RMB797,109,000) were not recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that those profits will not be distributed in the foreseeable future.

### 22 於綜合財務狀況表內之所得稅 (續)

(b) 已確認遞延稅項資產及負債：  
(續)

(ii) 與綜合財務狀況表的對賬

(c) 未確認之遞延稅項負債

本集團須就來自其中國附屬公司自二零零八年一月一日起所產生溢利中應收股息繳納5%的扣繳稅。由於本公司控制該等附屬公司的股息政策，並已確定不會於可見未來分派有關溢利，故於二零一六年十二月三十一日，並未就與該等未分派溢利人民幣1,049,776,000元（二零一五年：人民幣797,109,000元）有關的暫時差額確認遞延稅項負債。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 23 Capital, reserves and dividends

#### (a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

### 23 股本、儲備及股息

#### (a) 權益部份變動

本集團綜合權益各部份之年初及年末結餘之對賬載於綜合權益變動表。本公司個別權益組成部份於年初及年末之變動詳情載列如下：

		The Company 本公司					Total
		Share capital 股本	Share premium 股份溢價	Other reserve 其他儲備	Exchange reserve 匯兌儲備	Retained earnings/ (accumulated losses) 保留盈利/ (累計虧損)	Total 總計
Note 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
		Note 23 (c)	Note 23	Note 23	Note 23		
		附註23 (c)	(d)(i) 附註23	(d)(ii) 附註23	(d)(v) 附註23		
			(d)(i)	(d)(ii)	(d)(v)		
Balance at 1 January 2015	於二零一五年一月一日之結餘	3,731	179,568	441,976	580	(7,652)	618,203
Changes in equity for 2015	二零一五年度股權變動						
Profit for the year	年度溢利	-	-	-	-	70,167	70,167
Other comprehensive income	其他全面收入	-	-	-	(48,618)	-	(48,618)
Total comprehensive income for the year	年度全面收入總額	-	-	-	(48,618)	70,167	21,549
Dividends approved in respect of previous year	就去年批准之股息	23(b)	-	-	-	(30,152)	(30,152)
Balance at 31 December 2015 and at 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日之結餘	28	3,731	179,568	441,976	(48,038)	609,600
Changes in equity for 2016	二零一六年度股權變動						
Profit for the year	年度溢利	-	-	-	-	7,533	7,533
Other comprehensive income	其他全面收入	-	-	-	39,580	-	39,580
Total comprehensive income for the year	年度全面收入總額	-	-	-	39,580	7,533	47,113
Dividends approved in respect of previous year	就去年批准之股息	23(b)	-	-	-	(31,895)	(31,895)
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	28	3,731	179,568	441,976	(8,458)	624,818



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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#### 23 Capital, reserves and dividends (continued)

##### (b) Dividends

##### (i) Dividends payable to equity shareholders of the Company attributable to the year

Final dividends proposed after the end of reporting period (2015: HKD9 cents per ordinary share) 於報告期末後建議派付之末期股息 (二零一五年：每股普通股9港仙)

The Board did not recommend the payment of a final dividend for the year ended 31 December 2016 (2015: HKD9 cents per ordinary share).

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

#### 23 股本、儲備及股息 (續)

##### (b) 股息

##### (i) 應付本年度之本公司權益股東股息

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
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-	31,518
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董事會不建議派付截至二零一六年十二月三十一日止年度之末期股息 (二零一五年：每股普通股9港仙)。

於報告期末後建議派付之末期股息並無於報告期末確認為負債。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 23 Capital, reserves and dividends (continued)

### 23 股本、儲備及股息 (續)

#### (b) Dividends (continued)

#### (b) 股息 (續)

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(ii) 於年內批准及派付之上一個財政年度之應付本公司權益股東股息

	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
Final dividends in respect of the previous financial year, approved and paid during the year, of HKD9 cents per ordinary share (2015: HKD9 cents per ordinary share)	31,895	30,152

#### (c) Share Capital

#### (c) 股本

Ordinary shares, issued and fully paid:

已發行及繳足普通股：

	2016 二零一六年			2015 二零一五年		
	No. of shares 股份數目	Nominal value of fully paid shares 繳足股份面值		No. of shares 股份數目	Nominal value of Amount 面值金額	
	('000) (千股)	RMB HKD'000 千港元	RMB '000 等值 人民幣千元	('000) (千股)	RMB HKD'000 千港元	RMB '000 等值 人民幣千元
At 1 January and at 31 December						
於一月一日及 於十二月三十一日	418,000	4,180	3,731	418,000	4,180	3,731

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 23 Capital, reserves and dividends (continued)

#### (d) Nature and purpose of reserves

##### (i) Share premium

The share premium represents the difference between the par value of the shares of the Company and proceeds received from the issuance of the shares of the Company.

Under the Companies Law of the Cayman Islands, the funds in the share premium account and other reserve account of the Company are distributable to the shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

##### (ii) Other reserve

The other reserve of the Group represents the difference between (a) the nominal value of share capital and the existing balance on the share premium account of a subsidiary acquired; and (b) the nominal value of the shares issued by the Company in exchange under the Reorganisation of the Group on 29 February 2008.

The other reserve of the Company represents the difference between (a) the consolidated net assets of the subsidiaries acquired; and (b) the nominal value of the shares issued by the Company in exchange under the Reorganisation of the Group on 29 February 2008.

### 23 股本、儲備及股息 (續)

#### (d) 儲備性質及用途

##### (i) 股份溢價

股份溢價指本公司股份面值與發行本公司股份收取的所得款項之間的差額。

根據開曼群島公司法，本公司之股份溢價賬及其他儲備賬之資金可分派予股東，惟緊隨建議分派股息當日後，本公司將能清償其於日常業務過程中到期之債務。

##### (ii) 其他儲備

本集團之其他儲備指以下兩者之差額：(a)已收購附屬公司股份溢價賬之股本面值及現有結餘；與(b)本公司根據於二零零八年二月二十九日本集團重組為交換而發行之股份面值。

本公司之其他儲備指以下兩者之差額：(a)已收購附屬公司之綜合資產淨值；與(b)本公司根據於二零零八年二月二十九日本集團重組為交換而發行之股份面值。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 23 Capital, reserves and dividends (continued)

#### (d) Nature and purpose of reserves (continued)

##### (iii) Capital reserve

The capital reserve represents waivers of liabilities due to related parties.

##### (iv) PRC statutory reserves

PRC statutory reserves were established in accordance with the relevant PRC rules and regulations and the articles of association of the PRC subsidiaries of the Group. The subsidiaries are required to transfer at least 10% of their net profit, as determined under the PRC accounting rules and regulations, to statutory general reserve until the reserve reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to equity shareholders.

PRC statutory reserves can be used to make good prior years' losses, if any, and may be converted into share capital by issuing new shares to equity shareholders proportionate to their existing percentage of equity interests provided that the balance after such issue is not less than 25% of the registered capital.

##### (v) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of companies with functional currency other than RMB.

### 23 股本、儲備及股息 (續)

#### (d) 儲備性質及用途 (續)

##### (iii) 資本儲備

資本儲備指獲豁免之應付關連方負債。

##### (iv) 中國法定儲備

中國法定儲備乃根據有關中國規則及規定以及本集團中國附屬公司之組織章程細則設立。附屬公司須轉撥其根據中國會計規則及規定釐定之純利之至少10%至法定一般儲備，直至儲備達到註冊資本之50%為止。向該儲備所作轉撥必須在分派股息予權益股東之前作出。

中國法定儲備可用以抵銷過往年度之虧損（如有），並可根據權益股東現有股權百分比按比例向彼等發行新股份轉換成股本，惟有關發行後之結餘不得少於註冊資本之25%。

##### (v) 匯兌儲備

匯兌儲備包括因換算功能貨幣並非為人民幣的公司財務報表所產生之所有匯兌差額。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 23 Capital, reserves and dividends (continued)

#### (e) Distributability of reserves

The aggregate amount of distributable reserves of the Company as at 31 December 2016 was RMB621,087,000 (2015: RMB605,869,000).

#### (f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, adjusted net debt is defined as total debt (which includes interest-bearing loans and borrowings and obligations under finance leases) plus unaccrued proposed dividends, less cash and cash equivalents and pledged deposits. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

### 23 股本、儲備及股息 (續)

#### (e) 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總額為人民幣621,087,000元（二零一五年：人民幣605,869,000元）。

#### (f) 資本管理

本集團的主要資本管理目標為保障本集團持續經營的能力，按恰當風險水平為產品及服務定價，並以合理成本取得融資，以繼續為股東提供回報及為持份者提供福利。

本集團積極定期檢討及管理其資本架構，以在維持較高借貸水平可能帶來較高股東回報與取得充裕資金狀況所帶來的裨益及保障之間的平衡，並就經濟環境的轉變對資本架構進行調整。

本集團按經調整淨負債資本比率監控資本架構。就此而言，本集團將經調整淨負債定義為債務總額（包括計息貸款及借貸以及融資租賃責任）加未計提建議股息減現金及現金等價物以及已抵押存款。經調整資本包括權益之所有部份減未計提建議股息。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 23 Capital, reserves and dividends (continued)

#### (f) Capital management (continued)

During the year, the Group's strategy was to maintain the debt-to-equity ratio at a level considered reasonable by the Group's management from time to time with reference to the prevailing market conditions. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to equity shareholders, issue new shares or raise new debt financing.

The Group's adjusted net debt-to-capital ratio at 31 December 2016 and 2015 was as follows:

### 23 股本、儲備及股息 (續)

#### (f) 資本管理 (續)

於年內，本集團之策略乃將負債權益比率維持於本集團管理層經參考當時市況後不時認為合理之水平。為維持或調整比率，本集團可能調整向權益股東支付股息、發行新股份或籌集新債務融資。

於二零一六年及二零一五年十二月三十一日，本集團之經調整淨債務資本比率如下：

		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
Current liabilities:	流動負債：			
– Loans and borrowings	– 貸款及借貸	19	1,384,150	1,699,467
– Obligations under finance leases	– 融資租賃責任	20	–	6,712
Non-current liabilities:	非流動負債：			
– Loans and borrowings	– 貸款及借貸	19	419,252	301,000
Total debt	債務總額		1,803,402	2,007,179
Add: Proposed dividends	加：建議股息	23(b)	–	31,518
Less: Cash and cash equivalents	減：現金及現金等價物	17	(443,431)	(416,012)
Pledged deposits	已抵押存款	16	(212,815)	(278,141)
Adjusted net debt	經調整債務淨額		1,147,156	1,344,544
Total equity	權益總額		1,687,920	1,419,846
Less: Proposed dividends	減：建議股息	23(b)	–	(31,518)
Adjusted capital	經調整資本		1,687,920	1,388,328
Adjusted net debt-to-capital ratio	經調整淨負債資本比率		68%	97%

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 23 Capital, reserves and dividends (continued)

#### (f) Capital management (continued)

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements, except that banking facilities granted to certain subsidiaries are subject to the fulfilment of covenants relating to the subsidiaries' balance sheet ratios (Note 19). The Group will actively and regularly monitor its compliance to such covenants.

### 24 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

#### (a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade debtors are due within 60 to 90 days from the date of billing. Normally, the Group does not obtain collateral from customers.

### 23 股本、儲備及股息 (續)

#### (f) 資本管理 (續)

本公司及其任何附屬公司概不受外界資本規定限制，惟授予若干附屬公司的銀行信貸須就附屬公司的資產負債率履行契諾(附註19)。本集團將積極定期監察其是否遵守該等契諾。

### 24 金融風險管理及金融工具之公平值

於信貸、流動資金、利率及貨幣中所承受之風險於本集團之日常業務過程中產生。本集團所承受之該等風險及本集團用以管理該等風險之金融風險管理政策及常規載述如下。

#### (a) 信貸風險

本集團之信貸風險主要來自交易及其他應收款項。管理層已制定信貸政策，並持續監察該等信貸風險。

就交易及其他應收款項而言，對所要求信貸超過一定金額之所有客戶進行個別信貸評估。該等評估側重於客戶過往於到期時之付款記錄及目前之付款能力，並考慮到個別客戶之資料以及客戶經營所在之經濟環境。交易應收款項於發票日期後60日至90日內到期。一般而言，本集團並不向客戶收取任何抵押品。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 24 Financial risk management and fair values of financial instruments (continued)

#### (a) Credit risk (continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, 5% (2015: 1%) and 16% (2015: 14%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively within the plain aluminium profiles and aluminium profiles with surface finishing segment.

Except for the financial guarantees given by the Company as set out in Note 26, the Group does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in Note 26.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in Note 15.

#### (b) Liquidity risk

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

### 24 金融風險管理及金融工具之公平值 (續)

#### (a) 信貸風險 (續)

本集團所承受之信貸風險主要受各客戶而非客戶經營之行業或國家之個別特性所影響，因此信貸風險高度集中之情況主要於本集團對個別客戶有著重大風險承擔時產生。於報告期末，交易及其他應收款項總額之5%（二零一五年：1%）及16%（二零一五年：14%）分別來自本集團純鋁型材分部及經表面處理鋁型材分部最大客戶及五大客戶。

除附註26所述本公司作出之財務擔保外，本集團並無提供任何其他擔保，致使本集團或本公司須承受信貸風險。於報告期末，就該等財務擔保所須承受之最高信貸風險於附註26披露。

有關本集團就交易及其他應收款項須承受之信貸風險之進一步量化披露資料載於附註15。

#### (b) 流動資金風險

本集團的政策乃定期監察流動資金需求及遵守借貸契約的情況，確保維持充足現金儲備及獲主要財務機構提供足夠信貸資金，以應付短期及長遠的流動資金需求。



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### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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#### 24 Financial risk management and fair values of financial instruments (continued)

##### (b) Liquidity risk (continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

#### 24 金融風險管理及金融工具之公平值 (續)

##### (b) 流動資金風險 (續)

下表列示於報告期末本集團之金融負債之剩餘合約到期款項，乃按合約未貼現現金流量（包括按合約利率或（如浮動）按於報告期末之現行利率計算之利息款項）及本集團須支付之最早日期計算：

		2016 二零一六年				
		Contractual undiscounted cash outflow 合約未貼現現金流出				
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount at 31 Dec 於十二月 三十一日 之賬面值	
		Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	
		一年內或 應要求	一年後 但兩年內	兩年後 但五年內	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
Loans and borrowings	貸款及借貸	1,433,970	418,863	17,572	1,870,405	1,803,402
Trade and other payables	交易及其他應付款項	1,488,050	-	-	1,488,050	1,488,050
		2,922,020	418,863	17,572	3,358,455	3,291,452

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(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 24 Financial risk management and fair values of financial instruments (continued)

#### (b) Liquidity risk (continued)

		2015 二零一五年				
		Contractual undiscounted cash outflow 合約未貼現現金流出				
		More than 1 year but less than 2 years	More than 2 years but less than 5 years		Total	Carrying amount at 31 Dec 於十二月 三十一日 之賬面值
		一年內或 應要求	一年後 但兩年內	兩年後 但五年內	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
Loans and borrowings	貸款及借貸	1,780,663	185,621	133,206	2,099,490	2,000,467
Obligation under finance leases	融資租賃責任	6,770	-	-	6,770	6,712
Trade and other payables	交易及其他應付款項	1,147,730	-	-	1,147,730	1,147,730
		2,935,163	185,621	133,206	3,253,990	3,154,909

As shown in the above analysis, bank loans and related interest expense of the Group amounting to RMB1,433,970,000 were due to be repaid during 2017 (2016: RMB1,780,663,000). The short-term liquidity risk inherent in this contractual maturity date was not significantly changed after the reporting period.

#### (c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings from banks. Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate profile as monitored by management is set out in (i) below.

### 24 金融風險管理及金融工具之公平值 (續)

#### (b) 流動資金風險 (續)

誠如上述分析所示，本集團為數人民幣1,433,970,000元之銀行貸款及相關利息開支乃於二零一七年（二零一六年：人民幣1,780,663,000元）內到期將予償還。於本合約到期日固有之短期流動資金風險於報告期後並無重大變動。

#### (c) 利率風險

本集團之利率風險主要來自銀行借貸。按浮動利率及固定利率發出之借貸分別令本集團須承受現金流量利率風險及公平值利率風險。本集團由管理層監察之利率概況載於下文(i)。

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(Expressed in Renminbi unless otherwise indicated)  
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#### 24 Financial risk management and fair values of financial instruments (continued)

##### (c) Interest rate risk (continued)

##### (i) Interest rate profile

The following table details the interest rate profile of the Group's interest-bearing borrowings at the end of the reporting period.

		2016 二零一六年		2015 二零一五年	
		Effective interest rates 實際利率	Amount 金額 '000 千元	Effective interest rates 實際利率	Amount 金額 '000 千元
Fixed rate borrowings: Bank loans	定息借貸： 銀行貸款	2.90%-6.80%	1,345,313	1.90% - 6.92%	1,437,217
Variable rate borrowings: Obligation under finance lease Bank loans	浮息借貸： 融資租賃責任 銀行貸款	- 4.04%-5.23%	- 458,089	4.46% 4.75% - 7.20%	6,712 563,250
			458,089		569,962
Total borrowings	借貸總額		1,803,402		2,007,179
Fixed rate borrowings as a percentage of total borrowings	定息借貸佔借貸總額百分比		75%		72%

#### 24 金融風險管理及金融工具之公平值 (續)

##### (c) 利率風險 (續)

##### (i) 利率概況

下表詳列本集團於報告期末計息借貸之利率概況。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 24 Financial risk management and fair values of financial instruments (continued)

#### (c) Interest rate risk (continued)

##### (ii) Sensitivity analysis

At 31 December 2016, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variable held constant, would have decreased/increased the Group's profit after taxation and retained profits by approximately RMB3,894,000 (2015: RMB4,845,000).

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax and retained profits that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax and retained profits is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2015.

### 24 金融風險管理及金融工具之公平值 (續)

#### (c) 利率風險 (續)

##### (ii) 敏感度分析

於二零一六年十二月三十一日，估計利率整體上調／下調100個基點，而其他所有變數維持不變，本集團之除稅後溢利及保留溢利將減少／增加約人民幣3,894,000元（二零一五年：人民幣4,845,000元）。

上述敏感度分析指本集團之除稅後溢利及保留溢利可能產生之即時變動。敏感度分析假設利率變動於報告期末已經發生，並已用於重新計量本集團所持有並於報告期末使本集團面臨公平值利率風險之該等金融工具。就本集團於報告期末所持有之浮動利率非衍生工具所產生之現金流利率風險而言，本集團之除稅後溢利及保留溢利之影響乃以因有關利率變動而產生之利息支出或收入之年度影響作估計。該分析乃以二零一五年之同一基準進行。

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### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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#### 24 Financial risk management and fair values of financial instruments (continued)

##### (d) Currency risk

Renminbi is not a freely convertible currency and the remittance of funds out of the PRC is subject to the exchange restriction imposed by the PRC government. The Group is exposed to currency risk primarily through sales and purchases that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Hong Kong Dollars and United States Dollars ("USD").

##### Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the year end date. Difference resulting from the translation of the financial statements of foreign operations into the Group's presentation currency is excluded.

		Exposure to foreign currencies (expressed in Renminbi) 外幣風險承擔 (以人民幣列示)			
		2016 二零一六年		2015 二零一五年	
		HKD 港元 '000 千元	USD 美元 '000 千元	HKD 港元 '000 千元	USD 美元 '000 千元
Trade and other receivables	交易及其他應收款項	19,992	12,905	15,409	40,056
Cash and cash equivalents	現金及現金等價物	32,349	83,445	31,985	37,334
Trade and other payables	交易及其他應付款項	(20,498)	(970)	(14,218)	(686)
Short-term loans	短期貸款	-	-	-	(260,232)
Gross and net exposure arising from recognised assets and liabilities	已確認資產及負債產生之風險總額及淨額	31,843	95,380	33,176	(183,528)

#### 24 金融風險管理及金融工具之公平值 (續)

##### (d) 貨幣風險

人民幣並非可自由兌換之貨幣，而將資金匯出中國須受中國政府所施予之外匯限制。本集團主要透過以與其業務相關之功能貨幣以外之貨幣計值之銷售及購買承受貨幣風險。該風險主要來自港元及美元（「美元」）。

##### 外幣風險承擔

下表詳列本集團於報告期末在以公司有關功能貨幣以外之其他貨幣計值之已確認資產或負債所產生之貨幣風險承擔。就呈列目的而言，風險承擔之金額以人民幣列示，並以年結日之現貨率換算。換算海外業務財務報表至本集團呈列貨幣所產生之差額並不包括在內。

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### 24 Financial risk management and fair values of financial instruments (continued)

#### (d) Currency risk (continued)

##### Sensitivity analysis

The following table indicates the instantaneous change in the Group's profit after tax and retained profits that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant.

		2016 二零一六年		2015 二零一五年	
		Increase/ (decrease) in foreign exchange rate	Effect on profit after tax and retained profit 對除稅後 溢利及保留 溢利之影響 '000 千元	Increase/ (decrease) in foreign exchange rate	Effect on profit after tax and retained profit 對除稅後 溢利及保留 溢利之影響 '000 千元
United States Dollars	美元	1%	791	1%	(1,561)
Hong Kong Dollars	港元	1%	249	1%	281

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax measured in the respective functional currencies, translated into Renminbi at the exchange rate ruling at the end of the reporting period for presentation purposes.

### 24 金融風險管理及金融工具之公平值 (續)

#### (d) 貨幣風險 (續)

##### 敏感度分析

下表顯示倘本集團於報告期末有重大風險承擔之匯率於該日有所變動，並假設所有其他風險變數維持不變，本集團之除稅後溢利及保留溢利可能出現之即時變動。

上表呈列之分析結果指對本集團各公司以各自之功能貨幣計量之除稅後溢利之合計即時影響，並就呈列目的按報告期末之匯率換算為人民幣。

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### 24 Financial risk management and fair values of financial instruments (continued)

#### (d) Currency risk (continued)

##### *Sensitivity analysis (continued)*

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period, including inter-company payables and receivables within the Group which are denominated in a currency other than the functional currencies of the lender or the borrower. The analysis excludes differences that would result from the translation of the financial statements of foreign operations into the Group's presentation currency. The analysis is performed on the same basis for 2015.

#### (e) Fair values measurement

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values.

### 24 金融風險管理及金融工具之公平值 (續)

#### (d) 貨幣風險 (續)

##### *敏感度分析 (續)*

敏感度分析假設匯率變動經已應用以重新計量該等於報告期末讓本集團須承受外幣風險之本集團所持金融工具，包括以貸款人或借款人功能貨幣以外貨幣計值之集團內公司間應付款項及應收款項。分析並不包括換算海外業務財務報表至本集團呈列貨幣所產生之差額。分析已按與二零一五年相同之基準進行。

#### (e) 公平值計量

本集團及本公司以成本或攤銷成本列賬之金融工具之賬面值與其公平值無重大差異。

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### 25 Commitments

#### (a) Capital commitments

Capital commitments outstanding at 31 December not provided for in the financial statements were as follows:

### 25 承擔

#### (a) 資本承擔

於十二月三十一日，於財務報表並無撥備的未履行資本承擔如下：

		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
Contracted for	已訂約		
– Purchase of property, plant and equipment for the production base in Chengdu City	– 為成都市之生產基地購買物業、廠房及設備	4,268	458
– Purchase of property, plant and equipment for the production base in Yichun City	– 為宜春市之生產基地購買物業、廠房及設備	8,501	2,042
– Purchase of property, plant and equipment for the production base in Sanshui, Foshan City	– 為佛山市三水區之生產基地購買物業、廠房及設備	25,869	18,758
– Purchase of property, plant and equipment for the production base in Qinyang City	– 為沁陽市之生產基地購買物業、廠房及設備	284	8,572
– Building an integrated commercial and residential property base in Nanzhuang, Foshan City	– 於佛山市南莊興建綜合商業及住宅物業	209,689	284,754
		<b>248,611</b>	<b>314,584</b>
Authorised but not contracted for	已授權但未訂約	86,033	88,769
Total	總計	<b>334,644</b>	<b>403,353</b>



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#### 25 Commitments (continued)

##### (b) Operating lease commitments

The group leases out investment property and a number of items of machinery under operating leases.

At 31 December, the total future minimum lease payments under non-cancellable operating leases are payable 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 year	一年內	2,256	985
After 1 year but within 5 years	一年後但五年內	6,872	-
Over 5 years	超過五年	7,433	-
		<b>16,561</b>	<b>985</b>

The leases typically run for an initial period of 1 to 10 years, with an option to renew the lease after that date at which time all terms are renegotiated. Lease payments are usually increased every three years to reflect market rentals. None of the leases includes contingent rentals.

#### 26 Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2016 (2015: Nil).

#### 25 承擔 (續)

##### (b) 經營租約承擔

本集團根據經營租賃出租投資物業及若干機器項目。

於十二月三十一日，根據不可撤銷經營租約應付的未來最低租金總額如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	2,256	985
After 1 year but within 5 years	6,872	-
Over 5 years	7,433	-
	<b>16,561</b>	<b>985</b>

租賃一般初步為期1至10年，並有權選擇續訂，屆時所有條款均會重新磋商。租金付款通常會每三年增加，以反映市場租金水平。各項租賃均不包含或然租金。

#### 26 或然負債

於二零一六年十二月三十一日，本集團並無重大或然負債。(二零一五年：無)。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 27 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

During the year ended 31 December 2016, the directors are of the view that related parties of the Group include the following individuals/companies:

#### Name of related parties 關連方名稱

Foshan Leahin Coating Co., Ltd. (“Leahin Coating”)  
(佛山立興塗料有限公司) (i)  
佛山立興塗料有限公司 (「立興塗料」) (i)  
Guangdong Xingfa Curtain Wall, Door & Window Co., Ltd.  
(“Xingfa Curtain Wall”) (廣東興發幕牆門窗有限公司) (i)  
廣東興發幕牆門窗有限公司 (「興發幕牆」) (i)  
Guangxi Laibin Yin Hai Aluminium Co., Ltd. (“LBYPH”)  
(廣西來賓銀海鋁材股份有限公司) (i)  
廣西來賓銀海鋁材股份有限公司 (「來賓銀海」) (i)  
Jiangxi Jingxing Aluminium Panel Manufacturing Co., Ltd.  
(“Jiangxi Jingxing”) (江西省景興鋁模板製造有限公司) (i)  
江西省景興鋁模板製造有限公司 (「江西景興」) (i)

(i) The English translation of the company names is for reference only. The official names of these companies are in Chinese.

### 27 重大關連方交易

除該等財務報表其他部份所披露的交易及結餘外，本集團進行以下重大關連方交易：

於截至二零一六年十二月三十一日止年度，董事認為以下人士／公司為本集團的關連方：

#### Relationship with the Group 與本集團關係

Effectively owned by certain executive directors of the Company  
由本公司若干執行董事實際擁有  
Effectively owned by certain executive directors of the Company  
由本公司若干執行董事實際擁有  
Joint venture of a substantial shareholder of the Group, Guangdong Province, Guangxin Holdings Group Ltd.  
本集團主要股東廣東省廣新控股集團有限公司之合營企業  
Associate of the Group  
本集團之聯營公司

(i) 該等公司的英文譯名僅供參考。該等公司的中文名稱為正式名稱。

**Notes to the Consolidated Financial Statements**  
**綜合財務報表附註***(Expressed in Renminbi unless otherwise indicated)*  
(除另有指明外, 數額以人民幣列示)**27 Material related party transactions***(continued)***(a) Transactions****Sales and purchase**

		<b>2016</b>	2015
		二零一六年	二零一五年
		<b>RMB'000</b>	<b>RMB'000</b>
		人民幣千元	人民幣千元
Sales of goods to	銷售貨品予		
– Xingfa Curtain Wall	– 興發幕牆	<b>160,483</b>	176,997
– Jiangxi Jingxing	– 江西景興	<b>82,430</b>	14,867
		<b>242,913</b>	191,864
Purchases of raw materials from	購買原材料自		
– Leahin Coating	– 立興塗料	–	–
– LBYH	– 來賓銀海	–	16,326
		–	16,326
Dormitory rent	宿舍租金		
– Jiangxi Jingxing	– 江西景興	<b>2,506</b>	1,901

**27 重大關連方交易 (續)****(a) 交易****買賣**

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 27 Material related party transactions

(continued)

#### (b) Balances with related parties

As at the end of the reporting period, the Group had the following balances with related parties:

##### (i) Trade and other 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 related	與貿易有關		
Xingfa Curtain Wall	興發幕牆	30,562	33,075
Jiangxi Jingxing	江西景興	48,133	25,597
		<b>78,695</b>	<b>58,672</b>

##### (ii) Trade and other payables

		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 related	與貿易有關		
Leahin Coating	立興塗料	31	137
LBYH	來賓銀海	207	3,807
		<b>238</b>	<b>3,944</b>

The amounts due from/(to) related parties are unsecured, interest-free and have no fixed terms of repayment.

### 27 重大關連方交易 (續)

#### (b) 與關連方的結餘

於報告期末，本集團與關連方的結餘如下：

##### (i) 交易及其他應收款項

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade related	與貿易有關		
Xingfa Curtain Wall	興發幕牆	30,562	33,075
Jiangxi Jingxing	江西景興	48,133	25,597
		<b>78,695</b>	<b>58,672</b>

##### (ii) 交易及其他應付款項

		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
Trade related	與貿易有關		
Leahin Coating	立興塗料	31	137
LBYH	來賓銀海	207	3,807
		<b>238</b>	<b>3,944</b>

應收／(應付)關連方款項為無抵押、免息且無固定還款期。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

#### 27 Material related party transactions

(continued)

##### (c) Key management personnel compensation

Remuneration for key management personnel, including the amounts paid to the Group's directors as disclosed in Note 7 and the senior management as disclosed in Note 8, 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
Short-term employee benefits 短期僱員福利	30,332	24,080
Contribution to retirement benefit plan 退休福利計劃供款	235	229
	<b>30,567</b>	<b>24,309</b>

Total remuneration is included in "staff costs" (Note 5(b)).

##### (d) Applicability of the Listing Rules relating to connected transactions

The related party transactions of sales and purchase above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The disclosures required by Chapter 14A of the Listing Rules are provided in the section headed "Continuing connected transactions" of the Reports of the Directors of this annual report.

#### 27 重大關連方交易 (續)

##### (c) 主要管理人員酬金

主要管理人員之酬金 (包括附註7及附註8分別所披露支付予本集團董事及高級管理人員的金額) 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
Short-term employee benefits 短期僱員福利	30,332	24,080
Contribution to retirement benefit plan 退休福利計劃供款	235	229
	<b>30,567</b>	<b>24,309</b>

酬金總額計入「員工成本」(附註5(b))。

##### (d) 上市規則就關於關連交易之適用性

上述買賣之關連人士交易構成香港聯合交易所有限公司證券上市規則(「上市規則」)第14A章所界定之關連交易或持續關連交易。上市規則第14A章規定之披露載列於本年報董事會報告之「持續關連交易」一節。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 28 Company-level statement of financial position

### 28 公司層面財務狀況表

		Note	2016	2015
		附註	二零一六年	二零一五年
			RMB'000	RMB'000
			人民幣千元	人民幣千元
<b>Non-current asset</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之投資	12	620,901	581,544
<b>Current assets</b>	<b>流動資產</b>			
Amount due from a subsidiary	應收一間附屬公司款項		49,305	60,885
Cash and cash equivalents	現金及現金等價物		2,687	7,564
			51,992	68,449
<b>Current liabilities</b>	<b>流動負債</b>			
Amount due to a subsidiary	應付一間附屬公司款項		42,883	31,768
Other payables	其他應付款項		5,192	8,625
			48,075	40,393
<b>Net current assets</b>	<b>流動資產淨值</b>		3,917	28,056
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		624,818	609,600
<b>Net assets</b>	<b>資產淨值</b>		624,818	609,600
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本		3,731	3,731
Reserves	儲備		621,087	605,869
<b>Total equity</b>	<b>權益總額</b>		624,818	609,600

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

#### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016

Up to the date of issue of these financial statements, the IASB has issued a few of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

#### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響

截至該等財務報表的刊發日期，國際會計準則委員會已頒佈下列各項於截至二零一六年十二月三十一日止年度尚未生效的修訂及新準則，而該等財務報表並無採納該等修訂及新準則，包括下列可能與本集團有關的修訂及新準則。

	<b>Effective for accounting periods beginning on or after 於下列日期或之後 開始的會計期間生效</b>
Amendments to IFRS 7, <i>Statement of cash flows: Disclosure initiative</i> 國際財務報告準則第7號之修訂，現金流量表：披露主動性	1 January 2017 二零一七年一月一日
Amendments to IFRS 12, <i>Income taxes: Recognition of deferred tax assets for unrealised losses</i> 國際財務報告準則第12號之修訂，所得稅：就未變現虧損確認遞延稅項資產	1 January 2017 二零一七年一月一日
IFRS 9, <i>Financial instruments</i> 國際財務報告準則第9號，金融工具	1 January 2018 二零一八年一月一日
IFRS 15, <i>Revenue from contracts with customers</i> 國際財務報告準則第15號，與客戶合約之收益	1 January 2018 二零一八年一月一日
Amendments to IFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i> 國際財務報告準則第2號之修訂，以股份為基礎的付款：以股份為基礎付款的交易的分類及計量	1 January 2018 二零一八年一月一日
IFRS 16, <i>Leases</i> 國際財務報告準則第16號，租賃	1 January 2019 二零一九年一月一日

## Notes to the Consolidated Financial Statements 綜合財務報表附註

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### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 (continued)

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far the Group has identified some aspects of the new standards which may have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

#### IFRS 9, Financial instruments

IFRS 9 will replace the current standard on accounting for financial instruments, IAS 39, Financial instruments: Recognition and measurement. IFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, IFRS 9 incorporates without substantive changes the requirements of IAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. Expected impacts of the new requirements on the Group's financial statements are as follows:

### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響 (續)

本集團正在評估該等修訂本於首次應用期間預期之影響。本集團迄今為止已識別新訂準則可能對綜合財務報表產生重大影響之若干方面。預期影響之進一步詳情討論如下。由於本集團尚未完成評估，進一步影響將於適當時候識別，並將於決定於該等新規定生效日期前是否採納任何該等新規定及根據新訂準則有替代方法可用時採用何種過渡方法時考慮該等影響。

#### 國際財務報告準則第9號，金融工具

國際財務報告準則第9號將取代有關金融工具會計處理方法的現有準則國際會計準則第39號，金融工具：確認及計量。國際財務報告準則第9號引入分類及計量金融資產、計算金融資產減值及對沖會計的新規定。另一方面，國際財務報告準則第9號納入且並無大幅變動國際會計準則第39號有關確認及終止確認金融工具及金融負債分類的規定。新規定對本集團財務報表的預期影響如下：



## Notes to the Consolidated Financial Statements 綜合財務報表附註

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### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 (continued)

#### IFRS 9, Financial instruments (continued)

##### (a) Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI) as follows:

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then effective interest, impairments and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

Based on the preliminary assessment, the Group expects that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of IFRS 9.

### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響 (續)

#### 國際財務報告準則第9號，金融工具 (續)

##### (a) 分類及計量

國際財務報告準則第9號包括金融資產的三個主要分類方法：(1)按攤銷成本、(2)按公平值計入損益(按公平值計入損益)及(3)按公平值計入其他全面收益(按公平值計入其他全面收益)計量如下：

- 債務工具的分類乃基於實體管理金融資產的業務模式及該資產的合約現金流特點而釐定。倘債務工具分類為按公平值計入其他全面收益計量，則實際權益、減值及出售收益／虧損將於損益內確認。
- 就股本證券而言，不論實體採用何種業務模式均分類為按公平值計入損益計量，惟股本證券並非持作買賣及該實體不可撤回地選擇指定該證券為按公平值計入其他全面收益計量則例外。倘股本證券獲指定為按公平值計入其他全面收益計量，則僅該證券的股息收入將於損益內確認。該證券的收益、虧損及減值將於其他全面收益內確認且不可撥回。

根據初步評估，本集團預期其現時按攤銷成本及按公平值計入損益計量的金融資產將於採納國際財務報告準則第9號後繼續其各自的分類及計量。

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### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 (continued)

#### IFRS 9, Financial instruments (continued)

##### (a) Classification and measurement (continued)

The classification and measurement requirements for financial liabilities under IFRS 9 are largely unchanged from IAS 39, except that IFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement may not have any impact on the Group on adoption of IFRS 9.

##### (b) Impairment

The new impairment model in IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss" model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group's trade receivables and other financial assets.

However, a more detailed analysis is required to determine the extent of the impact.

### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響 (續)

#### 國際財務報告準則第9號，金融工具 (續)

##### (a) 分類及計量 (續)

國際財務報告準則第9號有關金融負債的分類及計量規定與國際會計準則第39號相較基本保持不變，惟國際財務報告準則第9號規定因指定為按公平值計入損益計量的金融負債信貸風險有變而導致其公平值變動的部分乃於其他全面收益內確認（不會重新分類至損益）。本集團現時並無任何指定為按公平值計入損益計量的金融負債，因此於採納國際財務報告準則第9號時，該新規定不會對本集團造成任何影響。

##### (b) 減值

國際財務報告準則第9號的新減值模式以「預期信貸虧損」模式取代國際會計準則第39號項下的「已產生虧損」模式。根據預期信貸虧損模式，毋須再待發生虧損事件方確認減值虧損。相反，實體須根據資產以及事實及情況確認及計量預期信貸虧損為12個月預期信貸虧損或永久預期信貸虧損。新減值模式可能導致提早就本集團貿易應收款項及其他金融資產確認信貸虧損。

然而，仍需更詳細的分析以釐定影響的程度。

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### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 (continued)

#### IFRS 15, Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. IFRS 15 will replace the existing revenue standards, IAS 18, Revenue, which covers revenue arising from sale of goods and rendering of services, and IAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting IFRS 15 on its financial statements. Based on the preliminary assessment, the Group has identified the following areas which are likely to be affected:

#### (a) Timing of revenue recognition

The Group's revenue recognition policies are disclosed in note 1(q). Currently, revenue arising from the provision of services is recognised over time, whereas revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under IFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. IFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

- (a) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (b) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;

### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響 (續)

#### 國際財務報告準則第15號，來自客戶合約收益

國際財務報告準則第15號建立了確認來自客戶合約收益的全面框架。國際財務報告準則第15號將取代現有收益準則，即國際會計準則第18號，收益（包括銷售貨物及提供服務所產生的收益）及國際會計準則第11號，建造合約（訂明建造合約收益的會計處理方法）。本集團現正評估採納國際財務報告準則第15號對其財務報表的影響。根據初步評估，本集團已識別以下可能受影響的方面：

#### (a) 收益確認的時間

本集團的收益確認政策披露於附註1(q)。目前，提供服務所得收益按時間確認，而銷售貨物所得收益通常於所有權風險及回報轉移予客戶時確認。

根據國際財務報告準則第15號，收益於客戶獲得合約的承諾貨物或服務的控制權時確認。國際財務報告準則第15號確定了以下對承諾貨物或服務的控制被視為隨時間轉移的三種情況：

- (a) 當客戶於實體履約時同時接受及使用實體履約所提供的利益時；
- (b) 當實體履約創造或增強一項於資產被創造或增強時由客戶控制的資產（如在建工程）時；

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 (continued)

#### IFRS 15, Revenue from contracts with customers (continued)

##### (a) Timing of revenue recognition (continued)

- (c) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under IFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

As a result of this change from the risk-and-reward approach to the contract-by-contract transfer-of-control approach, it is possible that once the Group adopts IFRS 15 some of the Group's contract manufacturing and residential property development activities that are currently recognised at a point in time may meet the IFRS 15 criteria for revenue recognition over time. This will depend on the terms of the sales contract and the enforceability of any specific performance clauses in that contract, which may vary depending on the jurisdiction in which the contract would be enforced. It is also possible that for the remainder of the Group's contracts the point in time when revenue is recognised may be earlier or later than under the current accounting policy. However, further analysis is required to determine whether this change in accounting policy may have a material impact on the amounts reported in any given financial reporting period.

### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響 (續)

#### 國際財務報告準則第15號，來自客戶合約收益 (續)

##### (a) 收益確認的時間 (續)

- (c) 當實體的履約並無創造對實體而言具替代用途的資產，且該實體對迄今完成的履約付款具有可執行權利時。

倘合約條款及實體活動並不屬於任何該等三種情況，則根據國際財務報告準則第15號，實體於某一指定時間點（即控制權轉移時）就銷售貨物或服務確認收益。所有權風險及回報的轉移僅為於釐定控制權轉移發生時將考慮的其中一項指標。

由於從風險及回報法向按合約轉移控制權法轉變，本集團採用國際財務報告準則第15號後，本集團目前在某一時時點上確認的來自製造及住宅物業發展活動的收入，可能符合國際財務報告準則第15號的標準，在一段時間內確認收入。這將取決於銷售合約的條款和該合約中任何具體履約條款的可執行情況，可能會因為執行合約的司法管轄區不同而變化。對於本集團合約的其餘部分，收入確認的時點亦可能較根據現有會計政策的時間點提前或推遲。然而，釐定有關會計政策變動是否會對任何特定財務報告期間內匯報的金額產生重大影響仍須待進一步分析。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 (continued)

#### IFRS 15, Revenue from contracts with customers (continued)

##### (b) Significant financing component

IFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance or in arrears. Currently, the Group would only apply such a policy when payments are significantly deferred, which is currently not common in the Group's arrangements with its customers. Currently, the Group does not apply such a policy when payments are received in advance.

Advance payments are not common in the Group's arrangements with its customers, with the exception of when residential properties are marketed by the Group while the property is still under construction. In this situation, the Group may offer buyers a discount compared to the sales price payable, provided the buyer agrees to pay the balance of the purchase price early.

Currently, the revenue from property sales is recognised when the property is complete, measured at the amount received from the customer, irrespective of whether the customer pays early or on completion. However, under IFRS 15 such advance payment schemes are likely to be regarded as including a financing component.

### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響 (續)

#### 國際財務報告準則第15號，來自客戶合約收益 (續)

##### (b) 重大融資部分

國際財務報告準則第15號要求實體於合約包含重大融資部分時就貨幣時間價值調整交易價格，而不管來自客戶的付款將大部分提前收取或延後收取。目前，本集團僅於付款大幅延期時（目前本集團與其客戶間的安排並不常見）採用此政策。目前，本集團並無於付款提前收取時採用此政策。

提前付款在本集團與其客戶間的安排並不常見，本集團於住宅物業在建期間銷售物業時除外。在這種情況下，本集團可能會向賣方就應付售價提供折扣，前提是賣方同意提前支付購買價格的餘額。

目前，物業銷售產生的收入在物業完工時確認，按收到的客戶金額計量，而不管客戶提前支付或於完工時支付。然而，根據國際財務報告準則第15號，該等預付款計劃可能會被視為包含融資部分。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
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### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 (continued)

#### IFRS 15, Revenue from contracts with customers (continued)

##### (b) Significant financing component (continued)

The Group is in the process of assessing whether this component in the Group's advance payment schemes would be significant to the contract and therefore whether, once IFRS 15 is adopted, the transaction price would need to be adjusted for the purposes of recognising revenue. Any adjustment to the transaction price under IFRS 15, if considered necessary, would result in interest expense being recognised while the construction work is still in progress to reflect the effect of the financing benefit obtained from the customers, with a corresponding increase to revenue on sale of properties recognised when control of the completed property is transferred to the customer.

##### (c) Sales with a right of return

Currently when the customers are allowed to return the products, the Group estimates the level of returns and makes an adjustment against revenue and cost of sales.

The Group expects that the adoption of IFRS 15 will not materially affect how the Group recognises revenue and cost of sales when the customers have a right of return. However, the new requirement to recognise separately a return asset for the products expected to be returned will impact the presentation in the consolidated statement of financial position as the Group currently adjusts the carrying amounts of inventory for the expected returns, instead of recognising a separate asset.

### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響 (續)

#### 國際財務報告準則第15號，來自客戶合約收益 (續)

##### (b) 重大融資部分 (續)

本集團正在評估本集團提前付款計劃中的該部分是否對合約而言屬重大，因此本集團採用國際財務報告準則第15號後，需出於確認收入的目的而調整交易價格。根據國際財務報告準則第15號，對交易價格的任何調整（如需要）將會導致在建築工程仍然在建時確認利息開支，來反映從客戶取得的融資利益的影響，同時於完工物業的控制權轉移至客戶時確認物業銷售收入的增加。

##### (c) 附退貨權的銷售

目前，當客戶可退回產品時，本集團估計退貨水平，並對收入和銷售成本進行調整。

本集團預計，當客戶有退貨權時，採用國際財務報告準則第15號不會對本集團確認收入和銷售成本產生重大影響。然而，對預計將被退回的產品單獨確認退貨資產的新要求，將影響綜合財務狀況表中的列報，因為本集團目前就預計退貨調整存貨的賬面值，而不是確認一項獨立的資產。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 (continued)

#### IFRS 16, Leases

As disclosed in note 1(g), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

IFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once IFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in a similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響 (續)

#### 國際財務報告準則第16號，租賃

如在附註1(g)中所披露，本集團現分類租賃為融資租賃和經營租賃，本集團會按租賃的分類而採納不同的會計方法來處理租賃安排。本集團會以出租人及受租人身份簽訂租賃合約。

預計國際財務報告準則第16號對出租人根據他們在租賃的權利和義務的會計處理方法未有重大影響。但是，當採納國際財務報告準則第16號，受租人將毋須分辨融資租賃及經營租賃。另外，視乎實際情況，受租人將以現行相同的融資租賃會計法處理所有租賃，即在租賃之生效日受租人將按未來最低租賃付款之現值確認及計算租賃負債，亦會同時確認另一「可使用權利」資產。在初始確認該資產及負債後，受租人將按租賃負債的結餘確認應計利息支出，以及可使用權利資產的折舊，而並不是現行會計政策按租賃期限分期確認為經營租賃的租金支出。視乎實際情況，受租人可選擇不採納此會計模式計算短期租賃（即租賃期是12個月或以下）以及低價值資產之租賃，即仍繼續按租賃期限分期確認為經營租賃的租金支出。

## Notes to the Consolidated Financial Statements 綜合財務報表附註

(Expressed in Renminbi unless otherwise indicated)  
(除另有指明外，數額以人民幣列示)

### 29 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2016 (continued)

#### IFRS 16, Leases (continued)

IFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 25(b), at 31 December 2016 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB16,561,000 for properties, the majority of which is payable either between 1 and 5 years after the reporting date or in more than 5 years. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once IFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of IFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of IFRS 16 and the effects of discounting.

The Group is considering whether to adopt IFRS 16 before its effective date of 1 January 2019. However, early adoption of IFRS 16 is only permitted if this is no earlier than the adoption of IFRS 15. It is therefore unlikely that IFRS 16 will be adopted before the effective date of IFRS 15, being 1 January 2018.

### 29 於截至二零一六年十二月三十一日止年度已頒佈但未生效的修訂、新準則及詮釋的潛在影響 (續)

#### 國際財務報告準則第16號，租賃 (續)

國際財務報告準則第16號將主要影響本集團作為租約承租人就物業、廠房及設備(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租賃期間於損益表確認開支的時間。誠如附註25(b)所披露，於二零一六年十二月三十一日，本集團於不可撤銷經營租賃項下就物業的未來最低租賃款項將達人民幣16,561,000元，大部分於報告日期後一至五年或五年以後支付。因此，一旦採納國際財務報告準則第16號，該等款項部分可能須確認為租賃負債，並附帶相應使用權資產。經考慮權宜實行方法之適用性、就現時至採納國際財務報告準則第16號期間已訂立或終止之任何租賃及貼現影響作出調整後，本集團將須進行更為詳細之分析以釐定於採納國際財務報告準則第16號時經營租賃承擔所產生之新資產及負債之金額。

本集團正考慮是否於二零一八年一月一日生效日期前採納國際財務報告準則第16號。然而，只有在已採納國際財務報告準則第15號後，方可提早採納國際財務報告準則第16號。因此，在國際財務報告準則第15號生效日期(即二零一八年一月一日)前，本集團不大可能採納國際財務報告準則第16號。



**Five Years Summary**  
**五年概要***(Expressed in Renminbi)*  
*(以人民幣列示)*

		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>Assets and liabilities</b>	<b>資產及負債</b>					
Property, plant & equipment	物業、廠房及設備	1,794,185	1,905,468	1,882,739	1,832,942	1,560,832
Non-current financial assets	非流動金融資產	-	-	-	11,912	11,912
Lease prepayments	預付租金	294,461	301,494	308,527	363,274	371,616
Interest in an associate	於聯營公司的權益	9,515	1,416	941	-	-
Prepayment for machinery	機器預付款項	-	-	-	-	11,001
Deferred tax assets	遞延稅項資產	42,562	41,465	39,654	20,995	27,745
Net current financial (liabilities)/assets	流動金融(負債)/資產淨額	17,392	(468,538)	(698,489)	(663,809)	(460,219)
Total assets less current liabilities	總資產減流動負債	2,158,115	1,781,305	1,533,372	1,565,314	1,522,887
Non-current liabilities	非流動負債	(470,195)	(361,459)	(349,411)	(589,570)	(660,516)
<b>Net assets</b>	<b>資產淨值</b>	<b>1,687,920</b>	<b>1,419,846</b>	<b>1,183,961</b>	<b>975,744</b>	<b>862,371</b>
<b>Capital and reserves</b>	<b>股本及儲備</b>					
Share capital	股本	3,731	3,731	3,731	3,731	3,731
Reserves	儲備	1,684,189	1,416,115	1,180,230	972,013	858,640
<b>Total equity attributable to equity holders of the Company</b>	<b>本公司股權持有人應佔權益總額</b>	<b>1,687,920</b>	<b>1,419,846</b>	<b>1,183,961</b>	<b>975,744</b>	<b>862,371</b>
<b>Operating results</b>	<b>經營業績</b>					
Revenue	營業額	5,576,696	4,977,829	4,843,915	3,907,457	3,546,566
Profit before taxation	除稅前溢利	351,291	320,660	269,259	168,892	109,696
Income tax expenses	所得稅開支	(52,815)	(54,893)	(44,653)	(38,292)	(23,136)
<b>Profit for the year</b>	<b>年度溢利</b>	<b>298,476</b>	<b>265,767</b>	<b>224,606</b>	<b>130,600</b>	<b>86,560</b>
<b>Attributable to equity holders of the Company</b>	<b>歸屬於本公司股權持有人</b>	<b>298,476</b>	<b>265,767</b>	<b>224,606</b>	<b>130,600</b>	<b>86,560</b>
<b>Basic and diluted earnings per share (RMB yuan)</b>	<b>每股基本及攤薄盈利 (人民幣元)</b>	<b>0.71</b>	<b>0.64</b>	<b>0.54</b>	<b>0.31</b>	<b>0.21</b>

The summary above does not form part of the audited consolidated financial statements.

上述摘要並不構成經審計綜合財務報表之一部份。

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