



China Metal Resources Utilization Limited
中國金屬資源利用有限公司

(a company incorporated under the laws of Cayman Islands with limited liability)
(根據開曼群島法律註冊成立的有限公司)

Stock Code 股份代號: 1636



年報

2017

ANNUAL REPORT

CONTENTS 目錄

Corporate Profile 公司概況	2
Chairman's Statement 主席報告	3
Management Discussion and Analysis 管理層討論及分析	5
Directors and Senior Management 董事及高級管理層	19
Report of the Directors 董事會報告	25
Corporate Governance Report 企業管治報告	54
Independent Auditor's Report 獨立核數師報告	72
Consolidated Statement of Profit or Loss 綜合損益表	80
Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表	81
Consolidated Statement of Financial Position 綜合財務狀況表	82
Consolidated Statement of Changes in Equity 綜合權益變動表	84
Consolidated Cash Flow Statement 綜合現金流量表	86
Notes to the Financial Statements 財務報表附註	88
Five Year Financial Summary 五年財務概要	206
Corporate Information 公司資料	207



CORPORATE PROFILE

公司概況

China Metal Resources Utilization Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability on 22 February 2013. The Company and its subsidiaries (the “Group”) are a fast-growing manufacturer of recycled copper products, also known as copper semis, in Southwest China. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 21 February 2014 (the “Listing Date”).

We process recycled scrap copper and, to a lesser extent, electrolytic copper, to manufacture a range of copper products, including copper wire rods, copper wires, copper plates and copper granules. Beginning in 2013, we have also sold a range of communication cables and power transmission and distribution cables using copper wire rods that we produce as the principal raw material. We are increasing our production capacity and plan to broaden our product range and pursue opportunities for further vertical integration. Beginning in 2015, we have also extended our product range to aluminium products. In light of favourable development trends in China and our advantages in raw material supply, facility location and preferential governmental policies, we believe we are well positioned to become a leading integrated recycled copper product supplier in China covering the key value-creating activities in the industry chain.

We currently own and operate several production facilities for recycled copper products. These facilities include our subsidiaries Mianyang Jinxin Copper Co., Ltd. (“Jinxin”), Mianyang Tongxin Copper Co., Ltd. (“Tongxin”), Sichuan Baohe Xinshiji Cable Co., Ltd. (“Baohe Xinshiji”) and Mianyang Baohe Taiyue Communications Cable Co., Ltd. (“Baohe Taiyue”) are located in Mianyang, Sichuan Province and the facility of our subsidiary Hunan Yinlian Xiangbei Copper Co., Ltd. (“Xiangbei”) is located in Miluo, Hunan Province. We are also operating our trading business of copper and aluminium products in Mianyang, Sichuan Province.

This annual report, in both English and Chinese versions, is available on the Company’s website at <http://www.cmru.com.cn/>.

Shareholders may at any time change their choice of language(s) (either English only or Chinese only or both languages) of Corporate Communications.

Shareholders may send their request to change their choice of language(s) of Corporate Communications by notice in writing to the Hong Kong Branch Share Registrar of the Company with Computershare Hong Kong Investor Services Ltd. at 17M Floor Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong.

中國金屬資源利用有限公司(「本公司»)為一家於2013年2月22日在開曼群島註冊成立的獲豁免有限公司。本公司及其附屬公司(「本集團»)是中國西南部增長迅速的再生銅產品(亦稱為銅半製成品)製造商。本公司股份於2014年2月21日(「上市日期»)在香港聯合交易所有限公司(「聯交所»)主板上市。

本集團主要加工回收的廢銅，其次是電解銅，從而生產多種銅產品，包括銅線材、銅線、銅排和銅米。自2013年起，我們亦銷售多種通信電纜和送配電纜，這些電纜以我們生產的銅線材作為主要原材料。我們正提高產能，計劃擴大產品類型，並尋求機會進一步垂直整合。自2015年起，我們的產品範圍擴展至鋁製品。鑑於中國的有利發展趨勢及我們在原材料供應、設施所在地及利好的政府政策等方面的優勢，相信我們已具備條件成為中國領先的綜合再生銅產品供應商，涵蓋產業鏈內的主要價值創造活動。

本集團目前擁有及營運數個再生銅產品生產設施。該等設施包括我們的附屬公司綿陽金鑫銅業有限公司(「金鑫»)、綿陽銅鑫銅業有限公司(「銅鑫»)、四川保和新世紀線纜有限公司(「保和新世紀»)及綿陽保和泰越通信線纜有限公司(「保和泰越»)位於四川省綿陽市，而我們的附屬公司湖南銀聯湘北銅業有限公司(「湘北»)設施位於湖南省汨羅市。我們亦於四川省綿陽市經營買賣銅及鋁製品業務。

本年報的中、英文本已登載於本公司網站 <http://www.cmru.com.cn/>。

股東可隨時更改收取公司通訊的語言版本的選擇(即英文本或中文本或中、英文本)。

股東可以書面通知本公司在香港的股份過戶登記分處，香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17M樓，提出更改收取公司通訊的語言版本的選擇。

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of China Metal Resources Utilization Limited ("CMRU" or the "Company"), I hereby present the audited consolidated annual results of the Company and its subsidiaries (collectively the "Group") for the twelve months ended 31 December 2017.

China's gross domestic product in the 2017 grew by 6.9%, which was higher than last year's 6.7%. This would appear to indicate that China's economy has stabilized and is back on its growth track. With the expected continued improvement in China's economy, the demand for copper products across the country has increased, and the ICSG expected a 10.5 million tons shortage in the world copper market in 2018. Also, China has enforced a new regulation to prohibit the import of scrap metals into China as from 2018. Recent China Customs data showed that in January China's import of scrap copper decreased by 27.5% and 24% as compared to January 2017 and December 2018 respectively, which assists to drive the up-going trend in the copper price.

Riding on the economic recovery, the Group generated a significant increase in sales revenue by 178.5% to RMB 13,741.9million : a 188.3% increase in revenue from trading of electrolytic copper; a 158.2% increase in revenue from recycled copper products; a 335.3% increase in revenue from sales of power transmission and distribution cables; this reflected an increase of 2,026.7% in sales volume.

In order to take advantage of the expected recovery of the industrial metal market, the Group underwent several fund raising activities during 2017, namely, an issuance of 74,074,074 new ordinary shares for HK\$200 million in June 2017, an issuance of convertible bonds with a total principal amount of HK\$250 million in April 2017 and an issuance of convertible bonds with a total principal amount of HK\$600 million in August 2017. In order to grasp the favorable opportunities to expand our scale, the Group also undertook few acquisitions recently, namely, the completion of a pre-IPO investment of 25% equity interest in Sichuan Jin Xunhuan E-commerce Trading Co., Ltd. ("JX E-commerce") in October 2017, the entering into sale and purchase agreements to acquire two target companies which have production facilities in Sichuan and Hubei in December 2017 and February 2018, respectively.

各位股東：

本人謹此代表中國金屬資源利用有限公司(「中國金屬資源利用」或「本公司」)董事會(「董事會」)提呈本公司連同附屬公司(統稱為「本集團」)截至2017年12月31日止12個月的經審核綜合全年業績。

中國2017年國內生產總值增長6.9%，高於去年6.7%。這表明中國經濟已經穩定下來並重回增長軌道。受惠於中國經濟預期繼續改善，全國銅產品需求增加，ICSG預期2018年全球銅市場會出現10.5萬噸短缺。中國亦已實施新規定從2018年起禁止進口廢金屬，近期中國海關進出口數據顯示1月中國進口廢銅分別較2017年1月及2018年12月下 降27.5%及24%，該項新政有助推動銅價上漲。

得益於經濟復甦，本集團的銷售收入大幅增長178.5%，達到人民幣13,741,900,000元。其中電解銅貿易的收益增加188.3%；再生銅產品的收益增加158.2%；銷售送配電纜的收益增加335.3%；反映銷量的2,026.7%增幅。

為了把握工業金屬市場的預期復甦，本集團於2017年進行了多次集資活動，包括於2017年6月發行74,074,074股新普通股籌集2億港元；於2017年4月發行本金總額為2.5億港元的可換股債券；於2017年8月發行本金總額為6億港元的可換股債券。為把握有利機會擴大規模，本集團近期亦進行數項收購，包括2017年10月完成對四川金循環電子商務有限公司(「金循環電子商務」)25%股本權益的首次公開發售前投資，以及分別於2017年12月及2018年2月訂立買賣協議以收購兩家於四川及湖北擁有生產設施的目標公司。

CHAIRMAN'S STATEMENT

主席報告

Being the second year of the 13th Five-Year Plan, the "Guiding Opinion on Accelerating the Development of Recycled Resources Industry" (關於加快推進再生資源產業發展的指導意見) jointly issued by the Ministry of Industry and Information Technology, Ministry of Commerce, and Ministry of Technology on 25 January 2017 marked a significant step by the Chinese government to step up the support to the resources recycling industry, with metal recycling being one of the key areas to develop. The document set out very exciting targets for recycled resources industry by 2020: scrap copper consumption to reach 150.0 million tonnes, recycled copper production to reach 4.4 million tonnes, recycled aluminium to reach 9.0 million tonnes. The Group is ready to tap on the opportunities arise from the huge demand for recycled metal products in the near future.

At this juncture, in order to increase our financial strength, the Group announced the acquisitions of Silver Eminent Group Limited and Value Link Development Limited in December 2017 and February 2018 respectively. The acquisitions are expected to contribute meaningfully to the scale and profitability of our recycled copper business. In the coming future, we shall be continuing to scale such similar acquisition opportunities which we believe will enhance our shareholder value.

Thanks to the outstanding leadership skills of our management team as well as our proven track record over the years, the Group is glad to have been included as a constituent stock of the MSCI China Small-cap Index in May 2017, and selected as a constituent of five stock indexes managed by the Hang Seng Indexes Company Limited ("Hang Seng Indexes") in March 2016: the Hang Seng Global Composite Index and the Hang Seng Composite Index Series including the Hang Seng Composite Index, Hang Seng Composite Index — Materials, Hang Seng Composite MidCap & SmallCap Index and Hang Seng Composite SmallCap Index. We believe that having a constituent status in these indexes can further enhance our reputation and position in the international capital market and ultimately improve our investors' confidence in the Group's outlook.

Last but not least, on behalf of the Board and the management, I would like to thank our entire staff for their dedication and contribution to the Group during the year. I would also like to thank our shareholders, investors, customers, suppliers and business partners for their strong support.

Chairman, Chief Executive Officer and Executive Director
Mr. Yu Jianqiu

27 March 2018

於「十三五」規劃第二年，工業和信息化部、商務部、科技部於2017年1月25日聯合發佈《關於加快推進再生資源產業發展的指導意見》，標誌著中國政府向加大對再生資源行業的支持邁出了重要一步，而金屬回收利用將成為其中一個重要的發展領域。該文件為再生資源行業設定了到2020年前的主要目標：廢銅消耗量達到150,000,000噸、再生銅生產達到4,400,000噸、再生鋁達到9,000,000噸。本集團已做好準備，抓住不久的將來再生金屬產品的巨大需求帶來的機會。

在這個轉接時刻，為了鞏固我們的財政實力，我們於2017年12月及2018年2月分別宣佈收購銀赫集團有限公司及尚領發展有限公司，預期將為我們的再生銅業務的規模及盈利帶來明顯貢獻。我們將繼續挖掘我們認為可提升股東價值的類似收購機會。

憑藉管理團隊出色的領導能力及於多年來創立的表現成就，自2017年5月起，本集團很榮幸獲被納入MSCI明晟中國小型股指數成份股，並於2016年3月獲恒生指數有限公司（「恒生指數」）納入五大指數，分別為恒生環球綜合指數及恒生綜合指數系列（包括恒生綜合指數、恒生綜合行業指數 — 原材料業、恒生綜合中小型股指數及恒生綜合小型股指數）。我們堅信這將進一步提升本集團在國際資本市場的聲譽及地位，最終增強投資者對本集團前景的信心。

最後，本人謹代表董事會及管理層衷心感謝全體員工於年內努力不懈，全心全意為本集團作出貢獻。在此亦向各股東、投資者、客戶、供應商及業務夥伴的鼎力支持致以衷心謝意。

主席、行政總裁兼執行董事
俞建秋先生

2018年3月27日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

In 2017, the improvement in China's economic growth has resulted in an increase in the demand for copper products across the country and an increase in copper prices. As a result, the Group recorded an increase in sales volume of copper products in 2017 as compared with 2016, which translated into an increase in turnover by 178.5% as compared with last year. Such increase in sales was contributed not only by the increase in the Group's trading volume of electrolytic copper but also by the increase in production volume of its recycled copper products. Along with the increase in production and sales volume of recycled copper products, VAT refunds under the Comprehensive Utilisation of Resources Policy also recorded a corresponding increase during 2017. Furthermore, the improvement in the liquidity of our customers has resulted in the recovery of several long overdue trade receivable balances.

In order to take advantage of the expected recovery of the industrial metal market, the Group underwent several fund raising activities during 2017, namely, an issuance of 74,074,074 new ordinary shares for a net proceeds of HK\$194 million in June 2017, an issuance of convertible bonds with a total principal amount of HK\$250 million in April 2017 and an issuance of convertible bonds with a total principal amount of HK\$600 million in August 2017. In order to grasp the favorable opportunities to expand our scale, the Group also undertook few acquisitions recently, namely, the completion of a pre-IPO investment of 25% equity interest in JX E-commerce in October 2017, the entering into sale and purchase agreements to acquire two target companies which have production facilities in Sichuan and Hubei in December 2017 and February 2018, respectively.

FUTURE PROSPECTS/OUTLOOK

China's gross domestic product in the 2017 grew by 6.9%, which was higher than last year's 6.7%. This would appear to indicate that China's economy has stabilized and is back on its growth track. After several years of price adjustment, the commodity market in China has finally witnessed signs of stabilization along with the recommencing of the expansion phase of the economy. With the expected continued improvement in China's economy, commodity prices in China, especially industrial metal prices, are expected to continue to increase in the coming future. Potential demand for industrial metals will also increase if the global economy continues to improve. China has enforced a new regulation to prohibit the import of scrap metals into China as from 2018. Recent China Customs data showed that in January 2018 China's import of scrap copper decreased by 27.5% and 24% as compared to January 2017 and December 2017 respectively. Such new policy has created a solid catalyst for the improvement of industrial metal prices. On the monetary front, there were signs of easing in liquidity in China's financial markets.

業務回顧

2017年，中國經濟增長有所改善，導致全國銅產品需求增加，銅價上漲。因此，本集團於2017年相比2016年錄得銅產品銷售量增加，令營業額與去年比較上升了178.5%。該等上升不僅受本集團電解銅貿易量增長所推動，還有再生銅產品的生產量增加所致。隨著再生銅產品的生產和銷售量增加，資源綜合利用政策下的增值稅退稅也在2017年相應增長。此外，客戶流動資金的改善也令多筆長時間的逾期貿易應收款項結餘得以回收。

為了把握工業金屬市場的預期復甦，本集團於2017年進行了多次集資活動，包括於2017年6月發行74,074,074股新普通股籌集所得款項淨額1.94億港元，於2017年4月發行本金總額為2.5億港元的可換股債券，並於2017年8月發行本金總額為6億港元的可換股債券。為把握有利機會擴大規模，本集團近期亦進行數項收購，即於2017年10月完成對金循環電子商務25%股本權益的首次公開發售前投資，以及分別於2017年12月及2018年2月訂立買賣協議以收購兩家於四川及湖北擁有生產設施的目標公司。

未來前景／展望

中國2017年國內生產總值增長6.9%，高於去年的6.7%。這表明中國經濟已經穩定下來並重回增長軌道。經歷數年價格調整後，隨著經濟重新擴張，中國的商品市場終於呈回穩跡象。受惠於中國經濟預期繼續改善，中國的商品價格，特別是工業金屬的價格有望在未來繼續上漲。如果全球經濟繼續改善，對工業金屬的潛在需求亦將會增加。中國已實施新規定從2018年起禁止進口廢金屬。近期中國海關進出口數據顯示2018年1月中國進口廢銅分別較2017年1月及2017年12月下降27.5%及24%。該項新政已成為推動工業金屬價格上漲的壓實催化劑。在貨幣面上，有跡象顯示中國金融市場的流動性有所放鬆。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

At this juncture, we will be looking to increase our financial strength so that we will be able to take full advantage of further improvements in the market environment to strengthen our business and increase profitability. Our recently announced acquisitions of Silver Eminent Group Limited ("Silver Eminent") and Value Link Development Limited ("Value Link") are expected to contribute meaningfully to the scale and profitability of our recycled copper business. As part of our expansion strategy, we shall be continuing to scale such similar acquisition opportunities which we believe will enhance our shareholder value.

FINANCIAL REVIEW

Revenue

Our revenue represents the fair value of consideration received or receivable for sales of goods and services in the ordinary course of business. Revenue is shown net-of-VAT and other taxes, returns and discounts after eliminating sales within our Group.

在這個轉接時刻，我們將尋求鞏固我們的財政實力，使我們能夠抓緊市場的進一步改善的機遇，加強業務，提高盈利能力。我們近期宣佈收購銀赫集團有限公司（「銀赫」）及尚領發展有限公司（「尚領」），預期將為我們的再生銅業務的規模及盈利帶來較大貢獻。作為我們擴張策略的一部分，我們將繼續挖掘我們認為可提升股東價值的類似收購機會。

財務回顧

收益

我們的收益指於日常業務過程中就銷售貨物及服務已收或應收代價的公平值。所示收益（經扣除增值稅及其他稅項、退貨及折扣）亦已對集團內部間的銷售進行對銷。

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Sales from trading of electrolytic copper (Note)	電解銅貿易銷售(附註)	10,152,885	3,522,236
Sales of recycled copper products	銷售再生銅產品	3,532,396	1,367,891
Sales of power transmission and distribution cables	銷售送配電纜	13,489	3,099
Sales of communication cables	銷售通信電纜	34,460	35,832
Sales of scrap materials	銷售廢棄材料	5,948	447
Sales of aluminium products	銷售鋁產品	—	3,055
Contract manufacturing income	合同製造收入	2,684	1,065
		13,741,862	4,933,625

Note The Group has entered into trading activities of electrolytic copper since 2015 whereas the Group is considered the principal of the transactions as it controls the electrolytic copper before they are sold to the customers. The gross inflows of the trading activities are therefore recognised as revenue.

附註 本集團自2015年起開展電解銅的貿易活動，由於本集團在向客戶銷售電解銅前控制該產品，故本集團被視為該等交易的主體責任人。根據貿易活動的經濟利益總流入因此被確認收入。

Revenue for the year ended 31 December 2017 amounted to RMB13,741.9 million, representing an increase of 178.5% from RMB4,933.6 million for the year ended 31 December 2016. The increase in sales volume was principally from the increase in trading of electrolytic copper, such sales had a shorter turnover days and hence lower risk from fluctuation of copper price.

截至2017年12月31日止年度的收益為人民幣13,741,900,000元，較截至2016年12月31日止年度的人民幣4,933,600,000元增加了178.5%。該銷量增加主要因為電解銅貿易增加，此銷售的周轉天數較短，因此面臨來自銅價格波動的風險較低。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Revenue from trading of electrolytic copper amounted to RMB10,152.9 million for the year ended 31 December 2017, representing an increase of 188.3% from RMB3,522.2 million for the year ended 31 December 2016. It was mainly an increase of 130.7% in the sales volume of electrolytic copper from 102,832.0 metric tons for the year ended 31 December 2016 to 237,190.5 metric tons for the year ended 31 December 2017, with an increase of 25.0% in average selling price from RMB34,252 per ton for the year ended 31 December 2016 to RMB42,805 per ton for the year ended 31 December 2017.

Revenue from recycled copper products amounted to RMB3,532.4 million for the year ended 31 December 2017, representing an increase of 158.2% from RMB1,367.9 million for the year ended 31 December 2016. It was mainly an increase of 105.7% in the sales volume of recycled copper products from 40,282 metric tons for the year ended 31 December 2016 to 82,866 metric tons for the year ended 31 December 2017, with a increase of 25.5% in average selling price from RMB33,960 per ton for the year ended 31 December 2016 to RMB42,628 per ton for the year ended 31 December 2017.

Revenue from sales of power transmission and distribution cables amounted to RMB13.5 million for the year ended 31 December 2017, mainly representing a increase of 335.3% from RMB3.1 million for the year ended 31 December 2016, this reflected an increase of 2,026.7% in sales volume from 75 metric tons for the year ended 31 December 2016 to 1,595 metric tons for the year ended 31 December 2017.

Cost of sales

Cost of sales for the year ended 31 December 2017 totaled RMB13,618.3 million, representing an increase of 178.5% from RMB4,890.7 million for the year ended 31 December 2016. The increase was mainly due to the increase in sales from trading of electrolytic copper in 2017 amounted to RMB6,630.7 million compared with that in 2016.

Our gross profit was RMB123.6 million for the year ended 31 December 2017, as compared to RMB42.9 million for the year ended 31 December 2016. Our gross profit margin for the year ended 31 December 2017 remained consistent, as compared to a 0.9% for the year ended 31 December 2016.

截至2017年12月31日止年度電解銅貿易的收益為人民幣10,152,900,000元，較截至2016年12月31日止年度的人民幣3,522,200,000元增加了188.3%，主要是電解銅的銷量由截至2016年12月31日止年度的102,832.0公噸增加130.7%至截至2017年12月31日止年度的237,190.5公噸，其中平均售價由截至2016年12月31日止年度的每噸人民幣34,252元增至截至2017年12月31日止年度的每噸人民幣42,805元，增幅為25.0%。

截至2017年12月31日止年度，再生銅產品業務的收益為人民幣3,532,400,000元，較截至2016年12月31日止年度的人民幣1,367,900,000元增加158.2%。這主要因為再生銅產品銷量由截至2016年12月31日止年度的40,282公噸至截至2017年12月31日止年度的82,866公噸，增幅為105.7%。其中，平均售價由截至2016年12月31日止年度的每噸人民幣33,960元增至截至2017年12月31日止年度的每噸人民幣42,628元，增幅為25.5%。

截至2017年12月31日止年度，銷售送配電纜的收益為人民幣13,500,000元，較截至2016年12月31日止年度的人民幣3,100,000元增加335.3%，反映銷量由截至2016年12月31日止年度的75公噸增加至截至2017年12月31日止年度的1,595公噸，增幅為2,026.7%。

銷售成本

截至2017年12月31日止年度的銷售成本總額為人民幣13,618,300,000元，較截至2016年12月31日止年度的人民幣4,890,700,000元增加178.5%。該增長主要由於與2016年比較，於2017年的電解銅貿易銷售增長達人民幣6,630,700,000元。

截至2017年12月31日止年度的毛利為人民幣123,600,000元，而截至2016年12月31日止年度為人民幣42,900,000元。與截至2016年12月31日止年度為0.9%相比，截至2017年12月31日止年度的毛利率維持一致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other net income/(loss)

Our other net income for the year ended 31 December 2017 was RMB450.2 million as compared to a net loss of RMB48.1 million for the year ended 31 December 2016. Our other net income for the year ended 31 December 2017 was primarily attributable to an increase in government subsidies, increase in VAT refunds of comprehensive utilisation of Resources Policy and a decrease in the provision for bad debts of trade receivables due to overall improvement in the metal industry, which resulted in the improvement in the trade receivables from sales of the Group's copper products. Our other net loss for the year ended 31 December 2016 mainly comprised an impairment loss of investment in associates amounting to RMB100.3 million, and a net impairment loss of trade debtors amounting to RMB124.6 million (a further impairment loss of RMB153.1 million netting of a reversal of RMB28.5 million).

Selling and distribution expenses

Our selling and distribution expenses for the year ended 31 December 2017 were consistent with that for the year ended 31 December 2016.

Administrative expenses

Our administrative expenses for the year ended 31 December 2017 were consistent with that for the year ended 31 December 2016.

Finance costs

Our finance costs for the year ended 31 December 2017 were RMB143.2 million, representing an increase of 6.8% from RMB134.0 million for the year ended 31 December 2016. The increase was primarily due to an increase in the interest on convertible bonds. The liability component of convertible bonds is subsequently carried at amortised cost that increases over time by the amount of effective interest, net of coupon interest paid. The interest charge recognised in profit or loss on the liability component is calculated using the effective interest rate on the amortised cost of the liability component, as such, the interest charge recognised thereof also increases over time during the life of the convertible bonds. During the year, liability component of convertible bonds increased by RMB336.8 million compared with that as at 31 December 2016.

其他淨收入／(虧損)

截至2017年12月31日止年度之其他淨收入為人民幣450,200,000元，而截至2016年12月31日止年度則為淨虧損人民幣48,100,000元。截至2017年12月31日止年度之其他淨收入主要是由於政府補貼增加及綜合利用資源政策的增值稅退款增加以及金屬行業整體改善令貿易應收款項之壞賬撥備減少，進而導致本集團銅產品銷售的貿易應收款項增加。截至2016年12月31日止年度之其他淨虧損主要包括於聯營公司投資之減值虧損人民幣100,300,000元，及貿易賬款之減值虧損淨額人民幣124,600,000元(扣除撥回人民幣28,500,000元後的進一步減值虧損達人民幣153,100,000元)。

銷售及分銷開支

截至2017年12月31日止年度之銷售及分銷開支與截至2016年12月31日止年度一致。

行政開支

截至2017年12月31日止年度之行政開支與截至2016年12月31日止年度一致。

財務成本

截至2017年12月31日止年度之財務成本為人民幣143,200,000元，較截至2016年12月31日止年度之人民幣134,000,000元增加6.8%。該增加主要由於可換股債券利息的增加。可換股債券的負債部分其後按攤銷成本(隨時間因實際利息而增加)扣除已付票息列賬。負債部分於損益確認的利息支出就負債部分的攤銷成本按實際利率法計算，因此，就此確認的利息開支於可換股債券的年期內隨時間增加。年內，可換股債券的負債部分較2016年12月31日增加人民幣336,800,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Adjusted EBITDA

This MD&A makes reference to the term “adjusted EBITDA” which is not a recognized measure under IFRS, and do not have a standardized meaning prescribed by IFRS. Accordingly, the Company’s use of this term may not be comparable to similarly defined measures presented by other companies. Management uses adjusted EBITDA to measure the Company’s efficiency and its ability to generate the cash necessary to fund a portion of its future growth expenditures or to repay debt. Investors are cautioned that the non-IFRS measures should not be construed as an alternative to net income determined in accordance with IFRS as an indication of the Company’s performance. The following table set forth the calculation of adjusted EBITDA.

經調整 EBITDA

本管理層討論及分析中所提及的「經調整 EBITDA」，並非國際財務報告準則項下的確認計量方法，且並無國際財務報告準則所訂明的標準涵義。因此，本公司使用該詞彙未必可與其他公司所呈列類似的定義計量方法相比較。管理層採用經調整 EBITDA 計量本公司的效率及產生所需資金以撥付部分未來增長開支或償債的能力。投資者務須注意，該等非國際財務報告準則計量不應被詮釋為根據國際財務報告準則釐定的收入淨額的另一表述或作為本公司業績指標。下表載列經調整 EBITDA 的計算。

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit/(loss) before taxation	稅前溢利/(虧損)	256,404	(318,511)
Finance costs	財務成本	143,220	134,045
Share-based payment expenses	以股份為基礎的付款開支	23,210	37,406
Depreciation	折舊	35,848	34,011
Amortisation of lease prepayments	租賃預付款攤銷	2,122	2,122
Interest income	利息收入	(1,538)	(22,953)
Shares of profit of associates	應佔聯營公司溢利	(4,375)	(1,793)
Impairment loss of trade debtors and bills receivable	貿易賬款及應收票據之減值虧損	15,790	153,128
Reversal of impairment loss of trade debtors and bill receivable	撥回貿易賬款及應收票據之減值虧損	(143,247)	(28,574)
Write off of inventory provisions	存貨撥備撇銷	(5,288)	(37,177)
Impairment loss of interest in associate	聯營公司權益之減值虧損	-	100,315
		322,146	52,019

The increase in adjusted EBITDA for the year was mainly due to the increase in gross profit resulted from the growth in revenue and the increases in VAT refunds and government grants and subsidies.

本年度的經調整 EBITDA 上升的主要原因是收益增長帶來的毛利增加，及增值稅退稅及政府補助和補貼的增加。

Adjusted EBITDA is a non-IFRS financial measure calculated as earnings before deduction of finance expenses and income, income tax, depreciation and amortisation, impairment loss and write-offs and share-based payment expense. It excludes the Group’s share of results of associates.

經調整 EBITDA 乃按經扣減融資費用及收入、所得稅、折舊及攤銷、減值虧損及撇銷及以股份為基礎的付款開支前盈利計算所得的非國際財務報告準則的財務計量，亦不包括本集團所佔聯營公司的業績。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Profit/(loss) for the year

Our profit for the year ended 31 December 2017 was RMB184.6 million as compared to the loss of RMB311.6 million for the year ended 31 December 2016. Such significant improvement was mainly due to the enlarged sales volume, the increases in VAT refunds and government grants and subsidies and the reversal of impairment loss of trade and other receivables. In addition, the loss for the last year was partly caused by the impairment loss of interest in an associate.

Capital structure

As at 31 December 2017, the capital structure of the Group mainly consisted of shareholders' equity, bank and other borrowings and finance leases and convertible bonds. There is no material seasonality of borrowing requirements for the Group.

The following table details the interest rate profile of the Group's total interest-bearing borrowings at the end of reporting periods:

年內溢利／(虧損)

截至2017年12月31日止年度的年內溢利為人民幣184,600,000元，相對截至2016年12月31日止年度的年內虧損為人民幣311,600,000元。此明顯改善主要乃主要因為銷售量擴大，增值稅退稅及政府補助和補貼的增加，及貿易及其他應收款項減值虧損撥回。另外，去年的虧損部份源自於一間聯營公司權益的減值虧損。

資本結構

於2017年12月31日，本集團的資本結構主要由股東權益、銀行及其他借款及融資租賃及可換股債券所組成。本集團並無重大季節性借款要求。

下表載列本集團計息借款總額於報告期末的利率詳情：

		As at 31 December 2017 於2017年12月31日		As at 31 December 2016 於2016年12月31日	
		Weighted average effective interest rate % 加權平均實際利率 %		Weighted average effective interest rate % 加權平均實際利率 %	
		Amount 金額 RMB'000 人民幣千元		Amount 金額 RMB'000 人民幣千元	
Fixed rate borrowings:	定息借款：				
Bank loans and other borrowings	銀行貸款及其他借款	10.98	683,091	8.72	681,536
Obligations under finance leases	融資租賃下責任	5.56	13,142	6.67	24,658
Liability component of convertible bonds	可換股債券的負債部份	15.25	548,607	34.35	211,810
Total fixed rate borrowings	定息借款總額		1,244,840		918,004

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The following table sets forth the maturity profile of the Group's interest-bearing borrowings at the dates indicated:

下表載列本集團計息借款於所示日期的到期情況：

		As at 31 December 2017 於2017年12月31日			
		Bank and other borrowings	Obligations under finance lease	Liability component of convertible bonds	Total
		銀行及其他借款	融資租賃下責任	可換股債券的負債部分	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within one year or repayable on demand	一年內或應要求償還	682,560	12,451	95,171	790,182
After one year but within two years	一年以上但兩年以內	391	360	453,436	454,187
After two year but within five years	兩年以上但五年以內	140	331	-	471
More than five years	超過五年	-	-	-	-
		683,091	13,142	548,607	1,244,840

		As at 31 December 2016 於2016年12月31日			
		Bank and other borrowings	Obligations under finance lease	Liability component of convertible bonds	Total
		銀行及其他借款	融資租賃下責任	可換股債券的負債部分	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Within one year or repayable on demand	一年內或應要求償還	681,536	13,322	211,810	906,668
After one year but within two years	一年以上但兩年以內	-	11,336	-	11,336
After two year but within five years	兩年以上但五年以內	-	-	-	-
More than five years	超過五年	-	-	-	-
		681,536	24,658	211,810	918,004

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 23 January 2017, share options were exercised to subscribe for 4,500,000 ordinary shares in the Company at a total consideration of HK\$9,720,000 (equivalent to RMB8,592,000), of which HK\$450,000 (equivalent to RMB398,000) and HK\$9,270,000 (equivalent to RMB8,194,000) were credited to share capital and share premium respectively. RMB841,000 was transferred from share based compensation reserve to share premium account.

The Company received a conversion notice from the bondholder on 11 April 2017 to convert the 2015 CBs in the principal amount of USD16,300,000 (the "Conversion CBs"). Pursuant to the terms and conditions, the Company issued 90,881,295 shares upon conversion of the Conversion CBs at the adjusted conversion price of HK\$1.39. The residual amount of USD16,310,000 (equivalent to approximately RMB112,141,000) had been fully repaid by the Company on 12 April 2017.

On 12 June 2017, the Company issued 74,074,074 ordinary shares of HK\$0.1 at the price of HK\$2.70 per share to an independent third party Prosper Rich Investments Limited ("Prosper Rich"). The net proceeds from the issue of these shares amounted to HK\$194,000,000 (equivalent to RMB168,978,000). An amount of HK\$7,407,000 (equivalent to RMB6,455,000), representing the par value of the shares issued, was credited to the Company's share capital. The remaining amount of HK\$186,593,000 (equivalent to RMB162,523,000) was credited to share premium.

Liquidity and financial resources

As at 31 December 2017, the Group's cash and cash equivalents (excluding pledged deposits of RMB48.2 million) amounted to RMB109.6 million (as at 31 December 2016: RMB164.1 million).

The Group's inventories increased by RMB245.0 million to RMB453.2 million (as at 31 December 2016: RMB208.2 million). During the year ended 31 December 2017, the inventory turnover days were 8.9 days as compared with 17.1 days for the year ended 31 December 2016. The decrease in inventory turnover days was mainly due to the increase in sales from trading of electrolytic copper and the turnover days of such sales were shorter.

Trade debtors and bills receivable increased by RMB829.5 million to RMB1,091.2 million as at 31 December 2017 (as at 31 December 2016: RMB261.7 million). Trade debtors and bills receivable turnover days decreased to 18.0 days as compared to 26.4 days in 2016. The decrease in receivable turnover days was primarily contributed to the increase in sales from trading of electrolytic copper, the credit period of which we grant to customers is shorter.

於2017年1月23日，購股權獲行使，以總代價9,720,000港元(相當於人民幣8,592,000元)認購本公司4,500,000股普通股，其中450,000港元(相當於人民幣398,000元)及9,270,000港元(相當於人民幣8,194,000元)分別計入股本及股份溢價。人民幣841,000元則自以股份為基礎的付款儲備轉撥至股份溢價賬。

本公司於2017年4月11日收到債券持有人的轉換通知，以轉換本金額16,300,000美元的2015年可換股債券(「轉換可換股債券」)。根據條款及條件，本公司於轉換可換股債券轉換時按經調整轉換價1.39港元發行90,881,295股股份。本公司已於2017年4月12日悉數償還。餘下金額16,310,000美元(相當於約人民幣112,141,000元)。

於2017年6月12日，本公司按每股2.70港元的價格向獨立第三方亨富投資有限公司(「亨富」)發行74,074,074股每股0.1港元的普通股。發行該等股份的所得款項淨額為194,000,000港元(相當於人民幣168,978,000元)。金額7,407,000港元(相當於人民幣6,455,000元)為所發行股份之面值，已計入本公司之股本。餘額186,593,000港元(相當於人民幣162,523,000元)已計入股份溢價。

流動資金及財務資源

於2017年12月31日，本集團的現金及現金等值項目(不包括已抵押存款人民幣48,200,000元)為人民幣109,600,000元(於2016年12月31日：人民幣164,100,000元)。

本集團的存貨增加人民幣245,000,000元至人民幣453,200,000元(於2016年12月31日：人民幣208,200,000元)。截至2017年12月31日止年度，存貨周轉天數為8.9天，而截至2016年12月31日止年度為17.1天。存貨周轉天數減少主要是由於電解銅貿易的銷量增加，而此等銷售的周轉天數較短。

於2017年12月31日，貿易賬款及應收票據增加人民幣829,500,000元至人民幣1,091,200,000元(於2016年12月31日：人民幣261,700,000元)。貿易賬款及應收票據的周轉天數減至18.0天，而2016年則為26.4天。應收款項周轉天數減少主要由電解銅貿易的銷售增加所致，我們向客戶授出的信貸期較短。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Trade and bills payable increased by RMB122.9 million to RMB213.7 million as at 31 December 2017 (as at 31 December 2016: RMB90.8 million), the payable turnover days were 4.1 days, compared to 5.7 days in 2016. Payable turnover days for the year was relatively stable as compared with last year. Furthermore, we endeavor to keep our trade and bills payable turnover days relatively low mainly because our prompt payment pattern enhances our suppliers' willingness to supply raw materials to us and therefore helps us secure raw materials.

The Group's total interest-bearing borrowings increased by RMB326.8 million to RMB1,244.8 million as at 31 December 2017 (as at 31 December 2016: RMB918.0 million). The overall increase was mainly due to the issuance of new convertible bonds to China Huarong International Holdings Limited ("Huarong") and Prosper Rich on 11 August 2017, net of the repayments of certain bank loans and other borrowings and obligations under finance leases. Bank loans and other borrowings included three entrusted loans of RMB100.0 million each (in total: RMB300.0 million) from Mianyang Science Technology City Development Investment (Group) Co., Ltd. (綿陽科技城發展投資(集團)有限公司) ("Mianyang Development Group"). Pursuant to the entrusted loan agreement signed among Tongxin, a wholly owned subsidiary of the Company, Mianyang Development Group and the entrusted bank, the entrusted loans expired on 27 August 2016, 23 September 2016 and 18 November 2016 respectively. Mianyang Development Group, the entrusted bank and Tongxin have agreed that, the entrusted loan would not be repayable until further agreed otherwise. As at 31 December 2017 and up to the date of this report, the negotiation was still on going.

The following table sets forth certain financial ratios of our Group as of the dates indicated:

於2017年12月31日，貿易應付款項及應付票據款項增加人民幣122,900,000元至人民幣213,700,000元(於2016年12月31日：人民幣90,800,000元)，應付款項周轉天數為4.1天，而2016年則為5.7天。年內應付款項周轉天數與去年相比相對穩定。此外，我們致力維持相對較低的貿易應付款項及應付票據周轉天數，主要由於我們習慣盡快付款，令供應商更樂意向我們供應原材料，因而有助我們取得原材料。

於2017年12月31日，本集團的計息借款總額增加人民幣326,800,000元至人民幣1,244,800,000元(於2016年12月31日：人民幣918,000,000元)。整體增加主要由於在2017年8月11日向中國華融國際控股有限公司(「華融」)及亨富發行新可換股債券，扣除償還若干銀行貸款及其他借款以及融資租賃下責任。銀行貸款及其他借款包括來自綿陽科技城發展投資(集團)有限公司(「科發集團」)的三筆金額均為人民幣100,000,000元的委託貸款(總額：人民幣300,000,000元)。根據本公司的全資附屬公司銅鑫、科發集團及受託銀行簽署的委託貸款協議，該等委託貸款分別於2016年8月27日、2016年9月23日及2016年11月18日屆滿。科發集團、受託銀行及銅鑫協定，委託貸款將無須償還直至進一步另行協定。於2017年12月31日及至本報告日期，磋商仍在進行中。

下表載列於所示日期本集團的若干財務比率：

		As at 31 December 於12月31日	
		2017 2017年	2016 2016年
Current ratio	流動比率	1.8	1.0
Quick ratio	速動比率	1.5	0.8
Debt to equity ratio*	債項權益比率*	81.0%	113.7%
Net debt to equity ratio#	淨債項權益比率#	73.9%	93.3%

* Total interest-bearing debts/Total equity

(Total interest-bearing debts less cash and cash equivalents)/Total equity

* 總計息債務/總權益

(總計息債務減現金及現金等值項目)/總權益

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The improvement of current ratio and quick ratio as at 31 December 2017 compared with those as at 31 December 2016 were primarily attributable to (i) issuance of 74,074,074 new ordinary shares for HK\$200 million on 12 June 2017 and (ii) the conversion of convertible bonds, which were issued in April 2015, into 90,881,295 ordinary shares on 18 April 2017, whose derivative component was accounted for as an item of interest-bearing debts at 31 December 2016.

The decrease in debt to equity ratio and net debt to equity ratio as at 31 December 2017 compared with those as at 31 December 2016 was mainly because of (i) the issuance of 74,074,074 new ordinary shares for HK\$200 million on 12 June 2017; (ii) conversion of convertible bonds, which were issued in April 2015, into 90,881,295 ordinary shares on 18 April 2017; and (iii) the net profit for the year ended 31 December 2017.

Charge on assets

The following table sets forth the net book value of assets under pledge for certain banking facilities, bills payable facilities, obligations under finance leases and outstanding futures contracts as at the dates indicated:

於2017年12月31日，流動比率及速動比率相較2016年12月31日有所改善，乃主要由於(i)在2017年6月12日發行74,074,074股新普通股籌得200,000,000港元及(ii)於2017年4月18日將2015年4月發行的可換股債券(其衍生部分已於2016年12月31日入賬列為計息負債項目)轉換為90,881,295股普通股。

於2017年12月31日，債項權益比率及淨債項權益比率相比2016年12月31日下降，主要原因為(i)在2017年6月12日發行74,074,074股新普通股籌得200,000,000港元；(ii)於2017年4月18日將2015年4月發行的可換股債券轉換為90,881,295股普通股；及(iii)截至2017年12月31日止年度錄得純利。

資產抵押

下表載列於所示日期已就若干銀行信貸、應付票據融資、融資租賃下的責任及未平倉的期貨合約作出抵押的資產賬面淨值：

		As at 31 December 於12月31日	
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	214,419	202,891
Lease prepayments	租賃預付款	91,853	90,936
Inventories	存貨	30,550	29,000
Government grants receivable	應收政府補助	—	8,550
Deposits with guarantee companies	於擔保公司的存款	1,500	6,000
Deposits with banks	於銀行的存款	12,900	20,900
Deposits with lessors of finance leases	於融資租賃公司的存款	4,800	5,320
Deposit with other companies	於其他公司的存款	29,037	28,506
		385,059	392,103

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Commodity risk

The major raw materials used in the production of our recycled copper products are scrap copper. We are exposed to fluctuations in the prices of raw materials as well as finished goods which are influenced by global as well as regional supply and demand conditions. Fluctuations in the copper prices could adversely affect our financial performance. The Group uses copper futures contracts to mitigate part of its exposure against price fluctuations of copper. The market value of futures contracts is based on the quoted market price as at the date of consolidated statement of financial position. The Group did not have outstanding copper futures contracts as at 31 December 2017 (as at 31 December 2016: Nil). Net gain of RMB1.3 million was recognized for the year ended 31 December 2017 (2016: net loss of RMB28,000).

Foreign currency risk

The functional currency of a majority of the entities within our Group is RMB and most of the transactions are settled in RMB. However, we are exposed to currency risk primarily related to the cash and cash equivalents and the convertible bonds, both of which are mainly denominated in HKD. The balance of cash and cash equivalents as at 31 December 2017 including HK\$56.1 million and USD9,302 (in total equivalent to approximately RMB47.0 million) were held in banks in Hong Kong.

As at 31 December 2017, the Group's bank loans and other borrowings and obligations under finance leases were denominated in RMB but the convertible bonds were denominated in HKD, with an aggregate principal amount of HK\$715.0 million (equivalent to approximately RMB595.0 million at the date of the issuance). The Group did not commit to any financial instruments to hedge its foreign exchange exposure during the year ended 31 December 2017. During the year ended 31 December 2017, the Company incurred an exchange difference on translation of financial statements of entities outside of mainland China entities equivalent to RMB3.9 million, part of which was resulted from translating the convertible bonds from HKD to RMB.

Significant investments held

Except for investments in subsidiaries and associates, the Group did not hold any significant investment in equity interest in any other companies during the year ended 31 December 2017.

商品風險

我們生產再生銅產品所用主要原材料為廢銅。我們須承受因全球及地區供求狀況影響原材料及製成品價格波動的風險。銅價波動可能對我們的財務表現構成不利影響。本集團使用銅期貨合約減輕其所承受的銅價波動部分風險。期貨合約的市值是以綜合財務狀況表日期的市場報價為基準。本集團於2017年12月31日並無未平倉銅期貨合約(於2016年12月31日：無)。於截至2017年12月31日止年度確認淨收益人民幣1,300,000元(2016年：淨虧損人民幣28,000元)。

匯率風險

本集團內大部分實體的功能貨幣為人民幣，大部分交易亦以人民幣結算。然而，我們須承受主要涉及現金及現金等值項目及可換股債券(兩者均主要以港元計值)的貨幣風險。於2017年12月31日的現金及現金等值項目結餘包括56,100,000港元及9,302美元(合共相當於約人民幣47,000,000元)，乃於香港銀行持有。

於2017年12月31日，本集團的銀行貸款及其他借款及融資租賃下責任均以人民幣列值，惟可換股債券以港幣計值，本金總額為715,000,000港元(於發行日相當於約人民幣595,000,000元)。截至2017年12月31日止年度，本集團並無訂立任何金融工具對沖其外匯風險。截至2017年12月31日止年度，本公司就換算中國大陸境外實體財務報表產生匯兌差額人民幣3,900,000元，當中部分源於將可換股債券由港幣換算為人民幣。

所持有重大投資

除於附屬公司及聯營公司的投資外，本集團於截至2017年12月31日止年度並無於任何其他公司股本權益中持有任何重大投資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Material acquisitions and disposals of subsidiaries and affiliated companies

On 25 October 2017, Fuqing Zhongjin Nonferrous Metal Materials Co., Ltd. ("Fuqing Zhongjin"), an indirect wholly-owned subsidiary of the Company, entered into the Equity Transfer Agreement with Sichuan Xijiulong Investment Co., Ltd. ("Sichuan Xijiulong"), pursuant to which Fuqing Zhongjin agreed to make a pre-IPO investment in JX E-commerce by acquiring from Sichuan Xijiulong 25% equity interest in JX E-commerce for a cash consideration of RMB125,000,000. Such transaction has been completed in November 2017. Please refer to the announcements of the Company dated 25 October 2017 for further details.

On 15 December 2017, the Company entered into the Sale and Purchase Agreement with Yuanxin Ventures Limited ("Yuanxin"), pursuant to which the Company agreed to purchase, and Yuanxin agreed to sell, 100% of the issued share capital in Silver Eminent for an aggregate consideration of HK\$317,647,000, of which HK\$158,823,500 shall be settled in cash and HK\$158,823,500 shall be settled by way of allotment and issue of consideration shares. The consideration is subject to adjustment pursuant to the earn-out arrangement. Assuming the maximum number of consideration shares is being allotted and issued to Yuanxin, 41,796,000 shares will be issued under the Sale and Purchase Agreement. Such transaction has not been completed as at the date of this report. Please refer to the announcement of the Company dated 15 December 2017 and 29 December 2017 for further details.

During the year ended 31 December 2017, save as disclosed above, the Group did not have any material acquisitions and disposals of subsidiaries and affiliated companies.

Capital expenditures

For the year ended 31 December 2017, the Group's capital expenditures represent additions to property, plant and equipment (including construction in progress) of approximately RMB28.7 million (2016: RMB40.2 million). The capital expenditures were mainly financed from internal resources.

重大收購及出售附屬公司及聯屬公司

於2017年10月25日，本公司間接全資附屬公司福清中金有色金屬材料有限公司（「福清中金」）與四川省西九龍投資有限公司（「四川西九龍」）訂立股權轉讓協議，據此福清中金同意透過向四川西九龍收購金循環電子商務的25%股本權益對金循環電子商務作出首次公開發售前投資，現金代價為人民幣125,000,000元。該交易於2017年11月完成，更多詳情請參閱本公司日期為2017年10月25日的公佈。

於2017年12月15日，本公司與淵鑫創投有限公司（「淵鑫」）訂立買賣協議，據此，本公司同意購買及淵鑫同意銷售銀赫100%已發行股本，總代價為317,647,000港元，其中158,823,500港元將以現金結算及158,823,500港元將透過配發及發行代價股份結算。根據獲利計酬安排，代價可予調整。假設最高數目之代價股份將配發及發行予淵鑫，則根據買賣協議將發行41,796,000股股份。該交易尚未於本報告日完成。更多詳情請參閱本公司日期為2017年12月15日及2017年12月29日的公告。

截至2017年12月31日止年度，除上文所披露者外，本集團並無有關附屬公司及聯屬公司的任何重大收購及出售事項。

資本開支

截至2017年12月31日止年度，本集團的資本開支指物業、廠房及設備添置（包括在建工程）約人民幣28,700,000元（2016年：人民幣40,200,000元）。資本開支主要来自內部渠道獲得資金。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital commitments

As at 31 December 2017, the capital commitments in respect of the acquisition of property, plant and equipment and lease prepayments on lands contracted for but not provided in the consolidated financial statements amounted to RMB76.9 million (as at 31 December 2016: RMB40.9 million).

Contingent liabilities

The Group had no material contingent liabilities as at 31 December 2017.

Events after the Reporting Period

Acquisition of Value Link

On 7 February 2018, the Company entered into the Sale and Purchase Agreement with Sure Victor Global Limited ("Sure Victor"), pursuant to which the Company agreed to purchase, and Sure Victor agreed to sell, 100% of the issued share capital in Value Link for an aggregate consideration of HK\$741,175,000, of which HK\$287,647,000 shall be settled in cash and HK\$453,528,000 shall be settled by way of allotment and issue of consideration shares. The consideration is subject to adjustment pursuant to the earn-out arrangement. Assuming the maximum number of consideration shares is being allotted and issued to Sure Victor, 94,485,000 shares will be issued under the sale and purchase agreement, representing approximately 3.83% of the issued share capital of the Company as at the announcement date and approximately 3.69% of the issued share capital of the Company as enlarged by the allotment and issue of the consideration shares. Sure Victor is a company incorporated in the British Virgin Islands. The Group of Sure Victor is principally engaged in the production of copper products through Hubei Rongsheng, its indirect wholly-owned subsidiary established in the PRC. Hubei Rongsheng has production capacity maximum to 50,000 tonnes of recycled copper products on an annual basis. As at the date of this report, the disposal has not yet completed. Please refer to the announcements of the Company dated 7 February 2018 for further details.

資本承擔

於2017年12月31日，就收購物業、廠房及設備及土地租賃預付款之已訂約但未於綜合財務報表撥備的資本承擔為人民幣76,900,000元(於2016年12月31日：人民幣40,900,000元)。

或然負債

於2017年12月31日，本集團並無任何重大或然負債。

報告期後事項

收購尚領

於2018年2月7日，本公司與定凱環球有限公司(「定凱」)訂立買賣協議，據此，本公司同意購買及定凱同意銷售尚領之100%已發行股本，總代價為741,175,000港元，其中287,647,000港元將以現金結算及453,528,000港元將透過配發及發行代價股份結算。根據獲利計酬安排，代價可予調整。假設最高數目之代價股份將配發及發行予定凱，則根據買賣協議將發行94,485,000股股份，佔本公司於公告日期已發行股本約3.83%及本公司經配發及發行代價股份擴大的已發行股本約3.69%。定凱為一間於英屬處女群島註冊成立之公司。定凱集團主要從事透過其在中國成立之間接全資附屬公司湖北融晟生產銅產品。湖北融晟每年最高產能為50,000噸再生銅產品。於本報告日期，出售尚未完成。更多詳情請參閱本公司日期為2018年2月7日的公告。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Save as disclosed above and disclosed in note 36 to the financial statements, there is no material subsequent event undertaken by the Company or by the Group after 31 December 2017 and up to the date of release of this annual report.

除上文所披露及財務報表附註36所披露外，本公司或本集團並無於2017年12月31日後至本年報發佈日期進行任何重大的期後事項。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTOR

Mr. Yu Jianqiu (俞建秋), age 53, is the founder of the Group and the Chairman, Chief Executive Officer and an executive director of the Company. Mr. Yu is primarily responsible for the overall business and strategy of the Group. He also serves as a director in all of the subsidiaries of the Company except Fanmay Limited ("Fanmay"), China Recycling Aluminium Limited ("Recycling Aluminium") and Shanghai Bujiang Metal Material Limited. Through his personal interests and holdings in Epoch Keen Limited ("Epoch Keen"), Mr. Yu is a major controlling shareholder of the Company. Mr. Yu has over 20 years of experience in corporate operations and management in the petrochemical, automobile and renewable energy sectors. He was the chairman and principal executive officer of Gushan Environmental Energy Limited ("Gushan"), a company whose American depositary shares were listed on the New York Stock Exchange from December 2007 to October 2012. Mr. Yu also founded a number of subsidiaries of the Gushan group between 1996 and 2008. Mr. Yu received his degree of Executive Master of Business Administration (EMBA) from Hautes Etudes Commerciales de Paris on 13 December, 2010. In 2002, he was elected as a member of the Fuzhou Committee of the 10th Chinese People's Political Consultative Committee and a member of the Santai County Committee of the 11th Chinese People's Political Consultative Committee. He was appointed as a director of the Company on 22 February 2013 and redesignated as an executive director on 16 August 2013.

執行董事

俞建秋先生，53歲，是本集團的創辦人，以及本公司主席、行政總裁兼執行董事。俞先生主要負責本集團的整體業務及策略。他亦擔任我們本公司所有附屬公司的董事，惟繁美有限公司（「繁美」）、中國循環鋁業有限公司（「循環鋁業」）及上海步江金屬材料有限公司除外。俞先生透過其個人權益及於時建有限公司（「時建」）的股權而成為本公司的主要控股股東。俞先生於石油化工、汽車和可再生能源行業擁有逾20年的企業營運及管理經驗。他曾是古杉環保能源有限公司（「古杉」）的主席兼首席行政總裁，該公司的美國預託股份由2007年12月至2012年10月於紐約證券交易所上市。俞先生於1996年至2008年間亦創辦古杉集團的若干附屬公司。俞先生於2010年12月13日獲巴黎高等商學院(Hautes Etudes Commerciales de Paris)頒授高級管理人員工商管理碩士學位。於2002年，他獲選為第10屆中國人民政治協商會議福州市委員會成員，以及第11屆中國人民政治協商會議三台縣委員會成員。他於2013年2月22日獲委任為本公司董事，並於2013年8月16日調任執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTOR *(Continued)*

Mr. Kwong Wai Sun, Wilson (鄺偉信), age 52, is an executive director of the Company. He is in charge of the corporate and strategic development of the Company. Mr. Kwong is also a director of our subsidiaries: Engen Investments Limited, Fanmay, True Excel Holdings Limited, Alpha Legend Holdings Limited, Alpha Business Investments Limited, Alpha Universe Group Limited and Recycling Aluminium, and a director of our associates companies: Deda Holdings Limited and Hongkong Fujian Investments Limited. Mr. Kwong was the president of Gushan. He is also an independent non-executive director of C.banner International Holdings Limited, the principal business of which is the manufacture and sale of branded fashion footwear, since 26 August 2011, China Outfitters Holdings Limited, the principal business of which is the design, manufacture, marketing and sale of apparel products and accessories in China with a focus on menswear, since 8 June 2011, and Shunfeng International Clean Energy Limited, the principal business of which is the manufacture and sale of solar wafers, solar cells, solar modules and related products as well as developing and operating solar power plants, since 16 July 2014, and China New Higher Education Group Limited, the principal business of which is the rendering of education services, since 20 March 2017, which are listed on the Stock Exchange since 23 September 2011, 9 December 2011, 13 July 2011 and 19 April 2017, respectively. Mr. Kwong has over 10 years of experience in corporate finance and equity capital markets in Asia, having previously worked at a number of investment banks in Hong Kong. Prior to joining Gushan in 2006, he was the managing director of investment banking and he held the position as the head of Hong Kong and China equity capital markets at CLSA Equity Capital Markets Limited since March 2004. From 2002 to 2003, Mr. Kwong was a director and the head of equity capital markets for Cazenove Asia Limited, an investment bank. After graduating from University of Cambridge, England with a bachelor's degree in Arts in 1987, he qualified as a chartered accountant in the United Kingdom in 1990. Mr. Kwong is currently an associate member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Mr. Kwong was appointed as an executive director of the Company on 16 August 2013.

執行董事 *(續)*

鄺偉信先生，52歲，是本公司的執行董事。他主管本公司企業及策略發展。鄺先生亦為本公司之附屬公司：恩金投資有限公司、繁美、京盛控股有限公司、盛際控股有限公司、得揚投資有限公司、勝誠集團有限公司及循環鋁業的董事以及本公司之聯營公司：德達控股有限公司及香港福艦投資有限公司的董事。鄺先生曾為古杉的總裁。他亦自2011年8月26日起為千百度國際控股有限公司(其主要業務是產銷品牌時尚鞋履)、2011年6月8日起為中國服飾控股有限公司(其主要業務是在中國設計、製造、營銷及銷售服裝產品及配飾，並以男士服飾為主)、2014年7月16日起為順風國際清潔能源有限公司(其主要業務是製造及銷售太陽能硅晶片、太陽能電池片、太陽能組件及相關產品，以及開發及經營太陽能發電站)及2017年3月20日起為中國新高教集團有限公司(其主要業務是提供教育服務)的獨立非執行董事，該等公司分別自2011年9月23日、2011年12月9日、2011年7月13日及2017年4月19日起於聯交所上市。鄺先生於亞洲企業融資及股票資本市場擁有逾10年經驗，曾於香港多家投資銀行工作。於2006年加入古杉前，他於2004年3月起曾出任里昂證券資本市場有限公司投資銀行董事總經理，以及出任香港及中國股權資本市場主管。2002年至2003年，鄺先生為投資銀行嘉誠亞洲有限公司的董事及股票資本市場主管。他於1987年畢業於英國劍橋大學並獲頒授文學士學位後，於1990年在英國成為合資格的特許會計師。鄺先生現為英格蘭及威爾士特許會計師協會以及香港會計師公會會員。鄺先生於2013年8月16日獲委任為本公司執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

EXECUTIVE DIRECTOR *(Continued)*

Mr. Huang Weiping (黃偉萍), age 57, is an executive director of the Company. Mr. Huang co-founded Xiangbei in 2010 and is currently a director of our certain subsidiaries in China, Mr. Huang is in charge of the overall operation, production technology and engineering of the Group. Mr. Huang has more than 10 years of experience in the PRC metal material industry. Prior to the establishment of Xiangbei, Mr. Huang was a manager at Fujian Lingzhi Environmental Technology Co., Ltd. (福建凌志環保科技有限公司), the principal business of which is the design and construction of environmental projects, from 2009 to 2011, Fuzhou Kebi Chemical Materials Co., Limited (福州科比化工材料有限公司), the principal business of which is the manufacture and sale of synthetic wax, from 2006 to 2009 and Tricon Chemicals Inc., the principal business of which is the trade of chemicals and metal materials, from 2001 to 2005. He is a fellow member of the Investment Casting Institute and an executive member of China Precision Casting Branch Association of China Foundry Association (中國鑄造協會精密鑄造分會). Mr. Huang also serves as an executive member of the Chinese and Foreign Entrepreneurs' Club of Fujian Province (福建省中外企業家聯誼會) and the Association of Entrepreneurs of Private Companies of Fuzhou City (福州市私營企業家協會). Mr. Huang received his degree of Executive Master of Business Administration (EMBA) from Hautes Etudes Commerciales de Paris on 6 July 2015. Mr. Huang was appointed as an executive director of the Company on 16 August 2013.

Ms. Zhu Yufen (朱玉芬), age 55, is an executive director of the Company. Ms. Zhu has over 20 years of experience in accounting and financial management. She is primarily responsible for the financial reporting and accounting affairs of the Company. Ms. Zhu is also the vice president in charge of the finance of Jinxin, since July 2009. Prior to joining Jinxin, she was a vice general manager and the head of finance department of Mianyang Santai Vise Co., Ltd. (綿陽三台縣台鉗有限公司), the principal business of which is the manufacture and sale of vises, from 1978 to 2009. Ms. Zhu was appointed as an executive director of the Company on 16 August 2013.

執行董事 *(續)*

黃偉萍先生，57歲，是本公司的執行董事。黃先生於2010年共同創辦湘北，現為我們在中國的若干附屬公司的董事。黃先生主管本集團的整體經營、生產技術及工程。黃先生於中國金屬材料行業擁有逾10年經驗。黃先生成立湘北前，於2009年至2011年間為福建凌志環保科技有限公司(其主要業務是環境項目的設計及建造)的經理，於2006年至2009年為福州科比化工材料有限公司(其主要業務是產銷合成蠟)的經理，以及於2001年至2005年為Tricon Chemicals Inc. (其主要業務是化學品及金屬材料貿易)的經理。他是精密鑄造協會的資深會員及中國鑄造協會精密鑄造分會的常務理事。黃先生亦是福建省中外企業家聯誼會及福州市私營企業家協會的常務理事。黃先生於2015年7月6日取得巴黎高等商學院高級管理人員工商管理碩士學位。黃先生於2013年8月16日獲委任為本公司執行董事。

朱玉芬女士，55歲，是本公司的執行董事。朱女士於會計及財務管理方面擁有逾20年經驗。她主要負責本公司財務報告及會計事務。朱女士自2009年7月起亦為金鑫的副總經理，主管財務。加入金鑫前，她自1978年至2009年曾為綿陽三台縣台鉗有限公司(其主要業務是產銷虎鉗)的副總經理及財務部主管。朱女士於2013年8月16日獲委任為本公司執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Lee Ting Bun Denny (李廷斌), age 50, is an independent non-executive director of the Company. He was an independent director of Gushan. He was the chief financial officer of NetEase.com, Inc., one of the China's leading internet and online game service providers from 2002 to 2007. Prior to joining NetEase.com, Inc., Mr. Lee worked in the Hong Kong office of KPMG for more than ten years specializing in auditing international clients. Mr. Lee currently serves as a director on the board of NetEase.com, Inc., which is listed on the NASDAQ Global Select Market. He also serves as an independent non-executive director of New Oriental Education & Technology Group Inc., the provider of private educational services in China, and Concord Medical Services Holdings Ltd., the principal business of which is the operation of a network of radiotherapy and diagnostic imaging centers in China, both of which are listed on the New York Stock Exchange. Mr. Lee was also an independent non-executive director and the chairman of the audit committee of Qunar Cayman Islands Limited, a Chinese search-based online travel company, which is listed on NASDAQ Global Market, between June 2012 and January 2016. Mr. Lee graduated from Hong Kong Polytechnic University and was awarded the Professional Diploma in Accounting in November 1990. He is a fellow of the Association of Chartered Certified Accountants and an associate member of the Hong Kong Institute of Certified Public Accountants. Mr. Lee was appointed as an independent non-executive director of the Company on 16 August 2013.

獨立非執行董事

李廷斌先生，50歲，是本公司的獨立非執行董事。他曾為古杉的獨立董事。他自2002年至2007年曾為網易公司的財務總監，該公司是中國數一數二的互聯網及在線遊戲服務提供者。加入網易公司前，李先生於畢馬威會計師事務所的香港辦事處工作逾十年，專門為國際客戶進行審計。李先生現為網易公司（於納斯達克全球精選市場上市）董事會的董事。他亦是新東方教育科技集團（中國的私人教育服務提供商）及泰和誠醫療集團有限公司（其主要業務是在中國經營放射治療和影像診斷中心）的獨立非執行董事，兩家公司均於紐約證券交易所上市。於2012年6月至2016年1月間，李先生亦是Qunar Cayman Islands Limited（一家以搜尋為基礎的中國網上旅遊公司，於納斯達克全球市場上市）的獨立非執行董事及審核委員會主席。李先生於1990年11月於香港理工大學畢業，獲頒會計專業文憑。他是特許公認會計師公會資深會員及香港會計師公會會員。李先生於2013年8月16日獲委任為本公司獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

INDEPENDENT NON-EXECUTIVE DIRECTOR *(Continued)*

Mr. Pan Liansheng (潘連勝), age 53, is an independent non-executive director of the Company. Mr. Pan is engaged in non-ferrous metal and carbon fiber composite materials research and possesses rich knowledge on the non-ferrous metal industry. Mr. Pan also worked for the Third Research Institute of the then Ministry of Astronautics of the PRC (中國航太工業部第三研究院), which is involved in the research of aerospace metals and carbon fibre composite materials, between 1990 and 1993, focusing on research relating to non-ferrous metal and carbon fiber composite materials. From 1993 to 1994, Mr. Pan was seconded to Sanwa Machinery Trading Co., Ltd., the principal business of which is the design and manufacture of electrical machinery. From 1996 to 1998, Mr. Pan worked as an assistant professor at Waseda University. From 1998 to 2008, Mr. Pan worked as a chief researcher in the research and development center of Toshiba Ceramics Co., Ltd. (東芝陶瓷株式會社), the principal business of which is the research and production of high-end electronic ceramic and silicon semi-conductors. From 2008 to April 2013, Mr. Pan worked as the general manager at Toshiba Ceramics Co., Ltd. Currently, Mr. Pan is the Chairman of Thinkon Semiconductor Technology (Shanghai) Corporation (矽康半導體科技(上海)有限公司), the principal business of which is the supply of semiconductor material technology, a position which he has held since April 2013. Mr. Pan graduated with a bachelor's degree from Beijing University of Aeronautics and Astronautics where he focused on research relating to non-ferrous metal and carbon fiber reinforced composite in 1985. He further obtained his doctorate degree from Waseda University in 1998. Mr. Pan was appointed as an independent non-executive director of the Company on 16 August 2013.

Ms. Ren Ruxian (任汝嫻), age 42, is an independent non-executive director of the Company. Ms. Ren is currently the chief financial officer of a technology company focused on early-childhood education in China. Ms. Ren has over 16 years working experience in finance management and financial reporting, including in 2 international audit professional firms and in the internet industry, during which she acted as the acting chief financial officer of Changyou.com Limited, a NASDAQ listed company, in 2014. Ms. Ren was awarded a Master in Economics and Bachelor in Economics from the Finance School of Renmin University in 2001 and 1998, respectively. Ms. Ren is currently a member of each of The Chinese Institute of Certified Public Accountants and The Institute of Certified Management Accountants. Ms. Ren was appointed as an independent non-executive director of the Company on 30 November 2015.

獨立非執行董事 *(續)*

潘連勝先生，53歲，是本公司的獨立非執行董事。潘先生從事有色金屬和碳纖維複合材料的相關研究，對有色金屬行業擁有豐富知識。潘先生亦於1990年至1993年間任職中國航太工業部第三研究院(其涉及航天金屬和碳纖維複合材料的相關研究)，專注於有色金屬和碳纖維複合材料的相關研究。於1993年至1994年，潘先生派赴到日本三和工機株式會社(其主要業務是設計及製造電動機械)。於1996年至1998年，潘先生為早稻田大學的助理教授。於1998年至2008年，潘先生任職東芝陶瓷株式會社(其主要業務是研究及生產高端電子陶瓷和矽半導體)研發中心的首席研究員。於2008年至2013年4月，潘先生擔任東芝陶瓷株式會社的總經理。目前，潘先生是矽康半導體科技(上海)有限公司(其主要業務是供應半導體材料技術)的主席，他自2013年4月起一直擔任此職位。潘先生於1985年在北京航空航天大學本科畢業，期間他專注於有色金屬和碳纖維強化複合物的相關研究。他於1998年再取得早稻田大學的博士學位。潘先生於2013年8月16日獲委任為本公司獨立非執行董事。

任汝嫻女士，42歲，是本公司的獨立非執行董事。任女士現任一家專注中國兒童早教的科技公司的財務總監。任女士累積16年豐富的財務管理及財務申報工作經驗，其中包括於2家國際專業審計師事務所，及在互聯網公司的財務管理經驗，包括在2014年出任暢遊有限公司(一所在納斯達克上市的公司)的代理首席財務官。任女士分別於2001年及1998年獲中國人民大學財政金融學院經濟學碩士和經濟學學士學位。任女士目前是中國註冊會計師協會和美國註冊管理會計師的會員。任女士於2015年11月30日獲委任為本公司之獨立非執行董事。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

CHANGE IN DIRECTORS' BIOGRAPHIES

Pursuant to Rule 13.51B of the Listing Rules, the Company set out the changes in information about Directors during the year 2017.

1. Mr. Kwong Wai Sun Wilson ceased to be an associate member of the Hong Kong Institute of Chartered Secretaries from September 2017.
2. Mr. Kwong Wai Sun Wilson is also an independent non-executive director of China New Higher Education Group Limited since 20 March 2017.
3. Ms. Ren Ruxian is currently the chief financial officer of a technology company focused on early-childhood education in Hong Kong.

董事履歷之變更

根據上市規則第13.51B條，本公司載列2017年內之董事資料變動。

1. 鄺偉信先生自2017年9月起不再為香港特許秘書公會會員。
2. 鄺偉信先生自2017年3月20日起亦為中國新高教集團有限公司獨立非執行董事。
3. 任汝嫻女士現任一家專注香港兒童早教的科技公司的財務總監。

REPORT OF THE DIRECTORS

董事會報告

The Board is pleased to present the audited consolidated results of the Company and the Group for the year ended 31 December 2017. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principle risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis section. The discussions forms part of this directors' report.

PRINCIPAL ACTIVITIES

The Group is a manufacturer of recycled copper products, also known as copper semis, in Southwest China. Beginning in 2013, the Group started to sell a range of communication cables and power transmission and distribution cables using copper wire and copper rods produced by the Group as the principal raw material. Beginning in 2015, the Group also extended its product range to aluminium products and entered into trading activities of electrolytic copper.

DIRECTORS

During the year and up to the date of this annual report, the directors of the Company were as follows:

Executive Directors	Appointed on
Mr. Yu Jianqiu (Chairman and Chief Executive Officer)	22 February 2013 and redesignated as an executive director on 16 August 2013 and reelected on 6 June 2014 and 6 June 2016
Mr. Kwong Wai Sun Wilson	16 August 2013 and reelected on 6 June 2014 and 6 June 2016
Mr. Huang Weiping	16 August 2013 and reelected on 9 June 2015 and 6 June 2017
Ms. Zhu Yufen	16 August 2013 and reelected on 9 June 2015 and 6 June 2017

Independent Non-executive Directors

Mr. Pan Liansheng	16 August 2013 and reelected on 9 June 2015 and 6 June 2017
Mr. Lee Ting Bun Denny	16 August 2013 and reelected on 6 June 2016
Ms. Ren Ruxian	30 November 2015 and reelected on 6 June 2016

董事會欣然提呈本公司及本集團截至2017年12月31日止年度的經審核綜合業績。香港公司條例附表5規定對該等活動之進一步討論及分析，包括本集團面對之主要風險及不確定性之說明及本集團業務之可能未來發展之反映，載於管理層討論及分析一節。該等討論構成本董事會報告一部分。

主要業務

本集團是中國西南部再生銅產品(亦稱為銅半製成品)製造商。自2013年起，本集團開始銷售多種以本集團自製的銅線材為主要原材料的通信電纜和送配電纜。自2015年起，本集團亦擴展產品範圍至鋁製品及開展電解銅的貿易活動。

董事

於本年度及截至本年報日期，本公司董事如下：

執行董事	獲委任日期
俞建秋先生 (主席兼 行政總裁)	2013年2月22日及於2013年8月16日調任為執行董事及於2014年6月6日及2016年6月6日重選
鄺偉信先生	2013年8月16日及於2014年6月6日及2016年6月6日重選
黃偉萍先生	2013年8月16日及於2015年6月9日及2017年6月6日重選
朱玉芬女士	2013年8月16日及於2015年6月9日及2017年6月6日重選

獨立非執行董事

潘連勝先生	2013年8月16日及於2015年6月9日及2017年6月6日重選
李廷斌先生	2013年8月16日及於2016年6月6日重選
任汝嫻女士	2015年11月30日及於2016年6月6日重選

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the directors and senior management of the Group are set out in the section headed "Directors" in this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

Each of the independent non-executive directors has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors to be independent in accordance with Rule 3.13 of the Listing Rules.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in notes 14, 15, 22 and 32 respectively to the financial statements and in this annual report, no director had a material interest in any transaction, arrangement or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

DIRECTORS' SERVICE CONTRACTS

None of the directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company or any of its subsidiaries which is not determinable within one year without payment of compensation other than statutory compensation.

CHANGES IN DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed in the section headed "Directors", there was no change to any of the information required to be disclosed in relation to any director pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules since the Listing Date.

董事及高級管理層履歷

本集團董事及高級管理層履歷詳情載於本年報「董事」一節。

獨立非執行董事的獨立性確認書

各獨立非執行董事已根據上市規則第3.13條確認其獨立性。根據上市規則第3.13條，本公司認為所有獨立非執行董事均為獨立人士。

董事於合約的權益

除於財務報表附註14、15、22及32及本年報所分別披露者外，概無董事在本公司或其任何附屬公司於本年度訂立並對本集團業務有重大影響的任何交易、安排或合約中，擁有重大權益。

董事服務合約

於應屆股東週年大會上獲膺選連任的董事中，概無與本公司或其任何附屬公司訂立不可在一年內終止而毋須作出賠償（法定賠償外）的服務合約。

董事及高級管理層變動

除「董事」一節所披露者外，自上市日期起，概無有關任何董事的任何資料出現變動而須根據上市規則第13.51(2)條第(a)至(e)及(g)段作出披露。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2017, the interests and short positions of the directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code") were as follows:

(1) Long position in the shares of the Company

Name of Director 董事姓名	Capacity/Nature of interest 身份／權益性質	Number of shares held 所持股份數目	Approximate percentage of shareholding ⁽¹⁾ 概約持股百分比 ⁽¹⁾
Mr. Yu Jianqiu 俞建秋先生	Beneficial owner 實益擁有人	30,964,000	1.25%
	Interest in a controlled corporation ⁽²⁾ 受控制法團權益 ⁽²⁾	1,006,390,400	40.80%
Mr. Huang Weiping 黃偉萍先生	Interest in controlled corporations ⁽³⁾ 受控制法團權益 ⁽³⁾	310,317,000	12.58%
Mr. Kwong Wai Sun Wilson 鄭偉信先生	Beneficial owner 實益擁有人	3,272,600	0.13%

Notes:

- (1) The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 31 December 2017.
- (2) The shares were held by Mr. Yu Jianqiu, Chairman and an executive Director of the Company, together with Epoch Keen Limited, a company wholly-owned by Mr. Yu Jianqiu. On 8 December 2017, Mr. Yu Jianqiu and Epoch Keen Limited have entered into certain sale and purchase agreements for the disposal of their Shares. As at the date of this report, the disposal has not yet completed. For further details, please refer to the announcement of the Company dated 8 December 2017.
- (3) The shares were held by First Harvest Global Limited, Gold Wide Enterprises Limited and Ocean Through Limited. All these companies are wholly-owned by Mr. Huang Weiping.

附註：

- (1) 百分比代表普通股數目除以本公司於2017年12月31日已發行股份的數目。
- (2) 該等股份由本公司主席兼執行董事俞建秋先生連同俞建秋先生全資擁有的公司時建有限公司持有。於2017年12月8日，俞建秋先生及時建有限公司訂立若干買賣協議以出售彼等股份。於本報告日期，出售尚未完成，更多詳情請參閱本公司日期為2017年12月8日的公告。
- (3) 該等股份由肇豐環球有限公司、金博企業有限公司及洋達有限公司持有。所有該等公司均由黃偉萍先生全資擁有。

董事及主要行政人員於本公司及其相聯法團的股份及相關股份的權益及淡倉

於2017年12月31日，本公司董事及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券擁有(i)根據證券及期貨條例第352條規定須予備存的登記冊所載，或(ii)根據上市規則附錄10所載關於上市發行人董事進行證券交易的標準守則（「標準守則」）須通知本公司及聯交所的權益及淡倉如下：

(1) 於本公司股份的好倉

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

(2) Long Position in the underlying shares of the Company

董事及主要行政人員於本公司及其相聯法團的股份及相關股份的權益及淡倉(續)

(2) 於本公司相關股份的好倉

Name of Director 董事姓名	Capacity/Nature of interest 身份/權益性質	Number of shares held 所持股份數目	Approximate percentage of shareholding ⁽¹⁾ 概約持股百分比 ⁽¹⁾
Mr. Huang Weiping 黃偉萍先生	Beneficial owner ⁽⁴⁾ 實益擁有人 ⁽⁴⁾	667,000	0.03%
Ms. Zhu Yufen 朱玉芬女士	Beneficial owner ⁽⁵⁾ 實益擁有人 ⁽⁵⁾	3,334,000	0.14%
Mr. Kwong Wai Sun Wilson 鄺偉信先生	Beneficial owner ⁽⁶⁾ 實益擁有人 ⁽⁶⁾	5,000,000	0.20%
Mr. Pan Liansheng 潘連勝先生	Beneficial owner ⁽⁷⁾ 實益擁有人 ⁽⁷⁾	1,000,000	0.04%
Mr. Lee Ting Bun Denny 李廷斌先生	Beneficial owner ⁽⁸⁾ 實益擁有人 ⁽⁸⁾	1,000,000	0.04%
Ms. Ren Ruxian 任汝嫻女士	Beneficial owner ⁽⁹⁾ 實益擁有人 ⁽⁹⁾	1,000,000	0.04%

Notes:

- (4) These equity derivatives were share options granted to Mr. Huang Weiping under the Share Option Scheme of the Company on 2 July 2014. Please see the section headed "Share Option Scheme" for further details.
- (5) These equity derivatives were share options granted to Ms. Zhu Yufen under the Share Option Scheme of the Company on 2 July 2014. Please see the section headed "Share Option Scheme" for further details.
- (6) These equity derivatives were share options granted to Mr. Kwong Wai Sun Wilson under the Share Option Scheme of the Company on 7 May 2015. Please see the section headed "Share Option Scheme" for further details.
- (7) These equity derivatives were share options granted to Mr. Pan Liansheng under the Share Option Scheme of the Company on 7 May 2015. Please see the section headed "Share Option Scheme" for further details.
- (8) These equity derivatives were share options granted to Mr. Lee Ting Bun Denny under the Share Option Scheme of the Company on 7 May 2015. Please see the section headed "Share Option Scheme" for further details.
- (9) These equity derivatives were share options granted to Ms. Ren Ruxian under the Share Option Scheme of the Company on 31 May 2016. Please see the section headed "Share Option Scheme" for further details.

附註:

- (4) 該等股本衍生工具為根據本公司購股權計劃於2014年7月2日授予黃偉萍先生之購股權。更多詳情請參閱「購股權計劃」一節。
- (5) 該等股本衍生工具為根據本公司購股權計劃於2014年7月2日授予朱玉芬女士之購股權。更多詳情請參閱「購股權計劃」一節。
- (6) 該等股本衍生工具為根據本公司購股權計劃於2015年5月7日授予鄺偉信先生之購股權。更多詳情請參閱「購股權計劃」一節。
- (7) 該等股本衍生工具為根據本公司購股權計劃於2015年5月7日授予潘連勝先生之購股權。更多詳情請參閱「購股權計劃」一節。
- (8) 該等股本衍生工具為根據本公司購股權計劃於2015年5月7日授予李廷斌先生之購股權。更多詳情請參閱「購股權計劃」一節。
- (9) 該等股本衍生工具為根據本公司購股權計劃，於2016年5月31日授予任汝嫻女士之購股權。更多詳情請參閱「購股權計劃」一節。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS (Continued)

(3) Short Position in the underlying shares of the Company

董事及主要行政人員於本公司及其相聯法團的股份及相關股份的權益及淡倉(續)

(3) 於本公司相關股份的淡倉

Name of Director 董事姓名	Capacity/Nature of interest 身份/權益性質	Number of shares held 所持股份數目	Approximate percentage of shareholding ⁽¹⁾ 概約持股百分比 ⁽¹⁾
Mr. Yu Jianqiu 俞建秋先生	Interest in a controlled corporation ⁽¹⁰⁾ 受控制法團權益 ⁽¹⁰⁾	133,779,264	5.42%

Note:

(10) Huarong and Prosper Rich have entered into the call option agreement on 31 July 2017 whereby Prosper Rich has a right to request for the acquisition of the Convertible Bonds in the principal amount of HK\$200,000,000 from Huarong for an amount equal to the principal amount of such Convertible Bonds plus a premium, provided, however, Huarong has a right to decline such request from Prosper Rich. In the event that Huarong turns down the call option request by Prosper Rich under the call option, pursuant to the backup call option agreement entered into between Epoch Keen Limited and Prosper Rich on 31 July 2017, Epoch Keen Limited has agreed to, amongst other things, grant Prosper Rich a call option over such number of Shares Prosper Rich would have been entitled to under the call option had Huarong consented to Prosper Rich's exercise of option, at a price per Shares equivalent to HK\$2.990 per share on the date of exercising the Call Option and in such case, pay Prosper Rich a fee. At the option of Epoch Keen Limited, Epoch Keen Limited may cash settle its obligations under the backup call option. Prosper Rich also can require the lending of certain Shares from Epoch Keen Limited upon occurrence of certain events.

Save as disclosed above, as at 31 December 2017, so far as is known to any director or the chief executive of the Company, none of the directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were (i) recorded in the register required to be kept under section 352 of the SFO, or (ii) otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Saved as otherwise disclosed in this annual report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any director or their respective spouse or children under 18 years of age, nor were any such rights exercised by them, nor was the Company or any of its subsidiaries a party to any arrangement to enable the directors, or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate during the year ended 31 December 2017.

附註：

(10) 華融與亨富已於2017年7月31日訂立認購期權，據此，亨富有權要求以相等於有關可換股債券本金額加溢價的金額，向華融收購本金額200,000,000港元的可換股債券，惟華融有權拒絕亨富之要求。倘華融拒絕亨富根據認購期權的認購期權要求，根據時建有限公司與亨富於2017年7月31日訂立的補充認購期權協議，時建有限公司已同意(其中包括)，授予亨富就其在華融同意亨富行使認購期權時而根據認購期權有權可獲得的相關股份數目之認購期權，每股價格等於認購期權行使日期之每股2.990港元及於該情況下，支付亨富一筆費用。按時建有限公司選擇，時建有限公司可以現金結算其於補充認購期權項下債務。亨富亦可於發生若干事件時要求時建有限公司出借若干股份。

除上文所披露者外，於2017年12月31日，就本公司任何董事或主要行政人員所知，本公司董事或最高行政人員概無於本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有(i)根據證券及期貨條例第352條規定須予備存的登記冊所載，或(ii)根據標準守則所載之規定須知會本公司及聯交所的任何權益或淡倉。

董事購買股份或債券的權利

除於本年報其他部分披露者外，於截至2017年12月31日止年度，概無授予任何董事或彼等各自之配偶或未滿18歲的子女通過購入本公司股份或債券的方式而獲益的權利或由彼等行使任何該等權利，亦無由本公司或其任何附屬公司作出安排以令董事或彼等各自之配偶或未滿18歲的子女於任何其他法人團體獲得該等權利。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2017, the following persons (not being a director or chief executive of the Company) had 5% or more interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

(1) Long position in the shares of the Company

Name 姓名／名稱	Note 附註	Capacity in which interests are held 藉以持有權益的身份	Number of shares held 持有股數	Percentage of shareholding ⁽¹⁾ 持股百分比 ⁽¹⁾
Hong Kong Zhongliang Recycling Mining Investments Limited 香港中涼再生礦冶投資有限公司		Beneficial owner 實益擁有人	135,000,000	5.47%
涼山州礦冶投資控股有限責任公司	2	Interests in a controlled corporation 受控制法團權益	135,000,000	5.47%
涼山州國有投資發展有限責任公司		Interests in a controlled corporation 受控制法團權益	135,000,000	5.47%
涼山彝族自治州國有資產監督管理委員會		Interests in a controlled corporation 受控制法團權益	135,000,000	5.47%
Zhang Huayi 張華義		Beneficial owner 實益擁有人	73,760,000	2.99%
	3	Interests in a controlled corporation 受控制法團權益	50,642,600	2.05%

Notes:

- (1) The percentage represents the number of ordinary shares divided by the number of the Company's issued shares as at 31 December 2017.
- (2) Hong Kong Zhongliang Recycling Mining Investments Limited is wholly-owned by 涼山州礦冶投資控股有限責任公司, 74.00% equity interest of 涼山州礦冶投資控股有限責任公司 is held by 涼山州國有投資發展有限責任公司; 62.00% equity interest of 涼山州國有投資發展有限責任公司 is held by 涼山彝族自治州國有資產監督管理委員會. Accordingly, each of 涼山州礦冶投資控股有限責任公司, 涼山州國有投資發展有限責任公司, 涼山彝族自治州國有資產監督管理委員會 is deemed to be interested in the shares of the Company held by Hong Kong Zhongliang Recycling Mining Investments Limited.
- (3) The shares were held by Silvery Boom Limited, which was wholly owned by Zhang Huayi.

附註:

- (1) 百分比代表於2017年12月31日的本公司普通股數目除以本公司已發行股份數目。
- (2) 香港中涼再生礦冶投資有限公司由涼山州礦冶投資控股有限責任公司全資擁有，而涼山州礦冶投資控股有限責任公司由涼山州國有投資發展有限責任公司持有74.00%股權；涼山州國有投資發展有限責任公司由涼山彝族自治州國有資產監督管理委員會持有62.00%股權。因此，涼山州礦冶投資控股有限責任公司、涼山州國有投資發展有限責任公司、涼山彝族自治州國有資產監督管理委員會各自被視為於香港中涼再生礦冶投資有限公司持有的本公司股份中擁有權益。
- (3) 該等股份由銀昌有限公司持有，而銀昌有限公司由張華義全資擁有。

主要股東於本公司股份及相關股份的權益及淡倉

於2017年12月31日，按本公司根據證券及期貨條例第336條須予存置的登記冊所記錄，以下人士（並非本公司董事或最高行政人員）於本公司股份或相關股份中擁有5%或以上的權益或淡倉：

(1) 於本公司股份的好倉

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

(2) Long position in the underlying shares of the Company

主要股東於本公司股份及相關股份的權益及淡倉(續)

(2) 於本公司相關股份的好倉

Name 姓名／名稱	Note 附註	Capacity in which interests are held 藉以持有權益的身份	Number of shares held 持有股數	Percentage of shareholding ⁽¹⁾ 持股百分比 ⁽¹⁾
Mianyang Science Technology City Development Investment (Group) Co., Ltd. 綿陽科技城發展投資(集團)有限公司	4	Persons having a security interests in shares 對股份有抵押權益 之人士	310,317,000	12.58%
Wang Renhuo	5	Beneficial owner 實益擁有人	718,401,281	29.12%
Taihe Group (Hong Kong) Limited 泰合集團(香港)有限公司	5	Interest in controlled corporation 受控制法團權益	715,401,281	29.00%
Kally Global Investments Limited	5	Interest in controlled corporation 受控制法團權益	715,401,281	29.00%
Zhang Huayi 張華義	6	Beneficial owner 實益擁有人	321,953,119	13.05%
Silvery Boom Limited 銀昌有限公司	6	Interest in controlled corporation 受控制法團權益	321,953,119	13.05%
China Huarong Asset Management Co., Ltd 中國華融資產管理股份有限公司	7	Interest in controlled corporation 受控制法團權益	411,779,264	16.69%

Notes:

- (4) On 15 August 2014, Silver Harvest Holdings Limited, Ocean Through Limited, First Harvest Global Limited and Gold Wide Enterprises Limited, shareholders of the Company, has each entered into share charges in respect of their respective shareholding of 103,205,200, 39,401,600, 167,952,400 and 102,963,000 shares of the Company in favour of Mianyang Development Group as the secured party. On 10 November 2014, Epoch Keen entered into a share charge with Mianyang Development Group, pursuant to which Epoch Keen agreed to charge by way of first fixed charge all its rights, title, interest and benefit in 200,000,000 ordinary shares of the Company in favour of Mianyang Development Group as the secured party. On 31 December 2015, share charges were released for Silver Harvest Holdings Limited and Epoch Keen Limited in respect of 103,205,200 and 200,000,000 shares of the Company.

附註：

- (4) 於2014年8月15日，豐銀控股有限公司、洋達有限公司、肇豐環球有限公司及金博企業有限公司(均為本公司股東)各自就彼等於本公司之103,205,200股、39,401,600股、167,952,400股及102,963,000股股份之股權，以承押一方的綿陽發展集團作為受益人訂立股份押記。於2014年11月10日，時建與綿陽發展集團訂立股份押記，據此，時建同意以第一固定押記方式抵押其於本公司200,000,000股普通股之所有權利、所有權、權益及利益，以承押一方的綿陽發展集團為受益人。於2015年12月31日，豐銀控股有限公司及時建有限公司分別就本公司之103,205,200股及200,000,000股訂立的股份押記已獲解除。

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

(2) Long position in the underlying shares of the Company (Continued)

Notes:

- (5) 3,000,000 shares was held by Zhang Bihua 張碧華, who is the spouse of Wang Renhuo. On 8 December 2017, Taihe Group (Hong Kong) Limited has entered into sell and purchase agreement with Epoch Keen Limited. 715,401,281 shares will be acquired by Taihe Group (Hong Kong) Limited, which was wholly owned by Kally Global Investments Limited. Kally Global Investments Limited was wholly owned by Wang Renguo.
- (6) Silvery Boom Limited has entered into a conditional sale and purchase agreements on 8 December 2017. (a) 30,964,000 shares will be acquired by Silvery Boom Limited, which was wholly owned by Zhang Huayi; (b) entire shareholding in Epoch Keen Limited which will holds 290,989,119 shares of the Company will be acquired by Silvery Boom Limited.
- (7) Assuming full conversion of the convertible bonds at an initial conversion price of HK\$2.99 per share, the convertible bonds will be convertible into approximately 133,779,264 new shares (subject to adjustment).

On 8 August 2017, Epoch Keen Limited entered into a share charge with China Huarong Asset Management Co., Ltd, pursuant to which Epoch Keen Limited charged 278,000,000 shares in favour of the China Huarong Asset Management Co., Ltd as security for the payment and discharge of obligations owing from the Company to the Investor pursuant to, amongst others, the Investor Subscription Agreement and the convertible bonds.

According to the disclosure forms filed by China Huarong Asset Management Co., Ltd. on 25 September 2017, the following interest in shares of the Company were held as follows:

Name of controlled corporation 受控法團的名稱	Name of controlling shareholder 控權股東的姓名/名稱	% control 控制百分率%	Direct interest 直接權益(是/否)	Number of shares 股份數目
Huarong Real Estate Co., Ltd.	China Huarong Asset Management Co., Ltd.	100	N	Long position 411,779,264
華融置業有限責任公司	中國華融資產管理股份有限公司		否	好倉
Huarong Zhiyuan Investment & Management Co., Ltd.	China Huarong Asset Management Co., Ltd.	100	N	Long position 411,779,264
華融致遠投資管理有限責任公司	中國華融資產管理股份有限公司		否	好倉
Huarong	Huarong Real Estate Co., Ltd.	88.1	Y	Long position 411,779,264
華融	華融置業有限責任公司		是	好倉
Huarong	Huarong Zhiyuan Investment & Management Co., Ltd.	11.9	Y	Long position 411,779,264
華融	華融致遠投資管理有限責任公司		是	好倉

主要股東於本公司股份及相關股份的權益及淡倉(續)

(2) 於本公司相關股份的好倉(續)

附註:

- (5) 3,000,000股股份由Wang Renhuo的配偶張碧華持有。於2017年12月8日，泰合集團(香港)有限公司與時建有限公司訂立買賣協議。Kally Global Investments Limited全資擁有的泰合集團(香港)有限公司將收購715,401,281股股份。Kally Global Investments Limited由Wang Renguo全資擁有。
- (6) 銀昌有限公司於2017年12月8日訂立有條件買賣協議。(a)銀昌有限公司將收購30,964,000股股份，而銀昌有限公司由張華義全資擁有；(b)銀昌有限公司將收購時建有限公司全部股權，而時建有限公司持有本公司290,989,119股股份。
- (7) 假設可換股債券按初步兌換價每股2.99港元悉數轉換，可換股債券將可轉換為約133,779,264股新股份(可予調整)。

於2017年8月8日，時建有限公司與中國華融資產管理股份有限公司訂立股份押記，據此，時建有限公司以中國華融資產管理股份有限公司為受益人抵押278,000,000股股份，作為支付及解除本公司根據(其中包括)投資者認購協議及可換股債券應向投資者履行之責任之擔保。

根據中國華融資產管理股份有限公司於2017年9月25日遞交的披露權益表，持有本公司股份權益如下：

REPORT OF THE DIRECTORS

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (Continued)

(3) Short position in the underlying shares of the Company

主要股東於本公司股份及相關股份的權益及淡倉(續)

(3) 於本公司相關股份的淡倉

Name	Note	Capacity in which interests are held	Number of shares held	Approximate percentage of shareholdings ⁽¹⁾
姓名／名稱	附註	藉以持有權益的身份	持有股數	概約持股百分比 ⁽¹⁾
China Huarong Asset Management Co., Ltd 中國華融資產管理股份有限公司	8	Interest in controlled corporation 受控制法團權益	66,889,632	2.71%

Note:

- (8) China Huarong Asset Management Co., Ltd. and Prosper Rich Investments Limited have entered into the Call Option on 31 July 2017 whereby Prosper Rich Investments Limited has a right to request for the acquisition of the convertible bonds in the principal amount of HK\$200,000,000 from the Investor for an amount equal to the principal amount of such convertible bonds plus a premium, provided, however, the China Huarong Asset Management Co., Ltd. has a right to decline such request from Prosper Rich.

According to the disclosure forms filed by China Huarong Asset Management Co., Ltd. on 25 September 2017, the following interest in shares of the Company were held as follows:

附註：

- (8) 中國華融資產管理股份有限公司與亨富投資有限公司已於2017年7月31日訂立認購期權，據此，亨富投資有限公司有權要求以相等於有關可換股債券本金額加溢價的金額，向投資者收購本金額200,000,000港元的可換股債券，惟中國華融資產管理股份有限公司有權拒絕亨富之要求。

根據中國華融資產管理股份有限公司於2017年9月25日遞交的披露權益表，持有本公司股份權益如下：

Name of controlled corporation	Name of controlling shareholder	% control	Direct interest	Number of shares	
受控法團的名稱	控股股東的姓名／名稱	控制百分率%	直接權益(是/否)	股份數目	
Huarong Real Estate Co., Ltd. 華融置業有限責任公司	China Huarong Asset Management Co., Ltd. 中國華融資產管理股份有限公司	100	N 否	Short position 淡倉	66,889,632
Huarong Zhiyuan Investment & Management Co., Ltd. 華融致遠投資管理有限責任公司	China Huarong Asset Management Co., Ltd. 中國華融資產管理股份有限公司	100	N 否	Short position 淡倉	66,889,632
Huarong 華融	Huarong Real Estate Co., Ltd. 華融置業有限責任公司	88.1	Y 是	Short position 淡倉	66,889,632
Huarong 華融	Huarong Zhiyuan Investment & Management Co., Ltd. 華融致遠投資管理有限責任公司	11.9	Y 是	Short position 淡倉	66,889,632

Other than as disclosed above, as at 31 December 2017, the directors had not been notified by any person (not being the directors or chief executive of the Company) who had 5% or more interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept pursuant to Section 336 of the SFO.

除上文所披露者外，於2017年12月31日，概無任何人士(並非本公司董事或最高行政人員)知會董事其於本公司股份或相關股份中擁有根據證券及期貨條例第336條須予存置的登記冊所記錄5%或以上的權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2017, none of the directors or their respective associates had any business or interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

HUMAN RESOURCES

As at 31 December 2017, the Group had a total of 521 employees (2015: 477). The Group's staff costs for the year ended 31 December 2017 were approximately RMB54.8 million (2016: RMB76.2 million). The Group offers its staff competitive remuneration packages. In addition, discretionary bonuses and share options may also be granted to eligible staff based on individual and Group's performance. The Group is committed to nurturing a learning and sharing culture in the organization. Heavy emphasis is placed on the training and development of individual staff and team building, as the Group's success is dependent on the contribution of all functional divisions comprising skilled and motivated professionals. The Group is also committed to social responsibility as seen in its employment of disabled staff and providing appropriate working conditions and protection to them.

DIVIDENDS

The Board does not recommend the payment of final dividend for the year ended 31 December 2017 (for the year ended 31 December 2016: nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 1 June 2018 to 6 June 2018, both days inclusive, during which no transfer of shares can be registered. To qualify for the attendance and voting at the AGM, shareholders must ensure that all transfer documents accompanied by the relevant share certificates be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 31 May 2018.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the articles of association of the Company (the "Articles of Association"), or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

董事於競爭業務的權益

於2017年12月31日，概無董事及彼等各自的聯繫人擁有與本集團業務構成或可能構成直接或間接競爭之業務或於有關業務中擁有任何權益。

人力資源

於2017年12月31日，本集團員工合共521名(2015年：477名)。截至2017年12月31日止年度，本集團的員工成本大約為人民幣54,800,000元(2016年：人民幣76,200,000元)。本集團向其員工提供具競爭力的酬金待遇。此外，合資格員工亦可按其個人及本集團的表現獲授酌情花紅及購股權。本集團致力於組織內建立學習及分享文化。本集團的成功有賴由技巧純熟且士氣高昂的專業人員組成的各職能部門作出的貢獻，故此本集團重視員工的個人培訓及發展，以及團隊建設。本集團亦致力於承擔社會責任，可見於其聘用殘疾人士，並向他們提供適當的工作環境和保障。

股息

董事會不建議派發截至2017年12月31日止年度之末期股息(截至2016年12月31日止年度：無)。

暫停辦理股份過戶登記

本公司的股份過戶登記處將於2018年6月1日至2018年6月6日(首尾兩天包括在內)暫停辦理股份過戶登記手續。為確定符合出席股東週年大會並於會上投票的資格，所有股份過戶文件連同有關之股票必須於2018年5月31日下午四時三十分前送達本公司之股份過戶登記處中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712至1716號舖。

優先購股權

本公司組織章程細則(「組織章程細則」)或開曼群島法例項下並無有關優先購股權的規定，致使本公司須按比例基準向現有股東發售新股份。

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2017 is set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 80 and 81 respectively of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of the property, plant and equipment of the Group are set out in note 12 to the financial statements.

SHARE CAPITAL

Movements of the share capital of the Company are set out in note 29 to the financial statements.

BANK LOANS

Bank Loans and other borrowings of the Company and the Group as at 31 December 2017 are set out in note 26 to the financial statements.

DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

The directors' emoluments are determined by the Board with reference to their duties, responsibilities and performance and the results of the Group. Details of the directors' emoluments and the five highest paid individuals are set out in notes 9 and 10 to the financial statements respectively.

EMOLUMENT POLICY

A remuneration committee was set up to develop the Group's emolument policy and structure for remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

業績及分配

本集團截至2017年12月31日止年度的業績分別載於本年報第80及第81頁的綜合損益表以及綜合損益及其他全面收益表。

物業、廠房及設備

本集團物業、廠房及設備的詳情載於財務報表附註12。

股本

本公司的股本變動載於財務報表附註29。

銀行貸款

本公司及本集團於2017年12月31日的銀行貸款及其他借款載於財務報表附註26。

董事酬金及五名最高薪酬人士

董事薪酬乃由董事會經參考彼等的職責、責任及表現以及本集團的業績而釐定。董事及五名最高薪酬人士的薪酬詳情分別載於財務報表附註9及10。

薪酬政策

本集團成立薪酬委員會以制定有關本集團董事及高級管理層之薪酬政策及架構，該等薪酬政策及架構已參考本集團的經營業績、董事及高級管理層的個人表現及可資比較市場常規。

REPORT OF THE DIRECTORS

董事會報告

PENSION SCHEMES

Pursuant to the relevant labour rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "PRC Schemes") organized by the local authorities whereby the subsidiaries are required to make contributions to the PRC Schemes based on a percentage of the eligible employees' salaries. Contributions to the PRC Schemes vest immediately. Under the PRC Scheme, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

The Group enrolled all employees in Hong Kong in the Mandatory Provident Fund Scheme ("MPF") (together with the PRC Schemes, the "Retirement Benefit Schemes"), which is a defined contribution retirement benefit scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the consolidated income statement as they become payable in accordance with the rules of the MPF. The Group contributes 5% of the relevant payroll costs to the MPF subject to a cap of monthly relevant income of HK\$30,000, and which contribution is matched by the employees. The assets of the MPF are held separately from those of the Group, in funds under the control of trustees. Contributions from the employer are 100% vested in the employees as soon as they are paid to the MPF and subject to certain conditions being met, all benefits derived from the mandatory contributions must be preserved until the employee either reaches the normal retirement age of 65 or meets certain specified conditions whichever is earlier.

The Group's contributions to Retirement Benefit Schemes charged to the consolidated income statement for the year ended 31 December 2017 were RMB2,270,000 (2016: RMB2,918,000).

MANAGEMENT CONTRACTS

No contract for the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2017 are set out in note 29 to the financial statements and the consolidated statement of changes in equity respectively.

As at 31 December 2017, the Company's distributable reserves available for distribution amounted to RMB703,604,000, calculated in accordance with the provisions of the Companies Law (2012 Revision) of the Cayman Islands.

退休金計劃

根據中國相關勞動規則及法規，本集團於中國的附屬公司參與由各地方機關組織的界定供款退休福利計劃（「中國計劃」），據此，附屬公司須按合資格僱員薪金的某百分比向中國計劃作出供款。中國計劃的供款會即時歸屬。根據中國計劃，相關計劃管理機構須為現有及退休僱員支付退休福利，而本集團除每年供款外，毋須承擔其他責任。

本集團已為香港的全體僱員參加了強制性公積金計劃（「強積金」）（連同中國計劃，統稱為「退休福利計劃」），此為界定供款退休福利計劃。供款乃按僱員基本薪金的百分比計算，並於根據強積金之規則須予支付時於綜合收益表扣除。本集團向強積金所作的供款為有關工資成本之5%（受每月相關收入上限30,000港元所限），而僱員的供率比率亦相同。強積金的資產與本集團的資產分開持有，以基金形式由信託人控管。僱主的供款投入強積金後，即全數歸僱員所有，除滿足若干條件的情況外，強制性款涉及的利益須保留至僱員年屆六十五歲退休時或達成若干特定條件（以較早者為準）才予以發還。

本集團於截至2017年12月31日止年度計入綜合收益表的退休福利計劃供款為人民幣2,270,000元（2016年：人民幣2,918,000元）。

管理合約

於本年度，本公司並無就本公司全部或任何主要部分業務訂立或現存任何管理及行政合約。

儲備及可供分派儲備

本公司及本集團截至2017年12月31日止年度的儲備變動詳情分別載於財務報表附註29及綜合權益變動表。

於2017年12月31日，根據開曼群島公司法（2012年修訂版）的規定計算，本公司可供分派儲備為人民幣703,604,000元。

MAJOR CUSTOMERS AND SUPPLIERS

Suppliers

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases

- the largest supplier: 6% of cost of sales
- five largest suppliers combined: 25% of cost of sales

Sales

- the largest customer: 34% of revenue
- five largest customers combined: 59% of revenue

The scrap copper that we process comes from a variety of sources, including used household appliances, electrical equipment and transportation equipment, used cables and wires and scrap materials from certain industrial manufacturing processes. We purchase our scrap copper mainly from domestic suppliers located near our production facilities and elsewhere in other provinces of China. We conduct rigorous quality control tests at different stages of our production processes, including rigorous quality tests of our raw materials. Before entering into a business relationship with a new supplier, we conduct diligence on the supplier's background and reputation in the market to assess its suitability. In addition, we physically inspect each delivery of raw materials to ensure its compliance with contract specifications, including purity and copper content.

Maintaining strong relationships with our customers is important to us and we believe that our customers' willingness to work with us reflects, among others, our record of producing high quality products that meet industry standards and customer requirements.

None of the Directors of the Company or any of their 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 interest in the Group's five largest customers and five largest suppliers.

主要客戶及供應商

供應商

本集團主要供應商及客戶佔本年度之採購額及銷售額百分比如下：

採購額

- 最大供應商：佔銷售成本6%
- 五大供應商合計：佔銷售成本25%

銷售額

- 最大客戶：佔營業額34%
- 五大客戶合計：佔營業額59%

我們加工的廢銅是來自多個來源，包括舊家電、電氣設備及運輸設備、舊電纜電線，以及某些工業製造流程產生的廢料。本集團主要向位於名下生產設施附近及位於中國其他省份的國內供應商採購廢銅。本集團在生產流程的不同階段採取嚴格的質量控制檢測，包括對我們原材料的嚴格品質測試。與一家新供應商建立業務關係前，我們先行審慎調查供應商背景和於市場內的聲譽，以評估其合適性。此外，本集團亦對原材料的每次交貨進行實質檢查，以確保符合合同規格，包括純度和銅含量。

與客戶維持穩固的關係對本集團至關重要，我們認為，客戶願意與我們合作反映出(其中包括)我們有著生產符合行業標準和客戶要求的高品質產品的記錄。

本公司董事或彼等的任何聯繫人或任何股東(就董事所深知擁有本公司已發行股本5%以上的股東)概無於本集團五大客戶及五大供應商中擁有任何權益。

REPORT OF THE DIRECTORS

董事會報告

CONTINUING CONNECTED TRANSACTIONS

The continuing connected transactions during the year ended 31 December 2017 were as follow:

Delivery cost charged by Mianyang Jin Xunhuan Finance Storage Limited, a company wholly owned by Sichuan Jin Xunhuan E-commerce trading Co. Ltd. ("JX E-commerce")	8,162,000
--	-----------

On 12 May 2017, the Company and Mianyang Jin Xunhuan Finance Storage Limited entered into the Delivery Services Agreement, pursuant to which Mianyang Jin Xunhuan Finance Storage Limited agreed to provide to the Group delivery services for a period of 12 months commencing from 12 May 2017. For the purpose of complying with Chapter 14A of the Listing Rules, the Company has estimated that the aggregate fees payable by the Company to Mianyang Jin Xunhuan Finance Storage Limited for the delivery services during the term of the Delivery Services Agreement shall not exceed RMB22 million (RMB18 million for the period from 15 May 2017 to 31 December 2017 and RMB4 million for the period from 1 January 2018 to 11 May 2018).

Given the terms of the Delivery Service Agreement were negotiated on an arm's length basis and gone through public tendering, the Directors (including the independent non-executive Directors) are of the view that the terms of the Delivery Services Agreement, including the Annual Cap, are on normal commercial terms, in the ordinary and usual course of business of the Company and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Except the above and disclosed elsewhere in the annual report, there were no continuing connected transactions during the year ended 31 December 2017.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Share Option Scheme") to provide incentive and/or reward to eligible persons for their contribution to, and continuing efforts to promote the interests of, our Company. The Share Option Scheme was conditionally approved by a written resolution of the then shareholders of the Company on 28 January 2014 and has come into effect upon the Company's listing on 21 February 2014.

Purpose

The purpose of the Share Option Scheme is to provide incentive and/or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, our Company.

持續關連交易

截至2017年12月31日止年度的持續關連交易如下：

四川金循環電子商務有限公司 ([金循環電子商務])全資擁有的 公司綿陽金循環金融倉儲有限公 司收取的運送成本	8,162,000
---	-----------

於2017年5月12日，本公司與綿陽金循環金融倉儲有限公司訂立運送服務協議，據此，綿陽金循環金融倉儲有限公司同意自2017年5月12日起計12個月期間向本集團提供運送服務。為遵守上市規則第14A章，本公司估計本公司應付綿陽金循環金融倉儲有限公司於運送服務協議期間提供運送服務的總費用不得超過人民幣22百萬元(2017年5月15日至2017年12月31日期間人民幣18,000,000元及2018年1月1日至2018年5月11日期間人民幣4,000,000元)。

鑑於運送服務協議的條款經公平磋商釐定並透過公開招標，董事(包括獨立非執行董事)認為，運送服務協議的條款(包括年度上限)乃按一般商業條款、在本公司日常及一般業務過程中進行及屬公平合理，並符合本公司及股東的整體利益。

除上文及年報其他地方所披露者外，截至2017年12月31日止年度，並無持續關連交易。

購股權計劃

本公司設有購股權計劃([購股權計劃])，旨在對合資格人士提供獎勵及/或獎賞，以肯定彼等對本公司的貢獻，以及鼓勵彼等繼續致力提升本公司的利益。於2014年1月28日，購股權計劃由本公司當時的股東經書面決議案有條件批准，並自本公司於2014年2月21日上市後生效。

目的

購股權計劃旨在對合資格人士提供獎勵及/或獎賞，以肯定彼等對本公司的貢獻，以及鼓勵彼等繼續致力提升本公司的利益。

SHARE OPTION SCHEME (Continued)

Who may join

The Board may, at its absolute discretion, offer options ("Options") to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to any director or employee of the Group and any other person (including a consultant or advisor) who in the sole discretion of the Board has contributed or will contribute to the Group ("Eligible Persons").

Further details of the Share Option Scheme

The maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Group shall not in aggregate exceed 10% of the shares in issue as at the Listing Date (i.e. 209,832,160 shares) (the "Scheme Mandate Limit"). Our Company may at any time as the Board may think fit seek approval from our shareholders to refresh the Scheme Mandate Limit, save that the maximum number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Company shall not exceed 10% of the shares in issue as at the date of approval by shareholders in general meeting where the Scheme Mandate Limit is refreshed.

Our Company may seek separate approval from our shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by our Company before such approval is obtained. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other scheme shall not exceed 30% of our Company's issued share capital from time to time. No options may be granted under the Share Option Scheme and any other share option scheme of our Company if this will result in such limit being exceeded.

The Scheme Mandate Limit was refreshed by a resolution passed at the annual general meeting held on 9 June 2015. The maximum number of options that can be granted by the Company was refreshed to 210,514,560 share options.

The total number of shares available for issue under the Share Option Scheme of the Company in 2015 was 210,514,560 shares, which was approximately 9.15% of the issued share capital as at the date of this annual report.

No Option may be granted to any one person such that the total number of shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period up to the date of the latest grant exceeds 1% of our Company's issued share capital from time to time.

購股權計劃(續)

可參與人士

董事會可按其絕對酌情向本集團任何董事或僱員及董事會全權認為已或將會對本集團有貢獻的任何其他人士(包括顧問或諮詢人)(「合資格人士」)授予可根據購股權計劃所載條款認購有關數目股份的購股權(「購股權」)。

購股權計劃之更多詳情

根據購股權計劃及本集團任何其他計劃將予授出之購股權獲悉數行使後而可能發行之股份數目上限合共不得超過上市日期已發行股份之10%(即209,832,160股)(「計劃授權上限」)。本公司可隨時於董事會認為合適時尋求股東批准更新計劃授權上限,惟根據購股權計劃及本公司任何其他計劃將予授出之購股權獲悉數行使後而可能發行之股份數目上限不得超過股東於股東大會批准更新計劃授權上限當日已發行股份之10%。

本公司可於股東大會尋求股東獨立批准授出超過計劃授權上限之購股權,前提是超過計劃授權上限之購股權僅授予取得有關批准前本公司指定之合資格人士。因行使根據購股權計劃及任何其他計劃授出之所有尚未行使惟將予行使之購股權而可能發行之股份數目上限不得超過本公司不時已發行股本之30%。倘根據購股權計劃及本公司任何其他購股權計劃授出購股權將導致超過有關限額,則不會如此行事。

計劃授權上限透過於2015年6月9日舉行的股東週年大會上通過的決議案更新。本公司可授出的購股權數目上限已更新為210,514,560份購股權。

於2015年根據本公司購股權計劃可供發行之股份總數為210,514,560股,佔本年報日期已發行股本約9.15%。

於截至最近授出日期之任何十二個月期間內,概無向任何人士授出購股權,致使因行使已授予或將授予該人士之購股權而發行及將予發行之股份總數超過本公司不時之已發行股本1%。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (Continued)

Further details of the Share Option Scheme (Continued)

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years after the date of adoption of the Share Option Scheme to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the shares on the Stock Exchange or an integral multiple thereof).

Subject to the terms of the Scheme, the Board may in its absolute discretion when offering the grant of an Option specify such conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit when making an offer to an Eligible Person (including, without limitation, as to any performance criteria which must be satisfied by the Eligible Person and/or the Company and/or its Subsidiaries, and any minimum period for which an Option must be held, before an Option may be exercised, if any), provided that such conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme.

An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favor of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company on or before 30 days after the offer date. To the extent that an offer is not accepted within the time stated in the offer for that purpose, it shall be deemed to have been irrevocably declined and shall immediately lapse.

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall be at least the highest of:

- (a) the closing price of a share as stated in the Stock Exchange's daily quotations sheet on the offer date, which must be a business day;
- (b) the average closing price of a share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and
- (c) the nominal value of a share.

購股權計劃(續)

購股權計劃之更多詳情(續)

根據購股權計劃之條款，董事會有權於採納購股權計劃日期後十年內隨時向任何董事會酌情選擇之合資格人士作出授出購股權要約，可按認購價認購董事會可能(根據購股權計劃之條款)釐定之有關數目之股份(惟有關數目須為股份於聯交所買賣之每手買賣單位或其完整倍數)。

根據計劃之條款，董事會可全權酌情於作出授出購股權要約時在購股權計劃所載以外列入其認為於向合資格人士作出授出要約時屬合適之有關計劃條件、限制或規限(包括但不限於合資格人士及/或本公司及/或其附屬公司須達致之任何表現標準及於行使購股權前之任何最少持有期限(如有))，惟有關條件須與購股權計劃任何其他條款或條件一致。

當本公司於要約日期後30日或之前收到由承授人正式簽署的購股權要約函件副本(包括購股權要約的接納書)，連同為數1.00港元作為獲授購股權代價以本公司為收款人之匯款，購股權應被視作已授出及獲合資格人士接納並已生效。倘要約於要約所述時間內未獲接納，即有關要約被視為不可撤回地拒絕並即時失效。

任何特定購股權之認購價應由董事會於授出相關購股權時全權酌情決定(並應於載有授出購股權要約之函件中列明)，惟認購價不得低於下列最高者：

- (a) 股份於要約日期(必須為營業日)在聯交所每日報價表上所載之收市價；
- (b) 股份於緊接要約日期前五個營業日在聯交所每日報價表上所載之平均收市價；及
- (c) 股份面值。

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (Continued)

Further details of the Share Option Scheme (Continued)

An Option shall be exercised in whole or in part within the option period which is the period to be determined and notified by the Board to the grantee during which period the Option may be exercised and in any event shall not exceed ten years commencing from the date on which the offer in relation to such Option is accepted.

The Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Share Option Scheme (i.e. 28 January 2014), after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting Options granted prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

Movements of the Share Option Scheme during the year ended 31 December 2017 are as follows:

購股權計劃(續)

購股權計劃之更多詳情(續)

購股權可於購股權期內行使全部或部分，行使期由董事會決定並通知承授人，期內，購股權可予行使，且在任何情況下，由接納有關購股權要約當日起計不得超過十年。

購股權計劃由採納購股權計劃日期(即2014年1月28日)起計十年內有效，之後不會進一步授出或提呈授出購股權，惟購股權計劃之條文仍維持十足效力及生效，致使在十年期屆滿前或根據購股權計劃條文可能規定之其他方式授出的任何存續購股權可予行使。

截至2017年12月31日止年度，購股權計劃之變動如下：

Category	Date of grant	Number of shares options held at 1 January 2017 於2017年1月1日持有之購股權數目	Granted during 2017 於2017年授出	Exercised during 2017 於2017年行使	Lapsed/cancelled during 2017 於2017年失效/註銷	Number of shares options held at 31 December 2017 於2017年12月31日持有之購股權數目	Exercise period of share options 購股權行使期	Exercise price of share options 購股權行使價 HK\$ 港元	Price of share of the Company 本公司股份價格	
									at the grant date of share options 購股權授出日期 HK\$ 港元	at the exercise date of share options 購股權行使日期

Directors

董事

Mr. Kwong Wai Sun Wilson 鄭偉信先生	7 May 2015 2015年5月7日	5,000,000	-	-	-	5,000,000	7 May 2015 to 6 May 2025 2015年5月7日至 2025年5月6日	1.68	1.68	-
Mr. Huang Wai Ping 黃偉萍先生	2 July 2014 2014年7月2日	667,000	-	-	-	667,000	2 July 2014 to 1 July 2024 2014年7月2日至 2024年7月1日	1.13	1.07	-
Ms. Zhu Yufen 朱玉芬女士	2 July 2014 2014年7月2日	3,334,000	-	-	-	3,334,000	2 July 2014 to 1 July 2024 2014年7月2日至 2024年7月1日	1.13	1.07	-
Mr. Pan Liansheng 潘連勝先生	7 May 2015 2015年5月7日	1,000,000	-	-	-	1,000,000	7 May 2015 to 6 May 2025 2015年5月7日至 2025年5月6日	1.68	1.68	-
Mr. Lee Ting Bun Denny 李廷斌先生	7 May 2015 2015年5月7日	1,000,000	-	-	-	1,000,000	7 May 2015 to 6 May 2025 2015年5月7日至 2025年5月6日	1.68	1.68	-
Ms. Ren Ruxian 任汝嫻女士	31 May 2016 2016年5月31日	1,000,000	-	-	-	1,000,000	31 May 2016 to 30 May 2026 2016年5月31日至 2026年5月30日	3.66	3.05	-

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (Continued)

Further details of the Share Option Scheme (Continued)

購股權計劃(續)

購股權計劃之更多詳情(續)

Category	Date of grant	Number of shares options held at 1 January 2017 於2017年1月1日持有之購股權數目	Granted during 2017 於2017年授出	Exercised during 2017 於2017年行使	Lapsed/cancelled during 2017 於2017年失效/註銷	Number of shares options held at 31 December 2017 於2017年12月31日持有之購股權數目	Exercise period of share options 購股權行使期	Price of share of the Company 本公司股份價格		
								Exercise price of share options 購股權行使價 HK\$ 港元	at the grant date of share options 購股權授出日期 HK\$ 港元	at the exercise date of share options 購股權行使日期
Eligible persons other than directors 董事之外的合資格人士	2 July 2014	26,955,000	-	-	(202,000)	26,753,000	2 July 2014 to 1 July 2024	1.13	1.07	-
Eligible persons other than directors 董事之外的合資格人士	2014年7月2日						2014年7月2日至2024年7月1日			
Eligible persons other than directors 董事之外的合資格人士	7 May 2015	89,470,000	-	-	(870,000)	88,600,000	7 May 2015 to 6 May 2025	1.68	1.68	-
Eligible persons other than directors 董事之外的合資格人士	2015年5月7日						2015年5月7日至2025年5月6日			
Eligible persons other than directors 董事之外的合資格人士	23 July 2015	7,600,000	-	(4,500,000)	(3,100,000)	-	24 July 2016 to 23 January 2017	2.16	1.67	3.02
Eligible persons other than directors 董事之外的合資格人士	2015年7月23日						2016年7月24日至2017年1月23日			
Eligible persons other than directors 董事之外的合資格人士	31 May 2016	31,730,000	-	-	(650,000)	31,080,000	31 May 2016 to 30 May 2026	3.66	3.05	-
Eligible persons other than directors 董事之外的合資格人士	2016年5月31日						2016年5月31日至2026年5月30日			
Eligible persons other than directors 董事之外的合資格人士	12 December 2017	-	29,564,000	-	-	29,564,000	12 December 2017 to 11 December 2022	3.70	3.70	-
Eligible persons other than directors 董事之外的合資格人士	2017年12月12日						2017年12月12日至2022年12月11日			
Total 總計		167,756,000	29,564,000	(4,500,000)	(4,822,000)	187,998,000				

SHARE OPTION SCHEME (Continued)

Further details of the Share Option Scheme (Continued)

The key terms and conditions related to the grants under the share option scheme are as follows; all options are to be settled by the physical delivery of shares.

購股權計劃(續)

購股權計劃之更多詳情(續)

與根據購股權計劃授出購股權有關的主要條款及條件如下，所有購股權將透過實際交付股份結算。

Grant date/ employees entitled 授出日期／有權獲授之僱員	Number of instruments in thousands 工具數目(千份)	Vesting conditions 歸屬條件	Contractual life of options 購股權合約年期
Options granted to directors 授予董事的購股權			
— On 2 July 2014 — 於2014年7月2日	24,000	One third on the first anniversary, one third on the second anniversary, and the remaining on the third anniversary of the grant respectively 三分之一於授出的第一週年、三分之一於第二週年及其餘於第三週年	10 years 10年
— On 7 May 2015 — 於2015年5月7日	8,000	Same as above 同上	10 years 10年
— On 31 May 2016 — 於2016年5月31日	1,000	Same as above 同上	10 years 10年
Options granted to employees 授予僱員的購股權			
— On 2 July 2014 — 於2014年7月2日	89,000	Same as above 同上	10 years 10年
— On 7 May 2015 — 於2015年5月7日	94,360	Same as above 同上	10 years 10年
— On 31 May 2016 — 於2016年5月31日	26,930	Same as above 同上	10 years 10年

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (Continued)

Further details of the Share Option Scheme (Continued)

購股權計劃(續)

購股權計劃之更多詳情(續)

Grant date/ employees entitled 授出日期/有權獲授之僱員	Number of instruments in thousands 工具數目(千份)	Vesting conditions 歸屬條件	Contractual life of options 購股權合約年期
Options granted to certain eligible participants 授予若干合資格參與人的購股權			
— On 23 July 2015 — 於2015年7月23日	7,600	On the first anniversary of the date upon which the share options are accepted subject to the grantees remaining as eligible persons at the date of vesting 於購股權獲接納的第一週年當日，惟承授人於歸屬日期須仍為合資格人士	Six months commencing from the expiry of the first anniversary of the date of acceptance and expiring on the last day of the 6 month-period 接納日期起計第一週年屆滿開始直至六個月期間的最後一日為止之六個月
— On 31 May 2016 — 於2016年5月31日	5,200	On the first anniversary of the date upon which the share options are accepted subject to the grantees achieving the pre-determined annual sales target 於購股權獲接納的第一週年當日，惟承授人須完成指定年度銷售目標	10 years 10年
— On 12 December 2017 — 於2017年12月12日	29,564	On 31 March 2019 subject to the grantees achieving the pre-determined performance target for the period from 1 December 2017 to 31 December 2018 and the grantees remaining as eligible persons at the date of vesting 於2019年3月31日，惟承授人須完成指定由2017年12月1日至2018年12月31日的業績目標且承授人於歸屬日期維持為合資格人士	6.3 years 6.3年
Total share options granted 已授出購股權總數	285,654		

REPORT OF THE DIRECTORS

董事會報告

SHARE OPTION SCHEME (Continued)

Further details of the Share Option Scheme (Continued)

The fair value of the Relevant Share Options granted were estimated as at the dates of grant using a binomial model, taking into account the terms and conditions upon which the Relevant Share Options were granted.

The following table sets out the inputs to the model used:

Grant date 授出日期	2 July 2014 Share options granted to 2014年7月2日 購股權授予		7 May 2015 Share options granted to 2015年5月7日 購股權授予		23 July 2015* Share options granted to 2015年 7月23日* 購股權授予	31 May 2016 Share options granted to 2016年5月31日購股權授予			12 December 2017 Share options granted to 2017年 12月12日 購股權授予
	Executive directors 執行董事	Other employees 其他僱員	Executive directors 執行董事	Other employees 其他僱員	Certain eligible participants 若干合資格 參與者	Executive directors 執行董事	Other employees 其他僱員	Certain eligible participants 若干合資格 參與者	Certain eligible participants 若干合資格 參與者
Fair value at measurement date (HK\$)	0.44	0.39	0.71	0.58	0.22	1.22	1.17	1.45	1.45
Share price (HK\$)	1.07	1.07	1.68	1.68	1.67	3.05	3.05	3.05	3.70
Exercise price (HK\$)	1.13	1.13	1.68	1.68	2.16	3.66	3.66	3.66	3.70
Expected volatility	45.54%	45.54%	46.20%	46.20%	49.43%	50.00%	50.00%	50.00%	41.61%
Expected life	10 years 10年	10 years 10年	10 years 10年	10 years 10年	1.5 years 1.5年	10 years 10年	10 years 10年	10 years 10年	6.3 years 6.3年
Expected dividends	3%	3%	3%	3%	3%	1.47%	1.47%	1.47%	0.92%
Risk-free interest rate (based on Hong Kong Exchange Fund Notes)	2.059%	2.059%	1.745%	1.745%	0.239%	1.286%	1.286%	1.286%	1.642%
Exercise multiple	2.8	2.2	2.8	2.2	-	2.8	2.2	-	-
Post-vesting exit rate	0%	5.44%	0%	16.12%	-	9.22%	9.22%	-	-

No other feature of the Relevant Share Options was incorporated into the measurement of fair value.

The value of the Relevant Share Options is subject to the limitations of the binomial model and a number of assumptions which are subjective and difficult to ascertain. Changes in the subjective input assumptions could materially affect the fair value estimate.

Further details relating to the Share Option Scheme and share options granted thereunder are set out in note 2(s)(ii) and note 30 to the financial statements and the announcements of the Company dated 2 July 2014, 7 May 2015, 23 July 2015, 31 May 2016 and 12 December 2017. Apart from the above, the Company had not granted any share options under the Share Option Scheme to any other persons as required to be disclosed under the Rule 17.07 of the Listing Rules during the year ended 31 December 2017.

購股權計劃(續)

購股權計劃之更多詳情(續)

已授出之有關購股權之公平值於授出日期使用二項式模型估算，已考慮授出有關購股權之條款及條件。

下表載列該模型使用之輸入數據：

概無有關購股權之其他特點納入公平值計量。

有關購股權之價值受限於二項式模型的限制及多項假設，上述因素均屬主觀因素且難以確定。主觀輸入假設如有變動將對公平值估計造成重大影響。

更多關於購股權計劃及據此授出購股權之詳情載於財務報表附註2(s)(ii)及附註30及本公司日期為2014年7月2日、2015年5月7日、2015年7月23日、2016年5月31日及2017年12月12日之公佈。除上述者外，本公司於截至2017年12月31日止年度並無向任何其他人士授出上市規則第17.07條規定須予披露之購股權計劃項下任何購股權。

REPORT OF THE DIRECTORS

董事會報告

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

As disclosed in the announcement of the Company dated 30 March 2015, the same day, Epoch Keen entered into a share charge ("2015 Share Charge") with Huarong, pursuant to which Epoch Keen agreed to charge by way of first fixed charge all its rights, title and interest in 362,000,000 ordinary shares in the Company (representing 17.20% of the issued share capital of the Company as at the date of the 2015 Share Charge) in favour of Huarong as the secured party.

The 2015 Share Charge has been entered into as security for the liabilities of the Company under a subscription agreement in relation to the issue of convertible bonds due 2017 entered into between the Company and Huarong on 27 March 2015. This share charge has been released on 18 April 2017.

On 8 August 2017, Epoch Keen entered into 2017 Share Charge with Huarong. Please refer to "ISSUE OF THE HUARONG CONVERTIBLE BONDS 2017" under "EQUITY LINKED AGREEMENTS" in the report and the announcement of the Company dated 8 August 2017 for further details.

EQUITY LINKED AGREEMENTS

Share Option Scheme

Details of the Share Option Scheme of the Company are set out in the section above headed "SHARE OPTION SCHEMES".

Warrants Issued In 2015

On 19 January 2015, the Company issued 133,650,000 warrants to 7 subscribers at an issue price of HK\$0.001 per warrant. Each warrant will entitle its holder to subscribe for one share of the Company at a subscription price of HK\$1.30 per share. The warrants will be vested in phases according to the vesting conditions. The vesting condition is that the suppliers shall carry out the transactions under their respective annual procurement agreements, pursuant to which the suppliers in aggregate, agree to supply 49,500 tons of copper scrap raw materials to the Group in 2015 at a fixed discount of RMB1,000 per ton.

On 24 February 2015, the Company issued 102,000,000 warrants to 3 subscribers at an issue price of HK\$0.001 per warrant. Each warrant will entitle its holder to subscribe for one share of the Company at a subscription price of HK\$1.50 per share. The warrants will be vested in phases according to the vesting conditions. The vesting condition is that the suppliers shall carry out the transactions under their respective annual procurement agreements, pursuant to which the suppliers, in aggregate, agree to supply 30,000 tons of copper scrap raw materials to the Group from 1 February 2015 to 31 January 2016 at a fixed discount of RMB2,000 per ton.

控股股東質押股份

誠如本公司日期為2015年3月30日之公佈所披露，當天，時建與華融訂立股份押記（「2015年股份押記」），據此，時建同意以第一固定押記方式，將其持有的362,000,000股本公司普通股（相當於本公司於2015年股份押記日期已發行股本的17.20%）的所有權利、所有權及權益抵押予華融（作為承押方）。

2015年股份押記乃作為本公司債務的抵押品，乃根據本公司與華融於2015年3月27日就發行於2017年到期的可換股債券所訂立的認購協議而訂立。此項股份押記已於2017年4月18日獲解除。

於2017年8月8日，時建與華融訂立2017股份押記。更多詳情請參閱報告「權益掛鈎協議」項下之「發行2017華融可換股債券」及本公司日期為2017年8月8日之公告。

權益掛鈎協議

購股權計劃

有關本公司購股權計劃的詳情載於上文「購股權計劃」一節。

2015年發行的認股權證

於2015年1月19日，本公司以發行價每一份認股權證0.001港元向七名認購方發行133,650,000份認股權證。每份認股權證將賦予其持有人認購一股本公司股份的權利，認購價為每股股份1.30港元。認股權證將按歸屬條件分階段歸屬。歸屬條件為供應商應履行彼等各自於年度供應協議下的交易。根據年度供應協議，各供應商同意於2015年以固定折讓每噸人民幣1,000元，供應合計49,500噸的廢舊銅原材料予本集團。

於2015年2月24日，本公司以發行價每一份認股權證0.001港元向三名認購方發行102,000,000份認股權證，每份認股權證將賦予其持有人認購一股本公司股份的權利，認購價為每股股份1.50港元。認股權證將按歸屬條件分階段歸屬。歸屬條件為供應商應履行彼等各自於年度供應協議下的交易。根據年度供應協議，各供應商同意從2015年2月1日至2016年1月31日期間以固定折讓每噸人民幣2,000元，供應合計30,000噸的廢舊銅原材料予本集團。

EQUITY LINKED AGREEMENTS (Continued)

Warrants Issued In 2015 (Continued)

As at 31 December 2017, 27,713,950 warrants were issued and remain unexercised. Upon full exercise of the subscription rights attaching to the issued but unexercised warrants, 27,713,950 Shares may be issued and allotted. Please refer to the announcements of the Company dated 19 January 2015 and 25 February 2015 for further details.

Issue Of Convertible Bonds On 13 April 2015

On 13 April 2015, the Company issued convertible bonds to the Huarong in an aggregate principal amount of USD32,610,000. The convertible bonds bear a fixed interest rate of 10% with interest to be paid on a quarterly basis. The convertible bonds will expire at the second anniversary of the issue date and are convertible into ordinary shares of HK\$0.10 each in the issued share capital of the Company at an initial conversion price of HK\$1.40 per share (subject to adjustment). The terms and conditions of the convertible bonds restrict the exercise of conversion right up to an aggregate principal amount of the convertible bonds of USD16,300,000, which is convertible to approximately 90,555,555 ordinary shares of the Company (based on a condition in the terms and conditions which provides that based on the agreed exchange rate, the principle amount of the convertible bond shall be deducted by USD0.18 upon the issue of one conversion share). Please refer to the announcements of the Company dated 27 March 2015 and 13 April 2015 for further details.

On 17 August 2016, pursuant to the adjustment provisions of the conversion price as stated in the terms and conditions of the convertible bonds, the conversion price of HK\$1.40 per ordinary share has been adjusted to HK\$1.39 per ordinary share as a result of the issue of the 135,000,000 ordinary shares. All other terms of the convertible bonds remain unchanged. The adjustment has become effective as of 17 August 2016, being the date on which the 135,000,000 ordinary shares were issued. Based on the adjusted conversion price, the convertible bonds is convertible to approximately 90,881,295 ordinary shares of the Company.

On 18 April 2017, convertible bonds of USD16,300,000 had been converted into 90,881,295 ordinary shares. The remaining convertible bonds of USD16,310,000 were fully repaid in cash.

權益掛鈎協議 (續)

2015年發行的認股權證 (續)

於2017年12月31日，27,713,950份認股權證已發行及仍未行使。於已發行但尚未行使的認股權證所附帶的認購權悉數行使後，可能會發行及配發27,713,950股股份。有關進一步詳情，務請參閱本公司日期為2015年1月19日及2015年2月25日的相關公告。

於2015年4月13日發行可換股債券

於2015年4月13日，本公司向華融發行本金總額32,610,000美元的可換股債券。可換股債券按固定利率10%計息，利息每季支付。可換股債券將於發行日期兩週年當日到期，並可按初步兌換價每股1.40港元(可予調整)兌換為本公司已發行股本中每股面值0.10港元的普通股。可換股債券的條款及條件限定，行使兌換權最多只能達到可換股債券的本金總額即16,300,000美元，其可兌換為約90,555,555股本公司普通股(根據條款及條件內其中一項條件，其規定基於已協定兌換率，於發行一股兌換股份後可換股債券的本金額須減去0.18美元)。有關進一步詳情，請參閱本公司日期為2015年3月27日及2015年4月13日的公告。

於2016年8月17日，因已發行135,000,000股普通股，根據可換股債券的條款及條件所載兌換價調整條文，兌換價每股普通股1.40港元已調整為每股普通股1.39港元。可換股債券的所有其他條款維持不變。調整於2016年8月17日(即發行135,000,000股普通股當日)生效。基於經調整兌換價，可換股債券可兌換為本公司約90,881,295股普通股。

本公司於2017年4月18日將16,300,000美元之可換股債券轉換為90,881,295股普通股。餘下16,310,000美元之可換股債券以現金悉數償還。

REPORT OF THE DIRECTORS

董事會報告

EQUITY LINKED AGREEMENTS *(Continued)*

Issue Of Convertible Bonds On 12 April 2017

On 12 April 2017, the Company issued convertible bonds with an aggregate principal amount of HK\$250,000,000. The convertible bonds bear a fixed interest rate of 12% with interest to be paid on a quarterly basis. The original maturity date of the convertible bonds is the first anniversary of the issue date, subject to the bondholder's right to extend the maturity date initially for a period of up to one year (the "Extended Maturity") and also for a period of up to one year after the Extended Maturity by notice in writing to the Company (the "Further Extended Maturity"). The bondholder has the right to convert the principal amount of the convertible bonds into ordinary shares of HK\$0.1 each of the Company from the first business day following the first anniversary of the issue date up to and including the day preceding the Extended Maturity of Further Extended Maturity at an initial conversion price of HK\$3.0 per share (subject to adjustment). Please refer to the announcements of the Company dated 9 April 2017 and 12 April 2017 for further details.

As disclosed in the announcement of the Company dated 11 August 2017, on the same day, the Company has redeemed the convertible bonds in the principal amount of HK\$135,000,000 (the "Early Redemption"). The Early Redemption was fully funded by the internal resources of the Group. The Early Redemption will enable the Company to restructure its portfolio debts in a more cost-efficient manner and accordingly, the Directors are of the view that the Early Redemption is in the interest of the Company and the shareholders as a whole.

Issue Of The Huarong Convertible Bonds 2017

On 11 August 2017, the Company issued convertible bonds with an aggregate principal amount of HK\$400,000,000 to Huarong ("Huarong CB 2017"). The convertible bonds bear a fixed interest rate of 8% with interest to be paid on a quarterly basis. The convertible bonds will expire at the second anniversary of the issue date and are convertible into ordinary shares of HK\$0.10 each in the issued share capital of the Company at an initial conversion price of HK\$2.99 per share (subject to adjustment). Please refer to the announcements of the Company dated 31 July 2017 and 11 August 2017 for further details.

權益掛鈎協議 *(續)*

於2017年4月12日發行的可換股債券

於2017年4月12日，本公司發行本金總額為250,000,000港元的可換股債券。可換股債券按固定利率12%計算，利息按季度支付。可換股債券的原到期日為發行日期第一週年日，惟債券持有人有權延長初步到期日達一年（「延長到期日」），及透過向本公司發出書面通知於延長到期日後再延長一年（「進一步延長到期日」）。債券持有人有權於發行日期第一週年後首個營業日直至及包括延長到期日或進一步延長到期日之前之日以初步兌換價每股3.0港元（可予調整）將可換股債券的本金額轉換為本公司每股面值0.1港元的普通股。有關進一步詳情，請參閱本公司日期為2017年4月9日及2017年4月12日的公告。

誠如本公司日期為2017年8月11日的公告所披露，同日本公司已贖回本金額為135,000,000港元的可換股債券（「提早贖回」）。提早贖回悉數由本集團的內部資源撥付。提早贖回將令本公司以更具有成本效益的方式調整其組合債務，因此董事認為提早贖回符合本公司及股東之整體利益。

發行2017華融可換股債券

於2017年8月11日，本公司向華融發行本金總額為400,000,000港元的可換股債券（「2017華融可換股債券」）。可換股債券按固定利率8%計算，利息按季度支付。可換股債券將於發行日期第二週年日到期並可按初步兌換價每股2.99港元（可予調整）兌換為本公司已發行股本中每股面值0.10港元的普通股。有關進一步詳情，請參閱本公司日期為2017年7月31日及2017年8月11日的公告。

EQUITY LINKED AGREEMENTS (Continued)

Issue Of The Huarong Convertible Bonds 2017 (Continued)

On 8 August 2017, Epoch Keen, a company wholly owned by Mr. Yu Jianqiu, entered into a share charge ("2017 Share Charge") with Huarong, pursuant to which Epoch Keen charged 278,000,000 ordinary shares of the Company in favour of Huarong as security for the payment and discharge of obligations owing from the Company to Huarong pursuant to, amongst others, the subscription agreement of Huarong CB 2017. Please refer to the announcement of the Company dated 8 August 2017 for further details.

Issue Of The Prosper Rich Convertible Bonds 2017

On 11 August 2017, the Company issued convertible bonds with an aggregate principal amount of HK\$200,000,000 to Prosper Rich. The convertible bonds bear a fixed interest rate of 8% with interest to be paid on a quarterly basis. The convertible bonds will expire at the second anniversary of the issue date and are convertible into ordinary shares of HK\$0.10 each in the issued share capital of the Company at an initial conversion price of HK\$2.99 per share (subject to adjustment). Please refer to the announcements of the Company dated 31 July 2017 and 11 August 2017 for further details.

The Directors are of the view that the above convertible bonds issue represented good opportunities for the Company to raise funds to strengthen its financial position and to finance the Group's future development and expansion. The Directors consider that raising funds by way of issuing the convertible bonds would enable the Company to obtain funds with a lower financial cost considering the recent debt and equity market conditions.

Signing Of Annual Procurement Agreement Involving Issue Of Consideration Shares Under General Mandate

On 15 August 2017, the Company entered into respective annual procurement agreements with four suppliers, pursuant to which each supplier agreed to supply a target amount of copper scrapped raw materials to the Company from 15 August 2017 to 14 August 2018, the purchase price of which shall be partly satisfied with cash and partly satisfied with consideration shares. For each ton of copper scrap raw materials supplied by a supplier, the Company will pay (i) up to RMB3,000 by way of issuance of a maximum number of 1,172 consideration shares at an Issue Price of HK\$3 per consideration share; and (ii) the remainder of the balance in cash. The arrangements under the annual procurement agreements are expected to encourage such suppliers to achieve the targeted raw material supply amount with a view to broadening the Group's supplier base to cater for the Group's production needs.

權益掛鈎協議 (續)

發行 2017 華融可換股債券 (續)

於 2017 年 8 月 8 日，一間由俞建秋先生全資擁有的公司時建與華融訂立股份押記（「2017 股份押記」），據此，時建以華融為受益人質押本公司 278,000,000 股普通股，作為支付及解除根據（其中包括）2017 華融可換股債券的認購協議本公司應向華融履行之責任之擔保。有關進一步詳情，請參閱本公司日期為 2017 年 8 月 8 日的公告。

發行 2017 亨富可換股債券

於 2017 年 8 月 11 日，本公司向亨富發行本金總額為 200,000,000 港元的可換股債券。可換股債券按固定利率 8% 計算，利息按季度支付。可換股債券將於發行日期第二週年日期到期並可按初步兌換價每股 2.99 港元（可予調整）兌換為本公司已發行股本中每股面值 0.10 港元的普通股。更多詳情請參閱本公司日期為 2017 年 7 月 31 日及 2017 年 8 月 11 日的公告。

董事認為，上述可換股債券發行乃本公司籌集資金的良機，進而可提升其財務狀況，亦為本集團之未來發展及擴張提供資金。經考慮近期債務及股票市場情況，董事認為，透過發行可換股債券集資讓本公司能夠以較低的融資成本取得資金。

簽訂涉及根據一般授權發行代價股份的年度供應協議

於 2017 年 8 月 15 日，本公司與四名供應商訂立相關年度供應協議，據此，各供應商同意從 2017 年 8 月 15 日至 2018 年 8 月 14 日供應目標數量的廢舊銅原材料予本集團，採購價格一部分以現金、一部分以代價股份結算。對於所提供的每噸廢舊銅原材料，本公司 (i) 將以按發行價每股代價股份 3 港元發行最多 1,172 股代價股份的方式支付至多人民幣 3,000 元；及 (ii) 以現金支付剩下結餘。預計年度供應協議下的安排會鼓勵上述供應商達至目標原材料供應量，從而擴大本集團的供應商基礎，迎合本集團的生產需要。

REPORT OF THE DIRECTORS

董事會報告

EQUITY LINKED AGREEMENTS *(Continued)*

Signing Of Annual Procurement Agreement Involving Issue Of Consideration Shares Under General Mandate *(Continued)*

As the targeted amount of supply of copper scrap raw materials from the suppliers is 56,000 tonnes in aggregate, the maximum number of consideration shares that the Company may issue pursuant to the annual procurement agreements is 65,632,000 Shares. The consideration shares will be allotted and issued to the subscribers within 10 business days from 14 August 2018. Each of the subscribers is a wholly-owned company of the relevant supplier. Please refer to the announcement of the Company dated 15 August 2017 for further details.

Signing Of Sale And Purchase Agreement Involving Issue Of Consideration Shares Under General Mandate

On 15 December 2017, the Company entered into the Sale and Purchase Agreement with Yuanxin, pursuant to which the Company agreed to purchase, and Yuanxin agreed to sell, 100% of the issued share capital in Silver Eminent for an aggregate consideration of HK\$317,647,000, of which HK\$158,823,500 shall be settled in cash and HK\$158,823,500 shall be settled by way of allotment and issue of consideration shares. The consideration is subject to adjustment pursuant to the earn-out arrangement. Assuming the maximum number of consideration shares is being allotted and issued to Yuanxin, 41,796,000 Shares will be issued under the Sale and Purchase Agreement. As at the date of this report, the transfer in share of Silver Eminent has not been completed. Please refer to the announcement of the Company dated 15 December 2017 and 29 December 2017 for further details.

PURCHASE, SALE OR REDEMPTION OF SHARES

There was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company during the year ended 31 December 2017.

DEED OF NON-COMPETITION

Mr. Yu Jianqiu and Epoch Keen, being controlling shareholders of the Company, entered into a deed of non-competition ("Deed of Non-Competition") dated 6 February 2014, details of which have been set out in the paragraph headed "Non-Competition Undertaking" in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

The Company has reviewed the annual declaration from the parties on compliance with their undertaking under the Deed of Non-Competition. The independent non-executive Directors have reviewed the status of compliance and confirmed that all the undertakings under the Deed of Non-Competition have been complied with by the parties.

權益掛鈎協議 *(續)*

簽訂涉及根據一般授權發行代價股份的年度供應協議 *(續)*

由於來自供應商的廢舊銅原材料的目標供應總量為56,000噸，本公司根據年度供應協議可發行的最高代價股份數目為65,632,000股。代價股份將於2018年8月14日起10個營業日內配發及發行予認購方。各認購方為有關供應商全資擁有的公司。有關詳情請參閱本公司日期為2017年8月15日之公告。

簽訂涉及根據一般授權發行代價股份的買賣協議

於2017年12月15日，本公司與淵鑫訂立買賣協議，據此，本公司同意購買及淵鑫同意銷售銀赫100%已發行股本，總代價為317,647,000港元，其中158,823,500港元將以現金結算及158,823,500港元將透過配發及發行代價股份結算。根據獲利計劃安排，代價可予調整。假設最高數目之代價股份將配發及發行予淵鑫，則根據買賣協議將發行41,796,000股股份。於本報告日期，銀赫股份轉讓尚未完成。更多詳情請參閱本公司日期為2017年12月15日及2017年12月29日的公告。

購買、出售或贖回股份

截至2017年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

不競爭契約

本公司控股股東俞建秋先生與時建於2014年2月6日訂立不競爭契約（「不競爭契約」），有關詳情載於招股書「與控股股東的關係」一節下「不競爭承諾」一段。

本公司已審閱不競爭契約的訂約方遵守彼等於該契約項下承諾的年度聲明。獨立非執行董事已審閱合規情況，並確定訂約方已遵守不競爭契約下的所有承諾。

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this annual report, the directors of the Company confirmed that based on information that is publicly available to the Company and within the knowledge of the directors, the Company had maintained sufficient amount of public float as required under the Listing Rules and agreed by the Stock Exchange.

AUDITORS

KPMG has been appointed as auditor of the Company in 2017. KPMG shall retire in the forthcoming annual general meeting and, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditor of the Company will be proposed at the forthcoming annual general meeting.

PROFESSIONAL TAX ADVICE RECOMMENDED

If any shareholder is unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or the exercise of any rights in relation to the Shares, it is advised to consult an expert.

PERMITTED INDEMNITY PROVISION

Pursuant to article 164 of the Articles, every Director is entitled to be indemnified and secured harmless out of assets of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them, their or any of their heirs, executors or administrators, shall or may incur or sustain by or by reason of any act, done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their respective offices or trusts (except such is incurred or sustained through his own fraud or dishonesty). Such provision is currently in force and was in force throughout the financial year ended 31 December 2017.

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY

As a responsible corporation, the Group is committed to maintaining the highest environmental and social standards to ensure sustainable development of its business. To the best knowledge of the Directors, the Group has complied with all the relevant laws and regulations that have a significant impact on the Group in relation to its business including health and safety, workplace conditions, employment and the environment. The Group understands that a better future depends on everyone's participation and contribution. It has encouraged all employees to participate in environmental and social activities which benefit the community as a whole.

足夠公眾持股量

於本年報日期，根據本公司從公開途徑所得的資料及據董事所知，本公司董事確認其一直維持上市規則所規定及聯交所同意的足夠公眾持股量。

核數師

畢馬威會計師事務所已於2017年獲委任為本公司的核數師。畢馬威會計師事務所將於應屆股東週年大會上退任，惟其合資格並願意獲續聘連任。重選畢馬威會計師事務所為本公司核數師的決議案將於應屆股東週年大會上提呈。

建議諮詢專業稅務意見

倘任何股東對購買、持有、處置、買賣或行使有關股份的任何權利之稅務涵義有任何疑問，應諮詢專業顧問的意見。

准許彌償條文

根據章程細則第164條，每位董事均可從本公司的資產獲得彌償，使彼等任何人士、彼等或任何彼等的繼承人、遺囑執行人或遺產管理人就彼等的職務或信託執行其職責或假定職責時因所作出、發生的作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害及開支，可獲確保免就此受任何損害(除非此乃因其本身欺詐或違反誠信所引致或造成)。此條文現行有效並且於整個截至2017年12月31日止財政年度一直生效。

環境、社會及企業責任

作為一間具社會責任的企業，本集團致力維持最高要求之環境及社會標準，以確保其業務可持續發展。據董事所知，本集團已遵守所有與其業務有關及有重大影響的相關法例及法規，包括健康及安全、工作環境條件、就業及環境。本集團明白有賴所有人的參與及貢獻才能成就美好將來，亦因此鼓勵所有僱員參與環境及社會活動，惠及整個社區。

REPORT OF THE DIRECTORS

董事會報告

ENVIRONMENTAL, SOCIAL AND CORPORATE RESPONSIBILITY *(Continued)*

The Group itself is operating in the environmental protection industry by virtue of recycling scrap metal materials in the society. Contributing to resolve a significant part of pollution problem in the vicinity of our plants, the Group was highly praised and encouraged by the local governments. The Group is also committed to social responsibility as seen in its employment of disabled staff and providing appropriate working conditions and protection to them. The Group also advocated conservation of resources in office and encouraged employees to develop good habits, conserve resources and energy to build a green and comfortable office environment.

For a more comprehensive review, please refer to the 2017 Environmental, Social and Governance Report of the Company.

CORPORATE GOVERNANCE

During the year ended 31 December 2017, the Company has applied the principles of and is in compliance with all code provisions of the Corporate Governance Code as set forth in Appendix 14 of the Listing Rules save as disclosed below.

Code Provision A.2.1 provides that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive should be clearly established and set out in writing. Currently, Mr. Yu Jianqiu is both the Chairman and Chief Executive Officer of the Company. As Mr. Yu is the founder of the Group and has extensive experience in operations and management, the Board believes that it is in the best interest of the Group to have Mr. Yu taking up both roles for continuous effective management and business development of the Group.

Code provision A.6.7 provides that the independent non-executive Directors and non-executive Directors should attend general meetings of the Company. Code provision E.1.2 provides that the chairman of the board should attend the annual general meeting and also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

Due to other business engagements, an executive Director and an independent non-executive Director were not able to attend the annual general meeting of the Company held on 6 June 2017. In the future, the Company has arranged and will continue to arrange to furnish all Directors with appropriate information on all general meetings and take all reasonable measures to arrange the schedule in such a cautious way that all Directors can attend the general meetings.

環境、社會及企業責任(續)

本集團本身從事環保行業，利用社會上的廢舊金屬循環再造，解決廠房周邊地區的大量污染問題，並得到地方政府高度認可及鼓勵。本集團亦致力於承擔社會責任，聘用殘疾人士，並向他們提供適當的工作環境和保障。本集團亦引導各項辦公室減耗措施，鼓勵員工養成良好習慣，節約資源和能源，建設綠色舒適的辦公環境。

有關更全面的檢討，請參閱本公司2017年環境、社會及管治報告。

企業管治

於截至2017年12月31日止年度內，除下文所披露外，本公司已應用上市規則附錄十四所載企業管治守則的原則並遵守其所有守則條文。

守則條文第A.2.1條規定主席與行政總裁的角色應有區分及不應由一人同時兼任。主席與行政總裁之間的職責分配須清晰訂明並以書面形式列載。現時，俞建秋先生為本公司主席兼行政總裁。由於俞先生為本集團的創辦人並於營運及管理方面擁有豐富經驗，董事會認為，為了本集團的持續有效管理及業務發展而由俞先生擔任該兩個職位，符合本集團的最佳利益。

守則條文第A.6.7條規定，獨立非執行董事及非執行董事應出席本公司股東大會。守則條文第E.1.2條規定董事會主席應出席股東週年大會，以及亦邀請審核、薪酬、提名及任何其他委員會(如適用)之主席出席。倘彼等缺席，彼應該邀請委員會另一名成員，不然則其正式委任之代表出席。此等人士應在股東週年大會上回答問題。

一位執行董事及一位獨立非執行董事因其他公務，未能出席本公司於2017年6月6日舉行之股東週年大會。本公司已安排及將繼續安排向全體董事提供關於所有股東大會的適當資料，並採取一切合理措施，以謹慎方式安排時間表，使全體董事能夠出席股東大會。

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct regarding the directors' securities transactions on terms not less exacting than the required standard set out in the Model Code in Appendix 10 to the Listing Rules. After specific enquiry made by the Company, all directors confirmed that they had complied with the required standards set out in the Model Code and the code of conduct regarding the directors' securities transactions throughout 2017.

ACKNOWLEDGEMENT

The Directors would like to take this opportunity to express our sincere thanks to all the shareholders and business associates for their continuous support and the entire staff for their dedication and contribution to the Group during the year.

By order of the Board

China Metal Resources Utilization Limited

Chairman

Yu Jianqiu

Hong Kong, 27 March 2018

遵守上市發行人之董事買賣證券交易必守標準的情況

本公司已採納一套有關董事進行證券交易的行為守則，條款不遜於上市規則附錄十所載的標準守則的規定準則。經本公司作出具體查詢後，全體董事確認彼等於2017年整年一直遵守標準守則所載的規定準則及有關董事進行證券交易的行為守則。

鳴謝

董事藉此機會感謝全體股東及業務夥伴一直以來的鼎力支持，以及感謝本集團全體員工於年內為本集團付出的努力和貢獻。

承董事會命

中國金屬資源利用有限公司

主席

俞建秋

香港，2018年3月27日

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE REPORT

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 December 2017.

CORPORATE GOVERNANCE PRACTICES

The Group recognizes the vital importance of good corporate governance to the Group's success and sustainability. We are committed to achieving a high standard of corporate governance as an essential component of quality and have introduced corporate governance practices appropriate to the conduct and growth of our business.

Since the Listing Date, the Company has applied the principles of and is in compliance with all code provisions of the Corporate Governance Code as set forth in Appendix 14 of the Listing Rules save as disclosed below.

Code Provision A.2.1 provides that the roles of Chairman and Chief Executive should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and Chief Executive should be clearly established and set out in writing. Currently, Mr. Yu Jianqiu is both the Chairman and Chief Executive Officer of the Company. As Mr. Yu is the founder of the Group and has extensive experience in operations and management, the Board believes that it is in the best interest of the Group to have Mr. Yu taking up both roles for continuous effective management and business development of the Group.

Code provision A.6.7 provides that the independent non-executive Directors and non-executive Directors should attend general meetings of the Company. Code provision E.1.2 provides that the chairman of the board should attend the annual general meeting and also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In their absence, he should invite another member of the committee or failing this his duly appointed delegate, to attend. These persons should be available to answer questions at the annual general meeting.

Due to other business engagements, an executive Directors and an independent non-executive Director were not able to attend the annual general meeting of the Company held on 6 June 2017. In the future, the Company has arranged and will continue to arrange to furnish all Directors with appropriate information on all general meetings and take all reasonable measures to arrange the schedule in such a cautious way that all Directors can attend the general meetings.

Key corporate governance principles and practices of the Company as well as details relating to the foregoing deviation are summarized below.

企業管治報告

董事會欣然提呈本公司截至2017年12月31日止年度年報內的企業管治報告。

企業管治常規

本集團認為良好的企業管治對本集團的成功及持續發展至為重要。本公司致力於維持高水準的企業管治，作為高質素的重要元素，並引入適合集團業務運作及發展的企業管治常規。

自上市日期起，除下文所披露外，本公司已應用上市規則附錄十四所載企業管治守則的原則並遵守其所有守則條文。

守則條文第A.2.1條規定主席與行政總裁的角色應有區分及不應由一人同時兼任。主席與行政總裁之間的職責分配須清晰訂明並以書面形式列載。現時，俞建秋先生為本公司主席兼行政總裁。由於俞先生為本集團的創辦人並於營運及管理方面擁有豐富經驗，董事會認為，為了本集團的持續有效管理及業務發展而由俞先生擔任該兩個職位，符合本集團的最佳利益。

守則條文第A.6.7條規定，獨立非執行董事及非執行董事應出席本公司股東大會。守則條文第E.1.2條規定董事會主席應出席股東週年大會，以及亦邀請審核、薪酬、提名及任何其他委員會(如適用)之主席出席。倘彼等缺席，彼應該邀請委員會另一名成員，不然則其正式委任之代表出席。此等人士應在股東週年大會上回答提問。

一名執行董事及一名獨立非執行董事因其他公務，未能出席本公司於2017年6月6日舉行之股東週年大會。本公司已安排及將繼續安排向全體董事提供關於所有股東大會的適當資料，並採取一切合理措施，以謹慎方式安排時間表，使全體董事能夠出席股東大會。

本公司主要企業管治原則及常規以及上述偏離詳情概述如下。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD Responsibilities

The Board is responsible for overall management and control of the Company. The Board's main roles are to provide leadership and to approve strategic policies and plans with a view to enhancing shareholder value. All Directors carry out their duties in good faith and in compliance with applicable laws and regulations, taking decisions objectively, and acting in the interests of the Company and its shareholders at all times.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary and senior management, with a view to ensuring that Board procedures and all applicable laws and regulations are followed.

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

Directors have full and timely access to consult with the Company's senior management independently. Any Director and Board Committee may request independent professional advice in appropriate circumstances at the Company's expense, upon making reasonable request to the Board.

The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, namely the audit and corporate governance committee (the "Audit and Corporate Governance Committee"), the remuneration committee (the "Remuneration Committee"), the nomination committee (the "Nomination Committee") (together, the "Board Committees"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

董事會 職責

本公司的整體管理及控制由董事會負責。其主要職責為批准策略政策與計劃，並領導本公司提升股東價值。全體董事忠實地執行職務，並須遵守適用法例及法規，客觀地作出決定以及無時無刻不為本公司及其股東的利益行事。

所有董事均可全面及時地取得所有相關資料，以及獲得公司秘書與高級管理層的意見及服務，以確保遵守董事會程序及所有適用法例及法規。

董事會有權就本公司所有重大事項作出決定，包括批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、主要交易(特別是涉及利益衝突者)、財務資料、委任董事及其他重大財務及營運事宜。

董事可全面及時地個別諮詢本公司的高級管理層。任何董事及董事委員會可於適當情況下，向董事會作出合理要求以尋求獨立專業意見，費用由本公司支付。

董事會已將本集團日常管理及經營的權力及責任轉授予本集團的高級管理層。為監督本集團特定範疇的事項，董事會已成立三個董事委員會，即審核及企業管治委員會(「審核及企業管治委員會」)、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)(統稱「董事委員會」)。董事會已根據其各自的職權範圍向董事委員會轉授責任。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMPOSITION

As at the date of this annual report, the directors of the Company were as follows:

Executive Directors

Mr. Yu Jianqiu (*Chairman and Chief Executive Officer*)
Mr. Kwong Wai Sun Wilson
Mr. Huang Weiping
Ms. Zhu Yufen

Independent Non-executive Directors

Mr. Lee Ting Bun Denny
Mr. Pan Liansheng
Ms. Ren Ruxian

Biographical details of the Directors are set out in the section headed "Directors" in this annual report.

During the year ended 31 December 2017, the Company has been in compliance with the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has also complied with the requirement of Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive directors representing at least one-third of the Board.

Each of the Independent Non-executive Director has confirmed his/her independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

All Directors have brought a wide range of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Moreover, through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive directors make various contributions to the effective direction of the Company.

董事會的組成

於本年報日期，本公司的董事為：

執行董事

俞建秋先生(主席兼行政總裁)
鄭偉信先生
黃偉萍先生
朱玉芬女士

獨立非執行董事

李廷斌先生
潘連勝先生
任汝嫻女士

董事的履歷詳情載於本年報「董事」一節。

於截至2017年12月31日止年度內，本公司一直遵守上市規則第3.10(1)及3.10(2)條的規定，內容有關委任最少三名獨立非執行董事，而其中最少一名獨立非執行董事擁有適合的專業資格或會計或相關財務管理專業知識。

本公司亦遵守上市規則第3.10A條有關獲委任的獨立非執行董事佔董事會最少三分之一席位的規定。

各獨立非執行董事已根據上市規則第3.13條確認彼之獨立性，而本公司亦認為彼等各人均屬獨立人士。

全體董事為董事會投入寶貴的業務經驗、知識及專業水平，使董事會有效率及效益地運作。此外，透過積極參與董事會會議、帶頭管理涉及潛在利益衝突的事宜及為董事委員會服務，全體獨立非執行董事對本公司的有效業務方針作出多項貢獻。

CORPORATE GOVERNANCE REPORT

企業管治報告

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

The directors have been provided with the relevant training to ensure that they have a proper understanding of the business and operations of the Company and that they are fully aware of their responsibilities and obligations as a director of a listed company as well as the compliance practice under the Listing Rules.

The attendance record of professional trainings received by the Directors is as follows:

Director	Date of attendance of director's training
Mr. Yu Jianqiu	7 December 2017
Mr. Kwong Wai Sun Wilson	7 December 2017
Mr. Huang Weiping	7 December 2017
Ms. Zhu Yufen	7 December 2017
Mr. Lee Ting Bun Denny	7 December 2017
Mr. Pan Liansheng	7 December 2017
Ms. Ren Ruxian	7 December 2017

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

Mr. Yu Jianqiu is Chairman of the Board and Chief Executive Officer of the Company. As Mr. Yu is the founder of the Group and has extensive experience in corporate operations and management, the Board believes that it is in the best interest of the Group to have Mr. Yu taking up both roles for continuous effective management and business development of the Group.

The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company.

就職及持續專業發展

董事已獲提供相關培訓，以確保彼等適當瞭解本公司業務營運以及充份認識到彼等作為上市公司董事的職責及責任以及上市規則項下的合規事項。

董事接受專業培訓的出席記錄如下：

董事	出席董事培訓的日期
俞建秋先生	2017年12月7日
鄭偉信先生	2017年12月7日
黃偉萍先生	2017年12月7日
朱玉芬女士	2017年12月7日
李廷斌先生	2017年12月7日
潘連勝先生	2017年12月7日
任汝嫻女士	2017年12月7日

主席及行政總裁

根據守則條文第A.2.1條之規定，主席及行政總裁角色應予以區分及由不同人士擔任。

俞建秋先生為本公司董事會主席及本公司行政總裁。由於俞先生為本集團的創辦人並於企業營運及管理方面擁有豐富經驗，董事會認為，為了本集團的持續有效管理及業務發展而由俞先生擔任兩個角色，符合本集團的最佳利益。

董事會認為現時由同一人士擔任主席及行政總裁的架構，不會影響本公司董事會與管理層之間的權力平衡。

CORPORATE GOVERNANCE REPORT

企業管治報告

INDEPENDENT NON-EXECUTIVE DIRECTORS

The appointment of independent non-executive directors, subject to re-nomination and re-election by the Company in general meeting, shall be for a term of two years unless previously terminated in accordance with the terms and conditions specified in their appointment.

The director's fee specified in the letter of appointment of each of independent non-executive Directors are HK\$200,000 per annum.

All independent non-executive Directors possess extensive academic, professional and/or industry expertise and management experience and have provided their professional advice to the Board.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

None of the directors who is proposed for re-election at the forthcoming annual general meeting has any service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

The rules and procedures governing the appointment, retirement, re-election and removal of directors are set out in the Articles of Association of the Company. The Nomination Committee is responsible for reviewing the Board structure, size and composition and making recommendations to the Board on the appointment and re-appointment of directors and succession planning for directors.

Independent non-executive directors are appointed for a specific term, subject to re-election. In accordance with the Articles of Association, at each annual general meeting of the Company ("AGM"), at least one third of the Directors for the time being (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 office by rotation, provided that each Director shall be subject to retirement at an AGM at least once every three years.

Any new director appointed to fill a casual vacancy on the Board or as an addition to the existing Board shall be subject to re-election at the next AGM after his appointment.

獨立非執行董事

獨立非執行董事之委任可由本公司於股東大會上再提名及重選，任期應為兩年，除非根據彼等之委任指明之條款及條件提早終止。

獨立非執行董事各自的現有委任函指定的董事袍金均為每年200,000港元。

全體獨立非執行董事均擁有廣泛的學術、專業及／或行業專長以及管理經驗，並已向董事會提供專業意見。

董事的委任及重選

建議於應屆股東週年大會重選的董事概無與本集團訂立本集團未支付補償(法定補償除外)則不可於一年內終止之服務合約。

董事之委任、退任、重選及罷免之規則及程序乃載於本公司組織章程細則。提名委員會負責檢討董事會架構、規模及組成及就董事之委任及連任以及繼任計劃向董事會提供建議。

獨立非執行董事根據特定的任期獲委任並可予重選。根據組織章程細則，於本公司各股東週年大會(「股東週年大會」)上，當時為數至少三分之一的董事(或如董事人數並非三或三的倍數，則須為最接近但不少於三分之一的董事人數)須輪流退任，惟各董事須最少每三年於股東週年大會上輪流退任一次。

任何因填補董事會臨時職位空缺而獲委任或現時董事會增補的新任董事須在接受委任後之下屆股東週年大會上進行重選。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD MEETINGS

The Board intends to hold board meetings regularly at least four times a year at approximately quarterly intervals. Notices of not less than fourteen days will be given for all regular board meetings to provide all directors with an opportunity to attend and include matters in the agenda for regular board meetings.

For other Board and Board committee meetings, reasonable notice will generally be given. The agenda and accompanying board papers are dispatched to the directors or Board committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When directors or Board committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman prior to the meeting.

Minutes of the Board meetings and Board committee meetings are/will be recorded in sufficient detail to include the matters considered by the Board and the Board committee and the decisions reached, including any concerns raised by the directors. Draft minutes of each Board meeting and Board committee meeting will be sent to the directors for comments within a reasonable time after the date on which the meeting is held.

According to the Articles of Association, a Director shall not vote nor be counted in the quorum on any resolution of the Board approving any contract or arrangement in which he or his associates is materially interested.

DIRECTORS' ATTENDANCE RECORDS AT MEETINGS

The annual general meeting was held on 6 June 2017 whilst 20 Board meetings were held during the year ended 31 December 2017 and the attendance of the individual directors at these meetings is set out below.

Director	Annual general meeting attendance	Board meeting attendance
Mr. Yu Jianqiu	1/1	17/20
Mr. Kwong Wai Sun Wilson	1/1	20/20
Mr. Huang Weiping	1/1	18/20
Ms. Zhu Yufen	0/1	18/20
Mr. Lee Ting Bun Denny	1/1	18/20
Mr. Pan Liansheng	1/1	18/20
Ms. Ren Ruxian	0/1	18/20

董事會會議

董事會擬定期舉行董事會會議，即每年至少舉行四次會議及大致按季度舉行會議。所有例行董事會會議通知將於會議舉行前至少14日送呈全體董事，讓其安排出席會議，並於例行董事會會議議程內載入所要討論的事宜。

就其他董事會及董事委員會會議而言，本公司一般會發出適當通知。議程及相關董事會文件將於會議召開前至少3日寄予董事或董事委員會成員，以確保彼等有充足時間審閱有關文件及就會議作充分準備。倘董事或董事委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會主席彼等之意見。

董事會會議及董事委員會會議之會議記錄會/將會詳盡記錄，以載入董事會及董事委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事委員會會議之會議記錄草擬本將於會議舉行當日後之合理時間內寄送至各董事，以供彼等提出意見。

根據組織章程細則，任何董事不得就批准彼或彼之聯繫人於其中擁有重大權益的任何合約或安排的任何董事會決議案投票，亦不得計入法定人數內。

董事於董事會會議的出席記錄

股東週年大會於2017年6月6日舉行，而於截至2017年12月31日止年度共舉行20次董事會會議，各董事於會議的出席記錄載列如下：

董事	股東週年大會出席率	董事會出席率
俞建秋先生	1/1	17/20
鄺偉信先生	1/1	20/20
黃偉萍先生	1/1	18/20
朱玉芬女士	0/1	18/20
李廷斌先生	1/1	18/20
潘連勝先生	1/1	18/20
任汝嫻女士	0/1	18/20

CORPORATE GOVERNANCE REPORT

企業管治報告

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted its own Code for Securities Transactions by Officers on terms no less exacting than those set out in the Model Code as its code of conduct regarding directors' securities transactions. Specific enquiry has been made of the Company's directors and all the existing directors have confirmed that they have complied with the required standards set out in the Model Code throughout the period from 1 January 2017 to the date of this annual report.

BOARD COMMITTEES

The Board has established the Nomination Committee, the Remuneration Committee and the Audit and Corporate Governance Committee, for overseeing particular aspects of the Company's affairs. All Board committees have been established with defined written terms of reference, which are posted on the Company's website "http://www.cmru.com.cn" and are available to shareholders upon request. All Board committees report to the Board on their decisions or recommendations.

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

NOMINATION COMMITTEE

The Nomination Committee comprises Mr. Lee Ting Bun Denny, Mr. Pan Liansheng and Ms. Ren Ruxian (Chairperson) who are all independent non-executive directors. The functions of the Nomination Committee primarily are to:

- (i) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (iii) assess the independence of independent non-executive directors;
- (iv) make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman of the Board and the chief executive; and
- (v) to determine the policy for the nomination of directors, the nomination procedures and the process and criteria adopted to select and recommend candidates for directorship.

進行證券交易的標準守則

本公司已採納其自身條款不遜於標準守則的高級職員進行證券交易的守則，作為其有關董事進行證券交易的行為守則。經向本公司董事作出具體查詢後，全體現任董事確認彼等於2017年1月1日至本年報日期之期間已遵守標準守則所載之規定標準。

董事委員會

董事會已成立提名委員會、薪酬委員會及審核及企業管治委員會，以監督本公司特定範疇的事項。所有董事委員會已制訂其書面職權範圍，載於本公司網站「http://www.cmru.com.cn」，並可按要求讓股東查閱。所有董事委員會向董事會匯報其作出的決策或建議。

所有董事委員會獲提供足夠資源履行職務，並可於適當情況下，作出合理要求以尋求獨立專業意見，費用由本公司支付。

提名委員會

提名委員會包括李廷斌先生、潘連勝先生及任汝嫻女士（主席），全部均為獨立非執行董事。提名委員會的主要職責包括：

- (i) 最少每年檢討董事會的架構、規模及組成（包括其技能、知識及經驗），並就任何建議變動向董事會提出推薦意見，以配合本公司的企業策略；
- (ii) 辨識具有合適資格成為董事會成員的人士，並就提名出任董事人士的選擇為董事會作出選擇或推薦；
- (iii) 評核獨立非執行董事的獨立性；
- (iv) 就董事的委任或重新委任及董事的繼任計劃，尤其是董事會主席及行政總裁，向董事會作出推薦；及
- (v) 釐定提名董事的政策、提名程序及選擇及推薦出任董事人士所採用的流程及標準。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE *(Continued)*

On 16 April 2014 the Nomination Committee adopted a board diversity policy in compliance with code provision A.5.6 (the "Board Diversity Policy"). The Board Diversity Policy applies to the Board and sees increasing diversity at the Board level as an essential element in maintaining the Company's competitive advantage. The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy, and will make recommendation to the Board on the measurable objectives for achieving board diversity. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company business growth.

The Nomination Committee held one meeting during the year ended 31 December 2017 to, inter alia, (i) review the size and composition of the Board; (ii) assess the independence of the independent non-executive directors and to review that re-appointment of directors; and (iii) discuss other matters related to the foregoing.

Director	Number of attendance/ Eligible to attend
Mr. Lee Ting Bun Denny	1/1
Mr. Pan Liansheng	1/1
Ms. Ren Ruxian	1/1

The Nomination Committee recommended Mr. Kwong Wai Sun Wilson as executive directors, and Mr. Lee Ting Bun Denny and Ms. Ren Ruxian as independent non-executive directors of the Company at the forthcoming annual general meeting.

提名委員會 (續)

於2014年4月16日，提名委員會根據守則條文第A.5.6條採納董事會成員多元化政策（「董事會成員多元化政策」）。董事會成員多元化政策適用於董事會，並視董事會層面日益多元化為保持本公司的競爭優勢之關鍵元素。提名委員會將每年審核董事會的架構、規模及組成以及在適當時候就配合本公司的企業策略提供有關董事會變更的推薦建議，並將就達致董事會成員多元化向董事會提出有關可計量目標的推薦建議。本公司致力維持具有與本公司業務增長相關的適當多元性。

於截至2017年12月31日止年度，提名委員會共舉行一次會議以（其中包括）：(i) 審閱董事會規模及組成；(ii) 檢討獨立非執行董事之獨立性及檢討重新委任董事；及(iii) 討論與前述事項相關的其他事宜。

董事	已出席次數/ 可出席次數
李廷斌先生	1/1
潘連勝先生	1/1
任汝嫻女士	1/1

提名委員會建議於應屆股東週年大會上重新委任鄭偉信先生為本公司執行董事，以及李廷斌先生及任汝嫻女士為本公司獨立非執行董事。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee comprises Mr. Lee Ting Bun Denny, Mr. Pan Liansheng (Chairperson) and Ms. Ren Ruxian who are all independent non-executive directors.

The duties of the Remuneration Committee include the following:

- (i) to make recommendations to the Board on the Company's policy and structure for all directors' and senior management's remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (ii) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (iii) either to determine, with delegated responsibility, the remuneration packages of individual executive directors and senior management, or to make recommendations to the Board on the remuneration packages of individual executive directors and senior management;
- (iv) to make recommendations to the Board on the remuneration of non-executive directors;
- (v) to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Company and its subsidiaries;
- (vi) to review and approve compensation payable to executive directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- (vii) to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (viii) to ensure that no director or any of his associates is involved in deciding his own remuneration; and
- (ix) to determine the policy for the remuneration of executive directors, assess performance of executive directors and approve the terms of executive directors' service contracts.

薪酬委員會

薪酬委員會包括李廷斌先生、潘連勝先生(主席)及任汝嫻女士，全部均為獨立非執行董事。

薪酬委員會的職責包括：

- (i) 就本公司所有董事及高級管理層的薪酬政策及架構向董事會提供建議，以及制訂發展薪酬政策的正式及具透明度的程序；
- (ii) 經參考董事會的企業目標及意向後，審閱及批准管理層的薪酬建議書；
- (iii) 獲轉授責任釐定個別執行董事及高級管理層的薪酬待遇或就個別執行董事及高級管理層的薪酬待遇向董事會作出推薦；
- (iv) 就非執行董事的薪酬向董事會作出推薦；
- (v) 考慮同類公司支付的薪酬、付出的時間及職責、以及本公司及其附屬公司內其他職位的僱用條件；
- (vi) 檢討及批准向執行董事及高級管理層就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；
- (vii) 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；
- (viii) 確保任何董事或其任何連繫人不得參與釐訂其自身的薪酬；及
- (ix) 釐定執行董事的薪酬政策、評核執行董事的表現及批准執行董事服務合約的條款。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE (Continued)

Details of the remuneration of each Director for the year ended 31 December 2017 are set out in note 9 to the financial statements contained in this annual report.

Remuneration of senior management other than Directors for the year ended 31 December 2017 are as follow:

薪酬委員會 (續)

各董事於截至2017年12月31日止年度的薪酬詳情載列於本年報財務報表附註9。

截至2017年12月31日止年度非董事的高級管理層薪酬如下：

Total remuneration bands	總薪酬範圍	Number of executive 行政人員數目	
		2017 2017年	2016 2016年
Nil to HK\$1,000,000	零至1,000,000港元	1	—
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	—
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	—	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	—	2
HK\$2,500,001 to HK\$3,000,000	2,500,001港元至3,000,000港元	—	—
HK\$3,000,001 to HK\$3,500,000	3,000,001港元至3,500,000港元	—	—
HK\$3,500,001 to HK\$4,000,000	3,500,001港元至4,000,000港元	—	—
HK\$4,000,001 to HK\$4,500,000	4,000,001港元至4,500,000港元	—	—

One meeting of the Remuneration Committee was held during the year ended 31 December 2017 to review the existing remuneration packages of Directors and senior managements of the Company, to recommend the proposed grant of share option and to recommend the remuneration packages for Directors and senior managements of the Company. The recommended remuneration packages have been approved by the entire Board.

於截至2017年12月31日止年度，薪酬委員會舉行了一次會議，以審核本公司董事及高級管理層之薪酬待遇，建議授出購股權以及建議本公司董事及高級管理層之薪酬待遇。所建議之薪酬待遇已獲全體董事會批准。

Director	Number of attendance/ Eligible to attend	董事	已出席次數/ 可出席次數
Mr. Lee Ting Bun Denny	1/1	李廷斌先生	1/1
Mr. Pan Liansheng	1/1	潘連勝先生	1/1
Ms. Ren Ruxian	1/1	任汝嫻女士	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

The Audit and Corporate Governance Committee comprises Mr. Lee Ting Bun Denny (Chairperson), Mr. Pan Liansheng and Ms. Ren Ruxian who are all independent non-executive directors.

In relation to reviewing the Company's financial information, the Audit and Corporate Governance Committee's duties mainly are to:

- (i) review the financial statements and reports and consider any significant or unusual items raised by the financial officers of the Group or external auditors before submission to the Board;
- (ii) review and monitor the external auditors' independence and objectivity and the effectiveness of the audit process;
- (iii) make recommendation to the Board on the appointment, re-appointment and removal of external auditors; and
- (iv) review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system.

In relation to its corporate governance functions, the Audit and Corporate Governance Committee's responsibilities are to

- (i) develop, review and update the Company's corporate governance policies and practices and to make recommendations to the Board,
- (ii) to review and monitor the training and continuous professional development of directors and senior management,
- (iii) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements,
- (iv) to develop, review and monitor the code of conduct and compliance manual applicable to employees and directors, and
- (v) to review the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

審核及企業管治委員會

審核及企業管治委員會包括李廷斌先生(主席)、潘連勝先生及任汝嫻女士，全部均為獨立非執行董事。

就審閱本公司的財務資料而言，審核及企業管治委員會的主要職責包括：

- (i) 於呈交董事會前，審閱本集團財務報表及報告，並考慮本集團財務人員或外聘核數師提出之任何重大或非經常項目；
- (ii) 檢討並監控外聘核數師之獨立性、客觀性及審核過程之效率；
- (iii) 就委任、續聘及罷免外聘核數師向董事會提出建議；及
- (iv) 檢討本公司財務報告制度、內部監控制度、風險管理制度是否足夠及有效。

就其企業管治職能而言，審核及企業管治委員會的職責為

- (i) 制訂、檢討及更新本公司的企業管治政策及常規並向董事會作出建議；
- (ii) 檢討及監察董事及高級管理層的培訓及持續專業發展；
- (iii) 檢討及監察本公司就遵守法律及法規規定的政策及常規；
- (iv) 制訂、檢討及監察適用於員工及董事的操守守則及合規手冊；及
- (v) 檢討本公司是否遵守企業管治守則及於本企業管治報告的披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT AND CORPORATE GOVERNANCE

Two meetings of the Audit and Corporate Governance Committee were held during the Year. The work performed by the Audit and Corporate Governance Committee during the Year included the following:

- (i) reviewed the annual report and results announcement of the Company for the years ended 31 December 2016;
- (ii) reviewed the interim report and interim results announcements of the Company for the six months ended 30 June 2017;
- (iii) reviewed the accounting principles and practices adopted by the Group and other financial reporting matters;
- (iv) reviewed the results of external audit and had discussion with external auditors on any significant findings and audit issues;
- (v) reviewed the results of internal audit and had discussion with internal auditors on any significant findings and internal control issues;
- (vi) discussed with the external auditors before the audit commenced, the nature and scope of the audit and the respective relevant issues;
- (vii) considered and approved the service contract of the auditors for the Year; and
- (viii) received the continuing connected transactions for the year ended 31 December 2017.

審核及企業管治

年內審核及企業管治委員會共舉行兩次會議。審核及企業管治委員會於本年度進行的工作包括以下各項：

- (i) 審閱本公司截至2016年12月31日止年度的年報及業績公告；
- (ii) 審閱本公司截至2017年6月30日止六個月的中期報告及中期業績公告；
- (iii) 審閱本集團所採納的會計政策及慣例和其他財務申報事宜；
- (iv) 審閱外部審核結果，並就任何重大發現及審計事宜與外聘核數師進行討論；
- (v) 審閱內部審核的結果，並就任何重大發現及其他內部監控事宜與內部核數師進行討論；
- (vi) 於審核開始前與外聘核數師討論審核的性質及範圍以及各有關事宜；
- (vii) 考慮及批准本年度的核數師服務合約；及
- (viii) 審閱截至2017年12月31日止年度的持續關連交易。

Director	Number of attendance/ Eligible to attend
Mr. Lee Ting Bun Denny	2/2
Mr. Pan Liansheng	2/2
Ms. Ren Ruxian	2/2

董事	已出席次數/ 可出席次數
李廷斌先生	2/2
潘連勝先生	2/2
任汝嫻女士	2/2

There had been no disagreement between the Board and the Audit and Corporate Governance Committee during the year ended 31 December 2017.

截至2017年12月31日止年度，董事會與審核及企業管治委員會之間並無分歧。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDITOR'S REMUNERATION

KPMG was re-appointed as our external auditor by shareholders at the 2017 AGM until the conclusion of the 2018 AGM. It is primarily responsible for providing audit services in connection with the annual consolidated financial statements.

An analysis of the remuneration paid or payable to KPMG is set out below:

核數師酬金

畢馬威會計師事務所於2017年股東週年大會獲股東重選為外聘核數師，任期至2018年股東週年大會為止。其主要職責為就全年綜合財務報表提供審核服務。

支付或應付予畢馬威會計師事務所的酬金分析載列如下：

		Year ended 31 December 2017 截至2017年 12月31日 止年度 RMB'000 人民幣千元	Year ended 31 December 2016 截至2016年 12月31日 止年度 RMB'000 人民幣千元
Audit services (audit fee for the year ended 31 December 2017 and 2016)	審核服務(截至2017年及2016年12月31日止年度之審核費)	3,000	2,750
Internal control consultancy fees	內部監控諮詢費	186	334
Financial due diligence fees	財務盡職調查費用	400	-

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2017 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors have made an assessment on the liquidity position of the Group as to whether the Group is able to continue as a going concern for at least the twelve months from the end of the reporting period. The material uncertainties considered by the Directors are set out on Note 2(b) to the consolidated financial statements. The Directors are in the opinion that it is appropriate to prepare the consolidated financial statement on a going concern basis.

董事就財務報表的財務報告責任

董事確認彼等編製截至2017年12月31日止年度財務報表的責任，其真實公平地反映本公司及本集團的事務，以及本集團的業績及現金流量。

管理層已向董事會提供所需的解釋及資料，使董事會能夠就提呈董事會批准的本公司財務報表作出知情的評估。本公司就其表現、狀況及前景向董事會所有成員提供每月更新。

董事已基於本集團的流動資金狀況評估本集團能否於報告期末起計接下來至少十二個月持續經營。董事已考慮的重大不明朗因素已載於綜合財務報告表附註2(b)。董事認為按持續經營基準編製綜合財務報表乃屬合適。

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL

The Board acknowledges that it is the responsibility of the Board to maintain an adequate internal control system to safeguard shareholder investments and Company assets and review the effectiveness of such system on an annual basis.

The Board has conducted a review of the effectiveness of the internal control system of the Company and considers the internal control system to be effective and adequate.

The Company has arranged appropriate insurance cover in respect of legal action against its directors.

The Board has established an internal audit function, which reports directly to the Audit Committee to determine whether the internal control procedures are properly carried out throughout the year.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis. Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit and Corporate Governance Committee. The Audit and Corporate Governance (on behalf of the Board) oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management has provided a confirmation to the Risk Management Committee (and the Board) on the effectiveness of these systems for the year ended 31 December 2017.

During 2017, the Group has engaged an external consultant to provide assistance in the development of a structured approach to risk management and perform internal control review.

內部監控

董事會確認，董事會須負責維持充分的內部監控制度，以保障股東的投資及本公司的資產，並每年審閱該制度之有效性。

董事會已審查本公司內部監控制度的有效性，並認為內部監控制度屬有效及充足。

本公司已為各董事安排適當的保險，使其面對訴訟時可獲得保障。

董事會已設立內部審核職能並直接向審核委員會匯報，以確定內部監控程序已於年內適當地予以執行。

風險管理及內部監控

董事會確認對風險管理及內部監控制度負責，並有責任持續檢討其有效性。該風險管理及內部監控制度旨在管理而非消除未能達成業務目標的風險，而且就避免重大的失實陳述或損失而言，僅能作出合理而非絕對的保證。董事會已將其風險管理及內部監控的職責（與相關權力）轉授予審核及企業管治委員會。審核及企業管治委員會（代表董事會）監督管理層對風險管理及內部監控制度的設計、實施及監察，而管理層已向風險管理委員會（及董事會）確認，截至2017年12月31日止年度有關制度行之有效。

於2017年，本集團已委聘外部顧問協助就風險管理制訂結構性方針及對內部監控進行檢討。

CORPORATE GOVERNANCE REPORT

企業管治報告

RISK MANAGEMENT AND INTERNAL CONTROL

(Continued)

Main features of the risk management and internal control systems

The Group's risk governance structure and the main responsibilities of each level of the structure are summarised below:

Board

- Determines the business strategies and objectives of the Group, and evaluates and determines the nature and extent of risks it is willing to take in achieving the Group's strategic objectives;
- Ensures that the Group establishes and maintains appropriate and effective risk management and internal control systems; and
- Oversees management in the design, implementation and monitoring of the risk management and internal control systems.

Audit and Corporate Governance Committee

- Assists the Board to perform its responsibilities of risk management and internal control systems;
- reviews the Company's corporate governance policies and practices (including risk management policy) and to make recommendations to the Board;
- Ensures the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions; and
- Considers key matters on risk management and internal control, and reports and makes recommendations to the Board.

風險管理及內部監控(續)

風險管理及內部監控制度的主要特徵

本集團之風險管治架構以及架構內各階層的主要職責簡介如下：

董事會

- 釐定本集團之業務策略與目標，及評估並釐定本集團達成策略目標時所願意接納的風險性質及程度；
- 確保本集團建立及維持合適及有效的風險管理及內部監控制度；及
- 監督管理層對風險管理及內部監控制度的設計、實施及監察。

審核及企業管治委員會

- 協助董事會執行其風險管理及內部監控的職責；
- 檢討本公司的企業管治政策及常規(包括風險管理政策)及向董事會作出建議；
- 確保本集團在會計、內部審核及財務匯報職能方面有足夠的資源、員工資歷與經驗、員工培訓課程，以及有關預算；及
- 考慮有關風險管理及內部監控事宜的重要調查結果，並向董事會匯報及作出建議。

RISK MANAGEMENT AND INTERNAL CONTROL

(Continued)

Main features of the risk management and internal control systems (Continued)

Management

- Designs, implements and maintains appropriate and effective risk management and internal control systems;
- Identifies, evaluates and manages the risks that may potentially impact the major processes of the operations;
- Monitors risks and takes measures to mitigate risks in day-to-day operations;
- Gives prompt responses to, and follow up on risk management and internal control matters; and
- Provides confirmation to the Board and Audit Committee on the effectiveness of the risk management and internal control systems.

Internal control consultant

- Reports to the Audit Committee the findings of the internal control review and makes recommendations to the Board and management to improve the material systems deficiencies or control weaknesses identified.

HANDLING AND DISSEMINATION OF INSIDE INFORMATION

For the purpose of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the Group has taken various procedures and measures, including arousing the awareness to preserve confidentiality of inside information within the Group, sending blackout period and securities dealing restrictions notification to the relevant directors and employees regularly, disseminating information to specified persons on a need-to-know basis and regarding closely to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2017, the Group was in compliance with all the laws and regulations applicable to the business operations of the Group.

風險管理及內部監控(續)

風險管理及內部監控制度的主要特徵(續)

管理層

- 設計、實施及維持合適及有效的風險管理及內部監控制度；
- 識別、評估及管理可能對營運之主要程序構成潛在影響之風險；
- 監察風險並採取措施降低日常營運風險；
- 對有關風險管理及內部監控事宜作出及時的回應及跟進；及
- 向董事會及審核委員會提供有關風險管理及內部監控制度是否有效的確認。

內部監控顧問

- 向審核委員會匯報內部監控審閱結果並向董事會及管理層作出建議，以改善制度之重大不足之處或所發現之監控缺失。

處理及發佈內幕消息

就根據上市規則及香港法例第571章證券及期貨條例處理及發佈內幕消息而言，本集團已採取多項程序及措施，包括提高本集團對內幕消息保密的意識、定期向有關董事及僱員發送禁售期及證券交易限制的通知、在需要知情基礎上向指定人員發佈信息及嚴格遵守證券及期貨事務監察委員會於2012年6月頒佈的「內幕消息披露指引」。

遵守法律及法規

截至2017年12月31日止年度，本集團遵守本集團業務經營適用的所有法律及法規。

CORPORATE GOVERNANCE REPORT

企業管治報告

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which enables shareholders and investors to make the best investment decisions.

To promote effective communication, the Company maintains a website at "http://www.cmru.com.cn", where extensive information and updates on the Group's business developments and operations, financial information, corporate governance practices and other information are available for public access.

Shareholders and investors may send written enquiries or requests to the Company as follows:

Address: Unit 4402-03, COSCO Tower,
183 Queen's Road Central, Sheung Wan, Hong Kong
(For the attention of Corporate Communications Department)
Fax: +852 2587 7199
Email: ir@cmru.com.cn

Enquiries are dealt with in an informative and timely manner.

The Board welcomes views of shareholders and encourages them to attend general meetings to raise any concerns they might have with the Board or the management directly. Board members and appropriate senior staff of the Group are available at the meetings to answer any questions raised by shareholders.

The Company continues to enhance communication and relationship with its investors.

Designated senior management maintains regular dialogue with institutional investors and analysts to keep them informed of the Group's developments.

During the year ended 31 December 2017, there had been no change in the constitutional documents of the Company.

COMPANY SECRETARY

The company secretary of the Company is Mr. Cheung Ying Kwan. Mr. Cheung has been informed of the requirement of the Rule 3.29 of the Listing Rules, and he confirmed that he had attained no less than 15 hours of relevant professional training during the year ended 31 December 2017.

與股東及投資者溝通

本公司認為，與股東保持有效溝通，對促進投資者關係及加深投資者對本集團業務表現及策略了解至為重要。本公司亦明白保持透明度和適時披露公司資料的重要性，因其有利於股東及投資者作出最佳投資決策。

為進行有效溝通，本公司設有網站「http://www.cmru.com.cn」，本集團業務發展及運作、財務資料、企業管治常規及其他資料及其最新情況均載於該網站供公眾查閱。

股東及投資者可按以下方式將書面查詢或要求寄發至本公司：

地址：香港上環皇后大道中183號
中遠大廈4402-03室
(抬頭請註明企業傳訊部)
傳真：+852 2587 7199
電郵：ir@cmru.com.cn

本公司將盡快處理及詳細解答查詢。

董事會歡迎股東提出意見，並鼓勵彼等出席股東大會以直接就其對董事會或管理層的任何存疑作出提問。董事會成員及本集團相關高級職員會出席大會，解答股東的任何提問。

本公司繼續加強與投資者的溝通及彼此之間的關係。

本公司指定高級管理層會定期與機構投資者及分析員會談，以知會彼等本集團的發展。

截至2017年12月31日止年度，本公司之憲章文件並無變動。

公司秘書

本公司之公司秘書為張應坤先生。張先生已知悉上市規則第3.29條之規定，而彼確認於截至2017年12月31日止年度，已出席不少於15小時之相關專業培訓。

SHAREHOLDERS' RIGHT

To safeguard shareholders' interests and rights, separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors, for shareholders' consideration and voting.

Under article 58 of the Articles of Association, the Company's shareholders may convene an extraordinary general meeting or put forward proposals at shareholders' meetings pursuant to the 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, by written requisition to the Board or the company secretary, 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.

Shareholders may put forward proposals for consideration at a general meeting in accordance with the Companies Law of the Cayman Islands and the Articles of Association.

As regards proposing a person for election as a director, the procedures are available on the websites of the Company and the Stock Exchange.

For the avoidance of doubt, shareholder(s) must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the Company and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

The Company has not made any changes to its Articles of Association throughout the year ended 31 December 2017. An up-to-date version of the Articles of Association is available on the Company's website and the Stock Exchange's website. Shareholders may refer to the Articles of Association for further details of their rights.

All resolutions put forward at shareholders' meetings will be voted by poll pursuant to the Listing Rules and the poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://www.cmru.com.cn>) immediately after the relevant general meetings.

股東權利

為了保障股東權益及權利，股東大會上會就各重大事項(包括選舉個別董事)提呈獨立決議案，供股東考慮及投票。

根據組織章程細則第58條，本公司股東可召開股東特別大會或根據組織章程細則於股東大會上提呈建議書。任何一位或以上於遞呈要求日期持有不少於本公司繳足股本(賦有於本公司股東大會上投票權)十分之一的股東有權透過向本公司董事會或公司秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指定的任何業務；且該大會應於遞呈該要求後兩個月內舉行。

股東可根據開曼群島公司法及組織章程細則於股東大會上提呈建議書，以供股東大會考慮。

有關提名人士參選董事的程序可於本公司及聯交所網站覽閱。

為免生疑問，股東須將妥為簽署的書面要求、通知或聲明或查詢(視情況而定)的正本存放於及寄發至本公司，並提供彼等的全名、聯絡詳情及身份，以便本公司回覆。股東資料可能根據法律規定而予以披露。

本公司於截至2017年12月31日止年度並無對其組織章程細則作出任何變動。組織章程細則的最新版本可在本公司網站及聯交所網站查閱。股東亦可參考組織章程細則以取得有關其權利的詳情。

根據上市規則，所有在股東大會提呈的決議案均將以投票方式表決，且投票表決結果將緊隨有關股東大會召開後於聯交所網站(www.hkexnews.hk)及本公司網站(<http://www.cmru.com.cn>)刊登。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Independent auditor's report to the shareholders of China Metal Resources Utilization Limited

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of China Metal Resources Utilization Limited ("the Company") and its subsidiaries ("the Group") set out on pages 80 to 206, 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 statement of cash flows for the year then ended and notes to the consolidated cash flow statement, 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.

BASIS FOR OPINION

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

致中國金屬資源利用有限公司列位股東的 獨立核數師報告

(於開曼群島註冊成立的有限公司)

意見

吾等已審核第80至206頁所載之中國金屬資源利用有限公司(「貴公司」)及其附屬公司(「貴集團」)之綜合財務報表，此綜合財務報表包括於2017年12月31日之綜合財務狀況表及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、綜合權益變動表及綜合現金流量表，以及綜合現金流量表附註，包括主要會計政策概要。

吾等認為，該等綜合財務報表已根據國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實而公平地反映 貴集團於2017年12月31日的綜合財務狀況，及其截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港公司條例的相關披露規定妥為編製。

意見基礎

吾等已根據香港會計師公會(「香港會計師公會」)頒佈的香港審計準則(「香港審計準則」)進行吾等之審核工作。吾等就該等準則承擔之責任於本報告「核數師就審核綜合財務報表承擔的責任」中進一步闡述。根據香港會計師公會的專業會計師道德守則(「守則」)連同開曼群島與我們審核綜合財務報表有關的任何道德規定，吾等獨立於 貴集團，及吾等已履行該等規定及守則中的其他道德責任。吾等相信，吾等所獲得之審核憑證充足及適當，可為吾等之意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

Revenue recognition

Refer to note 4 to the consolidated financial statements and the accounting policies in note 2(v) on page 111.

關鍵審核事項

關鍵審核事項乃根據吾等的職業判斷，對當前期間的綜合財務報表的審核最為重要的事項。此等事項乃於吾等審核整體綜合財務報表及出具意見時進行處理，而吾等不會對此等事項提供單獨意見。

營業額的確認

參閱綜合財務報表附註4及第111頁附註2(v)的會計政策。

The Key Audit Matter

關鍵審核事項

The Group's principal activities are the manufacturing, sale and trading of copper, aluminium and related products. 貴集團的主要業務活動為銅、鋁及相關產品的生產、銷售及貿易。

For the year ended 31 December 2017, the Group recorded total revenue of RMB13,742 million of which manufacturing revenue accounted for RMB3,589 million, representing 26% of total revenue while trading revenue accounted for RMB10,153 million, representing 74% of total revenue. 截至2017年12月31日止年度，貴集團錄得總營業額人民幣13,742,000,000元，其中製造營業額為人民幣3,589,000,000元，佔總營業額的26%，而貿易營業額達人民幣10,153,000,000元，佔總營業額的74%。

The Group recognises revenue upon the transfer of the risks and rewards of ownership of copper, aluminium and related products to the customers. 貴集團於銅、鋁及相關產品的所有權風險及回報轉移予客戶時確認營業額。

How the matter was addressed in our audit

吾等的審核如何處理該事項

Our audit procedures to assess the revenue recognition included the following:

吾等就評估營業額確認採用的審核程序包括下列各項：

- obtaining an understanding of the processes relating to the revenue recognition and assessing the design, implementation and operating effectiveness of key internal controls over the recording of revenue;
- 了解與營業額確認有關的程序及對記錄營業額的關鍵內部監控的設計、執行及操作效率進行評估；
- inspecting samples of sales contracts to identify key terms and conditions and the point at which the Group is considered to have transferred the risks and rewards of the copper, aluminium and related products sold and assessing the Group's accounting policies for revenue recognition with reference to the requirements of the prevailing accounting standards;
- 抽樣檢查銷售合約以確定主要條款及條件，及貴集團被視為已轉讓所售銅、鋁及相關產品的風險及回報的時間點，並參考現行會計標準，評估貴集團有關營業額確認的會計政策；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Revenue recognition (Continued)

關鍵審核事項(續)

營業額的確認(續)

The Key Audit Matter 關鍵審核事項	How the matter was addressed in our audit 吾等的審核如何處理該事項
<p>We identified revenue recognition as a key audit matter because: 吾等將營業額的確認視為一項關鍵審核事項：</p> <ul style="list-style-type: none">— revenue is one of the key performance indicators of the Group which gives rise to an inherent risk that revenue could be subject to manipulation to meet expectations or performance targets; and— 因營業額是 貴集團的一項重要表現指標，會引致營業額可能被篡改而達到預期或業績目標的內在風險；及— the Group is entitled to government grant for refunds of 30% of the net value added tax paid/payable generated from manufacturing revenue. The impact of any errors in manufacturing revenue recognition could be material to the consolidated financial statements in terms of the government grant income to be recognised.— 貴集團有權獲得政府補助，享有就製造營業額所付／應付增值稅淨額30%的退稅。對於將確認的政府補助收入，製造營業額確認的任何錯誤可能對綜合財務報表影響重大。	<ul style="list-style-type: none">• comparing samples of revenue transactions recognised during the year with the related sales contracts, sales invoices, delivery orders, value added tax invoices, cash receipts and other relevant underlying documentation;• 比較年內已確認營業額交易樣本與相關銷售合約、銷售發票、交貨單、增值稅發票、現金收據及其他相關文件；• comparing samples of revenue transactions recorded before and after the year end with the sales contracts, sales invoices, delivery orders and other relevant underlying documentation to assess if the related revenue was recorded in the appropriate accounting period; and• 通過比較年末前後所記錄的營業額交易樣本與銷售合約、銷售發票、交貨單及其他相關文件，以評估相關營業額是否記入合適的會計期間；及• comparing, on a sample basis, the details of journal entries posted to revenue accounts during the year, which met certain specific risk-based criteria, with the relevant underlying documentation.• 抽樣比較年內按若干特定風險標準劃分至收益賬的分類賬與相關文件之詳情。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (Continued)

Assessing the recoverability of advance payments to suppliers

Refer to note 21 to the consolidated financial statements and the accounting judgements and estimates in note 3b(i) on page 115.

關鍵審核事項(續)

評估墊付供應商款項的可回收性

參閱綜合財務報表附註 21 及第 115 頁附註 3b(i) 的會計判斷及估計。

The Key Audit Matter 關鍵審核事項

The Group has made significant advance payments to suppliers in order to secure the supply of raw materials. These advances were principally for the purchase of scrap copper and were mostly made to individuals and private companies. The outstanding balance of advance payments to suppliers was RMB610 million as at 31 December 2017, representing 56% of total net current assets.

貴集團向供應商墊付巨額款項，以確保原材料供應。此等墊款主要為採購廢銅，且主要支付予個人及私人公司。2017年12月31日向供應商支付的未償還墊款結餘為人民幣610,000,000元。相當於淨流動資產總值的56%。

Management assesses the recoverability of advance payments to suppliers with reference to the credit standing of the suppliers and their past histories of the supply of goods to the Group. Based on management's assessment, no provision for impairment was required in respect of the advance payments to suppliers as at 31 December 2017.

管理層經參考供應商的信貸狀況及彼等過往向貴集團供應貨品的歷史，評估墊付供應商款項的可回收性。基於管理層的評估，於2017年12月31日無須就墊付供應商款項計提減值撥備。

We identified assessing the recoverability of advance payments to suppliers as a key audit matter because advance payments are significant to the Group as at 31 December 2017 and the advances are made to many individuals and private companies and therefore significant management judgement is required to be exercised to assess their recoverability which can be inherently uncertain.

吾等將墊付供應商款項的可回收性視為關鍵審核事項，乃因於2017年12月31日墊款對貴集團而言屬重大且墊款乃向眾多個人及私人公司作出，故評估其可回收性時須管理層作出重大判斷，而這存在內在的不確定性。

How the matter was addressed in our audit 吾等的審核如何處理該事項

Our audit procedures to assess the recoverability of advance payments to suppliers included the following:

吾等就評估墊付供應商款項的可回收性採用的審核程序包括下列各項：

- assessing the design, implementation and operating effectiveness of key internal controls over the monitoring and utilisation of advance payments to suppliers and making impairment provisions for advance payments to suppliers;
- 對監察及使用墊付供應商款項及就墊付供應商款項作出減值撥備的主要內部監控的設計、執行及操作效率進行評估；
- assessing whether individual advance payments to suppliers were correctly categorised in the ageing report by comparing samples of individual items with relevant underlying documents, which included contracts and bank remittance slips;
- 通過比較個別項目樣本與相關文件(包括合約及銀行匯款提款單)，評估個別墊付供應商款項於賬齡報告中的分類是否正確；
- assessing on a sample basis, the recoverability, of advance payments to suppliers with reference to the ageing analysis of the balances, the past history of each supplier, including previous defaults or delays in the delivery of goods, settlement records and post year end deliveries;
- 參考結餘的賬齡分析、各供應商過往歷史(包括過往違約或延遲交付貨品)、結算記錄及年末交付記錄，抽樣評估墊付供應商款項的可回收性；
- conducting, on a sample basis, site visits to suppliers to assess the existence of the suppliers and whether their operations appeared to be commensurate with the level of the Group's business volume with those suppliers; and
- 對供應商進行抽樣實地考察，以評估供應商的現狀及彼等的經營是否與貴集團與此等供應商開展的業務量水平相當；及
- performing a retrospective review by comparing management's assessment of the recoverability of advance payments to suppliers as at 31 December 2016 with actual utilisation and recoveries of these balances in the current year.
- 通過將管理層對2016年12月31日墊付供應商款項可回收性的評估與該等結餘於本年度的實際使用及收回情況作比較，進行追溯性檢討。

INDEPENDENT AUDITOR'S REPORT

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.

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.

除綜合財務報表及就此發出的核數師報告以外的資料

董事對其他資料負責。其他資料包括年報所載的所有資料，惟不包括綜合財務報表及吾等就此發出的核數師報告。

吾等就綜合財務報表的意見並不涵蓋其他資料，吾等亦不就其他資料發表任何形式的鑒證結論。

於吾等審核綜合財務報表時，吾等的責任乃閱讀其他資料，及在此過程中，考慮其他資料是否與綜合財務報表或吾等在審核過程中所了解的情況有重大抵觸，或者似乎存在重大錯誤陳述。

如果基於吾等已執行的工作，吾等認為其他資料存在重大錯誤陳述，吾等須報告該事實。於此方面，吾等並無任何報告。

董事就綜合財務報表須承擔的責任

董事須根據國際會計準則理事會頒佈的國際財務報告準則及香港公司條例的披露規定，負責編製真實而公平地反映情況的綜合財務報表，及落實董事釐定對編製綜合財務報表屬必要的內部監控，以使該等綜合財務報表的編製不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

於編製綜合財務報表時，董事負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)，除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

審核委員會協助董事履行彼等監察 貴集團財務報告流程的責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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.

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

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

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

核數師就審核綜合財務報表承擔的責任

吾等的目標乃就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，並出具包括吾等意見的核數師報告。此報告僅向閣下(作為整體)作出，除此之外本報告別無其他目的。吾等不就本報告的內容向任何其他人士負責或承擔責任。

合理保證屬高水平的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤引起，倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

於根據香港審計準則進行審核的過程中，吾等運用職業判斷，保持職業懷疑態度。吾等亦：

- 識別及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，設計及執行審核程序以應對此等風險，以及取得充足及適當的審核憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險較因錯誤而導致的重大錯誤陳述的風險為高。
- 了解與審核相關的內部監控，以設計適當的審核程序，但目的並非對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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

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

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

核數師就審核綜合財務報表承擔的責任(續)

- 就董事採用持續經營會計基礎的恰當性作出結論。根據所得的審核憑證，確定是否存在與事件或情況有關的重大不確定性，從而可能對貴集團持續經營的能力產生重大疑慮。倘吾等認為存在重大不確定性，則須於核數師報告中提請注意綜合財務報表中的相關披露，或倘有關披露不足，則須修訂吾等之意見。吾等的結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事件或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體列報方式、結構及內容，包括披露資料，以及綜合財務報表是否以達致公允陳述之方式反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充分、適當的審核憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審核。吾等僅對吾等的審核意見承擔責任。

吾等與審核委員會就(其中包括)審核的計劃範圍、時間安排及重大審核發現溝通，該等發現包括吾等在審核過程中識別的內部監控的任何重大缺失。

吾等亦向審核委員會作出聲明，確認吾等已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響吾等獨立性的所有關係及其他事項，以及相關的防範措施(如適用)。

INDEPENDENT AUDITOR'S REPORT

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 Tse Wong Pui.

Certified Public Accountants

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

27 March 2018

核數師就審核綜合財務報表承擔的責任(續)

從與審核委員會溝通的事項中，吾等釐定對當前期間綜合財務報表的審核最為重要的事項，因而構成關鍵審核事項。吾等於核數師報告中描述該等事項，除非法律或法規不允許對某件事項作出公開披露，或於極端罕見的情況下，倘合理預期於吾等報告中披露某事項而造成的負面後果將會超過其產生的公眾利益，則吾等決定不應於報告中傳達該事項。

出具本獨立核數師報告的審核項目合夥人是謝旺培。

執業會計師

香港中環
遮打道10號
太子大廈八樓

2018年3月27日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2017 (Expressed in Renminbi) 截至2017年12月31日止年度(以人民幣列值)

		Note 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	營業額	4	13,741,862	4,933,625
Cost of sales	銷售成本		(13,618,255)	(4,890,742)
Gross profit	毛利		123,607	42,883
Other net income/(loss)	其他淨收入/(虧損)	6	450,172	(48,132)
Selling and distribution expenses	銷售及分銷開支		(20,519)	(20,280)
Administrative expenses	行政開支		(153,636)	(158,937)
Profit/(loss) from operations	經營溢利/(虧損)		399,624	(184,466)
Finance costs	財務成本	7(a)	(143,220)	(134,045)
Profit/(loss) before taxation	稅前溢利/(虧損)	7	256,404	(318,511)
Income tax	所得稅	8(a)	(71,821)	6,893
Profit/(loss) for the year	年內溢利/(虧損)		184,583	(311,618)
Attributable to:	以下人士應佔：			
Equity shareholders of the Company	本公司權益股東		184,583	(310,820)
Non-controlling interests	非控股權益		-	(798)
Profit/(loss) for the year	年內溢利/(虧損)		184,583	(311,618)
Earnings/(losses) per share	每股盈利/(虧損)	11		
Basic (RMB)	基本(人民幣元)		0.08	(0.14)
Diluted (RMB)	攤薄(人民幣元)		0.07	(0.14)

The notes on pages 88 to 206 form part of these financial statements.

第88頁至第206頁的附註構成該等財務報表的一部分。

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 (Expressed in Renminbi) 截至2017年12月31日止年度(以人民幣列值)

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit/(loss) for the year	年內溢利/(虧損)	184,583	(311,618)
Other comprehensive income for the year (after net of tax)	年內其他全面收益(扣除稅項後)		
<i>Item that may be reclassified subsequently to profit or loss:</i>	隨後可重新分類至損益的項目：		
Exchange differences on translation of financial statements of entities outside of mainland China	換算中國大陸境外實體財務報表的匯兌差額	3,897	(17,468)
Total comprehensive income for the year	年內全面收益總額	188,480	(329,086)
Attributable to:	以下人士應佔：		
Equity shareholders of the Company	本公司權益股東	188,480	(328,288)
Non-controlling interests	非控股權益	-	(798)
Total comprehensive income for the year	年內全面收益總額	188,480	(329,086)

The notes on pages 88 to 206 form part of these financial statements.

第88頁至第206頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2017 (Expressed in Renminbi) 於2017年12月31日(以人民幣列值)

		Note 附註	31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	568,460	594,070
Lease prepayments	租賃預付款	13	95,672	97,794
Interests in associates	聯營公司權益	15	166,810	37,435
Goodwill	商譽	16	23,227	23,227
Pledged deposits	已抵押存款	17	4,800	4,800
Other non-current assets	其他非流動資產	18	31,846	23,922
Deferred tax assets	遞延稅項資產	19(b)	20,039	61,638
			910,854	842,886
Current assets	流動資產			
Inventories	存貨	20	453,169	208,200
Trade and other receivables	貿易及其他應收款項	21	1,875,549	1,001,927
Amounts due from associates	應收聯營公司款項	22	6,221	496
Amounts due from related parties	應收關聯方款項	22	10	4,899
Pledged deposits	已抵押存款	17	43,437	55,926
Cash and cash equivalents	現金及現金等值項目	23(a)	109,595	164,142
			2,487,981	1,435,590
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	24	570,296	386,529
Obligations under finance leases	融資租賃下的責任	25	12,451	13,322
Bank loans and other borrowings	銀行貸款及其他借款	26(a)	682,560	681,536
Amounts due to associates	應付聯營公司款項	22	4,638	5,150
Amounts due to related parties	應付關聯方款項	22	-	764
Liability component of convertible bonds	可換股債券的負債部分	27(b)	95,171	211,810
Derivative component of convertible bonds	可換股債券的衍生工具部分		-	133,344
Current taxation	即期稅項	19(a)	36,481	19,645
			1,401,597	1,452,100
Net current assets/(liabilities)	淨流動資產/(負債)		1,086,384	(16,510)
Total assets less current liabilities	總資產減流動負債		1,997,238	826,376

The notes on pages 88 to 206 form part of these financial statements.

第88頁至第206頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2017 (Expressed in Renminbi) 於2017年12月31日(以人民幣列值)

		Note	31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
		附註		
Non-current liabilities	非流動負債			
Bank loans and other borrowings	銀行貸款及其他借款	26(a)	531	–
Obligations under finance leases	融資租賃下的責任	25	691	11,336
Liability component of convertible bonds	可換股債券的負債部分	27(c)	453,436	–
Deferred government grants	遞延政府補助	28	6,204	7,332
			460,862	18,668
NET ASSETS	淨資產		1,536,376	807,708
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	29	197,495	182,579
Reserves	儲備		1,338,881	625,129
TOTAL EQUITY	總權益		1,536,376	807,708

Approved and authorised for issue by the board of directors on 27 March 2018. 於2018年3月27日經董事會批准及授權刊發。

Yu Jianqiu
俞建秋
Director
董事

Kwong Wai Sun Wilson
鄺偉信
Director
董事

The notes on pages 88 to 206 form part of these financial statements.

第88頁至第206頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2017 (Expressed in Renminbi) 截至2017年12月31日止年度(以人民幣列值)

		Attributable to equity shareholders of the Company 本公司權益股東應佔													
		Share capital	Share premium	Exchange reserve	Capital reserve	Statutory reserves	Share-based payment reserve	Warrant reserve	Convertible bonds equity reserve	Consideration Share reserve	Accumulated losses	Total	Non-controlling interests	Total equity	
		股本	股份溢價	匯兌儲備	資本儲備	法定儲備	以股份為基礎的 付款儲備	認股權證 儲備	可換股債券 權益儲備	代價股份 儲備	累計虧損	總計	非控股權益	總權益	
		(Note 29(c))	(Note 29(d))	(Note 29(d))	(Note 29(d))	(Note 29(d))	(Note 29(d))	(Note 29(d))	(Note 29(d))	(Note 29(d))	(Note 29(d))	(Note 29(d))	(Note 29(d))	(Note 29(d))	
		(附註29(c))	(附註29(d))	(附註29(d))	(附註29(d))	(附註29(d))	(附註29(d))	(附註29(d))	(附註29(d))	(附註29(d))	(附註29(d))	(附註29(d))	(附註29(d))	(附註29(d))	
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	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	
Balance at 1 January 2017	2017年1月1日的結餘	182,579	602,992	(15,426)	132,055	80,917	59,680	12,079	-	-	(247,168)	807,708	-	807,708	
Changes in equity for 2017	於2017年的權益變動														
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	-	184,583	184,583	-	184,583	
Other comprehensive income	其他全面收益	-	-	3,897	-	-	-	-	-	-	-	3,897	-	3,897	
Total comprehensive income	全面收益總額	-	-	3,897	-	-	-	-	-	-	184,583	188,480	-	188,480	
Issuance of ordinary shares	發行普通股	29(c)(iii)	6,455	162,523	-	-	-	-	-	-	-	168,978	-	168,978	
Exercise of share options	行使購股權	29(c)(i)	398	9,035	-	-	(841)	-	-	-	-	8,592	-	8,592	
Appropriation to statutory reserve	轉撥至法定儲備	29(d)(iv)	-	-	-	6,211	-	-	-	-	(6,211)	-	-	-	
Share-based compensation	以股份為基礎的補償	29(d)(v)	-	-	-	-	23,210	-	-	-	-	23,210	-	23,210	
Share options lapsed	已失效之購股權	29(d)(v)	-	-	-	-	(779)	-	-	-	779	-	-	-	
Conversion of convertible bonds to equity	轉換可換股債券至權益	29(c)(iii)	8,063	241,075	-	-	-	-	-	-	-	249,138	-	249,138	
Issuance of convertible bonds	發行可換股債券	27	-	-	-	-	-	-	41,300	-	-	41,300	-	41,300	
Redemption of convertible bonds	贖回可換股債券	27	-	604	-	-	-	-	(604)	-	-	-	-	-	
Issuance of consideration shares	發行代價股份		-	-	-	-	-	-	-	48,970	-	48,970	-	48,970	
As of 31 December 2017	於2017年12月31日		197,495	1,016,229	(11,529)	132,055	87,128	81,270	12,079	40,696	48,970	(68,017)	1,536,376	-	1,536,376

The notes on pages 88 to 206 form part of these financial statements.

第88頁至第206頁的附註構成該等財務報表的一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2016 (Continued) (Expressed in Renminbi) 截至2016年12月31日止年度(續)(以人民幣列值)

		Attributable to equity shareholders of the Company 本公司權益股東應佔										
		Share capital	Share premium	Exchange reserve	Capital reserve	Statutory reserves	Share-based payment reserve	Warrant reserve	Retained profits/(accumulated losses)	Total	Non-controlling interests	Total equity
		股本	股份溢價	匯兌儲備	資本儲備	法定儲備	以股份為基礎的 付款儲備	認股權證 儲備	保留溢利/ (累計虧損)	總計	非控股權益	總權益
		(Note 29(c))	(Note 29(d)(iii))	(Note 29(d)(ii))	(Note 29(d)(iii))	(Note 29(d)(iv))	(Note 29(d)(v))	(Note 29(d)(vi))	(Note 29(d)(vii))			
		(附註 29(c))	(附註 29(d)(iii))	(附註 29(d)(ii))	(附註 29(d)(iii))	(附註 29(d)(iv))	(附註 29(d)(v))	(附註 29(d)(vi))	(附註 29(d)(vii))			
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2016	2016年1月1日的結餘	166,075	245,136	2,042	132,055	76,142	40,700	12,079	70,759	744,988	9,195	754,183
Changes in equity for 2016	於2016年的權益變動											
Loss for the year	年內虧損	-	-	-	-	-	-	-	(310,820)	(310,820)	(798)	(311,618)
Other comprehensive income	其他全面收益	-	-	(17,468)	-	-	-	-	-	(17,468)	-	(17,468)
Total comprehensive income	全面收益總額	-	-	(17,468)	-	-	-	-	(310,820)	(328,288)	(798)	(329,086)
Issuance of ordinary shares	發行普通股	29(c)(iii)	11,500	288,460	-	-	-	-	-	299,960	-	299,960
Exercise of share option	行使購股權	29(c)(i)	5,004	51,541	-	-	-	-	-	56,545	-	56,545
Transfer of share option reserve	轉撥購股權儲備	29(c)(i)	-	17,855	-	-	(17,855)	-	-	-	-	-
Appropriation to statutory reserve	轉撥至法定儲備	29(d)(iv)	-	-	-	4,775	-	-	(4,775)	-	-	-
Share-based compensation	以股份為基礎的補償	29(d)(v)	-	-	-	-	37,406	-	-	37,406	-	37,406
Share options lapsed	已失效之購股權	29(d)(v)	-	-	-	-	(571)	-	571	-	-	-
Acquisition of non-controlling interest	收購非控股權益	14	-	-	-	-	-	-	(2,903)	(2,903)	(8,397)	(11,300)
As of 31 December 2016	於2016年12月31日	182,579	602,992	(15,426)	132,055	80,917	59,680	12,079	(247,168)	807,708	-	807,708

The notes on pages 88 to 206 form part of these financial statements.

第88頁至第206頁的附註構成該等財務報表的一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2017 (Expressed in Renminbi) 截至2017年12月31日止年度(以人民幣列值)

		Note 附註	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Operating activities	經營活動			
Cash used in operations	營運所用現金	23(b)	(412,928)	(62,826)
Income tax paid	已付所得稅	19(a)	(13,386)	(7,013)
Net cash used in operating activities	經營活動所用淨現金		(426,314)	(69,839)
Investing activities	投資活動			
Payment for the purchase of property, plant and equipment	購買物業、廠房及設備的款項		(28,697)	(40,235)
Cash outflow on acquisitions of subsidiaries (net of cash and cash equivalents acquired)	收購附屬公司產生的現金流出(扣除所收購的現金及現金等值項目)		—	(12,800)
Payment for investment in associates	就投資聯營公司之付款	15	(125,000)	—
Interest received	已收利息	6	1,538	22,616
Decrease in pledged deposits	已抵押存款減少		7,469	2,082
Net cash used in investing activities	投資活動所用淨現金		(144,690)	(28,337)

The notes on pages 88 to 206 form part of these financial statements.

第88頁至第206頁的附註構成該等財務報表的一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 December 2017 (Continued) (Expressed in Renminbi) 截至2017年12月31日止年度(續)(以人民幣列值)

			2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Financing activities	融資活動			
Proceeds from bank loans and other borrowings	銀行貸款及其他借款所得款項		551,075	429,450
Repayment of bank loans and other borrowings	償還銀行貸款及其他借款		(568,270)	(409,424)
Repayment of sale and leaseback arrangement	償還售後租回安排		(12,391)	(13,810)
Proceeds from advances from local governments	地方政府墊款所得款項		-	1,000
Repayment of advances from local governments	償還地方政府墊款		-	(720)
Decrease/(increase) in pledged deposits	已抵押存款減少/(增加)		3,770	(3,602)
Interest paid	已付利息		(103,377)	(106,068)
Guarantee fees and other charges (Repayment to)/advance from related parties	擔保費用及其他開支(向關聯方還款)/來自關聯方的墊款		(5,802)	-
Proceeds from loan from a related party	來自一名關聯方貸款的所得款項		(8,920)	5,100
Repayment of loan from a related party	一名關聯方償還貸款		-	68,975
Net proceeds from issuance of convertible bonds	發行可換股債券之所得款項淨額	27	711,212	-
Net proceeds from issue of ordinary shares	發行普通股之所得款項淨額	29(c)(iii)	168,978	299,960
Proceeds from exercise of share options	行使購股權之所得款項	29(c)(i)	8,592	56,545
Repayment of convertible bonds	償還可換股債券		(227,210)	-
Net cash generated from financing activities	融資活動所得淨現金		517,657	177,641
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目的淨(減少)/增加		(53,347)	79,465
Cash and cash equivalents at 1 January	於1月1日的現金及現金等值項目		164,142	82,559
Effect of foreign exchange rate changes	匯率變動影響		(1,200)	2,118
Cash and cash equivalents at 31 December	於12月31日的現金及現金等值項目	23(a)	109,595	164,142

The notes on pages 88 to 206 form part of these financial statements.

第88頁至第206頁的附註構成該等財務報表的一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

1 GENERAL INFORMATION

China Metal Resources Utilization Limited ("the Company") was incorporated in the Cayman Islands on 22 February 2013. The Company and its subsidiaries (together referred to as "the Group") are principally engaged in the manufacturing, sales and trading of copper, aluminium and related products. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited ("the Stock Exchange") since 21 February 2014.

2 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 (IASB), accounting principles generally accepted in Hong Kong and the 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 are 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 2(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.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2017 comprise the Group and the Group's interests in associates.

The measurement basis used in the preparation of the financial statements is the historical cost basis except for derivative financial instruments (see note 2(g)) that are stated at their fair values.

1 一般資料

中國金屬資源利用有限公司(「本公司」)於2013年2月22日在開曼群島註冊成立。本公司及其附屬公司(統稱「本集團」)主要從事銅、鋁及相關產品的生產、銷售及貿易業務。自從2014年2月21日起，本公司股份已經在香港聯合交易所有限公司(「聯交所」)主板上市。

2 主要會計政策

(a) 合規聲明

該等財務報表已根據所有適用國際財務報告準則(「國際財務報告準則」)編製，該統稱包括所有適用個別國際財務報告準則、國際會計準則理事會(「國際會計準則理事會」)頒佈的國際會計準則(「國際會計準則」)及相關詮釋、香港公認會計原則及香港公司條例的披露要求。該等財務資料亦符合香港聯合交易所有限公司證券上市規則的適用披露條文。本集團採納之主要會計政策概要載於下文。

國際會計準則理事會已頒佈若干新訂及經修訂國際財務報告準則，該等新準則及修訂本於集團本會計期首次生效或可提早採納。附註2(c)所載資料乃關於初次應用該等發展(倘與本集團有關)導致該等財務報表所反映當前及過往會計期間之會計政策之任何變動。

(b) 編製財務報表的基準

截至2017年12月31日止年度的綜合財務報表包括本集團及本集團於聯營公司之權益。

財務報表乃按歷史成本基準編製，惟衍生金融工具(見附註2(g))乃按其公平值列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements

(Continued)

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

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

Judgements made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

(c) Changes in accounting policies

The IASB has issued a number of amendments to IFRSs that are first effective for the current accounting period of the Group. None of these impact on the accounting policies of the Group. However, additional disclosure has been included in note 23(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 adopted any new standard or interpretation that is not yet effective for the current accounting period (see note 35).

2 主要會計政策(續)

(b) 編製財務報表的基準(續)

按照國際財務報告準則編製財務報表需要管理層作出判斷、估計及假設，該等判斷、估計及假設會影響政策應用以及所呈報的資產、負債、收益及開支金額。該等估計及相關假設乃基於過往經驗及在有關情況下相信為合理的各項其他因素，而所得結果構成用作判斷顯然無法透過其他來源獲得有關資產與負債賬面值的依據。實際結果或有別於該等估計。

該等估計及相關假設會持續審閱。倘會計估計的修訂僅對作出修訂的期間產生影響，則有關修訂只會在該期間內確認；倘會計估計的修訂對現時及未來期間均產生影響，則會在作出該修訂期間及未來期間內確認。

管理層於應用國際財務報告準則時作出對財務報表有重大影響之判斷及估計不確定因素之主要來源於附註3討論。

(c) 會計政策變動

國際會計準則理事會已頒佈一系列國際財務報告準則的修訂本，於本集團本會計期首次生效。該等修訂並無對本集團會計政策造成影響。然而，附註23(c)已包括額外披露以滿足國際會計準則第7號之修訂(現金流量表：披露計劃)的新披露要求，該修訂要求實體提供披露事項，使財務報表使用者可評估因融資活動而產生之負債變動，包括現金流量產生之變動及非現金變動。

本集團並未採納於本會計期間尚未生效之任何新準則或詮釋(見附註35)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests

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 flow 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.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(o), (p), or (q) depending on the nature of the liability.

2 主要會計政策(續)

(d) 附屬公司及非控股權益

附屬公司為由本集團控制的實體。倘本集團須承受其於實體的參與所產生的可變回報的風險，或於該等可變回報中享有權利，並有能力通過其對該實體的權力而影響該等回報，即本集團控制該實體。在評估本集團是否擁有權力時，僅考慮實質的權利(由本集團及其他人士持有)。

於附屬公司的投資自控制開始當日綜合列入綜合財務報表，直至控制結束當日為止。集團間結餘及交易、現金流量與集團間交易所產生的任何未變現溢利於編製綜合財務報表時悉數對銷。集團間交易所產生的未變現虧損的抵銷方法與未變現收益相同，惟僅以無減值證據者為限。

非控股權益是指並非由本公司直接或間接擁有附屬公司的權益，而本集團並沒有同意與這些權益的持有人訂立任何額外條款，可導致本集團整體就這些權益而承擔符合金融負債定義的合同義務。就每項業務合併，本集團可選擇以公平值或按非控股權益佔附屬公司的可予識別資產淨值的份額以計量非控股權益。

非控股權益與本公司股東應佔權益在綜合財務狀況表的權益項目中分別列示。於本集團業績中，非控股權益於綜合損益及綜合損益及其他全面收益表中呈報，作為年度損益總額及全面收入總額於本公司非控股權益與權益股東之間之分配。非控股股東權益持有人的貸款及對這些持有人的其他合約責任已依照該負債的性質根據附註2(o)、(p)或(q)在綜合財務狀況表呈列為金融負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Subsidiaries and non-controlling interests (Continued)

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate (see note 2(e)).

In the Company's statement of financial position (see note 34), an investment in a subsidiary is stated at cost less impairment losses (see note 2(k)(ii)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

(e) Associates

An associate is an entity in which the Group or Company 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, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). 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 (see note 2(k)(ii)). 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.

2 主要會計政策 (續)

(d) 附屬公司及非控股權益 (續)

不改變本集團對附屬公司控制權的權益變動，按權益交易確認，據此在綜合權益中進行控股與非控股股東權益的金額調整，以反映相關權益的變動，但不會對商譽進行調整，同時也不會確認損益。

當本集團喪失了對附屬公司的控制權，於該附屬公司的全部權益會被視為處置，其導致的收益或虧損於損益確認。任何保留在前附屬公司的權益於喪失控制權日以公平值確認，該金額為金融資產初始確認的公平值，或(如適合)於聯營公司之投資初始確認的成本(見附註2(e))。

在本公司之財務狀況表(見附註34)內，於附屬公司之投資按成本減減值虧損列賬(見附註2(k)(ii))，除非該投資被分類為持作出售(或計入被分類為持作出售的出售組別)。

(e) 聯營公司

聯營公司乃指本集團或本公司可以對其管理層發揮重大影響力之實體(包括參與其財務及經營決策)，惟並非控制或共同控制其管理層。

於聯營公司之投資按權益法計入綜合財務報表，惟分類為持作出售(或計入分類為持作出售之出售組別)則除外。根據權益法，投資初步按成本計值，並就本集團分佔被投資方可識別資產淨值之收購日期之公平值超出投資成本(如有)之任何差額作出調整。其後，投資就本集團分佔被投資方資產淨值及任何有關投資減值虧損之收購後變動作出調整(見附註2(k)(ii))。任何於收購日期超出成本之金額、本集團應佔被投資方收購後與除稅後之業績以及年內任何減值虧損均於綜合損益表內確認，而本集團分佔被投資方收購後與除稅後之其他全面收益項目則在綜合損益及其他全面收益表內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Associates (Continued)

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.

Unrealised profits and losses resulting from transactions between the Group and its associates 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 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.

In the Company's statement of financial position (see note 34), investments in associates are stated at cost less impairment losses (see note 2(k)(ii)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Goodwill

Business combinations are accounted for using the acquisition method as at the acquisition date — i.e. when control is transferred to the Group.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2 主要會計政策(續)

(e) 聯營公司(續)

當本集團於聯營公司分佔虧損額超過其權益時，本集團之權益會減少至零，並且不再確認額外虧損，惟本集團須履行法定或推定責任，或代被投資方支付款項則除外。就此，本集團權益是以按照權益法計算投資之賬面值，以及實質上構成本集團在聯營公司投資淨額一部分之長期權益為準。

本集團與其聯營公司間交易產生之未變現損益，均按本集團於被投資方所佔之權益比率對銷；惟倘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確認。

就所有其他情況而言，當本集團對聯營公司不再具有重大影響力時，則會按出售於該被投資方之全部權益列賬，而所產生之收益或虧損於損益內確認。在失去重大影響力當日於前被投資方保留之任何權益，乃按公平值確認，且該數額乃被視為於初始確認金融資產時之公平值。

在本公司之財務狀況(見附註34)內，於聯營公司之投資按成本減減值虧損列賬(見附註2(k)(ii))，除非被分類為持作出售(或計入分類為持作出售的出售組別)。

(f) 商譽

業務合併於收購日期(即控制權轉移至本集團當日)採用收購法入賬。

本集團就業務合併產生的交易成本(與發行債務或股本證券有關者除外)乃於產生時列為支銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Goodwill (Continued)

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or group of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(k)(ii)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(k)(ii)).

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.

2 主要會計政策(續)

(f) 商譽(續)

商譽指下列兩者的差額

- (i) 所轉讓代價的公平值、於被收購者的非控股權益金額及本集團先前於被收購者持有的權益公平值的總和；
- (ii) 被收購者的可識別資產及負債於收購當日計量的公平淨值。

當(ii)較(i)為大，則該超出數額即時在損益表內確認為廉價收購的收益。

商譽是按成本減累計減值虧損列賬。來自業務合併商譽將分配至預期可受惠於合併協同效益的各現金生產單位或現金生產單位組合，並會每年進行減值測試(見附註2(k)(ii))。

年內，當出售現金生產單位，任何屬於所涉及的收購商譽的金額將被計入出售項目的收益或虧損之內。

(g) 衍生金融工具

衍生金融工具最初乃按公平值確認，並於報告期末重新計量其公平值。重新計量公平值的盈虧乃即時於損益中確認，惟倘衍生工具符合資格使用現金流量對沖會計或對沖於海外業務的淨投資除外，在該情況下所產生之收益或虧損確認取決於被對沖項目的性質。

(h) 物業、廠房及設備

物業、廠房及設備按成本減累計折舊及減值虧損列賬(見附註2(k)(ii))。

報廢或出售物業、廠房及設備項目所產生的收益或虧損按出售所得款項淨額與該項目賬面值之間的差額釐定，並於報廢或出售日期在損益表內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Property, plant and equipment (Continued)

Depreciation is calculated to write off the cost or valuation 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	The shorter of the unexpired term of lease and their estimated useful lives, being no more than 20 years after the date of completion
— Plant and machinery	5 to 10 years
— Furniture, fittings and equipment	3 to 10 years
— Motor vehicles	4 to 10 years

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.

(i) Construction in progress

Construction in progress represents property, plant and equipment under construction and equipment pending installation, and is stated at cost less impairment losses (see note 2(k)(ii)). 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 (see note 2(x)). Capitalisation of these costs cease and the construction in progress is transferred to property, plant and equipment when the asset is substantially ready for its intended use.

No depreciation is provided in respect of the construction in progress until it is substantially completed and ready for its intended use.

2 主要會計政策(續)

(h) 物業、廠房及設備(續)

折舊按下列物業、廠房及設備的預計可使用年期，以直線法撇銷該等項目的成本或估值(減去其估計殘值(如有))計算：

— 建築物	租賃尚餘年期 與其預計可使用年期 (不多於竣工日期後 20 年) 的較短者
— 廠房及機器	5 至 10 年
— 傢俱、裝置及設備	3 至 10 年
— 汽車	4 至 10 年

倘物業、廠房及設備項目各部分的可使用年期不同，則該項目的成本按合理基準於各部分之間分配，每部分分開折舊。資產的可使用年期及其殘值(如有)將每年檢討。

(i) 在建工程

在建工程指建造中的物業、廠房及設備以及待安裝的設備，乃按成本減減值虧損(見附註 2(k)(ii))列賬。自建物業、廠房及設備項目的成本包括材料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的初步估計成本(如相關)，以及適當比例的生產成本及借貸成本(見附註 2(x))。當資產大致可投入作擬定用途時，會終止將該等成本資本化及在建工程會轉入物業、廠房及設備。

於在建工程大致完成及可投入作擬定用途前，不會就有關在建工程作出折舊撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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, with the following exceptions:

- property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and
- land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

2 主要會計政策(續)

(j) 租賃資產

倘本集團釐定安排附帶權利於協定期間使用一項或多項特定資產以換取付款或一系列付款，則該項安排(包括一項交易或一系列交易)屬於或包含租賃。有關釐定按對安排本質的評估進行，而不論該項安排是否具有租賃的法律形式。

(i) 出租予本集團的資產的分類

由本集團根據租賃持有而向本集團轉讓擁有權的絕大部分風險及回報的資產乃分類為根據財務租賃持有。並無轉讓擁有權的絕大部分風險及回報予本集團的租賃乃分類為經營租賃，惟下列各項除外：

- 根據經營租賃持有並符合投資物業定義之物業按個別物業基準分類為投資物業，倘獲分類為投資物業，將按根據融資租賃持有之方式入賬；及
- 根據經營租賃持作自用且於租賃開始時公平值無法與建於其上之樓宇公平值分開計量之土地，入賬為根據融資租賃持有，除非樓宇清楚地根據經營租賃持有則另作別論。就此等目的而言，租賃開始指本集團最初訂立或自前承租人接管租賃之時間。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(h). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(k)(ii). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Sales and leaseback arrangement resulting in finance lease

A sales and leaseback arrangement which results in a finance lease is a means whereby the lessor provides finance to the lessee with the asset as security. To reflect the substance of the transaction, any excess of sales proceeds over the carrying amount of the asset, or any deficit of sales proceeds lower than the carrying amount of the asset, is deferred and amortised as an adjustment to the depreciation of the asset.

(iv) 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 installments 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.

2 主要會計政策(續)

(j) 租賃資產(續)

(ii) 以融資租賃收購的資產

若本集團以融資租賃收購資產使用權，租賃資產的公平值數額或最低租賃金額的現值的較低者，將確認為物業、廠房及設備及相關負債(扣除融資費用)並列作融資租賃下的責任。折舊為於相關租賃有效期間或資產可用期限的期間(若本集團將取得資產所有權)，按撇銷資產成本或估值的比率計算(見附註2(h))。減值虧損按附註2(k)(ii)所載的會計政策計算。租賃金額所包含的融資費用將於租賃期間計入損益表，使各會計期間對責任結餘以相若的固定期間比率扣減。或然租金將於產生的會計期間計入損益表。

(iii) 形成融資租賃的售後租回交易

形成融資租賃的售後租回交易實質上是出租人以資產作為抵押向承租人提供融資的交易。為反映該交易實質，該資產銷售所得款項超逾其賬面的任何金額，或其銷售所得款項低於賬面值的任何不足數額會被遞延，並作為對資產折舊的調整予以攤銷。

(iv) 經營租賃開支

倘本集團使用根據經營租賃持有的資產，根據租賃作出的付款乃於租賃年期所涵蓋的會計期間內按等額於損益表扣除，惟倘有更能代表從租賃資產所得的利益模式的其他基準除外。已收取的租賃獎勵乃於損益表確認為已支付淨租金總額的完整部分。或然租金乃於其產生的會計期間於損益表扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Leased assets (Continued)

(iv) Operating lease charges (Continued)

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property or is held for development for sale.

(k) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities 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;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2 主要會計政策(續)

(j) 租賃資產(續)

(iv) 經營租賃開支(續)

購入根據經營租賃持有土地的成本乃於租賃期間按直線基準攤銷，惟倘物業被分類為投資物業或持作待售發展則除外。

(k) 資產減值

(i) 於債務及股本證券之投資及其他應收款項的減值

按成本或攤銷成本列賬或被分類為可供出售證券的於債務及股本證券之投資及其他流動及非流動應收款項乃於各報告期末檢討，以確定是否有減值的客觀證據。減值的客觀證據包括本集團注意到有關下列一項或多項損失事件的可觀察證據：

- 債務人的重大財務困難；
- 違約，如拖欠或無法如期償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大變化對債務人造成不利影響；及
- 於股本工具之投資之公平值大幅或持續跌至低於其成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates accounted for under the equity method in the consolidated financial statements (see note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(k)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(k)(ii).
- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.
- For trade and other current receivables and other financial assets 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. This assessment is made collectively where these financial assets carried at amortised cost share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

2 主要會計政策(續)

(k) 資產減值(續)

(i) 於債務及股本證券之投資及其他應收款項的減值(續)

倘出現任何該等證據，則任何減值虧損會按以下方式釐定及確認：

- 就使用權益法於綜合財務報表確認於聯營公司之投資(見附註2(e))而言，減值虧損乃根據附註2(k)(ii)透過比較投資之可收回金額與其賬面值計量。倘按附註2(k)(ii)用作釐定可收回金額之估計出現有利變動時，則撥回減值虧損。
- 就按成本列賬之非上市股本證券而言，減值虧損按金融資產賬面值與估計未來現金流量間之差額計量，倘折現影響重大，則按同類金融資產之現行市場回報率計算折現。按成本計值之股本證券之減值虧損不會撥回。
- 就貿易應收款項及其他流動應收款項和以攤銷成本列賬的其他金融資產而言，減值虧損乃根據資產的賬面值與估計未來現金流量現值兩者間之差額計量，如折現影響屬重大，則按金融資產原實際利率(即初始確認該等資產時計算的實際利率)折現。倘以攤銷成本列賬的該等金融資產具備類似風險特徵(如類似的逾期情況)及並未單獨評估為已減值，則有關評估會一同進行。集合評估減值的金融資產的未來現金流量乃根據與該類資產具有類似信貸風險特徵的資產的過往虧損經驗計算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(ii) Impairment of other assets

Internal and external sources of information are reviewed at each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease;

2 主要會計政策(續)

(k) 資產減值(續)

(i) 於債務及股本證券之投資及其他應收款項的減值(續)

倘若其後減值虧損金額減少，而有關減少與確認減值虧損後發生的事件可客觀地聯繫，則有關減值虧損透過損益表撥回。減值虧損的撥回不應導致資產的賬面值超過倘在過往年度沒有確認任何減值虧損而應釐定的金額。

減值虧損從相應的資產中直接撇銷，惟若對可收回的可能性有疑問但未至於可能性極低的貿易賬款及其他應收款項中的貿易賬款及應收票據的已確認減值虧損則例外。在此情況下，應使用撥備賬記錄呆賬的減值虧損。倘本集團信納收回應收款項的可能性極低，則被視為不可收回的金額並從貿易賬款及應收票據中直接撇銷，而在撥備賬中持有有關該債務的任何金額將會被撥回。其後收回之前從撥備賬中扣除的款項自相關撥備賬撥回。撥備賬的其他變動及之前直接撇銷的其後收回款項，均在損益表中確認。

(ii) 其他資產的減值

內部及外間資料來源乃於各報告期評估，以識別有否跡象顯示下列資產可能出現減值，或(除商譽外)先前已確認的減值虧損已不存在或可能已減少：

- 物業、廠房及設備；
- 於分類為根據經營租賃持有的租賃土地的預付權益；

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- intangible assets;
- goodwill; and
- investments in subsidiaries, associates in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount of goodwill is estimated annually whether or not there is any indication of impairment.

- *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 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).
- *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 any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

2 主要會計政策(續)

(k) 資產減值(續)

(ii) 其他資產的減值(續)

- 無形資產；
- 商譽；及
- 載入本公司財務狀況表的於附屬公司、聯營公司的投資。

倘出現任何該等跡象，則會估計資產的可收回金額。此外，就商譽、未可供使用的無形資產及擁有無限可使用年期的無形資產而言，不論是否存在任何減值跡象，商譽的可收回金額乃每年進行估計。

- *計算可收回金額*
資產的可收回金額為公平值減處置成本以及使用價值兩者間的較高者。在評估使用價值時，會按反映當時市場對貨幣時間價值及資產特定風險評估的稅前折現率，將估計未來現金流量折現至其現值。倘資產並無產生大致獨立於其他資產的現金流入，則以能獨立產生現金流入的最小資產組別(即現金產生單位)釐定可收回金額。
- *確認減值虧損*
倘資產或其所屬現金產生單位的賬面值超過其可收回金額時，則於損益表中確認減值虧損。就現金產生單位確認的減值虧損予以分配，以減少分配至該現金產生單位(或單位組別)的任何商譽的賬面值，然後減少至低於其個別公平值減去處置成本(如能計量)或使用價值(如能釐定)的金額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

— Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

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.

(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 (see notes 2(k)(i) and (ii)).

2 主要會計政策(續)

(k) 資產減值(續)

(ii) 其他資產的減值(續)

— 撥回減值虧損

就商譽以外的資產而言，倘用於釐定可收回金額的估計出現有利變動，則撥回減值虧損。商譽的減值虧損不會撥回。

減值虧損撥回僅限於若在過往年度並未確認減值虧損時原應釐定的資產賬面值。減值虧損撥回在確認撥回的年度計入損益。

(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，本集團須按照根據國際會計準則第34號中期財務報告，為財政年度首六個月編製中期財務報告。於中期期末，本集團應用之減值測試、確認及撥回準則與在財政年度末應用者相同(見附註2(k)(i)及(ii))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Consideration shares, warrants and options issued

Consideration shares, options or warrants issued in exchange for goods or services are measured at the fair values of the goods or service received, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the consideration shares, options or warrants granted. The fair values of the goods or services received are recognised as expenses when the Group obtains the goods or when the counterparties render services unless the goods or services qualify for recognition as assets, with a corresponding increase in equity (either in consideration share reserve, share-based payment reserve or warrant reserve respectively). The equity amount is recognised in aforementioned reserve respectively until consideration shares are allotted, or options or warrants are exercised (in such case they are included in the amount recognised in share capital and share premium for the shares issued), or the options and warrants expire (in such case they are released directly to retained profits).

(m) Inventories

Inventories are carried at the lower of cost and net realisable value.

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.

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.

2 主要會計政策(續)

(l) 已發行代價股份、認股權證及購股權

為換取貨品或服務而發行的代價股份、購股權或認股權證按收到的貨品或服務的公平值計量，除非有關公平值無法可靠計量，在此情況下收到的貨品或服務參考授出的代價股份、購股權或認股權證的公平值計量。取得的貨品或服務的公平值於本集團取得貨品或當對手方提供服務時確認為開支，除非貨品或服務符合資格確認為資產，並於權益（分別於代價股份儲備、股份付款儲備或認股權證儲備）相應增加。權益金額分別於上述儲備確認，直至代價股份獲配發，或購股權或認股權證獲行使（在此情況下，彼等就已發行股份計入股本及股份溢價賬已確認金額），或購股權及認股權證屆滿（在此情況下直接撥入保留溢利）。

(m) 存貨

存貨乃按成本及可變現淨值的較低者列賬。

成本乃按加權平均成本法計算，並包括所有採購成本、轉換成本及將存貨保存於現時所在地點及保持現有狀況所產生的其他成本。

可變現淨值是在日常業務過程中的估計售價減估計完成成本及作出銷售的估計所需成本。

在售出存貨時，該等存貨的賬面值是在確認相關收入的期內確認為開支。將存貨撇減至可變現淨值的數額和所有存貨虧損均在出現撇減或虧損的期內確認為開支。任何存貨撇減撥回金額乃確認為存貨金額減少，並於撥回發生期間確認為開支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) 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 (see note 2(k)(i)), 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.

(o) 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 an effective interest method.

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(u)(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.

(q) Convertible bonds

(i) Convertible bonds that contain an equity component

Convertible bonds that can be converted to equity share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability component and an equity component.

2 主要會計政策 (續)

(n) 貿易及其他應收款項

貿易及其他應收款項初步按公平值確認，其後使用實際利率法按攤銷成本減呆賬減值撥備列賬（見附註2(k)(i)），惟倘應收款項乃向關聯方提供的免息貸款且並無任何固定還款期或貼現的影響並不重大則屬例外。在該等情況下，應收款項乃按成本減呆賬減值撥備列賬。

(o) 計息借款

計息借款初步按公平值減應佔交易成本確認。於初步確認後，計息借款乃按攤銷成本及初步確認金額與按借款期於損益內確認的贖回價值之間的任何差額，連同任何應付利息及費用，使用實際利率法列賬。

(p) 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認。除根據附註2(u)(i)計量的財務擔保負債外，貿易及其他應付款項其後則按攤銷成本列賬，除非貼現的影響並不重大，在該情況下則按成本列賬。

(q) 可換股債券

(i) 包含權益部分的可換股債券

持有人可選擇轉換為權益股本，轉換時發行的股份數量和代價將不改變的可換股債券，入賬為包含負債部分及權益部分的混合金融工具。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Convertible bonds (Continued)

(i) Convertible bonds that contain an equity component (Continued)

At initial recognition the liability component of the convertible bonds is measured at fair value based on the present value of the future interest and principal payments, discounted at the market rate of interest applicable at the time of initial recognition to similar liabilities that do not have a conversion option. The equity component is initially recognised at the difference between the fair value of the convertible bonds as a whole and the fair value of the liability component. Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability and equity components in proportion to the allocation of proceeds.

The liability component is subsequently carried at amortised cost. The interest expense on the liability component is recognised in profit or loss using the effective interest method. The equity component is recognised in the capital reserve until either the bonds are converted or redeemed.

If the bonds are converted, the capital reserve, together with the carrying amount of the liability component at the time of conversion, is transferred to share capital and share premium as consideration for the shares issued. If the bonds are redeemed, the capital reserve is released directly to retained profits.

2 主要會計政策(續)

(q) 可換股債券(續)

(i) 包含權益部分的可換股債券(續)

於初步確認時，可換股債券負債部分按未來利息和本金付款的現值以公平值計量，以適用於初始確認為不具有轉換選擇權的類似負債的市場利率折現。權益部分初步按可換股債券整體的公平值與負債部分的公平值之間的差額確認。有關發行複合金融工具的交易成本是按照負債和權益部分，按所得款項的分配比例進行分配。

負債部分隨後以攤銷成本列賬。負債部分利息支出，採用實際利率法於損益確認。權益部分於資本儲備確認，直到債券被轉換或贖回。

如果債券被轉換，資本儲備，加上在轉換時負債部分的賬面值，將被轉入股本和股份溢價以作為發行股份之代價。如果債券被贖回，資本儲備直接撥入保留溢利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Convertible bonds (Continued)

(ii) Other convertible bonds

Convertible bonds which do not contain an equity component are accounted for as follows:

At initial recognition the derivative component of the convertible bonds is measured at fair value and presented as part of derivative financial instruments (see note 2(g)). Any excess of proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs that relate to the issue of the convertible bond are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured in accordance with note 2(g). The liability component is subsequently carried at amortised cost. The interest expense on the liability component is recognised in profit or loss using the effective interest method.

If the bonds are converted, the carrying amounts of the derivative and liability components are transferred to share capital and share premium as consideration for the shares issued. If the bonds are redeemed, any difference between the amount paid and the carrying amounts of both components is recognised in profit or loss.

(r) 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. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated cash flow statement.

2 主要會計政策(續)

(q) 可換股債券(續)

(ii) 其他可換股債券

並無包含權益部分之可換股債券按以下方式入賬：

於初始確認時，可換股債券之衍生工具部分乃按公平值計量，並呈報為部分衍生金融工具(見附註2(g))。倘所得款項高於初始確認為衍生工具部分之金額，則任何差額確認為負債部分。與發行可換股債券有關之交易成本按所得款項之分配比例分配至負債及衍生工具部分。與負債部分相關之交易成本初步確認為負債之一部分。與衍生工具部分有關之部分即時於損益中確認。

衍生工具部分其後按附註2(g)重新計量。負債部分其後按攤銷成本列賬。負債部分的利息開支於損益中確認，使用實際利率法計算。

倘債券獲轉換，則衍生工具及負債部分之賬面值會一併轉撥至股本及股份溢價，作為已發行股份之代價。倘債券獲贖回，則已付金額與兩個部分之賬面值間之任何差額於損益中確認。

(r) 現金及現金等值項目

現金及現金等值項目包括銀行存款及手頭現金、於銀行及其他金融機構的活期存款，以及可隨時兌換為已知金額現金且承受的價值變動風險並不重大的短期、高流動性投資(在購入時距離到期日不超過三個月)。須按要求償還且構成本集團現金管理的完整部分的銀行透支就綜合現金流量表而言亦計入現金及現金等值項目的組成部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in share-based payment reserve within equity. The fair value is measured at grant date using the Binomial Option Pricing Model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share-based payment reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share-based payment reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share-based payment reserve until either the option is exercised (in such case it is included in the amount recognised in share capital and share premium respectively for the shares issued) or the option expires (in such case it is released directly to retained profits).

2 主要會計政策(續)

(s) 僱員福利

(i) 短期僱員福利及界定供款退休計劃的供款

薪金、年度花紅、有薪年假、向界定供款退休計劃供款及非貨幣利益的成本乃於僱員提供相關服務的年度內應計。倘延期付款或結算而影響屬重大，則該等金額乃按其現值列賬。

(ii) 以股份為基礎的付款

授予僱員的購股權的公平值確認為一項僱員成本，而權益內以股份為基礎的付款儲備會相應增加。公平值乃於授出日期經計及購股權授出時的條款及條件後以二項式購股權定價模式計量。倘該等僱員須於無條件享有購股權之前符合歸屬條件，則購股權的估計公平值總額乃經計及購股權將予歸屬的可能性後，於歸屬期予以分攤。

於歸屬期內，預期歸屬的購股權數目會予以檢討。於過往年度確認的累計公平值的任何調整乃扣自/計入有關檢討年度的損益，除非原有的僱員開支符合確認為資產的資格而對以股份為基礎的付款儲備作出相應調整則作別論。於歸屬日，確認為開支的款額會予以調整，以反映歸屬的實際購股權數目(連同對以股份為基礎的付款儲備作出相應調整)，惟倘沒收僅因未達致與本公司股份的市價有關的歸屬條件則除外。股權款額乃於以股份為基礎的付款儲備中確認，直至購股權獲行使(在此情況下計入就已發行股份分別於股本及股份溢價確認之金額)或購股權屆滿(在此情況下直接撥入保留溢利)為止。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) 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 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 substantially 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.

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.

2 主要會計政策(續)

(t) 所得稅

年內所得稅包括即期稅項及遞延稅項資產與負債的變動。即期稅項及遞延稅項資產與負債的變動均於損益表內確認，惟與其他全面收益或直接於權益內確認的項目有關者則除外，在此情況下有關稅項金額分別於其他全面收益或直接於權益內確認。

即期稅項為就年內應課稅收入採用於報告期末已生效或實質已生效的稅率計算的預期應付稅項，並就過往年度的應付稅項作出任何調整。

遞延稅項資產及負債分別自可扣稅及應課稅的暫時差額產生，即就財務報告而言資產和負債的賬面值與其稅基之間的差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項抵免產生。

除若干有限的例外情況外，所有遞延稅項負債及所有遞延稅項資產(以未來可能有應課稅溢利致使可動用該等資產作抵扣為限)均會予以確認。可支持確認自可扣稅暫時差額所產生的遞延稅項資產的未來應課稅溢利包括將因撥回現有應課稅暫時差額而產生的金額；惟此等差額與同一稅務機關及同一應課稅實體有關，並預期在可扣稅暫時差額預計撥回的同一年間或遞延稅項資產所產生稅項虧損可承後或承前結轉的期間內撥回。在釐定現有應課稅暫時差額是否支持確認自未動用稅項虧損和抵免產生的遞延稅項資產時，亦會採用同一準則，即該等差額若與同一稅務機關及同一應課稅實體有關，並預期在稅項虧損或抵免可動用的期間內撥回，則予以考慮。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Income tax (Continued)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purpose, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided that 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 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.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date 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

2 主要會計政策(續)

(t) 所得稅(續)

確認遞延稅項資產和負債的有限例外情況，為就稅務而言產生自商譽的不可扣減的暫時差額、不影響會計或應課稅溢利的資產或負債的初步確認(前提是其並不屬業務合併的一部分)，以及有關於附屬公司的投資的暫時差額(如屬應課稅差額，則只限於本集團可控制撥回的時間，而且在可見將來不大可能撥回的差額；或如屬可扣稅差額，則只限於很可能在將來撥回的差額)。

本集團會在各結算日檢討遞延稅項資產的賬面值，並在不可能再獲得足夠的應課稅溢利可抵扣相關稅項利益時予以扣減。倘有可能獲得足夠的應課稅溢利，則扣減金額予以撥回。

股息分派所產生的額外所得稅會在確認支付相關股息的負債時確認。

即期稅項結餘及遞延稅項結餘及其變動額均各自分開呈報且不予抵銷。倘本公司或本集團有法定強制執行權利以即期稅項資產抵銷即期稅項負債，並且符合以下附加條件下，則即期稅項資產可抵銷即期稅項負債，以及遞延稅項資產可抵銷遞延稅項負債：

- 倘為即期稅項資產與負債，本公司或本集團擬按淨額基準結算，或同時變現該資產及清償該負債；或

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) 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.

(u) 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.

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.

2 主要會計政策(續)

(t) 所得稅(續)

- 倘為遞延稅項資產及負債，而此等資產及負債與同一稅務機關就以下其中一項徵收的所得稅有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體，此等實體計劃在日後每個預期有大額遞延稅項負債需要清償或大額遞延稅項資產可以收回的期間內，按淨額基準變現即期稅項資產及清償即期稅項負債，或同時變現該資產及清償該負債。

(u) 已發出的財務擔保、撥備及或然負債

(i) 已發出的財務擔保

財務擔保指要求發行人(即擔保人)於特定債務人未能依照債務工具條款於到期時付款時，作出特定付款以彌償擔保受益人(「持有人」)因此招致的損失的合約。

倘本集團發出財務擔保，該擔保的公平值初步確認為貿易及其他應付款項的遞延收入。所出具財務擔保於發出時的公平值，是以參考在相若服務的公平交易中所徵收費用的可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的利率，與在沒有取得擔保的情況下而貸款機構將可能徵收的估計利率作出比較，並在當中取用較可靠的相關資料估計而釐定。倘在作出該擔保時已收或應收代價，則該代價根據適用於該類資產的本集團政策確認。倘並無已收或應收代價，則於初步確認任何遞延收入時，即時於損益內確認開支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) 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 2(u)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) 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) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortisation where appropriate, and the amount that would be determined in accordance with note 2(u)(iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2(u)(iii).

(iii) 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.

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.

2 主要會計政策(續)

(u) 已發出的財務擔保、撥備及或然負債(續)

(i) 已發出的財務擔保(續)

初步確認為遞延收入的擔保款額，在擔保年期內作為已發出財務擔保的收入於損益內攤銷。此外，倘及當(i)擔保持有人可能將根據擔保向本集團發出催繳通知；及(ii)向本集團提出的申索款額預期超過現時就該擔保入賬貿易及其他應付款項的金額(即初步確認的金額)減累計攤銷，則根據附註2(u)(iii)確認撥備。

(ii) 於業務合併中承擔的或然負債

於業務合併中承擔的或然負債於收購日期為現有責任，初步按公平值確認，惟前提是公平值能夠可靠地計量。按公平值初步確認後，有關或然負債按初步已確認的金額減累計攤銷(倘適合)與根據附註2(u)(iii)所釐定的金額的較高者確認。未能可靠地計量公平值或於收購日期並非現有責任的於業務合併中承擔的或然負債根據附註2(u)(iii)予以披露。

(iii) 其他撥備及或然負債

撥備乃於本集團或本公司因過往事件而產生法律或推定責任，而可能需要經濟利益流出以清償責任及能作出可靠估計時，就不確定時間或金額的其他負債確認。倘金錢的時間值屬重大時，撥備乃按預期清償責任的開支的現值列賬。

當需要經濟利益流出的可能性較低或當金額不能可靠估計時，責任會作為或然負債披露，除非經濟利益流出的可能性極低。可能的責任(其存在將僅由一項或以上未來事件的出現或不出現確認)亦作為或然負債披露，除非經濟利益流出的可能性極低者，則另當別論。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) 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 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.

(ii) Contract manufacturing income

Contract manufacturing income is recognised when the contract manufacturing services are rendered.

(iii) Interest income

Interest income is recognised as it accrues using the effective interest method.

(iv) 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 relate to the acquisition of an asset are recognised as deferred income and subsequently in profit or loss as the asset is depreciated or amortised. An unconditional government grant is recognised in profit or loss as other revenue when the grant becomes receivable. Other government grants are recognised in the balance sheet initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attached to them.

2 主要會計政策(續)

(v) 收益確認

收益是按已收或應收代價的公平值計量。

倘有經濟利益可能流入本集團，而收益及成本(如適用)能可靠地計量時，則收入會根據下列方法於損益中確認：

(i) 銷售貨品

收益是在客戶接收貨品及與其擁有權相關的風險及回報之時確認。收益不包括增值稅或其他銷售稅，並已扣除任何貿易折扣。

(ii) 合同製造收入

合同製造收入是在提供合同製造服務時確認。

(iii) 利息收入

利息收入是在產生時按實際利率法確認。

(iv) 政府補助

倘可合理確定能夠收取政府補助，且本集團能符合政府補助所附帶之條件，則政府補助將初步在財務狀況表中確認。補償本集團所產生開支之補助於產生開支之同一期間有系統地於損益中確認為收入。有關收購資產之補助確認為遞延收入及隨後於損益確認為資產折舊或攤銷。當可收取政府補助時，則於損益確認無條件政府補助為其他收益。當可以合理確定本集團將會收到政府補助並會遵守其附帶條件時，其他政府補助會初步於資產負債表內予確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) 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, except those arising from foreign currency borrowings used to hedge a net investment in a foreign operation which are recognised in other comprehensive income.

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 measured.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of transactions. Statement of financial position items, including goodwill, are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(x) 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.

2 主要會計政策 (續)

(w) 換算外幣

年內的外幣交易乃按於交易日期適用的外幣匯率換算。以外幣計值的貨幣資產及負債乃按於報告期末的外幣匯率換算。匯兌收益及虧損乃於損益內確認，惟來自外幣借款用作對沖於海外業務的淨投資者於其他全面收益確認除外。

以外幣的歷史成本計量的非貨幣資產及負債乃使用於交易日期適用的外幣匯率換算。按公平值列賬的以外幣計值非貨幣資產及負債乃使用於計量公平值當日適用的外幣匯率換算。

海外業務的業績乃按與於交易日期適用的外幣匯率相若的匯率換算為人民幣。財務狀況表項目(包括商譽)則按報告期末之收市匯率換算為人民幣。所產生的匯兌差額於其他全面收益中確認，並獨立於匯兌儲備的權益內累計。

於出售海外業務時，與該海外業務有關的累計匯兌差額於確認出售損益時由權益重新分類至損益。

(x) 借貸成本

收購、興建或生產需長時間方可達致其擬定用途或出售的資產的直接應佔借貸成本乃作為該資產的成本一部分予以資本化。其他借貸成本乃於其產生期間支銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) 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.

(y) Related parties

- (a) A person, or a close member of that person's family, is related to the Group if that person:
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2 主要會計政策(續)

(x) 借貸成本(續)

借貸成本於資產產生開支、產生借貸成本及進行使資產達致其擬定用途或出售的必需準備工作期間開始資本化，作為合資格資產的成本的一部分。借貸成本的資本化於使合資格資產達致其擬定用途或出售所必要的絕大部分活動中止或完成時暫停或不再進行。

(y) 關連人士

- (a) 在以下情況下，某人士或其近親家庭成員與本集團有關聯：
- (i) 可控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 是本集團或本集團母公司的主要管理人員的成員。
- (b) 在以下任何情況下，某實體與本集團有關聯：
- (i) 該實體及本集團均是同一集團的成員公司(即母公司、附屬公司及同系附屬公司各自與其他有關聯)。
 - (ii) 某實體是另一實體的聯營公司或合營公司(或另一實體為成員公司的某集團的成員公司的聯營公司或合營公司)。
 - (iii) 兩家實體均是同一第三方的合營公司。
 - (iv) 某實體是第三方實體的合營公司而另一實體則是該第三方實體的聯營公司。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Related parties (Continued)

(b) (Continued)

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the Group, or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial statements 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 lines of business and geographical locations.

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 主要會計政策(續)

(y) 關連人士(續)

(b) (續)

- (v) 該實體是旨在提供福利予本集團或與本集團有關聯的實體的僱員的離職後福利計劃。
- (vi) 該實體受(a)項中所辨別的人士控制或共同控制。
- (vii) 在(a)(i)項中所辨別的人士對該實體有重大影響力，或該人士是該實體(或是該實體的母公司)的主要管理人員的成員。
- (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供主要管理人員服務。

某人的近親家庭成員為在與實體交易時預期會影響該名人士或受到該名人士影響的家庭成員。

(z) 分部報告

經營分部及於財務報表內所申報的各分部項目的金額乃從定期向本集團最高級行政管理人員提供以就本集團業務及地理區域進行資源分配及表現評估的財務報表中識別。

就財務報告而言，個別重大的經營分部並不予以合算，除非該等分部具有相似經濟特性，以及就產品及服務性質、生產程序性質、客戶類別或種類、用以分銷產品或提供服務的方式及監管環境的性質方面相似，則另當別論。倘其符合該大部分有關條件，並非個別重大的經營分部可予以合算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(a) Key sources of estimation uncertainty

Note 33 contains information about the assumptions and their risk factors relating to the fair value of financial instruments.

(b) Critical accounting judgements in applying the Group's financial statements

In the process of applying the Group's accounting policies, management has made the following accounting judgements:

(i) Impairment

Notes 16 and 33(a) contain information about the assumptions and risk factors relating to the impairment of goodwill and trade debtors. Other key sources of estimation uncertainty are as follows:

In considering the impairment losses that may be required for certain assets of the Group, the recoverable amount of the asset needs to be determined. The recoverable amount is the greater of its fair value less cost of disposal and value in use. In determining the fair value less cost of disposal, the Group engages third party valuation specialists to evaluate or internally assesses the fair value and estimated the costs of disposal of the assets. In determining the value in use, expected cash flows generated by the asset are discounted to its present value, which requires significant judgement 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 a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as revenue and operating costs.

Impairment losses for doubtful debts are assessed and provided based on the regular review of ageing analysis and evaluation of collectability by the management. A considerable level of judgement is exercised by the management when assessing the credit worthiness and past collection history of each individual customer.

Recoverability of advance payments to suppliers are assessed based on the regular review of ageing analysis and past histories of the supply of goods to the Group of each supplier. A considerable level of judgement is exercised by the management when assessing the credit worthiness of each supplier.

3 會計判斷及估計

(a) 估計不確定性的主要來源

附註33載有關於該等金融工具的公平值的假設及風險因素的資料。

(b) 於應用本集團財務報表時之重要會計判斷

於應用本集團會計政策時，管理層作出下列會計判斷：

(i) 減值

附註16及33(a)載有關於商譽及貿易賬款減值的假設及風險因素的資料。以下為估計不確定性的其他主要來源：

考慮本集團若干資產可能需要計提的減值虧損時，需要釐定該等資產的可收回金額。可收回金額是公平值減出售成本與使用價值兩者中之較高者。為釐定公平值減出售成本，本集團委聘第三方估值專家評估或內部評估資產的公平值及估計出售成本。在釐定使用價值時，預計從有關資產所得的現金流量會貼現至其現值，當中需要對如營業額水平及營運成本等項目作出重大判斷。本集團會運用一切可得資料，釐定可收回金額之合理概約數字，包括根據對營業額及營運成本等項目之合理和具支持之假設和預測所作出之估計。

呆賬減值虧損乃根據管理層定期審閱賬齡分析及可收回程度評估來作出評估及計提撥備。管理層評估各個別客戶的信譽度及過往收賬記錄時，會作出相當程度的判斷。

向供應商墊款的可收回性會基於賬齡分析的定期審閱及各供應商向本集團供應貨品的過往記錄進行評估。管理層於評估各供應商的信譽度時作出相當程度的判斷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

(b) Critical accounting judgements in applying the Group's financial statements (Continued)

(ii) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price less estimated costs of completion and distribution expenses. These estimates are based on the current market condition and historical experience of selling products of similar nature. It could change significantly as a result of competitor actions in response to severe industry cycles or changes in market conditions. Management reassesses these estimations at the balance sheet date to ensure inventories are shown at the lower of cost and net realisable value.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straightline basis over the estimated useful lives of the assets, after taking into account the estimated residual value. Management reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives of the assets are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(iv) Income tax

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. Management carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of these transactions is reconsidered periodically by taking into account all changes in tax legislations. Deferred tax assets are recognised for deductible temporary differences. As deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available, management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets, if any, are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

3 會計判斷及估計(續)

(b) 於應用本集團財務報表時之重要會計判斷(續)

(ii) 存貨可變現淨值

存貨可變現淨值指估計售價減估計完成成本及分銷開支後的金額。該等估計乃根據當前市況以及銷售同類性質產品的過往經驗作出。該等估計可能因競爭對手為應對嚴峻行業週期所採取的行動或市況變動而發生重大變動。管理層於結算日重新評估該等估計，以確保存貨是以成本和可變現淨值的較低者呈列。

(iii) 折舊

物業、廠房及設備項目在考慮估計剩餘價值後，於資產的估計可使用年內按直線法計提折舊。管理層定期檢討資產的估計可使用年期以釐定在任何報告期內須入賬的折舊開支數額。資產的可使用年期乃本集團根據類似資產的過往經驗並計入預期的技術變更得出。倘過往估計發生重大變化，則會在未來期間對折舊開支進行調整。

(iv) 所得稅

釐定所得稅撥備涉及對若干交易未來稅務處理的判斷。管理層審慎評估交易的稅務影響，並計提相應的稅項撥備。本集團定期重新考慮有關交易的稅處理，以計及稅務法規的所有變動。遞延稅項資產就可抵扣暫時差異進行確認。由於該等遞延稅項資產僅限於很可能獲得未來應課稅溢利時才會確認，故需要管理層的判斷以評估獲得未來應課稅溢利的可能性。本集團不斷審閱管理層的評估，倘日後很可能取得應課稅溢利以收回遞延稅項資產，則會確認額外的遞延稅項資產(如有)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

4 REVENUE

The principal activities of the Group are manufacturing and sales of copper and related products, sales of aluminium products, and provision of contract manufacturing services in the PRC.

The amount of each significant category of revenue is as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Sales from trading of electrolytic copper (Note)	電解銅貿易銷售(附註)	10,152,885	3,522,236
Sales of recycled copper products	銷售再生銅產品	3,532,396	1,367,891
Sales of power transmission and distribution cables	銷售送配電纜	13,489	3,099
Sales of communication cables	銷售通信電纜	34,460	35,832
Sales of scrap materials	銷售廢棄材料	5,948	447
Sales of aluminium products	銷售鋁產品	-	3,055
Contract manufacturing income	合同製造收入	2,684	1,065
		13,741,862	4,933,625

Note: The Group has entered into trading activities of electrolytic copper since 2015 whereas the Group is considered the principal of the transactions as it controls the electrolytic copper before they are sold to the customers. The gross inflows of the trading activities are therefore recognised as revenue.

Two customers (2016: two customers) of the Group contributed more than 10% of the Group's total revenue for the year ended 31 December 2017. For the year ended 31 December 2017, the revenue from these major customers (2016: two major customers) amounted to RMB6,455,945,000 (2016: RMB1,544,892,000). Further details of concentrations of credit risk arising from customers are set out in note 33(a).

4 營業額

本集團的主要業務是在中國生產及銷售銅及相關產品、銷售鋁產品和提供合同製造服務。

各重大類別營業額金額如下：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Sales from trading of electrolytic copper (Note)	10,152,885	3,522,236
Sales of recycled copper products	3,532,396	1,367,891
Sales of power transmission and distribution cables	13,489	3,099
Sales of communication cables	34,460	35,832
Sales of scrap materials	5,948	447
Sales of aluminium products	-	3,055
Contract manufacturing income	2,684	1,065
	13,741,862	4,933,625

附註：本集團自2015年以來開展電解銅的貿易活動，由於本集團在向客戶銷售電解銅前控制該產品，故本集團被視為該等交易的主體責任人。根據貿易活動的經濟利益總流入因此被確認為營業額。

截至2017年12月31日止年度，兩名(2016年：兩名)本集團客戶的營業額佔本集團總營業額10%以上。截至2017年12月31日止年度，來自該等主要客戶(2016年：兩名主要客戶)的營業額為人民幣6,455,945,000元(2016年：人民幣1,544,892,000元)。有關源自該等客戶的信貸集中風險的進一步詳情載於附註33(a)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

5 SEGMENT REPORTING

The Group manages its businesses by business operations. In a manner consistent with the way in which 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 four reportable segments, namely recycled copper products segment, power transmission and distribution cables segment, communication cables segment and aluminium products segment as at 31 December 2017.

- (i) Recycled copper products segment: use of scrap copper and electrolytic copper for the manufacturing and trading of recycled copper products, and trading of electrolytic copper;
- (ii) Power transmission and distribution cables segment: manufacturing sales of power transmission and distribution cables;
- (iii) Communication cables segment: manufacturing and sales of communication cables; and
- (iv) Aluminium products segment: sales of aluminium products.

(a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's most 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.

The measure used for reporting segment profit/(loss) is "profit/(loss) after taxation". To arrive at reportable segment profit/(loss), the Group's profit/(loss) is further adjusted for items not specially attributed to individual segments, such as head office or corporate administrative costs.

A measurement of segment assets and liabilities is not provided regularly to the Group's most senior executive management and accordingly, no segment assets or liabilities information is presented.

5 分部報告

本集團按業務營運管理其業務。與就分配資源及評估表現而向本集團的最高級行政管理層作內部呈報資料的方式一致，於2017年12月31日，本集團呈列以下四個可報告分部，即再生銅產品分部、送配電纜分部、通信電纜分部及鋁產品分部。

- (i) 再生銅產品分部：使用廢銅及電解銅用於生產及買賣再生銅產品及買賣電解銅；
- (ii) 送配電纜分部：生產及銷售送配電纜；
- (iii) 通信電纜分部：生產及銷售通信電纜；及
- (iv) 鋁產品分部：銷售鋁產品。

(a) 分部業績

就評估分部表現及各分部間之資源分配而言，本集團最高級行政管理層按下列基準監控各個可報告分部的業績：

收入及開支乃參考可報告分部產生的銷售及開支或參考有關分部應佔資產折舊或攤銷所產生的開支而分配至可報告分部。

用於衡量呈報分部溢利/(虧損)的指標為「稅後溢利/(虧損)」。為計算可報告分部溢利/(虧損)，本集團的溢利/(虧損)進一步就並非明確歸於個別分部的項目(例如總辦事處或企業行政成本)作出調整。

由於分部資產和負債的計量結果沒有定期呈報給本集團最高級行政管理層，因此分部資產和負債資料不予呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

5 SEGMENT REPORTING (Continued)

(a) Segment results (Continued)

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:

5 分部報告(續)

(a) 分部業績(續)

本集團於截至2017年及2016年12月31日止年度以資源分配及評估分部表現為目的而呈報本集團最高級行政管理層的可報告分部資料載列如下：

		2017 2017年				
		Recycled copper products 再生銅產品 RMB'000 人民幣千元	Power transmission and distribution cables 送配電纜 RMB'000 人民幣千元	Communication cables 通信電纜 RMB'000 人民幣千元	Aluminium products 鋁產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收益	13,693,913	13,489	34,460	-	13,741,862
Intersegment revenue	分部間收益	269,565	260	930	-	270,755
Reportable segment revenue	可報告分部收益	13,963,478	13,749	35,390	-	14,012,617
Reportable segment profit/(loss)	可報告分部溢利/(虧損)	295,873	39,680	(90)	-	335,463
Interest income	利息收入	17,319	25	241	-	17,585
Finance costs	財務成本	66,845	707	1,268	-	68,820
Depreciation and amortisation	折舊及攤銷	26,074	8,306	3,504	86	37,970
VAT refunds, government grants and subsidies	增值稅退稅及政府補助及補貼	279,064	17,490	6,940	-	303,494
Impairment loss of trade debtors and bills receivable	貿易賬款及應收票據之減值虧損	11,943	3,267	580	-	15,790
Reversal of impairment loss of trade debtors and bills receivable	貿易賬款及應收票據之減值虧損回撥	95,333	47,685	229	-	143,247

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

5 SEGMENT REPORTING (Continued)

(a) Segment results (Continued)

5 分部報告(續)

(a) 分部業績(續)

		2016 2016年				
		Recycled copper products 再生銅產品 RMB'000 人民幣千元	Power transmission and distribution cables 送配電纜 RMB'000 人民幣千元	Communication cables 通信電纜 RMB'000 人民幣千元	Aluminium products 鋁產品 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Revenue from external customers	來自外部客戶的收益	4,891,639	3,099	35,832	3,055	4,933,625
Intersegment revenue	分部間收益	10,942	222	-	-	11,164
Reportable segment revenue	可報告分部收益	4,902,581	3,321	35,832	3,055	4,944,789
Reportable segment loss	可報告分部虧損	(59,629)	(49,814)	(732)	(484)	(110,659)
Interest income	利息收入	22,558	12	273	-	22,843
Finance costs	財務成本	64,123	2,616	1,876	-	68,615
Depreciation and amortisation	折舊及攤銷	24,433	8,322	3,292	86	36,133
VAT refunds, government grants and subsidies	增值稅退稅及政府補助 及補貼	141,245	13,155	1,791	-	156,191
Impairment loss of trade debtors and bills receivable	貿易賬款及應收票據 之減值虧損	102,932	48,821	1,375	-	153,128
Reversal of impairment loss of trade debtors and bills receivable	貿易賬款及應收票據之 減值虧損回撥	24,457	3,965	152	-	28,574

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

5 SEGMENT REPORTING (Continued)

(b) Reconciliations of reportable segment revenue and profit or loss

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Revenue	收益		
Reportable segment revenue	可報告分部收益	14,012,617	4,944,789
Elimination of inter-segment revenue	對銷分部間收益	(270,755)	(11,164)
Consolidated revenue (see note 4)	綜合收益(見附註4)	13,741,862	4,933,625
Profit/(Loss)	溢利/(虧損)		
Reportable segment profit/(loss) derived from the Group's external customers	來自本集團外部客戶的可報告分部溢利/(虧損)	335,463	(110,659)
Unallocated head office and corporate expenses	未分配總辦事處及企業開支	(155,255)	(202,752)
Share of profit of associates	應佔聯營公司溢利	4,375	1,793
Consolidated profit/(loss) for the year	年內綜合溢利/(虧損)	184,583	(311,618)

(c) Geographic information

The Group carries out its business operations in the PRC, thus no separate geographical segment analysis based on the location of assets and the revenue and loss are presented.

5 分部報告(續)

(b) 可報告分部收益與損益的對賬

(c) 地理資料

本集團於中國經營業務，因此並無呈列按資產及收益和虧損所在地劃分的獨立地區分部分析。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

6 OTHER NET INCOME/(LOSS)

6 其他淨收入／(虧損)

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
VAT refunds	增值稅退稅		
— Comprehensive utilisation of resources (note (i))	— 綜合利用資源(附註(i))	130,442	40,098
— Others	— 其他	2,740	—
Government grants (note (ii))	政府補助(附註(ii))	83,012	48,576
Government subsidies (note (iii))	政府補貼(附註(iii))	87,300	67,517
Interest income	利息收入	1,538	22,953
Net gain/(loss) on copper futures contracts upon settlement	銅期貨合約交割後淨收益／(虧損)	1,334	(28)
Net foreign exchange gain/(loss)	淨匯兌收益／(虧損)	13,139	(9,190)
Net loss on sale of property, plant and equipment	出售物業、廠房及設備的淨虧損	(32)	(22)
Change in fair value of derivative component of convertible bonds	可換股債券的衍生工具部分的公平值變動	2,233	6,633
Impairment loss of interest in an associate	於一間聯營公司權益之減值虧損	—	(100,315)
Share of profits of associates	應佔聯營公司溢利	4,375	1,793
Impairment loss of trade and other receivables (note 21(b))	貿易賬款及其他應收賬款減值虧損(附註21(b))		
— Reversal of provision	— 撥備撥回	143,247	28,574
— Charge for the year	— 年內變動	(15,790)	(153,128)
Others	其他	(3,366)	(1,593)
		450,172	(48,132)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

6 OTHER NET INCOME/(LOSS) (Continued)

Notes:

- (i) The Group is entitled to government grants for refunds of 30% for the year ended 31 December 2017 (2016: 30%) of the net VAT paid/payable.

The Ministry of Finance and the State Administration of Taxation jointly issued a notice concerning the "Catalogue on Products and Labour Services relating to Comprehensive Utilisation of Resources Eligible for Concessions of Value-added Tax" (Cai Shui [2015] (No. 78)) (the "New VAT Policy") on 12 June 2015, which replaced, amongst others, Cai Shui [2011] No. 115 (the "Former VAT Policy"). Under the Former VAT Policy, certain subsidiaries of the Group are entitled to government grants for refunds of 50% of the net VAT paid/payable. The New VAT Policy took effect on 1 July 2015. According to the New VAT Policy, the applicable VAT refund for such subsidiaries are reduced from 50% to 30%.

- (ii) The amounts represent local government grants received by operating subsidiaries of the Group in the PRC for the purpose of providing immediate financial support to those subsidiaries for general operating use with no future related costs. No specific conditions are required to meet in connection with these grants.

- (iii) In 2017, the Group was granted unconditional government subsidies of RMB87,300,000 (2016: RMB67,517,000) from Youxian District Finance Bureau, Mianyang City, Sichuan Province. The subsidies were received through Sichuan Baohe Fushan Resources Recycling Development Co., Ltd. ("Baohe Fushan"), an associate of the Group. Baohe Fushan is principally engaged in the operation and the development of an industrial park in Mianyang City, Sichuan Province, where most of the Group's subsidiaries are located.

6 其他淨收入／(虧損)(續)

附註：

- (i) 截至2017年12月31日止年度，本集團有權獲得相等於30%(2016年：30%)已付／應付增值稅淨額的退稅作為政府補助。

財政部及國家稅務總局於2015年6月12日聯合發出關於《資源綜合利用產品和勞務增值稅優惠目錄》的通知(財稅[2015]78號)(「新增值稅政策」)，其取代(其中包括)財稅[2011]115號(「前增值稅政策」)。根據前增值稅政策，本集團若干附屬公司獲得相等於50%已付／應付增值稅淨額的退稅作為政府補助。新增值稅政策於2015年7月1日生效。根據新增值稅政策，該等附屬公司的適用增值稅退稅比例從50%減至30%。

- (ii) 該等金額指本集團於中國之營運附屬公司所收取的地方政府補助，作為對該等附屬公司的即時財政援助，以供用於一般營運，而不會產生日後相關成本。毋須就補助符合特殊條件。

- (iii) 於2017年，本集團獲得四川省綿陽市游仙區財政局批授的無條件政府補貼人民幣87,300,000元(2016年：人民幣67,517,000元)。該等補貼已透過本集團的聯營公司四川省保和富山再生資源開發有限公司(「保和富山」)收取。保和富山主要從事四川省綿陽市一個工業園的經營及開發，本集團的大部分附屬公司在該處經營。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

7 PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation is arrived at after charging:

7 稅前溢利／(虧損)

稅前溢利／(虧損)乃扣除以下各項後得出：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
(a) Finance costs	(a) 財務成本		
Interest on bank loans and other borrowings	銀行貸款及其他借款的利息	68,885	59,669
Finance charges on obligation under finance lease	融資租賃下責任之融資開支	1,396	2,362
Interest on loans from related parties	來自關聯方的貸款的利息	–	4,790
Interest on convertible bonds	可換股債券之利息	67,137	60,639
Guarantee fees and other charges	擔保費用及其他收費	5,802	6,585
		143,220	134,045
(b) Staff costs	(b) 員工成本		
Salaries, wages and other benefits	薪金、工資及其他福利	29,354	35,908
Contributions to defined contribution retirement schemes	界定供款退休計劃的供款	2,270	2,918
Share-based payment expenses	以股份為基礎的付款開支	23,210	37,406
		54,834	76,232

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

7 PROFIT/(LOSS) BEFORE TAXATION (Continued)

Pursuant to the relevant labour rules and regulations in the PRC, the Group's subsidiaries in the PRC participate in defined contribution retirement benefit schemes (the "Schemes") organised by the local authorities whereby the subsidiaries are required to make contributions to the Schemes based on a percentage of the eligible employees' salaries for the year. Contributions to the Schemes vest immediately. Under the Schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

The Group also participates in a Mandatory Provident Fund Scheme ("the MPF Scheme") for all qualifying employees in Hong Kong. The Group's and employee's contributions to the MPF Scheme are based on 5% of the relevant income of the relevant employee (up to a cap of monthly relevant income of HK\$30,000) and in accordance with the requirements of the Mandatory Provident Fund Schemes Ordinance and related regulations.

7 稅前溢利／(虧損)(續)

根據中國相關勞動規則及法規，本集團於中國的附屬公司參與由各地地方機關組織的界定供款退休福利計劃（「計劃」），據此，附屬公司於年內須按合資格僱員薪金的某百分比向計劃作出供款。計劃的供款會即時歸屬。根據計劃，相關計劃管理機構須為現有及退休僱員支付退休福利，而本集團除每年供款外，毋須承擔其他責任。

本集團亦為所有合資格香港僱員參與強制性公積金計劃（「強積金計劃」）。根據強制性公積金計劃條例及相關法規之規定，本集團及僱員均須對強積金計劃作出以相關員工相關收入之5%計算之供款，而每月相關收入上限為30,000港元。

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
(c) Other items	(c) 其他項目		
Cost of inventories (Note)	存貨成本(附註)	13,618,255	4,890,742
Depreciation of property, plant and equipment	物業、廠房及設備的折舊	35,848	34,011
Amortisation of lease prepayments	租賃預付款攤銷	2,122	2,122
Group auditor's remuneration	本集團核數師酬金		
— Audit services	— 審核服務	2,350	2,150
— Review and other services	— 審閱及其他服務	1,236	934
Local statutory auditor's remuneration	當地法定核數師酬金		
— Audit services	— 審核服務	253	268
Research and development costs	研發成本	1,414	1,221

Note: Cost of inventories includes RMB16,693,000 (2016: RMB16,914,000) relating to staff costs, depreciation and amortisation, which amount is also included in the respective total amounts disclosed separately above or in note 7(b) for each of these types of expenses.

附註：存貨成本包括與員工成本、折舊及攤銷有關的人民幣16,693,000元(2016年：人民幣16,914,000元)，就每項該等類別開支而言，有關金額亦會計入上文或附註7(b)單獨披露的有關總額內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

8 綜合損益表內的所得稅

(a) 綜合損益表內的稅項指：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current tax — PRC Corporate Income Tax 即期稅項 — 中國企業所得稅			
Provision for the year	年內撥備	32,809	15,897
Adjustment for prior year	過往年度調整	(2,587)	1,099
		30,222	16,996
Deferred tax 遞延稅項			
Origination and reversal of temporary differences	暫時差額的產生及撥回	41,599	(23,889)
		71,821	(6,893)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision has been made for Hong Kong Profits Tax as the Group did not earn any assessable profit subject to Hong Kong Profits Tax during the current and prior years.

The PRC statutory income tax rate is 25% (2016: 25%). The Group's PRC subsidiaries are subject to PRC income tax at 25% unless otherwise specified.

According to the income tax law and its relevant regulations, entities that qualified as high-technology enterprises under the tax law are entitled to a preferential income tax rate of 15%. Certain subsidiaries of the Group which were qualified as high technology enterprises in 2016 are subject to income tax at 15% for the years from 2016 to 2019.

根據開曼群島及英屬處女群島(「英屬處女群島」)的規則及規例，本集團毋須在開曼群島及英屬處女群島繳納任何所得稅。

由於本集團於本年度及過往年度並無賺取須繳納香港利得稅的任何應課稅溢利，故並無就香港利得稅作出撥備。

中國法定所得稅稅率為25%(2016年：25%)。除非另有規定，否則本集團中國附屬公司須按25%繳納中國所得稅。

按照所得稅法及其相關規定，凡稅法上被認定為高新技術企業的公司享受15%的優惠稅率。本集團若干附屬公司於2016年被認定為高新技術企業，並於2016年至2019年享受15%的所得稅稅率。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

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

According to the "Notice on Corporate Income Tax Issues Concerning Further Implementation of Western China Development Strategy" (Guo Jia Shui Wu Zong Ju Gong Gao [2012] No.12) issued by State Administration of Taxation ("SAT"), companies in the western region that engage in the industries encouraged by the State can enjoy the preferential corporate income tax rate of 15% from 1 January 2011 to 31 December 2020, the Group's certain subsidiaries established in Mianyang city, Sichuan Province can enjoy the preferential tax rate of 15%.

According to PRC corporate income tax laws and its implementation rules, dividends receivable and interest income by non-PRC corporate residents from PRC enterprises are subject to withholding tax at a rate of 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. In addition, under the Mainland-Hong Kong Double Tax Arrangement and its relevant regulations, a qualified Hong Kong tax resident will be liable for withholding tax at the rate 5% for dividend income and interest income derived from the PRC if the Hong Kong tax resident is the "beneficial owner" and holds 25% or more of the equity interests of the PRC enterprises.

Since the Group can control the amount and timing of distribution of profits of the Group's PRC subsidiaries, deferred tax liabilities are only provided to the extent that such profits are expected to be distributed in the foreseeable future.

8 綜合損益表內的所得稅(續)

(a) 綜合損益表內的稅項指：(續)

根據國家稅務總局(「國家稅務總局」)刊發的《深入實施西部大開發戰略有關企業所得稅問題的公告》(國家稅務總局公告[2012]年第12號)，自2011年1月1日至2020年12月31日，對設在西部地區的國家鼓勵類產業企業可享有15%的企業所得稅稅率，本集團於四川省綿陽市設立的若干附屬公司可享有15%的優惠稅率。

根據中國企業所得稅法律及其實施規則，對於自2008年1月1日起賺取的利潤，非中國企業居民自中國企業應收的股息及利息收入須以10%的稅率徵收預扣稅(除非獲得稅務條約或安排的減除)。此外，根據內地和香港的避免雙重徵稅安排及其相關規定，倘香港稅務居民乃為中國企業的「實益擁有人」，並持有其25%或以上的股權，則合資格香港稅務居民須就得自中國的股息收入及利息收入繳納預扣稅，稅率為5%。

由於本集團可控制分派本集團中國附屬公司的溢利的數額及時間，遞延稅項負債僅以預期可於可見將來分派的有關溢利為限計提撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(b) Reconciliation between tax credit and accounting profit/(loss) at applicable tax rates:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit/(loss) before taxation	稅前溢利/(虧損)	256,404	(318,511)
Notional tax on profit/(loss) before taxation, calculated at the rates applicable in the tax jurisdictions concerned	按相關稅務司法權區所用稅率計算的稅前溢利/(虧損)的推算稅項	72,763	(16,189)
Tax effect of non-deductible expenses	不可扣稅開支的稅務影響	1,326	3,781
Tax effect of non-taxable income	非課稅收入的稅務影響	(2,414)	(1,145)
Tax effect of unused tax losses and deductible temporary difference not recognised	未動用稅項虧損及未確認可扣稅暫時差額的稅務影響	362	4,488
Adjustment for prior year	過往年度的調整	(2,587)	1,099
Withholding tax for interest charges between the PRC subsidiaries and entities outside mainland PRC	中國附屬公司及中國大陸境外實體之間利息費用預扣稅	1,859	1,073
Others	其他	512	-
Actual tax expenses/(credit)	實際稅務開支/(抵免)	71,821	(6,893)

8 綜合損益表內的所得稅(續)

(b) 稅務抵免與按適用稅率計算的會計溢利/(虧損)的對賬：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

9 DIRECTORS' EMOLUMENTS

Directors' emoluments disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

9 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)規例第二部披露之董事酬金如下：

		2017 2017年					
		Salaries, allowances and benefits in kind 薪金、津貼 及實物利益 附註(b)	Discretionary bonuses 酌情花紅	Retirement scheme contribution note (b) 退休 計劃供款 附註(b)	Sub-total 小計	Share-based payments note (a) 以股份為 基礎的付款 附註(a)	Total 總計
note 附註		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Executive directors 執行董事							
Mr. Yu Jianqiu	俞建秋先生	-	2,766	-	15	2,781	2,781
Mr. Kwong Wai Sun Wilson	鄺偉信先生	-	1,554	-	15	1,569	2,046
Mr. Huang Weiping	黃偉萍先生	173	161	-	-	334	373
Ms. Zhu Yufen	朱玉芬女士	173	138	-	-	311	504
		346	4,619	-	30	4,995	5,704
Independent non-executive directors 獨立非執行董事							
Mr. Lee Ting Bun Denny	李廷斌先生	173	-	-	-	173	268
Ms. Ren Ruxian	任汝嫻女士	173	-	-	-	173	598
Mr. Pan Liansheng	潘連勝先生	173	-	-	-	173	268
		519	-	-	-	519	1,134
		865	4,619	-	30	5,514	6,838

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

9 DIRECTORS' EMOLUMENTS (Continued)

9 董事酬金 (續)

		Salaries, allowances and benefits in kind		Discretionary bonuses	Retirement scheme contribution	Sub-total	Share-based payments	Total
		note (c)	note (b)		note (b)		note (a)	
		董事袍金	薪金、津貼及實物利益	酌情花紅	退休計劃供款	小計	以股份為基礎的付款	總計
		附註(c)	附註(b)		附註(b)		附註(a)	
		note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事							
Mr. Yu Jianqiu	俞建秋先生	-	2,732	-	15	2,747	-	2,747
Mr. Kwong Wai Sun Wilson	鄺偉信先生	-	1,535	-	15	1,550	1,192	2,742
Mr. Huang Weiping	黃偉萍先生	171	98	-	-	269	146	415
Ms. Zhu Yufen	朱玉芬女士	171	120	-	-	291	730	1,021
		342	4,485	-	30	4,857	2,068	6,925
Independent non-executive directors	獨立非執行董事							
Mr. Lee Ting Bun Denny	李廷斌先生	171	-	-	-	171	238	409
Ms. Ren Ruxian	任汝嫻女士	171	-	-	-	171	373	544
Mr. Pan Liansheng	潘連勝先生	171	-	-	-	171	238	409
		513	-	-	-	513	849	1,362
		855	4,485	-	30	5,370	2,917	8,287

Notes:

- (a) These represent the estimated value of share options granted to the directors under the Company's share option scheme (see note 30). The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(s)(ii).
- (b) The amount represents the emoluments/retirement benefits paid in respect of the services in connection with the management of the affairs of the Company or its subsidiary undertaking.
- (c) The amount represents the emoluments paid in respect of service from the directors.
- (d) No emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office for the current or prior years. No director has waived or agreed to waive any emoluments for the current or prior years.

附註：

- (a) 該等數額指董事根據本公司購股權計劃獲授購股權的估計價值(見附註30)。該等購股權的價值乃根據附註2(s)(ii)所載本集團有關以股份為基礎的付款交易的會計政策計量。
- (b) 該款項指就管理本公司或其附屬公司事務的服務支付的酬金/退休福利。
- (c) 該款項指就董事服務支付之酬金。
- (d) 於本年度或過往年度，本集團並無向董事支付任何酬金作為加盟本集團或加入本集團後的獎金或作為離職補償。概無董事放棄或同意放棄本年度或過往年度的任何酬金。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2016: two) are directors whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the other three (2016: three) individuals are as follows:

10 最高薪酬人士

五名最高薪酬人士當中有兩名(2016年：兩名)董事，其薪酬於附註9披露。其餘三名(2016年：三名)人士的薪酬總額如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Salaries and other emoluments	薪金及其他報酬	2,565	1,752
Share-based payments	以股份為基礎的付款	818	3,498
Retirement scheme contributions	退休計劃供款	31	40
		3,414	5,290

The above individuals' emoluments are within the following bands:

以上人士的薪酬介乎以下範圍：

		2017 2017年	2016 2016年
Nil to HK\$1,000,000	零至1,000,000港元	1	–
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	–	–
HK\$1,500,001 to HK\$2,000,000	1,500,001港元至2,000,000港元	2	1
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	–	2

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

11 EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(losses) per share is based on the profit attributable to ordinary shareholders of the Company of RMB184,583,000 (2016: loss of RMB310,820,000) and the weighted average number of ordinary shares in issue during the year.

11 每股盈利／(虧損)

(a) 每股基本盈利／(虧損)

每股基本盈利／(虧損)乃根據本公司普通股股東應佔溢利人民幣184,583,000元(2016年：虧損人民幣310,820,000元)及年內已發行普通股的加權平均數目而計算。

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit/(loss) attributable to equity shareholders of the Company	本公司權益股東應佔溢利／(虧損)	184,583	(310,820)
Issued ordinary shares at 1 January	於1月1日的已發行普通股	2,297,445,600	2,105,145,600
Effect of exercise of share options (note 29(c)(i))	行使購股權的影響(附註29(c)(i))	4,228,767	50,532,787
Effect of conversion of convertible bonds (note 29(c)(ii))	轉換可換股債券的影響(附註29(c)(ii))	64,239,381	10,645,902
Effect of issue of new shares (note 29(c)(iii))	發行新股份的影響(附註29(c)(iii))	41,197,362	-
Effect of deemed issue of consideration shares (note)	視作發行代價股份的影響(附註)	3,642,752	-
Weighted average number of ordinary shares in issue	已發行普通股的加權平均數目	2,410,753,862	2,166,324,289
Basic earnings/(losses) per share (RMB)	每股基本盈利／(虧損)(人民幣元)	0.08	(0.14)

Note: Consideration shares that will be issued to the subscribers on the allotment date are included in the calculation of basic earnings per share from the date the goods are supplied (see note 29(d)(vii)).

附註：於配發日期將發行予認購方之代價股份自供應商品日期起計入每股基本盈利計算之內(見附註29(d)(vii))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

11 EARNINGS/(LOSS) PER SHARE (Continued)

(b) Diluted earnings/(loss) per share

The calculation of diluted earnings/(losses) per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB184,583,000 (2016: loss of RMB310,820,000) and the weighted average number of ordinary shares of 2,490,011,393 (2016: 2,166,324,289 shares), calculated as follows:

(i) Profit attributable to ordinary shareholders of the Company (diluted)

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit/(loss) attributable to equity shareholders of the Company (diluted)	本公司權益股東應佔溢利/(虧損)(攤薄)	184,583	(310,820)

(ii) Weighted average number of ordinary shares (diluted)

Weighted average number of ordinary shares at 31 December	於12月31日的普通股加權平均數目	2,410,753,862	2,166,324,289
Effect of exercise of share options	行使購股權的影響	62,981,152	-
Effect of exercise of warrants	行使認股權證的影響	15,484,436	-
Effect of share option lapsed but counted for a portion of period during the year	購股權於年內失效但於部分期間內入賬的影響	791,943	-
Weighted average number of ordinary shares in issue	已發行普通股加權平均數目	2,490,011,393	2,166,324,289

11 每股盈利/(虧損)(續)

(b) 每股攤薄盈利/(虧損)

每股攤薄盈利/(虧損)按本公司普通股股東應佔溢利人民幣184,583,000元(2016年：虧損人民幣310,820,000元)及加權平均普通股數目2,490,011,393股(2016年：2,166,324,289股)計算如下：

(i) 本公司普通股股東應佔溢利(攤薄)

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit/(loss) attributable to equity shareholders of the Company (diluted)	本公司權益股東應佔溢利/(虧損)(攤薄)	184,583	(310,820)

(ii) 普通股加權平均數目(攤薄)

Weighted average number of ordinary shares at 31 December	於12月31日的普通股加權平均數目	2,410,753,862	2,166,324,289
Effect of exercise of share options	行使購股權的影響	62,981,152	-
Effect of exercise of warrants	行使認股權證的影響	15,484,436	-
Effect of share option lapsed but counted for a portion of period during the year	購股權於年內失效但於部分期間內入賬的影響	791,943	-
Weighted average number of ordinary shares in issue	已發行普通股加權平均數目	2,490,011,393	2,166,324,289

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

12 PROPERTY, PLANT AND EQUIPMENT

12 物業、廠房及設備

		Buildings	Plant and machinery	Furniture, fittings and equipment 傢俱、裝置及設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost:	成本：						
At 1 January 2017	於2017年1月1日	342,121	235,758	5,405	6,192	186,793	776,269
Additions	添置	532	1,080	136	2,970	5,552	10,270
Transfers	轉移	635	25,895	-	-	(26,530)	-
Disposals	處置	-	(108)	-	-	-	(108)
At 31 December 2017	於2017年12月31日	343,288	262,625	5,541	9,162	165,815	786,431
Accumulated depreciation and impairment losses:	累計折舊及減值虧損：						
At 1 January 2017	於2017年1月1日	73,515	100,533	3,458	4,693	-	182,199
Charge for the year	年內扣除	14,821	19,440	858	729	-	35,848
Written back on disposals	處置時撥回	-	(76)	-	-	-	(76)
At 31 December 2017	於2017年12月31日	88,336	119,897	4,316	5,422	-	217,971
Net book value:	賬面淨值：						
At 31 December 2017	於2017年12月31日	254,952	142,728	1,225	3,740	165,815	568,460

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

12 PROPERTY, PLANT AND EQUIPMENT (Continued)

12 物業、廠房及設備(續)

		Buildings	Plant and machinery	Furniture, fittings and equipment 傢俱、裝置及設備	Motor vehicles 汽車	Construction in progress 在建工程	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Cost:	成本：						
At 1 January 2016	於2016年1月1日	286,421	231,683	5,252	5,811	203,469	732,636
Additions	添置	19,567	3,493	71	381	20,162	43,674
Transfers	轉移	25,263	11,493	82	-	(36,838)	-
Reclassification	重新分類	10,870	(10,870)	-	-	-	-
Disposals	處置	-	(41)	-	-	-	(41)
At 31 December 2016	於2016年12月31日	342,121	235,758	5,405	6,192	186,793	776,269
Accumulated depreciation and impairment losses:	累計折舊及減值虧損：						
At 1 January 2016	於2016年1月1日	59,004	81,871	2,640	4,069	623	148,207
Charge for the year	年內扣除	14,425	18,144	818	624	-	34,011
Reclassification	重新分類	86	537	-	-	(623)	-
Written back on disposals	處置時撥回	-	(19)	-	-	-	(19)
At 31 December 2016	於2016年12月31日	73,515	100,533	3,458	4,693	-	182,199
Net book value:	賬面淨值：						
At 31 December 2016	於2016年12月31日	268,606	135,225	1,947	1,499	186,793	594,070

(a) All of the Group's property, plant and equipment are located in the PRC. At 31 December 2017, property, plant and equipment with net book value of RMB214,419,000 (2016: RMB202,891,000) were pledged for certain banking facilities granted to the Group (see note 26(c)).

(b) At 31 December 2017, the Group has yet to obtain property ownership certificates for buildings with an aggregate net book value of RMB40,466,000 (2016: RMB42,605,000). The directors of the Company are of the opinion that the Group owned the beneficial title to these buildings as at 31 December 2017 and 2016.

(a) 本集團的所有物業、廠房及設備均位於中國。於2017年12月31日，賬面淨值為人民幣214,419,000元(2016年：人民幣202,891,000元)的物業、廠房及設備已予抵押，作為本集團獲授若干銀行融資的擔保(見附註26(c))。

(b) 於2017年12月31日，本集團尚未就賬面淨值總額人民幣40,466,000元(2016年：人民幣42,605,000元)的建築物取得房產證。本公司董事認為本集團於2017年及2016年12月31日擁有該等建築物的實益業權。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

12 PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) In addition to the leasehold land in note 13, the Group leases production plant and machinery under finance lease expiring from 3 to 5 years. At the end of the lease term the Group has the option to purchase the leased equipment at a price deemed to be a bargain purchase option (see note 25). None of these leases includes contingent rentals.

At 31 December 2017, the remaining lease periods varied from 12 months to 35 months and the net book value of plant and equipment under finance leases included in property, plant and equipment amounted to RMB44,645,000 (2016: RMB49,286,000).

12 物業、廠房及設備(續)

(c) 除附註13的租賃土地外，本集團以3年至5年屆滿的融資租賃租賃生產廠房及機器。於租賃期末，本集團可選擇以被視為廉價收購選擇權的價格購買所租賃的設備(見附註25)。租賃概不包括或然租金。

於2017年12月31日，剩餘租賃期間介乎12個月至35個月不等，而物業、廠房及設備中包括根據融資租賃持有的廠房及設備賬面淨值人民幣44,645,000元(2016年：人民幣49,286,000元)。

13 LEASE PREPAYMENTS

13 租賃預付款

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cost:	成本：		
At 1 January and 31 December	於1月1日及12月31日	104,887	104,887
Accumulated amortisation:	累計攤銷：		
At 1 January	於1月1日	7,093	4,971
Charge for the year	年內扣除	2,122	2,122
At 31 December	於12月31日	9,215	7,093
Net book value:	賬面淨值：		
At 31 December	於12月31日	95,672	97,794

The lease prepayments represent costs of the land use rights in respect of land located in the PRC, on which the Group built its production premises and buildings. The land use rights are long-term leases expiring in year 2056 to 2085.

At 31 December 2017, lease prepayments with an aggregate carrying amount of RMB91,853,000 (2016: RMB90,936,000) were pledged for certain banking facilities granted to the Group (see note 26(c)).

租賃預付款指有關位於中國的土地(本集團在有關土地上興建生產基地及建築物)的土地使用權成本。土地使用權為長期租約，於2056年至2085年間屆滿。

於2017年12月31日，賬面值合共為人民幣91,853,000元(2016年：人民幣90,936,000元)的租賃預付款項已就授予本集團的若干銀行信貸作出抵押(見附註26(c))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

14 INVESTMENTS IN SUBSIDIARIES

The following list contains all the subsidiaries of the Group. The class of shares is ordinary unless otherwise stated.

14 於附屬公司的投資

下列清單載列本集團所有附屬公司。除另有註明外，所持股份類別為普通股。

Name of company 公司名稱	Place of incorporation/ and business and kind of legal entity 註冊成立／及營業地點 以及法團類別	Particulars of issued and paid-up capital/ registered capital 已發行及 實收資本／註冊資本 詳情	Attributable equity interest held by the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Engen Investments Limited ("Engen") 恩金投資有限公司(「恩金」)	The British Virgin Islands ("BVI"), limited liability company 英屬處女群島 (「英屬處女群島」)， 有限公司	United States dollars ("USD") 10,225 10,225美元(「美元」)	100%	–	Investment holding 投資控股
True Excel Holdings Limited ("True Excel") 京盛控股有限公司(「京盛」)	Hong Kong, limited liability company 香港，有限公司	HK\$1 1港元	–	100%	Investment holding 投資控股
Alpha Legend Holdings Limited ("Alpha Legend") 盛際控股有限公司(「盛際」)	Hong Kong, limited liability company 香港，有限公司	HK\$1 1港元	–	100%	Investment holding 投資控股
Alpha Business Investments Limited ("Alpha Business") 得揚投資有限公司(「得揚」)	Hong Kong, limited liability company 香港，有限公司	HK\$1 1港元	–	100%	Investment holding 投資控股
Alpha Universe Group Limited ("Alpha Universe") 勝誠集團有限公司(「勝誠」)	Hong Kong, limited liability company 香港，有限公司	HK\$1 1港元	–	100%	Investment holding 投資控股
Fanmay Limited ("Fanmay") 繁美有限公司(「繁美」)	BVI, limited liability company 英屬處女群島，有限公司	HK\$1 1港元	100%	–	Investment holding 投資控股
China Recycling Aluminium Limited ("Recycling Aluminium") 中國循環鋁業有限公司 (「循環鋁業」)	Hong Kong, limited liability company 香港，有限公司	HK\$1 1港元	–	100%	Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

14 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ and business and kind of legal entity 註冊成立/及營業地點 以及法團類別	Particulars of issued and paid-up capital/ registered capital 已發行及 實收資本/註冊資本 詳情	Attributable equity interest held by the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Cosmo Hope Limited ("Cosmo")	BVI, limited liability company	USD1	100%	–	Investment holding
Cosmo Hope Limited (「Cosmo」)	英屬處女群島，有限公司	1美元			投資控股
China Metal Resources Corporation Limited ("CMR")	BVI, limited liability company	USD1	100%	–	Investment holding
China Metal Resources Corporation Limited (「CMR」)	英屬處女群島，有限公司	1美元			投資控股
Hong Kong Jin Xunhuan Group Limited ("HKJXH")	Hong Kong, limited liability company	HK\$100	–	100%	Investment holding
香港金循環集團有限公司 (「香港金循環」)	香港，有限公司	100港元			投資控股
China Metal Resources (Hong Kong) Limited ("CMR HK")	Hong Kong, limited liability company	HK\$100	–	100%	Investment holding
中國金屬資源(香港)有限公司 (「中國金屬資源香港」)	香港，有限公司	100港元			投資控股
Mianyang Jinxin Copper Co., Ltd. ("Jinxin")*	The PRC, limited liability company	RMB100,000,000	–	100%	Processing of scrap copper and electrolytic copper for the manufacturing of copper related products
綿陽金鑫銅業有限公司(「金鑫」)	中國，有限公司	人民幣 100,000,000元			加工生產銅相關產品所用 的廢銅及電解銅
Hunan Yinlian Xiangbei Copper Co., Ltd. ("Xiangbei")*	The PRC, limited liability company	RMB80,000,000	–	100%	Processing of scrap copper and electrolytic copper for the manufacturing of copper related products
湖南銀聯湘北銅業有限公司 (「湘北」)	中國，有限公司	人民幣80,000,000元			加工生產銅相關產品所用 的廢銅及電解銅

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

14 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ and business and kind of legal entity 註冊成立/及營業地點 以及法團類別	Particulars of issued and paid-up capital/ registered capital 已發行及 實收資本/註冊資本 詳情	Attributable equity interest held by the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Mianyang Tongxin Copper Co., Ltd. ("Tongxin")* 綿陽銅鑫銅業有限公司	The PRC, limited liability company 中國·有限公司	RMB50,000,000 人民幣 50,000,000 元	–	100%	Processing of scrap copper and electrolytic copper for the manufacturing of copper related products 加工生產銅相關產品所用 的廢銅及電解銅
Sichuan Baohe Xinshiji Cable Co., Ltd. ("Baohe Xinshiji")* 四川保和新世紀線纜有限公司 四川保和新世紀線纜有限公司 (「保和新世紀」)	The PRC, limited liability company 中國·有限公司	RMB150,000,000 人民幣 150,000,000 元	–	100%	Manufacturing and sale of power transmission and distribution cables 生產及銷售送配電纜
Mianyang Baohe Taiyue Communications Cable Co., Ltd. ("Baohe Taiyue")* 綿陽保和泰越通信線纜有限公司 綿陽保和泰越通信線纜有限公司 (「保和泰越」)	The PRC, limited liability company 中國·有限公司	RMB80,000,000 人民幣 80,000,000 元	–	100%	Manufacturing and sale of communication cables 生產及銷售通信電纜
Mianyang Jin Xunhuan Metal Materials Co., Ltd. ("Jin Xunhuan")* 綿陽金循環金屬材料有限公司 綿陽金循環金屬材料有限公司 (「金循環」)	The PRC, limited liability company 中國·有限公司	RMB30,000,000 人民幣 30,000,000 元	–	100%	Manufacturing and sale of anodic copper and trading of electrolytic copper 生產和銷售陽極銅和 買賣電解銅
Shanghai Epoch Keen Metal Trading Co., Ltd. ("Shanghai Shijian")* 上海時建金屬銷售有限公司 上海時建金屬銷售有限 公司(「上海時建」)	The PRC, limited liability company 中國·有限公司	HK\$60,000,000 60,000,000 港元	–	100%	Trading of copper related products 買賣銅相關產品

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

14 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ and business and kind of legal entity 註冊成立/及營業地點 以及法團類別	Particulars of issued and paid-up capital/ registered capital 已發行及 實收資本/註冊資本 詳情	Attributable equity interest held by the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Mianyang Xinhuan Aluminium Co., Ltd. ("Xinhuan Aluminium")* 綿陽鑫環鋁業有限公司 綿陽鑫環鋁業有限公司 (「鑫環鋁業」)	The PRC, limited liability company 中國，有限公司	RMB30,000,000 人民幣30,000,000元	-	100%	Trading of aluminium related products 買賣鋁相關產品
Shanghai Bujiang Metal Material Co., Ltd. ("Bujiang")* 上海步江金屬材料有限公司 上海步江金屬材料有限公司 (「步江」)	The PRC, limited liability company 中國，有限公司	Registered capital of RMB30,000,000 註冊資本人民幣 30,000,000元	-	100%	Inactive 暫無業務
Sichuan Boxin copper Co., Ltd ("Boxin")* 四川博鑫銅業有限公司 四川博鑫銅業有限公司(「博鑫」)	The PRC, limited liability company 中國，有限公司	RMB10,500,000 人民幣10,500,000元	-	100%	Processing of scrap copper and electrolytic copper for the manufacturing of copper related products 加工生產銅相關產品所用的 廢銅及電解銅
Sichuan Epoch Keen Recycling Resources Development Co., Ltd. ("Sichuan Shijian")* 四川時建再生資源開發有限公司* 四川時建再生資源開發有限公司 (「四川時建」)	The PRC, limited liability company 中國，有限公司	Registered capital of RMB50,000,000 註冊資本人民幣 50,000,000元	-	100%	Inactive 暫無業務
Mianyang Yuxin Recycling Development Co., Ltd. ("Yuxin")* 綿陽譽鑫再生資源開發有限公司 綿陽譽鑫再生資源開發有限公司 (「譽鑫」)	The PRC, limited liability company 中國，有限公司	RMB50,000,000 人民幣50,000,000元	-	100%	Trading of copper related products 買賣銅相關產品

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

14 INVESTMENTS IN SUBSIDIARIES (Continued)

14 於附屬公司的投資(續)

Name of company 公司名稱	Place of incorporation/ and business and kind of legal entity 註冊成立/及營業地點 以及法團類別	Particulars of issued and paid-up capital/ registered capital 已發行及 實收資本/註冊資本 詳情	Attributable equity interest held by the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Hunan Yinlian Xiangbei Nonferrous Metal Co., Ltd. ("Xiangbei Youse")* 湖南銀聯湘北有色金屬材料有限公司	The PRC, limited liability company	Registered capital of RMB50,000,000	-	100%	Trading of copper related products
湖南銀聯湘北有色金屬材料有限公司(「湘北有色」)	中國，有限公司	註冊資本人民幣50,000,000元			買賣銅相關產品
Sichuan Zhixin Metal Materials Co., Ltd. ("Zhixin")* 四川致鑫金屬材料有限公司	The PRC, limited liability company	RMB49,470,300	-	100%	Trading of copper related products
四川致鑫金屬材料有限公司(「致鑫」)	中國，有限公司	人民幣49,470,300元			買賣銅相關產品
Mianyang Yixinda Trading Co., Ltd. ("Yixinda")* 綿陽億鑫達貿易有限公司	The PRC, limited liability company	Registered capital of RMB100,000,000	-	100%	Inactive
綿陽億鑫達貿易有限公司(「億鑫達」)	中國，有限公司	註冊資本人民幣100,000,000元			暫無業務
Shenzhen Qianhai Zhongjin Nonferrous Metal Co., Ltd. ("Qianhai Zhongjin")* 深圳前海中金有色金屬材料有限公司	The PRC, limited liability company	Registered capital of RMB100,000,000	-	100%	Inactive
深圳前海中金有色金屬材料有限公司(「前海中金」)	中國，有限公司	註冊資本人民幣100,000,000元			暫無業務
Fuqing Zhongjin Nonferrous Metal Co., Ltd. ("Qianhai Zhongjin")* 福清中金有色金屬材料有限公司	The PRC, limited liability company	RMB100,000,000	-	100%	Trading of copper related products
福清中金有色金屬材料有限公司(「福清中金」)	中國，有限公司	人民幣100,000,000元			買賣銅相關產品

* The English translation of the name is for reference only. The official names of these companies are in Chinese.

* 英文本的英譯名稱僅供參考。該等公司的官方名稱以中文為準。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

15 INTERESTS IN ASSOCIATES

15 聯營公司權益

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interests in associates	聯營公司權益		
Share of net assets	應佔淨資產	64,681	37,435
Goodwill	商譽	102,129	100,315
Less: impairment loss	減：減值虧損	—	(100,315)
		166,810	37,435

Particulars of the associates are as follows:

聯營公司的詳情如下：

Name of associate 聯營公司名稱	Particulars of registered share capital/issued and paid in capital 註冊資本/已發行及繳足資本詳情	Place of incorporation and business 註冊及成立經營地點	Proportion of ownership interest attributable to the Group		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Deda Holdings Limited 德達控股有限公司	Issued and paid in capital of USD1,000 已發行及繳足股本1,000美元	BVI 英屬處女群島	30%	—	Investment holding 投資控股
Hong Kong Fujian Investments Limited 香港福艦投資有限公司	Issued and paid in capital of HK\$1.0 已發行及繳足股本1.0港元	Hong Kong 香港	—	30%	Investment holding 投資控股
Sichuan Baohe Fushan Resources Recycling Development Co., Ltd. ("Baohe Fushan") 四川省保和富山再生資源開發有限公司(「保和富山」)	Registered capital of RMB100 million 註冊資本人民幣100,000,000元	The PRC 中國	—	30%	Industrial park operation and development 經營及發展工業園
Sichuan JX E-commerce trading Co., Ltd. ("JX E-commerce") 四川金循環電子商務有限公司(「金循環電子商務」)	Note (a) 附註(a) Registered capital of RMB100 million 註冊資本人民幣100,000,000元	The PRC 中國	—	25%	Operation of renewable metal electronic commerce platform 經營再生金屬電子商務平台

Note (a): On 25 October 2017, a subsidiary of the Group, Fuqing Zhongjin, entered into an equity transfer agreement with Sichuan Xijiulong Investment Co, Ltd. ("Xijiulong"), a company controlled by Ms. Yu Yanyan and Ms. Yu Jiajia, who are connected persons of the Company by virtue of them being the daughters of Mr. Yu Jianqiu, pursuant to which Fuqing Zhongjin agreed to purchase 25% equity interest of JX E-commerce from Xijiulong for a cash consideration of RMB125,000,000, which was determined with reference to the valuation of JX E-commerce as at 30 June 2017 performed by an external valuer. The acquisition of JX E-commerce was completed on 6 November 2017 (the "Acquisition Day").

附註(a)：於2017年10月25日，本集團附屬公司福清中金與四川省西九龍投資有限公司(「西九龍」，一間由俞燕燕女士及俞佳佳女士(因彼等為俞建秋先生之女兒及聯繫人而為本公司之關連人士)控制的公司)訂立股權轉讓協議，據此福清中金同意透過向西九龍收購金循環電子商務的25%股本權益，現金代價為人民幣125,000,000元，參考外部估值師對金循環電子商務於2017年6月30日的估值釐定。收購金循環電子商務於2017年11月6日完成(「收購日期」)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

15 INTERESTS IN ASSOCIATES (Continued)

As at the Acquisition Day, the share of fair value of JX E-commerce's net assets is RMB22,871,000. The difference of RMB102,129,000 between the share of fair value of JX E-commerce's net assets and the consideration paid was recorded as goodwill.

All of the above associates are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the material associate, adjusted for fair value adjustments at acquisition and differences in accounting policies and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

15 聯營公司權益(續)

於收購日期，分佔金循環電子商務淨資產公平值為人民幣22,871,000元。分佔金循環電子商務淨資產公平值與已付代價之間差額人民幣102,129,000元入賬列為商譽。

上述所有聯營公司均採用權益法於綜合財務報表入賬。

就收購時的公平值調整及會計政策差異而調整及與綜合財務報表內的賬面值對賬的重大聯營公司財務資料概要披露如下：

		Baohe Fushan 保和富山		JX E-commerce 金循環電子商務
		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2017* 2017年* RMB'000 人民幣千元
Gross amounts of the associates	聯營公司總額			
Non-current assets	非流動資產	178,563	180,848	20,169
Current assets	流動資產	70,518	53,989	92,368
Non-current liabilities	非流動負債	(82,300)	(89,630)	(2,000)
Current liabilities	流動負債	(28,135)	(20,384)	(18,115)
Equity	權益	138,646	124,823	92,422
Revenue	營業額	–	–	11,677
Profit from continuing operations	持續經營業務溢利	13,821	5,999	939
Other comprehensive income	其他全面收益	–	–	–
Total comprehensive income	全面收益總額	13,821	5,999	939
Reconcile to the Group's interests in the associates	與本集團所持聯營公司權益的對賬			
Gross amounts of net assets of the associate	聯營公司淨資產總額	138,646	124,823	92,422
Group's effective interest	本集團的實際權益	30%	30%	25%
Group's share of net assets of the associates	本集團應佔聯營公司淨資產	41,594	37,447	23,106
Goodwill	商譽	–	–	102,129
Carrying amount of interest in the associates	聯營公司權益的賬面值	41,594	37,447	125,235

* As at 31 December 2017 and the period from 6 November 2017 to 31 December 2017.

* 於2017年12月31日及於2017年11月6日至2017年12月31日期間。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

15 INTERESTS IN ASSOCIATES (Continued)

Aggregate information of associates that are not individually material:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Aggregate carrying amount of individually immaterial associates in the consolidated carrying amount of interest in associates	聯營公司權益綜合總賬面值中的個別非重大聯營公司總賬面值	(19)	(12)
Other comprehensive income	其他全面收益	(7)	(7)

15 聯營公司權益(續)

個別非重大聯營公司資料彙總：

16 GOODWILL

16 商譽

		RMB'000 人民幣千元
Cost:	成本：	
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於2016年1月1日、2016年12月31日、2017年1月1日及2017年12月31日	39,308
Accumulated impairment losses:	累計減值虧損：	
At 1 January 2016, 31 December 2016 and 1 January 2017 and 31 December 2017	於2016年1月1日、2016年12月31日、2017年1月1日及2017年12月31日	16,081
Carrying amount:	賬面值：	
At 31 December 2016 and 31 December 2017	於2016年12月31日及2017年12月31日	23,227

Impairment tests for CGUs containing goodwill

Goodwill is allocated to the CGUs identified as follows:

包含商譽的現金產生單位的減值測試商譽乃分配予如下已識別的現金產生單位：

		2017 and 2016 2017年及2016年 RMB'000 人民幣千元
Recycled copper products	再生銅產品	
— Xiangbei	— 湘北	22,766
— Xinshiji	— 新世紀	213
— Taiyue	— 泰越	248
		23,227

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

16 GOODWILL (Continued)

The recoverable amount of the CGUs is determined based on value in use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using a zero growth rate. The growth rate used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using pre-tax discount rates of 14% (2016: 14%) at 31 December 2017. Key assumptions used for the value in use calculations are the gross margins, growth rates and the availability of VAT refunds. Management determined the budgeted gross margins and growth rates based on past performance and its expectation for market development. No government grant is assumed to be received in the value in use calculations.

Based on the results of the valuation, the recoverable amount of the above CGUs has been assessed as being higher than its carrying amount as at 31 December 2017. Accordingly, the directors are of the opinion that there is no need to provide any impairment loss on goodwill as at 31 December 2017.

16 商譽(續)

現金產生單位的可收回金額是基於使用價值計算模式釐定。該等計算模式使用已被管理層核准的五年期財務預算中的現金流量預算。超過五年期之現金流量乃使用零增長率推算。所用增長率不超過現金產生單位經營所在業務的長期平均增長率。於2017年12月31日，現金流量乃使用14%(2016年：14%)的稅前貼現率貼現。使用價值計算模式的主要假設為毛利率、增長率及增值稅退稅的可行性。管理層按照過往表現及其對市場發展的預期釐定預算毛利率和增長率。於計算使用價值時假設並無收取政府補助。

根據估值結果，評估上述現金產生單位的可收回金額超過其於2017年12月31日之賬面值。因此，董事認為於2017年12月31日無需就商譽之任何減值虧損計提撥備。

17 PLEDGED DEPOSITS

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Deposits with guarantee companies	於擔保公司的存款	1,500	6,000
Deposits with banks	於銀行的存款	12,900	20,900
Deposits with lessors of finance leases	於融資租賃公司的存款	4,800	5,320
Deposit with other companies	於其他公司的存款	29,037	28,506
		48,237	60,726
Represented by:	即：		
Current	即期	43,437	55,926
Non-current	非即期	4,800	4,800
		48,237	60,726

17 已抵押存款

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

17 PLEDGED DEPOSITS (Continued)

Pledged deposits with banks were mainly placed as security for bills payable of the Group (see note 24(a)).

Pledged deposits were placed with lessors of finance leases as security for the obligations under finance leases.

Pledged deposits were placed with other companies for the purpose of obtaining bank loans of RMB40,000,000 (2016: RMB50,000,000), which were secured by the property, plant and equipment of such companies (see note 26(c)).

17 已抵押存款(續)

於銀行的已抵押存款主要為就本集團的應付票據存放作抵押品(見附註24(a))。

存放於融資租賃公司的已抵押存款乃就融資租賃下的責任存放作抵押品。

就取得銀行貸款人民幣40,000,000元(2016年：人民幣50,000,000元)而於其他公司存放已抵押存款，有關銀行貸款由該等公司的物業、廠房及設備擔保(見附註26(c))。

18 OTHER NON-CURRENT ASSETS

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Prepayments for property, plant and equipment and lease prepayments	物業、廠房及設備預付款及租賃預付款	31,775	23,054
Others	其他	71	868
		31,846	23,922

18 其他非流動資產

19 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

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

19 綜合財務狀況表內的所得稅

(a) 綜合財務狀況表內的即期稅項指：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At 1 January	於1月1日	19,645	9,662
Provision for PRC corporate income tax for the year	年內中國企業所得稅撥備	32,809	15,897
Adjustment for prior year	過往年度的調整	(2,587)	1,099
PRC Corporate Income Tax paid	已付中國企業所得稅	(13,386)	(7,013)
At 31 December	於12月31日	36,481	19,645

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

19 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(b) Deferred tax assets/(liabilities) recognised

(i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:		Depreciation/ amortisation allowances in excess of the related depreciation/ amortisation	Provisions and accruals	Deductible tax losses	Total
遞延稅項來源：		超出有關折舊 額／攤銷額的折 舊／攤銷撥備 RMB'000 人民幣千元	撥備及 應計費用 RMB'000 人民幣千元	可扣減 稅項虧損 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At 1 January 2016	於2016年1月1日	(2,229)	23,317	16,661	37,749
Credited to profit or loss	計入損益	98	17,071	6,720	23,889
At 31 December 2016 and 1 January 2017	於2016年12月31日及 於2017年1月1日	(2,131)	40,388	23,381	61,638
Credited/(charged) to profit or loss	計入損益/(自損益扣除)	98	(25,522)	(16,175)	(41,599)
At 31 December 2017	於2017年12月31日	(2,033)	14,866	7,206	20,039

(ii) Reconciliation to the consolidated statement of financial position:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Net deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表確認的 淨遞延稅項資產	20,039	61,638

19 綜合財務狀況表內的所得稅(續)

(b) 已確認遞延稅項資產/(負債)

(i) 遞延稅項資產及負債各部分之變動

於綜合財務狀況表中確認的遞延稅項資產/(負債)的組成部分及於年內的變動如下：

(ii) 與綜合財務狀況表對賬：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

19 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

(c) Deferred tax assets not recognised

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom.

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Deductible temporary differences (No expiry date)	可扣稅暫時差額(無屆滿日期)	80,222	68,790
Tax losses (will expire up to year 2022) (Note)	稅項虧損(直至2022年屆滿) (附註)	54,222	52,728
		134,444	121,518

Note: pursuant to the income tax law and relevant regulations in the PRC, the unrecognised tax losses at the period end will expire in five years from the year incurred.

(d) Deferred tax liabilities not recognised

At 31 December 2017, temporary differences relating to the undistributed profits of the Group's PRC subsidiaries amounted to RMB553,281,000 (2016: RMB257,563,000). No deferred tax liabilities in respect of these undistributed profits have been recognised as the Company controls the dividend policy of these subsidiaries and it has been determined that it is probable that these profits will not be distributed in the foreseeable future.

19 綜合財務狀況表內的所得稅(續)

(c) 未確認的遞延稅項資產

尚未就以下項目確認遞延稅項資產，因為不大可能有未來應課稅溢利而本集團可對其使用其產生之利益。

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Deductible temporary differences (No expiry date)	80,222	68,790
Tax losses (will expire up to year 2022) (Note)	54,222	52,728
	134,444	121,518

附註：根據中國所得稅法及相關法規，期末未確認稅項虧損將於產生年度起五年內屆滿。

(d) 未確認的遞延稅項負債

於2017年12月31日，與本集團的中國附屬公司的未分配溢利有關的臨時差額為人民幣553,281,000元(2016年：人民幣257,563,000元)。概無就該等未分配溢利確認遞延稅項負債，原因是本公司控制該等附屬公司的股息政策，而且該等溢利已釐定很可能不會在可預見的未來分派。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

20 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Raw materials	原材料	129,306	93,892
Work in progress	在製品	14,976	16,272
Finished goods	製成品	23,398	80,571
Goods in transit	付運中之貨品	285,489	17,465
		453,169	208,200

At 31 December 2017, inventories of RMB30,550,000 (2016: RMB29,000,000) were pledged for banking facilities granted to the Group (see note 26(c)).

於2017年12月31日，為數人民幣30,550,000元(2016年：人民幣29,000,000元)的存貨已予抵押，作為本集團獲授銀行融資的擔保(附註26(c))。

(b) The analysis of the amount of inventories recognised as an expense and included in the profit or loss is as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Carrying amount of inventories sold	已售存貨的賬面值	13,618,255	4,885,454
Write-down of inventories	撇減存貨	-	5,288
		13,618,255	4,890,742

(b) 確認為開支並計入損益的存貨金額分析如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

21 TRADE AND OTHER RECEIVABLES

21 貿易及其他應收款項

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Trade debtors and bills receivable	貿易賬款及應收票據	1,201,125	499,114
Less: Allowance for impairment loss	減：減值虧損撥備	(109,927)	(237,384)
		1,091,198	261,730
Advance payments to suppliers	墊付供應商款項	609,823	605,450
Government grants receivable	應收政府補助	63,865	67,141
VAT in-put accrued	暫估進項稅	81,350	21,971
Other deposits, prepayments and receivables	其他按金、預付款及應收款項	29,313	45,635
		1,875,549	1,001,927

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

所有貿易及其他應收款項預期於一年內收回或確認為開支。

At 31 December 2017, no government grants receivable (2016: RMB8,550,000) was pledged for certain banking facilities granted to the Group (see note 26(c)).

於2017年12月31日，概無(2016年：人民幣8,550,000元)應收政府補助已就授予本集團的若干銀行信貸作出抵押(見附註26(c))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

21 TRADE AND OTHER RECEIVABLES (Continued)

(a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date and net of allowance for impairment loss, is as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within 30 days	30天內	615,758	113,056
31 to 60 days	31至60天	318,384	64,698
61 to 180 days	61至180天	109,630	53,732
Over 180 days	超過180天	47,426	30,244
		1,091,198	261,730

Trade debtors and bills receivable are normally due within 90 days from the date of billing. Further details on the Group's credit policy are set out in note 33(a).

(b) Impairment loss of trade debtors and bills receivable

The movement in the allowance for impairment loss during the year, including both specific and collective loss components, is as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At 1 January	於1月1日	237,384	112,830
Reversal of provision for bad debts	撥回壞賬撥備	(143,247)	(28,574)
Impairment loss recognised	已確認減值虧損	15,790	153,128
At 31 December	於12月31日	109,927	237,384

21 貿易及其他應收款項 (續)

(a) 賬齡分析

於報告期末，貿易賬款及應收票據（計入貿易及其他應收款項）的賬齡分析（以發票日期及扣除減值虧損撥備為基準）如下：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within 30 days	615,758	113,056
31 to 60 days	318,384	64,698
61 to 180 days	109,630	53,732
Over 180 days	47,426	30,244
	1,091,198	261,730

貿易賬款及應收票據通常於出票日期起計90天內到期。本集團的信貸政策的進一步詳情載於附註33(a)。

(b) 貿易賬款及應收票據之減值虧損

年內的減值虧損撥備變動（包括個別及共同虧損部分）如下所示：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
At 1 January	237,384	112,830
Reversal of provision for bad debts	(143,247)	(28,574)
Impairment loss recognised	15,790	153,128
At 31 December	109,927	237,384

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

21 TRADE AND OTHER RECEIVABLES (Continued)

(c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current	即期	686,973	138,756
Less than 30 days past due	逾期少於30天	181,558	27,338
31 to 60 days past due	逾期31至60天	100,343	25,738
61 to 180 days past due	逾期61至180天	90,960	40,630
Over 180 days past due	逾期超過180天	31,364	29,268
Amounts past due	逾期款項	404,225	122,974
		1,091,198	261,730

Receivables that were neither past due nor impaired relate to 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. The Group does not hold any collateral over these balances.

21 貿易及其他應收款項 (續)

(c) 並無減值的貿易賬款及應收票據

未被個別或共同視為減值的貿易賬款及應收票據的賬齡分析如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Current	即期	686,973	138,756
Less than 30 days past due	逾期少於30天	181,558	27,338
31 to 60 days past due	逾期31至60天	100,343	25,738
61 to 180 days past due	逾期61至180天	90,960	40,630
Over 180 days past due	逾期超過180天	31,364	29,268
Amounts past due	逾期款項	404,225	122,974
		1,091,198	261,730

未逾期及未減值的應收款項與近期並無拖欠記錄的客戶有關。

已逾期但尚未減值的應收款項與在本集團保持良好過往記錄的若干獨立客戶有關。根據過往經驗，管理層認為毋須就該等結餘作出減值撥備，因為信貸質素並無出現重大變化，而有關結餘仍被視為可全數收回。本集團並無就該等結餘持有任何抵押品。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

22 AMOUNTS DUE FROM/TO RELATED PARTIES/ ASSOCIATES

The amounts due from/to related parties/associates are unsecured, interest-free and are repayable on demand.

22 應收／應付關聯方／聯營公司 款項

應收／應付關聯方／聯營公司款項為無抵押、不計息及須按要求償還。

23 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents comprise:

23 現金及現金等值項目

(a) 現金及現金等值項目包括：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Cash at bank and on hand	銀行存款及手頭現金	109,595	164,142

At 31 December 2017, cash and cash equivalents of the Group in the amount of RMB62,622,000 (2016: RMB145,748,000) are denominated in RMB and are deposited in banks in the PRC. RMB is not a freely convertible currency and the remittance of funds out of mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

於2017年12月31日，本集團金額為人民幣62,622,000元(2016年：人民幣145,748,000元)的現金及現金等值項目乃以人民幣計值，並存放在中國的銀行。人民幣乃不可自由兌換的貨幣，資金匯出中國大陸須受中國政府頒佈的相關外匯管制規則及規例所規限。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

23 CASH AND CASH EQUIVALENTS (Continued)

(b) Reconciliation of profit/(loss) before taxation to cash used in operations:

		Note	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Profit/(loss) before taxation	稅前溢利/(虧損)		256,404	(318,511)
Adjustments for:	經以下項目調整：			
Finance costs	財務成本	7(a)	143,220	134,045
Share-based payment expenses	以股份為基礎的付款開支	7(b)	23,210	37,406
Consideration shares for inventory procurement	存貨採購的代價股份		48,970	-
Depreciation	折舊	7(c)	35,848	34,011
Deferred expense	遞延開支		888	1,044
Amortisation of lease prepayments	租賃預付款攤銷	7(c)	2,122	2,122
Interest income	利息收入	6	(1,538)	(22,953)
Share of profit of associates	應佔聯營公司溢利	6	(4,375)	(1,793)
Net loss on sale of property, plant and equipment	出售物業、廠房及設備之淨虧損	6	32	22
Net foreign exchange (gain)/loss	匯兌(收益)/虧損淨額		(17,024)	3,911
Change in fair value of derivative instrument	衍生工具的公平值變動	6	(2,233)	(6,633)
Impairment loss of trade debtors and bills receivable	貿易賬款及應收票據之減值虧損	21(b)	15,790	153,128
Reversal of impairment loss of trade debtors and bill receivable	撥回貿易賬款及應收票據之減值虧損	21(b)	(143,247)	(28,574)
Write off of inventory provisions	存貨撥備撇銷		(5,288)	(37,177)
Impairment loss of interest in associate	聯營公司權益之減值虧損	15	-	100,315
Changes in working capital:	營運資金變動：			
(Increase)/decrease in inventories	存貨(增加)/減少		(239,681)	77,979
Increase in trade and other receivables	貿易及其他應收款項增加		(746,256)	(93,104)
Increase/(decrease) in trade and other payables	貿易及其他應付款項增加/(減少)		220,230	(98,064)
Cash used in operations	營運所用現金		(412,928)	(62,826)

23 現金及現金等值項目(續)

(b) 稅前溢利/(虧損)與營運所用現金的對賬：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

23 CASH AND CASH EQUIVALENTS (Continued)

(c) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statements as cash flows from financing activities.

23 現金及現金等值項目 (續)

(c) 融資活動產生的負債對賬 (續)

下表詳列本集團融資活動產生的負債變動，包括現金及非現金變動。融資活動產生的負債乃現金流量或未來現金流量於本集團綜合現金流量表分類為融資活動產生的現金流量的負債。

		Bank loans and other borrowings	Obligations under finance leases	Liability component of Convertible bonds	Derivative Component of convertible bonds	Other accruals	Total
		銀行貸款及其他借款	融資租賃項下責任	可換股債券負債部分	可換股債券衍生工具部分	其他應計款項	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於2017年1月1日	681,536	24,658	211,810	133,344	1,866	1,053,214
Changes from financing cash flows:	融資現金流量變動：						
Proceeds from banks loans and other borrowings	銀行貸款及其他借款所得款項	551,075	—	—	—	—	551,075
Repayment of bank loans and other borrowings	償還銀行貸款及其他借款	(568,270)	—	—	—	—	(568,270)
Net proceeds from issuance of convertible bonds	發行可換股債券所得款項淨額	—	—	662,979	6,933	—	669,912
Repayment of convertible bonds	償還可換股債券	—	—	(227,210)	—	—	(227,210)
Repayment of sale and leaseback arrangement	償還售後租回安排	—	(12,391)	—	—	—	(12,391)
Interest expenses paid	已付利息開支	(68,915)	(1,602)	(32,860)	—	—	(103,377)
Total changes from financing cash flows	融資現金流量變動總額	(86,110)	(13,993)	402,909	6,933	—	309,739
Exchange adjustments	匯兌調整	—	—	(21,178)	(977)	—	(22,155)
Changes in fair value	公平值變動	—	—	—	(2,233)	—	(2,233)
Other changes:	其他變動：						
Decrease in pledged deposits	已抵押存款減少	(1,250)	—	—	—	—	(1,250)
Conversion of convertible bonds	轉換可換股債券	—	—	(112,071)	(137,067)	—	(249,138)
New obligations under finance leases	融資租賃項下的新責任	—	1,081	—	—	—	1,081
Interest expenses	利息開支	68,915	1,396	67,137	—	(30)	137,418
Reclassification from other payables	自其他應付款項重新分類	20,000	—	—	—	—	20,000
Total other changes	其他變動總額	87,665	2,477	(66,112)	(140,277)	(30)	(116,277)
At 31 December 2017	於2017年12月31日	683,091	13,142	548,607	—	1,836	1,246,676

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

24 TRADE AND OTHER PAYABLES

24 貿易及其他應付款項

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Trade payables	貿易應付款項	187,858	48,969
Bills payable	應付票據	25,800	41,800
Receipts in advance	預收款項	3,780	15,397
Accrued expenses and other payables	應計開支及其他應付款項	352,858	280,363
		570,296	386,529

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

所有貿易及其他應付款項預期於一年內結清或確認為收入，或須按要求償還。

(a) Bills payable are normally issued with a maturity of not more than six months. At 31 December 2017, bills payable were secured by pledged deposits of RMB12,900,000 (2016: RMB20,900,000) placed with banks (see note 17).

(a) 應付票據的到期日一般不會超過六個月。於2017年12月31日，應付票據由存於銀行的已抵押存款人民幣12,900,000元(2016年：人民幣20,900,000元)作擔保(見附註17)。

(b) At the end of the reporting period, the ageing analysis of the trade and bills payable, based on transaction date, is as follows:

(b) 於報告期末，基於交易日期的貿易及其他應付款項賬齡分析如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within 30 days	30天內	179,469	6,955
31 to 60 days	31至60天	3,301	78,799
61 to 180 days	61至180天	5,366	1,447
Over 180 days	超過180天	25,522	3,568
		213,658	90,769

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

24 TRADE AND OTHER PAYABLES (Continued)

(c) An analysis of accrued expenses and other payables is analysed as follows:

24 貿易及其他應付款項(續)

(c) 應計開支及其他應付款項的分析如下：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Salaries, wages, bonus and other accrued benefits	薪金、工資、花紅及其他應計福利	2,272	1,906
Payables for the purchase of property, plant and equipment and lease prepayment	購買物業、廠房及設備及租賃預付款的應付款項	33,681	44,468
VAT payable	應付增值稅	251,244	166,626
Unearned government grants (i)	預收的政府補助(i)	1,128	10,779
Other taxes payable	其他應付稅項	34,772	21,051
Advances from government authorities	政府部門墊款	9,650	-
Advances from a government controlled entity(ii)	政府控制實體墊款(ii)	-	20,000
Others	其他	20,111	15,533
		352,858	280,363

(i) The amount represented conditional government grants received from various government authorities including Mianyang Youxian District Finance Bureau, Sichuan Province, and the Provincial Finance Department, Hunan Province. The government grants from Mianyang Youxian District Finance Bureau are conditional to meeting certain tax payment thresholds by the Group. The government grants from the Provincial Finance Department, Hunan Province are conditional to utilising the funds for the designated purpose of procurement of fixed assets.

(ii) Advances from a government controlled entity represents an advance of RMB20,000,000 received from Mianyang Fule Investment Limited for the purchase of property, plant and equipment in 2016. The amount bears an annual interest rate of 12% and is repayable on demand. In 2017, the amount was reclassified to "Bank loans and other borrowings".

(i) 該金額指自各個政府機構獲得的有條件政府補助，包括四川省綿陽市游仙區財政局及湖南省財政廳。綿陽市游仙區財政局的政府補助以本集團達成若干繳稅門檻為條件。湖南省財政廳的政府補助以將資金用作採購固定資產的指定用途為條件。

(ii) 該政府控制實體墊款指於2016年收到來自綿陽富樂投資有限公司的墊款人民幣20,000,000元，以購買物業、廠房及設備。該款項按年利率12%計息及須於應要求償還。2017年，該款項重新分類為「銀行貸款及其他借款」。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

25 OBLIGATIONS UNDER FINANCE LEASES

At 31 December 2017, the Group had obligations under finance leases repayable as follows:

25 融資租賃下的責任

於2017年12月31日，本集團擁有以下應償還融資租賃下的責任：

		2017 2017年		2016 2016年	
		Present value of the minimum lease payments 最低租賃款項 的現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃 款項總額 RMB'000 人民幣千元	Present value of the minimum lease payments 最低租賃款項 的現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃 款項總額 RMB'000 人民幣千元
Within 1 year	1年內	12,451	13,215	13,322	13,956
After 1 year but within 2 years	1年後但2年內	360	414	11,336	12,679
After 2 years but within 5 years	2年後但5年內	331	348	-	-
		691	762	11,336	12,679
		13,142	13,977	24,658	26,635
Less: Total future interest expenses	減：未來利息開支總額		(835)		(1,977)
Present value of finance lease obligations	融資租賃責任的現值		13,142		24,658

Pledged deposits of RMB4,800,000 (2016: RMB5,320,000) was placed as security for the obligations under finance leases as at 31 December 2017 (see note 17).

於2017年12月31日，已抵押存款人民幣4,800,000元(2016年：人民幣5,320,000元)已存放作為融資租賃下的責任的抵押(見附註17)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

26 BANK LOANS AND OTHER BORROWINGS

(a) At 31 December 2017, the bank loans and other borrowings were repayable as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within 1 year or on demand	1年內或按要求	682,560	681,536
After 1 year but within 2 years	1年後但2年內	531	—
		683,091	681,536

(b) At 31 December 2017, the banks loans and other borrowings were secured as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Secured bank loans (note (c))	已抵押銀行貸款(附註(c))	219,500	252,970
Other borrowings — secured	其他借款 — 有抵押	164,475	—
Entrusted loans	委託貸款		
— secured (note (d))	— 有抵押(附註(d))	299,116	299,116
— unsecured	— 無抵押	—	129,450
		299,116	428,566
		683,091	681,536

26 銀行貸款及其他借款

(a) 於2017年12月31日，銀行貸款及其他借款的應償還情況如下：

(b) 於2017年12月31日，銀行貸款及其他借款的抵押情況如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

26 BANK LOANS AND OTHER BORROWINGS

(Continued)

(c) The amounts of banking facilities and the utilisation at 31 December 2017 are set out as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Secured banking facilities available	有抵押可用銀行信貸額	354,373	298,118
Amounts utilised	已動用款項		
— bills payable	— 應付票據	25,800	41,800
— bank loans	— 銀行貸款	219,500	252,970
		245,300	294,770

There are cross default provisions in certain banking facilities, the default on a loan by Tongxin would then cause a default on other loans which have cross default provisions.

The banking facilities and other borrowings were secured by the following assets:

26 銀行貸款及其他借款(續)

(c) 於2017年12月31日的銀行信貸額及使用情況載於下文：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Secured banking facilities available	有抵押可用銀行信貸額	354,373	298,118
Amounts utilised	已動用款項		
— bills payable	— 應付票據	25,800	41,800
— bank loans	— 銀行貸款	219,500	252,970
		245,300	294,770

若干銀行信貸額附有交叉違約條文，銅鑫違反一項貸款將會繼而違反附有交叉違約條文的其他貸款。

該等銀行融資及其他借款由以下資產抵押：

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Property, plant and equipment (note 12(a))	物業、廠房及設備(附註12(a))	214,419	202,891
Lease prepayments (note 13)	租賃預付款(附註13)	91,853	90,936
Inventories (note 20(a))	存貨(附註20(a))	30,550	29,000
Government grants receivable (note 21)	應收政府補助(附註21)	—	8,550
Pledged deposits (note 17)	已抵押存款(附註17)	41,400	55,400
		378,222	386,777

At 31 December 2017, bank loans of RMB10,000,000 (2016: nil) were secured by property, plant and equipment of Sichuan Gushan Vegetable Fat Chemicals Co., Ltd, a private company controlled by Mr. Yu Jianqiu.

於2017年12月31日，人民幣10,000,000元(2016年：無)的銀行貸款由俞建秋先生控制的私人公司四川古杉油脂化學有限公司的物業、廠房及設備為抵押。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

26 BANK LOANS AND OTHER BORROWINGS

(Continued)

(c) The amounts of banking facilities and the utilisation at 31 December 2017 are set out as follows: (Continued)

At 31 December 2017, bank loans of RMB31,000,000 (2016: RMB35,000,000) were secured by prepayment for lease prepayment of Baohe Fushan.

Pledged deposits included RMB28,500,000 (2016: RMB28,500,000) paid to a third party. At 31 December 2017, bank loans of RMB40,000,000 (2016: RMB50,000,000) were secured by property, plant and equipment of this third party; also included RMB1,500,000 (2016: RMB6,000,000) paid to independent guarantee companies.

(d) Significant terms and repayment schedule of entrusted loans

At 31 December 2017, entrusted loans are repayable within one year or on demand, and were interest-bearing at 9% to 12% per annum.

During the year ended 31 December 2016, the Group had defaulted in its repayment of entrusted loans which matured in August and September 2016 ("the loans payable"). The loans payable of RMB299,116,000 were secured by 310,317,000 ordinary shares (2016: 310,317,000 ordinary shares) in the Company held by Mr. Huang Weiping, key management personnel of the Group, representing 12.6% of the issued share capital of the Company as at 31 December 2017. At 31 December 2017, the negotiation to settle the outstanding entrusted loans of RMB299,116,000 (2016: RMB299,116,000) was still ongoing. The abovementioned defaulted loans were recorded in current liabilities as at 31 December 2017.

26 銀行貸款及其他借款(續)

(c) 於2017年12月31日的銀行信貸額及使用情況載於下文：(續)

於2017年12月31日，人民幣31,000,000元(2016年：人民幣35,000,000元)之銀行貸款由保和富山的租賃預付款項為抵押。

已抵押存款包括已付第三方的人民幣28,500,000元(2016年：人民幣28,500,000元)。於2017年12月31日，銀行貸款人民幣40,000,000元(2016年：人民幣50,000,000元)乃以該第三方的物業、廠房及設備為抵押；已抵押存款亦包括已付獨立擔保公司的人民幣1,500,000元(2016年：人民幣6,000,000元)。

(d) 委託貸款的重大條款及還款期

於2017年12月31日，委託貸款應於一年內或按要求償還，並按9%至12%的年利率計息。

於截至2016年12月31日止年度，本集團未能償還其於2016年8月及9月到期之委託貸款(「應付貸款」)。應付貸款人民幣299,116,000元由本集團重要管理層人員黃偉萍先生所持有的本公司310,317,000股(2016年：310,317,000股)普通股提供抵押，該等股份相當於本公司於2017年12月31日已發行股本12.6%。於2017年12月31日，有關清償尚未償還委託貸款人民幣299,116,000元(2016年：人民幣299,116,000元)之磋商仍在進行中。上述違約貸款於2017年12月31日計入流動負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

27 CONVERTIBLE BONDS

(a) The convertible bonds issued on 13 April 2015 ("the 2015 CBs"):

On 13 April 2015, the Company issued the 2015 CBs with a principal amount of USD32,610,000 (equivalent to approximately RMB200,208,000) at face value. The Company incurred transactions cost of approximately HK\$15,497,000 (equivalent to approximately RMB12,277,000) for the issue of the 2015 CBs. For major terms of the 2015 CBs, please refer to the Company's announcements on 27 March 2015 and 24 October 2016.

(b) The convertible bonds issued on 12 April 2017 ("the April 2017 CBs"):

On 12 April 2017, the Company issued April 2017 CBs with an aggregate principal amount of HK\$250,000,000 (equivalent to approximately RMB221,793,000) in two tranches, tranche I amounted to HK\$135,000,000 and tranche II amounted to HK\$115,000,000 at face value. The Company incurred transactions cost of approximately HK\$7,500,000 (equivalent to approximately RMB6,654,000) for the issue of the April 2017 CBs. For details, please refer to the Company's announcement on 9 April 2017. Major terms of the April 2017 CBs are as below:

- (i) The April 2017 CBs carry 12% coupon interest per annum payable in arrears quarterly. Unless redeemed or repurchased early, the original maturity date of the April 2017 CBs is the first anniversary of the issue date (the "Original Maturity Date"), subject to the bondholder's right to extend the maturity date initially for a period of up to one year (the "Extended Maturity") and also for a period of up to one year after the Extended Maturity by notice in writing to the Company (the "Further Extended Maturity"). If the April 2017 CBs are not fully converted before the maturity date, the Company will redeem all the outstanding convertible bonds plus the interest accrued but unpaid to the bondholder.

27 可換股債券

(a) 於2015年4月13日發行的可換股債券(「2015年可換股債券」):

於2015年4月13日，本公司按面值發行本金額32,610,000美元(相當於約人民幣200,208,000元)的2015年可換股債券。本公司就發行2015年可換股債券而產生交易成本約15,497,000港元(相當於約人民幣12,277,000元)。有關2015年可換股債券之主要條款，請參閱本公司於2015年3月27日及2016年10月24日之公告。

(b) 於2017年4月12日發行的可換股債券(「2017年4月可換股債券」):

於2017年4月12日，本公司按面值分兩批發行本金額合共250,000,000港元(相當於約人民幣221,793,000元)的2017年4月可換股債券(第一批金額為135,000,000港元及第二批金額為115,000,000港元)。本公司就發行2017年4月可換股債券產生交易成本約7,500,000港元(相當於約人民幣6,654,000元)。有關詳情，請參閱本公司日期為2017年4月9日的公告。2017年4月可換股債券的主要條款如下：

- (i) 2017年4月可換股債券按年票面利率12%計算，每季度支付。除非提早贖回或購回，2017年4月可換股債券原到期日為發行日期第一週年(「原到期日」)，惟債券持有人有權初步延長到期日達一年(「延長到期日」)，及透過向本公司發出書面通知於延長到期日後再延長一年(「進一步延長到期日」)。倘2017年4月可換股債券於到期日前未獲悉數轉換，本公司將贖回所有尚未償還的可換股債券另加應計但未付予債券持有人的利息。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

27 CONVERTIBLE BONDS (Continued)

(b) The convertible bonds issued on 12 April 2017 ("the April 2017 CBs"): (Continued)

- (ii) If the average closing share price of the Company during any six consecutive months within the period commencing from issuance date on 12 April 2017 to the maturity date has never, at any point of time, reached or exceeded the conversion price, the Company shall, upon redemption of the April 2017 CBs, compensate the bondholder in cash so that the bondholder is guaranteed an annualised return of 13% for the period commencing from issuance date to the first anniversary of issuance date and an annualised return of 16% for the period commencing from the day following the first anniversary of issuance date to the date of redemption.
- (iii) Commencing from the third month after the issue date to the maturity date, the Company may with the consent from the bondholder, request for early redemption of the outstanding tranche I of the April 2017 CBs in the principal amount of HK\$135,000,000, in whole or in part. Upon redemption due to such event, the Company shall compensate the bondholder in cash so that such bondholder is guaranteed an annualised return of 12% for the period commencing from the issue date to the date of early redemption.
- (iv) If the aggregate shareholding of the management level shareholders in Company is less than 30% of the entire share capital of the Company on a fully diluted basis, or on any trading day, the average closing price of the Company is lower than 50% of the closing price of the Company on the issue date, the bondholder may request for early redemption.

27 可換股債券(續)

(b) 於2017年4月12日發行的可換股債券(「2017年4月可換股債券」): (續)

- (ii) 倘本公司股份於自發行日期(即2017年4月12日)至到期日期間的任何連續六個月內任何時間的平均收市價未曾保持在兌換價或以上，則本公司在贖回2017年4月可換股債券時，須以現金形式補償債券持有人，以保證該債券持有人從發行日期至發行日期起計一週年之日止期間有年化13%的回報及從發行日期起計一週年翌日至贖回日止期間有年化16%的回報。
- (iii) 從發行日期後第三個月至到期日止，本公司可在獲債券持有人同意後要求提前贖回全部或部分本金額為135,000,000港元的尚未償還第I批2017年4月可換股債券。由於有關事件贖回後，本公司應以現金補償可換股債券持有人，以保證有關可換股債券持有人於發行日期至提早贖回日期止期間獲得12%的年化回報。
- (iv) 倘按全面攤薄基準，本公司管理層股東的總持股量低於本公司全部股本的30%，或於任何交易日，本公司平均收市價低於本公司於發行日收市價的50%，則債券持有人可要求提早贖回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

27 CONVERTIBLE BONDS (Continued)

(b) The convertible bonds issued on 12 April 2017 ("the April 2017 CBs"): (Continued)

- (v) The bondholder has the right to convert the principal amount of the April 2017 CBs into ordinary shares of HK\$0.1 each of the Company from the first business day following the first anniversary of the issue date up to and including the day preceding the Extended Maturity or Further Extended Maturity at an initial conversion price of HK\$3.0 per share but subject to adjustments at any time during the term of the April 2017 CBs, subject to the minimum public float requirement.

The April 2017 CBs contain two components, the liability and equity components. The initial fair value of the two components was determined based on gross proceeds at issuance. The initial fair value less allocated transaction costs of the liability component was estimated to be approximately RMB214,020,000 as at the issuance date of using the Monte Carlo Model and Binomial Option Pricing Model, taking into account the terms and conditions of the April 2017 CBs. In subsequent periods, the liability component is measured at amortised cost using effective interest rate method. The effective interest rate of the liability component of the April 2017 CBs is 16% per annum. The residual amount less allocated transaction costs representing the value of the equity component of approximately RMB1,119,000, was presented in equity under the heading "convertible bonds equity reserve".

27 可換股債券(續)

(b) 於2017年4月12日發行的可換股債券(「2017年4月可換股債券」): (續)

- (v) 於2017年4月可換股債券年期內任何時間，債券持有人有權於發行日期第一週年後首個營業日直至及包括延長到期日或進一步延長到期日之前日子以初步兌換價每股3.0港元(可予調整)將2017年4月可換股債券的本金額轉換為本公司每股面值0.1港元的普通股，惟公眾持股量不可低於最低要求。

2017年4月可換股債券包括負債及權益兩部分。兩部分之初始公平值乃按發行時的所得款項總額釐定。負債部分之初始公平值減已分配交易成本乃經考慮2017年4月可換股債券之條款及條件後於發行日期根據蒙特卡羅定價模式及二項式期權定價模型估算為約人民幣214,020,000元。於其後期間，負債部分採用實際利率法按攤銷成本計量。2017年4月可換股債券的負債部分的實際利率為每年16%。餘下金額減已分配交易成本(即權益部分的價值)約人民幣1,119,000元於「可換股債券權益儲備」下權益呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

27 CONVERTIBLE BONDS (Continued)

(b) The convertible bonds issued on 12 April 2017 ("the April 2017 CBs"): (Continued)

The fair value of the liability component was determined using the Monte Carlo Model and Binomial Option Pricing Model and the major inputs into the model are as follows:

		At issue date 於發行日期
Stock price	股份價格	HK\$3.09 港元
Exercise price	行使價	HK\$3.00 港元
Expected volatility	預期波幅	39%
Dividend yield	孳息率	0%
Option life	換股權年期	12 months 個月
Risk free rate	無風險息率	0.97%

Pursuant to the terms and conditions, commencing from the third month after the issue date to the maturity date, the Company may notify the bondholder for early redemption of the outstanding Convertible Bonds in the principal amount of HK\$135,000,000. In the event of such early redemption, the Company would compensate the bondholder an annualised return of 12%, which is equal to the interest rate, for the period commencing from the issue date to the date of early redemption.

The Company redeemed the April 2017 CBs Tranche I in the principal amount of HK\$135,000,000 on 11 August 2017.

27 可換股債券(續)

(b) 於2017年4月12日發行的可換股債券(「2017年4月可換股債券」): (續)

負債部分之公平值乃根據蒙特卡羅定價模式及二項式期權定價模型釐定，模型內的主要輸入數據如下：

根據條款及條件，自發行日期後第三個月起至到期日，本公司可通知債券持有人提前贖回本金額為135,000,000港元的尚未兌換的可換股債券。倘發生有關提前贖回，本公司將自發行日期起至提早贖回日期期間補償債券持有人年化12%（其相當於利率）的回報。

本公司已於2017年8月11日贖回本金額為135,000,000港元的2017年4月可換股債券(第1批)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

27 CONVERTIBLE BONDS (Continued)

(b) The convertible bonds issued on 12 April 2017 ("the April 2017 CBs"): (Continued)

The movements of the components of the April 2017 CBs (Tranche I) during the current year are set out below:

		Liability component 負債部分 (At amortised cost) (按減值成本) RMB'000 人民幣千元	Equity component 權益部分 (Residual amount) (餘下金額) RMB'000 人民幣千元
At the date of issue	於發行日期	115,571	604
Interest charge	利息費用	8,747	-
Interest paid	已付利息	(4,671)	-
Exchange adjustment	匯兌調整	(4,578)	-
Repayment of Tranche I	償還第I批	(115,069)	(604)
At 31 December 2017	於2017年12月31日	-	-

The movements of the components of the April 2017 CBs (Tranche II) during the current year are set out below:

		Liability component 負債部分 (At amortised cost) (按攤銷成本) RMB'000 人民幣千元	Equity component 權益部分 (Residual amount) (餘下金額) RMB'000 人民幣千元
At the date of issue	於發行日期	98,449	515
Interest charge	利息費用	11,067	-
Interest paid	已付利息	(8,569)	-
Exchange adjustment	匯兌調整	(5,776)	-
At 31 December 2017	於2017年12月31日	95,171	515

27 可換股債券(續)

(b) 於2017年4月12日發行的可換股債券(「2017年4月可換股債券」): (續)

於本年度2017年4月可換股債券(第I批)各部分變動載列如下:

於本年度2017年4月可換股債券(第II批)各部分變動載列如下:

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

27 CONVERTIBLE BONDS (Continued)

(c) The convertible bonds issued on 11 August 2017 ("the August 2017 CBs"):

On 11 August 2017, the Company issued August 2017 CBs with an aggregate principal amount of HK\$600,000,000 (equivalent to approximately RMB511,416,000) at face value. The Company incurred transactions cost of approximately HK\$18,000,000 (equivalent to approximately RMB15,343,000) for the issue of the August 2017 CBs. For details, please refer to the Company's announcement on 31 July 2017. Major terms of the August 2017 CBs are as below:

- (i) The August 2017 CBs carry 8% coupon interest per annum payable in arrears quarterly. Unless redeemed or repurchased early, the original maturity date of the August 2017 CBs is the second anniversary of the issue date (the "Maturity Date"). If the August 2017 CBs are not fully converted before the Maturity Date, the Company will redeem all the outstanding convertible bonds at nominal value plus the interest accrued but unpaid to the bondholder.
- (ii) If the average closing share price of the Company during any six consecutive months within the period commencing from the issue date to the Maturity Date has never, at any point of time, reached or exceeded the conversion price of August 2017 CBs, the Company shall, upon redemption of August 2017 CBs amounting to HK\$400,000,000, compensate the bondholders in cash so that the bondholder of such HK\$400,000,000 2017 August CBs is guaranteed an annualised return of 12% for the period commencing from the issue date to the date of redemption.

27 可換股債券(續)

(c) 於2017年8月11日發行的可換股債券(「2017年8月可換股債券」):

於2017年8月11日，本公司按面值發行本金額合共600,000,000港元(相當於約人民幣511,416,000元)的2017年8月可換股債券。本公司就發行2017年8月可換股債券產生交易成本約18,000,000港元(相當於約人民幣15,343,000元)。有關詳情，請參閱本公司日期為2017年7月31日的公告。2017年8月可換股債券的主要條款如下：

- (i) 2017年8月可換股債券按年票面利率8%計算，每季度支付。除非提早贖回或購回，2017年8月可換股債券原到期日為發行日期第二週年日(「到期日」)。倘2017年8月可換股債券於到期日前未獲悉數轉換，本公司將按面值贖回所有尚未償還的可換股債券另加應計但未付予債券持有人的利息。
- (ii) 倘本公司股份於自發行日期至到期日期間的任何連續六個月內任何時間的平均收市價未曾保持在2017年8月可換股債券兌換價或以上，則本公司在贖回400,000,000港元2017年8月可換股債券時，須以現金形式補償債券持有人，以保證該400,000,000港元2017年8月可換股債券的持有人於發行日期至贖回日期止期間獲得12%的年化回報。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

27 CONVERTIBLE BONDS (Continued)

(c) The convertible bonds issued on 11 August 2017 ("the August 2017 CBs"): (Continued)

- (iii) The bondholder has the right to convert the principal amount of the August 2017 CBs into ordinary shares of HK\$0.1 each of the Company on any business day from the issue date up to and including the Maturity Date at an initial conversion price of HK\$3.0 per share but subject to adjustments at any time during the term of the August 2017 CBs, subject to the minimum public float requirement.

The August 2017 CBs contain two components, the liability and equity components. The initial fair value of the two components was determined based on gross proceeds at issuance. The initial fair value less allocated transaction costs of the host liability was estimated to be approximately RMB448,959,000 as at the issuance date of using the Monte Carlo Model and Discounted Cash Flow Method, taking into account the terms and conditions of the August 2017 CBs. In subsequent periods, the liability component is measured at amortised cost using effective interest rate method. The effective interest rate of the liability component of the August 2017 CBs is 15.23% per annum. The redemption compensation right is initially and subsequently measured at fair value of RMB6,933,000. The residual amount less allocated transaction costs representing the value of the equity component of approximately RMB40,181,000, was presented in equity under the heading "convertible bonds equity reserve".

27 可換股債券(續)

(c) 於2017年8月11日發行的可換股債券(「2017年8月可換股債券」): (續)

- (iii) 於2017年8月可換股債券年期內任何時間，債券持有人有權於發行日期直至及包括到期日前之任何營業日以初步兌換價每股3.0港元(可予調整)將2017年8月可換股債券的本金額轉換為本公司每股面值0.1港元的普通股，惟公眾持股量不可低於最低要求。

2017年8月可換股債券包括負債及權益兩部分。兩部分之初始公平值乃按發行時的所得款項總額釐定。主負債之初始公平值減已分配交易成本乃經考慮2017年8月可換股債券之條款及條件後於發行日期根據蒙特卡羅定價模式及貼現現金流量法估算為約人民幣448,959,000元。於其後期間，負債部分採用實際利率法按攤銷成本計量。2017年8月可換股債券的負債部分的實際利率為每年15.23%。贖回補償權初始及其後按公平值人民幣6,933,000元計量。餘下金額減已分配交易成本(即權益部分的價值)約人民幣40,181,000元於「可換股債券權益儲備」下權益呈列。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

27 CONVERTIBLE BONDS (Continued)

(c) Convertible bonds issued on 11 August 2017 ("the August 2017 CBs"): (Continued)

Fair value of the liability component was determined using the Monte Carlo Model and Discounted Cash Flow Method and the major inputs into the model are as follows:

		At issue date	At 31 December 2017
		於發行日期	於2017年12月31日
Stock price	股份價格	HK\$2.98 港元	HK\$4.83 港元
Exercise price	行使價	HK\$2.99 港元	HK\$2.99 港元
Expected volatility	預期波幅	29.27%	23.67%
Dividend yield	孳息率	0%	0%
Option life	換股權年期	24 months 個月	19 months 個月
Risk free rate	無風險息率	0.89%	1.22%

The movements of the components of the August 2017 CBs during the current year are set out below:

27 可換股債券(續)

(c) 於2017年8月11日發行的可換股債券(「2017年8月可換股債券」): (續)

負債部分之公平值乃根據蒙特卡羅定價模式及貼現現金流量法釐定，模型內的主要輸入數據如下：

於本年度2017年8月可換股債券各部分變動載列如下：

		Liability component 負債部分		
		Host liability 主負債 (At amortised cost) (按攤銷成本) RMB'000 人民幣千元	Redemption compensation right 贖回補償權 (At fair value) (按公平值) RMB'000 人民幣千元	Equity component 權益部分 (Residual amount) (餘下金額) RMB'000 人民幣千元
At the date of issue	於發行日期	448,959	6,933	40,181
Interest charge	利息費用	27,038	-	-
Interest paid	已付利息	(13,417)	-	-
Change in fair value	公平值變動	-	(7,048)	-
Exchange adjustment	匯兌調整	(9,144)	115	-
At 31 December 2017	於2017年12月31日	453,436	-	40,181

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

28 DEFERRED GOVERNMENT GRANTS

The amount represents government grants received from the Provincial Finance Bureau, Hunan Province. These government grants are assets-related and are amortised over the useful life of the related assets, which is ten years since July 2014.

28 遞延政府補助

該款項指收到來自湖南省財政廳的政府補助。該等政府補助乃資產相關及於有關資產可使用年期即自2014年7月起計10年內攤銷。

29 CAPITAL, RESERVES AND DIVIDEND

(a) Movement 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:

29 資本、儲備及股息

(a) 權益部分變動

本集團綜合權益各部分的期初及期末結餘的對賬載於綜合權益變動表。本公司個別權益部分於年初及年末的變動載列如下：

The Company

本公司

		Share capital	Share premium	Exchange reserve	Capital reserve	Share-based payment reserve	Warrant reserve	Consideration share reserve	Convertible Bonds equity reserve	Accumulated losses	Total	
		股本	股份溢價	匯兌儲備	資本儲備	以股份為基礎的付款儲備	認購權儲備	代價股份儲備	可換股債券權益儲備	累計虧損	總計	
		(Note 29 (c))	(Note 29 (d)(iii))	(Note 29 (d)(ii))	(Note 29 (d)(ii))	(Note 29 (d)(vi))	(Note 29 (d)(vii))	29(d)(viii)	29(d)(viii)	(Note 29 (d)(viii))		
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Balance at 1 January 2017	於2017年1月1日的結餘	182,579	602,992	28,555	289,836	59,680	12,079	-	-	(460,770)	714,951	
Changes in equity for 2017:	2017年的權益變動：											
Loss for the year	年內虧損	-	-	-	-	-	-	-	-	(142,380)	(142,380)	
Other comprehensive income	其他全面收益	-	-	(44,964)	-	-	-	-	-	-	(44,964)	
Total comprehensive income	全面收益總額	-	-	(44,964)	-	-	-	-	-	(142,380)	(187,344)	
Issuance of ordinary shares	發行普通股	29(c)(iii)	6,455	162,523	-	-	-	-	-	-	168,978	
Share-based compensation expenses	以股份為基礎的補償開支	29(d)(v)	-	-	-	23,210	-	-	-	-	23,210	
Share options vested but lapsed	已歸屬但失效的購股權		-	-	-	(779)	-	-	-	779	-	
Exercise of share option	行使購股權	29(c)(i)	398	9,035	-	(841)	-	-	-	-	8,592	
Issuance of consideration shares	發行代價股份	29(d)(vii)	-	-	-	-	-	48,970	-	-	48,970	
Conversion of the 2015 CBs to equity	轉換2015年可換股債券至權益	29(c)(ii)	8,063	241,075	-	-	-	-	-	-	249,138	
Redemption of the April 2017 CBs	贖回2017年4月可換股債券		-	604	-	-	-	-	(604)	-	-	
Issuance of convertible bonds	發行可換股債券	27	-	-	-	-	-	-	41,300	-	41,300	
Balance at 31 December 2017	於2017年12月31日的結餘		197,495	1,016,229	(16,409)	289,836	81,270	12,079	48,970	40,696	(602,371)	1,067,795

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

29 CAPITAL, RESERVES AND DIVIDEND (Continued)

(a) Movement in components of equity (Continued)

		Share capital	Share premium	Exchange reserve	Capital reserve	Share-based payment reserve	Warrant reserve	Accumulated losses	Total
		股本	股份溢價	匯兌儲備	資本儲備	以股份為基礎的付款儲備	認購權證儲備	累計虧損	總計
		(Note 29 (c))	(Note 29 (d)(iii))	(Note 29 (d)(ii))	(Note 29 (d)(ii))	(Note 29 (d)(vi))	(Note 29 (d)(vi))		
		(附註29 (c))	(附註29 (d)(iii))	(附註29 (d)(ii))	(附註29 (d)(ii))	(附註29 (d)(vi))	(附註29 (d)(vi))		
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2016	於2016年1月1日的結餘	166,075	245,136	11,444	289,836	40,700	12,079	(243,978)	521,292
Changes in equity for 2016:	2016年的權益變動：								
Loss for the year	年內虧損	-	-	-	-	-	-	(217,363)	(217,363)
Other comprehensive income	其他全面收益	-	-	17,111	-	-	-	-	17,111
Total comprehensive income	全面收益總額	-	-	17,111	-	-	-	(217,363)	(200,252)
Issuance of ordinary shares	發行普通股	29(c)(iii) 11,500	288,460	-	-	-	-	-	299,960
Share-based compensation expenses	以股份為基礎的補償開支	29(d)(v) -	-	-	-	37,406	-	-	37,406
Share options vested but lapsed	已歸屬但失效的購股權	-	-	-	-	(571)	-	571	-
Exercise of share option	行使購股權	29(c)(i) 5,004	51,541	-	-	-	-	-	56,545
Transfer of share option reserve	轉撥購股權儲備	29(c)(i) -	17,855	-	-	(17,855)	-	-	-
Balance at 31 December 2016	於2016年12月31日的結餘	182,579	602,992	28,555	289,836	59,680	12,079	(460,770)	714,951

(b) 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.

(b) 於報告期結束後擬派的末期股息於報告期末並未確認為負債。

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Dividend in respect of prior year paid during the year	於年內就過往年度支付的股息	Nil 零	Nil 零

The board of directors does not recommend the payment of dividend for the year ended 31 December 2017 (2016: nil).

董事會不建議派發截至2017年12月31日止年度的股息(2016年：零)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

29 CAPITAL, RESERVES AND DIVIDEND (Continued)

(c) Share capital

Authorised and issued share capital

		Par value 面值 HK\$ 港元	No. of shares 股份數目	HK\$'000 千港元
Authorised:	法定：			
At 31 December 2016, 1 January 2017 and 31 December 2017	於2016年12月31日、 2017年1月1日及 2017年12月31日	0.10	100,000,000,000	10,000,000
				(equivalent to RMB8,071,000,000) (相當於人民幣8,071,000,000元)

		No. of shares 股份數目	HK\$'000 千港元	RMB'000 人民幣千元
Issued and fully paid:	已發行及已繳足：			
At 1 January 2016	於2016年1月1日	2,105,145,600	210,514	166,075
Issuance of ordinary shares	發行普通股	135,000,000	13,500	11,500
Exercise of share options	行使購股權	57,300,000	5,730	5,004
At 31 December 2016, 1 January 2017	於2016年12月31日、 於2017年1月1日	2,297,445,600	229,744	182,579
Exercise of share options (i)	行使購股權(i)	4,500,000	450	398
Conversion of the 2015 CBs to equity (ii)	轉換2015年可換股債券 至權益(ii)	90,881,295	9,088	8,063
Issuance of ordinary shares (iii)	發行普通股(iii)	74,074,074	7,407	6,455
At 31 December 2017	於2017年12月31日	2,466,900,969	246,689	197,495

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

29 CAPITAL, RESERVES AND DIVIDEND (Continued)

(c) Share capital (Continued)

- (i) On 23 January 2017, share options were exercised to subscribe for 4,500,000 ordinary shares in the Company at a total consideration of RMB8,592,000 of which RMB398,000 and RMB8,194,000 were credited to share capital and share premium respectively. RMB841,000 was transferred from share-based compensation reserve to share premium account in accordance with policy set out in note 2(s)(ii).
- (ii) On 18 April 2017, conversion rights of the 2015 CBs were exercised to convert the 2015 CBs in the principal amount of USD 16,300,000 (equivalent to RMB112,071,000) at the adjusted conversion price of HK\$1.39 to subscribe 90,881,295 ordinary shares of the Company. RMB8,063,000 and RMB241,075,000 were credited to share capital and share premium respectively.
- (iii) On 12 June 2017, the Company issued 74,074,074 ordinary shares of HK\$0.1 at the price of HK\$2.70 per share to an independent third party, Prosper Rich Investments Limited. The net proceeds from the issue of these shares amounted to HK\$194,000,000 (equivalent to RMB168,978,000). An amount of HK\$7,407,000 (equivalent to RMB6,455,000), representing the par value of the shares issued, was credited to the Company's share capital. The remaining amount of HK\$186,593,000 (equivalent to RMB162,523,000) was credited to share premium.

(d) Nature and purpose of reserves

(i) Exchange reserve

The exchange reserve comprises all foreign currency differences arising from the translation of the financial statements of subsidiaries with functional currency other than Renminbi. The reserve is dealt with in accordance with the accounting policy set out in note 2(w).

29 資本、儲備及股息(續)

(c) 股本(續)

- (i) 於2017年1月23日，購股權獲行使，以總代價人民幣8,592,000元認購本公司4,500,000股普通股，其中人民幣398,000元及人民幣8,194,000元分別計入股本及股份溢價。人民幣841,000元則根據附註2(s)(ii)所載政策自以股份為基礎的補償儲備轉撥至股份溢價賬。
- (ii) 於2017年4月18日，行使2015年可換股債券的兌換權以按經調整轉換價1.39港元轉換本金額為16,300,000美元(相當於人民幣112,071,000元)的2015年可換股債券，以認購本公司90,881,295股普通股。人民幣8,063,000元及人民幣241,075,000元分別計入股本及股份溢價。
- (iii) 於2017年6月12日，本公司按每股2.70港元的價格向獨立第三方亨富投資有限公司發行74,074,074股每股0.1港元的普通股。發行該等股份的所得款項淨額為194,000,000港元(相當於人民幣168,978,000元)。金額7,407,000港元(相當於人民幣6,455,000元)為所發行股份之面值，已計入本公司之股本。餘額186,593,000港元(相當於人民幣162,523,000元)已計入股份溢價。

(d) 儲備的性質及用途

(i) 匯兌儲備

匯兌儲備包括換算並非以人民幣為功能貨幣的附屬公司的財務報表所產生的所有外幣差額。該儲備根據附註2(w)所載的會計政策處理。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

29 CAPITAL, RESERVES AND DIVIDEND (Continued)

(d) Nature and purpose of reserves (Continued)

(ii) Capital reserve

The capital reserve comprises mainly capital contributions from shareholder in respect of the contingent considerations for the acquisition of Jinxin and Xiangbei in November 2010 and August 2011 amounted to RMB33,226,000 and RMB11,555,000 respectively borne by the shareholder and deemed capital contribution of RMB77,700,000 amount due to shareholder waived by the shareholder on 31 December 2012.

(iii) Share premium

The application of the share premium account is governed by the Companies Law of the Cayman Islands. Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to shareholders of the Company 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 the business.

(iv) Statutory reserves

According to the PRC rules and regulations, the Company's operating subsidiaries are required to transfer 10% of the net income after tax, as determined in accordance with generally accepted accounting principle in the PRC, to a general reserve fund and an enterprise expansion fund until the reserve balance reaches 50% of the registered capital of the respective companies. The transfer to the reserves must be made before distribution of dividends to shareholders can be made. These amounts are not available for distribution to shareholders, except upon liquidation.

29 資本、儲備及股息(續)

(d) 儲備的性質及用途(續)

(ii) 資本儲備

資本儲備主要包括股東就於2010年11月及2011年8月收購金鑫及湘北的或然代價(分別為人民幣33,226,000元及人民幣11,555,000元，由股東承擔)注資，以及股東於2012年12月31日豁免應付股東款項人民幣77,700,000元，已視作注資。

(iii) 股份溢價

股份溢價賬的應用受開曼群島公司法管轄。根據開曼群島公司法，本公司股份溢價賬的資金可分派予本公司股東，惟緊隨建議分派股息之日後，本公司須有能力於日常業務過程中清償到期債務。

(iv) 法定儲備

根據中國規則及規例，本公司的營運附屬公司須將其10%的稅後淨收入(根據中國公認會計原則釐定)撥入一般儲備金及企業發展基金，直至儲備結餘達到有關公司的註冊資本的50%。轉撥入儲備必須在向股東派付股息前作出。除清盤外，該等金額不可分配予股東。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

29 CAPITAL, RESERVES AND DIVIDEND (Continued)

(d) Nature and purpose of reserves (Continued)

(v) Share-based payment reserve

Share-based payment reserve represents the portion of the fair value of unexercised share options granted to employees of the Group at grant date that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(s)(ii).

The amount will either be transferred to the share premium account when the option is exercised, or be released directly to retained profits if the option is lapsed or forfeited.

(vi) Warrant reserve

Warrant reserve arises from the issue of warrants less the expenses incurred pertaining to the warrants issue. Upon the exercise of the warrants, the warrant reserve will be transferred to share capital and share premium.

On 19 January 2015, the Company issued 133,650,000 warrants to 7 subscribers at an issue price of HK\$0.001 per warrant. Each warrant will entitle its holder to subscribe for one share of the Company at a subscription price of HK\$1.30 per share. The warrants will be vested in phases according to the vesting conditions. The vesting condition is that the suppliers shall carry out the transactions under their respective annual procurement agreements, pursuant to which the suppliers in aggregate, agree to supply 49,500 tons of copper scrap raw materials to the Group in 2015 at a fixed discount of RMB1,000 per ton. For details, please refer to the Company's announcement on 19 December 2014.

29 資本、儲備及股息(續)

(d) 儲備的性質及用途(續)

(v) 以股份為基礎的付款儲備

以股份為基礎的付款儲備指已授予本集團僱員而未行使的購股權於授出日期的公平值的部分，該公平值已按照附註2(s)(ii)就以股份為基礎的付款所採用的會計政策確認。

該金額將於購股權獲行使時轉撥至股份溢價賬，或倘購股權失效或被充公，則直接轉撥至保留溢利。

(vi) 認股權證儲備

認股權證儲備源自發行認股權證減認股權證發行所產生的開支。認股權證獲行使後，認股權證儲備將轉撥至股本及股份溢價。

於2015年1月19日，本公司按發行價每股認股權證0.001港元向7名認購方發行133,650,000份認股權證。每份認股權證將賦予其持有人按認購價每股1.30港元認購本公司一股份。認股權證將根據歸屬條件分階段歸屬。歸屬條件為供應商將根據彼等各自年度供應協議項下交易進行，據此，各供應商同意於2015年以固定折讓每噸人民幣1,000元向本集團合計供應廢舊銅原材料49,500噸。詳情請參閱本公司日期為2014年12月19日的公告。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

29 CAPITAL, RESERVES AND DIVIDEND (Continued)

(d) Nature and purpose of reserves (Continued)

(vi) Warrant reserve (Continued)

On 24 February 2015, the Company issued 102,000,000 warrants to 3 subscribers at an issue price of HK\$0.001 per warrant. Each warrant will entitle its holder to subscribe for one share of the Company at a subscription price of HK\$1.50 per share. The warrants will be vested in phases according to the vesting conditions. The vesting condition is that the suppliers shall carry out the transactions under their respective annual procurement agreements, pursuant to which the suppliers, in aggregate, agree to supply 30,000 tons of copper scrap raw materials to the Group from 1 February 2015 to 31 January 2016 at a fixed discount of RMB2,000 per ton. For details, please refer to the Company's announcement on 5 February 2015.

No procurement was made from these suppliers during the period from 1 January 2016 to 31 January 2017, therefore no warrant was issued in 2016 and 2017. Total discount on the raw materials purchased for the year ended 31 December 2015 amounted to approximately RMB12,079,000 had been recognised in warrant reserve for the year ended 31 December 2015.

(vii) Consideration shares reserve

Consideration shares reserve arises from the issue of consideration shares less cash consideration incurred pertaining to the consideration shares issue. Upon the allotment of the consideration shares, the consideration shares reserve will be transferred to share capital and share premium.

29 資本、儲備及股息(續)

(d) 儲備的性質及用途(續)

(vi) 認股權證儲備(續)

於2015年2月24日，本公司按發行價每股認股權證0.001港元向3名認購方發行102,000,000份認股權證。每份認股權證將賦予其持有人按認購價每股1.50港元認購本公司一股份。認股權證將根據歸屬條件分階段歸屬。歸屬條件為供應商將根據彼等各自年度供應協議項下交易進行，據此，各供應商同意於2015年2月1日起至2016年1月31日以固定折讓每噸人民幣2,000元向本集團合計供應廢舊原材料30,000噸。詳情請參閱本公司日期為2015年2月5日的公告。

於2016年1月1日起至2017年1月31日期間並無自該等供應商作出採購，因此，於2016年及2017年並無發行認股權證。於截至2015年12月31日止年度採購原材料總折讓約人民幣12,079,000元已於截至2015年12月31日止年度在認股權證儲備中確認。

(vii) 代價股份儲備

代價股份儲備來源於發行代價股份並扣除代價股份發行所產生現金代價。配發代價股份後，代價股份儲備將撥至股本及股份溢價。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

29 CAPITAL, RESERVES AND DIVIDEND (Continued)

(d) Nature and purpose of reserves (Continued)

(vii) Consideration shares reserve (Continued)

On 15 August 2017, the Company, each of the relevant suppliers and each of the relevant subscribers entered into an Annual Procurement Agreement ("the APA"), pursuant to which each of the suppliers agreed to supply a targeted amount of copper scrap raw materials to the Group from 15 August 2017 to 14 August 2018. For each ton of copper scrap raw materials supplied under the APA, the Company will pay up to RMB3,000 by way of issuance of a maximum number of 1,172 consideration shares at an issue price of HK\$3.00 per consideration share and settle the remainder in cash. For details, please refer to the Company's announcement on 15 August 2017.

As the targeted amount of supply of copper scrap raw materials from the suppliers is 56,000 tons in aggregate, the maximum number of consideration shares that the Company may issue pursuant to the APA is 65,632,000 shares. The consideration shares will be allotted and issued to the subscribers in one lot on the allotment date and within 10 business days from 14 August 2018.

In year 2017, the Group purchased 16,323 tons of copper scrap raw materials from these suppliers and accordingly, the Group accrued consideration share reserve of RMB 48,970,000.

29 資本、儲備及股息(續)

(d) 儲備的性質及用途(續)

(vii) 代價股份儲備(續)

於2017年8月15日，本公司、各有關供應商及各有關認購方訂立年度供應協議(「年度供應協議」)，據此，各供應商同意從2017年8月15日至2018年8月14日供應目標數量的廢舊銅原材料予本集團。對於根據年度供應協議所提供的每噸廢舊銅原材料，本公司將以按發行價每股代價股份3.00港元發行最多1,172股代價股份的方式支付至多人民幣3,000元，並以現金支付剩餘。詳情請參閱本公司日期為2017年8月15日的公告。

由於來自供應商的廢舊銅原材料的目標供應總量為56,000噸，本公司根據年度供應協議可能發行的最高代價股份數目為65,632,000股。代價股份將於配發日期及2018年8月14日起10個營業日內一次性配發及發行予認購方。

2017年，本集團向該等供應商購買16,323噸廢舊銅原材料，因此本集團的應計代價股份儲備為人民幣48,970,000元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

29 CAPITAL, RESERVES AND DIVIDEND (Continued)

(d) Nature and purpose of reserves (Continued)

(viii) Convertible bonds equity reserve

Convertible bonds equity reserve arises from the residual amount of the net proceeds of convertible bonds less the fair value of liability component and derivative component at the date of issuance. The equity component will remain as a separate line item within equity until the conversion option is exercised (in which case the corresponding portion of the equity component will be transferred to share capital and share premium). Where the conversion option remains unexercised at the expiry date, the balance will be released to the retained earnings/accumulated losses.

(e) Distributable reserves

At 31 December 2017, the aggregate amount of reserves available for distribution to equity shareholders of the Company amounted to RMB703,604,000 (2016: RMB432,058,000).

(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 financing at a reasonable cost.

The Group 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 affecting the Group.

The Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose, the Group defines net debt as total interest-bearing borrowings less cash. The Group defines "capital" as all components of equity.

29 資本、儲備及股息(續)

(d) 儲備的性質及用途(續)

(viii) 可換股債券權益儲備

可換股債券權益儲備產生自可換股債券所得款項淨額減發行日期負債部分及衍生工具部分公平值的餘額。權益部分將存留於權益內並分開呈列，直至轉換權獲行使(在此情況下，權益部分的相應部分將轉撥至股本及股份溢價)。倘轉換權於屆滿日期仍未行使，則結餘將撥至保留盈利/累計虧損。

(e) 可供分派儲備

於2017年12月31日，可供分派給本公司股東的儲備總額為人民幣703,604,000元(2016年：人民幣432,058,000元)。

(f) 資本管理

本集團管理資本的主要目標為確保本集團持續經營的能力，根據風險大小來對產品和服務定價並按合理的成本獲得融資，繼續為股東及其他利益相關者帶來回報和利益。

本集團管理其資本結構，以維持股東的較高回報(可透過較高借貸水準達致)與穩健資本狀況所帶來的優勢及保障的平衡，並因應影響本集團的經濟狀況變動調整資本結構。

本集團按淨債務資本比率為基準監督資本結構。就此而言，本集團將淨債務定義為計息借款總額減去現金。本集團將「資本」定義為權益的所有組成部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

29 CAPITAL, RESERVES AND DIVIDEND (Continued)

(f) Capital management (Continued)

The net debt-to-capital ratio was as follows:

		Note	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Bank loans and other borrowings	銀行貸款及其他借款	26	683,091	681,536
Obligations under finance leases	融資租賃下的責任	25	13,142	24,658
Convertible bonds	可換股債券	27	548,607	211,810
Less: cash and cash equivalents	減：現金及現金等值項目	23(a)	(109,595)	(164,142)
Net debt	淨債務		1,135,245	753,862
Total equity	總權益		1,536,376	807,708
Net debt-to-capital ratio	淨債務資本比率		73.9%	93.3%

Except for the banking facilities which require the fulfilment of certain covenants, neither the Company nor any of the subsidiaries are subject to externally imposed capital requirements.

29 資本、儲備及股息(續)

(f) 資本管理(續)

淨債務資本比率如下：

除需要履行若干契諾的銀行融資外，本公司及任何附屬公司概無受到外來施加的資本規定所規限。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

30 EQUITY SETTLED SHARE-BASED TRANSACTIONS

Share option scheme

The Company has a share option scheme which was adopted on 28 January 2014 and has come into effect upon the Company's listing on 21 February 2014 whereby the directors of the Company, are authorised, at their discretion, to invite any director or employee of the Group and any other person who in the sole discretion of the directors has contributed or will contribute to the Group to take up options to subscribe for shares of the Company.

- (a) The key terms and conditions related to the grants under the share option scheme are as follows; all options are to be settled by the physical delivery of shares.

30 以股權結算以股份為基礎的交易 購股權計劃

本公司設有購股權計劃，其於2014年1月28日採納及於本公司於2014年2月21日上市後生效，據此，本公司董事獲得授權，可酌情邀請其全權認為已或將對本集團作出貢獻的本集團任何董事或僱員及任何其他人士承購購股權，以認購本公司股份。

- (a) 與根據購股權計劃授出購股權有關的主要條款及條件如下，所有購股權將透過實際交付股份結算。

Grant date/ employees entitled 授出日期/ 有權獲授之僱員	Number of instruments in thousands 工具數目 (千份)	Vesting conditions 歸屬條件	Contractual life of options 購股權合約年期
Options granted to executive directors 授予執行董事的購股權			
— On 2 July 2014	24,000	One third on the first anniversary, one third on the second anniversary, and the remaining on the third anniversary of the grant respectively	10 years
— 於2014年7月2日	24,000	三分之一於授出的第一週年、三分之一於第二週年及其餘於第三週年	10年
— On 7 May 2015	8,000	Same as above	10 years
— 於2015年5月7日	8,000	同上	10年
— On 31 May 2016	1,000	Same as above	10 years
— 於2016年5月31日	1,000	同上	10年
Options granted to employees 授予僱員的購股權			
— On 2 July 2014	89,000	Same as above	10 years
— 於2014年7月2日	89,000	同上	10年
— On 7 May 2015	94,360	Same as above	10 years
— 於2015年5月7日	94,360	同上	10年
— On 31 May 2016	26,930	Same as above	10 years
— 於2016年5月31日	26,930	同上	10年

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

30 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(Continued)

(a) (Continued)

30 以股權結算以股份為基礎的交易(續)

(a) (續)

Grant date/ employees entitled 授出日期/ 有權獲授之僱員	Number of instruments in thousands 工具數目 (千份)	Vesting conditions 歸屬條件	Contractual life of options 購股權合約年期
Options granted to certain eligible participants 授予若干合資格參與人的購股權			
— On 23 July 2015	7,600	On the first anniversary of the date upon which the share options are accepted subject to the grantees remaining as eligible persons at the date of vesting	Six months commencing from the expiry of the first anniversary of the date of acceptance and expiring on the last day of the 6 month-period
— 於2015年7月23日	7,600	於購股權獲接納的第一週年當日，惟承授人於歸屬日期須仍為合資格人士	接納日期起計第一週年屆滿開始直至六個月期間的最後一日為止之六個月
— On 31 May 2016	5,200	On the first anniversary of the date of the grant, subject to their respective predetermined annual sales target were achieved	10 years
— 於2016年5月31日	5,200	於授出日期起計第一週年，惟須達成預先釐定的各年度銷售目標	10年
— On 12 December 2017	29,564	On 31 March 2019 subject to the grantees achieving the pre-determined performance target for the period from 1 December 2017 to 31 December 2018 and the grantees remaining as eligible persons at the date of vesting	6.3 years
— 於2017年12月12日	29,564	於2019年3月31日，惟承授人須完成2017年12月1日至2018年12月31日期間的預定表現目標且承授人於歸屬日期須仍為合資格人士	6.3年
Total share options granted 已授出購股權總數	285,654		

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the Binomial Option Pricing Model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the Binomial Option Pricing Model.

就授出之購股權收取之回報服務之公平值乃參考已授出購股權之公平值計量。已授出購股權之公平值估計乃根據二項式期權定價模式計量。購股權之合約年期乃用作該模式之輸入數據。提早行使之預期已納入二項式期權定價模式。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

30 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(Continued)

(b) Fair value of share options and assumptions

30 以股權結算以股份為基礎的交易(續)

(b) 購股權之公平值及假設

Grant date	2 July 2014		7 May 2015		23 July 2015*		31 May 16		12 December 2017		
	Share options granted to		Share options granted to		Share options granted to		Share options granted to		Share options granted to		
授出日期	2014年7月2日		2015年5月7日		7月23日*		2016年5月31日		12月12日		
	購股權授予		購股權授予		購股權授予		購股權授予		購股權授予		
	Executive directors	Other employees	Executive directors	Other employees	Certain eligible participants	Executive directors	Other employees	Certain eligible participants	Certain eligible participants	Certain eligible participants	
	執行董事	其他僱員	執行董事	其他僱員	若干合資格參與者	執行董事	其他僱員	若干合資格參與者	若干合資格參與者	若干合資格參與者	
Fair value at measurement date (HK\$)	於計量日期之公平值(港元)		0.44	0.39	0.71	0.58	0.22	1.22	1.17	1.45	1.45
Share price (HK\$)	股價(港元)		1.07	1.07	1.68	1.68	1.67	3.05	3.05	3.05	3.70
Exercise price (HK\$)	行使價(港元)		1.13	1.13	1.68	1.68	2.16	3.66	3.66	3.66	3.70
Expected volatility	預期波幅		45.54%	45.54%	46.20%	46.20%	49.43%	50.00%	50.00%	50.00%	41.61%
Expected life	預期年期		10 years	10 years	10 years	10 years	1.5 years	10 years	10 years	10 years	6.3 years
Expected dividends	預期股息		3%	3%	3%	3%	3%	1.47%	1.47%	1.47%	0.92%
Risk-free interest rate (based on Hong Kong Exchange Fund Notes)	無風險利率(以香港外匯基金票據利率為基準)		2.059%	2.059%	1.745%	1.745%	0.239%	1.286%	1.286%	1.286%	1.647%
Exercise multiple	行使倍數		2.8	2.2	2.8	2.2	-	2.8	2.2	-	-
Post-vesting exit rate	歸屬後流失率		0%	5.44%	0%	16.12%	-	9.22%	9.22%	-	-

* On 23 July 2015, the Company granted 10,000,000 share options to certain eligible participants, of which 7,600,000 share options were accepted.

* 於2015年7月23日，本公司向若干合資格參與人授出10,000,000份購股權，其中7,600,000份購股權已被接納。

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are determined by the management. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition or other performance conditions. There were no market conditions associated with the share option grants.

預期波幅是根據過往波幅計算(根據購股權之加權平均剩餘年期計算)，並根據公開可得資料就未來波幅的預期變動調整。預期股息由管理層釐定。主觀輸入數據假設之改變對公平值的估計有重大的影響。

購股權乃按服務條件或其他履約條件授出。授予購股權與市況無關。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

30 EQUITY SETTLED SHARE-BASED TRANSACTIONS

(Continued)

Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option scheme were as follows.

In thousands of options		Number of options 2017 2017年	Weighted- average exercise price 2017 2017年	Number of options 2016 2016年	Weighted- average exercise price 2016 2016年
購股權千份		購股權數目 '000 千股	加權平均行使價	購股權數目 '000 千股	加權平均行使價
Outstanding at 1 January	於1月1日尚未行使	167,756	1.99	198,800	1.45
Lapsed during the year	年內失效	(4,822)	(2.23)	(6,874)	(1.54)
Exercised during the year	年內行使	(4,500)	(2.16)	(57,300)	(1.13)
Granted during the year	年內授出	29,564	3.70	33,130	3.66
Outstanding at 31 December	於12月31日尚未行使	187,998	2.25	167,756	1.99
Exercisable at 31 December	於12月31日可予行使	105,181	1.72	41,294	1.75

The options outstanding at 31 December 2017 had an exercise price in the range of HK\$1.13 to HK\$3.70 (2016: HK\$1.13 to HK\$3.66) and a weighted-average contractual life of 9.42 years (2016: 9.61 years).

4,500,000 share options were exercised in 2017 (2016: 57,300,000).

Expense recognised in profit or loss

For details on the related share-based compensation expenses, see note 7(b).

30 以股權結算以股份為基礎的交易(續)

未行使購股權之對賬

購股權計劃項下購股權的數目及加權平均行使價如下：

於2017年12月31日未行使購股權的行使價介乎1.13港元至3.70港元(2016年：1.13港元至3.66港元)及加權平均合約年期為9.42年(2016年：9.61年)。

4,500,000份購股權於2017年獲行使(2016年：57,300,000份)。

於損益確認之開支

有關以股份為基礎的補償開支詳情，見附註7(b)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

31 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2017 not provided for in the financial statements were as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Contracted for	已訂約		
— property, plant and equipment	— 物業、廠房及設備	50,860	23,010
— lease prepayment	— 租賃預付款	26,071	17,871
Authorised but not contracted for	已授權但未訂約	53,633	53,638
		130,564	94,519

(b) At 31 December 2017, the total future minimum lease payments under non-cancellable operating leases in respect of staff quarters and office premises are payable as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Within 1 year	1年內	3,524	16
After 1 year but within 5 years	1年後但5年內	4,874	—
		8,398	16

(c) At 31 December 2017, the Group had outstanding purchase agreements with some of its suppliers and was required to purchase from the suppliers an aggregate of 4,587 metric tons (2016: 3,598 metric tons) of scrap copper with the price to be determined at the time of purchases based on market price.

(d) On 15 December 2017, the Group agreed to purchase 100% issued shares in Silver Eminent Group Limited for an aggregate consideration of HK\$317,647,000, of which HK\$158,823,500 shall be settled in cash and HK\$158,823,500 shall be settled by way of allotment and issue of consideration shares. The abovementioned cash consideration shall be settled on the future complete date. For details, please refer to the Company's announcements on 15 December 2017.

31 承擔

(a) 於2017年12月31日未償付而並無於財務報表內撥備的資本承擔如下：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Contracted for		
— 物業、廠房及設備	50,860	23,010
— 租賃預付款	26,071	17,871
已授權但未訂約	53,633	53,638
	130,564	94,519

(b) 於2017年12月31日，有關員工宿舍及辦事處的不可撤銷經營租賃項下應付的未來最低租賃款項總額如下：

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
1年內	3,524	16
1年後但5年內	4,874	—
	8,398	16

(c) 於2017年12月31日，本集團與其部分供應商有仍然生效的購買協議，須向供應商購買合共4,587公噸(2016年：3,598公噸)的廢銅，價格將於購買時按照市價釐定。

(d) 於2017年12月15日，本集團同意以總代價317,647,000港元購買銀赫集團有限公司之100%已發行股份，代價中158,823,500港元將以現金支付及158,823,500港元將以配發及發行代價股份支付。上述現金代價將於日後完成日期結算。有關詳情，請參閱本公司日期為2017年12月15日之公告。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

32 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in these financial statements, the Group entered into the following significant related party transactions during the current and prior years.

(a) Significant related party transactions

(i) Financing arrangements

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interest expense on loan from Epoch Keen Limited, a private company controlled by Mr. Yu Jianqiu	來自俞建秋先生所控制的私人公司時建有限公司的貸款的利息開支	-	4,790

(ii) Other related parties transactions

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Sale of goods	銷售貨品		
Sales of recycled copper products to JX E-commerce, a wholly owned subsidiary of Xijiuolong	銷售再生銅產品予金循環電子商務(西九龍的全資附屬公司)	-	1,519
Others	其他		
Payment for acquisition of equity interest in Xinhuan Aluminium	收購鑫環鋁業股權的付款	-	3,100
Payment for acquisition of 25% equity interest in JX E-commerce (note 15(b))	收購金循環電子商務25%股權的付款(附註15(b))	125,000	-
Guarantee provided by Baohe Fushan, an associate of the Group (note 26)	由保和富山(本集團的聯營公司)提供的擔保(附註26)	31,000	35,000
Guarantee provided by Gushan Vegetable, a private company controlled by Mr. Yu Jianqiu (note 26)	由古杉油脂(由俞建秋先生控制之私人公司)提供的擔保(附註26)	10,000	10,000
Delivery cost charged by Mianyang Jin Xunhuan Finance Storage Limited, a company wholly owned by JX E-commerce (Note (a))	綿陽金循環金融倉儲有限公司(由金循環電子商務全資擁有的公司)徵收的交付成本(附註(a))	8,162	1,902

32 關聯方交易

除於該等財務報表其他部分披露的關聯方資料外，本集團於本年度及過往年度訂立以下重大關聯方交易。

(a) 重大關聯方交易

(i) 融資安排

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Interest expense on loan from Epoch Keen Limited, a private company controlled by Mr. Yu Jianqiu	-	4,790

(ii) 其他關聯方交易

	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Sale of goods		
Sales of recycled copper products to JX E-commerce, a wholly owned subsidiary of Xijiuolong	-	1,519
Others		
Payment for acquisition of equity interest in Xinhuan Aluminium	-	3,100
Payment for acquisition of 25% equity interest in JX E-commerce (note 15(b))	125,000	-
Guarantee provided by Baohe Fushan, an associate of the Group (note 26)	31,000	35,000
Guarantee provided by Gushan Vegetable, a private company controlled by Mr. Yu Jianqiu (note 26)	10,000	10,000
Delivery cost charged by Mianyang Jin Xunhuan Finance Storage Limited, a company wholly owned by JX E-commerce (Note (a))	8,162	1,902

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

32 RELATED PARTY TRANSACTIONS (Continued)

(a) Significant related party transactions (Continued)

(ii) Other related parties transactions (Continued)

Bank loans of RMB299,116,000 were secured by an aggregate amount of 310,317,000 ordinary shares (2016: 310,317,000 ordinary shares) in the Company held by Ocean Through Limited, First Harvest Global Limited and Gold Wide Enterprises Limited, which are companies wholly-owned by Mr. Huang Weiping, key management personnel of the Group.

Convertible bonds of HKD400,000,000 issued in August 2017 were secured by 278,000,000 ordinary shares in the Company held by Epoch Keen Limited ("Epoch Keen"), a company wholly-owned by Mr. Yu Jianqiu, the chairman and an executive director of the Company.

Note (a): the related party transaction in respect of delivery cost charged by Mianyang Jin Xunhuan Finance Storage Limited constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section Connected Transactions of the Directors' report.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the directors of the Company as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

		2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	8,536	7,471
Retirement scheme contributions	退休計劃供款	125	109
Share-based payments	以股份為基礎的付款	3,421	9,407
		12,082	16,987

Total remuneration was included in "staff costs" (see note 7(b)).

32 關聯方交易(續)

(a) 重大關聯方交易(續)

(ii) 其他關聯方交易(續)

銀行貸款人民幣299,116,000元乃由洋達有限公司、肇豐環球有限公司及金博企業有限公司持有的本公司合共310,317,000股(2016年: 310,317,000股)普通股提供抵押，所有該等公司由本集團重要管理層人員黃偉萍先生全資擁有。

於2017年8月發行可換股債券400,000,000港元乃由本公司主席及執行董事俞建秋先生全資擁有公司時建有限公司(「時建」)持有本公司278,000,000股普通股提供抵押。

附註(a): 有關綿陽金循環金融倉儲有限公司所徵收的交付成本的關聯方交易構成上市規則第14A章所界定的持續關連交易。上市規則第14A章所規定披露見董事會報告關連交易一節。

(b) 主要管理人員的薪酬

本集團主要管理人員的薪酬(包括於附註9所披露支付予本公司董事的款項，以及於附註10所披露支付予若干最高薪酬僱員的款項)載列如下:

總薪酬已包括在「員工成本」內(見附註7(b))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and commodity price 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 exposure 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 customers' 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 normally due within 90 days from the date of transaction. The Group also provided advance payments to certain suppliers in order to secure the scrap copper supply. The Group also offers revolving credit to its customers and certain suppliers. The revolving credit, which provides for a maximum credit limit that may be outstanding at any one time, is determined based on such factors as current market conditions and the customers' and suppliers' credit history and current ability to pay. Normally, the Group does not obtain collateral from those customers and suppliers.

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 customer.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any impairment allowance.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and bills receivable are set out in note 21.

33 財務風險管理及金融工具的公平值

本集團於日常業務過程中會產生信貸、流動資金、利率風險及商品價格風險。

本集團所面對的該等風險及本集團用以管理該等風險的財務風險管理政策及慣例載述如下。

(a) 信貸風險

本集團信貸風險主要來自貿易及其他應收款項。

管理層設有信貸政策，確保所承受的該等信貸風險會受到持續監控。

就貿易及其他應收款項而言，本集團會對所有要求授予一定金額信貸的客戶進行個別信貸評估。此等評估著重客戶的過去到期還款紀錄以及目前的還款能力，並會考慮關於客戶以及客戶經營所在經濟環境的特定資料。貿易賬款一般自交易日期起計90天內到期。本集團亦向若干供應商墊付款項以確保廢銅供應。本集團亦向客戶及若干供應商提供循環信貸（其規定可於任何一次借取的最高信貸額），此乃根據現時市況及客戶及供應商的信貸紀錄和現時還款能力等因素釐定。一般而言，本集團不會要求該等客戶及供應商提供抵押品。

本集團承受的信貸風險主要受各客戶（而不是客戶營運所屬行業或國家）的個別情況的影響，因此重大信貸集中風險主要產生自本集團承受個別客戶重大風險時。

倘不考慮所持任何抵押品，最高信貸風險額指綜合資產負債表中各金融資產經扣除任何減值撥備後的賬面值。

有關本集團所承受因貿易應收款項及應收票據而產生的信貸風險的進一步定量披露載於附註21。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(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 readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following table shows the remaining contractual maturities at the end of reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of reporting period) and the earliest date the Group can be required to pay.

33 財務風險管理及金融工具的公平值(續)

(b) 流動資金風險

本集團的政策是定期監察其流動資金需求及遵守借貸契約的情況，藉以確保其維持充足現金儲備和可隨時套現的有價證券及獲主要金融機構提供充足資金額度，以應付其短期及長期流動資金需求。

下表列示本集團的非衍生金融負債於報告期末的餘下合約到期情況，該等數據乃基於合約未折現現金流量(包括使用合約利率或(倘屬浮動)於報告期末的利率計算的利息付款)及本集團被要求付款的最早日期。

		2017 2017年				Balance sheet sheet carrying amount 資產負債表 賬面值 RMB'000 人民幣千元
		Contractual undiscounted cash flow 合同未折現現金流			Total 總計 RMB'000 人民幣千元	
Within 1 year or on demand 一年內 或按要 求	More than 1 year but less than 2 years 一年以上 兩年以內	More than 2 years but less than 5 years 兩年以上 五年以內				
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	
Trade and other payables 貿易及其他應付款項		570,296	-	-	570,296	570,296
Obligations under finance leases 融資租賃下的責任		13,215	414	348	13,977	13,142
Bank loans and other borrowings 銀行貸款及其他借款		710,039	483	173	710,695	683,091
Amounts due to associates 應付聯營公司款項		4,638	-	-	4,638	4,638
Liability component of convertible bonds 可換股債券的 負債部分		169,541	494,533	-	664,074	548,607
		1,467,729	495,430	521	1,963,680	1,819,774

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(b) Liquidity risk (Continued)

33 財務風險管理及金融工具的公平值(續)

(b) 流動資金風險(續)

		2016 2016年				
		Contractual undiscounted cash flow 合同未折現現金流				
		More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Balance sheet carrying amount 資產負債表 賬面值	
		Within 1 year or on demand 一年內 或按要求	More than 1 year but less than 2 years 一年以上 兩年以內	More than 2 years but less than 5 years 兩年以上 五年以內	Total 總計	RMB' 000 人民幣千元
		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Trade and other payables	貿易及其他應付款項	386,529	-	-	386,529	386,529
Obligations under finance leases	融資租賃下的責任	13,956	12,679	-	26,635	24,658
Bank loans and other borrowings	銀行貸款及其他借款	728,367	-	-	728,367	681,536
Amounts due to related parties	應付關聯方款項	764	-	-	764	764
Amounts due to associates	應付聯營公司款項	5,150	-	-	5,150	5,150
Liability component of convertible bonds	可換股債券的負債部分	232,343	-	-	232,343	211,810
		1,367,109	12,679	-	1,379,788	1,310,447

As at 31 December 2017 and 2016, all of the Group's trade and other payables are repayable within one year.

於2017年及2016年12月31日，本集團所有貿易及其他應付款項須於一年內支付。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from interest-bearing borrowings. 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 total interest-bearing borrowings at the end of reporting period:

		2017 2017年		2016 2016年	
		Effective interest rate 實際利率 %	Amount 金額 RMB'000 人民幣千元	Effective interest rate 實際利率 %	Amount 金額 RMB'000 人民幣千元
Fixed rate borrowings:	定息借款：				
Bank loans and other borrowings	銀行貸款及其他借款	10.98	683,091	8.72	681,536
Obligations under finance leases	融資租賃下的責任	5.56	13,142	6.67	24,658
Liability component of convertible bonds	可換股債券的負債部分	15.25	548,607	34.35	211,810
Total fixed rate borrowings	定息借款總額		1,244,840		918,004

(ii) Sensitivity analysis

At 31 December 2017 and 2016, all of the Group's interest-bearing borrowings are fixed rate borrowings, no sensitivity analysis on interest rate risk is presented.

33 財務風險管理及金融工具的公平值(續)

(c) 利率風險

本集團的利率風險主要源於計息借款。以浮息及定息放出的借款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的利率概況載於下文(i)。

(i) 利率概況

下表詳述本集團的總計息借款於報告期末的利率概況：

(ii) 敏感度分析

於2017年及2016年12月31日，本集團的所有計息借款均為定息借款，故並無呈列利率風險敏感度分析。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(d) Commodity price risk

The major raw materials used in the production of the Group's products is scrap copper. The Group is exposed to fluctuations in the price of copper which are influenced by global as well as regional supply and demand conditions. Fluctuations in the prices of raw materials could adversely affect the Group's financial performance. The Group uses copper futures contracts to mitigate its exposure against price fluctuations of copper raw materials. The market value of futures contracts is based on quoted market price at settlement or the end of the reporting period. As at 31 December 2017 and 2016, the Group did not have outstanding copper futures contracts.

(e) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

There were no transfers between levels 1, 2 and 3 during the current and prior years.

33 財務風險管理及金融工具的公平值(續)

(d) 商品價格風險

生產本集團產品所用的主要原材料為廢銅。本集團須承受因全球及地區性供求狀況而導致的銅價格波動的風險。原材料價格波動可能對本集團的財務表現構成不利影響。本集團使用銅期貨合約減輕其所承受銅原材料價格波動的風險。期貨合約的市值是以結算或報告期末的市場報價為基準。於2017年及2016年12月31日，本集團並無任何未平倉的銅期貨合約。

(e) 公平值計量

(i) 按公平值計量的金融資產及負債

公平值架構

下表呈列本集團金融工具的公平值，該等工具於報告期末按經常性基準計量，並分類為國際財務報告準則第13號公平值計量定義的三級公平值架構。將公平值計量分類的等級乃經參考以下估值方法所用輸入數據的可觀察性及重要性後釐定：

- 第1級估值：僅使用第1級輸入數據(即於計量日期同類資產或負債於活躍市場的未經調整報價)計量的公平值。
- 第2級估值：使用第2級輸入數據(即未能達到第1級的可觀察輸入數據)且並非使用重大不可觀察輸入數據計量的公平值。不可觀察輸入數據為無市場數據的輸入數據。
- 第3級估值：使用重大不可觀察輸入數據計量的公平值。

於本年度及過往年度，第1、2及3級之間並無轉撥。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

The financial assets and liabilities measured at fair value in the consolidated statement of financial position as at 31 December 2017 are grouped into the fair value hierarchy as follows.

33 財務風險管理及金融工具的公平值(續)

(e) 公平值計量(續)

(i) 按公平值計量的金融資產及負債(續)

公平值架構(續)

於2017年12月31日在綜合財務狀況表內按公平值計量的金融資產及負債在公平值架構的歸類如下。

		Level 1 第1級 RMB'000 人民幣千元	Level 2 第2級 RMB'000 人民幣千元	Level 3 第3級 RMB'000 人民幣千元 (note (a)) (附註(a))	Total 總計 RMB'000 人民幣千元
At 31 December 2017	於2017年12月31日				
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債				
— Derivative component of the 2017 CBs	— 2017年可換股債券的衍生工具部分	—	—	—	—
At 31 December 2016	於2016年12月31日				
Financial liabilities at fair value through profit or loss	按公平值計入損益的金融負債				
— Derivative component of the 2015 CBs	— 2015年可換股債券的衍生工具部分	—	—	133,344	133,344

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value

(Continued)

Fair value hierarchy (Continued)

(a) Information about level 3 fair value measurements

33 財務風險管理及金融工具的公平值(續)

(e) 公平值計量(續)

(i) 按公平值計量的金融資產及負債(續)

公平值架構(續)

(a) 第3級公平值計量的資料

	Valuation techniques 估值方法	Significant unobservable inputs 重大不可觀察的輸入數據	Range 範圍
Derivative component of the 2017 CBs 2017年可換股債券的衍生工具部分	Monte Carlo Model and Discounted Cash Flow Method 蒙特卡羅定價模式及貼現現金流量法	Expected volatility 預期波幅	24% to 39% 24%至39%
Derivative component of the 2015 CBs 2015年可換股債券的衍生工具部分	Monte Carlo Model and Binomial Option Pricing Model 蒙特卡羅定價模式及二項式期權定價模型	Expected volatility 預期波幅	19% to 42% 19%至42%

The fair value of derivative component of the convertible bonds is determined using Monte Carlo Model, Discounted Cash Flow Method and Binomial Option Pricing Model and the significant unobservable input used in the fair value measurement is expected volatility. The fair value measurement is positively correlated to the expected volatility.

可換股債券的衍生工具部分公平值乃使用蒙特卡羅定價模式、貼現現金流量法及二項式期權定價模型釐定，計量公平值所採用的重大不可觀察輸入數據乃預期波幅。公平值計量與預期波幅有正向相聯關係。

The movement during the period in the balance of level 3 fair value measurements is as follows:

本期間第3級公平值計量的結餘變動如下：

		RMB'000 人民幣千元
Derivative component of convertible bonds at 31 December 2016 and 1 January 2017	於2016年12月31日及2017年1月1日的可換股債券衍生工具部分	133,344
Recognition of the derivative component of the 2017 CBs	確認2017年可換股債券衍生工具部分	6,934
Changes in fair value recognised in the profit or loss during the year	年內於損益確認的公平值變動	(2,233)
Exchange realignment	匯兌調整	(978)
Conversion of the 2015 CBs	轉換2015年可換股債券	(137,067)
At 31 December 2017	於2017年12月31日	-

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(e) Fair value measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

- (a) Information about level 3 fair value measurements
The gains arising from the remeasurement of the derivative component of the convertible bonds are presented in "other net income/(loss)".

(ii) Fair value of financial instruments carried at other than fair values

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2017.

The difference between financial instruments carried at amortised cost and their fair value and the level of fair value hierarchy as at 31 December 2016 are disclosed as follows:

		31 December 2016		Fair value measurements as at 31 December 2016 categorised into		
		2016年12月31日		於2016年12月31日		
		Carrying amount	Fair Value	level 1	level 2	level 3
		賬面值	公平值	第一級	第二級	第三級
		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
Liability component of convertible bonds	可換股債券的負債部分	211,810	224,644	-	-	224,644

33 財務風險管理及金融工具的公平值(續)

(e) 公平值計量(續)

(i) 按公平值計量的金融資產及負債(續)

公平值架構(續)

- (a) 第3級公平值計量的資料
因可換股債券的衍生工具部分的重新計量而產生的收益在「其他淨收入／(虧損)」內呈列。

(ii) 按公平值以外數據列賬的金融工具的公平值

於2017年12月31日，本集團按成本或攤銷成本列賬的金融工具賬面值均與其公平值並無重大差別。

按攤銷成本列賬的金融工具與其公平值之間的差額以及於2016年12月31日的公平值層級披露如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

33 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Continued)

(f) Estimation of fair values

(i) Interest-bearing loans and borrowings

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments at the end of the reporting period.

(ii) Derivatives

Copper futures contracts are measured using quoted prices in active markets for identical financial instruments.

33 財務風險管理及金融工具的公平值(續)

(f) 公平值的估算

(i) 計息貸款及借款

公平值是按估計的未來現金流量現值(按類似金融工具於報告期末的現行市場利率折現計算)。

(ii) 衍生工具

銅期貨合約利用在活躍市場中相同金融工具的報價計量。

34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

34 公司層面的財務狀況表

		Note	31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Non-current assets	非流動資產			
Investments in subsidiaries	於附屬公司的投資		298,323	298,322
Interests in associates	聯營公司權益	15	41,575	37,435
			339,898	335,757
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司的款項		1,317,856	711,684
Amount due from a related party	應收一名關聯方款項		448	476
Other receivables	其他應收款項		—	76
Cash and cash equivalents	現金及現金等值項目		47,386	17,554
			1,365,690	729,790

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

34 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (Continued)

34 公司層面的財務狀況表(續)

		Note	31 December 2017 2017年 12月31日 RMB'000 人民幣千元	31 December 2016 2016年 12月31日 RMB'000 人民幣千元
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項		5,595	5,440
Amounts due to a related party	應付一名關聯方款項		–	2
Loan from a third party	來自一名第三方的貸款		83,591	–
Liability component of convertible bonds	可換股債券的負債部分	27	95,171	211,810
Derivative component of convertible bonds	可換股債券的衍生工具部分	27	–	133,344
			184,357	350,596
Net current assets	淨流動資產		1,181,333	379,194
Total assets less current liabilities	總資產減流動負債		1,521,231	714,951
Non-current liabilities	非流動負債			
Liability component of convertible bonds	可換股債券的負債部分	27	453,436	–
NET ASSETS	淨資產		1,067,795	714,951
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	29	197,495	182,579
Reserves	儲備	29	870,300	532,372
TOTAL EQUITY	總權益		1,067,795	714,951

Approved and authorised for issue by the board of directors on 27 March 2018.

於2018年3月27日經董事會批准及授權刊發。

Yu Jianqiu
俞建秋
Director
董事

Kwong Wai Sun Wilson
鄺偉信
Director
董事

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

35 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 few 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.

35 已頒佈但於截至2017年12月31日止年度尚未生效的修訂、新準則及詮釋可能產生的影響

截至本財務報表刊發日期，國際會計準則理事會已頒佈數項於截至2017年12月31日止年度尚未生效且本財務報表中並無採納的修訂及新準則，其中包括以下或會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 15, <i>Revenue from contracts with customers</i> 國際財務報告準則第15號，客戶合約收益	1 January 2018 2018年1月1日
IFRS 9, <i>Financial instruments</i> 國際財務報告準則第9號，金融工具	1 January 2018 2018年1月1日
Amendments to IFRS 2, <i>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交易分類與計量	1 January 2018 2018年1月1日
IFRIC 22, <i>Foreign currency transactions and advance consideration</i> 國際財務報告準則詮釋委員會第22號，外幣交易和預付／預收對價	1 January 2018 2018年1月1日
IFRS 16, <i>Leases</i> 國際財務報告準則第16號，租約	1 January 2019 2019年1月1日
IFRIC 23, <i>Uncertainty over Income Tax Treatments</i> 國際財務報告準則詮釋委員會第23號，所得稅處理之不確定性	1 January 2019 2019年1月1日

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far the Group has identified some aspects of 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 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 ending 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.

本集團正在評估該等修訂於初次應用期間預期產生的影響。迄今為止，本集團識別出新準則的部分方面可能對綜合財務報表產生重大影響。有關預期影響的進一步詳情載述如下。儘管有關國際財務報告準則第15號的評估已大致完成，惟首次採納該等準則時產生的實際影響可能有所不同，因為至今完成的評估乃根據本集團現時可得資料作出，而於截至2018年6月30日止六個月本集團中期財務報告首次應用該等準則前可能會識別其他影響。本集團亦可能變更其會計政策選擇（包括過渡選擇），直至於上述財務報告首次應用該等準則。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

35 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

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.

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

(a) Classification and measurement

IFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI):

- 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.

35 已頒佈但於截至2017年12月31日止年度尚未生效的修訂、新準則及詮釋可能產生的影響 (續)

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的現有準則國際會計準則第39號，金融工具：確認及計量。國際財務報告準則第9號引入分類及計量金融資產、計算金融資產減值及對沖會計的新規定。另一方面，國際財務報告準則第9號納入且並無大幅變動國際會計準則第39號有關確認及終止確認金融工具以及金融負債分類及計量的規定。

國際財務報告準則第9號於2018年1月1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2018年1月1日之權益期初結餘確認任何過渡調整。

預期新規定對本集團財務報表的影響如下：

(a) 分類及計量

國際財務報告準則第9號包括金融資產的三個主要分類方法：(1)按攤銷成本；(2)按公平值計入損益(按公平值計入損益)；及(3)按公平值計入其他全面收益(按公平值計入其他全面收益)計量如下：

- 債務工具的分類乃基於實體管理金融資產的業務模式及該資產的合同現金流特點而釐定。倘債務工具分類為按公平值計入其他全面收益計量，則利息收入、減值及出售的收益／虧損將於損益內確認。
- 就股本證券而言，無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除外。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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

35 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 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.

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 will not have any impact on the Group's financial statements upon 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. Based on a preliminary assessment, this new requirement will not have any material impact on the Group's financial statements upon adoption of IFRS 9.

35 已頒佈但於截至2017年12月31日止年度尚未生效的修訂、新準則及詮釋可能產生的影響 (續)

國際財務報告準則第9號金融工具(續)

(a) 分類及計量(續)

本集團已評估其目前按攤銷成本計量及按公平值計入損益的金融資產將會於採納國際財務報告準則第9號後繼續沿用彼等各自的分類及計量。

國際財務報告準則第9號項下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重大金融負債，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財務報表造成任何影響。

(b) 減值

國際財務報告準則第9號之新減值模式以「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。根據初步評估，此項新規定不會對本集團採納國際財務報告準則第9號而對本集團財務報表產生任何重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

35 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 determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

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 2(v). Currently, revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

Under IFRS 15, revenue is recognised when the customer obtains control of the promised good in the contract. IFRS 15 identifies 3 situations in which control of the promised good is regarded as being transferred over time:

- (a) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (b) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (c) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

35 已頒佈但於截至2017年12月31日止年度尚未生效的修訂、新準則及詮釋可能產生的影響 (續)

國際財務報告準則第15號客戶合約收益

國際財務報告準則第15號為釐定是否確認收益、確認金額及時間制定了一套全面的框架。其取代現有的收益確認指引，包括國際會計準則第18號收益、國際會計準則第11號建築合約及國際財務報告準則詮釋委員會第13號客戶忠誠計劃。

根據至今完成的評估，本集團已識別下列預期將受影響的方面：

(a) 收益確認時間

本集團的收益確認政策披露於附註2(v)。目前，銷售貨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之承諾貨品的控制權時確認。國際財務報告準則第15號確定了以下對承諾貨品的控制權被視為隨時間轉移的3種情況：

- (a) 當客戶於實體履約時同時接受及使用實體履約所提供之利益時；
- (b) 當實體履約創造或增強一項於資產被創造或增強時由客戶控制之資產(如在建工程)時；
- (c) 當實體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。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

35 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)

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 at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

The Group has assessed that the new revenue standard is not likely to have significant impact on how it recognises revenue.

(b) Significant financing component

IFRS 15 requires an entity to adjust the transaction price for the time value of money when a contract contains a significant financing component, regardless of whether the payments from customers are received significantly in advance or in arrears.

Currently, trade debtors are normally due within 90 days from the date of transaction while certain of its customers makes advance payments to the Group which normally covers small portion of sales.

The Group is in the process of assessing whether this component in the Group's deferred payment scheme would be significant to the contract and therefore whether, once HKFRS 15 is adopted, the transaction price would need to be adjusted for the purposes of recognising revenue from sales of copper and related products, sales of aluminium, and provision of contract manufacturing service. Based on the preliminary assessment, the Group considers that the initial application of HKFRS 15 will not have a significant impact on the Group's results of operation and financial position.

35 已頒佈但於截至2017年12月31日止年度尚未生效的修訂、新準則及詮釋可能產生的影響 (續) 國際財務報告準則第15號客戶合約收益 (續)

(a) 收益確認時間 (續)

倘合約條款及實體活動並不屬於任何該等3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）就銷售貨品確認收益。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。

本集團已評估新收益標準不大可能對如何確認收益產生重大影響。

(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，而不管來自客戶之付款將大部分提前收取或延後收取。

目前，貿易賬款一般自交易日期起90日內到期，而若干客戶向本集團作出預付款，通常涵蓋小部分銷售。

本集團現正評估是否本集團遞延付款計劃的該組成部分對合約而言屬重大，繼而是否於採納香港財務報告準則第15號後須調整交易價格，以確認銷售銅及相關產品、銷售鋁及提供合約製造服務產生的收益。根據初步評估，本集團認為首次應用香港財務報告準則第15號將不會對本集團的經營業績及財務狀況造成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

35 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 products, the Group estimates the level of 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.

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. As allowed by IFRS 15, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The expected changes in accounting policies as described above could have a material impact on the Group's financial results from 2018 onwards.

IFRS 16, Leases

As disclosed in note 2(j), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

35 已頒佈但於截至2017年12月31日止年度尚未生效的修訂、新準則及詮釋可能產生的影響 (續)

國際財務報告準則第15號客戶合約收益 (續)

(c) 具退貨權的銷售

目前，當客戶被允許退回產品時，本集團會估計退貨水平並就收益及銷售成本作出調整。

本集團已評估採納國際財務報告準則第15號將不會對本集團於客戶有退貨權時確認收益及銷售成本的方式造成重大影響。

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2018年1月1日權益期初結餘之調整。誠如國際財務報告準則第15號所允許，本集團計劃僅將該等新規定應用於2018年1月1日前尚未完成之合約。上文所述會計政策的預期變更可能對本集團2018年起的財務業績產生重大影響。

國際財務報告準則第16號，租賃

誠如附註2(j)所披露，本集團現時將租賃分類為融資租賃及經營租賃，並視乎租賃的分類分別對租賃安排進行列賬。本集團作為出租人以及其他人士作為承租人訂立若干租約。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

35 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 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.

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 31(b), at 31 December 2017 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB8,398,000, which is payable within 5 years after the reporting date. 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.

35 已頒佈但於截至2017年12月31日止年度尚未生效的修訂、新準則及詮釋可能產生的影響 (續)

國際財務報告準則第16號，租賃(續)

預期國際財務報告準則第16號將不會大幅影響出租人根據租約將彼等權利及義務入賬的方式。然而，一旦採納國際財務報告準則第16號，承租人將不再區分融資租賃及經營租賃。相反，受可行權宜方法的規限，承租人將按與現有融資租賃會計處理方法類似的方式將所有租約入賬，即於租約開始日期，承租人將按日後最低租賃付款的現值確認及計量租賃負債，及將確認相應的「使用權」資產。於初步確認該資產及負債後，承租人將確認租賃負債結餘所產生的利息開支及使用權資產折舊，而非根據現有政策於租期內按系統基準確認根據經營租約所產生的租賃開支。作為一項可行權宜方法，承租人可選擇不將此會計模式應用於短期租賃(即租期為12個月或以下)及低價值資產的租賃，於該等情況下，租金開支將繼續於租期內按系統基準確認。

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若干物業、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，及影響租約期間於損益表確認開支的時間。誠如附註31(b)所披露，於2017年12月31日，本集團於不可撤銷經營租賃項下的日後最低租賃付款達人民幣8,398,000元，須於報告日期後五年內支付。因此，一旦採納國際財務報告準則第16號，若干該等款項可能須確認為租賃負債，並附帶相應使用權資產。經考慮可行權宜方法的適用性及就現時與採納國際財務報告準則第16號期間已訂立或終止的任何租約及貼現影響作出調整後，本集團將須進行更為詳細的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的新資產及負債的金額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

35 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.

36 SUBSEQUENT EVENTS

The following significant events took place subsequent to 31 December 2017:

Sales and purchase agreement involving issue of consideration shares

On 7 February 2018, the Company entered into the sale and purchase agreement with Sure Victor Global Limited ("Sure Victor"), pursuant to which the Company agreed to purchase, and Sure Victor agreed to sell, 100 shares in Value Link Developments Limited, representing 100% equity interest, for an aggregate consideration of HK\$741,175,000, of which HK\$287,647,000 shall be settled in cash and HK\$453,528,000 shall be settled by way of allotment and issue of consideration shares.

The consideration is subject to adjustment pursuant to the Earn-out Arrangement. Assuming the maximum number of consideration shares is being allotted and issued to Sure Victor, 94,485,000 shares will be issued under the sale and purchase agreement, representing approximately 3.83% of the issued share capital of the Company as at 7 February 2018 and approximately 3.69% of the issued share capital of the Company as enlarged by the allotment and issue of the consideration shares.

35 已頒佈但於截至2017年12月31日止年度尚未生效的修訂、新準則及詮釋可能產生的影響 (續)

國際財務報告準則第16號，租賃(續)

香港財務報告準則第16號於2019年1月1日或之後開始之年度期間生效。該準則提供不同的過渡選擇及可行權益方法，包括融入先前評估的可行權宜方法，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號對租賃的新定義應用於首次應用日期或之後訂立的合約。倘並無選擇可行權益方法，本集團則需要重新評估其應用新定義下，對哪些現有合約為(或包含)租賃而作的所有決定。視乎本集團是否選擇以追溯方式採納準則，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的累計效應調整，本集團未必需要重列因重新評估而引致任何會計變動的比較資料。

36 結算日後事件

於2017年12月31日後發生下列重大事件：

涉及發行代價股份的買賣協議

於2018年2月7日，本公司與定凱環球有限公司(「定凱」)訂立買賣協議，據此，本公司同意購買及定凱同意銷售尚領發展有限公司之100股股份(相當100%股本權益)，總代價為741,175,000港元，其中287,647,000港元將以現金結算及453,528,000港元將透過配發及發行代價股份結算。

根據獲利計酬安排，代價可予調整。假設最高數目之代價股份將配發及發行予定凱，則根據買賣協議將發行94,485,000股股份，相當於2018年2月7日本公司已發行股本約3.83%及經配發及發行代價股份擴大之本公司已發行股本約3.69%。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Renminbi unless otherwise indicated) (除另有註明者外，以人民幣列值)

36 SUBSEQUENT EVENTS (Continued)

Sales and purchase agreement involving issue of consideration shares (Continued)

Sure Victor is a company incorporated in the British Virgin Islands. The Group of Sure Victor is principally engaged in the production of copper products through Hubei Rongsheng, its in-direct wholly owned subsidiary established in the PRC. Hubei Rongsheng has production capacity of 50,000 tons of recycled copper products on an annual basis.

As at the issue date of these consolidated financial statements, the above-mentioned transaction is not yet completed.

37 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2017, the directors consider the immediate parent and ultimate controlling party of the Group to be Epoch Keen, which is incorporated in the British Virgin Islands and wholly-owned by Mr. Yu Jianqiu. This entity does not produce financial statements available for public use.

38 OTHER MATTER

Pursuant to the Company's announcement on 8 December 2017, Mr. Yu Jianqiu and Epoch Keen entered into conditional sale and purchase agreements with two third parties, Taihe Group (Hong Kong) Limited ("Taihe") and Silver Boom Limited ("Silver Boom") to dispose all their shares in the Company to these two third parties.

Following the completion of the above transactions, Mr. Yu Jianqiu will cease to hold any shares in the Company and will no longer be a controlling shareholder of the Company.

As at the issue date of these consolidated financial statements, the above-mentioned transaction is still in progress.

36 結算日後事件(續)

涉及發行代價股份的買賣協議(續)

定凱為一間於英屬處女群島註冊成立之公司。定凱集團主要從事透過其在中國成立之間接全資附屬公司湖北融晟生產銅產品。湖北融晟每年最高產能為50,000噸再生銅產品。

於該等綜合財務報表刊發日期，上述交易尚未完成。

37 直接及最終控股人士

於2017年12月31日，董事認為本集團直接及最終控股人士為於英屬處女群島註冊成立的時建及由俞建秋先生全資擁有。該公司並無編製可供公眾使用之財務報表。

38 其他事項

根據本公司日期為2017年12月8日之公告，俞建秋先生及時建與兩名第三方泰合集團(香港)有限公司(「泰合」)及銀昌有限公司(「銀昌」)訂立有條件買賣協議，以將彼等於本公司之全部股份出售予該等兩名第三方。

於完成上述交易後，俞建秋先生將不再持有本公司任何股份及將不再為本公司之控股股東。

於該等綜合財務報表刊發日期，上述交易仍在進行。

FIVE YEAR FINANCIAL SUMMARY

五年財務概要

ASSETS AND LIABILITIES

資產及負債

		At 31 December 於12月31日				
		2017	2016	2015	2014	2013
		2017年	2016年	2015年	2014年	2013年
		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
Total assets	總資產	3,398,835	2,278,476	2,335,311	2,408,196	1,694,092
Total liabilities	總負債	(1,862,459)	(1,470,768)	(1,581,128)	(1,134,893)	(1,081,287)
Net assets	淨資產	1,536,376	807,708	754,183	1,273,303	612,805

DIRECTORS

Executive Directors

Yu Jianqiu
Kwong Wai Sun Wilson
Huang Weiping
Zhu Yufen

Independent Non-executive Directors

Lee Ting Bun Denny
Pan Liansheng
Ren Ruxian

REGISTERED OFFICE

Cricket Square, Hutchins Drive PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HEAD OFFICE IN THE PRC

She Nos 1, 3 and 8
Shunhe Village Xiaojiangou Town Youxian District Mianyang
Sichuan Province
China

PLACE OF BUSINESS IN HONG KONG

Unit 2-3, 44/F
Cosco Tower
183 Queen's Road Central
Hong Kong

COMPANY SECRETARY

Cheung Ying Kwan

AUDITORS

KPMG
Certified Public Accountants

LEGAL ADVISORS

As to Hong Kong law
Herbert Smith Freehills
As to PRC law
Chen & Co Law Firm

董事

執行董事

俞建秋
鄺偉信
黃偉萍
朱玉芬

獨立非執行董事

李廷斌
潘連勝
任汝嫻

註冊辦事處

Cricket Square, Hutchins Drive PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

中國總辦事處

中國四川省綿陽市游仙區
小觀溝鎮順河村1、3及8社

香港營業地點

香港皇后大道中183號
中遠大廈44樓2-3室

公司秘書

張應坤

核數師

畢馬威會計師事務所
執業會計師

法律顧問

有關香港法律
史密夫斐爾律師事務所
有關中國法律
瑛明律師事務所

CORPORATE INFORMATION

公司資料

AUDIT AND CORPORATE GOVERNANCE COMMITTEE

Lee Ting Bun Denny (*Chairperson*)
Pan Liansheng
Ren Ruxian

REMUNERATION COMMITTEE

Pan Liangsheng (*Chairperson*)
Lee Ting Bun Denny
Ren Ruxian

NOMINATION COMMITTEE

Ren Ruxian (*Chairperson*)
Lee Ting Bun Denny
Pan Liansheng

AUTHORIZED REPRESENTATIVES PURSUANT TO THE LISTING RULES

Kwong Wai Sun Wilson
Cheung Ying Kwan

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Limited
Industrial and Commercial Bank of China
Mianyang Commercial Bank
Huarong Xiangjiang Bank

COMPANY WEBSITE

<http://www.cmru.com.cn>

STOCK CODE

1636

審核及企業管治委員會

李廷斌 (主席)
潘連勝
任汝嫻

薪酬委員會

潘連勝 (主席)
李廷斌
任汝嫻

提名委員會

任汝嫻 (主席)
李廷斌
潘連勝

根據上市規則的授權代表

鄭偉信
張應坤

股份過戶登記總處

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
PO Box 2681
Grand Cayman, KY1-1111
Cayman Islands

香港股份過戶登記分處

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

主要往來銀行

渣打銀行(香港)有限公司
中國工商銀行
綿陽市商業銀行
華融湘江銀行

公司網站

<http://www.cmru.com.cn>

股份代號

1636



China Metal Resources Utilization Limited
中國金屬資源利用有限公司



This Annual Report is printed on environmentally friendly paper
本年報以環保紙張印製