



中國秦發集團有限公司
CHINA QINFA GROUP LIMITED

Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司 | Stock code 股份代號：866

2016
環境、社會
及管治報告
ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE
REPORT

Open up Business,
Expand the Future

開發業務，擴建未來

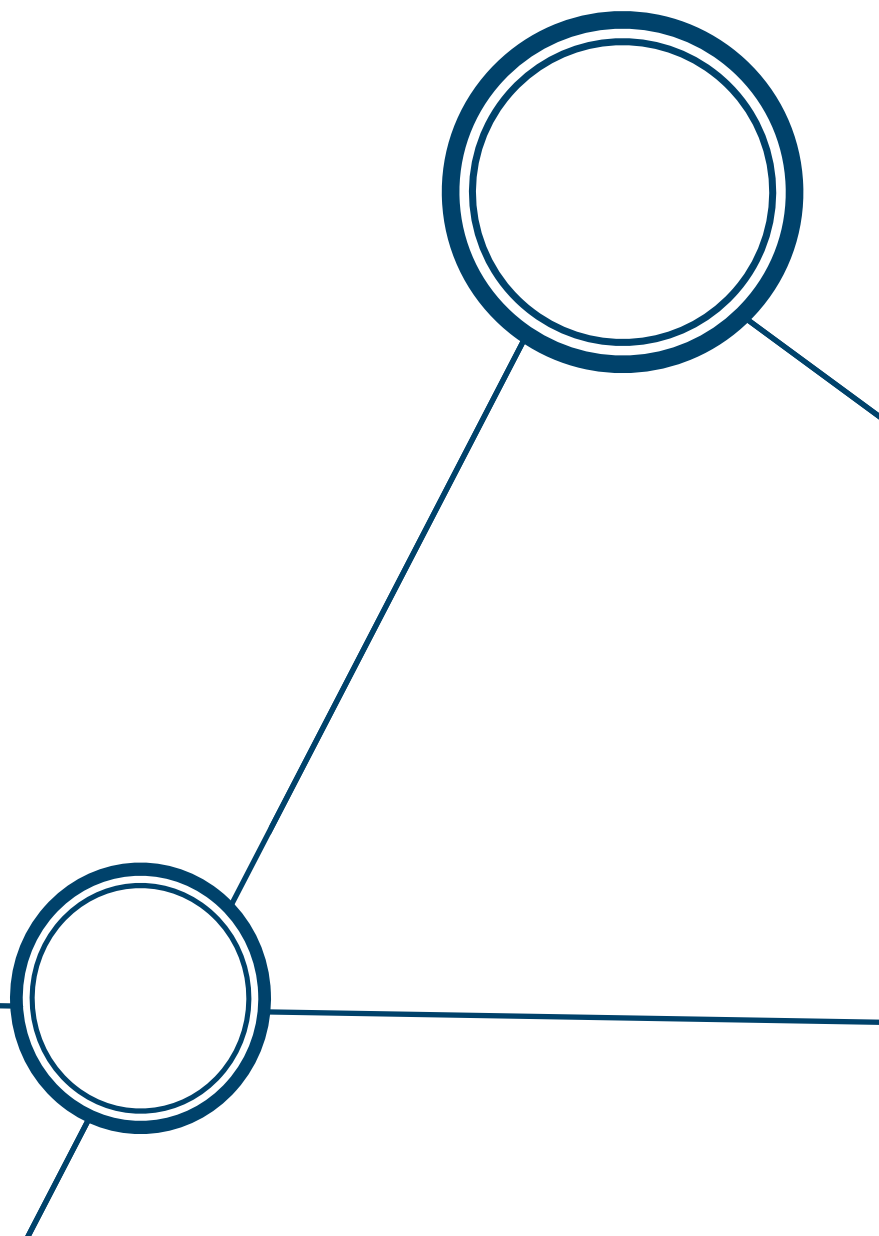




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ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

The Group believes that sustainable development of the environment, strong corporate social commitment and sound corporate governance measures are the soil and foundation upon which the prosperity of an enterprise is built. Taking “commitment” as the theme, this report aims to demonstrate our commitment to the environment, society and governance, while at the same time seeking for improvement by reviewing the inadequacies over the past year.

This Environmental, Social and Governance Report has been prepared in accordance with the latest version of Environmental, Social and Governance Reporting Guide of Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“ESG Reporting Guide of HKEX”) issued in December 2015. Unless otherwise stated, this report covers the relevant performance of the Group during the period from 1 January 2016 to 31 December 2016. This report is the first Environmental, Social and Governance Report of the Group. We will explain to stakeholders the Group’s overall business performance in the report, and the scope of disclosure in corresponding sections will primarily cover Huameiao Energy – Xingtiao Coal under the Group. The Group will expand the scope of disclosure gradually in the future.

This report is prepared mainly in accordance with the Group’s internal statistics, various archive documents and estimations with a view to reflecting the Group’s engagement and commitment to environmental protection, social responsibility and corporate governance. Should you have any feedback on this report, please send an email to ir@qinfagroup.com so that we can further improve our policies in relation to sustainable development.

關於本報告

本集團堅信可持續的環境發展、良好的企業社會承擔及完善的企業管治措施是企業長青的土壤及基石。本報告以「承擔」為主題，展示我們對環境、社會及管治方面的各種擔當，同時檢視過去一年的不足之處，以圖改善。

此《環境、社會及管治報告》已照二零一五年十二月發佈的香港聯合交易所有限公司證券上市規則附錄二十七之環境、社會及管治報告指引（「香港聯交所環境、社會及管治報告指引」）之最新版本撰寫。除非另有說明，本報告涵蓋集團在2016年1月1日至2016年12月31日的相關表現。此報告為本集團首份《環境、社會及管治報告》，我們會在報告內向持份者敘述本集團的整體業務表現，並在相應章節中以旗下華美奧能源—興陶煤礦為主要披露範圍，並將於未來逐步擴大披露範圍。

此報告之編制主要根據本集團內部之數據統計、各類存檔文件及估算而成，以此反映本集團對環境保護、社會責任及企業管治之投入及承諾。如閣下對本報告有任何反饋，歡迎發送電郵至 ir@qinfagroup.com，令我們的可持續發展政策得以完善。

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ABOUT THE GROUP

The Group is principally engaged in the coal operation business involving coal mining, purchase and sales, filtering, storage, blending and shipping transportation. With business operations strategically located in Hong Kong and various cities in China, namely, Shuozhou, Xinzhou, Datong, Yangyuan, Qinhuangdao, Zhuhai and Guangzhou, the Group is able to source coal in China and overseas markets. The Group has its own fleet and chartered vessels, which facilitate the shipping transportation of its own coal and at the same time provide dry bulk cargo transportation services to other customers. The Group currently owns five coal mines, including Huameiao Energy – Xingtao Coal, Huameiao Energy – Fengxi Coal, Huameiao Energy – Chongsheng Coal, Xinglong Coal and Hongyuan Coal. During the year ended 31 December 2016, the Group continued to focus on these business activities while at the same time expanded its integrated coal supply chain through upward vertical integration.

The production capacity for Xingtao coal mine of Huameiao Energy is 1.5 million tonnes per annum, with a total investment budget (excluding coal washing plant) of RMB380 million. The construction was commenced in October 2011. As of 31 December 2016, the accumulated actual investment amounted to RMB380 million. The construction of Xingtao coal mine and coal washing plant was completed and delivered a capacity of 1.5 million tonnes per year, representing 45% of the overall production capacity of the Group. Pursuant to the principle of materiality of HKEX, as Xingtao coal mine accounts for a significant proportion of the Group's business, this report will focus on disclosing the business performance of Xingtao coal mine in addition to the overall policy of the Group.

MESSAGE FROM THE CHAIRMAN

China, being a coal production superpower, plays an important role in the industry. During the "13th Five-Year Plan" period, there has been satisfactory progress on coal geological exploration with an increase in proved resource reserve of nearly 230 billion tonnes. However, there are still rooms for improvement as to the mining method and usage of coal: coal mining will give rise to problems such as land subsidence and water pollution while burning of coal will increase pollutant emission, which will worsen the problem of climate change. Moreover, safe production still faces severe challenges with frequent accidents at coal mines. According to national statistics, the fatality rate per 1,000,000 tonnes of coal production is much higher than that of advanced countries around the world, indicating huge room for improvement in terms of overall safety performance.

關於集團

本集團主要從事煤炭經營業務，包括採煤、煤炭購銷、選煤、存儲、配煤及航運運輸，業務經營策略性地段位於香港及朔州、忻州、大同、陽原、秦皇島、珠海及廣州等中國多個城市，能在中國及海外市場採購煤炭。本集團同時擁有自有船隊及租賃貨船，可促進自家煤炭的航運運輸，同時為其他客戶提供乾散貨運輸服務。本集團現有5個煤礦，包括華美奧能源－興陶煤業、華美奧能源－馮西煤業、華美奧能源－崇升煤業、興隆煤業及宏遠煤業。截至二零一六年十二月三十一日止年度，本集團繼續專注於該等業務活動，同時透過上游垂直整合，拓展其一體化煤炭供應鏈。

本集團旗下華美奧能源－興陶煤礦，建設規模為每年1,500,000噸，總投資預算為人民幣380,000,000元（不包含洗煤廠），於二零一一年十月開工建設。截至二零一六年十二月三十一日，累計實際投資人民幣380,000,000元。興陶煤礦及洗煤廠已竣工，形成每年產能1,500,000噸，佔集團整體產能的45%。根據港交所重要性的原則，由於興陶煤礦佔集團業務重大部分，此報告將會在披露集團整體政策方向外，以興陶煤礦的業務表現為披露重心。

主席的話

中國是煤炭大國，地位舉足輕重。「十三五」時期，煤炭地質勘查取得積極進展，新增查明資源儲量近2,300億噸。然而，煤炭的開採及使用方式仍待改善：煤炭開採引發土地沉陷及水源污染等問題，而燃煤亦使污染物排放問題嚴重，增加氣候變化問題的嚴重性。此外，安全生產形勢依然嚴峻，煤礦事故頻繁，國內數據顯示每百萬噸煤產量的死亡率遠高於世界先進國家水平，整體安全表現尚有巨大進步空間。

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As a leading integrated coal business operator and supplier in China, in addition to dedicated efforts in business operation, the Group always strives to fulfill its corporate social responsibility with a view to improving the environment and enhancing the sustainability of its business development. We seek to minimize the damages brought by our business development by improving the internal operation procedures, arranging activities to raise staff's awareness of environmental protection and making proactive efforts in land restoration, thereby ensuring the sustainable development of our own business and the industry in the future and creating values for our stakeholders in the long run.

In the past year, factors such as unstable external economic environment and industry competition have posed challenges to the operation of enterprise. Meanwhile, with increasing public awareness of environmental protection, the government has also tightened the relevant requirements, which has accelerated the standardization of the internal governance of the Group. This will not only make every decision of the Group justifiable but will also provide clear guidance for the future development of the Group so that operational risks can be minimized. We remained strongly confident in achieving our goal of becoming a leading international coal operator. The Group recognizes the importance of shouldering corporate social responsibility to the success of an enterprise, therefore it will never sacrifice the Earth's limited resources for the sake of its immediate economic benefits in the course of achieving its goal, instead, we will strive to support the sustainable development of the operating environment so as to maintain the competitiveness of the industry.

Xu Da

Chairman

28 July 2017

作為中國領先的煤炭一體化經營業務提供商，本集團在努力經營好自身業務的同時，更一直致力履行企業社會責任，以改善環境問題及提升業務發展的可持續性。通過改善內部作業流程、舉辦提高職工環保意識的活動及積極修復土地，我們期望可減低業務發展所帶來的傷害，使自身業務及行業前景均可持續發展，為持份者建構長遠價值。

過去一年以來，外圍經濟不穩定及行業競爭等因素均為企業經營帶來挑戰。同時，隨著大眾的環保意識不斷提升，政府的相關要求亦有所收緊，加速了本集團內部管治的規範化，除了讓集團每個決策均有理可依，更為集團的未來發展提供了清晰的指引，藉以減低營運上的風險。本集團意欲成為國際領先煤炭營運商的信心堅定。在此目標下，本集團深明肩負企業社會責任對成就成功企業之重要性，絕不以有限的地球資源換取眼前的經濟利益，以維持可持續發展的經營環境，保持行業競爭力。

主席

徐達

二零一七年七月二十八日

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ENVIRONMENTAL ASPECT

Environmental conditions are closely related to the business development of the Group: our operation method and difficulty are largely dependent on the environmental conditions; while our operation model also has a great impact on the local environment. Therefore, we always attach great importance to the policy related to the environment in a view to minimizing the influence of our business to the environment, and vice versa. We have also made our best efforts to make compensation for the inevitable emission or damages resulting from our operation. During the period, the Group adopted the following measures with a view to reducing greenhouse gas emission and production of wastes.

1. Energy conservation and carbon reduction: reduce greenhouse gas emission and achieve our environmental goal in a pragmatic manner

The Group believes the adjustment of energy structure is fundamental to the control of greenhouse gas emission. During the year, the Group has adopted the followings measures:

- recycling of hot air of the laundry room:
 - Hot air emitted from drying room will be fed back to the pre-drying room so as to recycle the hot air. Through this recycling of thermal power, the overall efficiency has been enhanced and the emission of exhaust gas has been reduced. We will ensure the emission of exhaust gas is in strict compliance with the relevant requirements of Ambient Air Quality Standards (GB3095-1996) of the PRC.
- Increased use of renewable energy:
 - We advocate the combined use of solar water heaters and boilers to reduce consumption of coal.
- Frequency conversion and renovation of induced draft fans of boiler drums in boiler rooms:
 - The frequency conversion and renovation help to ensure the stable operation of the heating system and lowered the accident rate of boilers, thereby raising the heating efficiency and minimizing smoke and dust pollution. We will ensure the quality of exhaust gas emission is in strict compliance with the relevant requirements of Code for Design of Boiler Rooms (GB50041-1992) of the PRC.

環境部分

環境狀況與本集團的業務發展憂戚相關：環境狀況將高度影響我們的作業方式及難度，而同時我們的營運模式亦將大幅度影響當地的環境狀態。所以，我們一直非常重視環境相關的政策，以減輕業務與環境之間雙互帶來的影響，並盡力彌補在作業過程中不可避免的排放或傷害。期內，本集團採取了以下措施，以期減少溫室氣體的排放及廢棄物的產生。

1. 節能減碳：減少溫室氣體排放 紮實完成環保目標

本集團相信調整能源結構為控制溫室氣體的根本手段，於年內採取措施如下：

- 洗衣房循環使用熱氣：
 - 將烘乾室排出的熱氣反向送回預烘乾室，循環使用熱氣，透過重複利用熱能，提高整體效率，達到減少廢氣排放的效果。我們會確保廢氣排放已嚴格按照國家環境空氣質量標準(GB3095-1996)的相關規定。
- 增加使用可再生能源：
 - 提倡將太陽能熱水器與鍋爐合併使用，以節約燃煤消耗。
- 鍋爐房鍋爐鼓引風機變頻改造：
 - 通過變頻改造，保證供暖系統穩定運行，減少鍋爐事故率，從而提高供暖效率，並減輕煙塵污染，確保廢氣排放質量嚴格按照國家鍋爐房設計規範(GB50041-1992)的相關規定。

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- Enhanced efficiency in utilization of purchased energy:
 - We strive for economical operation of transformers to ensure that the electrical equipment are in sound condition with reasonable distribution of electricity load so as to prevent the rise of accidents due to overloading;
 - Installation of “auto-stop devices for underground coal output (井下出煤無煤自停裝置)”: we seek to achieve the goal of “Engines start when there is coal supply and stop automatically when supply ceases (有煤開車、無煤自停)” and thus reduce electricity consumption by installing the KGK-1 starter sensors. This will not only prolong the useful life of both the conveyer belts and electrical equipment, but will also lessen the need for and expenses of maintenance of equipment;
 - With the renovation of screw air compressors, we have reduced the water content in the ventilation ducts, which will help to avoid oil leakage and maintain high efficiency. This will also improve the quality of ventilation and reduce electricity expenditure.
- 改善外購能源的使用效能：
 - 努力實現變壓器經濟運行，確保電子設備狀態良好，合理分配電能負荷，避免因電荷過重所引起的意外；
 - 安裝「井下出煤無煤自停裝置」：透過加裝KGK-1型開車傳感器，達到「有煤開車、無煤自停」的效果，從而節省用電。此舉更可同時延長輸送帶及機電設備的使用壽命，減少設備的維護量及費用；
 - 透過改造螺桿風壓機，使供風管道內的含水量減少，避免漏油並維持高效率，可在提高供風質量的同時節約電費。

2. Save water and prevent water pollution

- We have formulated a series of water-saving measures to ensure wastewater discharge of the Group is in compliance with Integrated Wastewater Discharge Standard (GB8978-1996) and the Code for Design of Outdoor Wastewater Engineering (GBJ14-1997) of the PRC:
 - The renovation of water pump rooms: we will replace the 2 existing “D280-43x7 pumps” with “80DL50-20*10 pumps” that are more energy-conserving and shorten the water supply period, so that we can satisfy the demand for drinking water in mines and save electricity at the same time;
 - Further promotion of the treatment and recycling of wastewater: fully leverage the function and capability of the existing treatment systems for mine water and domestic sewage to promote the recycling of wastewater, thereby maximizing water withdrawals and minimizing wastewater discharge;

2. 節約用水避免水污染

- 透過一系列的節約用水措施，確保集團排水符合國家污水綜合排放標準(GB8978-1996)以及室外排水設計規範(GBJ14-1997)：
 - 水源泵房改造：將現運行的2台「D280-43×7型水泵」更換為更省電的「80DL50-20*10型水泵」，約束供水時間，在滿足礦內生活飲用水需要的同時節約用電；
 - 深化廢水處理及循環利用：充分發揮現有礦井水及生活污水等處理系統的功能及作用，推進廢水循環再用，最大限度地降低取水量，從而減少廢水排放；

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- Environmentally-friendly coal slime water treatment system: the coal washing plants conduct coal washing and processing procedures by using a highly efficient coal slime water treatment system that is energy saving and environmental-friendly. Coal slime are compacted and filtered with hyperbaric disk filters and plate and frame pressure filters. Coarse coal slime will be stored in enclosed rooms after the dehydration process, whereas coal slime water will be recycled and reused in washing clean coal after treatment to minimize wastewater discharge. These will all help to enhance the overall management quality of the Group, as well as the sustainability of its work in relation to environmental protection and the production process.

3. Comprehensive solid waste treatment

For general solid waste treatment, the Group upgraded its production techniques to enhance the quality and useful life of its products and reduce waste production. Meanwhile, the Group actively developed the techniques for recycling of materials and formulated the policy in relation to recycling of solid waste to encourage the use of solid waste by including the waste with specified uses into the resource allocation plan. If it is confirmed that such waste cannot be recycled, the waste will be buried in the landfill, incinerated or pyrolyzed by the Group in a safe manner. The Group will also make sure that the disposal of solid waste is in compliance with the Pollution Control Standard for Hazardous Wastes Incineration (GB18484-2001), Standard for Pollution Control on Hazardous Wastes Storage (GB18597-2001) and Standard for Pollution Control on Landfill Sites for Hazardous Waste (GB18598-2001) of the PRC.

4. "Office 4R": Foster a green office culture by starting to use less paper

The Group actively encourages its employees to apply the "4R" principle (Reduce, Reuse, Recycle and Replace) in the office. Under the 4R principle, the Group's employees use their best endeavours to create a "paperless office", including replacing direct paper printing with electronic scanning, using email to transmit documents and avoiding use of disposable products. Registration is required for use of paper and the employees must make sure to use both sides of the paper.

- 環保型煤泥水處理系統：洗煤廠的洗選加工程序配備了高效節能的環保型煤泥水處理系統。煤泥經加壓過濾機及板框壓濾機加壓過濾，脫水後的粗顆粒煤泥會存放於密封空間，而經處理後的煤泥水則加以回收，並再次用作洗選精煤，以減少污水排放量，提升集團綜合管理質素、環境保護及生產過程的可持續性。

3. 完善的固體廢物處理

在處理一般固體廢物方面，本集團改革生產工藝，提高產品質量及使用壽命，減少產生廢物。同時，本集團積極發展物質循環利用工藝，更制訂固體廢物資源化方針，鼓勵利用固體廢物，把有明確用途的廢物納入資源分配計劃。若確認該廢物未能循環再用，本集團會將廢物作安全填埋、焚燒處理或熱解處理，確保廢棄的固體廢物符合國家危險廢物焚燒污染控制標準(GB18484-2001)、危險廢物貯存污染控制標準(GB18597-2001)及危險廢物填埋污染控制標準(GB18598-2001)。

4. 「辦公室4R」：節約用紙 細微之處開始綠色辦公

本集團積極鼓勵員工奉行辦公室「4R」原則，分別為減少使用(Reduce)、再用(Reuse)、循環再造(Recycle)以及替代(Replace)。本集團員工在4R原則影響下，盡量採取「無紙化辦公」，包括使用掃描功能替代直接列印紙張、轉用電郵傳遞文件及避免使用一次性產品。若必須使用紙張，則需做好取用登記，同時確保雙面用紙。

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GOVERNANCE ASPECT

Commitment to Employees

Employment and Labour Practice

The Group has always strictly observed the labour laws of the PRC and strived to improve the welfare and remuneration package of its employees with a view to offering our professional team reward for the services they have provided.

In terms of laws and regulations, the labour contracts between the Group and its employees are regulated in accordance with the Labour Contract Law of the PRC. The Group also discharge its responsibility as an employer by ensuring that it has made contribution to social insurance for its employees pursuant to the laws and that salaries are fully paid on time. Meanwhile, the Group also passed various codes and regulations according to the laws, such as “Recruitment and Employment Management System”, in order to provide regulations, procedures and standards for recruitment of staff, so that the recruitment of staff is legitimate and all illegal behaviours such as child labour and forced labour can be eradicated.

In addition, pursuant to the Law on Employment Promotion, the Group also ensures that no discriminatory requirements and practices will be adopted during the recruitment process, and it will only consider the ability of the candidates and their suitability to the position. In this regard, the Group has adopted the “Five Unifications” strategy, which is to establish unified standards for five aspects, namely announcement of recruitment procedures, trainings, entering into of contracts and filings of documents relating to employment of workers at coal mines, participation in social insurance and management. The strategy can safeguard the interest of employees and prevent illegal recruitment by adopting unified administrative measures. In case the Group discovers any local migrant workers participating in any unofficial and non-unified recruitment program, the Group will not provide any right and protection to such workers. This can significantly decrease the attractiveness of these illegal recruitment programs to migrant workers and thus fundamentally eradicate such recruitment.

During the year, the Group was not aware of any incidents in relation to child labour, forced labour and employment discrimination.

管治部分

對僱員的承擔

僱傭及勞工常規

本集團一向嚴格遵守國家勞工法例，同時致力提升員工福利與待遇，確保我們專業的團隊所付出的勞力得到回報。

在法例法規方面，本集團一直根據國家《勞動合同法》規範僱員勞動合同，並履行僱主的責任，確保依法為僱員繳納社會保險供款，並依時繳付足額薪金。同時，本集團亦根據法例通過各項守則及規管，如「招聘與錄用管理制度」，實現人員招募工作的規範化、程序化、標準化及合法化，杜絕使用童工及強制勞工等違法情形。

另外，本集團亦根據國家《就業促進法》，確保在招聘時不得採納具歧視性的要求及慣例，只按求職者的能力及崗位合適度作出考慮。為此，本集團採取『五個統一』策略：統一發布招聘流程、統一培訓、統一簽訂合同及煤礦用工備案、統一參加社會保險及統一管理，確保員工權益，以統一的行政手段避免違規招聘。如發現有當地農民工參與非官方統一的招聘活動，該人員將不會獲得集團給予任何權益及保障，以大幅減低此類非法招聘活動對農民工的吸引力，從根本杜絕同類招聘。

在年內，本集團並沒有發現任何童工、強制勞工及就業歧視相關的情況發生。

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In 2016, the Group employed 1,459 employees in total, with a male-to-female ratio of 9:1. The higher proportion of male employees was mainly attributable to the higher physical requirement of frontline workers due to job nature. In particular, Huameiao Energy – Xingtiao Coal under the Group employed 439 employees in total, among which 116 were new employees hired during the year and the male-to-female ratio was as follows:

The male-to-female ratio of employees of Huameiao Energy – Xingtiao Coal:

| | | Male 男性 | Female 女性 |
|--|-------------|------------|--------------|
| Management of mine sites | 礦點領導層 | 10 | 0 |
| Administrative authority of mine sites | 礦點行政機關 | 46 | 2 |
| Frontline of mine sites (regions, teams, groups) | 礦點前線(區、隊、組) | 381 | 0 |

2016年，本集團共有1459名僱員，當中共有男女比例為9：1，主要是由於前線工作性質對體能要求較高，以致男性員工比例較高。其中，旗下華美奧能源興陶煤業共有439名員工，年內新入職員工人數為116人，男女比例分佈如下：

華美奧能源興陶煤業員工男女比例：

Development and Training

The Group cherishes every employee and believes they will keep growing up along with the Group's business expansion. Adhering to the principle of "Personal Safety, Training and Education, Enhancement of Quality (人本安全、培訓教育、素質提升)", we provide targeted, systematic and forward-looking training for our employees and further explore their potential to support the sustainable development of the Group.

The Group's training for existing employees are mainly related to professional knowledge and skills in relation to job position, management skills, internal policy and operating procedures, laws and regulations and safety knowledge, etc. External instructors, internal personnel or professional department will organize training for employees regularly. The management department will conduct assessment on all instructors to ensure the training materials meet the required standards.

New employees of the Group are required to participate in various safety trainings provided by local regulatory authorities and the Group's internal pre-job trainings to learn about safety procedures and quality standards. Meanwhile, the Group also arranges new employees to watch educational video of safety alert, engages experts to teach them operating procedures of new equipment and techniques and organises safety technology trainings for them to ensure they take safe operation seriously. All employees are required to attend an assessment after the training to examine what they have learnt.

發展及培訓

本集團珍視每一位員工，相信員工將隨著本集團業務擴展而不斷成長。我們本著『人本安全、培訓教育、素質提升』的方針為員工提供具針對性、系統性及前瞻性的培訓，發掘員工更多的潛能以配合本集團的可持續發展。

對於在職員工，本集團的培訓內容主要關於崗位專業知識與技能、管理技能、內部制度及作業流程、法律法規及安全知識等，由外聘講師、內部人員或專業部門定期為各員工講解。各講師均需通過管理部的考核，確保講解內容合乎規範。

對於新進員工，本集團要求他們必須按期參加地方監管部門組織的各類安全培訓及集團內部的職前培訓，學習安全規程及質量標準。同時，集團亦會組織新進員工觀看安全警示教育片，並聘請專家指導他們學習各項新設備及工藝的操作規程及安全技術培訓，確保他們重視安全作業。在培訓過程後，各員工需參與考核，以考察培訓效果。

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In 2016, a total of 437 employees at various levels participated in the training provided by Huameiao Energy – Xingtiao Coal under the Group with a training participation rate of 100%.

In light of the Group's continuous development and in order to ensure the continuous enhancement of the quality of our team, we will provide more training opportunities to our staff as well as to review and improve the training courses on a continuous basis so as to accommodate the needs of our business operation and that of our staff.

2016年，本集團旗下華美奧能源與陶煤業參與培訓的各級員工合共437人次，培訓參與比率達100%。

隨著本集團不斷發展，為確保團隊質素不斷提升，我們將增加員工接受培訓的機會，並不斷檢視及改進培訓課程，使其配合業務營運及員工的需要。



The training
培訓現場情況

Types of employee

僱員類別

| | | Average training hours per employee 平均培訓時數／每員工 |
|--|-------------|---|
| Management of mine sites | 礦點領導層 | 144 |
| Administrative authority of mine sites | 礦點行政機關 | 104 |
| Frontline of mine sites (regions, teams, groups) | 礦點前線（區、隊、組） | 72 |

Health and Safety

As employees are the most important assets of the Group, we highly value their health and safety and devote great efforts to continuously enhance the safety performance of the Group. Pursuant to the guiding document published by Shanxi Provincial Coal Industry Office, the Group continued to optimize the system and mechanism of occupational health and safety and provided its staff with comprehensive protection measures to eradicate all kinds of potential risks in respect of health and safety. For example, we provide safety training to our employees according to the requirements of the training documents issued by the relevant departments of the PRC, and all employees must pass the examination before getting on board.

健康與安全

既然員工為集團最重要的資產，我們重視員工的健康與安全，致力持續提升本集團的安全表現。根據山西省煤炭工業廳所發佈文件的指導，本集團不斷完善職業健康與安全的體系及制度，並為員工提供全面的防護措施，杜絕各類潛在的健康與安全風險。例如，我們按照國家相關部門下達培訓文件要求，對職工進行安全培訓，經考核合格後方可上崗作業。

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In terms of safety training, new underground workers must receive safety education and training of not less than 72 hours. After passing the examination, new worker should work under the guidance of experienced worker in terms of work safety for four months and pass another examination before working independently. Staff who are re-designated from other positions or resume duty after leaving his position for more than one year should receive safety training again. Besides, the Group will arrange occupational health examination for all staff every year. In particular, new employees should receive occupational health examination before he/she reports duty and the result of his/her physical examination should meet the requirement of the job position before commencing pre-job training.

The Group always regards safety as its first priority for production. We are committed to ensuring the safety of production work and strictly comply with the relevant laws and regulations, such as the Safety Law (《安全法》), the Regulation on Safety Supervision of Coal Mines (《煤礦安全監察條例》) and Coal Mine Safety Rules (《煤礦安全規程》). We also formulated the safety testing measures for coal mines by making reference to the safety testing and inspection regulations for coal mines formulated by the State Administration of Work Safety and the State Administration of Coal Mine Safety, including Regulation on Safety Testing and Inspection of Primary Ventilation System (《主通風機系統安全檢測檢驗規範》), Regulation on Safety Testing and Inspection of Primary Drainage System (《主排水系統安全檢測檢驗規範》), Regulation on Safety Testing and Inspection of Air Compressors (《空氣壓縮機安全檢測檢驗規範》), Solid Woven Whole-core Fire Resistant Conveyor Belt (《織物整芯阻燃輸送帶》), Wire (Robe as Core Materials) Fire Resistant Conveyor Belt (《鋼絲繩芯阻燃輸送帶》) and Regulation on Inspection and Acceptance of Installation of Equipment (《設備安裝工程質量驗收規範》). Meanwhile, the Group has comprehensively implemented the new amendments to Coal Mine Safety Rules published by the State Administration of Work Safety in 2016 in a view to enhancing the level of safety in coal mines and protecting the personal safety and health of our staff. We also arranged dedicated personnel to inspect each of the coal mines projects regularly in accordance with the guidance of the Catalogue of Testing and Inspection of Safety Equipment Used in Coal Mine (First Batch) (《煤礦在用安全設備檢測檢驗目錄(第一批)》) to ensure that all apparatus, equipment and systems meet the relevant requirements.

安全培訓方面，新招收的井下作業人員必須進行不少於72小時的安全教育培訓。考試合格後，必須在有安全工作經驗的職工帶領下工作滿4個月並考核合格，方可獨立工作。調整工作崗位或離崗一年以後重新上崗的相關職工，應當重新接受安全培訓。此外，本集團每年均會定期組織所有在職員工參加職業健康體檢。其中，新招收的員工必須進行崗前職業健康體檢，體檢結果合乎崗位要求方可進行崗前培訓。

生產方面，集團一直視安全為首要原則。我們致力確保生產工作安全，嚴格遵守《安全法》、《煤礦安全監察條例》及《煤礦安全規程》等相關法律法規。我們亦參考國家安全生產監督管理總局及國家煤礦安全監察局所規劃的煤礦用安全檢測檢驗規範，包括《主通風機系統安全檢測檢驗規範》、《主排水系統安全檢測檢驗規範》、《空氣壓縮機安全檢測檢驗規範》、《織物整芯阻燃輸送帶》、《鋼絲繩芯阻燃輸送帶》及《設備安裝工程質量驗收規範》等，制定煤礦工地的安全檢測措施。同時，集團已全面落實由國家安全監管總局於2016年頒布的新修訂《煤礦安全規程》，藉此提升煤礦安全水平，保障員工的人身安全及健康。我們亦按照《煤礦在用安全設備檢測檢驗目錄(第一批)》之指引，定時由專職人員檢查各煤礦項目，確保器材、設備及系統均符合相關要求。

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Moreover, we have formulated various operation rules such as Safe Production Responsibility System (《安全生產責任制》), Operation Rules for Different Job Positions (《各工種崗位操作規程》) and Operation Rules (《作業規程》) to promote the safety knowledge to all staff through daily training. If any accident happens, we would follow the established emergency procedures to arrange appropriate treatment for the injured staff. In particular, we have entered into Medical Services Agreement and Coal Mines Rescue Agreement with Pinglu District Chinese Medicine Hospital (平魯區中醫院) and Pinglu District Mines Rescue Squadron (平魯區礦山救護中隊) respectively to treat the patients in the accidents.

Based on the accident classification of the PRC, none of the Group's employees were injured due to the history of major liability and more severe accidents.

Commitment to Products

Production management

We exercise centralized control over our mines from the production of raw coal to ultimately the production of clean coal by using a highly efficient automation system. We have in place a dedicated warehouse and stock feeding system for commercial coal. The jetty and corridors used to deliver commercial coal are completely enclosed, which can effectively prevent any external factors from affecting the quality of the clean coal. In addition, the coal dressing and processing procedure of coal washing plants will be carried out in a closed loop circulation system while coarse coal slime will be stored in enclosed rooms after the dehydration process. This can ensure that finished goods will not be contaminated by external impurities and thus guarantee the stable quality of the finished goods.

Furthermore, the Group conducts analysis on the quality of coal in operating coal mines as well as scientific tests such as sieving and float-and-sink test on a regular basis to ensure the reliability of the coal dressing procedure. It also applies the critical data analysis results to exercise effective management over every part of the production. In order to enhance the efficiency of the quality test, we have established a channel between the coal mines and coal washing plants for communication and exchange of information, so as to ensure the consistency of information received by each of the production segment, thereby enhancing the continuity of safe production and stability of clean coal products.

此外，我們制定了《安全生產責任制》、《各工種崗位操作規程》及《作業規程》等作業規章，利用日常培訓，普及全員安全知識。如有意外發生，我們會按照既定應急流程為傷員安排適合的治療。其中，我們與平魯區中醫院及平魯區礦山救護中隊分別簽定了《醫療服務協議》及《礦山救護協議》，以應對意外事件帶來的傷亡人員。

按國家對事故的等級劃分，本集團未有員工因為較大責任及以上事故而受傷。

對產品的承擔

生產管理

我們的礦井從原煤生產到最終的精煤生產均由高效的自動化系統集中控制。商品煤方面，我們設有專門的儲放倉及放料系統，並全面密封運送商品煤的棧橋及走廊，有效地避免外在因素影響精煤品質。此外，洗煤廠的洗選加工程序均於閉路循環系統中進行，脫水後的粗顆粒煤泥會存放於密封空間，確保成品不會被外界雜質所影響，保持成品的穩定質素。

此外，集團亦定期分析生產礦井中的煤品質，進行篩分及浮沉試驗等科學性測試，確保煤炭洗選工序可靠，並採取嚴謹的數據分析結果，有效地管理各生產環節。而為了加強品質檢測效率，我們為礦井與洗煤廠建立互通的信息傳播橋梁，確保各生產分部的訊息統一，從而提升安全生產的連續性及產品精煤的穩定性。

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Quality Test

Our quality test for coal products complies with the national standards, including Methods for Evaluating the Performance of the Equipment for Coal Sieving (《煤用篩分設備工藝性能評定方法》), General Rules for Analytical and Testing Methods of Coal (《煤炭分析試驗方法一般規定》), Methods for Determining the Total Moisture Content in Coal (《煤中全水分的測定方法》), Methods for Determining the Minerals in Coal (《煤中礦物質的測定方法》) and Methods for Determining the Calorific Value of Coal (《煤的發熱量測定方法》).

In terms of equipment, all coal mines and coal washing plants are equipped with sample preparation rooms and laboratories conforming to the national standards. It enables the collection and sample making of coal products for analysis are carried out on a regular basis, with a view to developing an accurate understanding of the quality of coal in coal mines in a timely manner, thus enhancing the quality control on finished goods. In order to maintain the quality of commercial coal, the Group exercises real-time control over the quality of commercial coal by sampling and conducting analysis in every single sales process, while Coal Quality Management Centre will conduct benchmark tests with purchasers on a regular basis to collect opinions regarding the quality of products.

As for execution, the Group engages a third party testing unit with international qualification in testing for carrying out tests on our commercial coal, with a view to exercising more stringent control on quality verification of commercial coal products. Meanwhile, we will continue to improve our coal testing technology and staff's work ethics as well as strictly implement product quality management and coal testing standards with a view to safeguarding the basic rights and interests of all purchasers and sellers.

The Group gives equal treatment to all purchasers and sellers by providing accurate data of commercial coal in a fair and objective manner, therefore enhancing stability of the quality of commercial coal effectively.

Protecting Customers' Rights

All target customers of the Group's sales are corporate customers. To safeguard the rights and interests of customers, we have developed the stringent "Management Measures for Contracts of Qinfa Group" to ensure the legitimate interests of both parties. Besides, our sales team will communicate with corporate customers on a regular basis to collect their opinions, with a view to further improving our product quality. Our long-term relationships with customers are founded on sincerity and responsibility, which may enhance our business performance and corporate value.

質量檢測

我們對煤產品的檢測方法遵從《煤用篩分設備工藝性能評定方法》、《煤炭分析試驗方法一般規定》、《煤中全水分的測定方法》、《煤中礦物質的測定方法》及《煤的發熱量測定方法》等國家標準。

設備方面，為了及時準確瞭解礦井的煤炭品質，各礦井及洗煤廠均設有符合國家標準的制樣室及化驗室，按時對煤產品採集及製作樣本並進行化驗，藉此加強控制成品質素。為保持商品煤質素，集團從各銷售環節中進行採樣及化驗，實時監控商品煤的品質，並且由煤質管理中心定期與買方進行基準測試，收集對產品質素的意見。

執行方面，為加強對商品煤產品的質量驗證，我集團邀請擁有國際檢驗資格的第三方檢測單位對我們的商品煤進行檢測。同時，我們將繼續提高煤炭檢測技術及員工職業道德，貫徹執行產品質量管理及煤炭檢測標準，以保障所有購銷單位的基本權益。

集團對所有購銷單位一視同仁，客觀公正地提供商品煤的準確數據，有效提升商品煤品質的穩定性。

保障客戶權利

本集團的銷售對象均為企業客戶，而為了保護客戶的權益，我們制定了嚴格的《秦發集團合同管理辦法》，確保雙方的合法利益。此外，我們的銷售團隊也會定時與各企業客戶進行交流，透過收集他們的意見進一步改善我們的產品質素。我們以認真、負責的態度對待客戶，以此建立長期關係，提高我們的業務表現及企業價值。

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We also attach great importance to maintaining confidentiality of all corporate customers' information. In view of this, the Group has established the "Confidentiality System of Qinfa Group", specifying the access authority for customers' information and standardizing the retrieval process of information and documents, with a view to ensuring proper protection of any relevant information and data of customers.

During the year, the Group did not receive any recall case in respect of the quality of coal products.

Supply Chain Management

We have maintained cordial relationships with our suppliers and other business partners, which is essential to long-term good cooperation. As such, the senior management has maintained good communication with these suppliers and business partners by exchanging views in a timely manner and sharing updates on business, where appropriate.

We sincerely hope to explore ways to achieve sustainable development in joint efforts with our suppliers. Accordingly, we favour suppliers with lawful operations and proven supply records and thus have strict procurement guidelines in place for the selection of qualified suppliers. Before developing new cooperation relationships, we will first examine the backgrounds and businesses of the partners concerned. The legal department and procurement department of the Group will not only examine the business scale and financial position of these partners, but also confirm their scopes of business as permitted by the business licenses are consistent with the proposed procurement projects of minerals to ensure such projects are in compliance with the relevant laws, so as to explore sound and long-lasting cooperation opportunities.

In addition, to maintain healthy and sound cooperation for development, the Group carries out evaluation on suppliers on an annual basis to review the annual performance of materials suppliers and service providers, while considering removing disqualified suppliers from the list of cooperatives.

Apart from procurement projects with specific requirements due to business operation or those only with single supplier, at least two or more suppliers will be selected for other procurement projects to undergo comparisons, including price comparison between products of similar quality, quality comparison between similar products and comparison of reputation between products of similar prices. The Group strictly monitors the prices and quality of products to ensure fair and just procurement, while maintaining stable supply of quality raw materials at reasonable prices.

During the year, we had cooperation with 207 suppliers and all of them were from China.

我們亦重視維護各企業客戶的資料保密性。有見及此，集團確立了《秦發集團保密制度》，明確各項客戶資料的讀取權限，並規範各項資料及文件的讀取流程，確保任何客戶相關的資料及數據均得到妥善保護。

年內，本集團並無任何與煤產品質素有關的回收個案。

供應鏈管理

我們與供應商及其他業務夥伴維繫良好關係，對達至長遠良好合作至關重要。因此，高級管理層已在適當情況下與彼等維持良好溝通、即時交換意見並分享業務最新消息。

我們竭誠希望供應商能與我們攜手，一同開拓可持續發展的道路。因此，我們青睞具合法經營，有良好供應紀錄之供應商，並制定了嚴格的採購守則以挑選合格供應商。我們在拓展新的合作關係之前，會先審查有關合作夥伴的背景及業務。集團法務部及採購部除了會審視其經營規模及財政狀況外，更會確認其營業執照上所允許之經營範圍符合採購礦物質的計劃項目，以確保有關項目合乎有關法例，開拓健康及長久的合作機會。

此外，為維繫健康良好的合作發展，集團每年均進行供應商評審，以審核各材料及服務供應商的年度表現，並考慮將不達標的供應商從合作清單上移除。

除了因業務經營而有特殊要求或只有單一供應商外，其他採購項目均選擇至少兩個或以上的供應商進行比較，當中包括同等質素的價格比較、同等產品的質量比較，及同等價格的信譽比較等，採取嚴格的價格及質量監督，以確保採購工作公平公正，同時維持穩定、合理且優質的原料供應。

年內，我們共有207間合作供應商，全部供應商均來自國內。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Commitment to Governance Standard

The Group believes that good corporate governance can lead us to the road of success and sustainable development. The Group has always maintained an excellent governance standard by improving the rules and regulations of the Group, which has established the foundation of a stable governance structure, thus ensuring to make appropriate operational decisions and maintain the long-term interest of all shareholders. To maintain a healthy working atmosphere of the Group, we clearly define the responsibilities of different positions to ensure staff can have an understanding of their authority. Meanwhile, we strive to promote a strong sense of work ethics within the Group and enhance corporate moral standard.

Protecting Intellectual Property Rights

The Group shows no tolerance towards any behaviour of intellectual property rights infringement within the Group. If there is any need to adopt patent technology, the Group will purchase the right of use of such technology through legal and formal means to prevent any infringement.

During the year, the Group did not make use of any patent technology.

Anti-corruption

The Group has zero tolerance towards all behaviours violating work ethics. We strive to maintain consistent professional and work ethics within the Group and have no mercy on any person who is in breach of the Group's operational discipline. The Group has established rules and regulations for internal use, including the Management Measures of Contracts, Archival Management System, Management Measures of Travelling Expenses and Business Entertainment Expenses as well as Confidentiality System, which are subject to regular review. Such rules and regulations help to ensure that employees understand their responsibilities and codes of conduct of their positions, which help to prevent contract fraud, bribery, leakage of confidential information, insider trading and other unlawful practices. We have also implemented the Approval Procedures for Business and Payment of Functional Divisions to define responsibilities and approval procedures of various internal divisions, in order to maintain orderly operation of the Group's working system as a whole and prevent fraud, bribery and other risks.

The Group will further enhance the anti-corruption system along with business development by exerting greater efforts in regulation, thus providing strong support for the Group's sustainable development.

During the year, the Group was not involved in any litigation concerning bribery, showing that our measures for preventing corruption are effective.

對管治水平的承擔

集團相信良好的企業管治能帶領我們踏上成功及可持續發展之道。一直以來，集團保持優良管治水平，不斷完善集團規章制度，為穩定的管治結構確立根基，確保能作出適當的營運決策，並維護全體股東的長期利益。為了保持集團內良好的工作風氣，我們明確定清不同崗位的職責，確保員工瞭解自己的權限，同時致力推動集團內部對職業操守的重視，提高企業道德水平。

維護知識產權

集團絕不容忍任何內部侵犯維護知識產權之行為。如需採用任何專利技術，本集團會以合法正規的途徑，購買該技術的使用權，嚴格防止侵權行為。

於年內，本集團並無使用任何專利技術。

反貪污

集團對一切違反職業操守的行為抱零容忍態度，我們全力維護集團內貫有專業職業操守，絕不姑息任何破壞集團營運紀律的人士。集團內部已制定並定時審閱各規章，例如《合同管理辦法》、《檔案管理制度》、《差旅費與業務招待費管理辦法》及《保密制度》等管理制度，確保員工瞭解其崗位的職責及操守，防範合約欺詐、貪污舞弊、泄密、內幕交易等不法行為。我們亦實施了《各職能部門業務及付款審批流程》，明確內部各部門的職責及審批流程，保持集團整體工作系統行之有序，防範欺詐及貪污舞弊等風險。

隨著業務的發展，本集團將進一步完善反貪污的制度體系，不斷強化及加大監管力度，為本集團可持續發展提供有力保障。

年內，本集團沒有發生任何貪污訴訟案件，反映我們杜絕腐敗行為的成效顯著。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

SOCIAL ASPECT

Commitment to the Society

The Group has always placed emphasis on building corporate culture and strived for improving the general social condition to eliminate the impact brought by its business development. In this regard, we actively support the guidance of “those who destroys shall reclaim” issued by the State Council of the PRC and devote more resources to land reclamation, with a view to returning land to forest and achieving mutual sustainable development of both the enterprise and the environment. Meanwhile, the Group also attaches great importance to contribution to the industry to promote its overall development and lead to social progress.

Land Reclamation for Harmonious and Mutual Development

Consistent with the guidance of “those who destroys shall reclaim” issued by the State Council, the Group has commenced land reclamation projects in respect of all of its coal mines for the land compromised during the course of mine construction and production. The reclamation project focuses on agriculture, returning land to arable land by adhering to the principle of “using for agriculture, forestry or animal husbandry as appropriate”. It is estimated that the Group will spend approximately RMB354 million on reclamation projects for its coal mines over periods of 22, 31, 25 and 30 years respectively. Throughout the process, the Group will also provide streamlined management and land protection services, thereby maximising the economic, social and ecological benefits of the land.

Improving Logistics in the Industry

In addition, the Group also endeavored to improve the internal logistics process. During the year, the Group was awarded the name of “Innovative Enterprise of Energy and Logistics in China (中國能源物流創新企業)” in “The 6th China Energy and Logistics Industry Conference” and China Logistics Safety Management of Dangerous Goods Summit 2016 (2016中國危險品物流安全管理高峰論壇) hosted by China Communications and Transportation Association. The award demonstrated the Group’s contribution to enhancing operation efficiency in the coal logistics industry, which received recognition from the public.

LOOKING FORWARD

During the period, Qinfra Group has performed its obligation as corporate citizen in a practical manner in various aspects, including responsibility management, green production and contribution to the society. The Group is convinced that we should strive for balance between corporate development and environmental protection rather than compromising the land. Looking forward, we will continue to uphold the consistent values, in order to ensure the concept of sustainable development is embedded into our policies and create long-term values for our stakeholders.

社會部分

對社會的承擔

本集團一直關注企業文化建設，致力於改善社會整體狀況，以彌消因業務發展所帶來的影響。為此，我們積極配合國家國務院「誰損毀，誰復墾」的規定，對土地復墾投入更多資源，實現還地於林，讓企業及環境共同地持續發展。同時，本集團亦非常重視對行業的付出，以促進行業整體發展，為社會帶來更多進步之舉。

土地修復和諧共生

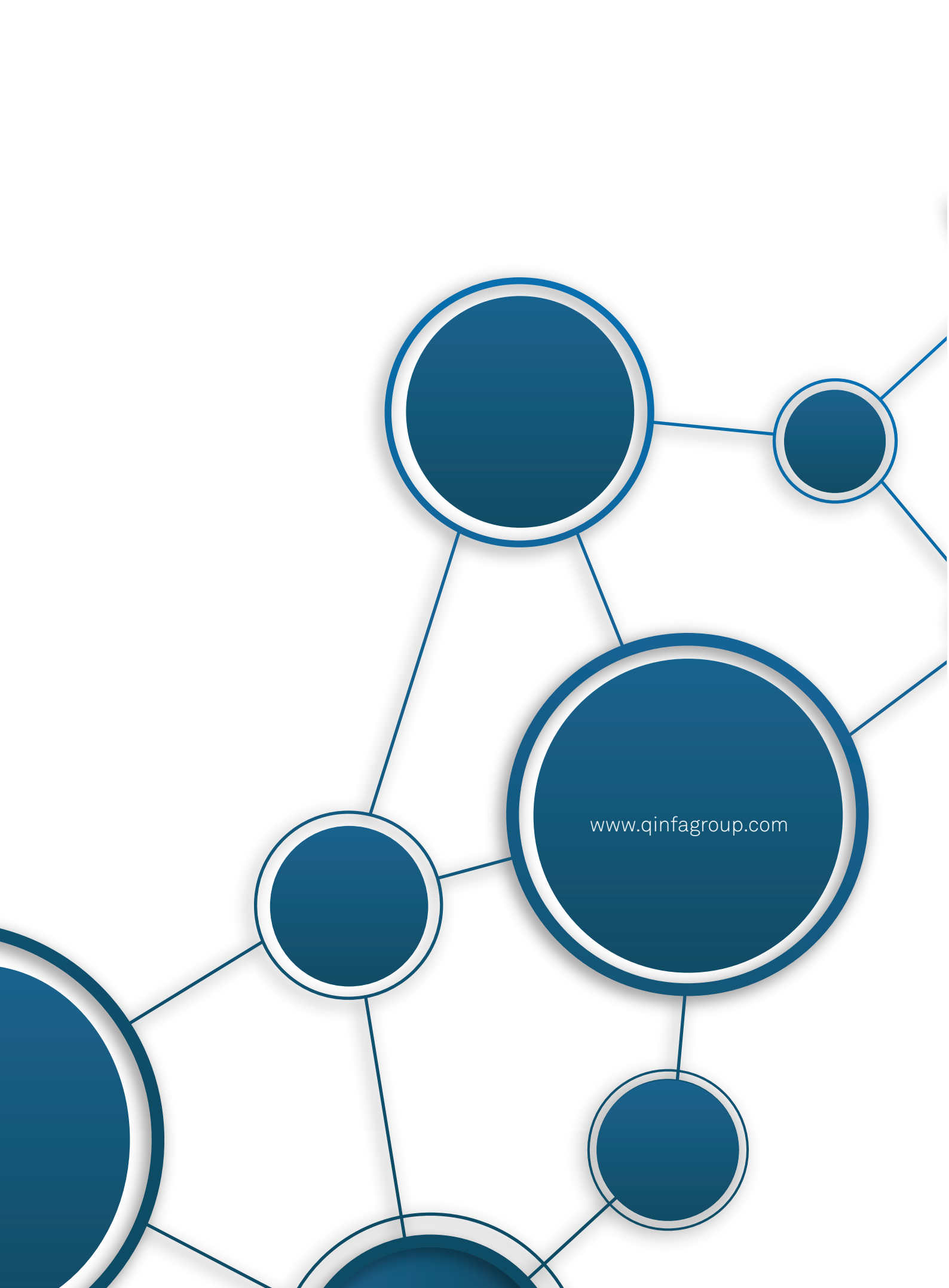
本集團旗下煤礦均遵從國務院「誰損毀，誰復墾」的規定，確保在礦井建設及生產過程中造成的損毀，全部已開展土地復墾工程。復墾工程偏重農業，按照「宜農則農、宜林則林、宜牧則牧」的原則將土地還原為可耕林地。本集團預計對旗下煤礦的復墾工程將投放約人民幣3.54億元，分別開展為期22、31、25及30年的修復工程。過程中本集團亦會提供精细化管理及土地保護工作，讓土地能最大程度發揮經濟、社會及生態三方面的效益。

提高行業物流水平

此外，本集團更致力改善內部物流流程。年內，在中國交通運輸協會主辦的「第六屆中國能源物流產業大會」暨2016中國危險品物流安全管理高峰論壇上，本集團榮獲「中國能源物流創新企業」稱號，顯示本集團在煤炭物流行業中尋求提高行業運轉效率的貢獻上，得到社會大眾的肯定。

展望未來

在期內，秦發集團在責任管理、綠色生產及回饋社會等方面切實履行企業公民的責任，更堅信企業發展不應以土地的損耗來換取，而是在企業發展及環境保護中取得平衡。展望未來，我們將繼續堅守過去價值，確保可持續發展的意念植根在我們的政策之中，並為各持份者創造長遠價值。



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