



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)

2017  
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*

LU Chaoying

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

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

#### Board Committees

##### *Audit Committee*

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

##### *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*

WONG Tik

### 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*

陸超英

##### *獨立非執行董事*

陳默  
何君堯  
林英鴻  
梁世斌

#### 董事委員會

##### *審核委員會*

林英鴻 (*主席*)  
陳默  
何君堯  
陸超英

##### *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

黃荻

## Corporate Information 公司資料

### Authorized Representatives

LIU Libin  
DAI Feng  
WONG Tik (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  
黃荻 (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  
Level 22, Hopewell Centre,  
183 Queen's Road East,  
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  
皇后大道東183號  
合和中心22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 2017 annual results of Xingfa Aluminium Holdings Limited (the “Company” and, together with its subsidiaries, the “Group”, “our Group”, “we”, “us” or “Xingfa Aluminium”).

Our Group managed to achieve a strong profit growth momentum in 2017 with the efforts of all our staff. Our Group’s revenue increased by approximately 30% to approximately RMB7,239.7 million (2016: approximately RMB5,576.7 million) as a result of the increase in our sales volume. Our sales volume rose by approximately 21% to 392,708 tonnes (2016: 324,645 tonnes). Net profit attributable to the Company’s shareholders (“Shareholders”) increased by approximately 28% to approximately RMB382.6 million (2016: RMB298.5 million). The Directors recommended the payment of a final dividend of HKD0.2 per ordinary share of the Company (“Share”) for the year ended 31 December 2017 (2016: Nil).

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」、「我們」或「興發鋁業」）二零一七年之年度業績。

二零一七年，本集團在全體同全的努力下取得強勁盈利增長。本集團營業額因銷售量增加而增長約30%至約人民幣7,239,700,000元（二零一六年：約人民幣5,576,700,000元）。銷售量上升約21%至392,708噸（二零一六年：324,645噸）。本公司股東（「股東」）應佔純利上升約28%至約人民幣382,600,000元（二零一六年：人民幣298,500,000元）。董事建議派付截至二零一七年十二月三十一日止年度之末期股息每股本公司普通股（「股份」）0.2港元（二零一六年：無）。



## Chairman's Statement 主席報告

Year 2017 was another fruitful year to our Group. We hit the record high in terms of revenue, production and profit while product quality and efficiency are being maintained. Our export sales to Australia and Vietnam increased substantially. It will become another growth engine to the Group in the future. Meanwhile, we are undergoing the whole system upgrade on production processes to further enhance the overall production capacity and efficiency in the long run. Indeed, we had adopted a lean production management by eliminating waste and improving production efficiency. As such, in 2017, our annual designed production capacity was then increased by 33% to 520,000 tonnes (2016: 390,000 tonnes).

Moreover, in 2017, we were in the process of building a new manufacturing base in Sanshui industrial zone, focusing on industrial aluminium profiles and for in-depth processing projects. We expect this new manufacturing base could strengthen the capacity and productivity of the Group in developing, manufacturing and the sale of high technology aluminium products, such as high precision electronic products, lightweight traffic aluminium materials, in-depth processing products and aluminium alloys template. It would enhance the Group's future financial performance as well as its competitiveness in the People's Republic of China ("PRC" or "China").

In line with our prudent approach, strengthening balance sheet management, optimizing product mix and enhancing operating efficiency are still our main focuses in 2018. With our commitment and efforts, I believe our Group will continue its growth momentum in 2018 and deliver sustainable returns to our Shareholders.

On behalf of the Group, I would like to take this opportunity to thank every member of the board ("Board") of directors ("Directors") of the Company, management and staff of the Group for contributing the success of the Group. Last but not least, I would like to express my appreciation to the customers and business partners of the Group and Shareholders for their continuing support.

**LIU Libin, Chairman**

Foshan China, 29 March 2018

二零一七年是本集團再次取得豐碩成果的一年。我們在保持產品質量及效率的同時，於營業額、生產及利潤方面均創歷史新高。我們對澳洲及越南的出口銷售額顯著上升。其將成為本集團日後的另一個增長引擎。同時，我們正在對生產工序進行全面系統升級以進一步長遠提升整體產能及效益。而事實上，我們已採納精簡生產管理，致力消除浪費及提高生產效率。因此，二零一七年，我們的年設計產能上升33%至520,000噸（二零一六年：390,000噸）。

此外，二零一七年，我們在三水工業區開建一個新製造基地，專注於工業鋁型材及深加工項目。我們預計新製造基地可增強本集團在開發、製造及銷售高科技鋁產品（如高精密電子產品、輕型交通鋁材、深加工產品及鋁合金模板）方面的實力及生產力。其將提升本集團的日後財務表現及其在中華人民共和國（「中國」）的競爭力。

按照我們的審慎做法，我們於二零一八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二零一八年繼續其增長動力，並為我們的股東帶來可持續回報。

本人謹藉此機會代表本集團衷心感謝本公司董事（「董事」）會（「董事會」）各位成員、本集團管理層及員工對本集團之成就所作出之貢獻。最後，本人謹此對本集團客戶、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，二零一八年三月二十九日

## 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地鐵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

Xingfa Aluminium was awarded as the No. 1 of the Top-Ten National Aluminium Profiles Enterprises by the China Non-Ferrous Metals Fabrication Industrial Association (“CNFA”) in 2003 and 2008. In 2012 and 2017, Xingfa Aluminium was further awarded as the No. 1 of the Top-Twenty National Construction Aluminium Profiles Enterprises by CNFA. It proved that Xingfa Aluminium had won the recognition by the market and customers. Meanwhile, we was accredited as the National intellectual property demonstration enterprises by State Intellectual Property Office of the PRC in 2017. This is a national recognition to Xingfa Aluminium’s commitment in innovation and development. In the future, we will continue to strive to enhance our capability of independent innovation, application of technology, protection and management of intellectual property and speed up the conversion of intellectual property to actual mass production.

Further, Xingfa Aluminium had adopted a lean production management by eliminating waste and improving production efficiency. It enables us to create the maximum benefit with the least resources to our Group. In 2017, our annual designed production capacity was then increased by 33% to 520,000 tonnes (2016: 390,000 tonnes).

### Revenue

Revenue and sales volume recorded approximately RMB7,239.7 million and 392,708 tonnes for the Year respectively (2016: RMB5,576.7 million and 324,645 tonnes). The increase in revenue during the Year was mainly due to the increase in sales volume and the increase in average market price of aluminium ingots. The growth in sales volume was driven by the successful execution of our marketing strategies and expansion of our sales channels.

Our sales volume increased by approximately 21% year-on-year to 392,708 tonnes in the Year. In particular, sales volume for industrial aluminium profiles increased by approximately 61% year-on-year to 102,315 tonnes in the Year (2016: 63,640 tonnes). Our sales volume for construction aluminium profiles also increased by approximately 11% year-on-year to 290,393 tonnes (2016: 261,005 tonnes).

於二零零三年及二零零八年，興發鋁業獲中國有色金屬加工工業協會（「有色加工協會」）評為「中國鋁型材企業十強第一名」。於二零一二年及二零一七年，興發鋁業進一步獲有色加工協會評為「中國建築鋁型材企業二十強第一名」，證明興發鋁業已獲市場及客戶認可。同時，我們於二零一七年獲中國國家知識產權局評為國家知識產權示範企業。此表明國家認可興發鋁業在創新及發展方面的投入。我們將於未來繼續致力提升獨立創新及技術應用能力、保護及管理好知識產權並加速實現知識產權轉化為實際批量生產。

此外，興發鋁業通過減少浪費及提升生產效率精簡生產管理。此舉可令我們以最少資源為本集團創造最大利益。於二零一七年，我們的年設計產能增加33%至520,000噸（二零一六年：390,000噸）。

### 營業額

本年度之營業額及銷量分別錄得約人民幣7,239,700,000元及392,708噸（二零一六年：人民幣5,576,700,000元及324,645噸）。於本年度內營業額增加乃主要由於銷量上升及鋁錠平均市價增加所致。銷量上升乃由於成功實施我們的市場策略及拓寬我們的銷售渠道所帶動。

本集團於本年度之銷量按年增長約21%至392,708噸。具體而言，工業鋁型材之銷量於本年度按年增長約61%至102,315噸（二零一六年：63,640噸）。本集團之建築鋁型材銷量按年增加約11%至290,393噸（二零一六年：261,005噸）。

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

The following table sets forth our revenue and its percentage of revenue by product category for the years ended 31 December 2017 and 2016:

下表載列本集團截至二零一七年及二零一六年十二月三十一日止年度按產品種類劃分之收益及其百分比：

		2017 二零一七年		2016 二零一六年	
		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	5,461,392	75.5	4,522,819	81.1
– Industrial aluminium profiles	– 工業鋁型材	1,659,615	22.9	968,861	17.4
		<b>7,121,007</b>	<b>98.4</b>	5,491,680	98.5
Others (Note)	其他 (附註)	118,651	1.6	85,016	1.5
Total	總計	<b>7,239,658</b>	<b>100.0</b>	5,576,696	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.

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。

Our Group's revenue by geographical segments during the years ended 31 December 2017 and 2016 are as follows:

本集團於截至二零一七年及二零一六年十二月三十一日止年度按地域劃分之收益如下：

		2017 二零一七年		2016 二零一六年	
		RMB million	%	RMB million	%
		人民幣百萬元	%	人民幣百萬元	%
The PRC	中國	6,898.6	95.3	5,459.3	97.9
North America	北美	0.6	0.0	0.2	0.0
Europe	歐洲	2.0	0.0	0.2	0.0
Hong Kong	香港	229.0	3.2	88.0	1.6
Asia Pacific (other than the PRC and Hong Kong)	亞太地區 (中國及香港除外)	66.6	0.9	26.8	0.5
Others	其他	42.9	0.6	2.2	0.0
Total	總計	<b>7,239.7</b>	<b>100.0</b>	5,576.7	100.0

For the years ended 31 December 2017 and 2016, domestic sales in the PRC in aggregate accounted for approximately 95.3% and 97.9% of our Group's revenue respectively.

截至二零一七年及二零一六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95.3%及97.9%。

Our Group also exports directly to the United States, Europe and other Asian countries. For the years ended 31 December 2017 and 2016, non-domestic sales in aggregate accounted for approximately 4.7% and 2.1% 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。截至二零一七年及二零一六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4.7%及2.1%。

## 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 2017 and 2016:

下表載列本集團主要產品於截至二零一七年及二零一六年十二月三十一日止年度之銷量及平均售價：

		2017 二零一七年	2016 二零一六年	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)	5,461,392	4,522,819	21
Quantity (tonnes)	數量 (噸)	290,393	261,005	11
Average selling price per tonne (RMB)	每噸平均售價 (人民幣元)	18,807	17,328	9
<b>Industrial aluminium profiles</b>	<b>工業鋁型材</b>			
Revenue (RMB'000)	營業額 (人民幣千元)	1,659,615	968,861	71
Quantity (tonnes)	數量 (噸)	102,315	63,640	61
Average selling price per tonne (RMB)	每噸平均售價 (人民幣元)	16,221	15,224	7
<b>Total</b>	<b>總計</b>			
Revenue (RMB'000)	營業額 (人民幣千元)	7,121,007	5,491,680	30
Quantity (tonnes)	數量 (噸)	392,708	324,645	21
Average selling price per tonne (RMB)	每噸平均售價 (人民幣元)	18,133	16,916	7

### Cost of sales

Our cost of sales increased by approximately 31% year-on-year to RMB6,225.1 million in the Year (2016: RMB4,751.6 million) which was aligned with the increase in revenue.

### 銷售成本

本集團於本年度之銷售成本按年增長約31%至人民幣6,225,100,000元(二零一六年:人民幣4,751,600,000元),並與營業額增長保持一致。

### Gross profit and gross profit margin

Gross profit margin decreased slightly to 14.0% during the Year (2016: 14.8%) and sales volume to production volume ratio decreased slightly to 96% (2016: 99%).

### 毛利及毛利率

於本年度內,毛利率略微下降至14.0%(二零一六年:14.8%),而銷量與產量比率輕微下降至96%(二零一六年:99%)。

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

下表載列本集團鋁型材之毛利率：

		2017 二零一七年	2016 二零一六年
Overall	總體	14.0%	14.8%
Industrial aluminium profiles	工業鋁型材	12.3%	11.7%
Construction aluminium profiles	建築鋁型材	13.9%	14.9%

The slight decrease of gross profit margin of construction aluminium profiles was mainly because the Group lowered the processing fee in order to maintain the existing customers and attract new customers in the Year.

於本年度,建築鋁型材之毛利率輕微下降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 RMB44.5 million for the Year (2016: RMB40.1 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 RMB35.5 million (2016: RMB30.8 million) as other income. Besides, due to the depreciation of foreign currencies against Renminbi during the Year, our Group recorded the net foreign exchange loss of approximately RMB5.7 million (2016: gains of RMB3.7 million) in relation to the receivables denominated in foreign currencies.

In contrary, due to the increase in the average bank balance of the Group during the Year, interest income increased to approximately RMB8.1 million (2016: RMB7.5 million). In addition, the Group recorded loss on disposal of fixed assets of approximately RMB4.6 million (2016: RMB16.6 million) for the Year.

### Distribution costs

Distribution costs increased by approximately 37% to approximately RMB169.5 million for the Year (2016: RMB123.8 million). Such increase was mainly because the increase in commission fee and advertising fee in relation to the pre-sales of the property under development of approximately RMB20.1 million (2016: RMB3.4 million). Further, due to surge of sales volume, transportation costs increased which was in the line with the revenue growth in this Year.

### Administrative expenses

Administrative expenses were approximately RMB322.6 million for the Year, which was approximately 15% higher than that in 2016 (2016: RMB279.7 million). Such increase was mainly attributable to the increase in staff costs and related expenses of RMB19.5 million due to the increasing headcount and average salary. Our administrative expenses as a percentage of revenue decreased to approximately 4.5% (2016: 5.0%).

### 其他收入

本集團於本年度錄得其他收入約人民幣44,500,000元(二零一六年:人民幣40,100,000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35,500,000元(二零一六年:人民幣30,800,000元)確認為其他收入。此外,由於本年度外幣兌人民幣貶值,故就以外幣計值之應收款項而言,本集團錄得外匯虧損淨額約人民幣5,700,000元(二零一六年:收益人民幣3,700,000元)。

反之,由於本集團本年度平均銀行結餘增加,利息收入增加至約人民幣8,100,000元(二零一六年:人民幣7,500,000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4,600,000元(二零一六年:人民幣16,600,000元)。

### 分銷成本

本年度分銷成本增加約37%至約人民幣169,500,000元(二零一六年:人民幣123,800,000元)。有關增加乃主要由於預售發展中物業產生之佣金費用及廣告費增加約人民幣20,100,000元(二零一六年:人民幣3,400,000元)所致。此外,由於銷量猛增,運輸成本亦錄得增加,此與本年度收入增長一致。

### 行政開支

本年度行政開支約為人民幣322,600,000元,較二零一六年增加約15%(二零一六年:人民幣279,700,000元)。有關增加乃主要由於總人數及平均薪資增加導致員工成本及相關開支增加人民幣19,500,000元所致。行政開支佔營業額之百分比下降至約4.5%(二零一六年:5.0%)。





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

### Finance costs

Finance costs increased by approximately 10% to approximately RMB130.3 million for the Year (2016: RMB118.0 million) mainly due to the increase in average loans and borrowings during the Year.

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

During the Year, our Group recorded profit for the Year of approximately RMB382.6 million (2016: RMB298.5 million) and the net profit margin decreased slightly to 5.3% (2016: 5.4%).

### 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 2017 and 2016:

		2017 二零一七年	2016 二零一六年
Current ratio (Note)	流動比率 (附註)	1.09	1.01
Quick ratio (Note)	速動比率 (附註)	0.76	0.70

#### 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

本年度之財務成本增加約10%至約人民幣130,300,000元(二零一六年:人民幣118,000,000元),乃主要由於本年度之平均貸款及借貸增加所致。

### 年度溢利及純利率

年內,本集團錄得年度溢利約人民幣382,600,000元(二零一六年:人民幣298,500,000元),而純利率略微下降至5.3%(二零一六年:5.4%)。

### 財務狀況分析

#### 流動及速動比率

下表載列本集團於二零一七年及二零一六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 2017 and 2016:

		2017 二零一七年	2016 二零一六年
Gearing ratio (Note)	負債比率 (附註)	38.5%	33.8%

Note:

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

Gearing ratio increased since the Group has assumed more loans and borrowings to finance the working capital and capital expenditure needs.

### 負債比率

下表載列本集團於二零一七年及二零一六年十二月三十一日之負債比率概要：

		2017 二零一七年	2016 二零一六年
Gearing ratio (Note)	負債比率 (附註)	38.5%	33.8%

附註：

負債比率以貸款及借貸除以資產總值再乘以100%計算。

由於本集團承擔更多貸款及借貸以撥付營運資金及資本開支需求，負債比率錄得增加。

### Inventory turnover days

The following table sets out the summary of our Group's inventory turnover days during the years ended 31 December 2017 and 2016:

		2017 二零一七年	2016 二零一六年
Inventory turnover days (Note)	存貨周轉期 (附註)	65	63

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 2017 and 2016 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 the increased balance of property under development for sale.

### 存貨周轉期

下表載列本集團截至二零一七年及二零一六年十二月三十一日止年度之存貨周轉期概要：

		2017 二零一七年	2016 二零一六年
Inventory turnover days (Note)	存貨周轉期 (附註)	65	63

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。

於截至二零一七年及二零一六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，乃由於待售發展中物業結餘增加所致。



## 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 2017 and 2016:

		2017 二零一七年	2016 二零一六年
Debtors' turnover days ( <i>Note</i> )	應收賬款記賬期 ( <i>附註</i> )	88	88

*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.

The debtors' turnover days remained steady in the Year.

#### Creditors' turnover days

The following table sets out the summary of our Group's creditors turnover days during the years ended 31 December 2017 and 2016:

		2017 二零一七年	2016 二零一六年
Creditors' turnover days ( <i>Note</i> )	應付賬款記賬期 ( <i>附註</i> )	69	89

*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.

The decrease in creditors' turnover days was mainly because the Group obtained more loans and borrowings for settlement of balances due to suppliers.

#### 應收賬款記賬期

下表載列本集團截至二零一七年及二零一六年十二月三十一日止年度之應收賬款記賬期概要：

	2017 二零一七年	2016 二零一六年
應收賬款記賬期	88	88

*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。

應收賬款記賬期於本年度維持穩定。

#### 應付賬款記賬期

下表載列本集團截至二零一七年及二零一六年十二月三十一日止年度之應付賬款記賬期概要：

	2017 二零一七年	2016 二零一六年
應付賬款記賬期	69	89

*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。

應付賬款記賬期減少乃主要由於本集團取得更多貸款及借款以償付應付供應商之結餘所致。

## 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 2017 and 2016:

### 現金流量

下表概述本集團截至二零一七年及二零一六年十二月三十一日止年度之現金流量：

		2017 二零一七年 <i>RMB'million</i> 人民幣百萬元	2016 二零一六年 <i>RMB'million</i> 人民幣百萬元
Net cash (used in)/generated from operating activities	經營活動(所用)／所得現金淨額	(47.6)	488.7
Net cash used in investing activities	投資活動所用現金淨額	(365.2)	(115.2)
Net cash generated from/(used in) financing activities	融資活動所得／(所用)現金淨額	555.3	(352.4)

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.

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。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。

As at 31 December 2017, the Group had cash and cash equivalents of RMB579.5 million (31 December 2016: RMB443.4 million), among which 12.1% was held in US dollars, 2.8% was held in HK dollars and the remaining balance was held in RMB.

於二零一七年十二月三十一日，本集團的現金及現金等價物為人民幣579,500,000元(二零一六年十二月三十一日：人民幣443,400,000元)，其中12.1%以美元持有、2.8%以港元持有及餘下結餘以人民幣持有。

### 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 RMB420.3 million (2016: RMB188.0 million). The significant capital expenditures during the Year were mainly for the acquisition of equipment and lease prepayment for our production plants.

### 資本開支

資本開支乃用作購買物業、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420,300,000元(二零一六年：人民幣188,000,000元)。本年度之大額資本開支乃主要用作生產廠房之設備購買及預付租金。





## Management Discussion and Analysis

### 管理層討論及分析

#### Loans and borrowings

As at 31 December 2017, our Group's loans and borrowings amounted to approximately RMB2,482.7 million (31 December 2016: RMB1,803.4 million), all of which was denominated in RMB.

The Group's fixed rate borrowings from bank loans amounted to approximately RMB1,352 million (31 December 2016: RMB1,346 million).

The secured bank loans were secured by (i) property, plant and equipment; (ii) lease prepayment; (iii) bills receivable; (iv) pledged deposits; and (v) inventories of the Group.

Further details of the Group's loans and borrowings at the balance sheet date, including the maturity profile, are set out in note 19 in notes to the consolidated financial statements.

#### Banking facilities and guarantee

As at 31 December 2017, the banking facilities of our Group amounted to approximately RMB4,760.8 million (31 December 2016: RMB4,006.3 million), of which approximately RMB2,875.7 million were utilised (31 December 2016: RMB2,311.0 million).

No banking facilities were guaranteed by related parties.

#### Treasury policies

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserve of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in both short term and long term.

Certain sales and purchases of inventories of the Group are denominated in US dollars and HK dollars. Furthermore, certain trade receivables, trade payables, bank balances are denominated in US dollars and HK dollars, therefore exposing the Group to the currency risk of US dollars and HK dollars. The Group had no material exposure to foreign exchange fluctuation and no hedging has been arranged during the Year.

#### 貸款及借貸

於二零一七年十二月三十一日，本集團之貸款及借貸約為人民幣2,482,700,000元（二零一六年十二月三十一日：人民幣1,803,400,000元），均以人民幣計值。

本集團來自銀行貸款之固定利率借貸約為人民幣1,352,000,000元（二零一六年十二月三十一日：人民幣1,346,000,000元）。

有抵押銀行貸款乃由本集團(i)物業、廠房及設備；(ii)預付租金；(iii)應收票據；(iv)已抵押存款；及(v)存貨抵押。

本集團於結算日之貸款及借貸的進一步詳情（包括到期償還概況）載於綜合財務報表附註之附註19。

#### 銀行信貸額度及擔保

於二零一七年十二月三十一日，本集團之銀行信貸額度約為人民幣4,760,800,000元（二零一六年十二月三十一日：人民幣4,006,300,000元），其中約人民幣2,875,700,000元（二零一六年十二月三十一日：人民幣2,311,000,000元）已動用。

並無銀行信貸額度已獲關連方擔保。

#### 庫務政策

本集團之政策為定期監察流動資金需求及遵守借貸契諾，以確保其維持充裕現金儲備及向大型金融機構取得足夠的承諾資金額度，從而滿足其短期及長遠流動資金需要。

本集團若干存貨之買賣乃以美元及港元計值。此外，由於若干交易應收賬款、交易應付賬款及銀行結餘乃以美元及港元計值，因而令本集團面臨美元及港元貨幣風險。本集團於年內並無面臨重大外匯波動風險及並無安排任何對沖政策。

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

### Property under development

As at 31 December 2017, the Group's property under development for sale amounted to approximately RMB317.5 million (31 December 2016: RMB254.3 million). 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 property is scheduled to be delivered in 2018 and 2019. 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..

### Human resources

As at 31 December 2017, our Group employed a total of approximately 6,429 full time employees in the PRC which included management staff, technicians, salespersons and workers. In 2017, our Group's total expenses on the remuneration of employees were approximately RMB585.1 million, represented approximately 8% 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), housing fund, medical insurance, unemployment insurance and other relevant insurance (according to the PRC rules and regulations for PRC employees), discretionary bonuses and employee share options are also awarded to employees according to the assessment of individual performance. In-house and external training programmes are provided as and when required.

The Company has adopted the 2008 Share Option Scheme (as defined below) and the 2018 Share Option Scheme (as defined below) as an incentive to Directors and eligible employees, details of the schemes is set out in the paragraph headed "Equity-linked Agreement" in "Report of the Directors" of this report.

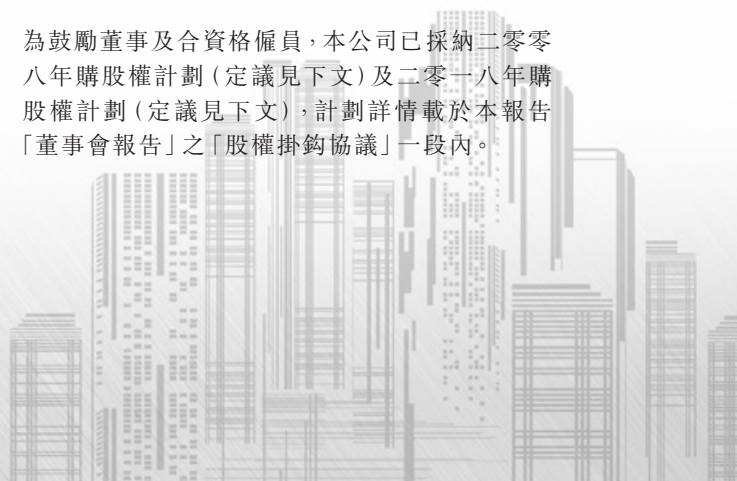
### 發展中物業

於二零一七年十二月三十一日，本集團之發展待售物業約為人民幣317,500,000元（二零一六年十二月三十一日：人民幣254,300,000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。該物業計劃於二零一八年及二零一九年交付。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。

### 人力資源

於二零一七年十二月三十一日，本集團於中國聘用合共約6,429名全職僱員，包括管理員工、技術人員、銷售人員及工人。於二零一七年，本集團之僱員薪酬總開支約為人民幣585,100,000元，佔本集團營業額約8%。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，或根據中國之條例及規定為中國僱員參與國家管理之退休金計劃、住房公積金、醫療保險、失業保險及其他相關保險外，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。本集團亦按需要提供內部及外界培訓計劃。

為鼓勵董事及合資格僱員，本公司已採納二零零八年購股權計劃（定議見下文）及二零一八年購股權計劃（定議見下文），計劃詳情載於本報告「董事會報告」之「股權掛鈎協議」一段內。



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

### Newly established subsidiary

During the Year, the Group had set up a subsidiary called Guangdong Xingfa Precision Manufacturing Co., Ltd. to set up a new manufacturing base on the land suited at 中國廣東省佛山市三水工業園區D區12號 (unofficial English translation as No. 12, District D, Sanshui Industrial Zone, Foshan City, Guangdong Province, the PRC) (“Land”) with a site area of approximately 159,866.7 sq.m. and to consolidate the resources for the manufacturing of aluminium profiles which are applied as industrial materials and for in-depth processing projects. The Directors expect this new manufacturing base could strengthen the capacity and productivity of the Group in developing, manufacturing and the sale of high technology aluminium products, such as high precision electronic products, lightweight traffic aluminium materials, in-depth processing product and aluminium alloy panels.

Further details of the acquisition of the Land are set out in the Company’s announcement dated 11 September 2017.

### 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 2018.

Further, after the completion of construction of new production base in Sanshui Industrial Zone, we are able to penetrate into another new market for the manufacturing of aluminium profiles which are applied as industrial materials and for in-depth processing projects.

Meanwhile, aiming to develop Xingfa Aluminium as an all-rounded and one-stop aluminium service provider, we are actively looking for business opportunities for downstream merger and acquisitions in China.

### 新成立之附屬公司

於本年度，本集團已成立一間附屬公司廣東興發精密制造有限公司以在位於中國廣東省佛山市三水工業園區D區12號佔地面積約159,866.7平方米之土地（「土地」）上設立新生產基地及整合資源以製造用作工業物料之鋁型材及進行深加工項目。董事預期該新生產基地可加強本集團於開發、製造及銷售高科技鋁產品（如高精密電子產品、輕質交通鋁材、深加工產品及鋁合金模板）之產能及生產力。

有關收購該土地之進一步詳情載於本公司日期為二零一七年九月十一日之公佈。

### 前景

按照我們的審慎做法且鑑於脆弱的中國經濟環境，我們於二零一八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。

此外，於三水工業園區的新生產基地建設完工後，我們可將業務擴展至製造用作工業物料之鋁型材及進行深加工項目的新市場。

與此同時，為將興發鋁業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 45, became the Chairman of the Company (“Chairman”) since 8 September 2011. Mr. Liu Libin 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 Libin 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 Libin is the chairman of the board of directors 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 and an executive director of Foshan Xingfa Real Estate Co., Ltd. (“Xingfa Real Estate”), a wholly-owned subsidiary of the Company.

**Mr. Luo Su**, aged 79, 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 Su is qualified as an 工業經濟師 (industrial economist) based on his previous experience with Nanhai Xingfa Aluminium Profiles Factory. Mr. Luo Su 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 Su 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 director of Guangdong Xingfa and the general manager of Xingfa Real Estate. 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**，45歲，在二零一一年九月八日起成為本公司的主席（「主席」）。劉立斌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。劉立斌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。劉立斌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」）之董事會主席及本公司全資附屬公司佛山市興發房地產開發有限公司（「興發房地產」）之執行董事。

**羅蘇先生**，79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。羅蘇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。羅蘇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。羅蘇先生為廣東興發之董事及興發房地產之總經理。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 61, 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 Riming 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 Riming established the Group in 1980s. Prior to joining the Group, Mr. Luo Riming has worked at Nanhai Hardware Factory (township enterprise), Nanhai Power Supply Bureau, Nanzhuang Electric Appliance and Furniture Factory, Guangdong Xingfa Aluminium Profiles Factory and our Group. Mr. Luo Riming obtained a bachelor's degree in economic management by the Guangdong Radio & TV University in 1998. Mr. Luo Riming is the vice chairman of the board of directors of Guangdong Xingfa.

**Mr. Liao Yuqing** (“Mr. Liao”), aged 49, 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 director of Guangdong Xingfa and executive director of Foshan Xingfa Trading Co., Ltd.. Mr. Liao is the son-in-law of Mr. Luo Su, the chairman of the Group and an executive Director.

**Mr. Dai Feng** (“Mr. Dai”), aged 46, 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), manager of finance department of Guangdong Guangxin Investment Holdings Co., Ltd. (廣東廣新投資控股有限公司) and 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 a director and chief financial officer of Guangdong Xingfa.

羅日明先生，61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。羅日明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本集團工作。羅日明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。羅日明先生為廣東興發之董事會副主席。

廖玉慶先生（「廖先生」），49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。廖先生為廣東興發之董事及佛山市興發商貿有限公司之執行董事。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（「戴先生」），46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。彼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 (“Mr. Law”)**, aged 60, is an executive Director since 28 April 2009. 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 (“Mr. Wang”)**, aged 47, 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. Mr. Wang is the executive director of Xingfa Aluminium (Chengdu) Co., Ltd..

### Non-executive Director

**Mr. Lu Chaoying (“Mr. Lu”)**, aged 60, is a non-executive Director since 26 May 2017. Mr. Lu has been the vice general manager of Guangdong Guangxin Holdings Group Ltd. (廣東省廣新控股集團有限公司) (“Guangxin Holdings”) since June 2011 and has extensive business management experience. Mr. Lu obtained a master’s degree in senior executive business administration (高級管理人員工商管理) from South China University of Technology in the People’s Republic of China in 2010. Guangxin Holdings is the holding company of Guangxin Aluminium (HK) Limited which holds approximately 29.99% of the existing issued shares of the Company as at the date of this report.

**羅用冠先生 (「羅先生」)**，60歲，自二零零九年四月二十八日起擔任執行董事，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 (「王先生」)**，47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。王先生為興發鋁業(成都)有限公司之執行董事。

### 非執行董事

**陸超英先生 (「陸先生」)**，60歲，自二零一七年五月二十六日起擔任非執行董事，陸先生自二零一一年六月起擔任廣東省廣新控股集團有限公司(「廣新控股」)副總經理並擁有深厚的業務管理經驗。陸先生於二零一零年獲得中華人民共和國華南理工大學高級管理人員工商管理碩士學位。廣新控股為香港廣新鋁業有限公司之控股公司，而香港廣新鋁業有限公司於本報告日期持有本公司現有已發行股份約29.99%。



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

### Independent non-executive Directors

**Mr. Chen Mo (“Mr. Chen”)**, aged 53, 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 三級律師資格 (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 King & Land Law Firm (廣東君厚律師事務所).

**Mr. Junius K. Y. Ho (“Mr. Ho”)**, aged 55, 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), Mr. Ho obtained his Bachelor of Law Degree in 1984. He then joined the University of Hong Kong for the Post-graduate Certificate in Laws study. Mr. Ho 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(「陳先生」)**，53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(「何先生」)**，55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

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

Mr. Ho 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 of the Law Society of Hong Kong, he actively participates in its committee 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. Ex-officio Executive Councillor of Heung Yee Kuk;
6. Member of Advisory Board of Yan Oi Tong;
7. Indigenous Village Representative of Leung Tin Tsuen (2011 – 2020);
8. Non-Club Linked Director of Hong Kong Football Association (2011 – 2019);
9. Founder of Butterflyers Association Limited, a charitable organization;
10. Spokesman of New Territories Concern Group; and
11. Member of the Panel of Adjudicators of the Obscene Articles Tribunal.

何先生於一九八八年取得香港執業律師資格，其後分別在一九九五年及一九九七年取得新加坡，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，何先生積極參與律師會附屬委員會的工作。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年至2020年）；
2. 香港屯門區區議員（2016年至2019年）；
3. 香港嶺南大學校董（2015年至2018年）；
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. 新界鄉議局當然執行委員；
6. 仁愛堂諮議局成員；
7. 新界屯門良田村原居民村代表（2011年至2020年）；
8. 香港足球總會非俱樂部掛鈎董事（2011年至2019年）；
9. 匯蝶公益有限公司創辦人；
10. 新界關注大聯盟發言人；以及
11. 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 (“Mr. Lam”)**, aged 53, 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 the managing consultant of Lontreprise Consulting Limited. 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（「林先生」），53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，目前為龍企諮詢有限公司之首席顧問。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 (“Mr. Liang”)**, aged 77, 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). From 2008 to 2013, Mr. Liang was an independent director of 福建省閩發鋁業股份有限公司 (Fujian Minfa Aluminium Co., Ltd.).

梁世斌先生（「梁先生」），77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。自二零零八年至二零一三年，梁先生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

### Senior Management

**Mr. Lin Yan (“Mr. Lin”)**, aged 49, 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.

**Mr. Liu Yuntang**, aged 49, is the deputy general manager of the Company and is responsible for production management of the Group. Mr. Liu Yuntang joined Guangdong Xingfa Aluminium Profiles Factory in 1993. Prior to joining the Group in October 1993, Mr. Liu Yuntang worked at Nanhai Guangdong Cable Factory Co., Ltd. from 1991 to 1993. Mr. Liu Yuntang 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 (“Mr. Du”)**, aged 62, 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 our 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.

### 高級管理人員

**林嚴先生**（「林先生」），49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。彼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。

**劉允棠先生**，49歲，本公司副總經理，負責本集團之生產管理。劉允棠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，劉允棠先生於一九九一年至一九九三年任職於南海廣東電纜廠。劉允棠先生於一九九一年獲廣東機械學院授予工程學士學位。劉允棠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獲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**（「杜先生」），62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本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。

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

**Mr. Guan Dubiao** (“**Mr. Guan**”), aged 47, is the deputy general manager of Guangdong Xingfa. Mr. Guan, senior CPA is currently the council member of Foshan City CPA Institute and Foshan City Association of Chief Financial Officers. His education background is undergraduate, studying business management (accounting) and economic management. Prior to joining the Group, Mr. Guan started his accounting career in the business department of Foshan Nanzhuang Economic Development Company. Subsequently, Mr. Guan served as different important financial positions, such as chief accountant, chief of finance, etc., within several 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 group deputy general manager since September 2011.

### COMPANY SECRETARY

**Ms. Wong Tik**, aged 46, is the company secretary of the Company. Ms. Wong is a certified public accountant and an associate member of the Hong Kong Institute of Certified Public Accountants and has over 20 years of experience in the field of accounting and has worked in a number of listed companies in Hong Kong. Ms. Wong obtained the Honours Diploma in Accounting from Hong Kong Shue Yan College in 1995. Ms. Wong joined our Group on 29 March 2018.

**關道標先生**（「**關先生**」），47歲，廣東興發副總經理。關先生，高級會計師，現任佛山市會計學會及佛山市總會計師協會常務理事。學歷：本科，攻讀企業管理（財會類）專業和經濟管理專業。加入本集團前，關先生於佛山南莊經濟發展總公司經營部任會計工作，其後在佛山南莊經濟發展總公司之下屬多間公司擔任主管會計、財務科長等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集團副總經理。

### 公司秘書

**黃荻女士**，46歲，為本公司之公司秘書。黃女士為執業會計師及香港會計師公會會員，於會計領域擁有逾二十年經驗，並曾於香港多家上市公司任職。黃女士於一九九五年取得香港樹仁學院之會計學榮譽文憑。黃女士於二零一八年三月二十九日加入本集團。





## 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 2017.

### 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 2017.

### RESULTS AND APPROPRIATION

The results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss on page 133 of the annual report.

### FINAL DIVIDEND

The Directors recommended the payment of a final dividend of HKD0.2 per ordinary share for the year ended 31 December 2017 (2016: nil).

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」)截至二零一七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。

於截至二零一七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

本集團截至二零一七年十二月三十一日止年度之業績載於年報第133頁綜合損益表。

### 末期股息

董事建議就截至二零一七年十二月三十一日止年度派發末期股息每股普通股0.2港元(二零一六年:無)。

## 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, 1 June 2018, the register of members of the Company will be closed from Tuesday, 29 May 2018 to Friday, 1 June 2018 (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 Monday, 28 May 2018.

For the purpose of determining the entitlement to the final dividend, the register of members of the Company will be closed from Wednesday, 13 June 2018 to Friday, 15 June 2018 (both days inclusive). During such period, no transfer of the shares in the Company will be registered. In order to qualify for the final dividend, 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 the above address not later than 4:30 p.m. on Tuesday, 12 June 2018.

### FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past five years is set out on page 248.

### 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.

### 暫停辦理股份過戶登記手續

為釐定出席將於二零一八年六月一日（星期五）舉行的應屆股東週年大會之權利，本公司將由二零一八年五月二十九日（星期二）起至二零一八年六月一日（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二零一八年五月二十八日（星期一）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。

為釐定享有末期股息之權利，本公司將自二零一八年六月十三日（星期三）起至二零一八年六月十五日（星期五）（包括首尾兩日）暫停辦理股份過戶登記手續。於該期間內，將不會辦理任何本公司股份之過戶。為符合收取末期股息之資格，所有過戶文件連同相關股票須不遲於二零一八年六月十二日（星期二）下午四時三十分按上述地址送交予本公司之香港股份過戶登記分處卓佳證券登記有限公司。

### 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248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。



## Report of the Directors

### 董事會報告

Further details of the acquisition of the Land are set out in the Company's announcements dated 11 September 2017.

### SHARE CAPITAL

Details of the Company's paid-in capital for the year ended 31 December 2017 are set out in note 22 in notes to the consolidated financial statements.

### DONATIONS

The Group made donation of RMB760,000 (2016: RMB445,000) for charitable or any other purposes during the Year.

### EQUITY-LINKED AGREEMENT

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

#### Share Option Schemes

The Company conditionally adopted a share option scheme ("2008 Share Option Scheme") on 29 February 2008. The 2008 Share Option Scheme became effective on 31 March 2008 and will expire on 30 March 2018. The Company conditionally adopted a new share option scheme ("2018 Share Option Scheme") on 29 December 2017. The 2018 Share Option Scheme became effective on 5 January 2018. Upon expiry of the 2008 Share Option Scheme, no further options may be granted but in all other respects the provisions of the 2008 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any share options granted prior to thereto or otherwise as may be required in accordance with the provisions of the 2008 Share Option Scheme, and share options which may be granted prior to such expiry are continued to be valid and in accordance with the provisions of the 2008 Share Option Scheme. Therefore, the adoption of the 2018 Share Option Scheme will not in any event affect the terms of the grant of such outstanding options that may be granted under the 2008 Share Option Scheme.

有關收購該土地之進一步詳情載於本公司日期為二零一七年九月十一日之公佈。

### 股本

本公司截至二零一七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22。

### 捐款

於本年度，本集團作出人民幣760,000元（二零一六年：人民幣445,000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採納一項購股權計劃（「二零零八年購股權計劃」）。二零零八年購股權計劃自二零零八年三月三十一日起生效，及將於二零一八年三月三十日屆滿。本公司已於二零一七年十二月二十九日有條件採納一項新購股權計劃（「二零一八年購股權計劃」）。二零一八年購股權計劃自二零一八年一月五日起生效。於二零零八年購股權計劃屆滿後，概無購股權可獲進一步授出，惟二零零八年購股權計劃之條文將於所有其他方面維持十足效力及作用，以於必要時於屆滿日期前行使任何已授出之購股權或根據二零零八年購股權計劃條文之有關規定可能須另行授出之購股權，而於有關屆滿日前可予授出之購股權則根據二零零八年購股權計劃之條文繼續有效。因此，採納二零一八年購股權計劃將無論如何不會影響授出根據二零零八年購股權計劃可獲授出之有關尚未行使購股權之條款。

## Report of the Directors 董事會報告

The principal terms of the 2008 Share Option Scheme are summarised as follows:

The purpose of the 2008 Share Option 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 2008 Share Option 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 maximum number of ordinary Shares which may be issued upon exercise of all options to be granted under the 2008 Share Option Scheme and any other schemes of the Group must not exceed 41,800,000 ordinary Shares, being 10% of ordinary Shares in issue on the date of listing of the Shares on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) unless approval of the Shareholders has been obtained, and which must not in aggregate exceed 30% of the ordinary Shares in issue from time to time.

No share option under the 2008 Share Option Scheme was granted by the Company since its adoption. As at the date of this report, the total number of ordinary Shares available for issue under the 2008 Share Option Scheme is 41,800,000 ordinary 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 ordinary Shares issued and to be issued upon exercise of the options granted under the 2008 Share Option Scheme 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.

二零零八年購股權計劃之主要條款概述如下：

二零零八年購股權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。

二零零八年購股權計劃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。

根據二零零八年購股權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普通股數目不得超過41,800,000股普通股，即股份於香港聯合交易所有限公司（「聯交所」）上市日期已發行普通股之10%，除非已取得股東批准，且合共不得超過不時已發行普通股之30%。

自採納以來，本公司並無根據二零零八年購股權計劃授出購股權。於本報告日期，根據二零零八年購股權計劃可供發行之普通股總數為41,800,000股普通股，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個月期間根據二零零八年購股權計劃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普通股之最高數目，不得超過不時已發行股份之1%。





## Report of the Directors

### 董事會報告

The subscription price for the ordinary Shares under the 2008 Share Option 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 an ordinary 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 an ordinary 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 an ordinary Share.

An option may be exercised in whole or in part in accordance with the terms of the 2008 Share Option 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 2008 Share Option 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 2008 Share Option 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 2008 Share Option Scheme shall be valid and effective for a period of 10 years commencing on 31 March 2008.

The principal terms of the 2018 Share Option Scheme are summarised as follows:

The purpose of the 2018 Share Option Scheme is to incentivise and reward the Group’s employees, Directors and other eligible participants for their contribution to the Group and will also assist the Group in its recruitment and retention of high calibre professionals, executives and employees who are instrumental to the growth and development of the Group.

二零零八年購股權計劃項下普通股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」））普通股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普通股於聯交所每日報價表所示之平均收市價；及(iii)普通股面值。

購股權可於緊隨被視為已根據二零零八年購股權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二零零八年購股權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，惟須受二零零八年購股權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。

二零零八年購股權計劃由二零零八年三月三十一日起10年內有效及生效。

二零一八年購股權計劃之主要條款概述如下：

二零一八年購股權計劃的目的乃為本集團僱員、董事及其他合資格參與者就彼等為本集團作出之貢獻提供激勵及獎勵，及協助本集團招募及挽留對本集團的增長及發展至關重要的優秀專業人士、行政人員及僱員。

## Report of the Directors 董事會報告

Participants under the 2018 Share Option Scheme include any director and employee of the Group or any Invested Entity; any supplier, customer, adviser or consultant of the Group or any Invested Entity; any person or entity that provides research, development or other technological support to the Group or any Invested Entity; any holder of securities issued by any member of the Group or any Invested Entity; and any other group or class of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of the Group.

The maximum number of ordinary Shares which may be issued upon exercise of all options to be granted under the 2018 Share Option Scheme and any other scheme of the Group must not exceed 41,800,000 ordinary Shares, being 10% of ordinary Shares in issue on the day which the 2018 Share Option Scheme was approved by the Shareholders, unless approval of the Shareholders has been obtained, and which must not in aggregate exceed 30% of the ordinary Shares in issue from time to time.

No share option under the 2018 Share Option Scheme was granted by the Company since its adoption. As at the date of this report, the total number of ordinary Shares available for issue under the 2018 Share Option Scheme is 41,800,000 ordinary Shares, which represents 10% of the issued ordinary Shares as at the date which the 2018 Share Option Scheme was approved by the Shareholders and as at the date of this report.

The maximum number of ordinary Shares issued and to be issued upon exercise of the options granted under the 2018 Share Option Scheme and any other share option scheme of the Group to each eligible participant (including exercised and outstanding options) in any 12-month period shall not exceed 1% of the issued ordinary Shares from time to time.

二零一八年購股權計劃項下之合資格參與者包括本集團或任何投資實體之任何董事及僱員；本集團或任何投資實體的任何供應商、客戶、顧問或諮詢人；向本集團或任何投資實體提供研究、開發或其他技術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持有人；及曾經或可能以合資、業務同盟或其他業務安排方式為本集團之發展及增長作出貢獻之任何其他參與者組別或類別。

根據二零一八年購股權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普通股數目不得超過41,800,000股普通股，即二零一八年購股權計劃獲股東批准當日已發行普通股之10%，除非已取得股東批准，而在該情況下，總數亦不得超過不時已發行普通股之30%。

自採納二零一八年購股權計劃起，本公司概無授出任何購股權。於本報告日期，根據二零一八年購股權計劃可供發行之普通股總數為41,800,000股普通股，相當於二零一八年購股權計劃獲股東批准當日及於本報告日期已發行普通股之10%。

於任何12個月期間根據二零一八年購股權計劃及任何其他購股權計劃授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普通股之最高數目，不得超過不時已發行普通股之1%。



## Report of the Directors 董事會報告

The subscription price for the ordinary Shares under the 2018 Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of ordinary Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the Offer Date, which must be a business day; (ii) the average closing price of ordinary Shares as stated in the Stock Exchange's daily quotations sheets for trade in one or more board lots of the ordinary Shares for the five business days immediately preceding the Offer Date; and (iii) the nominal value of an ordinary Share.

An option may be exercised in accordance with the terms of the 2018 Share Option Scheme at any time during a period to be determined and notified by the Directors to each grantee, which period may commence on the Offer Date but shall end in any event not later than ten years from the date of grant of the option subject to the provisions for early termination thereof.

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 2018 Share Option Scheme shall be valid and effective for a period of 10 years commencing on 5 January 2018.

### 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.

### 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 2017.

二零一八年購股權計劃項下普通股之認購價將由董事釐定，惟不得低於下列之最高者：(i)普通股於發售日期（必須為營業日）按一手或多手買賣單位交易時於聯交所之每日報價表所示之收市價；(ii)緊接發售日期前五個營業日普通股按一手或多手買賣單位交易時於聯交所每日報價表所示之平均收市價；及(iii)普通股面值。

購股權可按照二零一八年購股權計劃條款於董事釐定並通知每名承授人之期間內隨時行使，有關期間可由發售日期起計，惟無論如何須於由授出購股權日期起計不超過十年終止，並受相關提早終止條文規限。

於接納授出購股權後，承授人須向本公司支付1.00港元作為授出之名義代價。

二零一八年購股權計劃由二零一八年一月五日起計10年期間內有效及生效。

### 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。

### 購買、出售或贖回本公司上市證券

於截至二零一七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。

## Report of the Directors 董事會報告

### RESERVES

Details of movements in the reserves of the Group during the year are set out in note 22 in notes to the consolidated financial statements and in the consolidated statement of changes in equity.

### DISTRIBUTABLE RESERVES

As at 31 December 2017, 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 RMB575,943,000 (2016: RMB621,087,000).

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2017, sales to the Group's five largest customers accounted for 21.3% (2016: 20.3%) of the Group's revenue where sales to the largest customer accounted for 8.7% (2016: 8.5%) of the Group's revenue.

For the year ended 31 December 2017, purchases from the five largest suppliers accounted for approximately 71.4% (2016: 54.5%) of the Group's total cost of purchase whereas purchases from the largest supplier accounted for approximately 34.1% (2016: 30.9%) 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 2017.

### 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22及綜合權益變動表。

### 可供分派儲備

於二零一七年十二月三十一日，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575,943,000元（二零一六年：人民幣621,087,000元）。

### 主要客戶及供應商

截至二零一七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21.3%（二零一六年：20.3%），而向最大客戶之銷售額佔本集團營業額8.7%（二零一六年：8.5%）。

截至二零一七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71.4%（二零一六年：54.5%），而向最大供應商之採購額佔本集團總採購成本約34.1%（二零一六年：30.9%）。

於截至二零一七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 2017 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. During the Year, we have export sales to Australia and Vietnam. The Group will also continue to review competitive edges of the Group in the industry and market trend.

### 業務回顧

以下為按香港法例第622章公司條例附表5規定所作出的本報告業務回顧。有關截至二零一七年十二月三十一日止年度對本集團業務、關鍵財務績效指標及表現以及預計日後發展的討論載於本年報「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受到不利影響。

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。於本年度，我們的銷售出口至澳洲及越南。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。

## Report of the Directors 董事會報告

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.

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 receivables due from major customers on a regular basis and control over it to an appropriate level. The Group will also manage and maintain strict control internally and put additional efforts to collect trade receivables overdue.

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，以於不同時期可按具競爭力價格靈活購買鋁錠。

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來源的穩定。

### 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。



## Report of the Directors 董事會報告

### 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 to employees.

In addition, each department of the Group is responsible for determining its training needs for employees 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.

#### 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.

### 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，通過為僱員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。

#### 2. 供應商

我們已與多名供應商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。

## Report of the Directors 董事會報告

### 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 and taking into account of the national green manufacturing development plan and guided by enterprise strategy, the Group formulated the Xingfa Aluminium Environmental Protection System. The primary mission for the Group's environmental protection policy is to govern production emissions by relying on technology, comprehensive utilization of production waste residue, reduce environmental pollution and develop clean production. In 2016, the Group kick-started the project concerning "research on zero hazardous waste treatment", with the objective of transforming hazardous wastes into raw materials through detoxification treatment, thereby achieving closed-loop production. The project was further extended in 2017. Meanwhile, for wastewater discharge, some workshops have already achieved the zero wastewater discharge target through ion recycling facilities and specialized wastewater treatment facilities. The utilisation of non-hazardous wastes is something that simply cannot be ignored. We subdivided the classification of non-hazardous wastes for recycling, for example, aluminum slag from casting workshop can be used as raw materials for high aluminium cement.

The Group has been in compliance with the relevant environmental laws and regulations in both PRC and Hong Kong.

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

### 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，並結合國家綠色製造發展規劃，以企業戰略為導向，本集團制定了興發鋁業環境保護制度。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，減少環境污染及發展潔淨生產。2016年，集團啟動了「零危害廢物處置研究」項目，將有害廢棄物無害化處理或轉化為原料，實現閉環生產，此專案在2017年進一步延伸。同時在廢水排放方面，通過離子回收設施與專用廢水處理設施治理，部分車間已實現有害廢水零排放的目標。對無害廢物的利用同樣不容忽視，我們細化無害廢棄物的分類並進行回收處理，例如熔鑄車間中的鋁渣可作為高鋁水泥的原料使用。

本集團已遵守中國及香港兩地的相關環境法律法規。

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 2017, the Group was in strict compliance with these said laws and regulations.

### DIRECTORS

The Directors during the year ended 31 December 2017 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 Directors:

Mr. CHEN Shengguang (resigned on 26 May 2017)  
Mr. LU Chaoying (appointed on 26 May 2017)

### 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《中華人民共和國環境保護法》。本集團於截至二零一七年十二月三十一日止年度已嚴格遵守上述法律法規。

### 董事

於截至二零一七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 (於二零一七年五月二十六日辭任)  
陸超英先生  
(於二零一七年五月二十六日獲委任)

## Report of the Directors 董事會報告

### Independent non-executive Directors:

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

### Alternative Director to Mr. Liu Libin

Mr. WONG Siu Ki (*Chief Investment Officer*)  
(passed away on 7 March 2018)

In accordance with Articles 108(A) and 108(B) of the Articles, each of Mr. CHEN Mo, Mr. Lam Ying Hung, Andy, Mr. HO Kwan Yiu and Mr. LIANG Shibin 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.

Pursuant to Code Provision A.4.3 of the Corporate Governance Code, the re-election of Mr. Chen Mo, Mr. Lam Ying Hung, Andy and Mr. Ho Kwan Yiu will be subject to a separate resolution to be approved by the Shareholders at the forthcoming Annual General Meeting as they have served on the Board for more than 9 years.

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.

### 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*)  
(於二零一八年三月七日辭世)

根據細則第108(A)及108(B)條，陳默先生、林英鴻先生、何君堯先生及梁世斌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。

由於陳默先生、林英鴻先生及何君堯先生均於董事會任職超過九年，故根據企業管治守則守則條文第A.4.3條，彼等之重選連任須由股東於應屆股東週年大會上以獨立決議案批准後，方可作實。

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.

### CONTRACT OF SIGNIFICANCE

Save as disclosed in note 26 in notes to the consolidated financial statements and in the paragraph headed "Connected transactions" in this report, (i) there is no transaction, arrangement or contract of significance subsisting during or at the end of the Year in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly; (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 or any of its subsidiaries during the Year; and (iii) no other contract of significance in relation to provision of services to the Company or any of its subsidiaries by the controlling shareholder or any of its subsidiaries during the Year.

### 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。

### 重大合約

除綜合財務報表附註之附註26及本報告「關連交易」一段所披露者外，(i)本公司於本年度內或於本年度末概無存在任何董事或董事之關連實體於其中直接或間接擁有或曾擁有重大權益之重大交易、安排或合約；(ii)本公司或其任何附屬公司與控股股東或其任何附屬公司之間概無於年內訂立、及／或存在任何其他重大合約；及(iii)年內概無涉及控股股東或任何附屬公司向本公司或其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 2017, 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:

於二零一七年十二月三十一日，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 2017 佔於二零一七年 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	58,029,200 ordinary Shares 58,029,200股 普通股	13.88%
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%





## 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 2017 佔於二零一七年十二月三十一日同類證券持股量百分比
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%
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%

Save as disclosed above, as at 31 December 2017, 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 2017 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，於二零一七年十二月三十一日，董事或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

於截至二零一七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 business apart from the Company's business, which competes or is likely to compete, either directly or indirectly, with the Company's business for the year ended 31 December 2017.

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

As at 31 December 2017, 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

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 2017 佔於二零一七年 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%
廣東省廣新控股集團有限公司	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%

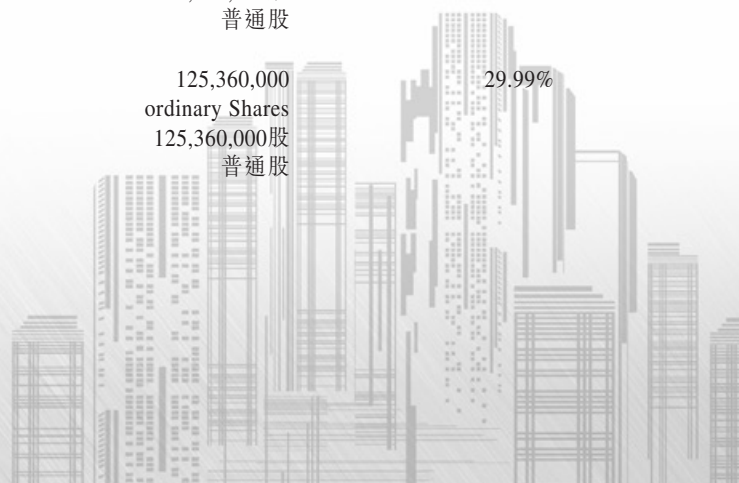
### 董事於競爭業務之權益

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，截至二零一七年十二月三十一日止年度，董事概無於與本公司業務直接或間接構成競爭或可能構成競爭之任何業務（本公司業務除外）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

於二零一七年十二月三十一日，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之權益或淡倉：

#### 好倉



## 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 2017, 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，於二零一七年十二月三十一日，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之權益或淡倉。

### CONNECTED TRANSACTIONS

A. The following entity is a connected party of the Company and had continuing connected transaction with the Group during the year ended 31 December 2017:

### 關連交易

A. 以下公司為本公司之關連人士，並於截至二零一七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。
B. During the year ended 31 December 2017, the following continuing connected transaction was non-exempt continuing connected transaction and is subject to the reporting, announcement, annual review and independent shareholders’ approval requirements.	B. 於截至二零一七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，並須遵守報告、公佈、年度審閱及獨立股東批准規定。

## Report of the Directors 董事會報告

1. The following is a brief description of the continuing connected transaction:

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

Guangdong Xingfa and Xingfa Curtain Wall entered into a master supply agreement dated 9 February 2015 in relation to the supply of aluminium profiles to Xingfa Curtain Wall by Guangdong Xingfa, for a term from 9 February 2015 to 31 December 2017. The construction materials purchased by Xingfa Curtain Wall were further processed into window and curtain wall and sold to its customers.

廣東興發與興發幕牆訂立一份日期為二零一五年二月九日之主供應協議，內容有關由廣東興發向興發幕牆供應鋁型材，協議期限自二零一五年二月九日起至二零一七年十二月三十一日止。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 2017, Guangdong Xingfa sold construction materials to Xingfa Curtain Wall for approximately RMB161,362,000.

截至二零一七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161,362,000元。

Guangdong Xingfa and Xingfa Curtain Wall entered into a new master supply agreement dated 22 September 2017 in relation to the supply of aluminium profiles to Xingfa Curtain Wall by Guangdong Xingfa, for a term from 1 January 2018 to 31 December 2020.

廣東興發與興發幕牆訂立一份日期為二零一七年九月二十二日之新主供應協議，內容有關由廣東興發向興發幕牆供應鋁型材，協議期限自二零一八年一月一日起至二零二零年十二月三十一日止。





**Report of the Directors**  
**董事會報告**

2. Set out below is the annual cap for the year ended 31 December 2017 of the continuing connected transaction set out above:

2. 下文載列上文所載持續關連交易截至二零一七年十二月三十一日止年度之年度上限：

**For the year ended**  
**31 December 2017**  
截至二零一七年  
十二月三十一日止年度

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

RMB220,000,000  
人民幣220,000,000元

3. Internal control procedures

3. 內部監控程序

The Group has complied with the following internal control measures to monitor the pricing and terms of the transactions in relation to the sale of aluminium profiles by Guangdong Xingfa to Xingfa Curtain Wall and ensure that the prices and terms offered by Guangdong Xingfa to Xingfa Curtain Wall will be no less favourable than prices and terms offered to independent customers and that the annual cap is not exceeded:

本集團已遵守以下內部監控措施以監察有關廣東興發向興發幕牆銷售鋁型材之交易之定價及條款，並確保廣東興發向興發幕牆提供之價格及條款將不遜於向獨立客戶提供之價格及條款及並無超出年度上限：

- (a) monitoring the prevailing price of aluminium as quoted on the Shanghai Nonferrous Metals Price Index and the prevailing spot prices of aluminium as quoted on London Metal Exchange Limited on a daily basis;
- (b) comparing the price and terms of the supply to Xingfa Curtain Wall with the prices and terms of aluminium profiles supplied by the Group in China as agreed with independent customers on a regular basis;

- (a) 每日監察於上海有色金屬價格指數所報之現行鋁價及於倫敦金屬交易所有限公司所報之現行鋁現貨價格；
- (b) 定期將向興發幕牆供應之價格及條款與本集團經與獨立客戶協定於中國供應之鋁型材之價格及條款進行比較；

## Report of the Directors 董事會報告

- (c) adhering to the relevant internal control policy of the Group on connected transactions in monitoring the price and terms of supply of aluminium profiles offered by the Group to Xingfa Curtain Wall to ensure that they shall be no less favourable than those offered by the Group to independent customers; and
- (d) periodic financial report which contains information on all connected transactions carried out by the Group including the continuing connected transactions under the master supply agreement was submitted to the Board.

#### 4. Views of the independent non-executive Directors:

The independent non-executive Directors have reviewed the above continuing connected transactions and considered the information referred to in the section of “3. Internal control procedures” above, and confirmed that the transaction has been entered into:

- (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 as a whole.

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

- (c) 秉承本集團有關關連交易之相關內部監控政策監察本集團向興發幕牆提供之供應鋁型材之價格及條款，確保其將不遜於本集團向獨立客戶所提供者；及
- (d) 已向董事會提交載有關於本集團進行之所有關連交易（包括主供應協議項下之持續關連交易）之資料之定期財務報告。

#### 4. 獨立非執行董事之觀點：

獨立非執行董事已審閱上述持續關連交易及考慮上文「3.內部監控程序」一節所述之資料，並確認該等交易乃：

- (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，且符合股東之整體利益。

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

5. The auditor of the Company was engaged to report on the Group's continuing connected transaction 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 transaction 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:
- nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transaction has not been approved by the Company's board of directors;
  - 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 transaction was not, in all material respects, in accordance with the pricing policies of the Group;
  - nothing has come to the attention of the auditor that causes the auditor to believe that the disclosed continuing connected transaction was not entered into, in all material respects, in accordance with the relevant agreements governing such transaction;
5. 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：
- 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；
  - 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；
  - 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 the continuing connected transaction, nothing has come to the attention of the auditor that causes the auditor to believe the disclosed continuing connected transaction has exceeded the annual cap as set by the Company.

C. The Directors confirm that the material related party transactions as disclosed in note 26(a) 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26(a)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 2017.

### MODEL CODE

The Company adopted a set of code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard 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 and its code of conduct regarding directors’ securities transactions during the year ended 31 December 2017.

### 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，本公司於截至二零一七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。

### 標準守則

本公司已就董事進行之證券交易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」）所載之規定標準寬鬆之操守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二零一七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及董事進行證券交易之操守守則。





## Report of the Directors 董事會報告

### PERMITTED INDEMNITY PROVISION

A permitted indemnity provision (as defined in section 9 of the Companies (Directors' Report) Regulation (Chapter 622D of the Laws of Hong Kong)) for the benefit of the Directors is currently in force and was in force throughout the Year.

### SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

As disclosed in the Company's announcement dated 22 September 2016 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 ("Proposal") for the privatisation of the Company by way of a scheme of arrangement ("Scheme") 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. The scheme document in relation to the Proposal and the Scheme was despatched to the Shareholders on 24 April 2017. The meeting ("Court Meeting") of the holders ("Scheme Shareholders") of the shares of the Company other than those held by the Joint Offerors ("Scheme Shares") convened at the direction of the Grand Court of the Cayman Islands at which the Scheme was voted upon and the extraordinary general meeting ("EGM") of the shareholders of the Company in relation to the change in share capital of the Company were held on 17 May 2017. The Scheme was not approved at the Court Meeting and the resolutions were passed at the EGM. As the Scheme was not approved at the Court Meeting, the resolutions passed at the EGM will not take effect. The proposed privatisation of the Company did not proceed and the listing of shares of the Company was maintained.

Further details of the proposal and the scheme of arrangement are set out in the Company's announcements dated 22 September 2016, 13 October 2016, 13 February 2017, 21 March 2017, 28 March 2017, 24 April 2017 and 17 May 2017 and the Company's circular dated 24 April 2017.

### 獲准許的彌償條文

為董事訂立之獲准許的彌償條文(定義見香港法例第622D章《公司(董事報告)規例》第9條)現正有效並於本年度一直有效。

### 財政年度內之重大事件

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(「計劃」)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。有關建議及安排之計劃文件已於二零一七年四月二十四日寄發予股東。本公司已根據開曼群島大法院之指令召開本公司股份(該等由聯合要約人持有之股份(「計劃股份」)除外)持有人(「計劃股東」)大會(「法院會議」),在該大會上已就計劃進行投票,本公司有關本公司股本變動之股東特別大會(「股東特別大會」)於二零一七年五月十七日舉行。計劃並無在法院會議上獲批准,而有關決議案已於股東特別大會上獲通過。由於計劃並無於法院會議上獲批准,故於股東特別大會上通過之有關決議案將不具效力。建議私有化本公司並無進行,而本公司股份仍維持上市地位。

有關建議及協議安排之進一步詳情載於本公司日期為二零一六年九月二十二日、二零一六年十月十三日、二零一七年二月十三日、二零一七年三月二十一日、二零一七年三月二十八日、二零一七年四月二十四日及二零一七年五月十七日之公佈及本公司日期為二零一七年四月二十四日之通函。

## Report of the Directors 董事會報告

### EVENTS AFTER THE END OF THE FINANCIAL YEAR

There was no important event 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.

There has been no change of auditors of the Company in any of the preceding three financial years.

On behalf of the Board of Directors

**LIU Libin**  
Chairman

Foshan China, 29 March 2018

### 財政年度結束後事項

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。

本公司於過往三個財政年度並無變更核數師。

代表董事會

主席  
劉立斌

中國佛山，二零一八年三月二十九日



## 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. In the opinion of the 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 2017.

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 2017.

#### A. DIRECTORS' SECURITIES TRANSACTIONS

The Company adopted a set of code of conduct regarding directors' securities transactions on terms no less exacting than the required standard 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 and its code of conduct regarding directors' securities transactions during the year ended 31 December 2017.

### 企業管治常規

本公司已採納上市規則附錄14所載之企業管治守則。董事認為，除於本企業管治報告所述者外，本公司於截至二零一七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二零一七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

本公司已就董事進行證券交易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」）所載之規定標準寬鬆之操守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二零一七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及董事進行證券交易之操守守則。

## 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 (*Chief Financial Officer*)  
Mr. LAW Yung Koon  
Mr. WANG Zhihua

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

Mr. LU Chaoying

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

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

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（財務總監）  
羅用冠先生  
王志華先生

##### *非執行董事：*

陳超英先生

##### *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

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 2017, there were five full board meetings held, at which, among other matters:

- the Directors approved the continuing connected transactions involving the new master supply agreement and the adoption of the new share option scheme;
- the Directors approved the annual results of the Group for the year ended 31 December 2016 and reviewed the results announcement, annual report and the circular to the Shareholders in relation to the general mandate proposal and re-election of the Directors retiring by rotation; and
- the Directors approved the interim results of the Group for the six months ended 30 June 2017 and reviewed the results announcement.

During the year ended 31 December 2017, the Board also discussed and approved the Group's affairs by way of circulation of written resolutions.

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

於截至二零一七年十二月三十一日止年度內，曾舉行五次董事會全體會議，會上（其中包括）：

- 董事批准涉及新主供應協議之持續關連交易及採納新購股權計劃；
- 董事批准本集團截至二零一六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股東之通函；及
- 董事批准本集團截至二零一七年六月三十日止六個月之中期業績，並審閱業績公佈。

於截至二零一七年十二月三十一日止年度，董事會亦通過提呈書面決議案的形式討論及批准本集團事宜。

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 2017:

### (iii) 出席記錄

以下為董事會於截至二零一七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> <i>執行董事</i>			
Mr. LIU Libin ( <i>Chairman</i> )	劉立斌先生 (主席)	5/5	3/3
Mr. LUO Su ( <i>Honorary Chairman</i> )	羅蘇先生 (榮譽主席)	5/5	1/3
Mr. LUO Riming ( <i>Chief Executive Officer</i> )	羅日明先生 (行政總裁)	5/5	3/3
Mr. LIAO Yuqing	廖玉慶先生	5/5	2/3
Mr. DAI Feng ( <i>Chief Financial Officer</i> )	戴鋒先生 (財務總監)	5/5	3/3
Mr. WANG Zhihua	王志華先生	5/5	1/3
Mr. LAW Yung Koon	羅用冠先生	5/5	3/3
<b>Non-executive Directors</b> <i>非執行董事</i>			
Mr. CHEN Shengguang (resigned on 26 May 2017)	陳勝光先生 (於二零一七年 五月二十六日辭任)	1/1	0/1
Mr. LU Chaoying (appointed on 26 May 2017)	陸超英先生 (於二零一七年五月 二十六日獲委任)	4/4	1/2
<b>Independent non-executive Directors</b> <i>獨立非執行董事</i>			
Mr. CHEN Mo	陳默先生	5/5	1/3
Mr. HO Kwan Yiu	何君堯先生	4/5	0/3
Mr. LAM Ying Hung Andy	林英鴻先生	5/5	2/3
Mr. LIANG Shibin	梁世斌先生	5/5	1/3



## Corporate Governance Report 企業管治報告

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 2017, the Board has held five 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.

### (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, Andy, has over 23 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. Particular consideration is paid in assessing the independence of those independent non-executive Directors who have been serving on the Board for more than 9 years and seeking re-election in the Annual General Meeting. Reasons will be given in the Annual General Meeting Circular to explain why the Board believes those independent non-executive Directors are still independent and should be re-elected.

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。於截至二零一七年十二月三十一日止年度，董事會已舉行五次董事會全體會議。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。

### (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23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。於評估該等在董事會任職超過九年及擬於股東週年大會上尋求重選之獨立非執行董事的獨立性時應給予特別考慮。股東週年大會通函內將列出理由闡述董事會為何仍認為該等獨立非執行董事具獨立性及應予以重選。

## Corporate Governance Report 企業管治報告

### (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.

### (vi) Continuous professional development

During the year ended 31 December 2017, 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 2017, all Directors, namely Mr. LIU Libin, Mr. LUO Su, Mr. LUO Riming, Mr. LIAO Yuqing, Mr. DAI Feng, Mr. WANG Zhihua, Mr. LAW Yung Koon, Mr. CHEN Shengguang (resigned on 26 May 2017), Mr. LU Chaoying, Mr. CHEN Mo, Mr. HO Kwan Yiu, Mr. LAM Ying Hung, Andy, Mr. LIANG Shibin and Mr. WONG Siu Ki (passed away on 7 March 2018), 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.

### (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。

### (vi) 持續專業發展

於截至二零一七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。於截至二零一七年十二月三十一日止年度，全體董事（即劉立斌先生、羅蘇先生、羅日明先生、廖玉慶先生、戴鋒先生、王志華先生、羅用冠先生、陳勝光先生（於二零一七年五月二十六日辭任）、陸超英先生、陳默先生、何君堯先生、林英鴻先生、梁世斌先生及黃兆麒先生（於二零一八年三月七日辭世））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。





## Corporate Governance Report 企業管治報告

### 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 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 to hold meetings at least annually with the non-executive Director (including independent non-executive Directors) without the executive Directors present. As Mr. LIU Libin, the Chairman, 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.

### D. INDEPENDENT NON-EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTOR

Each of Mr. CHEN Mo, Mr. HO Kwan Yiu and Mr. LAM Ying Hung, Andy has been appointed for a fixed term of three years commencing from 1 March 2018.

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

Mr. LU Chaoying has been appointed for a term of three years commencing from 26 May 2017.

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

### 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。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，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。

### D. 獨立非執行董事及非執行董事

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二零一八年三月一日開始，為期三年。

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。

陸超英先生之委任年期自二零一七年五月二十六日開始，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。

## Corporate Governance Report 企業管治報告

### 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 meeting held by the remuneration committee during the year ended 31 December 2017:

		Attendance at meeting 會議出席率
Mr. HO Kwan Yiu	何君堯先生	1/1
Mr. CHEN Mo	陳默先生	1/1
Mr. LAM Ying Hung Andy	林英鴻先生	1/1
Mr. LUO Su	羅蘇先生	1/1
Mr. LIU Libin	劉立斌先生	1/1

### 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.

### 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層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二零一七年十二月三十一日止年度舉行委員會會議之出席記錄：

### 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。

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During the year ended 31 December 2017, no nomination committee meeting had been held. The nomination committee has considered and approved by way of written resolutions the nomination of Mr. LU Chaoying as a non-executive Director.

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 2017, the Directors have reviewed the performance of the Directors who would retire at the annual general meeting of the Company held on 30 June 2017 and approved to recommend the re-election of such Directors at the annual general meeting of the Company.

截至二零一七年十二月三十一日止年度，並無舉行提名委員會會議。提名委員會已通過書面決議案形式審議及批准提名陸超英先生為非執行董事。

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。在二零一七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二零一七年六月三十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 the 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 2017, 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。於截至二零一七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 2017, 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

於截至二零一七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 2017  
截至二零一七年  
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	1,255
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)	740

### 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. LU Chaoying (appointed on 26 May 2017), a non-executive Director. Mr. Chen Shengguang has resigned as a member of the audit committee on 26 May 2017.

### 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一名非執行董事陸超英先生（於二零一七年五月二十六日獲委任）組成。陳勝光先生已於二零一七年五月二十六日辭任審核委員會成員。

## Corporate Governance Report 企業管治報告

During the year ended 31 December 2017, 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 2016, 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 2016; 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 2017.

The following is the attendance record of the committee meetings held by the audit committee during the year ended 31 December 2017:

於截至二零一七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二零一六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二零一六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二零一七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二零一七年十二月三十一日止年度舉行委員會會議之出席記錄：

		Attendance at meeting 會議出席率
Mr. CHEN Mo	陳默先生	2/2
Mr. HO Kwan Yiu	何君堯先生	2/2
Mr. LAM Ying Hung Andy	林英鴻先生	2/2
Mr. CHEN Shengguang (resigned on 26 May 2017)	陳勝光先生（於二零一七年 五月二十六日辭任）	0/1
Mr. LU Chaoying (appointed on 26 May 2017)	陸超英先生（於二零一七年 五月二十六日獲委任）	1/1



## 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 2017.

### 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二零一七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 and a risk assessment report prepared by a professional audit firm, 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，及參考內部審計團隊所呈交報告及由專業審計公司編製的風險評估報告，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 connected transactions, etc., of the Group, 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.

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，對本集團進行項目審計，審計範圍涵蓋財務、營運、法規遵循以及關連交易等。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。

## Corporate Governance Report 企業管治報告

### 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.

### L. COMPANY SECRETARY

During the Year, the Company has appointed Mr. Wong Siu Ki as its company secretary who is an alternate director to Mr. Liu Libin. In delivering his service as company secretary of the Company, Mr. Wong directly reported to the Chairman. Mr. Wong has confirmed that for the year under review, he has taken no less than 15 hours of relevant professional training.

Mr. Wong Siu Ki passed away on 7 March 2018. Following the pass away of Mr. Wong, the Company did not meet the requirement under Rule 3.28 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company has appointed Ms. Wong Tik as the new company secretary of the Company ("Company Secretary") on 29 March 2018.

### 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。

### L. 公司秘書

年內，本公司已委任黃兆麒先生（其為劉立斌先生之替任董事）為其公司秘書。於作為本公司之公司秘書提供其服務時，黃先生直接向主席報告。黃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。

黃兆麒先生於二零一八年三月七日辭世。於黃先生辭世後，本公司並無達致香港聯合交易所有限公司證券上市規則第3.28條項下之規定。本公司已於二零一八年三月二十九日委任黃荻女士為本公司之新公司秘書（「公司秘書」）。



## Corporate Governance Report 企業管治報告

### 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 Company Secretary 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 605, 6/F, Wing On Plaza, 62 Mody Road, Tsim Sha Tsui East, 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.

### 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尖沙咀東麼地道62號永安廣場6樓605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 2017, 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。

截至二零一七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, 29 March 2018

代表董事會

主席  
**劉立斌**

中國佛山，二零一八年三月二十九日





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

### 1 MESSAGE FROM THE CHAIRMAN

2017 was a year full of opportunities and challenges – the convening of the “19th National Congress of the Communist Party of China (“19th NCCPC”)” demonstrated the government’s determination on environmental protection, while the society’s demand for higher standard was escalating. As one of the earliest enterprises specialising in aluminium profiles production in Mainland China, for over 30 years since its establishment, Xingfa Aluminium Holdings Limited (hereinafter referred to as “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. We seize opportunities and face challenges and become a leading enterprise with sustainable development in the industry.

### 1 主席致辭

2017年是機遇與挑戰並存的一年—「十九大」的召開體現了政府對環境保護的決心，同時，社會對我們的要求日漸提高。興發鋁業控股有限公司（以下簡稱「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，成立三十多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。我們抓住機遇，迎接挑戰，成為行業內可持續發展的領先企業。

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

High quality product is our commitment to sustainable development. The Group cares a lot about product innovation and scientific research, and has obtained over 503 national patents. 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 planning. With constructing aluminium profiles as our traditional key products, we promote its market position as green, environmentally-friendly, energy-saving and recyclable aluminium profile products. The construction aluminium profile products are relatively matured, its future development strategy is to become more sophisticated and smart from its original positioning, so as to save energy consumption and improve quality, striving to develop more low-carbon environmentally-friendly products that are in line with the sustainable development requirements, such as solar aluminium frames. With the lightweight and durable characteristics, industrial aluminium has the strong potential in the transformation and energy conservation of social materials. We will adapt to industrial changes, accelerate the development of industrial aluminum profile products, and increase our investments in research and development, whereby striving to achieve the equal production balance between construction aluminum profiles and industrial aluminum profiles in the future. At the same time, in response to the emphasis by the government and society on environmental protection and in order to seize the opportunities brought by environment policies, we will focus on products that are in line with the lightweight transportation in developing the industrial aluminium profiles. In 2017, the Group was the first among the industry peers to launch the metro line clusters, refrigerated containers and pure electric vehicle motor shells and other products that were in line with the lightweight transportation requirements, the Group endeavored to contribute back to the state and the society in terms of energy conservation and emissions reduction.

高品質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503項。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、可迴圈使用的鋁型材產品。建築鋁型材產品已相對成熟，未來的發展策略是在原來的定位上更成品化、智慧化，從而節省能耗、提高品質，爭取研發出更多如太陽能鋁邊框等低碳環保、符合可持續發展要求的產品。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，我們將順應產業變革，加快發展工業鋁型材產品，加大研發投入，力求在未來達到建築鋁型材與工業鋁型材一比一的比例。同時，為回應國家、社會對環保的重視，抓住環境政策帶來的先機，符合交通輕量化的產品將會是集團發展工業鋁型材的重點。2017年，集團領先同行推出了地鐵匯流排、冷藏集裝箱、純電動車電機外殼等符合交通輕量化要求的產品，為國家、社會的節能減排做出貢獻。



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

Reducing hazardous emissions and utilisation of non-hazardous waste are the essential elements to sustainable development. In 2016, the Group kick-started the project concerning “research on zero hazardous waste treatment”, with the objective of transforming hazardous wastes into raw materials through non-hazardous treatment, thereby achieving closed-loop production. The project was further extended in 2017, so as to achieve acid sludge reduction in electrolysis bath of oxidation workshop and convert recycled aluminum ion to food-grade aluminium ammonium sulphate, so as to reduce waste emissions significantly. Meanwhile, for wastewater discharge, some workshops have already achieved the zero wastewater discharge target through ion recycling facilities and specialized wastewater treatment facilities. The utilisation of non-hazardous wastes is something that simply cannot be ignored. We subdivided the classification of non-hazardous wastes for recycling, for example, aluminum slag from casting workshop can be used as raw materials for high aluminum cement. At the same time, we planned to replace the packaging materials of pearl cotton with non-woven fabric in 2018, whereby for same aluminium profiles, the volume of non-woven fabrics needed is only half of pearl cotton, hence wastes will be reduced significantly.

The emphasis of government and society on environmental protection brought opportunities, while facilitating us to innovate, they also posed challenges. For example, in 2017, restricting the use of natural gas in some provinces was one of the challenges faced by Xingfa. Although the Group has fully utilized natural gas as production energy to replace coal since 2013, however, as an enterprise concerning social responsibility, we understand such policy is one of the important measures to safeguard social well-being. Accordingly, the Group actively cooperates with the government and leverages our outstanding performance to ensure the preferential supply from the government, while at the same time promoting the use of photovoltaic solar energy to mitigate energy pressure, with the aim to ensure satisfying the demand of customers.

降低有害排放和對無害廢物進行利用是可持續發展的關鍵。2016年，集團啟動了「零危害廢物處置研究」項目，將有害廢棄物無害化處理或轉化為原料，實現閉環生產。此專案在2017年進一步延伸，在氧化車間電解槽實現酸渣減量化，將鋁離子回收後轉化為食品級的鉍明礬，大大減少廢物排放。同時在廢水排放方面，通過離子回收設施與專用廢水處理設施治理，部分車間已實現有害廢水零排放的目標。對無害廢物的利用同樣不容忽視，我們細化無害廢物的分類並進行回收處理，例如熔鑄車間中的鋁渣可作為高鋁水泥的原料使用。同時，我們計畫在2018年將包裝材料從珍珠棉替換為無紡布，針對同樣的鋁型材，無紡布的所需量僅為珍珠棉的一半，大大減少浪費。

國家、社會對環保的重視帶來機遇、促使我們創新的同時，也帶來了挑戰。例如，2017年部分省份對天然氣的限制使用便是興發遇到的挑戰之一。集團在2013年已全面使用天然氣代替燃煤作為生產能源，但作為一家重視社會責任的企業，我們明白此政策是保民生的重要措施之一，因此，集團積極配合政府，並憑藉優異表現確保政府對我們優先供氣，同時推廣使用光伏太陽能緩解能源壓力，確保滿足客戶需求。

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

We firmly believe that the key to embrace unknown challenges is lean production, waste elimination and process improvement, so as to address challenges in a more solid matter. The Group had conducted lean production activities since 2016 and established the standard operation mechanism oriented by departments' production plans, in which they are strictly implemented and coordinated. The Group continued to optimise the 6S visual activities to improve efficiency. Meanwhile, staff is one of the essential elements in lean production. We attach importance to staff suggestions, carry out B/A improvement proposal activity and lean seed player training camp, putting grassroot staff's intelligence into full play, transform their awareness and apply their knowledge into practice.

In recent years, the Group has always maintained a stable financial growth. Guided by our corporate strategy, the Group will insist on leading the sustainable development direction in energy conservation, emission reduction and green environmental protection. Whilst seizing opportunities, the Group will embrace challenges, further promote the transformation of social materials utilisation, and actively perform our social responsibilities as a corporate citizen.

我們深知，迎接未知挑戰的關鍵是精益生產，消除浪費，改善流程，從而更穩健地應對挑戰。集團從2016年開始進行精益生產活動，建立各部門以生產計畫為導向的標準作業機制，嚴格執行配合，並不斷優化6S視覺化活動，提高效率。同時，員工是精益生產中必不可少的元素。我們重視員工建議，開展B/A改善提案活動和精益種子選手訓練營，發揮基層員工智慧，轉變意識，學以致用。

近幾年來，本集團始終保持穩定的財務增長，以企業戰略為導向，堅持走節能減排、綠色環保的可持續發展道路，抓住機遇的同時無懼挑戰，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. ABOUT THIS REPORT

### 2.1 Basis of Preparation

This report is the 2017 Environmental, Social And Governance Report of Xingfa Aluminium. This report is prepared in accordance with the requirements of the "Environmental, Social and Governance Reporting Guide" of the Stock Exchange, covering the reporting period from 1 January 2017 to 31 December 2017.

## 2 關於本報告

### 2.1 編製基礎

本報告是興發鋁業2017年度環境、社會及管治報告，本報告依據聯交所《環境、社會及管治報告指引》的要求編製，報告期間為2017年1月1日至2017年12月31日。





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

### 2.2 Business of the Group

Founded in 1980s', 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.

### 2.3 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. The Board of Xingfa Aluminium is fully responsible for the Group's sustainable development strategy, its reporting and risk management. This year, we made disclosures regarding our important environmental key performance indicators, covering all our factories including those in Henan, Chengdu, Jiangxi and Sanshui.

### 2.4 Contact

We put great importance on suggestions, ideas or opinions put forward by the public in pursuing for continuous improvement. If you have any opinions about this report, please send your enquiry to the Company Secretary at the Company's principal place of business in Hong Kong.

### 2.2 集團業務

本集團總部位於廣東省佛山市，創立於1980年代，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。

### 2.3 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。今年，我們披露了關於我們的重要環境性關鍵能指標，涵蓋了我們所有的工廠，包括河南、成都、江西、三水。

### 2.4 聯繫

我們重視社會大眾提出的建議、想法或意見，以不斷求進。若閣下對本報告有任何意見，請按本公司於香港之主要營業地點發送至公司秘書。

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

### 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、資訊管理、客戶管理、人員管理、市場管理，並建立網路式、多元化的、具備前瞻性的可持續發展計畫。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、資訊披露、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，還作為了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，包含替代木範本營運而生的鋁範本、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，積極通過各種管道引進人才，用可持續發展的人力政策吸收人才。

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### 3.1 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. Since the beginning of 2016, we started to prepare the Environmental, Social and Governance Report. In 2017, we expanded our engagement with more stakeholders through face-to-face interviews, during which we strengthened our materiality assessment using the investigation results. Our important issues regarding the environment and society will be provided in the following sections.

### 3.2 Materiality Assessment

#### 2017 Important issues

Environment	Society
Air emissions	Supply chain management
Hazardous waste disposal	Product responsibility
Wastewater discharge	Health and safety
Electricity use	

### 3.1 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。從2016年開始，我們開始編製環境、社會及管治報告。在2017年，我們通過面對面訪談擴大了我們對利益相關方的覆蓋範圍，在這些採訪中我們用調查結果來加強我們的重要性評估。我們的重要的環境和社會議題在以下部分中提供。

### 3.2 重要性評估

#### 2017重要議題

環境	社會
廢氣排放	供應鏈管理
有害廢物排放	產品責任
廢水排放	健康與安全
用電	





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### 4. Environment

#### 4.1 Environmental Protection Related Policies

Integrating with the national green manufacturing development plan and guided by enterprise strategy, 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 actively excel our infrastructure construction and system improvement, intensify our efforts in energy resources devotion and clean production process, and introduce ecological design concept. At the same time, 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.

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. In the future, we will further optimize the green factory related management system, continue to enhance the quality, environment, occupational health and safety, energy management system and make full use of our technologies, resources and external cooperation conditions to establish Xingfa Aluminium to become an advanced intelligent green factory with high energy efficiency, low pollution and low emission.

### 4 環境

#### 4.1 環境保護相關政策

我們結合國家綠色製造發展規劃，以企業戰略為導向，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。我們積極做好基礎設施建設，完善體系制度，加大能源資源投入力度，潔淨生產流程，引入生態設計理念，同時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，並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。未來，我們將會進一步優化綠色工廠相關的管理制度，持續改進品質、環境、職業健康安全、能源管理體系，並充分利用公司技術、資源和外部協作條件，把興發鋁業打造成一個高能效、低污染、低排放的先進智慧化綠色工廠。

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### 4.1.1 Air Emission

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

Nitrogen oxide and particulates are mainly generated 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. Meanwhile, our casting workshop still set up 5 sets of pulse bag dust removal system, and strictly implemented the "Emission Standard of Air Pollutants for Industrial Kiln and Furnaces" to ensure the operation of production equipment is in synchronization with the environmentally-friendly facilities.

### 4.1.1 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、二氧化硫及有機廢氣（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1000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。同時，熔鑄車間還設有5套脈衝布袋除塵系統，嚴格執行《工業爐窯大氣污染物排放標準》保障生產設備運行的同時，環保設備同步。



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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. We plan to upgrade the catalytic combustion technology in 2018 to improve our safeguarding capability.

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.

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、水和部分的熱量。我們計畫在2018年對催化燃燒技術進行更新，增加保障能力。

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。

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### 4.1.2 Waste Management

#### *Hazardous Waste*

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.

### 4.1.2 廢棄物的管理

#### 有害廢棄物

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。我們通過與協力廠商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、儲存、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 the Administration of Construction Project Environmental Protection of State Council (“State Council”) of the People’s Republic of China (“PRC”) (《中華人民共和國國務院建設項目環境保護管理條例》), Decision of the State Council on Several Issues Concerning Environmental Protection (《國務院關於環境保護若干問題的決定》) and the Implementation Regulation on the Environmental Protection Tax Law of the PRC (《中華人民共和國環境保護稅法實施條例》) issued by the State Council of the PRC.

The Group has always been endeavouring to the detoxification treatment of hazardous waste, and strived to achieve the goal of closed-loop production as soon as possible. In particular, the newly installed electrolytic cell acid slag reduction facility in oxidation workshop was officially operated in October 2017. This facility can convert aluminum ions into food-grade ammonium alum after recovery, and electrolyte can be returned for reuse after purification, so as to reduce waste. In addition, the aluminum ion and sodium ion resource facilities of the etching solution and the mold die cavity solution in the surface treatment process were also in trial operation, which can finally form the cryolite of industrial product. At the same time, we are promoting the treatment of waste residue from heavy metal nickel and chrome and trying to convert waste residue into raw materials for water purifiers.

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」包含國家排污申報和污染物排放許可制度、中華人民共和國（以下稱中國）國務院（以下稱國務院）頒佈的《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《中華人民共和國環境保護稅法實施條例》。

本集團始終致力於有害廢棄物無害化處理，爭取早日達成閉環生產的目標。其中，氧化車間新設置的電解槽酸渣減量化設施在2017年10月正式開始運行，此設施可將鋁離子回收後轉化成食品級的鉍明礬，並且電解液淨化後可直接回到工藝槽進行重複利用，減少浪費。另外，表面處理過程中的城蝕液、模具煲模槽液的鋁離子和鈉離子資源化設施也正在試運行中，最終可形成工業產品冰晶石。同時，我們正在推進重金屬鎳鉻的廢渣處理，嘗試將廢渣轉化為淨水劑原料。

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### *Non-hazardous Waste Discharge*

The Group also focus on the treatment of non-hazardous wastes, which mainly recycles waste materials and non-hazardous waste residues. Some of the waste materials can be used directly for production after being processed. For example, the scraps of products can be re-used as raw materials after melting. Other waste materials, such as die steel, can be reused by steel plant after recovery and treatment. Non-hazardous waste residue such as aluminum slag in casting workshop, the main components of which are alumina powder, aluminum powder and refractory particles, which are processed by cement plants and used as raw materials for high-alumina cement.

#### **4.1.3 Wastewater Discharge**

The environmental policies of the Group requires strengthening the wastewater 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 wastewater.
- Oily, acidic, alkaline and highly toxic wastewater is prohibited from discharging into the water body. It is strictly restricted to discharge pollutants into the water system to prevent pollution.

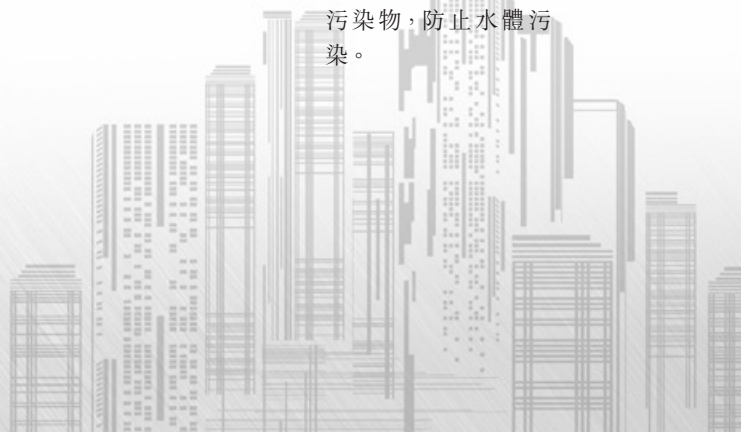
### *無害廢物排放*

本集團同樣重視無害廢棄物的處理，主要針對廢舊材料和無害廢渣進行回收處理。廢舊材料中，部分被處理後可直接用於生產，例如產品邊角料回爐後可重新作為原材料。其它廢舊材料如模具鋼，可在回收後交由鋼鐵廠進行處理並重新利用。無害廢渣例如熔鑄車間鋁渣，主要成分為氧化鋁粉、鋁粉和耐火材料顆粒，交由水泥廠處理後作為高鋁水泥的原料使用。

#### **4.1.3 污水排放**

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迴圈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、堿液、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。



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- Cleaning of vehicles and containers that has contained grease or poisonous substances with water body is forbidden.
- Testing center is responsible for conducting daily sewage inspection to ensure strictly controlled waste water is being discharged within standards, make good records and submit inspection reports.
- 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 waste gas emission, and wastewater discharge.
- 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。
- 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廢氣、水體排放檢測工作。

We have standardised and centralised processing of sewage generated from production workshop. There are mainly three types of hazardous sewage generated during production process: acidic and alkaline wastewater, chromium wastewater and nickel wastewater. At present, we are committed to the sewage reduction and non-hazardous treatment. For reduction, the intermediates are recovered as industrial raw materials through ion recovery facilities, so as to reduce the discharge of acidic and alkaline wastewater. For detoxification treatment, we replaced the chromium passivator in surface treatment workshop with chromium-free passivator. At the same time, we entrusted qualified wastewater treatment company to conduct sewage treatment. The wastewater discharge after treatment is required to meet the third level requirement of the Integrated Wastewater Discharge Standards (《污水綜合排放標準》), the discharge requirements of local provincial and municipal regarding industrial wastewater, so as to achieve the goal of zero discharge of hazardous sewage completely.

我們對各生產車間產生的廢水統一進行集中處理。生產過程中產生的有害污水主要有三類：酸鹼污水、鉻廢水、鎳廢水。目前我們致力於減量化和無害化處理。減量化方面，通過離子回收設施，將中間物質回收成工業原料，減少酸鹼廢水的排放。無害化方面，將表面處理車間有鉻鈍化劑更換為無鉻鈍化劑，同時我們委託符合資格的廢水處理單位進行污水處理，處理後的廢水排放需達到國家規定的《污水綜合排放標準》三級標準、地方省市的工業廢水排放要求，徹底實現有害污水零排放的目標。

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### 4.1.4 Greenhouse Gas Emissions

During 2012 to 2015, we checked carbon emission periodically and reported to Provincial National Development and Reform Commission (NDRC), and provided NDRC with raw data to formulate carbon emission indicators in the future. However, as the government does not any have specific carbon emission reporting requirements and carbon trading indicators, therefore, we currently have no plan to calculate carbon emissions. We will continue to pay attention to the relevant regulations and trends regarding carbon emissions reporting and update our disclosures.

### 4.1.4 溫室氣體排放

在2012年期間到2015年，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。但是因為政府沒有具體的碳排放報告要求和碳交易指標，所以我們還未有有計畫的計算碳排放量。我們將繼續留意碳排放報告的相關法規及趨勢，更新我們的披露。

## 4.2 Resources Use

### 4.2.1 Use of Packaging Materials

The packaging materials currently used by the Group are mainly plastic products and Polyethylene wool. For environmental protection reason, we will use non-woven cotton to replace Polyethylene wool completely in 2018. In addition to having better protection and more friendly prices, non-woven cotton can also be recycled. The packaging materials that can also be recycled are the iron frame for export and the wooden boxes for containers. We recycle them from our customers by using our returned trucks after delivery.

## 4.2 資源使用

### 4.2.1 包裝材料使用

本集團目前使用的包裝材料主要為塑膠製品和珍珠棉，出於環保的考慮，在2018年我們將會全面使用無紡棉代替珍珠棉。除了更好的保護性和更合適的價格以外，無紡棉還可以迴圈利用。同樣可迴圈利用的包裝材料還有出口的鐵框和集裝箱的木箱，我們利用回頭車將它們從客戶處進行回收。





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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.

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.

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檔。同時，本集團還制定供應商評價控制程式、主要原輔料檢驗規程、主要原輔料採購規程、品質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。

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、品質證明書、各品質體系認證證書、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，其中對供應商產品品質及有害物管控、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、品質要求十分重視。

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### 4.2.2 Energy Use

#### *Use of Electricity*

The Group took effective measures to increase the utilization of electricity resources, including using LED lamps, using energy-efficient equipment, changing electrical machine to new and highly efficient motors, green planting and reclaiming waste heat of boiler.

Take the solar photovoltaic project of Guangdong Xingfa Aluminium (Henan) Co., Ltd (hereinafter referred to as “Henan Xingfa”) as an example, the Group constructed the 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, thus saving energy consumption indirectly.

### 4.2.2 能源使用

#### *用電*

本集團在提高用電資源有效使用的舉措包括：採用LED燈、使用節能設備、將電機更換為新的高效電機、綠色種植、鍋爐餘熱回收供水。

以廣東興發鋁業（河南）有限公司（以下簡稱「河南興發」）太陽能光伏專案為例，專案依託廠區原有的廠房屋頂鋼板進行建設施工，採用自發自用餘電的並網模式，以餘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。



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In addition, the Group also made full use of the energy generated during the production process, such as the heat generated during the operation of the air compressor in the workshop as it could be used to heat the technology groove in the oxidation workshop during production, and also hot water supply for employees in daily use, which could effectively reduce the use of electricity resources and natural gas, save energy, and reduce safety problems caused by the use of liquefied gas facilities.

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 demonstrate that the Group enhanced effective utilization of resources.

同時，本集團還充分利用生產過程中產生的能源，例如車間空壓機運行期間產生的熱量，可用於生產過程中加熱氧化車間工藝槽的溫度，以及日常生活中員工的熱水供應，能有效減少用電資源和天然氣的使用，節約能源，並降低使用液化氣設施所引發的安全問題。

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、天然氣消耗等資料。資料將同步到管理中心系統，系統可以對能源使用資料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。即時監測整個工廠基地資源消耗情況，可以進一步說明集團提升對資源的有效使用。

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### *Use of Natural Gas*

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 2017, we actively cooperated with the policies to limit the use of natural gas introduced by some provinces and had taken corresponding measures in this regard. For example, we used photovoltaic solar to meet the use of energy and purchased aluminium bars to meet order requirements. Due to our constant excellent performance, the government will give priority to us in arranging natural gas distribution, so we believe that the restriction policy will not have a significant impact on us.

### **4.2.3 Water Consumption**

Water resources are of vital importance to our production process as it is indispensable in every process such as squeezing and casting. The Group uses both municipal water and water from its own well, so as to ensure there is no suspension in production due to water supply shortage. The ratio of the municipal water use to well water use is approximately 8:2.

### *天然氣使用*

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。

2017年，部分省份政府出台了限制天然氣使用的政策，我們積極配合，並且已採取相應措施進行應對，例如通過光伏太陽能滿足能源使用、外購鋁棒的以滿足訂單需求，並且基於我們一向的優異表現，政府在安排天然氣分配時會優先考慮我們，所以我們相信限氣政策並不會對我們造成大的影響。

### **4.2.3 用水**

水資源對本集團的生產過程十分重要，每一個前工序如擠壓、熔鑄等都要用水。本集團使用市水的同時，自備水井，兩種用水比例大約為8:2，確保不會因停水而停產。





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Apart from the source of water, the Group also formulated reclaimed water recycling system. For example, the mechanism of water recycling in Henan Xingfa, includes (i) collecting and reusing waste water produced by big pure water machines in surfacing workshops, and using treated waste water flushing toilet. The Group strictly requires reclaimed water reuse in production workshops, and set up circulating water towers and water recycling tanks, etc. Not only can reclaimed water be used in daily life, such as irrigation and toilet flushing, it can also be used in some production processes, such as used as cooling water for equipment.

除了水的來源，本集團同時也制定了中水回用制度。水循環的機制包括，比如在河南公司(i)表面車間大純水機產出的廢水收集再利用，以及廢水經過處理後用於沖洗廁所。本集團嚴格要求生產車間進行中水回用，並建有循環水塔，回水池等。不僅可用於日常生活如澆灌、如廁，還可用於部分生產工序，例如作為設備冷卻水使用。

### 4.3 Environment and Natural Resources

The above sections have disclosed the significant environment issues facing the business of the Group in terms of usage of resources and environmental protection.

### 4.3 環境和天然資源

上述章節已經披露了集團業務在資源使用和環境保護方面面臨的重大環境問題。

### 4.4 Legal Compliance

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

### 4.4 法律合規性

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

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### 5 Operation Specification

#### 5.1 Supply Chain Management

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

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

### 5 操作規範

#### 5.1 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、品質證明書、各品質體系認證證書（含環境管理體系）、信譽證書等材料。
- **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。



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- 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.
- 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:** 要求供應商提供的所有材料、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。

### 5.2 Product Responsibility

The Group is an enterprise focusing on innovation and scientific research and has already obtained 503 national patents currently. In 2017, the innovative and environmental-friendly products of the Group were mainly lightweighted products, such as the aluminum profiles of high thermal conductivity used for new energy car motor casings. At the same time, the relatively well-developed construction aluminium profiles products also have more environmental friendly updates from their original foundation, such as high-performance environmental friendly building aluminum alloy models and green and environmental friendly rare earth passivation film hook curtain wall profiles.

### 5.2 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503項。2017年，本集團的創新環保型產品主要以交通輕量化產品為主，如新能源汽車電機外殼用高導熱鋁型材。同時，相對已成熟的建築鋁型材產品也在原本基礎上做出更環保的更新，例如高性能環保建築鋁合金範本，以及綠色環保稀土鈍化膜掛鉤式幕牆型材。

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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.

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.

我們對產品品質的控制嚴格遵守ISO9001品質管制體系、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，品質管制還有軍工認證體系的特殊要求，我們對產品品質的要求高於行業平均標準。

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

我們在《興發鋁業產品品質管制手冊》中強調產品品質管制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品質以及改進方面的意見。針對不合格的產品，我們制定了《不合格品控制程式》，以適用於規範和管理不合格的產品，並對其進行回收處理。





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The Group advocates green life cycle on products, which means recycling defective products from customers for melting and re-producing aluminium profiles. To safeguard quality, we only recycle marginal materials during the production process as well as products of the Group.

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

本集團宣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。為保障品質，我們只回收生產過程中的邊料來及來自本集團的產品。

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。

### 6 Employment and Labour standard

#### 6.1 Employment

The Group published the policies on staff compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunities, diversity, 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 remuneration package at all levels internally, collected industry information on remuneration externally 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 is approved annually.

### 6 僱用和勞工準則

#### 6.1 僱用

本集團在員工手冊中發佈了員工薪酬及解僱、招聘及晉陞、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準，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-based incentives and assurance of internal fairness. For example, the monthly salary of production line staff is calculated according to the comprehensive piecework on a team or group basis, so as to ensure that the staff that works more is paid more. 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, functional 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, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare of the employees 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資訊，員工可通過面談、職能郵件、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、招聘及晉陞、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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### 6.2 Health and Safety

The Group adheres to the human-oriented and life-paramount concept, and regards staff health and safety as the important key focus 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, Focus on Prevention 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 safety assessment by safety expert regularly on each production process and all equipment facilities, including performance and risk factors assessment, and disseminate the assessment results to leaders and staff, and at the same time, place hazardous signs at prominent locations.

### 6.2 健康和安

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中。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 conduct propaganda training for staff, and allocate different labour protection gear to staff according to their job positions in production workshops, and the procurement of labour protective gears are in strict compliance with the relevant requirements of national occupational disease prevention and control law. 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 for the second time, i.e. strictly adheres to the penalty principle of “Person-in-charge is the Responsible Person”. At the same time, the enterprise invites the Occupational Disease Prevention and Control Center of Sanshui District to conduct occupational health examination for front-line workers and prepare reports.

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 or in office building, 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 the health of the staff that work in workshops for a long period of time. We are committed to indoctrinating environmental protection concept to staff, and require environmental friendly operation, 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，並按照各生產車間不同的崗位給員工佩置不同的勞動防護用品，而且防護用品的採購嚴格遵守國家職業病防治法的相關規定。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。同時，每年企業都會要求三水區職業病防治所到企業內給生產一線員工進行職業健康的體檢工作，並形成報告。

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 2017, the Group strengthened the safety and prevention work. In addition to maintaining and transforming existing equipment, the Group also newly added some new equipment, such as heat ventilation in production workshops, grating sensors, etc. Due to the continuous improvement in production technology of aluminium profiles, hazardous sources in the course of production would change along with technology advancement. The safety production department would re-identify all hazards weekly, which included conducting internal cross-checking, external experts' assessment and inspection at Group level.

The Group offered a comprehensive safety consciousness and skills training for staff and at the beginning of each year, an annual training programmes is prepared according to the training requirements of each production workshop and the whole process is tracked and implemented as scheduled. In 2017, the training content involved specific operation in certain positions, emergency drills, re-training for special equipment and first aid training, etc.. At the same time, the safety management department established corresponding safety communication group through an 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.

During the year, there was one work-related fatal incident, for which, we adopted relevant measures to improve the work safety of employees. We modified and improved specifications in crane operation and provide re-training regarding the procedures and practical operation for on-the-job crane operators. We also improved the lighting at the workshops and increased illumination intensity to avoid accidents.

2017年，本集團強化安全防範工作，除去維護、改造已有設備外，還新增部分新型設備，如生產車間熱氣外排、光柵感測器等。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。

本集團為員工提供全面的安全意識和技能培訓，每年年初按各生產車間的培訓需求制定年度培訓工作計畫，並按時間節點全程跟蹤實施。2017年培訓內容涉及崗位操作規程、應急演練、特種設備再培訓以及急救培訓等。同時，安全管理部門通過即時通信工具，建立了相應的安全溝通群，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資訊及時在管理層面溝通。

年內發生了一宗導致一人死亡的工傷意外，為此我們採取了相關措施以改善員工的工作安全。我們修改完善吊機操作規程，並為在崗吊機操作人員提供規程及实操的再培訓，同時增加車間現場照明，提高燈光照度以避免意外發生。

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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 awareness of responsibilities on safety management 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.

### 6.3 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 competence in duties, self-improvement and potential development.

在未來，我們將行業以往的安全事故作為案例資訊，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健康與安全的法律及規例的行為。

### 6.3 發展和培訓

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。



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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 opportunities to demonstrate their abilities and potential so as to achieve the purpose of nurturing staff's abilities in various 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 in 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 mainly through two approaches, which are class training and online learning.

### 6.4 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 of both Hong Kong and PRC.

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，我們堅持內部晉陞為主、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陞和發展機會。

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線上學習兩種方式向員工提供培訓。

### 6.4 勞工標準

本集團在企業社會責任政策中明文規定禁止僱傭未滿16週歲的童工。對於16至18週歲的未成年工，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香港及中國勞動法規定之最低受僱年齡以上的員工。

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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 of both Hong Kong and PRC and the approval from local labour department, we implemented a work system with integrated computation of working hours to ensure staff's right to rest and 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, there is no misconduct nor regulatory non-compliance related to child labour or forced labour prevention in the Group.

### 6.5 Anti-corruption

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

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

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。根據香港及中國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。

### 6.5 反腐敗

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。

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、品質監督等經濟活動，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



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- 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
- 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

During the reporting period, there is no misconduct or regulatory non-compliance related to bribery, extortion, fraud and money laundering in the Group.

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。

### 7 Community investment and participation

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.

### 7 社區投資和參與

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。我們宣導構建和諧工廠、參與社會關懷、提升文化水準。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、文化水準。

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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. In 2017, the Group organized a trip, visiting Lepung Yuanan Primary School and Yangshan to show our love and care. The Group made donations of RMB760,000 for charitable purposes in 2017.

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。2017年本集團還組織了前往樂平源潭小學和陽山的愛心慰問。於2017年，本集團作出人民幣760,000元的慈善用途捐款。



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In responding to national policies positively, Henan Xingfa carried out precise poverty alleviation activities such as “Hundred enterprises help hundred villages”. It regularly holds special recruitment fair offering job positions to poor villagers in Zhangzhuang village, Sanwangzhuang town, Qinyang city, in particular, offering positions every year such as virecence, and logistics works for villagers who are getting old and physically weak. Meanwhile, it diligently arranges works for personnel according to priority. The Company arranged jobs for 20 povertystricken personnel to realize the objective of “one person has a job, the whole family will shake off poverty”. When our employees are in difficulties such as having serious disease, people in Xingfa would express the spirits of unity and fraternity and extend mutual help to donate for employees who are in difficulties. In 2017, chairman of Henan Xingfa Mr. Wu Xikun led our employees to donate for poor staff.

河南興發為積極響應國家政策，常年來深入開展了「百企幫百村」等精準扶貧活動。每年定期到幫扶對像沁陽市三王莊鎮張莊村舉辦專場招聘會，為貧困村民提供就業崗位，特別為年紀大、體力差的村民提供綠化、後勤等勞動強度低的崗位。同時，優秀安排人員就業先後，公司先後安置了20名貧困人員，實現「一人就業，全家脫貧」。公司員工遇到重大疾病等困難時，興發人都發揚團結友愛，互幫互助的精神，為困難職工捐款。2017年河南興發董事長吳錫坤同志帶領員工為貧困職工捐款。





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In August 2017, the Company participated the precise poverty alleviation activities of “Hundred enterprises help hundred villages” led by Yichun municipal government. It tied with Meiyin village, Zhaixiazhen, Yuanzhou district as support objects, demonstrating development and production and improved villagers’ life and donated RMB80,000 to Yichun Red Cross Organization. The special fund is dedicated for use in renovation of primary school in Meiyin village to make the public feel the warmth from the Party and show our social responsibility.

2017年8月，公司參與了由宜春市政府主導的「百企幫百村」精準扶貧行動，與袁州區寨下鎮梅峯村結成幫扶物件，說明發展生產，改善村民生活，並向宜春市紅十字會募捐8萬元，專款專項用於梅峯村的小學改造翻新工程，讓群眾感受到黨的溫暖，體現公司社會責任。





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On 28 September 2017, led by the leaders of Yangshan, the secretary of Party branch, Party members of Xingfa Aluminium production system and administrative logistics as well as volunteers, and organized by Xingfa Aluminium Party Committee and volunteers, had expressed their consolations to the most needy local families and Pingjia Ethnic School and brought to them Xingfa Aluminium's love and care and wishes of Mid-autumn Festival. The visiting Xingfa Aluminium group conducted in-depth communication with the most needy families and carefully inquired their physical and family conditions to encourage them to keep healthy and have an optimistic attitude. They also delivered supplies such as mooncakes, condolence payments, rice and edible oil to express their earnest care, so as to make those needy families feel the warmth and the blessings from the society in Mid-Autumn Festival. Thereafter, Xingfa Aluminium visiting group headed to local Pingjia Ethnic School to show their love and care and donated books, toys and stationery. The group played interesting games with the children and enjoyed a nice day with them.

2017年9月28日，在陽山當地有關領導的帶領下，興發鋁業生產系統及行政後勤黨支部書記、黨員及志願者一行，興發鋁業黨委組織黨員及愛心志願者，對陽山縣當地特困家庭及坪架民族學校進行了慰問，為他們帶去興發鋁業的愛心關懷及中秋佳節的祝福。興發鋁業一行與貧困家庭成員進行深入交流，仔細詢問他們的身體狀況和家庭情況，鼓勵他們多多保重身體，保持樂觀心態，還為他們送去了中秋月餅、慰問金、米油等物品，獻上濃濃的完美愛心，讓這些需要關懷的特困家庭在中秋節到來之際，感受到來自社會大家庭的溫暖和祝福。而後，興發鋁業一行人前往當地坪架民族學校進行慰問，捐贈了閱讀書籍、玩具、文具等物品，與小朋友們進行了有趣的遊戲互動，讓大家度過了一個愉快的一天。

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In 2017 summer holidays, to further make arrangements for the children of Xingfa Aluminium's employees, Xingfa Aluminium echoed the government's appeal and cooperated with South China University of Technology to set up a summer camp to help the "Left-behind children" and spent a happy holiday. Children involved in this summer camp were mainly primary school students. Those who are eligible can join and the number of participants went up from 30 to 50. In the summer camp, volunteer teachers supervised the children to finish their holiday homework and also organized activities such as learning English, painting, music, calligraphy and sport games.

2017年暑假，為進一步做好興發員工子女的暑期安置工作，今年興發鋁業響應政府號召，與華南理工大學合作，開設了暑期夏令營，幫助「小候鳥」開心度假。本次夏令營的小朋友主要是小學為主，凡是符合條件的均可參加，人數從30人增至50多人，在夏令營，志願者老師除了督促指導孩子完成暑假作業；另外還組織英語、繪畫、音樂、書法、體育遊戲等活動。

### A Awards and honours

We have long been striving for innovation and providing qualified products to customers. In 2017, we were awarded the following national awards and honors:

Awards Sponsor:	Honors
General Office of the Ministry of Industry and Information Technology	National Green Factory
China National Association for Nonferrous Metals Industries Construction	Enterprise with AAA Corporate Credit Rating
National Nonferrous Metals Standardisation Technological Committee	Grade One Prize of national technological standard (product energy consumption limits for wrought aluminium and aluminium-alloy entity)
National Nonferrous Metals Standardisation Technological Committee	Grade Two Prize of national technological standard (Non-chrome chemical pre-treatment membranes for aluminium and aluminium alloy)
National Copyright Administration of the PRC	Computer software copyright registration certificate (Aluminium molding life cycle management system V1.0, based on Internet of Things)

### A 獲頒獎項及榮譽

我們一直力求創新，為客戶提供高品質的產品。於2017年，我們獲得了以下國家級的獎項及榮譽：

頒發單位	榮譽名稱
工業和信息化部辦公廳	國家綠色工廠
中國有色金屬工業協會	企業信用評價AAA級信用企業
全國有色金屬標準化技術委員會	全國技術標準一等獎 (變形鋁及鋁合金單位產品能源消耗限額)
全國有色金屬標準化技術委員會	全國技術標準二等獎 (鋁及鋁合金無鉻化學預處理膜)
中華人民共和國國家版權局	計算機軟件著作權登記證書 (基於物聯網的鋁型材模具全生命週期管理系統V1.0)



## Environmental, Social and Governance Report

### 環境、社會及管治報告

Awards Sponsor:	Honors	頒發單位	榮譽名稱
National Copyright Administration of the PRC	Computer software copyright registration certificate (Aluminium production storage integrated management system V1.0, based on Internet of Things)	中華人民共和國 國家版權局	計算機軟件著作權登記證書 (基於物聯網的鋁型材生產倉儲綜合管理平臺V1.0)
National Copyright Administration of the PRC	computer software copyright registration certificate (Aluminium production process management system V1.0, based on Internet of Things)	中華人民共和國 國家版權局	計算機軟件著作權登記證書 (基於物聯網的鋁型材生產過程管控系統V1.0)
State Intellectual Property Office of the PRC	National intellectual property demonstration enterprises	中華人民共和國 國家知識產權局	國家知識產權示範企業
China Non-Ferrous Metals Fabrication Industrial Association	No. 1 of the Top-Twenty National Construction Aluminium Profiles Enterprises	中國有色金屬 加工工業協會	中國建築鋁型材二十強企業 第一名

## B Environmental and social key performance indicators

Key performance indicators	Unit	Annual total amount
<b>Environment</b>		
Emissions		
Non-hazardous wastes disposed	tonnes	1508
Hazardous wastes disposed (solid)	tonnes	635
Hazardous wastes disposed (liquid)	cubic meter	7.32
Air pollution emission		
Nitrogen oxide	tonnes	65.5
Sulphur dioxide	tonnes	15.2
Particulate matters	tonnes	35.9
Exceedance or other non-compliance situations	times	0
Fines and prosecutions due to nonconformity with environmental laws and regulations	times	0
Use of resource		
Purchased electricity	kWh	242,970,940
Natural gas	cubic meter	54,196,674
Water usage	cubic meter	3,325,376
Packing materials used (carton and kraft paper)	tonnes	5,122
Packing material used (others)	tonnes	12,497
Recycling of raw material (such as aluminium)	tonnes	47,212
Paper recycled	tonnes	72

## B 環境及社會關鍵績效指標

關鍵績效指標	單位	年總量
<b>環境</b>		
排放物		
無害廢物排放	噸	1508
有害廢物排放 (固體)	噸	635
有害廢物排放 (液體)	立方米	7.32
大氣污染排放		
氮氧化物	噸	65.5
二氧化硫	噸	15.2
懸浮粒子	噸	35.9
超出限制或其他不合規情況	次數	0
因不符合環保法律法規而被罰款或起訴	次數	0
資源使用		
購買電力	kWh	242,970,940
天然氣	立方米	54,196,674
用水	立方米	3,325,376
包裝材料用量 (紙箱、牛皮紙等)	噸	5,122
包裝材料用量 (其他)	噸	12,497
原材料循環使用 (如鋁材)	噸	47,212
紙張回收量	噸	72

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

Key performance indicators	Unit	Annual total amount	關鍵績效指標	單位	年總量
<b>Social</b>			<b>社會</b>		
<b>Employment</b>			<b>僱傭</b>		
Total number of employees	Number of people	6,429	總員工人數	人數	6,429
By gender			按性別劃分		
Male	Number of people	5,018	男性	人數	5,018
Female	Number of people	1,411	女性	人數	1,411
By age			按年齡劃分		
16-30	Number of people	2,411	16-30	人數	2,411
31-50	Number of people	3,687	31-50	人數	3,687
>50	Number of people	331	>50	人數	331
By employment type			按僱傭類型劃分		
Full-time employees	Number of people	6,429	正式僱員	人數	6,429
Contract labour/part-time employees	Number of people	78	契約／非正式僱員	人數	78
Turnover rate	%	29.5%	僱員流失率	%	29.5%





**Environmental, Social and Governance Report**  
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Key performance indicators	Unit	Annual total amount	關鍵績效指標	單位	年總量
<b>Social</b>			<b>社會</b>		
<b>Health and Safety</b>			<b>健康與安全</b>		
Number of work-related fatality	Number of people	1	因工作死亡人數	人數	1
Number of work-related injuries	Number of people	20	因工作受傷人數	人數	20
Number of working days lost due to work-related injuries	days	331	因工傷損失工作日數	日	331
Fines and prosecutions due to nonconformity with laws and regulations related to health and safety	times	0	因不符合健康與安全相關法律而被罰款或起訴	次數	0
<b>Development and training</b>			<b>發展與培訓</b>		
Total training hours	hours	147,047	總培訓時數	小時	147,047
Average training hours per employee by employees category			按僱員類別劃分每名僱員的平均受訓時數		
Senior management	hours	39	高級管理層	小時	39
General management	hours	34	一般管理層	小時	34
Non-management employees	hours	23	非管理層僱員	小時	23
<b>Labour Standard</b>			<b>勞工準則</b>		
Fines and prosecutions due to nonconformity with laws and regulations related to labour standard	times	0	因不符合相關勞工法律而被罰款或起訴	次數	0
<b>Product Responsibility</b>			<b>產品責任</b>		
Fines and prosecutions due to nonconformity with laws and regulations related to product responsibility	times	0	因不符合產品相關法律法規而被罰款或起訴	次數	0
New products and technical patents acquired during the year	Number of patents	56	年內獲得的新產品及技術專利	專利數量	56
Total number of national patents acquired	Number of patents	503	已獲得國家專利總數	專利數量	503
<b>Anti-corruption</b>			<b>反貪污</b>		
Legal cases regarding corrupt practices brought against the issuer or employees	cases	0	對發行人或其僱員提出並已審結的貪污訴訟案件	宗	0

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

### C HKEx Environmental, Social and Governance (ESG) Reporting Guidelines

### C 香港聯交所環境、社會及管治報告指引索引

Aspects 範疇	Section 章節	Remarks 備註
<b>A Environmental 環境</b>		
<b>A1 Emissions 排放物</b>	4.1 Environmental Protection Related Policies	
(a) Policies and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	4.1 環境保護相關政策	
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： (a) 政策；及 (b) 遵守對發行人有重大影響的相關法律及規例		
A1.1 The types of emissions and respective emissions data 排放物的種類及相關排放資料	Appendix B – Environmental and social key performance indicators 附件B—環境及社會關鍵績效指標	
A1.2 Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。		This performance indicator is not a material aspect of the Group, we will update our disclosures according to relevant regulations. 此績效指標並非本集團的重要範疇，我們將按照有關法規更新我們的披露。



## Environmental, Social and Governance Report

### 環境、社會及管治報告

Aspects 範疇	Section 章節	Remarks 備註
A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Appendix B – Environmental and social key performance indicators 附件B – 環境及社會關鍵績效指標	
A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量(以噸計算)及(如適用)密度(如以每產量單位、每項設施計算)。	Appendix B – Environmental and social key performance indicators 附件B – 環境及社會關鍵績效指標	
A1.5 Description of measures to mitigate emissions and results achieved 描述減低排放量的措施及所得成果。	4.1 Environmental Protection Related Policies 4.1 環境保護相關政策	
A1.6 Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	4.1.2 Waste management 4.1.2 廢棄物的管理	
A2 <b>Use of Resources</b> 資源使用	4.2 Use of Resources 4.2 資源使用	
Policies on the efficient use of resources, including energy, water and other raw materials. 有關有效使用資源(包括能源、水及其他原材料)的政策。		

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

Aspects 範疇	Section 章節	Remarks 備註
<p>A2.1 Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源（如電、氣或油）總耗量（以千個千瓦時計算）及密度（如以每產量單位、每項設施計算）。</p>	<p>Appendix B – Environmental and social key performance indicators 附件B－環境及社會關鍵績效指標</p>	<p>Energy consumption related to transportation: We do not have our own fleet, hence not applicable. Energy consumption not related to transportation: We only have infinitesimal non-transportation fuel use. 運輸相關能耗：我們沒有自己的車隊，故不適用。 非運輸相關的能耗：我們只有微量非運輸相關的燃料使用。</p>
<p>A2.2 Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度（如以每產量單位、每項設施計算）。</p>	<p>Appendix B – Environmental and social key performance indicators 附件B－環境及社會關鍵績效指標</p>	
<p>A2.3 Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。</p>	<p>4.2.2 Use of Resources 4.2.2 能源使用</p>	
<p>A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。</p>	<p>4.2.3 Water usage 4.2.3 用水</p>	
<p>A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量（以噸計算），及（如適用）每生產單位估量。</p>	<p>Appendix B – Environmental and social key performance indicators 附件B－環境及社會關鍵績效指標</p>	





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

Aspects 範疇	Section 章節	Remarks 備註
<b>A3 The Environment and Natural Resources</b> <b>環境及天然資源</b>  Policies on minimising the issuer's significant impact on the environment and natural resources. 有關減低發行人對環境及天然資源造成重大影響的政策。	4.3 The Environment and Natural Resources 4.3 環境和天然資源	
<b>A3.1</b> Description of the significant impacts of activities on the environment and natural resources and the action taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	4.3 The Environment and Natural Resources 4.3 環境和天然資源	

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

Aspects 範疇	Section 章節	Remarks 備註
<b>B Social 社會</b>		
<b>B1 Employment 僱傭</b>	6.1 Employment 6.1 僱傭	
<p>Policies on employment and compliance with relevant laws and regulations that have a significant impact on the issuer on the following aspects:</p> <ul style="list-style-type: none"> <li>• Compensation and dismissal</li> <li>• Recruitment and promotion</li> <li>• Working hours and rest periods</li> <li>• Equal opportunity and anti-discrimination</li> <li>• Diversity</li> <li>• Other benefits and welfare</li> </ul> <p>有關僱傭的政策及遵守於以下方面對發行人有重大影響的本地法律及規例：</p> <ul style="list-style-type: none"> <li>• 薪酬及解僱</li> <li>• 招聘及晉陞</li> <li>• 工作時數及假期</li> <li>• 平等機會及反歧視</li> <li>• 多元化</li> <li>• 其他待遇及福利</li> </ul>		
B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Appendix B – Environmental and social key performance indicators 附件B – 環境及社會關鍵績效指標
B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	Appendix B – Environmental and social key performance indicators 附件B – 環境及社會關鍵績效指標
<b>B2 Health and Safety 健康與安全</b>	6.2 Health and Safety 6.2 健康及安全	
<p>Policies and compliance with relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.</p> <p>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。</p>		



## Environmental, Social and Governance Report

### 環境、社會及管治報告

Aspects 範疇	Section 章節	Remarks 備註
B2.1 Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	Appendix B – Environmental and social key performance indicators 附件B – 環境及社會關鍵績效指標	
B2.2 Lost days due to work injury. 因工傷損失工作日數。	Appendix B – Environmental and social key performance indicators 附件B – 環境及社會關鍵績效指標	
B2.3 Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關 執行及監察方法。	6.2 Health and Safety 6.2 健康及安全	
<b>B3 Development and Training</b> <b>發展與培訓</b>	6.3 Development and Training 6.3 發展和培訓	
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。		
B3.2 The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的 平均時數。	Appendix B – Environmental and social key performance indicators 附件B – 環境及社會關鍵績效指標	
<b>B4 Labour Standard 勞工準則</b>	6.4 Labour Standard 6.4 勞工準則	
Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. 有關防止童工或強制勞工及對發行人有重大 影響的政策及遵守相關法律及規例。		
B4.1 Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制 勞工。	6.4 Labour Standard 6.4 勞工準則	

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

Aspects 範疇	Section 章節	Remarks 備註
B4.2 Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	6.4 Labour Standard 6.4 勞工準則	
<b>B5 Supply Chain Management</b> 供應鏈管理	5.1 Supply Chain Management 5.1 供應鏈管理	
Policies on managing environmental and social risks of the supply chain. 有關管理供應鏈的環境及社會風險的政策。		
B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	5.1 Supply Chain Management 5.1 供應鏈管理	
<b>B6 Product Responsibility</b> 產品責任	5.2 Product Responsibility 5.2 產品責任	
Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. 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及對發行人有重大影響的政策以及遵守相關法律及規例。		
B6.2 Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	5.2 Product Responsibility 5.2 產品責任	





## Environmental, Social and Governance Report

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Aspects 範疇	Section 章節	Remarks 備註
B6.3 Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Appendix B – Environmental and social key performance indicators 附件B – 環境及社會關鍵績效指標	
B6.4 Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	5.2 Product Responsibility 5.2 產品責任	
B6.5 Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	Not applicable to our business 不適用於我們的業務	
<b>B7 Anti-corruption 反貪污</b>  Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. 有關防止賄賂、勒索、欺詐及洗黑錢及對發行人有重大影響的政策及遵守相關法律及規例。	6.5 Anti-corruption 6.5 反腐敗	
B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Appendix B – Environmental and social key performance indicators 附件B – 環境及社會關鍵績效指標	
B7.2 Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	6.5 Anti-corruption 6.5 反腐敗	

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

Aspects 範疇	Section 章節	Remarks 備註
<p><b>B8 Community Investment 社區投資</b></p> <p>Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來瞭解發行人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。</p>	<p>7 Community Investment 7 社區投資</p>	
<p><b>B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).</b> 專注貢獻範疇 (如教育、環境事宜、勞工需求、健康、文化、體育)。</p>	<p>7 Community Investment 7 社區投資</p>	
<p><b>B8.2 Resources contributed (e.g. money or time) to the focus area.</b> 在專注範疇所動用的資源 (如金錢或時間)。</p>	<p>7 Community Investment 7 社區投資</p>	



## 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 Members 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 133 to 247, which comprise the consolidated statement of financial position as at 31 December 2017, 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 2017 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133至247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,此財務報表包括於二零一七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二零一七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 165.</i>	<i>請參閱綜合財務報表附註3及第165頁的會計政策。</i>
<b>The Key Audit Matter</b> <b>關鍵審計事項</b>	<b>How the matter was addressed in our audit</b> <b>我們的審計如何處理該事項</b>
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	收益確認：分銷商安排
Refer to note 3 to the consolidated financial statements and the accounting policies on page 165.	請參閱綜合財務報表附註3及第165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>	<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	收益確認：分銷商安排
Refer to note 3 to the consolidated financial statements and the accounting policies on page 165. 請參閱綜合財務報表附註3及第165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>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>• 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 149 to 151.	請參閱綜合財務報表附註15及第149至151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 2017 totalled RMB1,278,031,000 which included an allowance for doubtful debts of RMB38,088,000.</p> <p>於二零一七年十二月三十一日，貴集團交易應收賬款淨額賬面值合共為人民幣1,278,031,000元，包括呆賬撥備人民幣38,088,000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>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.</p> <p>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>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> <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> </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 149 to 151.	請參閱綜合財務報表附註15及第149至151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>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.</p> <p>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>• 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 2017 with the actual new provisions, write offs and recoveries in respect of trade receivables as at 31 December 2017 during the current year; and</li> <li>• 通過將管理層於二零一七年十二月三十一日作出之撥備水平與本年度就於二零一七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 2017 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二零一七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 HKSAs 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 HKSAs, 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.

### 核數師就審計綜合財務報表承擔的責任 (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匯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, then 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.

### 核數師就審計綜合財務報表承擔的責任 (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，或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  
29 March 2018

### 核數師就審計綜合財務報表承擔的責任 (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  
二零一八年三月二十九日

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

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣列示)

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註		
<b>Revenue</b>	營業額	3	<b>7,239,658</b>	5,576,696
Cost of sales	銷售成本		<b>(6,225,069)</b>	(4,751,647)
<b>Gross profit</b>	毛利		<b>1,014,589</b>	825,049
Other income	其他收益	4	<b>44,469</b>	40,122
Distribution costs	分銷成本		<b>(169,466)</b>	(123,835)
Administrative expenses	行政開支		<b>(322,619)</b>	(279,706)
<b>Profit from operations</b>	經營溢利		<b>566,973</b>	461,630
Finance costs	財務成本	5(a)	<b>(130,329)</b>	(117,950)
Share of profit of an associate	應佔聯營公司溢利	13	<b>7,801</b>	7,611
<b>Profit before taxation</b>	除稅前溢利	5	<b>444,445</b>	351,291
Income tax	所得稅	6	<b>(61,815)</b>	(52,815)
<b>Profit for the year attributable to equity shareholders of the Company</b>	本公司權益股東應佔年度溢利		<b>382,630</b>	298,476
<b>Basic and diluted earnings per share (RMB yuan)</b>	每股基本及攤薄盈利 (人民幣元)	9	<b>0.92</b>	0.71

The notes on pages 140 to 247 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 22(b).

第140至247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22(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 2017  
截至二零一七年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣列示)

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
<b>Profit for the year</b>	年度溢利	<b>382,630</b>	298,476
<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	<b>(1,515)</b>	1,493
<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>381,115</b>	299,969

The notes on pages 140 to 247 form part of these financial statements.

第140至247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 2017  
於二零一七年十二月三十一日  
(Expressed in Renminbi)  
(以人民幣列示)

			<b>31 December 2017 二零一七年 十二月三十一日</b>	31 December 2016 二零一六年 十二月三十一日
		Note 附註	<b>RMB'000 人民幣千元</b>	RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	10	1,862,769	1,794,185
Lease prepayments	預付租金	11	373,699	294,461
Interest in an associate	於聯營公司之權益	13	16,451	9,515
Deferred tax assets	遞延稅項資產	21(b)	48,570	42,562
			<b>2,301,489</b>	2,140,723
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	14	1,263,683	963,458
Trade and other receivables	交易及其他應收款項	15	2,132,420	1,582,028
Pledged deposits	已抵押存款	16	167,419	212,815
Cash and cash equivalents	現金及現金等價物	17	579,450	443,431
			<b>4,142,972</b>	3,201,732
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	交易及其他應付款項	18	1,817,723	1,772,676
Loans and borrowings	貸款及借貸	19	1,968,314	1,384,150
Current taxation	即期稅項	21(a)	24,469	27,514
			<b>3,810,506</b>	3,184,340
<b>Net current assets</b>	<b>流動資產淨額</b>		<b>332,466</b>	17,392
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>2,633,955</b>	2,158,115





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

At 31 December 2017  
於二零一七年十二月三十一日  
(Expressed in Renminbi)  
(以人民幣列示)

			31 December 2017 二零一七年 十二月三十一日	31 December 2016 二零一六年 十二月三十一日
		Note 附註	RMB'000 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	514,385	419,252
Deferred income	遞延收入	20	45,420	47,847
Deferred tax liability	遞延稅項負債	21(b)	5,115	3,096
			<b>564,920</b>	470,195
<b>Net assets</b>	<b>資產淨值</b>		<b>2,069,035</b>	1,687,920
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本	22	3,731	3,731
Reserves	儲備		<b>2,065,304</b>	1,684,189
<b>Total equity</b>	<b>權益總額</b>		<b>2,069,035</b>	1,687,920

Approved and authorised for issue by the board of directors on 29 March 2018.

於二零一八年三月二十九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 140 to 247 form part of these financial statements.

第140至247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 2017  
截至二零一七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 本公司權益股東應佔							
	Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	Other reserve 其他儲備	Statutory reserves 法定儲備	Exchange reserves 匯兌儲備	Retained earnings 保留溢利	Total 總計	
Note	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
附註	Note 22 (c) 附註22(c)	Note 22 (d)(i) 附註22(d)(i)	Note 22 (d)(iii) 附註22(d)(iii)	Note 22 (d)(ii) 附註22(d)(ii)	Note 22 (d)(iv) 附註22(d)(iv)	Note 22 (d)(v) 附註22(d)(v)			
Balance at 1 January 2016	於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	-	-	-	-	-	(31,895)	(31,895)	
Appropriation to reserves	轉撥至儲備	-	-	-	-	38,676	(38,676)	-	
Balance at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日之結餘	3,731	179,568	6,200	209,822	205,700	(1,988)	1,084,887	1,687,920
Changes in equity for 2017:	二零一七年權益變動:								
Profit for the year	年度溢利	-	-	-	-	-	382,630	382,630	
Other comprehensive income	其他全面收益	-	-	-	-	(1,515)	-	(1,515)	
Total comprehensive income	全面收益總額	-	-	-	-	(1,515)	382,630	381,115	
Appropriation to reserves	轉撥至儲備	-	-	-	-	40,153	(40,153)	-	
Balance at 31 December 2017	於二零一七年 十二月三十一日之結餘	3,731	179,568	6,200	209,822	245,853	(3,503)	1,427,364	2,069,035

The notes on pages 140 to 247 form part of these financial statements.

第140至247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 2017  
截至二零一七年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣列示)

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		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)	21,202	540,854
Income tax paid by the subsidiaries in the PRC	中國附屬公司已付所得稅		(66,564)	(49,800)
Income tax paid by the subsidiary in Hong Kong	香港附屬公司已付利得稅		(2,285)	(2,389)
<b>Net cash (used in)/generated from operating activities</b>	<b>經營活動(所用)/所得現金淨額</b>		(47,647)	488,665
<b>Investing activities</b>	<b>投資活動</b>			
Interest received	已收利息		8,141	7,455
Proceeds received upon maturity of pledged deposits	於已抵押存款到期後已收所得款項		397,790	521,051
Payment for pledged deposits	已抵押存款付款		(352,394)	(455,725)
Payment for purchase of property, plant and equipment	購置物業、廠房及設備之付款		(333,708)	(188,012)
Payment for lease prepayment	預付租金之付款		(86,561)	-
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		1,494	30
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>		(365,238)	(115,201)

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

For the year ended 31 December 2017  
截至二零一七年十二月三十一日止年度  
(Expressed in Renminbi)  
(以人民幣列示)

			2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
		Note 附註		
<b>Financing activities</b>	<b>融資活動</b>			
Interest paid	已付利息		(123,978)	(116,710)
Proceeds from loans and borrowings	貸款及借貸所得款項		2,564,711	2,297,675
Repayment of loans and borrowings	償還貸款及借貸		(1,885,414)	(2,494,740)
Capital element of finance lease rentals paid	已付融資租賃租金資本部份		-	(6,712)
Interest element of finance lease rentals paid	已付融資租賃租金利息部份		-	(58)
Dividends paid	已付股息	22(b)	-	(31,895)
<b>Net cash generated from/(used in) financing activities</b>	<b>融資活動所得／(所用) 現金淨額</b>		<b>555,319</b>	<b>(352,440)</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>142,434</b>	<b>21,024</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>443,431</b>	<b>416,012</b>
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動之影響</b>		<b>(6,415)</b>	<b>6,395</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>579,450</b>	<b>443,431</b>

The notes on pages 140 to 247 form part of these financial statements.

第140至247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 Group 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 2017 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.

### 1 主要會計政策 (續)

#### (b) 財務報表之編製基準

截至二零一七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(統稱「本集團」)以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。



## 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 (continued)

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 28.

#### (c) Changes in accounting policies

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in Note 17(c) to satisfy the new disclosure requirements introduced by the amendments to IAS 7, Statement of cash flows: Disclosure initiative, which require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

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

### 1 主要會計政策 (續)

#### (b) 財務報表之編製基準 (續)

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28。

#### (c) 會計政策變動

國際會計準則理事會頒佈了國際財務報告準則之若干修訂，該等修訂在本集團現行會計期間首次生效。上述變動對本集團的會計政策並沒有影響。但附註17(c)中增加了額外的披露，以滿足國際會計準則第7號：現金流量表的修訂所提出的新披露要求，即要求實體主動提供信息使財務報表使用者能評估融資活動導致的負債變化，包括現金流及非現金方面引起的變化。

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。

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

#### (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)

#### (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)）。



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(Expressed in Renminbi unless otherwise indicated)  
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### 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 investees' 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。





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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)).

Construction in progress is transferred to respective items under property, plant and equipment when it is ready for its intended use. No depreciation is provided against construction in progress.

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。

當在建工程可作擬定用途時，其便會轉撥至物業、機器及設備項下相關項目。在建工程不需要計提折舊，直至完成及可作擬定用途。在建工程不計提折舊。

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

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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。



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### 1 Significant accounting policies (continued)

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

##### (ii) 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.

### 1 主要會計政策 (續)

#### (g) 租賃資產 (續)

##### (ii) 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。

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### 1 Significant accounting policies (continued)

#### (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;
- 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.

### 1 主要會計政策 (續)

#### (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；
- 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。



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### 1 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (i) Impairment of receivables (continued)

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.

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.

### 1 主要會計政策 (續)

#### (h) 資產減值 (續)

##### (i) 應收款項減值 (續)

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。

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。



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### 1 Significant accounting policies (continued)

#### (h) Impairment of assets (continued)

##### (i) Impairment of receivables (continued)

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)

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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### 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)  
(除另有指明外，數額以人民幣列示)

### 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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(Expressed in Renminbi unless otherwise indicated)  
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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:

– 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.

### 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：

– 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。



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### 1 Significant accounting policies (continued)

#### (i) Inventories (continued)

##### (ii) Property development (continued)

##### – 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.

#### (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.

### 1 主要會計政策 (續)

#### (i) 存貨 (續)

##### (ii) 物業發展 (續)

##### – 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。

#### (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。

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### 1 Significant accounting policies (continued)

#### (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.

#### (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.

### 1 主要會計政策 (續)

#### (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。

#### (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。



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### 1 Significant accounting policies (continued)

#### (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.

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.

### 1 主要會計政策 (續)

#### (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。

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。

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### 1 Significant accounting policies (continued)

#### (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)

#### (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。

## 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)

#### (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。



## 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)

##### (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。

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(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 customers' premises which is taken to be the point in time when the customer has accepted the goods and 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

銷售貨品收益在貨品及時送達客戶場地且客戶接納貨品及其所有權相關的風險及回報時確認。收益不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。





## 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。

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(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.

### 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。

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

#### (s) Borrowing costs (continued)

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.

#### (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.

### 1 主要會計政策 (續)

#### (s) 借貸成本 (續)

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。

#### (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。



## 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:
- (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.
  - (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).

### 1 主要會計政策 (續)

#### (t) 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：
- (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。
  - (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)內所識別人土控制或共同控制。



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(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)

(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)

#### (t) 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)

(vii) (a)(i)內所識別人土對實體有重大影響力或屬該實體（或該實體之母公司）之主要管理層成員。

(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。



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(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，在估計可使用年期限內以直線法折舊。

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。

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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。



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(除另有指明外，數額以人民幣列示)**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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Manufacture and sale of aluminium profiles	製造及銷售鋁型材	7,121,007	5,491,680
Manufacture and sale of aluminium panels, aluminium alloy, moulds and spare parts	製造及銷售鋁板、鋁合金、模具及零部件	106,717	76,510
Provision of processing services	提供加工服務	11,934	8,506
		<b>7,239,658</b>	<b>5,576,696</b>

The Group's customer base is diversified and does not include any individual customer (2016: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（二零一六年：無）。

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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, aluminium alloy, moulds, 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、鋁合金、模具及零部件及待售發展中物業。





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### 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, 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）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)

##### (i) Segment results, assets and liabilities (continued)

##### (i) 分部業績、資產及負債 (續)

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2017 and 2016 is set out below:

就截至二零一七年及二零一六年十二月三十一日止年度之資源分配及分部績效評估而言，向本集團最高執行管理人員提供之有關本集團可報告分部資料載列如下：

	Industrial aluminium profiles		Construction aluminium profiles		All other segments		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年	二零一七年	二零一六年
	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
Reportable segment revenue								
Revenue from external customers	1,659,615	968,861	5,461,392	4,522,819	118,651	85,016	7,239,658	5,576,696
Reportable segment profit								
Gross profit	204,434	112,876	757,394	673,467	52,761	38,706	1,014,589	825,049



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(除另有指明外, 數額以人民幣列示)**3 Revenue and segment reporting (continued)****(b) Segment reporting (continued)****(ii) Reconciliations of reportable segment profit**

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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	1,014,589	825,049
Other income	其他收益	44,469	40,122
Distribution costs	分銷成本	(169,466)	(123,835)
Administrative expenses	行政開支	(322,619)	(279,706)
Finance costs	財務成本	(130,329)	(117,950)
Share of profit of an associate	應佔聯營公司溢利	7,801	7,611
Consolidated profit before taxation	除稅前綜合溢利	444,445	351,291

**(iii) Geographic information**

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 95% (2016: 96%) of the revenue are generated from the PRC market.

**3 營業額及分部報告 (續)****(b) 分部報告 (續)****(ii) 可報告分部溢利之對賬**

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Reportable segment profit derived from the Group's external customers	1,014,589	825,049
Other income	44,469	40,122
Distribution costs	(169,466)	(123,835)
Administrative expenses	(322,619)	(279,706)
Finance costs	(130,329)	(117,950)
Share of profit of an associate	7,801	7,611
Consolidated profit before taxation	444,445	351,291

**(iii) 地區資料**

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95% (二零一六年: 96%) 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)  
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### 4 Other income

### 4 其他收益

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest income	利息收入	8,141	7,455
Government grants (i)	政府補貼(i)		
– Unconditional subsidies	– 無條件補貼	13,266	13,500
– Conditional subsidies (Note 20)	– 有條件補貼 (附註20)	22,193	17,314
Rental income	租金收入	11,170	14,735
Net foreign exchange (loss)/gain	外匯(虧損)/收益淨額	(5,658)	3,676
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備虧損	(4,643)	(16,558)
		<b>44,469</b>	<b>40,122</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 RMB13,266,000 (2016: RMB13,500,000) were unconditional. The funds were 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 2017 was RMB22,193,000 (2016: RMB17,314,000) (Note 20).

(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13,266,000元(二零一六年:人民幣13,500,000元)之若干政府補助配額為無條件。該等資金為年內本集團之中國附屬公司之營運開支提供補貼。

– 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。於截至二零一七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22,193,000元(二零一六年:人民幣17,314,000元)(附註20)。

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(除另有指明外, 數額以人民幣列示)**5 Profit before taxation**Profit before taxation is arrived at after charging/  
(crediting):**(a) Finance costs:**

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Interest expenses on bank loans	銀行貸款之利息開支	118,285	102,765
Interest expenses on discounted bills	已貼現票據之利息開支	12,044	15,127
Finance charges on obligations under finance leases	融資租賃責任之財務費用	-	58
Total borrowing costs	借貸成本總額	<b>130,329</b>	117,950

**(b) Staff costs:**

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	540,617	467,897
Contributions to defined contribution retirement plan	向界定退休福利計劃供款	44,436	35,561
		<b>585,053</b>	503,458

**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:****(b) 員工成本:**



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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. The local government authorities are responsible for the entire pension obligations payable to the retired employees.

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 2017 (2016: 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。地方政府機關負責向退休僱員支付全數退休金。

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。截至二零一七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（「港元」）（二零一六年：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。



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(除另有指明外，數額以人民幣列示)**5 Profit before taxation (continued)****(c) Other items:**

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Depreciation (Note 10)	折舊 (附註10)	263,029	280,468
Amortisation of lease prepayments (Note 11)	預付租金攤銷 (附註11)	7,323	7,033
Research and development costs (ii)	研發成本(ii)	319,372	243,215
Impairment losses on trade and other receivables	交易及其他應收款項減值虧損	5,230	6,824
Auditors' remuneration	核數師酬金		
– audit services	– 審計服務	1,255	1,140
– other services	– 其他服務	740	683
Cost of inventories (i)/ (Note 14(b))	存貨成本(i)/ (附註14(b))	6,225,069	4,751,647
Operating lease charges	經營租賃支出	2,193	1,458

(i) Cost of inventories for the year ended 31 December 2017 included RMB596,994,000 (2016: RMB568,544,000) relating to depreciation, 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 for the year ended 31 December 2017 included RMB72,320,000 (2016: RMB69,905,000) 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：**

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Depreciation (Note 10)	263,029	280,468
Amortisation of lease prepayments (Note 11)	7,323	7,033
Research and development costs (ii)	319,372	243,215
Impairment losses on trade and other receivables	5,230	6,824
Auditors' remuneration		
– audit services	1,255	1,140
– other services	740	683
Cost of inventories (i)/ (Note 14(b))	6,225,069	4,751,647
Operating lease charges	2,193	1,458

(i) 截至二零一七年十二月三十一日止年度，存貨成本包括涉及折舊、經營租賃支出及員工成本之費用人民幣596,994,000元（二零一六年：人民幣568,544,000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) 截至二零一七年十二月三十一日止年度，研發成本包括僱員之員工成本人民幣72,320,000元（二零一六年：人民幣69,905,000元），該金額亦已計入附註5(b)披露之員工成本總額。

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### 6 Income tax in the consolidated statement of profit or loss

### 6 於綜合損益表內之所得稅

(a) Taxation in the consolidated statement of profit or loss represents:

(a) 於綜合損益表內之稅項為：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<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	63,843	53,388
Provision for Hong Kong Profits Tax	香港利得稅撥備	1,961	1,118
		<b>65,804</b>	54,506
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences (Note 21(b))	臨時差額產生及撥回 (附註21(b))	(3,989)	(1,691)
		<b>61,815</b>	52,815

(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 2017 (2016: 16.5%).

(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二零一七年十二月三十一日止年度之估計應課稅溢利以16.5%（二零一六年：16.5%）稅率計算。



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(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 2017 (2016: 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 2017 (2016: 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二零一七年須按25%（二零一六年：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」）之資格並於二零一七年享有15%（二零一六年：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)  
(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)

- (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 2017, deferred tax liabilities of RMB5,115,000 (2016: RMB3,096,000) (Note 21(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%。

於二零一七年十二月三十一日，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5,115,000元（二零一六年：人民幣3,096,000元）之遞延稅項負債（附註21(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)  
(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)

- (v) During the year of 2017, Guangdong Xingfa, Xingfa Henan and Xingfa Jiangxi obtained approval from local tax authorities to claim super deduction on research and development expenses. As such, the income tax for 2017 was reduced by RMB7,701,000 (2016: RMB3,296,000). Such additional tax deduction on research and development expenses equals 50% of the amount actually incurred.

#### (b) Reconciliation between tax expense and accounting profit at applicable tax rates:

### 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)

- (v) 於二零一七年，廣東興發、興發河南及興發江西已就申請加計扣除研發開支獲得當地稅務局批准。因此，二零一七年之所得稅減少人民幣7,701,000元（二零一六年：人民幣3,296,000元）。有關對研發開支之額外扣稅相等於實際產生金額之50%。

#### (b) 按適用稅率計算之稅項開支與會計溢利對賬：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit before taxation	除稅前溢利	444,445	351,291
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	115,426	91,827
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	652	837
Tax effect of share of profit of an associate	應佔聯營公司溢利之稅務影響	(1,170)	(159)
Effect of tax concessions	稅務優惠之影響	(47,411)	(35,800)
Super deduction on research and development expenses in respect of 2016 (Note 6(a)(v))	二零一六年之研發開支加計扣除 (附註6(a)(v))	(7,701)	(3,296)
Withholding tax effect on undistributed profits retained by PRC subsidiaries (Note 21)	中國附屬公司未分配保留溢利的預提稅影響 (附註21)	2,019	(594)
Income tax expense	所得稅開支	61,815	52,815

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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：

		Salary, allowance and benefits in kind 袍金 RMB'000 人民幣千元	Contribution to retirement benefit plan 退休福利 計劃供款 RMB'000 人民幣千元	Bonus paid 已付花紅 RMB'000 人民幣千元	2017 Total 二零一七年 總計 RMB'000 人民幣千元
<b>Executive directors</b>	<b>執行董事</b>				
Mr. LIU Libin	劉立斌先生	720	206	23	1,053
Mr. LUO Su	羅蘇先生	636	278	-	948
Mr. LUO Riming	羅日明先生	536	266	-	948
Mr. LIAO Yuqing	廖玉慶先生	536	278	-	1,053
Mr. LAW Yung Koon	羅用冠先生	542	-	16	933
Mr. WANG Zhihua	王志華先生	416	104	16	1,407
Mr. DAI Feng	戴鋒先生	320	199	23	842
<b>Non-executive directors</b>	<b>非執行董事</b>				
Mr. CHEN Shengguan (resigned on 26 May 2017)	陳勝光先生 (於二零一七年 五月二十六日辭任)	-	-	-	-
Mr LU Chaoying (appointed on 26 May 2017)	陸超英先生 (於二零一七年 五月二十六日獲委任)	-	-	-	-
<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	56	-	206
<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*	522	120	16	347
Total	總計	4,858	1,507	94	7,531

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(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	2016 Total	
	Fees	in kind	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>

\* Mr. WONG Siu Ki passed away on 7 March 2018 and there was no replacement to alternate director to Mr. Liu Libin.

\* 黃兆麒先生於二零一八年三月七日逝世及並無劉立斌先生之替任董事的替任人選。

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### 8 Individuals with highest emoluments

Of the 5 Individuals with the highest emoluments, all of them (2016:5) 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 RMB382,630,000 (2016: RMB298,476,000) and the weighted average number of 418,000,000 ordinary shares (2016: 418,000,000 ordinary shares).

There were no dilutive potential ordinary shares in issue for the years ended 31 December 2017 and 2016, 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，彼等之酬金於附註7披露（二零一六年：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382,630,000元（二零一六年：人民幣298,476,000元）及普通股加權平均數418,000,000股（二零一六年：418,000,000股）計算。

截至二零一七年及二零一六年十二月三十一日止年度，並無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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(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 RMB'000 人民幣千元	機器 RMB'000 人民幣千元	汽車 RMB'000 人民幣千元	及其他 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本:</b>						
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 and 1 January 2017	於二零一六年 十二月三十一日及 二零一七年一月一日	1,039,275	1,546,183	28,259	150,043	13,951	2,777,711
Additions	添置	1,549	197,344	1,110	7,013	130,734	337,750
Transfer from construction in progress	轉撥自在建工程	9,473	25,260	-	1,054	(35,787)	-
Disposal	出售	(1,212)	(11,582)	(4,412)	(108)	-	(17,314)
At 31 December 2017	於二零一七年 十二月三十一日	1,049,085	1,757,205	24,957	158,002	108,898	3,098,147
<b>Accumulated depreciation:</b>	<b>累計折舊:</b>						
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 and 1 January 2017	於二零一六年 十二月三十一日及 二零一七年一月一日	(134,447)	(703,582)	(20,588)	(124,909)	-	(983,526)
Charge for the year	本年度支出	(31,718)	(222,853)	(1,969)	(6,489)	-	(263,029)
Written back on disposals	出售時撥回	384	6,727	3,969	97	-	11,177
At 31 December 2017	於二零一七年 十二月三十一日	(165,781)	(919,708)	(18,588)	(131,301)	-	(1,235,378)
<b>Net book value:</b>	<b>賬面淨值:</b>						
At 31 December 2017	於二零一七年 十二月三十一日	883,304	837,497	6,369	26,701	108,898	1,862,769
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



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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 RMB249,095,000 as at 31 December 2017 (2016: RMB248,150,000). 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 RMB637,547,000 (2016: RMB483,163,000) were pledged as securities for bank loans of the Group as at 31 December 2017. (Note 19(b))

### 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，本集團正在為於二零一七年十二月三十一日之賬面值約為人民幣249,095,000元(二零一六年：人民幣248,150,000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) 於二零一七年十二月三十一日，賬面淨值為人民幣637,547,000元(二零一六年：人民幣483,163,000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))



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(除另有指明外，數額以人民幣列示)**11 Lease prepayments****11 預付租金**

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Cost:</b>	<b>成本：</b>		
At 1 January	於一月一日	352,929	352,929
Additions	添置	86,561	-
At 31 December	於十二月三十一日	439,490	352,929
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>		
At 1 January	於一月一日	(58,468)	(51,435)
Charge for the year	本年度支出	(7,323)	(7,033)
At 31 December	於十二月三十一日	(65,791)	(58,468)
<b>Carrying amount:</b>	<b>賬面值：</b>		
At 31 December	於十二月三十一日	373,699	294,461

- (i) Lease prepayments represent the Group's land use rights on leasehold land located in the PRC. As at 31 December 2017, the remaining period of the land use rights ranges from 35 to 50 years.
- (ii) The lease prepayments with carrying value of RMB287,424,000 (2016: RMB294,461,000) were pledged as securities for bank loans of the Group as at 31 December 2017 (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。於二零一七年十二月三十一日，土地使用權之餘下年期介乎35至50年。
- (ii) 於二零一七年十二月三十一日，賬面值為人民幣287,424,000元（二零一六年：人民幣294,461,000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)）。

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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	Authorised/ registered and fully paid up capital 法定/註冊及 繳足資本詳情	Proportion of ownership interest 擁有權比例			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	
1 China Xingfa (BVI) Limited ("Xingfa BVI")  China Xingfa (BVI) Limited ("Xingfa BVI")	BVI 2 October 2007  英屬處女群島 二零零七年十月二日	United States Dollars ("USD") 1,000/USD1,000  1,000美元/ 1,000美元	100%	100%	-	Investment holding  投資控股
2 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	HKD1,000/ HKD1,000 1,000港元/ 1,000港元	100%	-	100%	Sales of aluminium profiles in HK 於香港銷售鋁型材
3 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	RMB360,040,000/ RMB360,040,000  人民幣 360,040,000元/ 人民幣 360,040,000元	100%	-	100%	Manufacturing and sales of aluminium profiles in the PRC 於中國生產及銷售鋁 型材
4 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	RMB130,000,000/ RMB130,000,000  人民幣 130,000,000元/ 人民幣 130,000,000元	100%	-	100%	Manufacturing and sales of aluminium profiles in the PRC 於中國生產及銷售鋁 型材
5 Guangdong Xingfa Aluminium (Jiangxi) Co., Ltd. 廣東興發鋁業(江西)有限公司 (i)(iii) ("Xingfa Jiangxi") 廣東興發鋁業(江西)有限公司(i)(iii) ("興發江西")	PRC 14 August 2009  中國 二零零九年 八月十四日	RMB100,000,000/ RMB100,000,000  人民幣 100,000,000元/ 人民幣 100,000,000元	100%	-	100%	Manufacturing and sales of aluminium profiles in the PRC 於中國生產及銷售鋁 型材

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(除另有指明外，數額以人民幣列示)**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	Authorised/ registered and fully paid up capital 法定/註冊及 繳足資本詳情	Proportion of ownership interest 擁有權比例			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	
6 Guangdong Xingfa Aluminium (Henan) Co., Ltd. 廣東興發鋁業(河南)有限公司 (i)(iii) ("Xingfa Henan") 廣東興發鋁業(河南)有限公司(i)(iii) (「興發河南」)	PRC 10 May 2010  中國 二零一零年五月十日	RMB100,000,000/ RMB100,000,000  人民幣 100,000,000元/ 人民幣 100,000,000元	100%	-	100%	Manufacturing and sales of aluminium profiles in the PRC  於中國生產及銷售鋁 型材
7 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") 佛山市興發房地產開發有限公司 (i)(iii) (「興發房地產」)	PRC 5 June 2013  中國 二零一三年六月五日	RMB8,000,000/ RMB8,000,000  人民幣 8,000,000元/ 人民幣 8,000,000元	100%	-	100%	Development, sale and management of properties in the PRC 於中國物業開發、 銷售及管理
8 Foshan Xingfa Trading Co., Ltd. 佛山市興發商貿有限公司 (i)(iii) ("Xingfa Trading") 佛山市興發商貿有限公司(i)(iii) (「興發商貿」)	PRC 3 December 2014  中國 二零一四年 十二月三日	RMB10,000,000/ RMB10,000,000  人民幣 10,000,000元/ 人民幣 10,000,000元	100%	-	100%	Trading of aluminium profiles in the PRC  於中國鋁型材貿易
9 Guangdong Xingfa Precision Manufacturing Co., Ltd. 廣東興發精密製造有限公司(i)(iii) ("Xingfa Precision") 廣東興發精密製造有限公司(i)(iii) (「興發精密」)	PRC 26 September 2017  中國 二零一七年 九月二十六日	RMB200,000,000/ RMB32,200,000  人民幣 200,000,000元/ 人民幣 32,200,000元	100%	-	100%	Manufacturing and sales of precision products in the PRC  於中國生產及銷售精 密產品

(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 聯營公司名稱	Form of business structure 業務架構形式	Place of incorporation and business 註冊成立及業務地點	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 主要業務
				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") (“江西省景興鋁模板製造有限公司”)(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
江西省景興鋁模板製造有限公司 (「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 2017, the amount of the Group's share of profit from this associate and the unrealised profit from transactions with this associate are RMB7,801,000 (2016: RMB7,611,000) and RMB865,000 (2016: RMB488,000), 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，廣州景興對江西景興擁有控制權，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。

於二零一七年，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7,801,000元（二零一六年：人民幣7,611,000元）及人民幣865,000元（二零一六年：人民幣488,000元）。



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(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：

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
<b>Aluminium profiles manufacturing</b>	<b>鋁型材生產</b>		
Raw materials	原材料	330,011	274,478
Work in progress	在製品	112,681	82,074
Finished goods	製成品	503,526	352,628
		<b>946,218</b>	709,180
<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	265,317	202,130
		<b>317,465</b>	254,278
		<b>1,263,683</b>	963,458

The balance of property under development for sale is expected to be recovered within or over one year based on respective construction progress.

根據相關建造進展，待售發展中物業餘額預期於一年或逾一年後收回。

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

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### 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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨賬面值	6,225,069	4,751,647

No inventories were pledged as securities for bank loans of the Group as at 31 December 2017 (31 December 2016: RMB100,000,000) (Note 19(b)).

於二零一七年十二月三十一日，概無存貨抵押作為本集團銀行貸款之擔保(二零一六年十二月三十一日：人民幣100,000,000元)(附註19(b))。

### 15 Trade and other receivables

### 15 交易及其他應收款項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade debtors	應收賬款	1,314,967	846,599
Bills receivable	應收票據	722,982	675,086
Less: allowance for doubtful debts (Note 15(b))	減：呆賬撥備 (附註15(b))	(38,088)	(32,885)
		1,999,861	1,488,800
Other receivables	其他應收款項	18,311	13,882
Less: allowance for doubtful debts	減：呆賬撥備	(1,872)	(1,845)
		16,439	12,037
Prepayments and deposits	預付款項及按金	116,120	81,191
		2,132,420	1,582,028

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

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#### 15 Trade and other receivables (continued)

Certain bills receivable with carrying value of RMB185,759,000 were pledged as securities for bank loans of the Group as at 31 December 2017 (31 December 2016: RMB209,216,000) (Note 19(b)).

The Group's trade and other receivables as at 31 December 2017 included amounts due from related parties of RMB109,581,000 (31 December 2016: RMB78,695,000) (Note 26(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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 month	一個月內	1,186,764	879,189
1 to 3 months	一至三個月	509,604	394,522
3 to 6 months	三至六個月	232,380	181,662
Over 6 months	超過六個月	71,113	33,427
		<b>1,999,861</b>	1,488,800

Trade debtors and bills receivable are due within 30 days to 120 days from the date of billing. Further details on the Group's credit policy are set out in Note 23(a).

#### 15 交易及其他應收款項 (續)

於二零一七年十二月三十一日，賬面值為人民幣185,759,000元之若干應收票據已抵押作為本集團銀行貸款之擔保（二零一六年十二月三十一日：人民幣209,216,000元）（附註19(b)）。

本集團於二零一七年十二月三十一日之交易及其他應收款項包括應收關連方之款項人民幣109,581,000元（二零一六年十二月三十一日：人民幣78,695,000元）（附註26(b)(i)）。餘下之流動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貿易賬款及應收票據（其乃計入交易及其他應收款項）之賬齡分析如下：

貿易賬款及應收票據於發票日期後30日至120日內到期。有關本集團信貸政策之進一步詳情載於附註23(a)。

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### 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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Balance at 1 January	於一月一日之結餘	32,885	27,906
Impairment losses recognised	已確認減值虧損	13,915	18,570
Write back	撤回	(8,712)	(13,591)
Uncollectible amounts written off	不可收回金額撤銷	-	-
Balance at 31 December	於十二月三十一日之結餘	<b>38,088</b>	32,885

At 31 December 2017, the Group's trade debtors of RMB52,333,000 (31 December 2016: RMB33,498,000) 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 RMB38,088,000 was recognised (2016: RMB32,885,000).

### 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：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Balance at 1 January	32,885	27,906
Impairment losses recognised	13,915	18,570
Write back	(8,712)	(13,591)
Uncollectible amounts written off	-	-
Balance at 31 December	<b>38,088</b>	32,885

於二零一七年十二月三十一日，本集團之應收賬款人民幣52,333,000元 (二零一六年十二月三十一日：人民幣33,498,000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38,088,000元之指定呆賬撥備 (二零一六年：人民幣32,885,000元) 已確認。



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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
Over 6 months past due*	逾期六個月以上*

\* Included in the amount over 6 months past due was the amount due from related parties of RMB6,458,000 (2016:RMB Nil).

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.

**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**

<b>2017</b>	<b>2016</b>
二零一七年	二零一六年
<b>RMB'000</b>	<b>RMB'000</b>
人民幣千元	人民幣千元

1,934,452	1,444,123
29,848	35,383
10,176	4,987
7,990	3,694
25,109	-
<b>2,007,575</b>	<b>1,488,187</b>

\* 逾期六個月以上之款項包括應收關聯方款項人民幣6,458,000元(二零一六年：人民幣零元)。

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。



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### 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 and other cash flow information

(a) Cash and cash equivalents comprise:

### 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 現金及現金等價物及其他現金流量資料

(a) 現金及現金等價物包括：

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Cash at bank and on hand	銀行及手頭現金	579,450	443,431



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			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註		
Profit before taxation	除稅前溢利		444,445	351,291
Adjustments for:	經下列各項調整：			
Depreciation	折舊	5(c)	263,029	280,468
Amortisation of lease prepayments	攤銷預付租金	5(c)	7,323	7,033
Impairment losses on trade and other receivables	交易及其他應收款項減值虧損	5(c)	5,230	6,824
Interest income	利息收入	4	(8,141)	(7,455)
Finance costs	財務成本	5(a)	130,329	117,950
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	4	4,643	16,558
Share of profit of an associate	應佔一間聯營公司溢利	13	(7,801)	(7,611)
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	865	(488)
Net foreign exchange loss/(gain)	外匯虧損／(收益)淨額		4,900	(4,902)
Changes in working capital:	營運資金之變動：			
Change in inventories	存貨之變動		(300,225)	(285,196)
Change in trade and other receivables	交易及其他應收款項之變動		(555,622)	(290,306)
Change in trade and other payables	交易及其他應付款項之變動		36,405	365,779
Change in deferred income	遞延收入之變動		(4,178)	(9,091)
<b>Cash generated from operations</b>	<b>業務產生之現金</b>		<b>21,202</b>	<b>540,854</b>

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### 17 Cash and cash equivalents and other cash flow information (continued) 17 現金及現金等價物及其他現金流量資料 (續)

#### (c) Reconciliation of liabilities arising from financing activities

#### (c) 融資活動產生的負債之對賬

		Loans and borrowings 貸款及借貸 RMB'000 人民幣千元 Note 19 附註19	Interest payable 應付利息 RMB'000 人民幣千元 Note 18 附註18	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	1,803,402	5,742	1,809,144
<b>Changes from financing cash flows:</b>	<b>融資現金流量之變動:</b>			
Proceeds of new bank loans	新銀行貸款之所得款項	2,564,711	-	2,564,711
Repayments of bank loans	償還銀行貸款	(1,885,414)	-	(1,885,414)
Finance costs paid	已付財務成本	-	(123,978)	(123,978)
Total changes from financing cash flows	融資現金流量之變動總值	679,297	(123,978)	555,319
<b>Other changes:</b>	<b>其他變動:</b>			
Interest on bank loans (Note 5(a))	銀行貸款利息 (附註5(a))	-	130,329	130,329
At 31 December 2017	於二零一七年十二月三十一日	2,482,699	12,093	2,494,792



**Notes to the Consolidated Financial Statements**  
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(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**

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Trade payables	交易應付款項	497,769	683,596
Bills payable (i)	應付票據(i)	535,071	637,850
Receipts in advance	預收款項	380,678	124,281
Accrued payroll and benefits	應計工資及福利	159,961	135,220
Other payables and accruals	其他應付款項及 應計費用	208,777	160,862
Interest payable (Note 17(c))	應付利息 (附註17(c))	12,093	5,742
Deferred income (Note 20)	遞延收入 (附註20)	23,374	25,125
		<b>1,817,723</b>	1,772,676

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

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。

## 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 (continued)

#### Ageing analysis

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:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 month	一個月內	364,935	496,569
1 to 3 months	一至三個月	358,174	653,090
3 to 6 months	三至六個月	218,489	145,557
Over 6 months	超過六個月	91,242	26,230
		<b>1,032,840</b>	<b>1,321,446</b>

(i) Bills payable were secured by pledged bank deposits of RMB157,760,000 as at 31 December 2017 (31 December 2016: RMB206,900,000) (Note 16).

### 18 交易及其他應付款項 (續)

#### 賬齡分析

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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 month	一個月內	364,935	496,569
1 to 3 months	一至三個月	358,174	653,090
3 to 6 months	三至六個月	218,489	145,557
Over 6 months	超過六個月	91,242	26,230
		<b>1,032,840</b>	<b>1,321,446</b>

(i) 於二零一七年十二月三十一日，應付票據以人民幣157,760,000元（二零一六年十二月三十一日：人民幣206,900,000元）之已抵押銀行存款作擔保（附註16）。





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(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:**

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Within one year	一年內	1,968,314	1,384,150
After 1 year but within 2 years	一年後但兩年內	377,785	402,651
After 2 years but within 5 years	兩年後但五年內	136,600	16,601
		<b>514,385</b>	419,252
		<b>2,482,699</b>	1,803,402

**(b) Terms**

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Secured bank loans	有抵押銀行貸款	2,382,699	1,703,402
Unsecured bank loans	無抵押銀行貸款	100,000	100,000
		<b>2,482,699</b>	1,803,402

**19 貸款及借貸****(a) 貸款及借貸應於下列日期償還：**

	2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Within one year	1,968,314	1,384,150
After 1 year but within 2 years	377,785	402,651
After 2 years but within 5 years	136,600	16,601
	<b>514,385</b>	419,252
	<b>2,482,699</b>	1,803,402

**(b) 條款**

	2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Secured bank loans	2,382,699	1,703,402
Unsecured bank loans	100,000	100,000
	<b>2,482,699</b>	1,803,402

## 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.

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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)	637,547	483,163
Lease prepayments (Note 11)	預付租金 (附註11)	287,424	294,461
Bills receivable (Note 15)	應收票據 (附註15)	185,759	209,216
Pledged deposits (Note 16)	已抵押存款 (附註16)	5,000	1,062
Inventories (Note 14)	存貨 (附註14)	-	100,000
<b>Total</b>	<b>總計</b>	<b>1,115,730</b>	<b>1,087,902</b>

As at 31 December 2017, banking facilities of the Group totalling RMB4,760,846,000 (31 December 2016: RMB4,006,338,000) were utilised to the extent of RMB2,875,731,000 (31 December 2016: RMB2,310,959,000).

As at 31 December 2017, ten (2016: seven) 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 23(b). As at 31 December 2017, none of the covenants relating to drawn down facilities had been breached (2016: 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。

於二零一七年十二月三十一日，於本集團合共人民幣4,760,846,000元(二零一六年十二月三十一日：人民幣4,006,338,000元)之銀行信貸中，人民幣2,875,731,000元(二零一六年十二月三十一日：人民幣2,310,959,000元)經已動用。

於二零一七年十二月三十一日，本集團十項(二零一六年：七項)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23(b)。於二零一七年十二月三十一日，並無違反任何有關已提取信貸之契約(二零一六年：無)。

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(除另有指明外，數額以人民幣列示)**20 Deferred income**

The movements in deferred income as stated under current and non-current liabilities are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	於一月一日	72,972	82,063
Received during the year	於年內取得	18,015	8,223
Recognised in profit or loss (Note 4)	於損益內確認 (附註4)	(22,193)	(17,314)
At 31 December	於十二月三十一日	68,794	72,972
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)	(23,374)	(25,125)
		<b>45,420</b>	47,847

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.

**20 遞延收入**

列入流動及非流動負債項下之遞延收入之變動如下：

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
At 1 January	72,972	82,063
Received during the year	18,015	8,223
Recognised in profit or loss (Note 4)	(22,193)	(17,314)
At 31 December	68,794	72,972
Less: current portion included in trade and other payables (Note 18)	(23,374)	(25,125)
	<b>45,420</b>	47,847

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)  
(除另有指明外，數額以人民幣列示)

### 20 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.

### 21 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

### 20 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本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。

### 21 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：

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
At 1 January	於一月一日	27,514	25,197
Provision for PRC income tax (Note 6(a))	中國所得稅撥備 (附註6(a))	63,843	53,388
Provision for Hong Kong Profits Tax (Note 6(a))	香港利得稅撥備 (附註6(a))	1,961	1,118
Income tax paid	已付所得稅	(68,849)	(52,189)
At 31 December	於十二月三十一日	24,469	27,514



**Notes to the Consolidated Financial Statements**  
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(除另有指明外，數額以人民幣列示)**21 Income tax in the consolidated statement of financial position (continued)****21 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：

Deferred tax assets/(liabilities) arising from	所產生之遞延稅項資產／(負債)	Impairment of non-current financial assets	Temporary differences from pre-sales of properties	Impairment loss on 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 RMB'000 人民幣千元	預售物業之臨時差額 RMB'000 人民幣千元	呆賬減值虧損 RMB'000 人民幣千元	稅項虧損 RMB'000 人民幣千元	集團內公司間轉讓若干土地使用權產生之未變現溢利 RMB'000 人民幣千元	遞延收入內之政府補助金 RMB'000 人民幣千元	中國附屬公司未分派溢利 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	1,787	-	4,284	-	23,494	11,900	(3,690)	37,775
Credited/(charged) to profit or loss (Note 6(a))	於損益內計入(附註6(a))	-	-	1,027	1,024	-	(954)	594	1,691
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	1,787	-	5,311	1,024	23,494	10,946	(3,096)	39,466
Credited/(charged) to profit or loss (Note 6(a))	於損益中計入/(扣除)(附註6(a))	-	6,155	783	(303)	-	(627)	(2,019)	3,989
At 31 December 2017	於二零一七年十二月三十一日	1,787	6,155	6,094	721	23,494	10,319	(5,115)	43,455



## 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)

### 21 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**

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	48,570	42,562
Net deferred tax liability recognised in the consolidated statement of financial position	(5,115)	(3,096)
	<b>43,455</b>	<b>39,466</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 2017, deferred tax liabilities in respect of temporary differences relating to such undistributed profits of RMB1,403,122,000 (2016: RMB1,049,776,000) 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.

### 21 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，故於二零一七年十二月三十一日，並未就與該等未分派溢利人民幣1,403,122,000元（二零一六年：人民幣1,049,776,000元）有關的暫時差額確認遞延稅項負債。



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(除另有指明外，數額以人民幣列示)**22 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:

The Company	本公司	Note	Share capital 股本 RMB '000 人民幣千元 Note 22 (c) 附註22 (c)	Share premium 股份溢價 RMB '000 人民幣千元 Note 22 (d)(i) 附註22 (d)(i)	Other reserve 其他儲備 RMB '000 人民幣千元 Note 22 (d)(ii) 附註22 (d)(ii)	Exchange reserve 匯兌儲備 RMB '000 人民幣千元 Note 22 (d)(v) 附註22 (d)(v)	Retained earnings 保留盈利 RMB '000 人民幣千元	Total 總計 RMB '000 人民幣千元
Balance at 1 January 2016	於二零一六年一月一日之結餘	27	3,731	179,568	441,976	(48,038)	32,363	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	22(b)	-	-	-	-	(31,895)	(31,895)
Balance at 31 December 2016 and at 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日之結餘	27	3,731	179,568	441,976	(8,458)	8,001	624,818
Changes in equity for 2017	二零一七年度股權變動							
Loss for the year	年度虧損		-	-	-	-	(6,162)	(6,162)
Other comprehensive loss	其他全面虧損		-	-	-	(38,982)	-	(38,982)
Total comprehensive loss for the year	年度全面虧損總額		-	-	-	(38,982)	(6,162)	(45,144)
Balance at 31 December 2017	於二零一七年十二月三十一日之結餘	27	3,731	179,568	441,976	(47,440)	1,839	579,674

**22 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：

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

### 22 Capital, reserves and dividends (continued)

### 22 股本、儲備及股息 (續)

#### (b) Dividends

#### (b) 股息

#### (i) Dividends payable to equity shareholders of the Company attributable to the year

#### (i) 應付本年度之本公司權益股東股息

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Final dividends proposed after the end of reporting period of HKD0.2 per ordinary share (2016: Nil)	69,882	-

The Board recommended the payment of a final dividend of HKD0.2 per ordinary share for the year ended 31 December 2017 (2016: Nil).

董事會建議就截至二零一七年十二月三十一日止年度派付末期股息每股普通股0.2港元(二零一六年：無)。

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.

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。

#### (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

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
No final dividends in respect of the previous financial year were approved and paid during the year (2016: HKD9 cents per ordinary share)	-	31,895

No final dividends in respect of the previous financial year were approved and paid during the year (2016: HKD9 cents per ordinary share)

於年內並無批准及派付上一個財政年度之末期股息(二零一六年：每股普通股9港仙)

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(除另有指明外，數額以人民幣列示)**22 Capital, reserves and dividends (continued)****(c) Share Capital****Ordinary shares, issued and fully paid:**

	2017 二零一七年			2016 二零一六年		
	No. of shares 股份數目	Nominal value of fully paid shares 繳足股份面值	RMB equivalents '000 (千股) 千港元 人民幣千元	No. of shares 股份數目	Nominal value of Amount 面值金額	RMB equivalents '000 (千股) 千港元 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

The ordinary shares of the Company has a par value of HKD0.01 per share.

**(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.

**22 股本、儲備及股息 (續)****(c) 股本****已發行及繳足普通股：**

2017 二零一七年			2016 二零一六年		
No. of shares 股份數目	Nominal value of fully paid shares 繳足股份面值	RMB equivalents '000 (千股) 千港元 人民幣千元	No. of shares 股份數目	Nominal value of Amount 面值金額	RMB equivalents '000 (千股) 千港元 人民幣千元
418,000	4,180	3,731	418,000	4,180	3,731

本公司普通股之面值為每股股份 0.01 港元。

**(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。

## 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 Capital, reserves and dividends (continued)

#### (d) Nature and purpose of reserves (continued)

##### (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 re-organisation 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 re-organisation of the Group on 29 February 2008.

##### (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.

### 22 股本、儲備及股息 (續)

#### (d) 儲備性質及用途 (續)

##### (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。

##### (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。



## 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 Capital, reserves and dividends (continued)

#### (d) Nature and purpose of reserves (continued)

##### (iv) PRC statutory reserves (continued)

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.

#### (e) Distributability of reserves

The aggregate amount of distributable reserves of the Company as at 31 December 2017 was RMB575,943,000 (2016: RMB621,087,000).

#### (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.

### 22 股本、儲備及股息 (續)

#### (d) 儲備性質及用途 (續)

##### (iv) 中國法定儲備 (續)

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。

#### (e) 可供分派儲備

於二零一七年十二月三十一日，本公司之可供分派儲備總額為人民幣575,943,000元(二零一六年：人民幣621,087,000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。

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

### 22 Capital, reserves and dividends (continued)

#### (f) Capital management (continued)

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) plus unaccrued proposed dividends, less cash and cash equivalents and pledged deposits. Adjusted capital comprises all components of equity less unaccrued proposed dividends.

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.

### 22 股本、儲備及股息 (續)

#### (f) 資本管理 (續)

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）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。

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。



**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 Capital, reserves and dividends (continued)****(f) Capital management (continued)**

The Group's adjusted net debt-to-capital ratio at 31 December 2017 and 2016 was as follows:

**22 股本、儲備及股息 (續)****(f) 資本管理 (續)**

於二零一七年及二零一六年十二月三十一日，本集團之經調整淨債務資本比率如下：

			2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註		
Current liabilities:	流動負債：			
– Loans and borrowings	– 貸款及借貸	19	1,968,314	1,384,150
Non-current liabilities:	非流動負債：			
– Loans and borrowings	– 貸款及借貸	19	514,385	419,252
Total debt	債務總額		2,482,699	1,803,402
Add: Proposed dividends	加：建議股息	22(b)	69,882	–
Less: Cash and cash equivalents	減：現金及現金等價物	17	(579,450)	(443,431)
Pledged deposits	已抵押存款	16	(167,419)	(212,815)
Adjusted net debt	經調整債務淨額		1,805,712	1,147,156
Total equity	權益總額		2,069,035	1,687,920
Less: Proposed dividends	減：建議股息	22(b)	(69,882)	–
Adjusted capital	經調整資本		1,999,153	1,687,920
Adjusted net debt-to-capital ratio	經調整淨負債資本比率		90%	68%

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(Expressed in Renminbi unless otherwise indicated)  
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### 22 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.

### 23 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.

### 22 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。

### 23 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。



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### 23 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, 7% (2016: 5%) and 17% (2016: 16%) 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 25, 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 25.

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.

### 23 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7%（二零一六年：5%）及17%（二零一六年：16%）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25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25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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### 23 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 (excluding advances from customers), 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:

### 23 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(不包括來自客戶的預收款項)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：

		2017 二零一七年				
		Contractual undiscounted cash outflow 合約未貼現現金流出				
	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	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	2,035,733	389,957	149,503	2,575,193	2,482,699
Trade and other payables*	交易及其他應付款項*	1,241,617	-	-	1,241,617	1,241,617
		3,277,350	389,957	149,503	3,816,810	3,724,316



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### 綜合財務報表附註

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#### 23 Financial risk management and fair values of financial instruments (continued)

##### (b) Liquidity risk (continued)

		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	之賬面值
		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*	1,482,308	-	-	1,482,308	1,482,308
		2,916,278	418,863	17,572	3,352,713	3,285,710

\* The balance included trade payables, bills payable and other payables and accruals, which were financial liabilities in nature.

As shown in the above analysis, bank loans and related interest expense of the Group amounting to RMB2,037,632 were due to be repaid during 2017 (2016: RMB1,433,970,000). The short-term liquidity risk inherent in this contractual maturity date was not significantly changed after the reporting period.

#### 23 金融風險管理及金融工具之公平值 (續)

##### (b) 流動資金風險 (續)

\* 結餘包括交易應付款項、應付票據及其他應付款項及應計費用，乃屬金融負債性質。

誠如上述分析所示，本集團為數人民幣2,037,632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1,433,970,000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。

## 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 Financial risk management and fair values of financial instruments (continued)

#### (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.

#### (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.

### 23 金融風險管理及金融工具之公平值 (續)

#### (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)。

#### (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。

		2017 二零一七年		2016 二零一六年	
		Effective interest rates 實際利率	Amount '000 金額 千元	Effective interest rates 實際利率	Amount '000 金額 千元
Fixed rate borrowings: Bank loans	定息借貸： 銀行貸款	3.21%-6.80%	1,351,971	2.90%-6.80%	1,345,313
Variable rate borrowings: Bank loans	浮息借貸： 銀行貸款	4.04%-6.80%	1,130,728	4.04%-5.23%	458,089
Total borrowings	借貸總額		2,482,699		1,803,402
Fixed rate borrowings as a percentage of total borrowings	定息借貸佔借貸總額百分比		54%		75%

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### 23 Financial risk management and fair values of financial instruments (continued)

#### (c) Interest rate risk (continued)

##### (ii) Sensitivity analysis

At 31 December 2017, 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 RMB9,552,000 (2016: RMB3,894,000).

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 2016.

### 23 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

於二零一七年十二月三十一日，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9,552,000元（二零一六年：人民幣3,894,000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。該分析乃以二零一六年之同一基準進行。

## 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 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 HKD and 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.

### 23 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。

#### 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。

Exposure to foreign currencies (expressed in RMB)  
外幣風險承擔 (以人民幣列示)

		2017 二零一七年		2016 二零一六年	
		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	12,083	5,127	19,992	12,905
Cash and cash equivalents	現金及現金等價物	16,454	70,234	32,349	83,445
Trade and other payables	交易及其他應付款項	(19,411)	(15,517)	(20,498)	(970)
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	9,126	59,844	31,843	95,380



## 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 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.

		2017 二零一七年		2016 二零一六年	
		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%	508	1%	791
Hong Kong Dollars	港元	1%	56	1%	249

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.

### 23 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。

## 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 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 2016.

#### (e) Fair values measurement

##### (i) *Financial instruments and liabilities measured at fair value*

At 31 December 2017 and 31 December 2016, the Group has no financial instruments accounted for using fair value model.

##### (ii) *Fair value of other financial assets and liabilities carried at other than fair value*

The carrying amount of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair value as at 31 December 2017 and 31 December 2016.

### 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。分析已按與二零一六年相同之基準進行。

#### (e) 公平值計量

##### (i) *按公平值計量之金融資產及負債*

於二零一七年十二月三十一日及二零一六年十二月三十一日，本集團並無按公平值模式入賬之金融工具。

##### (ii) *按非公平值入賬之其他金融資產及負債之公平值*

本集團按成本或攤銷成本入賬之金融工具之賬面值與其於二零一七年十二月三十一日及二零一六年十二月三十一日之公平值並無重大差異。



**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 Commitments****(a) Capital commitments**

Capital commitments outstanding at 31 December not provided for in the financial statements were as follows:

**24 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：

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 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	5,992	4,268
– 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	19,367	8,501
– 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	46,868	25,869
– 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	32,012	284
– 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	158,465	209,689
		<b>262,704</b>	248,611
Authorised but not contracted for	已授權但未訂約	<b>30,796</b>	86,033
Total	總計	<b>293,500</b>	334,644

## 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 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:

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Within 1 year	一年內	2,100	2,256
After 1 year but within 5 years	一年後但五年內	6,168	6,872
Over 5 years	超過五年	5,949	7,433
		<b>14,217</b>	<b>16,561</b>

The leases typically run for an initial period of 1 to 9 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.

### 25 Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2017 (2016: Nil).

### 24 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：

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Within 1 year	一年內	2,100	2,256
After 1 year but within 5 years	一年後但五年內	6,168	6,872
Over 5 years	超過五年	5,949	7,433
		<b>14,217</b>	<b>16,561</b>

租賃一般初步為期1至9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。

### 25 或然負債

於二零一七年十二月三十一日，本集團並無重大或然負債（二零一六年：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)

#### 26 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 2017, 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 Yinhai Aluminium Co., Ltd. (“LBYH”)  
(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.

#### 26 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：

於截至二零一七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)

### 26 Material related party transactions (continued)

#### (a) Transactions

##### Sales and purchase

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Sales of goods to	銷售貨品予		
– Xingfa Curtain Wall	– 興發幕牆	161,362	160,483
– Jiangxi Jingxing	– 江西景興	96,817	82,430
		<b>258,179</b>	<b>242,913</b>
Dormitory rent	宿舍租金		
– Jiangxi Jingxing	– 江西景興	3,641	2,506

#### (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

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade related	與交易有關		
Xingfa Curtain Wall	興發幕牆	28,179	30,562
Jiangxi Jingxing	江西景興	81,402	48,133
		<b>109,581</b>	<b>78,695</b>

### 26 重大關連方交易 (續)

#### (a) 交易

##### 買賣

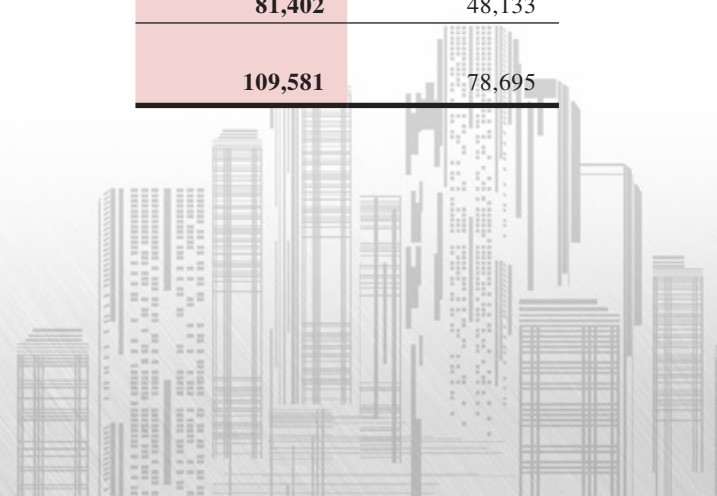
2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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#### (b) 與關連方的結餘

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

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
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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)**26 Material related party transactions**  
*(continued)***(b) Balances with related parties** *(continued)***(ii) Trade and other payables**

		2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
Trade related	與交易有關		
Leahin Coating	立興塗料	31	31
LBYH	來賓銀海	-	207
		<b>31</b>	<b>238</b>

The amounts due from related parties are unsecured, interest-free and have no fixed terms of repayment.

**26 重大關連方交易 (續)****(b) 與關連方的結餘 (續)****(ii) 交易及其他應付款項**

應收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)

### 26 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:

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term employee benefits 短期僱員福利	24,958	30,332
Contribution to retirement benefit plan 退休福利計劃供款	195	235
	<b>25,153</b>	<b>30,567</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.

### 26 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:

	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Short-term employee benefits 短期僱員福利	24,958	30,332
Contribution to retirement benefit plan 退休福利計劃供款	195	235
	<b>25,153</b>	<b>30,567</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)**27 Company-level statement of financial position****27 公司層面財務狀況表**

			2017 二零一七年 <b>RMB'000</b> 人民幣千元	2016 二零一六年 <b>RMB'000</b> 人民幣千元
		Note 附註		
<b>Non-current asset</b>	<b>非流動資產</b>			
Investments in subsidiaries	於附屬公司之投資	12	580,232	620,901
<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		56,204	49,305
Cash and cash equivalents	現金及現金等價物		697	2,687
			56,901	51,992
<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		52,628	42,883
Other payables	其他應付款項		4,831	5,192
			57,459	48,075
<b>Net current (liabilities)/assets</b>	<b>流動(負債)/資產淨值</b>		(558)	3,917
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		579,674	624,818
<b>Net assets</b>	<b>資產淨值</b>		579,674	624,818
<b>Capital and reserves</b>	<b>股本及儲備</b>			
Share capital	股本		3,731	3,731
Reserves	儲備		575,943	621,087
<b>Total equity</b>	<b>權益總額</b>		579,674	624,818

## 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 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017

Up to the date of issue of these financial statements, the IASB has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2017 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

### 28 於截至二零一七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二零一七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。

**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**

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，來自客戶合約收益	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
Amendments to IAS 40, <i>Investment property: Transfers of investment property</i> 國際會計準則第40號之修訂，投資物業：轉讓投資物業	1 January 2018 二零一八年一月一日
HK(IFRIC) 22, <i>Foreign currency transactions and advance consideration</i> 香港（國際財務報告詮釋委員會）詮釋第22號，外幣交易及預付代價	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





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### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

The Group is in the process of making an assessment of what the impact of these amendments, new standards and interpretations 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. While the assessment has been substantially completed for IFRS 9 and IFRS 15, the actual impacts upon the initial adoption of the standards may differ as the assessment completed to date is based on the information currently available to the Group, and further impacts may be identified before the standards are initially applied in the Group's interim financial report for the six months ended 30 June 2018. The Group may also change its accounting policy elections, including the transition options, until the standards are initially applied in that financial report.

#### 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, including the measurement of impairment for 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 and measurement of financial liabilities.

IFRS 9 is effective for annual periods beginning on or after 1 January 2018 on a retrospective basis. The Group plans to use the exemption from restating comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018.

### 28 於截至二零一七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、新準則及詮釋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。雖然對國際財務報告準則第9號和國際財務報告準則第15號之評估已基本完成，但初步採用該等準則的實際影響可能會有所不同，因為迄今為止完成之評估乃基於本集團目前可得之資料，並且可能會在該等準則初步應用於本集團截至二零一八年六月三十日止六個月的中期財務報告前發現進一步的影響。本集團亦可改變其會計政策選擇，包括過渡方案，直至該等準則初步應用於財務報告。

#### 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。包括另一方面，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。

香港財務報告準則第9號於二零一八年一月一日或之後開始之年度期間追溯生效。本集團計劃採用豁免重列比較資料，並將就二零一八年一月一日之權益期初結餘確認任何過渡調整。

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### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

#### IFRS 9, Financial instruments (continued)

##### (a) Classification and measurement

Expected impacts of the new requirements on the Group's financial statements are as follows:

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):

- 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 interest revenue, impairment 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.
- The Group has assessed 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.

### 28 於截至二零一七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

新規定對本集團財務報表的預期影響如下：

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：

- 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，則利息收益權益、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。
- 本集團估計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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### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (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 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 either a 12-month expected credit loss or a lifetime expected credit loss, depending on the asset and the facts and circumstances.

The Group expects that the application of the expected credit loss model will result in earlier recognition of credit losses.

### 28 於截至二零一七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。

本集團預期應用預期信貸虧損模式將導致提前確認信貸虧損。

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### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (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.

Based on the assessment completed to date, the Group has identified the following areas which are expected 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 aluminum products is generally recognised when the risks and rewards of ownership have been 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:

- (i) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;

### 28 於截至二零一七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）。

根據當日完成之評估，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，而銷售鋁產品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：

- (i) 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；





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### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

#### IFRS 15, Revenue from contracts with customers (continued)

##### (a) Timing of revenue recognition (continued)

- (ii) 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;
- (iii) 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 been 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.

The Group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue from sales of aluminum products. However, revenue recognition for sales of properties is expected to be affected as follows:

### 28 於截至二零一七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)

- (ii) 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;
- (iii) 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。

本集團已評定新收益準則不大可能對其確認來自鋁產品銷售之收益之方式造成重大影響。然而，就銷售物業之收益確認預期將受到以下影響：



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### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

#### IFRS 15, Revenue from contracts with customers (continued)

##### (a) Timing of revenue recognition (continued)

Currently the Group's property development activities are carried out in the PRC only. Taking into account the contract terms, the Group's business practice and the legal and regulatory environment of the PRC, the Group has assessed that its property sales contracts will not meet the criteria for recognising revenue over time and therefore revenue from property sales will continue to be recognised at a point in time. Currently the Group's revenue recognition policies are disclosed in note 1(q)(ii), which is taken to be the point in time when the risks and rewards of ownership of the property have been transferred to the customer. The Group has assessed that under the transfer-of-control approach in the new standard revenue from property sales will generally be recognised when the customers obtain control of the properties. This may not result in revenue being recognised substantially later than at present.

##### (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.

### 28 於截至二零一七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)

目前，本集團的物業發展活動僅在中國進行。考慮到合約條款，本集團的業務慣例以及中國的法律及監管環境，本集團已評估其物業銷售合約將不符合確認收入的準則，因此物業銷售收入將繼續在某個時間點得到認可。目前，本集團之收入確認政策披露於附註於1(q)(ii)，當時物業擁有權的風險及回報已被視為時間點轉移給客戶。本集團評估認為，根據新準則中的控制權轉移法，物業銷售收入一般將於客戶獲得物業之控制權時確認。這可能導致收入比現在遲確認。

##### (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。



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### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

#### IFRS 15, Revenue from contracts with customers (continued)

##### (b) Significant financing component (continued)

In assessing whether advance payments include a significant financing component, the Group has considered the difference between the length of time between the payment date and the date when the customers obtain control of the properties based on the typical arrangements entered into with the customers.

Where advance payment include a significant financing component, the transaction price will need to be adjusted to separately account for this component. Such adjustment will result in interest expense being recognised to reflect the effect of the financing benefit obtained from the customers during the period between the payment date and the date when the customers obtain control of the properties, with a corresponding increase to revenue on sale of properties recognised when control of the completed property is transferred to the customer. However, the actual extent of impact of this new accounting policy will also depend on whether and by how much such interest expense can be capitalised as part of the cost of the properties under IAS 23, Borrowing costs. If the interest expense is to be capitalised until the construction work is completed, then this new accounting policy will not have a material impact on the Group's net profits during the construction period and gross profit from the sales of properties. The Group is in the process of assessing the implication of the significant financing component identified from the property sales on its capitalisation policy.

### 28 於截至二零一七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)

在評估此提前付款計劃是否包含重大融資部分時，本集團已考慮基於與客戶訂立的標準安排所得的付款日期與客戶獲得物業控制權之日之間的時長的差額。

倘有關提前付款計劃包含重大融資部分，交易價格將需要作出調整以就該部分單獨入賬。有關調整將導致確認利息開支以反映於付款日期與客戶獲得物業控制權日期之間的期間自客戶獲得的融資利益的影響，並於完工物業的控制權轉移至客戶時確認物業銷售收益的相應增加。然而，該項新會計政策的實際影響程度亦視乎有關利息開支是否可根據國際會計準則第23號借款成本資本化為物業成本的一部分。倘利息開支可予以資本化直至建築工程完成，則該新會計政策將不會對本集團建造期間的純利及銷售物業所得的毛利造成重大影響。本集團正在評估物業銷售中確定的重大融資部分對其資本化政策的含義。

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### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

#### IFRS 15, Revenue from contracts with customers (continued)

##### (c) Sales with a right of return

Currently when the customers are allowed to return the Group's products, the Group estimates the level of expected returns and makes an adjustment against revenue and cost of sales.

The Group has assessed 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.

##### (d) Incremental cost of obtaining a contract

IFRS 15 requires an entity to recognise as an asset the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs. Incremental costs of obtaining a contract are costs that the entity would not have incurred if the contract had not been obtained. The asset recognised shall be amortised, i.e. charged as an expense, on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

### 28 於截至二零一七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)

##### (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。

##### (d) 獲得合約的遞增成本

國際財務報告準則第15號規定，倘實體預期可收回的獲得合約的遞增成本，則該實體須將該等成本確認為一項資產。獲得合約的遞增成本指的是若未取得相關客戶合同就不會發生之成本。已確認資產應按與轉移至客戶的與資產相關的貨品或服務相一致的基準進行攤銷（即作為開支扣除）。



## 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 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

#### IFRS 15, Revenue from contracts with customers (continued)

##### (d) Incremental cost of obtaining a contract (continued)

The Group considered the sales commission of property sales is the incremental costs of obtaining a contract because it incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. It shall be capitalised as “contract costs” when incurred and recognise it as an expense when revenue from the property sales contract that gave rise to the commission is recognised. Currently, the Group’s sales commission of property sales is recognised as an expense when incurred. The Group is in the process of assessing the implication of sales commission of property sales on its capitalisation policy.

The Group plans to elect to use the cumulative effect transition method for the adoption of IFRS 15 and will recognise the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2018.

### 28 於截至二零一七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)

##### (d) 獲得合約的遞增成本 (續)

本集團認為，物業銷售的銷售佣金為獲得合約的遞增成本，乃因為其於獲得客戶合約時產生，而倘未有獲得合約，這項成本將不會產生。該成本於產生時資本化為「合約成本」，並於產生佣金的物業銷售合約收入獲確認時將其確認為開支。目前，本集團物業銷售的銷售佣金於產生時即確認為開支。本集團正在評估物業銷售的銷售佣金對其資本化政策構成的影響。

本集團計劃選擇就採納國際財務報告準則第15號使用累積效應過渡法，並將確認首次應用之累積效應，作為對二零一八年一月一日權益期初結餘之調整。



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

(Expressed in Renminbi unless otherwise indicated)  
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### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

#### IFRS 16, Leases

As disclosed in Note 1(g), currently the Group classifies leases into operating leases and accounts for the lease arrangements depending on the nature 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.

### 28 於截至二零一七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經營租賃，本集團會按租賃的分類而採納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)

### 28 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (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 24(b), at 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB12,117,000 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.

### 28 於截至二零一七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24(b)所披露，於二零一七年十二月三十一日，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12,117,000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。

## 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 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2017 (continued)

#### IFRS 16, Leases (continued)

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. The standard offers different transition options and practical expedients, including the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. If this practical expedient is chosen, the Group will apply the new definition of a lease in IFRS 16 only to contracts that are entered into on or after the date of initial application. If the practical expedient is not chosen, the Group will need to reassess all of its decisions about which existing contracts are, or contain, leases, using the new definition. Depending on whether the Group elects to adopt the standard retrospectively or follow a modified retrospective method of recognising a cumulative-effect adjustment to the opening balance of equity at the date of initial application, the Group may or may not need to restate comparative information for any changes in accounting resulting from the reassessment.

The Group has not yet decided whether it will choose to take advantage of this practical expedient, and which transition approach to be taken.

### 28 於截至二零一七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號將於二零一九年一月一日或之後開始之年度期間生效。該準則提供不同之過渡選擇及可行權宜方法，包括融入先前評估之可行權宜方法，當中現有安排為（或包含）租賃。倘選擇此可行權宜方法，本集團僅將國際財務報告準則第16號對租賃之新定義應用於首次應用日期或之後訂立之合約。倘並無選擇可行權宜方法，本集團將須使用新定義重新評估其對那些現有合約為（或包含）租賃而作之所有決定。視乎本集團是否選擇以追溯方式採納國際財務報告準則第16號，或遵從經修訂可追溯方式確認對首次應用當日權益期初結餘之累計效應調整，本集團未必需要重列因重新評估而引致任何會計變動之比較資料。

本集團尚未決定是否將選擇採用此可行權宜方法之優勢，及將採取哪種過渡方法。



## Five Years Summary

## 五年概要

(Expressed in Renminbi)

(以人民幣列示)

		As at 31 December 於十二月三十一日				
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
<b>Assets and liabilities</b>	<b>資產及負債</b>					
Property, plant & equipment	物業、廠房及設備	1,862,769	1,794,185	1,905,468	1,882,739	1,832,942
Non-current financial assets	非流動金融資產	-	-	-	-	11,912
Lease prepayments	預付租金	373,699	294,461	301,494	308,527	363,274
Interest in an associate	於聯營公司的權益	16,451	9,515	1,416	941	-
Prepayment for machinery	機器預付款項	-	-	-	-	-
Deferred tax assets	遞延稅項資產	48,570	42,562	41,465	39,654	20,995
Net current assets/(liabilities)	流動資產/(負債)淨額	332,466	17,392	(468,538)	(698,489)	(663,809)
Total assets less current liabilities	總資產減流動負債	2,633,955	2,158,115	1,781,305	1,533,372	1,565,314
Non-current liabilities	非流動負債	(564,920)	(470,195)	(361,459)	(349,411)	(589,570)
<b>Net assets</b>	<b>資產淨值</b>	<b>2,069,035</b>	<b>1,687,920</b>	<b>1,419,846</b>	<b>1,183,961</b>	<b>975,744</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	2,065,304	1,684,189	1,416,115	1,180,230	972,013
<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>2,069,035</b>	<b>1,687,920</b>	<b>1,419,846</b>	<b>1,183,961</b>	<b>975,744</b>
		<b>For the year ended 31 December 截至十二月三十一日止年度</b>				
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元
<b>Operating results</b>	<b>經營業績</b>					
Revenue	營業額	7,239,658	5,576,696	4,977,829	4,843,915	3,907,457
Profit before taxation	除稅前溢利	444,445	351,291	320,660	269,259	168,892
Income tax expenses	所得稅開支	(61,815)	(52,815)	(54,893)	(44,653)	(38,292)
<b>Profit for the year</b>	<b>年度溢利</b>	<b>382,630</b>	<b>298,476</b>	<b>265,767</b>	<b>224,606</b>	<b>130,600</b>
<b>Attributable to equity holders of the Company</b>	<b>歸屬於本公司股權持有人</b>	<b>382,630</b>	<b>298,476</b>	<b>265,767</b>	<b>224,606</b>	<b>130,600</b>
Basic and diluted earnings per share (RMB yuan)	每股基本及攤薄盈利 (人民幣元)	0.92	0.71	0.64	0.54	0.31

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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