



CHINA ORIENTAL GROUP COMPANY LIMITED 中國東方集團控股有限公司*

(Incorporated in Bermuda with limited liability)

(在百慕達註冊成立的有限公司)

(Stock Code: 581)

(股份代號: 581)

ANNUAL REPORT 年報 2019



* For identification purposes only
僅供識別

Contents 目錄

Pages 頁次

Financial Highlights	財務摘要	2
Corporate Information	公司資料	5
Chairman's Statement	主席報告	8
Management Discussion and Analysis	管理層討論及分析	13
Directors' and Senior Management's Biographical Information	董事及高級管理人員的 履歷資料	73
Corporate Governance Report	企業管治報告	80
Environmental, Social and Governance Report	環境、社會及管治報告	104
Directors' Report	董事局報告	142
Independent Auditor's Report	獨立核數師報告	161
Consolidated Balance Sheet	合併資產負債表	169
Consolidated Statement of Profit or Loss	合併損益表	171
Consolidated Statement of Comprehensive Income	合併綜合收益表	172
Consolidated Statement of Changes in Equity	合併權益變動表	173
Consolidated Statement of Cash Flows	合併現金流量表	175
Notes to the Consolidated Financial Statements	合併財務報表附註	177
Five-year Financial Information	五年財務資料	328



Financial Highlights

財務摘要

FINANCIAL SUMMARY

財務摘要

		2017 (RMB million) (人民幣百萬元)	2018 (RMB million) (人民幣百萬元)	2019 (RMB million) (人民幣百萬元)
Revenue	收入	41,353	40,782	43,014
Gross profit	毛利	7,292	6,791	4,151
EBITDA ¹	息稅折舊及攤銷前溢利 ¹	7,474	7,619	5,331
Profit before income tax	除所得稅前溢利	6,408	6,299	4,065
Profit for the year	年度溢利	4,883	4,861	3,267
Profit attributable to owners of the Company	本公司權益持有者應佔溢利	4,839	4,782	3,210
Basic earnings per Share (RMB)	每股基本收益(人民幣元)	1.39	1.31	0.86
Net assets	淨資產值	14,105	17,682	19,823
Total assets	總資產	24,405	29,609	35,407
Net assets value per Share (excluding non-controlling interests) (RMB)	每股淨資產值(扣除非控制性權益)(人民幣元)	3.94	4.68	5.24

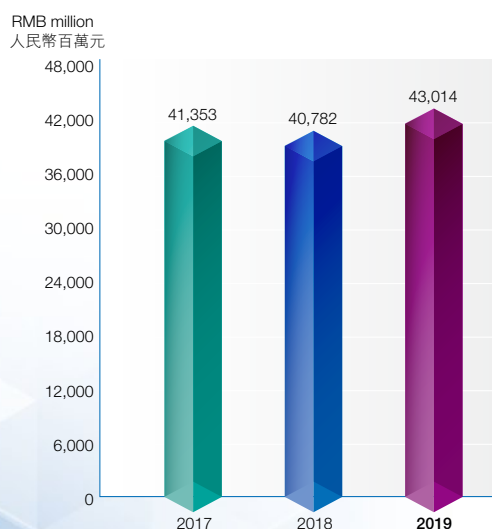
Note:

- China Oriental Group Company Limited (the "Company") defines EBITDA as profit for the year before finance costs — net, income tax expense, amortisation of intangible assets, amortisation of leasehold land and land use rights, depreciation and non-recurring items. During the year ended 31 December 2019, there were no adjustments of non-recurring items in the calculation (2018: RMB34 million).

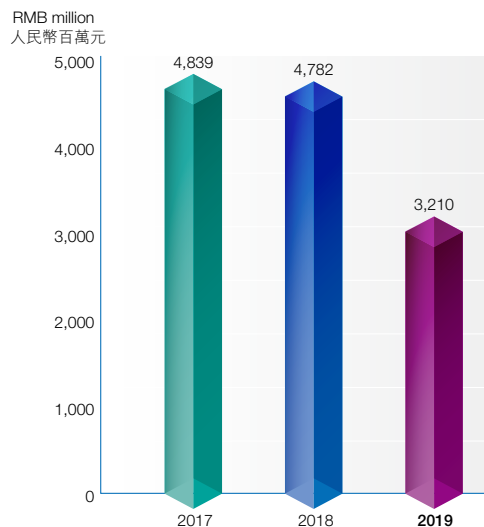
註：

- 中國東方集團控股有限公司(「本公司」)對息稅折舊及攤銷前溢利的定義為扣除財務成本一淨額、所得稅費用、無形資產攤銷、租賃土地及土地使用權攤銷、折舊及非經常發生的項目前之年度溢利。於截至2019年12月31日止年度內，計算中概無非經常發生項目的調整(2018年：人民幣3,400萬元)。

Revenue
收入



Profit attributable to owners of the Company
本公司權益持有者應佔溢利



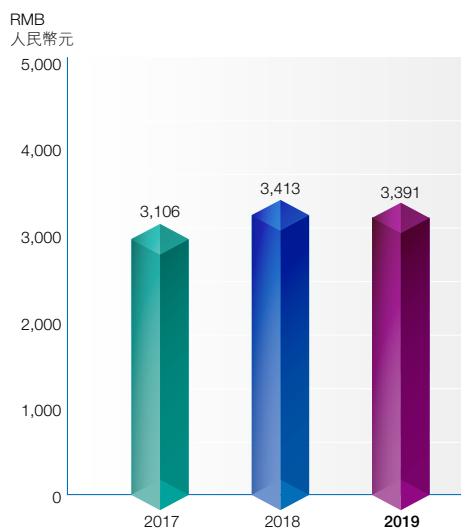
Financial Highlights 財務摘要

AVERAGE SELLING PRICE AND GROSS PROFIT PER TONNE OF SELF-MANUFACTURED STEEL PRODUCTS

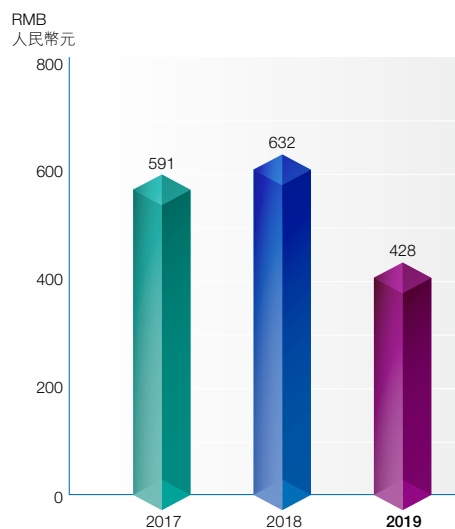
自行生產的鋼鐵產品每噸平均銷售單價與毛利

		2017 (RMB) (人民幣元)	2018 (RMB) (人民幣元)	2019 (RMB) (人民幣元)
Average selling price per tonne	每噸平均銷售單價	3,106	3,413	3,391
Gross profit per tonne	每噸毛利			
H-section steel products	H型鋼產品	579	609	499
Strips and strip products	帶鋼及帶鋼類產品	666	681	474
Billets	鋼坯	352	287	227
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	111	91	161
Rebar	螺紋鋼	682	728	200
Sheet piling	鋼板樁	641	624	607
Combined	綜合	591	632	428

Average Selling Price per Tonne
每噸平均銷售單價



Gross Profit per Tonne
每噸毛利



Financial Highlights

財務摘要

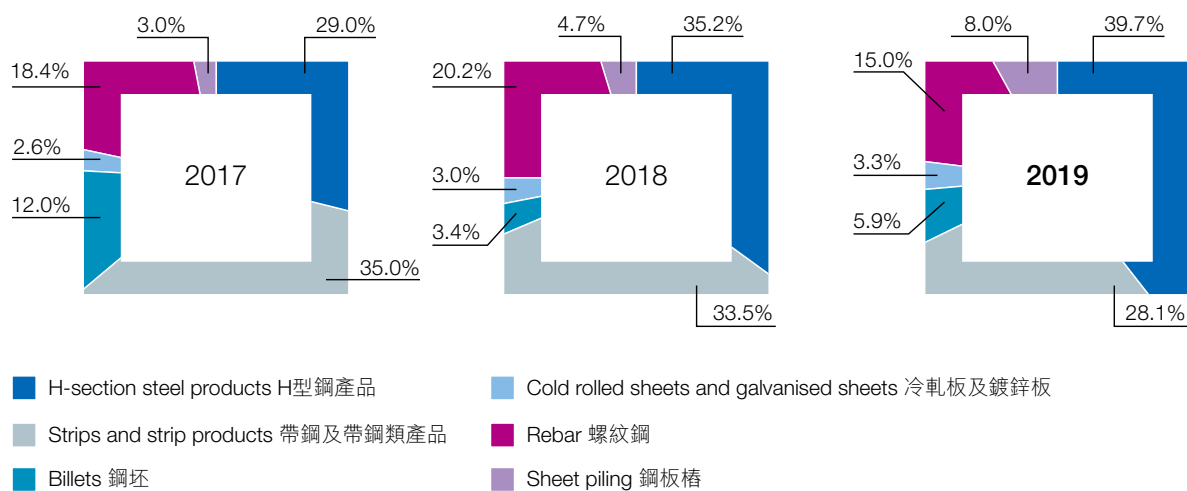
SALES VOLUME OF SELF-MANUFACTURED STEEL PRODUCTS CLASSIFIED BY PRODUCTS

自行生產的鋼鐵產品按產品種類劃分之銷售量

		2017 (‘000 tonnes) (千噸)	2018 (‘000 tonnes) (千噸)	2019 (‘000 tonnes) (千噸)
H-section steel products	H型鋼產品	3,413	3,675	3,547
Strips and strip products	帶鋼及帶鋼類產品	4,111	3,505	2,507
Billets	鋼坯	1,407	360	523
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	306	310	299
Rebar	螺紋鋼	2,158	2,109	1,343
Sheet piling	鋼板樁	359	494	710
Total	合計	11,754	10,453	8,929

Sales Distribution of Self-manufactured Steel Products

自行生產的鋼鐵產品的銷售分佈



BOARD OF DIRECTORS

Executive Directors

Mr. Han Jingyuan
(Chairman and Chief Executive Officer)

Mr. Zhu Jun
(Executive Deputy General Manager and Chief Operating Officer)

Mr. Shen Xiaoling

Mr. Zhu Hao

Mr. Han Li
(Deputy General Manager and Chief Financial Officer)

Mr. Sanjay Sharma
(appointed on 30 September 2019)

Non-executive Director

Mr. Ondra Otradovec

Independent Non-executive Directors

Mr. Wong Man Chung, Francis

Mr. Wang Tianyi

Mr. Wang Bing

Dr. Tse Cho Che, Edward
(appointed on 7 November 2019)

COMPOSITION OF BOARD COMMITTEE

AUDIT COMMITTEE

Mr. Wong Man Chung, Francis (Chairman)

Mr. Wang Tianyi

Mr. Wang Bing

NOMINATION COMMITTEE

Mr. Han Jingyuan (Chairman)

Mr. Wong Man Chung, Francis

Mr. Wang Tianyi

Mr. Wang Bing

REMUNERATION COMMITTEE

Mr. Wong Man Chung, Francis (Chairman)

Mr. Han Jingyuan

Mr. Wang Tianyi

Mr. Wang Bing

AUTHORISED REPRESENTATIVE

Mr. Zhu Hao

Mr. Lam Pak Kan

董事局

執行董事

韓敬遠先生
(董事局主席兼首席執行官)

朱軍先生
(常務副總經理兼首席運營官)

沈曉玲先生

朱浩先生

韓力先生
(副總經理兼首席財務官)

Sanjay Sharma先生
(於2019年9月30日獲委任)

非執行董事

Ondra Otradovec先生

獨立非執行董事

黃文宗先生

王天義先生

王冰先生

謝祖堉博士
(於2019年11月7日獲委任)

董事局委員會架構

審核委員會

黃文宗先生(主席)

王天義先生

王冰先生

提名委員會

韓敬遠先生(主席)

黃文宗先生

王天義先生

王冰先生

薪酬委員會

黃文宗先生(主席)

韓敬遠先生

王天義先生

王冰先生

授權代表

朱浩先生

林柏勤先生

Corporate Information

公司資料

COMPANY SECRETARY

Mr. Lam Pak Kan

公司秘書

林柏勤先生

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suites 901-2 & 10, 9th floor, Great Eagle Centre
23 Harbour Road
Wanchai, Hong Kong

香港主要營業地點

香港灣仔
港灣道23號
鷹君中心9樓901-2及10室

BERMUDA PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited

百慕達主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited

股份過戶登記處香港分處

卓佳證券登記有限公司

AUDITOR

PricewaterhouseCoopers

核數師

羅兵咸永道會計師事務所



COMPANY'S WEBSITE

www.chinaorientalgroup.com

LIST OF PRINCIPAL BANKERS (IN ALPHABETICAL ORDERS)

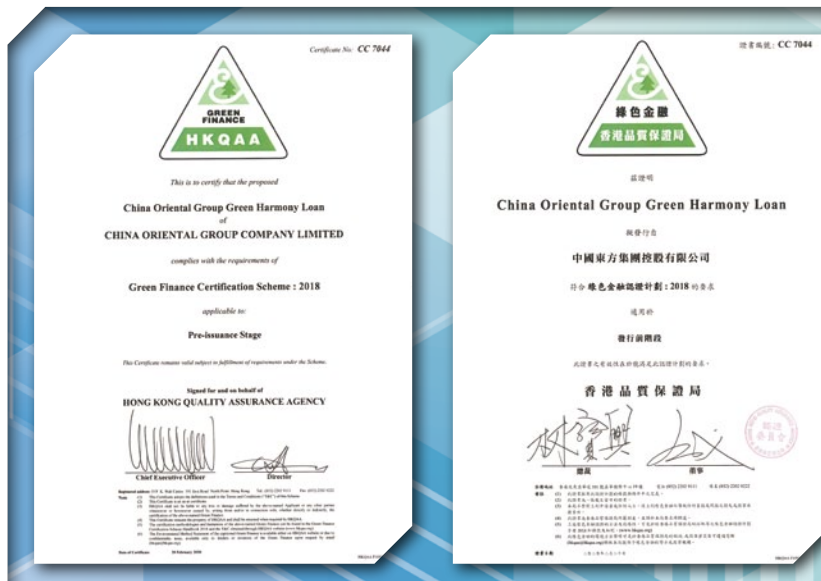
ABN AMRO
Agricultural Bank of China
Bank of Cangzhou
Bank of Chengde
Bank of Communications
Bank of Hebei
Bank of Tangshan
China Citic Bank
China Construction Bank
China Minsheng Bank
DBS Bank
Hang Seng Bank
Industrial and Commercial Bank of China
ING Bank N.V.
Ping An Bank
Rabobank

公司網址

www.chinaorientalgroup.com

主要往來銀行 (按英文次序排列)

荷蘭銀行
中國農業銀行
滄州銀行
承德銀行
交通銀行
河北銀行
唐山銀行
中信銀行
中國建設銀行
中國民生銀行
星展銀行
恒生銀行
中國工商銀行
ING Bank N.V.
平安銀行
荷蘭合作銀行



Chairman's Statement

主席報告



EBITDA of the Group for the year reached approximately RMB5.33 billion.

本年度的本集團息稅折舊及攤銷前溢利達到約人民幣53.3億元。

REVIEW OF YEAR 2019

OPERATING ENVIRONMENT

Looking back 2019, People's Republic of China ("PRC") iron and steel industry sustained the correction from the fourth quarter of 2018. Although there was continuous occurrence of trade disputes in the international markets (particularly between China and the United States), the domestic infrastructure construction and the real estate development investment, etc. still strived to stay stable and positive. The overall steel prices during 2019 were close to those of last year. According to the announcement of the Ministry of Industry and Information Technology of the People's Republic of China ("MIIT"), the national production volume of pig iron, crude steel and steel products were 809 million tonnes, 996 million tonnes and 1,205 million tonnes respectively in 2019, representing an increase of 5.3%, 8.3% and 9.8% respectively from 2018. On the other hand, due to the impact from the events such as dam collapse in Brazil and cyclone in Australia during the first half of the year, the iron ore supply dropped and price was rising. The Platts 62% Iron Ore Price Index went up to a high point of 126 as at the beginning of July 2019 from the level of 72 as at the beginning of the year and spiralled down after. Hence, the overall steel industry profits went down. At the same time, under the backdrop of continuous implementation of the "Supply-Side-Reform" Policy together with the implementation of multiple environmental protection policies including the winter production restriction policy by the Chinese Government, despite that the profit of the overall steel industry went down from the peak of the last two years, it still maintained at a sound level.

2019年回顧

經營環境

回顧2019年，中華人民共和國（「中國」）鋼鐵行業延續了自2018年第四季度的回調。儘管國際市場（尤其中國與美國間）持續出現貿易磨擦，國內基礎設施建設、房地產開發投資等仍保持穩定及正面，2019年內整體鋼材價格與去年相約，根據中華人民共和國工業和信息化部（「工信部」）公佈，2019年全國生鐵、粗鋼和鋼材產量分別為8.09億噸、9.96億噸及12.05億噸，比2018年分別增長5.3%、8.3%及9.8%。另一方面，因上半年中受巴西潰壩及澳洲颶風等事件影響，鐵礦石供應減少及價格持續上升，普氏62%鐵礦石價格指數由年初72的水平上升至2019年7月初的高位126再輾轉回落，因此，整體鋼鐵行業利潤出現回落。同時，在中國政府持續推行「供給側改革」政策及加上多項環保政策包括冬季限產的實施的背景下，儘管整體鋼鐵行業利潤從過往兩年的高峰回落，仍能保持健康的水平。

Chairman's Statement

主席報告

OPERATING ENVIRONMENT (continued)

With this background, the Company and its subsidiaries (the “Group”), through persistently pursuing efficiency enhancement and cost control, etc., enhanced the operation efficiency and sustainability. At the same time, due to the increase in the average price of iron ore, the effect on the production volume resulting from the regularisation and strengthening of multiple environmental protection production restrictions (the Group faced higher requirements of production restriction in 2019), as well as the implementation of the Equipment Upsizing Project of the Group as mentioned hereinafter, the Group has actively adopted flexible purchase and production management to reduce the impact of these challenges on the operation. Under these factors, the Group's production cost increased and the gross profit decreased during the year. The Group's annual results also dropped comparing with those of last year. Benefiting from the rise of the trading business of the steel products and iron ore, the revenue was approximately RMB43.01 billion for the year ended 31 December 2019, representing an increase of approximately 5.5% as compared with that of last year. Comparing with last year, the average selling price of self-manufactured steel products slightly decreased by approximately 0.6% to approximately RMB3,391 per tonne, and due to the aforesaid factors, the gross profit decreased by approximately 42.0% to approximately RMB3.83 billion, and the profit of the Group for the year still reached approximately RMB3.27 billion, representing a decrease of approximately 32.8% over the profit of approximately RMB4.86 billion of last year. EBITDA of the Group decreased from approximately RMB7.62 billion of last year to approximately RMB5.33 billion. Basic earnings per share still reached RMB0.86 per share (2018: RMB1.31 per share).

In July 2019, the Company was ranked the 221st in the top 2019 Fortune China 500 companies. Also in August 2019, the Group was named as one of the “2019 Top 50 Board of Directors — China” by Fortune China and Aon Hewitt jointly. In April 2019, Hebei Jinxi Iron and Steel Group Company Limited (“**Jinxi Limited**”), the Group's 97.6% indirect non-wholly owned subsidiary, was awarded the “National May Day Labor Award” by the All-China Federation of Trade Unions. In January 2020, the Company's Chairman of the Board and Chief Executive Officer, Mr. Han Jingyuan, was awarded “The First China Financial and Economic Forum and The 70th Anniversary of the Founding of the People's Republic of China's 70 Figures with Economic Merits”.

經營環境(續)

在此背景下，本公司及其附屬公司（「本集團」）持續進行效率提升及成本控制等，從而提升營運效益及可持續性。與此同時，受鐵礦石平均價格上升，以及多項的環保限產政策常規化及力度加強（本集團在2019年面對更大程度之限產），以及下述的本集團的裝備大型化項目的施工等都對產量有所影響，本集團已積極透過採取彈性的採購及生產管理以減少相關挑戰對營運的影響。在此等因素下，本集團於年內的生產成本上升及毛利下降，本集團的全年度業績亦較去年回落。受惠於鋼鐵產品及鐵礦石貿易業務增加，於截至2019年12月31日止年度錄得收入約人民幣430.1億元，較去年增加約5.5%。與去年相比，自行生產鋼產品的平均銷售單價輕微下降約0.6%至每噸約人民幣3,391元，而毛利則受上述因素影響減少約42.0%至約人民幣38.3億元，而本集團的年內溢利仍達到約人民幣32.7億元，較去年約人民幣48.6億元的溢利減少約32.8%。本集團的息稅折舊及攤銷前溢利，從去年的約人民幣76.2億元減少至約人民幣53.3億元，每股基本收益仍達每股人民幣0.86元（2018年：每股人民幣1.31元）。



於2019年7月，本公司獲選為2019年《財富》中國500強排行榜中第221位；並於2019年8月，本集團榮獲《財富》(中文版)和怡安翰威特評為「2019年中國最佳董事會50強」之一。於2019年4月，本集團之間接非全資擁有97.6%權益之附屬公司河北津西鋼鐵集團股份有限公司（「津西鋼鐵」）榮獲中華全國總工會授予「全國五一勞動獎狀」。於2020年1月，本公司之董事局主席兼首席執行官韓敬遠先生獲評選為《首屆中國金融經濟論壇暨建國70年70位經濟功勳人物》之一。

Chairman's Statement

主席報告

OPERATING ENVIRONMENT (continued)

Based on the results of 2019 and considering the future development needs, as well as for sharing of the outstanding results of the Group with the shareholders of the Company (the “Shareholders”), the board (the “Board”) of directors (the “Director(s)”) of the Company proposed a distribution of 2019 final dividend of HK\$0.09 per ordinary share.

With respect to the steel business, the Group continued to invest substantially to enhance the competitiveness and economic efficiency of its products as well as to promote environmental protection. These efforts include establishing research centres to promote product development, improving production facilities to enhance efficiency, increasing the proportion of products with high added-value and investing in various projects to reduce emissions. The Group's section steel production volume had been leading nationwide since 2009, and it continually participated in drafting the country's section steel standards, as well as established a Chinese National Engineering Research Centre for Steel Construction (Prefabricated Steel Construction Building Research Institute) with the Central Research Institute of Building and Construction Company Limited in Jinxi Limited. In response to government policy requirements, the Group started the equipment upsizing project in 2019, to build certain new production facilities, including two new blast furnaces with capacity of approximately 2,000 cubic meters each and two new converter furnaces with capacity of approximately 150 tonnes each (the “New Facilities”) as replacements for blast furnace(s) with capacity of 1,000 cubic meters or below and converter furnace(s) with capacity of 100 tonnes or below (the “Equipment Upsizing Project”). Furthermore, the Group also carried out the construction of the branch-line railways for transportation of materials and inventories for its business (the “Branch-line Railways Project”). The Branch-line Railways Project will be used to connect the Group's facilities with the railway transportation hub system and ports nearby, replacing trucks for the transportation of raw materials and products after completion, which will also help the Group to promote energy conservation and emissions reduction going forward. It is expected that the Equipment Upsizing Project and the Branch-line Railways Project will be completed before the year end of 2020. Currently, the annual steelmaking capacity of the Group maintains at approximately 10 million tonnes. In 2019, the Group sold approximately 3.55 million tonnes of self-manufactured H-section steel products and kept securing its leading position in the H-section steel market of China.

經營環境(續)

基於2019年業績和考慮未來發展的需要，以及與本公司股東們(「股東們」)分享本集團優秀業績的成果，本公司董事局(「董事局」或「董事(們)」)建議派發2019年末期股息每股普通股0.09港元。

就鋼鐵業務而言，本集團持續投放大量資源並致力提高產品的競爭力及經濟效益以及環境保護，這些努力包括設立科研中心推動產品研發、改善生產設備以提高效能、加大高附加值產品比例及投入多項項目以減低排放。本集團之型鋼產量自2009年起一直位列全國領導位置，並且一直參與起草國家的型鋼標準，與中冶建築研究總院有限公司於津西鋼鐵設立了國家鋼結構工程技術研究中心裝配式鋼結構建築研究院。為響應政府政策要求，本集團於2019年展開裝備大型化項目，興建若干新生產設備，包括兩座各約2,000立方米容積的新高爐及兩座各約150噸容積的新轉爐(「該等新設備」)以置換1,000立方米或以下容積的高爐及100噸或以下容積的轉爐(「裝備大型化項目」)。此外，本集團亦已展開建設用於本集團業務的材料及貨物運送的支綫鐵路(「支綫鐵路項目」)。該支綫鐵路項目將用作連接本集團的設施與鐵路運輸樞紐系統及附近的港口，完成後將可以用於替代貨車運送原材料及產品，這將有助本集團以後推動節能及減排工作，預期裝備大型化項目及支綫鐵路項目將於2020年年底前完成。目前，本集團的鋼材年產能保持在約1,000萬噸。於2019年，本集團銷售自行生產的H型鋼產品約355萬噸，繼續穩佔中國H型鋼市場的領導者位置。



Chairman's Statement

主席報告

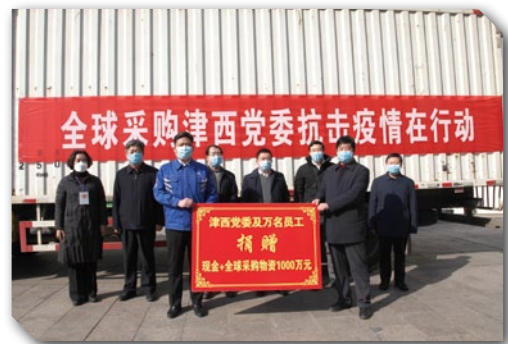
OPERATING ENVIRONMENT (continued)

On 3 September 2019, Jinxi Limited entered into the investment agreement with the Fangchenggang City Government in relation to the investment in the Fangchenggang Economic and Technological Development Zone. The terms of the investment agreement include the acquisition of land use right through the bidding process, and the land will be used by the Group for the establishment of a production base of H-section steel and sheet piling, which could be extended to the development of prefabricated steel construction building industry (the “**Fangchenggang Project**”). The annual iron and steel production capacity of the Fangchenggang Project is estimated to amount to approximately 10 million tonnes. The Fangchenggang Project will be developed in two phases. The total investment cost for the first phase is estimated to be approximately RMB22 billion. After entering into the investment agreement, the Group has completed acquisition of accumulated annual iron production capacity of approximately 2.35 million tonnes and annual steel production capacity of approximately 3.05 million tonnes with Chengde Zhaofeng Iron and Steel Group Company Limited* (承德兆豐鋼鐵集團有限公司) and Tianjin Tianzhong Giant Heavy Industry Co., Ltd.* (天津市天重江天重工有限公司) successively in 2019. Moreover, the Board of the Group has completed the feasibility study of the first phase of the Fangchenggang Project before the end of 2019 as well as obtained all directors' unanimous voting for the resolution of the Fangchenggang Project.

With respect to the real estate business, the Group was dedicated to promoting green structural development construction apart from developing traditional real estate projects. The various projects in Tangshan City and Suzhou of the Group continued to sell and deliver in 2019, and recorded a stable revenue contribution, which will facilitate the stable development of the real estate business of the Group. The Group obtained a land for the 4th phase of the Donghu Bay Project in Tangshan City through the bidding process in September 2019. The area was approximately 31,000 m², with gross floor area of approximately 57,000 m². The construction will start in 2020. During 2019, the Group recorded a revenue and operating profit from its real estate business of approximately RMB105 million and RMB17 million respectively.

經營環境(續)

於2019年9月3日，津西鋼鐵與防城港市政府就防城港經濟技術開發區的投資訂立投資協議，投資協議條款包括透過招標過程收購土地使用權，則本集團將使用該土地建立H型鋼及鋼板樁的生產基地，其可延伸至裝配式鋼結構建築產業的發展（「**防城港項目**」）。防城港項目的鋼鐵年產能估計約1,000萬噸，防城港項目將分兩個階段開發，預期第一階段的總投資成本為約人民幣220億元。自簽署投資協議後，本集團已於2019年先後與承德兆豐鋼鐵集團有限公司及天津市天重江天重工有限公司完成收購累計鐵年產能約235萬噸及鋼年產能約305萬噸，並且，本集團董事局已於2019年年底完成對防城港項目第一階段的可行性研究及獲得全體董事一致表決支持防城港項目決議。



就房地產業務而言，本集團除發展傳統地產項目外，亦致力推動使用綠色結構發展建築。本集團位於唐山市及蘇州的多個項目於2019年繼續銷售及交付，並錄得穩定的收入貢獻，有助本集團房地產業務的穩定發展。本集團於2019年9月通過招拍掛取得唐山市東湖灣4期項目土地，面積約31,000平方米，建築面積約57,000平方米，將於2020年開始施工。於2019年內，本集團錄得房地產業務收入及經營溢利分別約人民幣1.05億元及人民幣1,700萬元。

Chairman's Statement

主席報告

OPERATING ENVIRONMENT *(continued)*

During 2019, the revenue and gross profit arising from trading of steel products and iron ore of the Group were approximately RMB11.39 billion (2018: approximately RMB3.67 billion) and approximately RMB153 million (2018: gross loss of approximately RMB27 million) respectively.

Finally, with the excellent results of the Group, the Board would like to take this opportunity to express the heartfelt gratitude to the Shareholders for the continuous support, as well as appreciation to the staff for the dedication and contribution. The Company will diligently create greater value for its Shareholders.

經營環境(續)

於2019年內，本集團鋼鐵產品及鐵礦石貿易帶來的收入和毛利分別為約人民幣113.9億元(2018年：約人民幣36.7億元)及約人民幣1.53億元(2018年：毛虧約人民幣2,700萬元)。

最後，在此本集團取得優秀業績之際，董事局希望藉此機會對股東們一如既往的支持表示衷心感謝，也對全體員工的努力付出和貢獻表示感謝，本公司將持續不懈為股東們創造更大價值。



Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW

Sales analysis on self-manufactured steel products

Sales Volume

In 2019, the total sales volume was 8,929,000 tonnes (2018: 10,453,000 tonnes), representing a decrease of approximately 14.6%.

The sales volume breakdown during the year was as follows:

業績回顧

自行生產的鋼鐵產品之銷售分析

銷售量

2019年總銷售量為8,929,000噸(2018年: 10,453,000噸)，減少約14.6%。

於有關年度銷售量明細如下：

		2019		2018		Changes in
		Sales volume		Sales volume		sales volume
		銷售量		銷售量		銷售量變化
		('000 tonnes)		('000 tonnes)		Increase/ (Decrease)
		(千噸)		(千噸)		增加/(減少)
H-section steel products	H型鋼產品	3,547	39.7%	3,675	35.2%	(3.5%)
Strips and strip products	帶鋼及帶鋼類產品	2,507	28.1%	3,505	33.5%	(28.5%)
Billets	鋼坯	523	5.9%	360	3.4%	45.3%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	299	3.3%	310	3.0%	(3.5%)
Rebar	螺紋鋼	1,343	15.0%	2,109	20.2%	(36.3%)
Sheet piling	鋼板樁	710	8.0%	494	4.7%	43.7%
Total	合計	8,929	100%	10,453	100%	(14.6%)

During the year of 2019, the Group's production capacity was approximately 10 million tonnes per annum.

於2019年年度內，本集團的年產能約1,000萬噸。



Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW (continued)

Sales analysis on self-manufactured steel products (continued)

Revenue

Revenue in 2019 was RMB30,278 million (2018: RMB35,679 million), representing a decrease of approximately 15.1%. Export to foreign countries contributed revenue of RMB206 million (2018: RMB290 million), representing approximately 0.7% (2018: 0.8%) of revenue from sales of self-manufactured steel products.

The sales breakdown and average selling price by product (excluding value added tax) during the year were as follows:

業績回顧 (續)

自行生產的鋼鐵產品之銷售分析 (續)

收入

2019年收入為人民幣302.78億元(2018年：人民幣356.79億元)，減少約15.1%。出口至海外國家貢獻的收入為人民幣2.06億元(2018年：人民幣2.90億元)，佔自行生產的鋼鐵產品之銷售收入約0.7%(2018年：0.8%)。

年內產品的銷售明細及平均銷售單價(不含增值稅)如下：

		2019		2018		Changes 變化	
		Revenue	Average selling price	Revenue	Average selling price	Revenue	Average selling price
		收入	銷售單價	收入	銷售單價	收入	銷售單價
		(RMB million)	(RMB/tonne)	(RMB million)	(RMB/tonne)	Increase/(Decrease)	
		(人民幣百萬元)	(人民幣元/噸)	(人民幣百萬元)	(人民幣元/噸)	增加/(減少)	
H-section steel products	H型鋼產品	12,024	3,390	12,392	3,371	(3.0%)	0.6%
Strips and strip products	帶鋼及帶鋼類產品	8,027	3,202	11,527	3,289	(30.4%)	(2.6%)
Billets	鋼坯	1,587	3,032	1,113	3,087	42.6%	(1.8%)
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	1,284	4,296	1,390	4,482	(7.6%)	(4.1%)
Rebar	螺紋鋼	4,511	3,359	7,296	3,459	(38.2%)	(2.9%)
Sheet piling	鋼板樁	2,845	4,008	1,961	3,973	45.1%	0.9%
Total/combined	合計/綜合	30,278	3,391	35,679	3,413	(15.1%)	(0.6%)

The decrease in revenue from self-manufactured steel products was primarily due to a decrease in the sales volume of the Group's products by 14.6% to approximately 8.9 million tonnes in 2019 from approximately 10.5 million tonnes in 2018 and a slight decrease in average selling price by 0.6% to RMB3,391 per tonne in 2019 from RMB3,413 per tonne in 2018. The decrease in the sales volume of the Group's products was mainly due to the reduced output volume under various environmental protection production restriction policies and the implementation of the Equipment Upsizing Project as well as disposal of Tianjin Oriental Jiangtian Section Steel Sales Company Limited* (天津市東方江天型鋼銷售有限公司) in June 2018.

自行生產的鋼鐵產品收入減少主要由於本集團的產品銷量由2018年約1,050萬噸減少14.6%至2019年約890萬噸，及平均銷售單價由2018年每噸人民幣3,413元微跌0.6%至2019年每噸人民幣3,391元。本集團的產品銷售量減少主要由於在多項環保限產政策及裝備大型化項目的施工下產量減少以及於2018年6月出售天津市東方江天型鋼銷售有限公司所致。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW (continued)

Sales analysis on self-manufactured steel products (continued)

Cost of Sales and Gross Profit

The consolidated gross profit in 2019 was RMB3,826 million (2018: RMB6,602 million), representing a decrease of approximately 42.0%.

Average unit cost per tonne, gross profit per tonne and gross profit margin during the year were as follows:

		2019			2018		
		Average unit cost	Gross profit per tonne	Gross profit margin	Average unit cost	Gross profit per tonne	Gross profit margin
		平均成本單價	每噸毛利	毛利率	平均成本單價	每噸毛利	毛利率
		(RMB/tonne)	(RMB)		(RMB/tonne)	(RMB)	
		(人民幣元/噸)	(人民幣元)		(人民幣元/噸)	(人民幣元)	
H-section steel products	H型鋼產品	2,891	499	14.7%	2,762	609	18.1%
Strips and strip products	帶鋼及帶鋼類產品	2,728	474	14.8%	2,608	681	20.7%
Billets	鋼坯	2,805	227	7.5%	2,800	287	9.3%
Cold rolled sheets and galvanised sheets	冷軋板及鍍鋅板	4,135	161	3.7%	4,391	91	2.0%
Rebar	螺紋鋼	3,159	200	6.0%	2,731	728	21.0%
Sheet piling	鋼板樁	3,401	607	15.1%	3,349	624	15.7%
Combined	綜合	2,963	428	12.6%	2,781	632	18.5%

In 2019, gross profit per tonne of the Group's products decreased to RMB428 from RMB632 in 2018, reflecting a decrease of 32.3%. In 2019, gross profit margin decreased to 12.6% from 18.5% in 2018. The decrease in gross profit margin was primarily due to the increase in the average unit cost (primary due to rising price of raw materials, in particular iron ore), decrease in the average selling price and decrease in the sales volume of the Group's steel products in 2019.

業績回顧(續)

自行生產的鋼鐵產品之銷售分析(續)

銷售成本及毛利

2019年的合併毛利為人民幣38.26億元(2018年：人民幣66.02億元)，減少約42.0%。

於有關年度每噸平均成本單價、每噸毛利及毛利率如下：

於2019年，本集團產品的每噸毛利由2018年的人民幣632元減少至人民幣428元，下降32.3%。於2019年，毛利率由2018年的18.5%下降至12.6%。毛利率減少主要是由於在2019年本集團鋼鐵產品的平均成本單價上升(主要由於原材料價格上升，特別是鐵礦石)、平均銷售單價下降及銷售量減少所致。

Management Discussion and Analysis

管理層討論與分析

BUSINESS REVIEW *(continued)*

Property Development

For the year ended 31 December 2019, the revenue from real estate business of the Group amounted to approximately RMB105 million. The gross floor area of properties delivered was approximately 17,000 m². The average selling price of properties delivered was approximately RMB6,000 per m².

As at 31 December 2019, the Group had following project under construction with a GFA approximately 57,000 m²:

No.	City	Property project	Phase of project	GFA under construction	Estimated time of completion
序號	城市	物業項目	項目階段	在建的建築面積 (m ²) (平方米)	預計竣工時間
1	Tangshan 唐山	Donghu Bay 東湖灣	Phase 4 四期	57,000	2021 2021年

The above project is expected to be completed in 2021 and will contribute stable revenue and profits to our Group.

業績回顧 (續)

房地產開發

截至2019年12月31日止年度，本集團房地產業務收入約人民幣1.05億元，已交付物業的建築面積為約17,000平方米。已交付物業的平均售價為每平方米約人民幣6,000元。

於2019年12月31日，本集團有下列在建項目，在建的建築面積約57,000平方米：

預期上述項目將於2021年內完成，並將為本集團帶來穩定收入及溢利。



Management Discussion and Analysis

管理層討論與分析

FUTURE PROSPECTS

Looking into 2020, China reached the Phase One of China-US Economic and Trade Agreement with the United States on 16 January 2020. The trade disputes and the risk of slowdown in the economic growth were eased. On 23 January 2020, the National Development and Reform Commission of the People's Republic of China (“NDRC”) and MIIT jointly issued the “Notice on Regarding Completing the Steel Capacity Swaps and Project Filing Works” and associated interpretation (“**Notice on Steel Capacity Swaps**”). In the document, it pointed out that China's steel industry over accomplished the cap of the goal of resolving the excessive steel capacity in the nationwide 13th Five-Year Plan two years ahead by the end of 2018. The capacity utilisation rate returned to a reasonable range. However, some production capacity swap projects were with issues of incomplete production capacity swap procedures, taking the opportunity to expand production capacity, etc.. In order to prevent new excessive production capacity and promote high quality development of the industry, the Chinese Government is suspending the steel production capacity swap and project filing, carrying out self-inspection on the existing steel production capacity swap projects, formulating relevant policy documents and strengthening thorough implementation and urging inspection. At the same time, the novel coronavirus disease (**COVID-19**) epidemic was spreading out since January 2020, imposing a material adverse impact on the overall economy and every industry in China. The Group has carried out a series of prevention measures, such as arranging shift work for staff, controlling the number of staff in office, performing production line maintenance earlier than original plan, etc., to effectively protect the health of staff and to ensure production safety. For the steel industry, the downstream construction enterprises were having different degrees of delay in resumption of work after Chinese New Year, and the Chinese Government was imposing logistics control to prevent the spread of the epidemic. Hence, there were increase in social inventory and decrease in steel prices. On the other hand, it is expected that the Chinese Government will continue strengthening infrastructure facility investment to reduce the impact of COVID-19 epidemic on the economy. It is expected that after the turnaround of the epidemic, the economic activities will recover faster. In addition, the Chinese Government has been proactively preventing the risk of supply and demand imbalance in the steel industry in advance. It is expected to bring along more substantiable and healthier development to the steel industry in the long run. To summarise, despite the unstable and uncertain business environment, it is expected that the overall iron and steel industry will stay prudently optimistic in 2020.

未來展望

展望2020年，中國跟美國已於2020年1月16日達成第一階段中美貿易協議，貿易磨擦及經濟增速放緩的風險得以舒緩。於2020年1月23日，中國國家發展和改革委員會（「發改委」）聯同工信部發放《關於完善鋼鐵產能置換和專案備案工作的通知》及相關解讀（「鋼鐵產能置換通知」），文中指出中國的鋼鐵業至2018年底已提前兩年超額完成全國「十三五」時期化解鋼鐵過剩產能上限目標任務，產能利用率回歸合理區間，然而，一些產能置換項目存在產能置換手續不完善、借機擴大產能等問題，為防範出現新的產能過剩及促進行業高品質發展，因此中國政府暫停鋼鐵產能置換和項目備案、開展現有鋼鐵產能置換專案自查、制定出台相關政策文件及加強貫徹落實和督促檢查。與此同時，自2020年1月新型冠狀病毒（「新冠病毒」）疫情蔓延，對中國整體經濟及所有行業均帶來重大不利影響。本集團採取了一系列預防措施，例如安排員工輪班工作、控制辦公室員工人數、較原計劃提早進行生產線的維護等，以有效保護員工的健康並確保生產安全。就鋼鐵業而言，下游建築企業於中國新年後的復工有不同程度的延遲，以及中國政府實施運輸管控以防止疫情蔓延，因此，出現社會庫存增加及鋼材價格回落的情況，另一方面，預期中國政府將繼續加強對基礎設施的投資以減輕新冠病毒疫情對經濟的影響。預期在疫情好轉後，經濟活動能加快恢復，此外，中國政府預早積極預防鋼鐵行業供求失衡的風險，預期長遠將為鋼鐵行業帶來更可持續及更健康的發展。綜合以上，縱然經營環境帶有不穩定及不明朗因素，預料2020年整體鋼鐵行業仍將維持審慎樂觀。



Management Discussion and Analysis

管理層討論與分析

FUTURE PROSPECTS *(continued)*

Under such backdrop, the Group will proactively follow the Chinese Government's policies, and plan to maintain its competitiveness and gain a prominent position in the industry by continuously improving the production efficiency and cost, developing and increasing the high value-added products, expanding its market share, enhancing internal management and optimising the utilisation of internal resources as well as continuously improving the facilities etc..

In view of the aforementioned Notice on Steel Capacity Swaps issued by the NDRC and MIIT, the Group is observing the release of a new steel production swap policy by the NDRC. After the release of the new policy, the Group will continue to evaluate its impact on the Fangchenggang Project. Currently, the Group retains a relatively large amount of cash and resources within the Group in order to cope with the future development needs. The Group is proactively considering a wide variety of possibilities, including horizontal and vertical (particularly downstream) corporate mergers and acquisitions, etc., so as to achieve sustainable development. At the same time, the Group will also from time to time evaluate to increase the dividend distributions in appropriate circumstances to reward the Shareholders for their support to the Group.

Since its listing in 2004, the Group has been continuously expanding its business as well as diversifying its iron and steel product categories and business portfolio. During the last 16 years (since being listed), the Group's overall iron and steel production capacity has increased to approximately 10.0 million tonnes per annum from approximately 3.1 million tonnes per annum at the time of the listing. Categories of the steel products include H-section steel, sheet piling, strips and strip products, billets, cold rolled sheets and galvanised sheets as well as rebars. The Group is continuously developing products of different series and specifications to meet the market needs. Moreover, the H-section steel products manufactured by the Group maintain its leading position in China. The Group will continue to develop its business towards the direction of the largest base for section steel production in the world, and to explore the industry's expansion through upstream and downstream integration in order to become a sizable enterprise with distinctive products. The Group will strive to take the full advantage of the current solid financial condition and efficient management to intensify the continuous development of the Group and to maximise the Shareholders' value.

未來展望 (續)

在此背景下，本集團將繼續積極跟進中國政府政策，並計劃透過持續改善生產效率及成本、開發及增加高附加值產品、拓展市場份額、加強內部管理及優化內部資源運用和持續提升設備等以維持其競爭力，並爭取行業中的前列位置。

鑑於上述發改委及工信部發放的鋼鐵產能置換通知，本集團正觀望發改委推出新的鋼鐵產能置換政策，待推出新的政策後，本集團將繼續評估對防城港項目的影響。本集團目前仍保留較多現金及資源於本集團內，以應付未來發展需要，並積極考慮多方面的可能性，包括橫向及縱向(特別是下游)的企業併購等，以達致可持續的發展。同時，本集團亦將不時評估在合適的情況下增加股息分派，以回饋股東們對本集團的支持。

本集團自2004年上市以來，不斷擴展其業務規模並擴闊鋼鐵產品種類和業務組合。在過去16年間(自上市以來)，本集團的整體鋼鐵年產能已由上市時的約310萬噸提升至現時約1,000萬噸。鋼材產品種類包括：H型鋼、鋼板樁、帶鋼及帶鋼類產品、鋼坯、冷軋板及鍍鋅板和螺紋鋼。本集團不斷開發不同系列及規格的产品以迎合市場需要。此外，由本集團生產的H型鋼產品在中國大陸保持著領先的地位。本集團的業務將繼續朝著世界最大型的型鋼生產基地方向發展，及探索在本行業實行上、下游伸延，以成為具有規模且帶有產品特色的企業。本集團將致力有效運用其現有的穩健財政狀況和高效的管理模式，推動本集團的持續發展，以實現股東們價值最大化。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW

Liquidity and Financial Resources

In order to sustain a stable financial status, the Group closely monitors its liquidity and financial resources.

As at 31 December 2019, the Group had unutilised banking facilities of approximately RMB4.2 billion (2018: approximately RMB4.7 billion).

As at 31 December 2019, the current ratio of the Group, representing current assets divided by current liabilities, was 1.5 (2018: 1.6) and the gearing ratio, representing total liabilities divided by total assets, was 44.0% (2018: 40.3%).

As at 31 December 2019, the cash and cash equivalents of the Group amounted to approximately RMB4,631 million (2018: approximately RMB2,845 million).

After considering its cash and cash equivalents as well as the banking facilities currently available to the Group, it is believed that the Group has sufficient capital to fund its future operations and for general business expansion and development.

Capital Structure

As at 31 December 2019, borrowings of approximately RMB4,946 million of the Group bore fixed interest rates ranged from 2.02% to 6.86% per annum and borrowings of approximately RMB953 million of the Group bore floating rates ranged from 3.80% to 4.99% per annum. The Group's exposure to changes in market interest rates was considered to be limited. The Group also entered into certain foreign currency and interest rate swap contracts to manage its exposure to foreign currency exchange rates and interest rates fluctuation. As at 31 December 2019, the notional amounts of these derivative instruments amounted to nil.

The Group monitors its capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by total capital. Total debt includes current and non-current borrowings, lease liabilities and loans from related parties. The Group regards its non-current borrowings, non-current lease liabilities and equity attributable to owners of the Company as its total capital. As at 31 December 2019, the debt-to-capital ratio of the Group was 28.9% (2018: 15.9%).

財務回顧

資金流動性及財務資源

本集團密切監察資金流動性及財政資源，以保持穩健的財政狀況。

於2019年12月31日，本集團的未使用銀行授信額度為約人民幣42億元（2018年：約人民幣47億元）。

於2019年12月31日，本集團的流動比率（流動資產除以流動負債）為1.5倍（2018年：1.6倍）及資產負債比率（總負債除以總資產）為44.0%（2018年：40.3%）。

於2019年12月31日，本集團的現金及現金等價物為約人民幣46.31億元（2018年：約人民幣28.45億元）。

考慮目前本集團所持有之現金及現金等價物及現時可用銀行授信額度後，相信本集團擁有充足的資金應付未來之業務運作及一般業務擴充和發展之資金需要。

資本結構

於2019年12月31日，本集團約人民幣49.46億元的借款按年利率介乎2.02%至6.86%的固定利率計息，而本集團約人民幣9.53億元的借款按年利率介乎3.80%至4.99%的浮動利率計息。本集團對市場利率變化的風險被認為屬有限。本集團亦已訂定若干外幣及利率掉期合約以管理外幣匯率及利率波動的風險，於2019年12月31日，該等衍生工具之名義金額為零。

本集團根據債項與資本比率監察資本狀況。該比率為債項總額除以總資本，而債項總額包括流動及非流動借款、租賃負債及關聯方貸款。本集團將其非流動借款、非流動租賃負債及歸屬於本公司權益持有者的權益視為本集團的總資本。於2019年12月31日，本集團的債項與資本比率為28.9%（2018年：15.9%）。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Capital Structure (continued)

The consolidated interest expenses and capitalised interest in 2019 amounted to approximately RMB141 million (2018: approximately RMB146 million). The interest coverage (divide profit for the year before finance costs — net and income tax expense by total interest expenses) was 29.4 times (2018: 43.9 times).

Commitments

As at 31 December 2019, the Group had total commitments of approximately RMB5,668 million (2018: approximately RMB2,195 million). It is estimated the commitments will be financed by the Group's internal resources and available banking facilities.

Guarantee and Contingent Liabilities

As at 31 December 2019, the Group had no contingent liabilities (2018: nil).

Pledge of Assets

As at 31 December 2019, the net book value of the Group's leasehold land and land use rights amounting to approximately RMB25 million (2018: approximately RMB53 million), property, plant and equipment amounting to approximately RMB8 million (2018: approximately RMB645 million), inventories amounting to nil (2018: approximately RMB34 million), notes receivable amounting to approximately RMB62 million (2018: approximately RMB146 million), structured bank deposits amounting to RMB1,200 million (2018: RMB1,000 million) and restricted bank balances amounting to approximately RMB1,083 million (2018: approximately RMB528 million) had been pledged as securities for the Group's notes payable issuing, banking borrowings and letters of credit issuing.

財務回顧(續)

資本結構(續)

2019年合併利息支出及資本化利息共約人民幣1.41億元(2018年:約人民幣1.46億元)。利息盈利倍數(扣除財務淨成本及所得稅費用前之年度溢利除以總利息支出)為29.4倍(2018年:43.9倍)。

承擔

於2019年12月31日,本集團的總承擔為人民幣約56.68億元(2018年:約人民幣21.95億元)。此承擔預計將由本集團內部資源及可用銀行授信額度作為融資。

擔保及或然負債

於2019年12月31日,本集團沒有或然負債(2018年:無)。

資產抵押

於2019年12月31日,本集團賬面淨值約人民幣2,500萬元(2018年:約人民幣5,300萬元)的租賃土地及土地使用權、約人民幣800萬元(2018年:約人民幣6.45億元)的物業、廠房及設備、概無(2018年:約人民幣3,400萬元)存貨、約人民幣6,200萬元(2018年:約人民幣1.46億元)的應收票據、人民幣12.00億元(2018年:人民幣10.00億元)的結構性銀行存款及約人民幣10.83億元(2018年:約人民幣5.28億元)的受限制銀行結餘,已為本集團發出的應付票據、銀行借款及開具信用證作抵押。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Exchange Risks

Foreign exchange risk is the risk to the Group's financial conditions and results of operations arising from movements of foreign exchange rates. The Group mainly operates in the Mainland China with most of the transactions denominated and settled in RMB. The Group's foreign exchange risk primarily arises from the procurement of iron ore and the relevant products from overseas suppliers, which is denominated and settled in USD. Foreign exchange rates fluctuate in reaction to the macro-economic performance of different countries and fund flows between countries arising from trade or capital commitments. In view of the continuous fluctuation of the RMB exchange rate against USD, during the year ended 31 December 2019, the Group has entered into certain foreign currency forward contracts so as to reduce the impact of the volatility of the RMB exchange rate against USD. The Group also reviewed and rearranged its monetary assets to mitigate the impact from the change of RMB to USD exchange rate.

Iron Ore Swaps

In view of the significant fluctuation of iron ore price in 2019, the Group has entered into certain iron ore swap contracts so as to reduce the impact of the volatility of the iron ore price on the Group. The Group uses a combination of iron ore derivatives to achieve the above purpose.

Dividend

The Board proposed a final dividend of HK\$335.0 million (approximately RMB306.1 million), representing HK\$0.09 per ordinary share in respect of the year ended 31 December 2019 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 19 June 2020. The final dividend, payable on or around Wednesday, 15 July 2020, is subject to approval of the shareholders of the Company at the forthcoming annual general meeting of the Company (the "AGM") to be held on Friday, 5 June 2020.

財務回顧 (續)

匯率風險

外匯風險指匯率變動對本集團財務狀況及營運業績構成之風險。本集團主要在中國大陸境內經營，大多數交易均以人民幣計值及結算。本集團之外匯風險主要由於向海外供應商購入鐵礦石和相關產品均以美元計值及結算。匯率波動受不同國家宏觀經濟表現以及貿易或資本動向帶來國家之間資金流動所影響。鑒於人民幣兌美元匯率持續波動，於截至2019年12月31日止年度內，本集團已訂立若干外幣遠期合約，以減低人民幣兌美元匯率波動的影響。本集團亦已審核及重新調配其貨幣資產以減低人民幣兌美元匯率變動產生的影響。

鐵礦石掉期

鑒於2019年鐵礦石價格大幅波動，本集團已訂立若干鐵礦石掉期合約，以減少鐵礦石價格波動對本集團的影響。本集團採用鐵礦石衍生工具組合以達到上述目的。

股息

截至2019年12月31日止年度，董事局建議向在2020年6月19日(星期五)辦公時間結束時名列於本公司股東名冊上之本公司股東派發末期股息3.350億港元(約人民幣3.061億元)(即每股普通股0.09港元)。末期股息須待將於2020年6月5日(星期五)舉行應屆的本公司之股東週年大會(「股東週年大會」)上獲本公司的股東批准後方可作實，並將於2020年7月15日(星期三)或前後支付。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Post Balance Sheet Events

Save as disclosed in this report, there are no events to cause material impact on the Group from the balance sheet date to the date of this report that should be disclosed.

COVID-19 epidemic was spreading out since January 2020, imposing a material adverse impact on the overall economy and every industry in China. The Group has carried out a series of prevention measures, such as arranging shift work for staff, controlling the number of staff in office, performing production line maintenance earlier than original plan, etc., to effectively protect the health of staff and to ensure production safety. For the steel industry, the downstream construction enterprises were having different degrees of delay in resumption of work after Chinese New Year, and the Chinese Government was imposing logistics control to prevent the spread of the epidemic. Hence, there were increase in social inventory and decrease in steel prices. On the other hand, it is expected that the Chinese Government will continue strengthening infrastructure facility investment to reduce the impact of COVID-19 epidemic on the economy. The Group will closely monitor the development of COVID-19 epidemic, and continue to assess the impact of the epidemic on the financial position and operating results of the Group as well as to take proactive measures as appropriate. As at the date of this report, the assessment is still in progress.

財務回顧(續)

結算日後事項

除本報告披露外，自結算日後至本報告日期止期間，並無發生須予披露之重大影響本集團的事項。

自2020年1月以來，新冠病毒疫情蔓延，對中國整體經濟及所有行業產生重大不利影響。本集團採取了一系列預防措施，例如安排員工輪班工作、控制辦公室員工人數、較原計劃提早進行生產線的維護等，以有效保護員工的健康並確保生產安全。就鋼鐵業而言，下游建築企業於中國新年後的復工有不同程度的延遲，以及中國政府實施運輸管控以防止疫情蔓延。因此，出現社會庫存增加及鋼材價格回落的情況。另一方面，預期中國政府將繼續加強對基礎設施的投資以減輕新冠病毒疫情對經濟的影響。本集團將密切監察新冠病毒疫情的發展，及繼續評估該疫情對本集團財務狀況及經營成果的影響並採取適當的積極措施。於本報告日期，該評估工作尚在進行中。



Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss

As at 31 December 2019, the Group held financial assets at fair value through profit or loss of approximately RMB3,559 million, particulars of which are set out below:

Money Market Funds

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產

於2019年12月31日，本集團持有之按公允價值計量且其變動計入損益表之金融資產約人民幣35.59億元，其中詳情載列如下：

貨幣市場基金

Name of the financial assets	金融資產名稱	Number of units held as at 31 December 2019	Investment cost as at 31 December 2019	Fair value as at 31 December 2019	Total amount of purchase(s) made during the year ended 31 December 2019	Total amount of disposal(s) made during the year ended 31 December 2019	Realised investment income/(loss) for the year ended 31 December 2019	Unrealised investment income/(loss) for the year ended 31 December 2019
					於截至2019年12月31日止年度內購入之總金額 (RMB'000)	於截至2019年12月31日止年度內出售之總金額 (RMB'000)	截至2019年12月31日止年度已變現的投資收入/(虧損) (人民幣千元)	截至2019年12月31日止年度未變現的投資收入/(虧損) (人民幣千元)
Harvest Fund Management Company Limited								
Harvest Express Monetary Market Fund*	嘉實快線貨幣市場基金	160,033	160,033	160,276	1,817,462	(2,689,450)	15,879	244
Harvest HuoQiBao Monetary Market Fund*	嘉實活期寶貨幣市場基金	7,080	7,080	7,080	96,805	(171,755)	836	-
Harvest ZengYiBao Monetary Market Fund*	嘉實增益寶貨幣市場基金	-	-	-	280,362	(280,362)	530	-
Harvest Monetary Market Fund*	嘉實貨幣市場基金	30,329	30,329	30,357	596,835	(792,634)	5,219	27
Bosera Asset Management Company Limited								
Bosera Hehui Money Market Fund	博時合惠貨幣市場基金	142,083	142,083	142,083	213,406	(174,149)	5,032	-
Bosera Cash Pot Money Market Fund	博時現金寶貨幣市場基金	3,038	3,038	3,038	177,347	(764,373)	8,228	-
Bosera Security Cash Pot Money Market Fund	博時外匯貨幣市場基金	39	39	39	397,826	(397,787)	1,326	-
China Minsheng Banking Corp., Ltd.								
HuaBao Cash Pot Monetary Market Fund*	華寶現金寶貨幣市場基金	21,280	21,280	21,280	253,458	(283,141)	458	-
Minsheng JiaYin Cash Pot Monetary Market Fund*	民生加銀現金寶貨幣市場基金	27,127	27,127	27,127	80,149	(109,287)	149	-
China Southern TianTianLi Monetary Market Fund*	南方天天利貨幣市場基金	16,207	16,207	16,207	88,832	(112,870)	932	-
Bosera Cash Pot Money Market Fund	博時現金寶貨幣市場基金	-	-	-	-	(4,145)	-	-
Harvest Monetary Market Fund*	嘉實貨幣市場基金	34,627	34,627	34,662	105,132	(72,762)	132	35
Others	其他	-	-	-	-	(688)	97	-
China Construction Bank Corporation								
E Fund Day Cash Income Money Market Fund*	易方達天天增利貨幣市場基金	-	-	-	5,132	(10,148)	132	-
Others	其他	-	-	-	-	(3,462)	4	-
Bank of Communications Co., Ltd.								
HuaBao Cash Pot Monetary Market Fund*	華寶現金寶貨幣市場基金	-	-	-	600,347	(661,614)	2,760	-
Aegon-Industrial Monetary Market Securities Investment Fund*	興全貨幣市場證券投資基金	141,826	141,826	141,826	1,095,569	(1,014,533)	6,802	-
China Southern TianTianLi Monetary Market Fund*	南方天天利貨幣市場基金	-	-	-	159,814	(329,141)	3,915	-
China Universal Money Market Fund*	匯添富貨幣市場基金	-	-	-	4,423	(408,496)	4,423	-

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

Name of the financial assets	Number of units held as at 31 December 2019	Investment cost as at 31 December 2019	Fair value as at 31 December 2019	Total amount of purchase(s) made during the year ended 31 December 2019	Total amount of disposal(s) made during the year ended 31 December 2019	Realised investment income/(loss) for the year ended 31 December 2019	Unrealised investment income/(loss) for the year ended 31 December 2019
				於截至2019年12月31日止年度內購入之總金額 (RMB'000)	於截至2019年12月31日止年度內出售之總金額 (RMB'000)	截至2019年12月31日止年度已變現的投資收入/(虧損) (RMB'000)	截至2019年12月31日止年度未變現的投資收入/(虧損) (RMB'000)
	持	之	之	購	出	收	收
	有	投	公	入	售	入	入
	之	資	允	之	之	/(/(
	單	成	價	總	總	虧	虧
	位	本	值	金	金	損	損
	數	(RMB'000)	(RMB'000)	額	額	(RMB'000)	(RMB'000)
	量	(千)	(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)
ABC-CA Money Market Fund	農銀匯理貨幣市場證券投資基金	-	-	331,003	(381,113)	1,303	-
Others	其他	-	-	375	(25,237)	389	-
China Asset Management Company Limited	華夏基金管理有限公司						
HuaXia Cash ZengLi Security Investment Fund*	華夏現金增利證券投資基金	-	-	214	(208,596)	493	-
HuaXia Cash Pot Monetary Market Fund*	華夏現金寶貨幣市場基金	-	-	278	(37,875)	324	-
Wealth Treasure Money Market Fund	華夏財富寶貨幣市場基金	-	-	52,585	(331,885)	2,155	-
HuaXia Monetary Market Fund*	華夏貨幣市場基金	-	-	1,126	(139,835)	1,176	-
Others	其他	-	-	154	(34,087)	84	-
ZhongRong Fund Management Company Limited	中融基金管理有限公司						
ZhongRong Cash Zeng Li Monetary Market Fund*	中融現金增利貨幣市場基金	103,838	103,838	1,091,505	(1,429,972)	12,234	-
China Southern Asset Management Company Limited	南方基金管理股份有限公司						
China Southern TianTianLi Monetary Market Fund*	南方天天利貨幣市場基金	72,522	72,522	108,433	(367,580)	10,050	-
China Southern Cash ZengLi Fund*	南方現金增利基金	-	-	2,270	(174,961)	2,270	-
Aegon-Industrial Fund Management Company Limited	興全基金管理有限公司						
Aegon-Industrial Monetary Market Securities Investment Fund*	興全貨幣市場證券投資基金	10,106	10,106	334,020	(354,027)	5,003	-
HwaBao WP Fund Management Company Limited	華寶基金管理有限公司						
HuaBao Cash Pot Monetary Market Fund*	華寶現金寶貨幣市場基金	-	-	220,505	(378,796)	4,305	-

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

財務回顧(續)

Financial Assets at Fair Value Through Profit or Loss (continued)

按公允價值計量且其變動計入損益表之金融資產(續)

Money Market Funds (continued)

貨幣市場基金(續)

Name of the financial assets	金融資產名稱	Number of units held as at 31 December 2019	Investment cost as at 31 December 2019	Fair value as at 31 December 2019	Total amount of purchase(s) made during the year ended 31 December 2019	Total amount of disposal(s) made during the year ended 31 December 2019	Realised investment income/(loss) for the year ended 31 December 2019	Unrealised investment income/(loss) for the year ended 31 December 2019
					於截至2019年12月31日止年度內購入之總金額 (RMB'000)	於截至2019年12月31日止年度內出售之總金額 (RMB'000)	截至2019年12月31日止年度已變現的投資收入/(虧損) (RMB'000)	截至2019年12月31日止年度未變現的投資收入/(虧損) (RMB'000)
China Universal Asset Management Company Limited	匯添富基金管理股份有限公司							
China Universal Money Market Fund*	匯添富貨幣市場基金	-	-	-	100,826	(140,126)	3,826	-
Agricultural Bank of China Limited	中國農業銀行股份有限公司							
ABC-CA Money Market Fund	農銀匯理貨幣市場證券投資基金	-	-	-	86,410	(96,414)	1,410	-
E Fund Management Co., Ltd.	易方達基金管理有限公司							
E Fund Cash Enhance Income Money Market Fund	易方達現金增利貨幣市場基金	101,467	101,467	101,467	301,467	(200,000)	1,467	-
Others	其他	-	-	-	385	(15,488)	431	-
HFT Investment Management Co., Ltd.	海富通基金管理有限公司							
HFT TianYi Money Market Fund*	海富通添益貨幣市場基金	2,288	2,288	2,288	1,816,784	(1,814,496)	5,102	-
China Merchants Bank	招商銀行							
Aegon-Industrial Monetary Market Securities Investment Fund*	興全貨幣市場證券投資基金	7,732	7,732	7,732	130,162	(122,430)	579	-
Minsheng Royal Fund Management Co., Ltd.	民生加銀基金管理股份有限公司							
Minsheng JiaYin Cash Pot Monetary Market Fund*	民生加銀現金寶貨幣市場基金	-	-	-	80,106	(80,106)	106	-
E Fund Management (HK) Co., Ltd	易方達資產管理(香港)有限公司							
E Fund (HK) US Dollar Money Market Fund	易方達(香港)美元貨幣市場基金	-	657	673	70,462	(69,805)	1,641	16
Others	其他	15,066	15,066	15,066	49,477	(34,411)	440	-

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds

Harvest Fund Management Company Limited

Harvest Express Monetary Market Fund* (嘉實快線貨幣市場基金) tracks and analyses changes in market funds and investors trading behaviors and combines macro and micro studies to formulate its investment strategies. It seeks to achieve higher current returns while satisfying safety and liquidity needs.

Harvest HuoQiBao Monetary Market Fund* (嘉實活期寶貨幣市場基金) determines the average remaining period (long/medium/short) and distribution of its portfolio assets according to macroeconomic indicators (including mainly market capital supply and demand, interest rate levels and market expectations, inflation rates, GDP Growth rates, money supplies, employment rates, international market interest rate level and exchange rate, etc.). It determines the investment ratios of each investment asset in the portfolio based on the liquidity nature of each asset (including mainly average daily trading volume, trading platforms, holdings of institutional investors, amount of repurchases and pledges, etc.). It determines portfolio risk level based on investment assets' credit rating and collaterals provided.

Harvest ZengYiBao Monetary Market Fund* (嘉實增益寶貨幣市場基金) tracks and analyses changes in market funds and investors trading behaviors and combines macro and micro studies to formulate its investment strategies. It seeks to achieve higher current returns while satisfying safety and liquidity needs.

Harvest Monetary Market Fund* (嘉實貨幣市場基金) determines the remaining period (long/medium/short) and distribution of its portfolio assets according to macroeconomic indicators (including mainly interest rate levels, inflation rates, GDP Growth rates, money supplies, employment rate level, international market interest rate level and exchange rate, etc.). It determines the investment ratios of each investment asset in the portfolio based on the liquidity nature of each asset (including mainly average daily trading volume, trading platforms, holdings of institutional investors, amount of repurchases and pledges, subdivision and conversion progress). It determines portfolio risk level based on bonds' credit rating and collaterals provided.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略

嘉實基金管理有限公司

嘉實快線貨幣市場基金是跟蹤分析市場資金面及投資者交易行為變化，結合宏觀和微觀研究制定投資策略，謀求在滿足安全性、流動性需要的基礎上，實現較高的當期收益。

嘉實活期寶貨幣市場基金是根據宏觀經濟指標(主要包括：市場資金供求、利率水平和市場預期、通貨膨脹率、國內生產總值增長率、貨幣供應量、就業率水平、國際市場利率水平及匯率等)，決定組合的平均剩餘期限(長/中/短)和比例分佈。本基金按各類資產的流動性特徵(主要包括：平均日交易量、交易場所、機構投資者持有情況、回購抵押數量等)，決定組合中各類資產的投資比例。本基金根據各類資產的信用等級及擔保狀況，決定組合的風險級別。

嘉實增益寶貨幣市場基金是跟蹤分析市場資金面及投資者交易行為變化，結合宏觀和微觀研究制定投資策略，謀求在滿足安全性、流動性需要的基礎上，實現較高的當期收益。

嘉實貨幣市場基金是根據宏觀經濟指標(主要包括：利率水平、通貨膨脹率、國內生產總值增長率、貨幣供應量、就業率水平、國際市場利率水平及匯率等)，決定債券組合的剩餘期限(長/中/短)和比例分佈。本基金按各類資產的流動性特徵(主要包括：平均日交易量、交易場所、機構投資者持有情況、回購抵押數量、分拆轉換進程)，決定組合中各類資產的投資比例。本基金根據債券的信用等級及擔保狀況，決定組合的風險級別。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

Bosera Asset Management Company Limited

Bosera Hehui Money Market Fund (博時合惠貨幣市場基金), Bosera Cash Pot Money Market Fund (博時現金寶貨幣市場基金) and Bosera Security Cash Pot Money Market Fund (博時外服貨幣市場基金) adopt active management style investment strategy. Subject to interest rate risk control, striving to minimise fund net asset value fluctuation risk and satisfying liquidity, they seek to maximise the fund return.

China Minsheng Banking Corp., Ltd.

HuaBao Cash Pot Monetary Market Fund* (華寶現金寶貨幣市場基金)'s investment strategy is (1) according to research macroeconomic indicators and interest rate changing trend, to determine the investment portfolio average duration; (2) while satisfying condition of investment portfolio average duration, to fully consider relevant product's return, liquidity and credit rating, to determine the portfolio allocation; (3) utilising modern financial analysis methodology and tools, in order to optimise the portfolio allocation result and to realise appreciation of the portfolio; (4) adopting methodologies of balanced distribution, rolling investment and optimising term allocation etc., to enhance the liquidity management; and (5) with real time monitoring of interest change of each product, to catch risk-free arbitrage opportunity.

Minsheng JiaYin Cash Pot Monetary Market Fund* (民生加銀現金寶貨幣市場基金)'s investment will be based on securing safety and liquidity of assets as fundamental principles, striving on the basis of full evaluation of factors such as domestic and foreign macroeconomic trends as well as monetary fiscal policy changes etc., it scientifically forecasts future interest rate trend as well as screens for the best and optimises allocation of financial instruments within the investment scope and performs active investment portfolio management.

China Southern TianTianLi Monetary Market Fund* (南方天天利貨幣市場基金) adopts active management style investment strategy. On the basis of controlling interest rate risk, trying to minimise the fund's net asset value fluctuation risk and satisfying liquidity, it enhances the fund return.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

博時基金管理有限公司

博時合惠貨幣市場基金、博時現金寶貨幣市場基金及博時外服貨幣市場基金採用積極管理型的投資策略。在控制利率風險、盡量降低基金資產淨值波動風險並滿足流動性的前提下，提高基金收益。

中國民生銀行股份有限公司

華寶現金寶貨幣市場基金的投資策略為(1)按照研究宏觀經濟指標及利率變動趨勢，確定投資組合平均久期；(2)在滿足投資組合平均久期的條件下及充分考慮相關品種的收益性、流動性及信用等級，確定組合配置；(3)利用現代金融分析方法和工具，優化組合配置效果及實現組合增值；(4)採用均衡分佈、滾動投資及優化期限配置等方法，加強流動性管理；及(5)即時監控各品種利率變動，捕捉無風險套利機會。

民生加銀現金寶貨幣市場基金的投資將以保證資產的安全性和流動性為基本原則，力求在對國內外宏觀經濟走勢、貨幣財政政策變動等因素充分評估的基礎上，科學地預計未來利率走勢，擇優篩選並優化配置投資範圍內的各種金融工具及進行積極的投資組合管理。

南方天天利貨幣市場基金採用積極管理型的投資策略，在控制利率風險、盡量降低基金淨值波動風險並滿足流動性的前提下，提高基金收益。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

China Minsheng Banking Corp., Ltd. (continued)

Bosera Cash Pot Money Market Fund (博時現金寶貨幣市場基金) adopts active management style for investment strategy. On the basis of interest rate risk control, striving to minimise fund net asset value fluctuation risk and satisfying liquidity, it seeks to maximise the fund returns.

Harvest Monetary Market Fund* (嘉實貨幣市場基金) determines the remaining period (long/medium/short) and distribution of its portfolio assets according to macroeconomic indicators (including mainly interest rate levels, inflation rates, GDP Growth rates, money supplies, employment rate level, international market interest rate level and exchange rate, etc.). It determines the investment ratios of each investment asset in the portfolio based on the liquidity nature of each asset (including mainly average daily trading volume, trading platforms, holdings of institutional investors, amount of repurchases and pledges, subdivision and conversion progress). It determines portfolio risk level based on bonds' credit rating and collaterals provided.

China Construction Bank Corporation

E Fund Day Cash Income Money Market Fund* (易方達天天增利貨幣市場基金) will perform active management on the fund portfolio. On the basis of in-depth research of domestic and foreign macroeconomic trend, monetary policy changing trend, money demand and supply situation as well as comprehensively considering each class of assets' return, liquidity and risk traits, it strives to achieve investment returns higher than the performance benchmark. Its investment scope covers financial instruments with good liquidity, including cash; bank deposits, bond repurchases, central bank notes, interbank deposits with a term of within 1 year (including 1 year); bonds, debt financing instruments of non-financial institutions, asset-backed securities with a remaining term of within 397 days (including 397 days), as well as other monetary market instruments with good liquidity approved by the related law and regulations, the China Securities Regulatory Commission and the People's Bank of China.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

中國民生銀行股份有限公司(續)

博時現金寶貨幣市場基金採用積極管理型的投資策略，在控制利率風險、盡量降低基金資產淨值波動風險並滿足流動性的前提下，提高基金收益。

嘉實貨幣市場基金是根據宏觀經濟指標(主要包括：利率水平、通貨膨脹率、國內生產總值增長率、貨幣供應量、就業率水平、國際市場利率水平及匯率等)，決定債券組合的剩餘期限(長/中/短)和比例分佈。本基金按各類資產的流動性特徵(主要包括：平均日交易量、交易場所、機構投資者持有情況、回購抵押數量、分拆轉換進程)，決定組合中各類資產的投資比例。本基金根據債券的信用等級及擔保狀況，決定組合的風險級別。

中國建設銀行股份有限公司

易方達天天增利貨幣市場基金將對基金資產組合進行積極管理，在深入研究國內外的宏觀經濟走勢、貨幣政策變化趨勢、資金供求狀況的基礎上，綜合考慮各類投資品種的收益性、流動性和風險特徵，力爭獲得高於業績比較基準的投資回報。投資範圍為具有良好流動性的金融工具，包括現金，期限在1年以內(含1年)的銀行存款、債券回購、中央銀行票據、同業存單，剩餘期限在397天以內(含397天)的債券、非金融企業債務融資工具、資產支援證券，以及法律法規或中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

Bank of Communications Co., Ltd

HuaBao Cash Pot Monetary Market Fund* (華寶現金寶貨幣市場基金)'s investment strategy is (1) according to research macroeconomic indicators and interest rate changing trend, to determine the investment portfolio average duration; (2) while satisfying condition of investment portfolio average duration, to fully consider relevant product's return, liquidity and credit rating, to determine the portfolio allocation; (3) utilising modern financial analysis methodology and tools, in order to optimise the portfolio allocation result and to realise appreciation of the portfolio; (4) adopting methodologies of balanced distribution, rolling investment and optimising term allocation etc., to enhance the liquidity management; and (5) with real time monitoring of interest change of each product, to catch risk-free arbitrage opportunity.

Aegon-Industrial Monetary Market Securities Investment Fund* (興全貨幣市場證券投資基金) pursues steady cash returns through active stable investment in short term financial instrument of monetary market, seeking the best combination under risk and reward with a premise of securing safety of principal and adequate liquidity of assets. The fund comprehensively utilises multi-investment strategies of class configuration, target duration control, yield curve, choice of individual securities and arbitrage etc., to perform investment. The investment scope includes cash, call deposits, bank deposits with a term of within 1 year (including 1 year), bonds with a remaining term of within 397 days (including 397 days), central bank notes with a term of within 1 year (including 1 year), bond repurchases with a term of within 1 year (including 1 year), short term financing vouchers as well as other monetary market instruments with good liquidity approved by the China Securities Regulatory Commission and the People's Bank of China.

China Southern TianTianLi Monetary Market Fund* (南方天天利貨幣市場基金) adopts active management style investment strategy, and on the basis of controlling interest rate risk, trying to minimise the fund's net asset value fluctuation risk and satisfying liquidity, it enhances the fund return.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

交通銀行股份有限公司

華寶現金寶貨幣市場基金的投資策略為(1)按照研究宏觀經濟指標及利率變動趨勢，確定投資組合平均久期；(2)在滿足投資組合平均久期的條件下及充分考慮相關品種的收益性、流動性及信用等級，確定組合配置；(3)利用現代金融分析方法和工具，優化組合配置效果及實現組合增值；(4)採用均衡分佈、滾動投資及優化期限配置等方法，加強流動性管理；及(5)即時監控各品種利率變動，捕捉無風險套利機會。

興全貨幣市場證券投資基金在通過對貨幣市場短期金融工具的積極穩健投資，在風險和收益中尋找最優組合，在保持本金安全與資產充分流動性的前提下，追求穩定的現金收益。基金綜合運用類屬配置、目標久期控制、收益曲線、個券選擇及套利等多種投資策略進行投資。投資範圍包括現金、通知存款、期限在1年以內(含1年)的銀行存款、剩餘期限在397天以內(含397天)的債券，期限在1年以內(含1年)的中央銀行票據、期限在1年以內(含1年)的債券回購、短期融資券以及中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

南方天天利貨幣市場基金採用積極管理型的投資策略，在控制利率風險、盡量降低基金淨值波動風險並滿足流動性的前提下，提高基金收益。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

Bank of Communications Co., Ltd (continued)

China Universal Money Market Fund* (匯添富貨幣市場基金) integrates macro and micro analysis to formulate investment strategies. It strives to realise higher returns rate on the basis of satisfying safety and liquidity requirements. Using value analysis as basis, combining macro and micro, qualitative and quantitative, it realises value preservation and value add for investors through professional liquidity management. It invests in financial instruments allowed for investment under the related law and regulations and approved by regulators, including cash; bank deposits, bond repurchases, central bank notes, interbank deposits with a term of within 1 year (including 1 year); bonds, debt financing instruments of non-financial institutions, asset-backed securities with a remaining term of within 397 days (including 397 days), as well as other monetary market instruments with good liquidity approved by the China Securities Regulatory Commission and the People's Bank of China.

ABC-CA Money Market Fund (農銀匯理貨幣市場證券投資基金) will follow the basic rule of safety and liquidity as priority, through in-depth analysis of macroeconomics, policy environment, market situation and demand and supply of funds, it will scientifically estimate future interest rate trend, reasonably set investment portfolio's target duration and asset allocation ratios. At the same time, by comprehensively utilising various investment strategies of interest rate, duration, class, repurchases, liquidity management, etc., and on the basis of securing safety and liquidity, it strives to achieve investment returns exceeding the performance benchmarks. The fund investment targets are financial instruments with good liquidity, including (1) cash; (2) bank deposits, bond repurchases, central bank notes, interbank deposits with a term of within 1 year (including 1 year); (3) bonds, debt financing instruments of non-financial institutions, asset-backed securities with a remaining term of within 397 days (including 397 days); (4) other monetary market instruments with good liquidity approved by the China Securities Regulatory Commission and the People's Bank of China.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

交通銀行股份有限公司(續)

匯添富貨幣市場基金將結合宏觀分析和微觀分析制定投資策略，力求在滿足安全性、流動性需要的基礎上實現更高的收益率。以價值分析為基礎，宏觀與微觀、定性與定量相結合，通過專業的流動性管理為投資者實現資產的保值、增值。投資於相關法律法規及監管機構允許投資的金融工具，包括現金，期限在1年以內(含1年)的銀行存款、債券回購、中央銀行票據、同業存單、剩餘期限在397天以內(含397天)的債券、非金融企業債務融資工具、資產支援證券，以及中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

農銀匯理貨幣市場證券投資基金將遵循安全性和流動性優先的基本原則，通過對宏觀經濟、政策環境、市場狀況和資金供求的深入分析，科學預計未來利率走勢，合理設定投資組合的目標久期和資產配置比例。同時，綜合運用利率、久期、類屬、回購、流動性管理等多種投資策略，在保證安全性和流動性的基礎上，力爭獲得超越業績比較基準的投資回報。本基金投資對象是具有良好流動性的金融工具，包括(1)現金；(2)期限在1年以內(含1年)的銀行存款、債券回購、中央銀行票據、同業存單；(3)剩餘期限在397天以內(含397天)的債券、非金融企業債務融資工具、資產支援證券；(4)中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

China Asset Management Company Limited

HuaXia Cash ZengLi Security Investment Fund* (華夏現金增利證券投資基金) with active judgement of short-term interest rate changes, reasonable arrangement of terms, detail studies, and cautiously operates, so as to realise principal safety, liquidity and a relatively higher returns stably exceeding the benchmark. (1) Short-term interest rate is affected by factors such as monetary policy and short-term capital demand and supply etc.. Through active judgement on its trend and change, it is able to optimise term allocation, class and product allocation, so as to increase portfolio return. (2) Through reasonable term arrangement and maintaining portfolio's higher liquidity, it fulfils investors' liquidity requirements and prevents impact on the execution of investment strategy from change of scale. (3) Through detail studies and cautious operations and utilising multiple flexible strategies, it is able to fully utilise market opportunities and continuously accumulates returns.

HuaXia Cash Pot Monetary Market Fund* (華夏現金寶貨幣市場基金) and Wealth Treasure Money Market Fund (華夏財富寶貨幣市場基金) determine the allocation ratio of fund assets between various assets such as debentures, bank deposits, etc., according to the comprehensive judgement on macroeconomic operation status, policies situation, credit situation, interest rate trends, money demand and supply changes, etc., combining with each class of assets' liquidity traits, risk and rewards, valuation level traits, and make dynamic adjustment when appropriate. For choice of individual securities, the fund will comprehensively utilise methodology of yield curve analysis, liquidity analysis, credit risk analysis, etc., to evaluate investment value of individual securities and to find out individual securities with relative values.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

華夏基金管理有限公司

華夏現金增利證券投資基金積極判斷短期利率變動，合理安排期限，細緻研究，謹慎操作，以實現本金的安全性、流動性和穩定超過基準的較高收益。(1)短期利率受到貨幣政策和短期資金供求等因素的影響，通過對其走勢和變動的積極判斷，能夠優化期限配置、類屬和品種配置，從而提高組合收益。(2)通過合理期限安排，保持組合較高的流動性，既能滿足投資者的流動性需求，又能避免組合規模的變化對投資策略實施的影響。(3)通過細緻研究和謹慎操作，運用多種靈活策略，能夠充分利用市場機會，不斷積累超額收益。

華夏現金寶貨幣市場基金及華夏財富寶貨幣市場基金根據宏觀經濟運行狀況、政策形勢、信用狀況、利率走勢、資金供求變化等的綜合判斷，並結合各類資產的流動性特徵、風險收益、估值水平特徵，決定基金資產在債券、銀行存款等各類資產的配置比例，並適時進行動態調整。在個券選擇上，基金將綜合運用收益率曲線分析、流動性分析、信用風險分析等方法來評估個券的投資價值及發掘出具備相對價值的個券。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

China Asset Management Company Limited (continued)

HuaXia Monetary Market Fund* (華夏貨幣市場基金) will integrate monetary market interest rate forecast and cash demand arrangement, adopt cash flow management strategy for carrying out monetary market instrument investment, in order to achieve higher returns on the basis of safeguarding fund asset's security and liquidity. The fund invests in monetary market instruments with good liquidity, mainly includes: cash; bank deposits, bond repurchases, central bank notes, interbank deposits with a term of within 1 year (including 1 year); bonds, debt financing instruments of non-financial institutions, asset-backed securities with a remaining term of within 397 days (including 397 days); other financial instruments with good liquidity approved by the related law and regulations or the China Securities Regulatory Commission and the People's Bank of China.

ZhongRong Fund Management Company Limited

ZhongRong Cash ZengLi Monetary Market Fund* (中融現金增利貨幣市場基金) follows the macroeconomic trends, monetary policy, short-term capital market conditions and other factors to make comprehensive judgement on interest rate trend, and dynamically adjusts the average remaining maturity of the fund's investment portfolio based on interest rate expectations, and strives to achieve higher profitability while satisfying security and liquidity needs.

China Southern Asset Management Company Limited

China Southern TianTianLi Monetary Market Fund* (南方天天利貨幣市場基金) adopts active management style investment strategy, and on the basis of controlling interest rate risk, trying to minimise the fund's net asset value fluctuation risk and satisfying liquidity, it enhances the fund return.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

華夏基金管理有限公司(續)

華夏貨幣市場基金結合貨幣市場利率的預測與現金需求安排，採取現金流管理策略進行貨幣市場工具投資，以便在保證基金資產的安全性和流動性的基礎上，獲得較高的收益。本基金投資於具有良好流動性貨幣市場工具，主要包括以下：現金，期限在1年以內(含1年)的銀行存款、債券回購、中央銀行票據、同業存單，剩餘期限在397天以內(含397天)的債券、非金融企業債務融資工具、資產支援證券，以及相關法律法規或中國證監會、中國人民銀行認可的其他具有良好流動性的金融工具。

中融基金管理有限公司

中融現金增利貨幣市場基金根據宏觀經濟走勢、貨幣政策、短期資金市場狀況等因素對利率走勢進行綜合判斷，並根據利率預期動態調整基金投資組合的平均剩餘期限，力求在滿足安全性、流動性需要的基礎上實現更高的收益率。

南方基金管理股份有限公司

南方天天利貨幣市場基金採用積極管理型的投資策略，及在控制利率風險、盡量降低基金淨值波動風險並滿足流動性的前提下，提高基金收益。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

China Southern Asset Management Company Limited (continued)

China Southern Cash ZengLi Fund* (南方現金增利基金)'s objective of asset allocation is to consider stable investment returns on the basis of fully satisfying liquidity. The fund's strategic asset allocation portion, mainly including market interest rate forecast and fund portfolio's average remaining term level etc., is being determined by the investment decision committee according to the macroeconomic situation and future money supply judgement. The fund's tactical asset allocation portion, mainly including trading market and choice of investment product, timing in critical period, repurchase arbitrage, choice of undervalued central bank bills and short-term debts etc., will be adjusted for the asset allocation ratio by the fund manager according to the market situation at the material time and the market environment changes, full utilisation of the company's research resources and financial engineering techniques, so as to achieve optimising allocation effect.

Aegon-Industrial Fund Management Company Limited

Aegon-Industrial Monetary Market Securities Investment Fund* (興全貨幣市場證券投資基金) pursues steady cash returns through active stable investment in short term financial instrument of monetary market, seeking the best combination under risk and reward with a premise of securing safety of principal and adequate liquidity of assets. The fund comprehensively utilises multi-investment strategies of class configuration, target duration control, yield curve, choice of individual securities and arbitrage etc., to perform investment. The investment scope includes cash, call deposits, bank deposits with a term of within 1 year (including 1 year), bonds with a remaining term of within 397 days (including 397 days), central bank notes with a term of within 1 year (including 1 year), bond repurchases with a term of within 1 year (including 1 year), short term financing vouchers as well as other monetary market instruments with good liquidity approved by the China Securities Regulatory Commission and the People's Bank of China.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

南方基金管理股份有限公司(續)

南方現金增利基金資產配置的目標是充分滿足流動性的基礎上考慮穩定的投資收益。本基金的戰略資產配置部份，主要包括市場利率預期、及基金組合平均剩餘期限水準等，由投資決策委員會根據宏觀經濟情況及未來資金面的判斷決定。本基金的戰術資產配置部份，主要包括交易市場和投資品種選擇、關鍵時期的時機選擇、回購套利、選擇價格低估的央行票據和短債等，將由基金經理根據當時的市場情況、市場環境變化、充分利用公司研究資源和金融工程技術調整資產配置比例，以期達到優化配置效果。

興全基金管理有限公司

興全貨幣市場證券投資基金在通過對貨幣市場短期金融工具的積極穩健投資，在風險和收益中尋找最優組合，在保持本金安全與資產充分流動性的前提下，追求穩定的現金收益。基金綜合運用類屬配置、目標久期控制、收益曲線、個券選擇及套利等多種投資策略進行投資。投資範圍包括現金、通知存款、期限在1年以內(含1年)的銀行存款、剩餘期限在397天以內(含397天)的債券、期限在1年以內(含1年)的中央銀行票據、期限在1年以內(含1年)的債券回購、短期融資券以及中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

HuaBao WP Fund Management Company Limited

HuaBao Cash Pot Monetary Market Fund* (華寶現金寶貨幣市場基金)'s investment strategy is (1) according to research macroeconomic indicators and interest rate changing trend, to determine the investment portfolio average duration; (2) while satisfying condition of investment portfolio average duration, to fully consider relevant product's return, liquidity and credit rating, to determine the portfolio allocation; (3) utilising modern financial analysis methodology and tools, in order to optimise the portfolio allocation result and to realise appreciation of the portfolio; (4) adopting methodologies of balanced distribution, rolling investment and optimising term allocation etc., to enhance the liquidity management; and (5) with real time monitoring of interest change of each product, to catch risk-free arbitrage opportunity.

China Universal Asset Management Company Limited

China Universal Money Market Fund* (匯添富貨幣市場基金) integrates macro and micro analysis to formulate investment strategies. It strives to realise higher returns rate on the basis of satisfying safety and liquidity requirements. Using value analysis as basis, combining macro and micro, qualitative and quantitative, it realises value preservation and value add for investors through professional liquidity management. It invests in financial instruments allowed for investment under the related law and regulations and approved by regulators, including cash; bank deposits, bond repurchases, central bank notes, interbank deposits with a term of within 1 year (including 1 year); bonds, debt financing instruments of non-financial institutions, asset-backed securities with a remaining term of within 397 days (including 397 days), as well as other monetary market instruments with good liquidity approved by the China Securities Regulatory Commission and the People's Bank of China.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

華寶基金管理有限公司

華寶現金寶貨幣市場基金的投資策略為(1)根據研究宏觀經濟指標及利率變動趨勢，確定投資組合平均久期；(2)在滿足投資組合平均久期的條件下，充分考慮相關品種的收益性、流動性、信用等級，確定組合配置；(3)利用現代金融分析方法和工具，優化組合配置效果及實現組合增值；(4)採用均衡分佈、滾動投資、優化期限配置等方法，加強流動性管理；及(5)即時監控各品種利率變動，捕捉無風險套利機會。

匯添富基金管理股份有限公司

匯添富貨幣市場基金將結合宏觀分析和微觀分析制定投資策略，力求在滿足安全性、流動性需要的基礎上實現更高的收益率。以價值分析為基礎，宏觀與微觀、定性與定量相結合，通過專業的流動性管理為投資者實現資產的保值、增值。投資於相關法律法規及監管機構允許投資的金融工具，包括現金、期限在1年以內(含1年)的銀行存款、債券回購、中央銀行票據、同業存單、剩餘期限在397天以內(含397天)的債券、非金融企業債務融資工具、資產支援證券，以及中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

Agricultural Bank of China Limited

ABC-CA Money Market Fund (農銀匯理貨幣市場證券投資基金) will follow the basic rule of safety and liquidity as priority, through in-depth analysis of macroeconomics, policy environment, market situation and demand and supply of funds, it will scientifically estimate future interest rate trend, reasonably set investment portfolio's target duration and asset allocation ratios. At the same time, by comprehensively utilising various investment strategies of interest rate, duration, class, repurchases, liquidity management, etc., on the basis of securing safety and liquidity, it strives to achieve investment returns exceeding the performance benchmarks. The fund investment targets are financial instruments with good liquidity, including (1) cash; (2) bank deposits, bond repurchases, central bank notes, interbank deposits with a term of within 1 year (including 1 year); (3) bonds, debt financing instruments of non-financial institutions, asset-backed securities with a remaining term of within 397 days (including 397 days); (4) other monetary market instruments with good liquidity approved by the China Securities Regulatory Commission and the People's Bank of China.

E Fund Management Co., Ltd.

E Fund Cash Enhance Income Money Market Fund (易方達現金增利貨幣市場基金) utilises qualitative and quantitative analysis methodologies, through active investment in short term financial instruments, and on the basis of effective control of investment risk and maintenance of high liquidity, it strives to achieve investment returns higher than the performance benchmark. Its investment scope covers financial instruments with good liquidity, including cash; bank deposits, bond repurchases, central bank notes, interbank deposits with a term of within 1 year (including 1 year); bonds, debt financing instruments of non-financial institutions, asset-backed securities with a remaining term of within 397 days (including 397 days), as well as other monetary market instruments with good liquidity approved by the related law and regulations, the China Securities Regulatory Commission and the People's Bank of China.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

中國農業銀行股份有限公司

農銀匯理貨幣市場證券投資基金將遵循安全性和流動性優先的基本原則，通過對宏觀經濟、政策環境、市場狀況和資金供求的深入分析，科學預計未來利率走勢，合理設定投資組合的目標久期和資產配置比例。同時，綜合運用利率、久期、類屬、回購、流動性管理等多種投資策略，在保證安全性和流動性的基礎上，力爭獲得超越業績比較基準的投資回報。本基金投資對象是具有良好流動性的金融工具，包括(1)現金；(2)期限在1年以內(含1年)的銀行存款、債券回購、中央銀行票據、同業存單；(3)剩餘期限在397天以內(含397天)的債券、非金融企業債務融資工具、資產支援證券；(4)中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

易方達基金管理有限公司

易方達現金增利貨幣市場基金利用定性分析和定量分析方法，通過積極投資短期金融工具，在有效控制投資風險和維持高流動性的基礎上，力爭取得高於業績基準的投資收益。投資範圍為具有良好流動性的金融工具，包括現金、期限在1年以內(含1年)的銀行存款、債券回購、中央銀行票據、同業存單，剩餘期限在397天以內(含397天)的債券、非金融企業債務融資工具、資產支持證券，以及相關法律法規或中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

HFT Investment Management Co., Ltd.

HFT TianYi Money Market Fund* (海富通添益貨幣市場基金) cautiously considers the profitability, liquidity and risk characteristics of different assets and strives to minimise different kinds of risk. Under the premises of controlling the investment portfolio with good liquidity, it gains a stable return for the investors. The major investments cover financial instruments, including (1) cash; (2) bank deposits, bond repurchases, central bank notes, interbank deposits with a term of within 1 year (including 1 year); (3) bonds, debt financing instruments of non-financial institutions, asset-backed securities with a remaining term of within 397 days (including 397 days); (4) other monetary market instruments with good liquidity approved by the China Securities Regulatory Commission and the People's Bank of China.

China Merchants Bank (招商銀行)

Aegon-Industrial Monetary Market Securities Investment Fund* (興全貨幣市場證券投資基金) pursues steady cash returns through active stable investment in short term financial instrument of monetary market, seeking the best combination under risk and reward with a premise of securing safety of principal and adequate liquidity of assets. The fund comprehensively utilises multi-investment strategies of class configuration, target duration control, yield curve, choice of individual securities and arbitrage etc., to perform investment. The investment scope includes cash, call deposits, bank deposits with a term of within 1 year (including 1 year), bonds with a remaining term of within 397 days (including 397 days), central bank notes with a term of within 1 year (including 1 year), bond repurchases with a term of within 1 year (including 1 year), short term financing vouchers as well as other monetary market instruments with good liquidity approved by the China Securities Regulatory Commission and the People's Bank of China.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

海富通基金管理有限公司

海富通添益貨幣市場基金將審慎考慮各類資產的收益性、流動性及風險性特徵，力求將各類風險降到最低，在控制投資組合良好流動性的前提下為投資者獲取穩定的收益。主要投資的金融工具包括(1)現金；(2)期限在1年以內(含1年)的銀行存款、債券回購、中央銀行票據、同業存單；(3)剩餘期限在397天以內(含397天)的債券、非金融企業債務融資工具、資產支援證券；(4)中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

招商銀行

興全貨幣市場證券投資基金在通過對貨幣市場短期金融工具的積極穩健投資，在風險和收益中尋找最優組合，在保持本金安全與資產充分流動性的前提下，追求穩定的現金收益。基金綜合運用類屬配置、目標久期控制、收益曲線、個券選擇及套利等多種投資策略進行投資。投資範圍包括現金、通知存款、期限在1年以內(含1年)的銀行存款、剩餘期限在397天以內(含397天)的債券，期限在1年以內(含1年)的中央銀行票據、期限在1年以內(含1年)的債券回購、短期融資券以及中國證監會、中國人民銀行認可的其他具有良好流動性的貨幣市場工具。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Money Market Funds (continued)

Investment strategies of money market funds (continued)

Minsheng Royal Fund Management Co., Ltd.

Minsheng JiaYin Cash Pot Monetary Market Fund* (民生加銀現金寶貨幣市場基金)'s investment will be based on securing safety and liquidity of assets as fundamental principle, striving on the basis of full evaluation of factors such as domestic and foreign macroeconomic trends as wells as monetary fiscal policy changes etc.. It scientifically forecasts future interest rate trends as well as screens for the best and optimises allocation of financial instruments within the investment scope and performs active investment portfolio management.

E Fund Management (HK) Co., Limited

E Fund (HK) US Dollar Money Market Fund's sole objective is to invest in short-term deposits and debt securities. The fund seeks to achieve a return in US Dollars in line with prevailing money market rates, with primary considerations of both capital security and liquidity. The fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its net asset value ("NAV")) in US Dollars-denominated and settled short-term deposits and debt securities issued by governments, quasi-governments, international organisations and financial institutions. The fund may invest up to 30% of its NAV in non USD-denominated deposits and debt securities. The fund may invest in commercial papers, certificates of deposits and commercial bills. Debt securities invested by the fund include but are not limited to government bonds, fixed and floating rate bonds. The fund will only invest in debt securities rated investment grade (BBB-/Baa3) or above by an independent rating agency, e.g. Fitch, Moody's and Standard & Poor's. A short-term debt security is considered investment grade if its credit rating is A-3 or higher by Standard & Poor's or F3 or higher by Fitch Ratings or P-3 or higher by Moody's or equivalent rating as rated by one of the international credit rating agencies.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

貨幣市場基金(續)

貨幣市場基金的投資策略(續)

民生加銀基金管理有限公司

民生加銀現金寶貨幣市場基金的投資將以保證資產的安全性和流動性為基本原則，力求在對國內外宏觀經濟走勢、貨幣財政政策變動等因素充分評估的基礎上，科學地預計未來利率走勢，擇優篩選並優化配置投資範圍內的各種金融工具及進行積極的投資組合管理。

易方達資產管理(香港)有限公司

易方達(香港)美元貨幣市場基金的唯一目標是投資於短期存款及債務證券。該基金尋求實現與通行貨幣市場利率相若的美元回報，並主要考慮資本安全及流動性。該基金尋求透過主要投資於(即不少於其資產淨值(「資產淨值」)的70%)由政府、準政府、國際組織、金融機構發行的美元計價及結算短期之存款及債務證券，以期實現其投資目標。該基金可將其資產淨值最多30%投資於非美元計價存款及債務證券。該基金可投資於商業票據、存款證及商業匯票。該基金投資的債務證券包括但不限於政府債券、定息及浮息債券。該基金僅可投資於獲獨立評級機構(例如惠譽、穆迪、標準普爾)給予投資級別(BBB-/Baa3)或以上評級的債務證券。如短期債務證券於標準普爾的信貸評級為A-3或以上或於惠譽的信貸評級為F3或以上或於穆迪的信貸評級為P-3或以上，或獲一間國際信貸評級機構給予相等評級，則被視為屬投資級別。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品

Name of the financial assets	金融資產名稱	Number of units held as at 31 December 2019	Investment cost as at 31 December 2019	Fair value as at 31 December 2019	Total amount of purchase(s) made during the year ended 31 December 2019	Total amount of disposal(s) made during the year ended 31 December 2019	Realised investment income/(loss) for the year ended 31 December 2019	Unrealised investment income/(loss) for the year ended 31 December 2019
					於截至2019年12月31日止年度內購入之總金額 (RMB'000)	於截至2019年12月31日止年度內出售之總金額 (RMB'000)	截至2019年12月31日止年度已變現的投資收入/(虧損) (RMB'000)	截至2019年12月31日止年度未變現的投資收入/(虧損) (RMB'000)
China Minsheng Banking Corp., Ltd. 中國民生銀行股份有限公司								
Feifan Asset Management TianYiJin Financial Investment Product A	非凡資產管理天溢金對公機構A款	-1	3,570	3,570	894,700	(1,358,630)	1,446	-
Others	其他	-1	4,000	4,000	5,000	(1,000)	39	-
China Construction Bank Corporation 中國建設銀行股份有限公司								
QianYuan — TianTianYing Open-end RMB Financial Investment Product*	乾元 — 天天盈開放式資產組合型人民幣理財產品	-1	39,953	39,953	134,500	(95,547)	49	-
QianYuan — Weekly Open-end Guaranteed Financial Investment Product*	乾元 — 周周利開放式資產組合型保本人民幣理財產品	-1	2,700	2,700	45,000	(50,300)	113	-
QianYuan — RiXinYueYi (Daily) Open-end RMB Financial Investment Product*	乾元 — 日鑫月溢(按日)開放式資產組合型人民幣理財產品	-1	10,100	10,100	203,050	(204,050)	378	-
QianYuan — DuiGongZunXiang (Daily Open-end) RMB Standard Asset Portfolio Non-capital Protected Floating Return Financial Investment Product*	乾元 — 對公尊享(按日開放型)人民幣標準資產組合型非保本浮動收益型理財產品	-	-	-	200,000	(200,000)	82	-
Others	其他	-1	2,050	2,050	23,750	(21,700)	3	-
Agricultural Bank of China Limited 中國農業銀行股份有限公司								
Agricultural Bank of China "BenLiFeng Daily" Open-end RMB Financial Investment Product*	中國農業銀行「本利豐天天利」開放式人民幣理財產品	-	-	-	1,062,800	(1,367,700)	556	-
China Merchants Bank 招商銀行								
Utrust Trust — Jingxin No.4 Specified Asset Usufruct Assembled Funds Trust Programme*	粵財信託 — 京信4號特定資產收益權集合資金信託計劃	-	-	-	252,000	(502,000)	2,282	-
China Merchants Bank RiRiYing Financial Investment Plan*	招商銀行日日盈理財計劃	-	-	-	35,400	(35,400)	34	-
China Merchants Bank — ZhaoZhaoJin (Multi-Stable) Financial Investment Plan*	招商銀行 — 朝招金(多元穩健型)理財計劃	-1	49,500	49,500	114,500	(65,000)	65	-

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

財務回顧(續)

Financial Assets at Fair Value Through Profit or Loss (continued)

按公允價值計量且其變動計入損益表之金融資產(續)

Financial Investment Products (continued)

金融投資產品(續)

Name of the financial assets	金融資產名稱	Number of units held as at 31 December 2019	Investment cost as at 31 December 2019	Fair value as at 31 December 2019	Total amount of purchase(s) made during the year ended 31 December 2019	Total amount of disposal(s) made during the year ended 31 December 2019	Realised investment income/(loss) for the year ended 31 December 2019	Unrealised investment income/(loss) for the year ended 31 December 2019
					於截至2019年12月31日止年度內購入之總金額	於截至2019年12月31日止年度內出售之總金額	已變現的投資收入/(虧損)	未變現的投資收入/(虧損)
		(千)	(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)
Bank of Communications Co., Ltd.	交通銀行股份有限公司							
YunTong Fortune • JiuJiuYangLao RYing Financial Investment Product*	瑞通財富•久久養老日盈理財產品	-1	99,053	99,053	4,989,985	(4,891,432)	3,393	-
CSC Financial Co., Ltd.	中信建投證券股份有限公司							
14 Days National Debt Reverse Repurchase – GC014*	14天國債逆回購 – GC014	-	-	-	-	(83,991)	176	-
CSC Fixed Income Securities “GuShouXin • WenXiang” “No.2817” – 35 days*	中信建投收益憑證「固收鑫•穩享」[2817號] – 35天	-	-	-	73	(20,073)	73	-
China International Capital Corporation Limited	中國國際金融股份有限公司							
ZhongJinDingYi No.10 Sole Asset Management Plan*	中金鼎益10號單一資產管理計劃	380,833	380,833	399,761	400,000	(19,167)	882	18,928
ZhongJinXinYi No.1 Collective Asset Management Plan*	中金鑫益1號集合資產管理計劃	48,400	50,000	50,000	90,000	(40,000)	1,505	-
AVIC Trust Company Limited	中航信託股份有限公司							
AVIC TianQi #556 TianChengJuFu Combined Investment Fund Trust Plan*	中航信託•天啟556號天誠聚富投資基金集合資金信託計劃	-1	70,000	70,000	170,000	(150,000)	4,653	-
CCB Trust Co., Ltd.	建信信託有限責任公司							
LIXin #22 Combined Investment Fund Trust Plan*	立信22號集合資金信託計劃	-1	10,000	10,000	10,000	-	320	-
HaiYun YangFan #3 Combined Investment Fund Trust Plan*	海韻揚帆3號集合資金信託計劃	-1	100,000	100,000	100,000	-	1,979	-
Ping An Bank Co., Ltd.	平安銀行股份有限公司							
Ping An Bank TianTianLi Guaranteed RMB Company Investment Product*	平安銀行天天利保本人民幣公司理財產品	-	-	-	175,000	(175,000)	185	-
Bank of Nanjing Co., Ltd.	南京銀行股份有限公司							
“RiRi JuJin #1501” RMB Investment Product*	「日日聚金1501期」人民幣理財產品	-	-	-	62,000	(62,000)	382	-
Others	其他	-	-	-	36,000	(51,000)	5,230	-

Note:

註:

1. Due to the nature of this type of financial assets, investment in financial investment products is presented by way of fair value instead of units.

1. 因此類金融資產的性質，在金融投資產品內的投資以公允價值方式呈列而非以單位呈列。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products

China Minsheng Banking Corp., Limited

Feifan Asset Management TianYiJin Financial Investment Product A (非凡資產管理天溢金對公機構A款) adopts investments strategies with priority in security and liquidity while pursuing an appropriate level of returns. Accordingly, in order to meet safety and liquidity requirements, it will invest in interbank bond market circulation bonds, money market funds, bond funds in asset allocations, funds with investment target in bonds or broker-oriented asset management plans, bank deposits, bond repurchases, etc.. On this basis, it will conduct reasonable allocations of debt assets, equity assets, other assets or asset combinations that comply with regulatory requirements, so as to further increase the return level.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略

中國民生銀行股份有限公司

非凡資產管理天溢金對公機構A款採用的投資策略以安全性及流動性優先，追求適度收益的投資策略。因此，產品主要投資銀行間債券市場流通債券、貨幣市場基金、債券基金、投資方向為債券的基金專戶或券商定向資產管理計劃、銀行存款、債券回購等，以滿足安全性和流動性要求。在此基礎上通過合理配置符合監管要求的債權類資產、權益類資產、其他資產或資產組合，進一步提高收益水平。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products (continued)

China Construction Bank Corporation (“China Construction Bank”)

QianYuan — TianTianYing Open-end RMB Financial Investment Product* (乾元 — 天天盈開放式資產組合型人民幣理財產品) will invest in financial instruments such as PBOC bills, debentures, bank notes and trust financing interests on the interbank bond market, so as to enable funds to realise higher returns than those of deposits.

QianYuan — Weekly Open-end Guaranteed Financial Investment Product* (乾元 — 周周利開放式資產組合型保本人民幣理財產品) invests in bonds and monetary market instruments assets and debt assets of national debts, financial bonds, central bank notes, short term financing bonds of enterprises, ultra short-term financing bonds, medium term notes, corporate debts, bonds, debentures, private placement debts, reverse repurchase of bonds, money lending, due from banks, etc., as well as other assets meeting compliance requirements.

QianYuan — RiXinYueYi (Daily) Open-end RMB Financial Investment Product* (乾元 — 日鑫月溢(按日)開放式資產組合型人民幣理財產品) invests in equity assets, debt assets, debentures and monetary market instrument assets and other asset portfolio which are in compliance with the regulatory requirements. The investment ratios of each type of the assets are: equity assets (0%–70%), debt assets (0%–70%), debentures and monetary market instrument assets (30%–100%), other asset portfolio which are in compliance with the regulatory requirements (0%–70%).

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略(續)

中國建設銀行股份有限公司(「中國建設銀行」)

乾元 — 天天盈開放式資產組合型人民幣理財產品投資於銀行間債券市場的央行票據、債券、銀行票據、信託融資受益權等金融工具，從而使賬戶資金獲得高於存款收益。

乾元 — 周周利開放式資產組合型保本人民幣理財產品投資於國債、金融債、央行票據、企業短期融資券、超短期融資券、中期票據、企業債、公司債、私募債、債券逆回購、資金拆借、存放同業等債券和貨幣市場工具類資產、債權類資產，以及其他符合監管要求的資產。

乾元 — 日鑫月溢(按日)開放式資產組合型人民幣理財產品投資於股權類資產、債權類資產、債券和貨幣市場工具類資產及其他符合監管要求的資產組合。各類資產的投資比例為：股權類資產0%–70%、債權類資產0%–70%、債券和貨幣市場工具類資產30%–100%、其他符合監管要求的資產組合0%–70%。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products (continued)

China Construction Bank Corporation (“China Construction Bank”) (Continued)

QianYuan — DuiGongZunXiang (Daily Open-end) RMB Standard Asset Portfolio Non-capital Protected Floating Return Financial Investment Product* (乾元 — 對公尊享(按日開放型)人民幣標準資產組合型非保本浮動收益型理財產品) invests in: 1. cash type assets, including but not limited to saving deposits, fixed deposits, agreement deposits, etc.; 2. monetary market instrument assets, including but not limited to pledge-style repurchase agreement, sales and repurchase agreement, exchange agreement-style repurchase agreement, etc.; 3. monetary market funds; 4. standardised fixed income type assets which were public issue with an external rating of above AA, including interbank deposits, national debts, central bank notes, financial bonds, corporate debts, debentures, medium term notes, short-term financing bonds, ultra short-term financing bonds in domestic market. The investment ratios of each type of the asset are: cash type assets (10%–100%), monetary market instruments (0%–90%), monetary market funds (0%–90%) and standardised fixed income type assets (0%–90%). China Construction Bank adheres to the idea of value investment, through management of asset portfolio achieving balance between the product’s security, liquidity and profitability. The product’s fundamental assets were selected and approved by China Construction Bank’s internal approval process, reaching investment standard.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略(續)

中國建設銀行股份有限公司(「中國建設銀行」)(續)

乾元 — 對公尊享(按日開放型)人民幣標準資產組合型非保本浮動收益型理財產品投資於境內市場的1.現金類資產：包括但不限於活期存款、定期存款、協定存款等；2.貨幣市場工具資產：包括但不限於質押式回購、買斷式回購、交易所協議式回購等；3.貨幣市場基金；4.公開發行且外部評級AA以上標準化固定收益類資產：包括同業存單、國債、中央銀行票據、金融債、企業債、公司債、中期票據、短期融資券、超短期融資券。各類資產的投資比例為：現金類資產10%–100%，貨幣市場工具0%–90%，貨幣市場基金0%–90%，標準化固定收益類資產0%–90%。中國建設銀行秉承價值投資的理念，通過資產組合管理實現本產品安全性、流動性與收益性的平衡。本產品基礎資產均經過中國建設銀行內部審批流程篩選和審批，達到可投資標準。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products (continued)

Agricultural Bank of China Limited

Agricultural Bank of China “BenLiFeng Daily” Open-end RMB Financial Investment Product* (中國農業銀行「本利豐天天利」開放式人民幣理財產品) mainly invests in inter-bank and exchange market bonds, repurchases, borrowings (including national debts, financial bonds, central bank notes, letter of credit with relatively higher credit rating, private placement financing debt instruments, convertible bonds, etc.), monetary market funds, bond funds, other funds in low risk category, low risk interbank fund business, non-standard debt assets (including usufruct, entrusted debts, etc.), securities issued by asset managers as well as fixed income products issued by commercial banks or other qualified institutions. Among these, the ratio for investing in high liquidity assets (cash, repurchase, Sovereign and quasi-sovereign debts as well as mid-high rating letter of credit, etc.) is 60%–100%. The ratio of investment class of monetary market funds, bond funds, other funds in low risk category, low risk interbank fund business is approximately 10%–30%. Non-standard debt assets and other investment classes contribute approximately 0%–10%. The above investment ratio could be adjusted upwards or downwards by a range of 10%.

China Merchants Bank

Utrust Trust — Jingxin No. 4 Specified Asset Usufruct Assembled Funds Trust Programme* (粵財信託 — 京信4號特定資產收益權集合資金信託計劃) (“**Jingxin No. 4**”) is a wealth management product issued by China Merchants Bank that was invested by the Group on 21 December 2018. The investment was bearing a floating returns rate and with a term of 62 days maturing on 21 February 2019. Jingxin No. 4 uses the usufruct of the receivable of remaining balance of real estate purchase of real estate projects as the transfer subject, with the seller of usufruct repurchasing upon maturity. At the same time, the real estate developer uses its deposits at China Merchants Bank as a pledge. The investment principal and interests have been fully settled with an annualised returns rate of 5.2% upon maturity.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略(續)

中國農業銀行股份有限公司

中國農業銀行「本利豐天天利」開放式人民幣理財產品主要投資於銀行間和交易所市場債券、回購、拆借(包括國債、金融債、央行票據、較高信用等級的信用債、非公開定向債務融資工具、可轉債等), 貨幣市場基金、債券型基金、低風險類其他基金、低風險同業資金業務, 非標準債權資產(包括收益權、委託類債權等), 資產管理人發行的證券, 以及商業銀行或其他符合資質的機構發行的固定收益型產品。其中, 投資於現金、回購、主權及準主權債以及中高等級信用債等高流動性資產的比例為60%–100%, 貨幣市場基金、債券型基金、低風險類其他基金、低風險同業資金業務的投資品種佔比約10%–30%, 非標準債權資產及其他投資品種佔比約為0%–10%, 以上投資比例可在正負10%的區間內浮動。

招商銀行

粵財信託 — 京信4號特定資產收益權集合資金信託計劃(「**京信4號**」)為本集團於2018年12月21日投資於招商銀行發行的理財產品, 投資為浮動收益率及期限為62天, 於2019年2月21日到期。京信4號以房地產項目應收購買房地產的尾款收益權作為轉讓標的, 出售收益權方於到期時回購。同時, 該房地產公司以其於招商銀行之存款提供質押擔保。該等投資本金及利息已於到期日按年化收益率5.2%全額收回。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products (continued)

China Merchants Bank (continued)

China Merchants Bank RiRiYing Financial Investment Plan* (招商銀行日日盈理財計劃) invests in all kinds of bonds issued in interbank and exchange market, as well as money lending, reverse repurchases, bank deposits, securities firm beneficiary certificates, trust plans, asset management plans, etc. and other financial assets complying with regulatory authorities requirements. The investment ratios are bond assets (20%–95%), money lending and reverse repurchases (0%–80%), bank deposits (0%–50%), securities firms beneficiary certificates, trust plans and targeted asset management plan (0%–70%) and other assets (0%–50%).

China Merchants Bank — ZhaoZhaoJin (Multi-Stable) Financial Investment Plan* (招商銀行 — 朝招金(多元穩健型)理財計劃) is based on in-depth studying of domestic and foreign macroeconomic trends and impact of macroeconomic policies on the financial market. Through fixed income investment and trading strategies such as asset allocation, interest rate forecast strategies, carry trade, credit carry trade and short-term interest rate fluctuations, etc., the scheme effectively controls portfolio risk and provides customers with risk-matched returns. The scheme invests in the financial assets and financial instrument with higher credit ratings and good liquidity in the interbank and exchange markets, including but not limited to bonds, asset-backed securities, direct financing instruments for financial management, fund lending, reverse repurchase, bank deposits, interbank deposits, notes, brokerage income certificates, etc., and can invest through asset management plans such as trust plans and targeted asset management plans.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略(續)

招商銀行(續)

招商銀行日日盈理財計劃投資於銀行間和交易所市場發行的各類債券，以及資金拆借、逆回購、銀行存款、券商受益憑證、信託計劃、資產管理計劃等其他符合監管機構要求的金融資產。各類資產的投資比例為債券資產(20%–95%)，資金拆借及逆回購(0%–80%)，銀行存款(0%–50%)，券商受益憑證、信託計劃、定向資產管理計劃(0%–70%)及其他資產(0%–50%)。

招商銀行 — 朝招金(多元穩健型)理財計劃通過深入分析國內外宏觀經濟走勢、宏觀經濟政策對金融市場的影響，採用資產配置、利率預期策略、利差交易、信用價差交易及短期利率波動等固定收益投資和交易策略，有效控制組合風險，為客戶提供與風險相匹配的回報。本理財計劃資金投資於銀行間和交易所市場信用級別較高、流動性較好的金融資產和金融工具，包括但不限於債券、資產支持證券、理財直接融資工具、資金拆借、逆回購、銀行存款、同業存款、票據、券商收益憑證等，並可通過信託計劃、定向資產管理計劃等資產管理計劃進行投資。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products (continued)

Bank of Communications Co., Ltd.

YunTong Fortune • JiuJiuYangLao RiYing Financial Investment Product* (蘊通財富 • 久久養老日盈理財產品) adopts an investment strategy that prioritises safety and liquidity with consideration given to profitability. Its asset portfolio comprises a majority of assets such as bonds and money market instruments that have high liquidity and high investment grade, and strives to achieve stable returns through portfolio management.

CSC Financial Co., Ltd. (“CSC Financial”)

14 Days National Debt Reverse Repurchase — GC014* (14天國債逆回購 — GC014) is a national debt reverse repurchase wealth management product with a pledge purchased from CSC Financial by the Group. It bears a floating returns rate, with maturity of 14 days and maturing on 4 January 2019. CSC Financial used its national debt held as pledges. After year end, the investment principal and interests has been fully settled with an annualised returns rate of 5.15% upon maturity.

CSC Fixed Income Securities “GuShouXin • WenXiang” “No. 2817” — 35 days* (中信建投收益憑證「固收鑫 • 穩享」【2817號】 — 35天) is issued by CSC Financial with principal guarantee for a term of 35 days with maturity on 1 February 2019, bearing a floating interest rate. After year end, the investment principal and interests have been fully settled with an annualised returns rate of 3.8% upon maturity.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略(續)

交通銀行股份有限公司

蘊通財富 • 久久養老日盈理財產品採用安全性、流動性優先，兼顧收益率的投資策略，在資產配置中較大比例配置流動性高、投資級別高的債券、貨幣市場工具等資產，並通過組合管理實現穩健收益。

中信建投證券股份有限公司(「中信建投證券」)

14天國債逆回購 — GC014為本集團向中信建投證券購入質押式國債逆回購理財產品，帶有浮動收益率，期限為14天並於2019年1月4日到期，中信建投證券以其持有的國債作為抵押品，於年結後，該等投資本金及利息已於到期日按年化收益率5.15%全額收回。

中信建投收益憑證「固收鑫 • 穩享」【2817號】 — 35天為中信建投證券發行並帶有本金保障，產品期限為35天並於2019年2月1日到期，為浮動利率，於年結後，該等投資本金及利息已於到期日按年化收益率3.8%全額收回。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products (continued)

China International Capital Corporation Limited

ZhongJinDingYi No.10 Sole Asset Management Plan* (中金鼎益10號單一資產管理計劃)'s and ZhongJinXinYi No. 1 Collective Asset Management Plan* (中金鑫益1號集合資產管理計劃)'s objective is stable return. Under the premises of strictly controlling risk and securing liquidity safety, the plans pursue continuous and steady appreciation of the entrusted asset during the entrusted period. The plans are sole asset management plans in fixed income category. The investment scope of entrusted assets covers (1) fixed income assets: national debts, regular bonds of local governments, central bank notes, policy financial bonds, debentures (including non-public issued debentures), corporate debts, medium term notes, short term financing bonds, ultra short term financing bonds, asset-backed securities (not including subordinated tranche), asset-backed notes (not including subordinated tranche), private placement financing debt instruments, convertible bonds, exchangeable bonds listed in the exchange and interbank market; bonds repurchase, bonds reverse repurchase; and (2) cash type assets: cash, bank deposits, interbank deposits, monetary market funds, etc.. The plan's investment restrictions include: 1. The bond issuer or debt rating shall not be lower than AA+; short term financing bonds of issuer rating shall not be lower than AA+; if there is no rating for ultra short term financing bonds, the issuer rating shall not be lower than AA+; regarding bonds with no issuer rating and no debt rating, unless there was written pre-approval of principal, it is not allowed to invest; 2. Interbank deposits issuers rating shall not be lower than AA+; 3. No conversion for investing in convertible bonds and exchangeable bonds; 4. The investment sum in convertible bonds and exchangeable bonds shall not exceed 20% of the net asset value of the plan of previous day; 5. The plan's total asset value shall not exceed 200% of the plan's net asset value; 6. The plan cannot invest directly on credit assets of commercial banks; 7. Other investments restricted by relevant laws and regulations, national policies and contracted restrictions in the agreement.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略(續)

中國國際金融股份有限公司

中金鼎益10號單一資產管理計劃及中金鑫益1號集合資產管理計劃以穩定收益為目標，在嚴格控制風險和保證流動性安全的前提下，追求委託資產在委託期限內的持續、穩健增值。本計劃為固定收益類單一資產管理計劃。委託資產投資範圍為：(1)固定收益類資產：交易所及銀行間市場掛牌交易的國債、地方政府一般債券、央票、政策性金融債、公司債(含非公開發行公司債)、企業債、中期票據、短期融資券、超短期融資券、資產支持證券(不含次級份額)、資產支援票據(不含次級份額)、非公開定向債務融資工具、可轉債、可交換債；債券正回購、債券逆回購；及(2)現金類資產：現金、銀行存款、同業存單、貨幣市場基金等。本計劃的投資限制包括：1.債券主體或債項評級不低於AA+；短期融資券主體評級不低於AA+；超短融若無債項評級，主體評級不低於AA+；對於既無主體評級亦無債項評級的債券，除非事先徵得委託人書面同意，否則不得投資；2.同業存單發行人主體評級不得低於AA+；3.投資可轉換債券、可交換債券不得轉股；4.投資於可轉換債券、可交換債券的投資額合計不得超過前一日計劃資產淨值的20%；5.計劃資產總值不得超過計劃資產淨值的200%；6.本計劃不得直接投資於商業銀行信貸資產；7.相關法律法規、國家政策和合同約定限制從事的其他投資。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products (continued)

AVIC Trust Company Limited

AVIC TianQi#556 TianChengJuFu Combined Investment Fund Trust Plan* (中航信託 • 天啟 556號天誠聚富投資基金集合資金信託計劃) carries out diversified dynamic asset allocation of the trust investment asset with the principles of safety, efficiency and liquidity. The investment scope is: bank deposits, interbank borrowings, reverse repurchase of bonds, monetary market funds, bond funds, exchange and interbank market bonds, etc. and other products that the trustee confirmed in accordance with the trust deed. The asset under the trust shall not invest directly in secondary stock market, QDII products as well as high risk financial derivative products (including but not limited to stock index futures, stock futures, stock index forwards, stock forwards, etc.). It shall not invest in projects which do not comply with the national industry policy, the investment policy or the macroeconomic control policy.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略(續)

中航信託股份有限公司

中航信託 • 天啟 556號天誠聚富投資基金集合資金信託計劃項下的信託財產投資，按照安全性、效益性、流動性原則進行多元化動態資產配置。投資範圍如下：銀行存款、同業拆借、債券逆回購、貨幣市場基金、債券基金、交易所及銀行間市場債券等及其他由受託人根據信託合同的約定所確定的產品。信託計劃財產不得直接投資於股票二級市場、QDII產品以及高風險的金融衍生產品(包括但不限於股指期貨、股票期貨、股指期權、股票期權等);不得投資於不符合國家產業政策、投資政策和宏觀調控政策的項目。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products (continued)

CCB Trust Co., Ltd. (“CCB Trust”)

LiXin #22 Combined Investment Fund Trust Plan* (立信22號集合資金信託計劃) acquired legally owned trade receivables of China Construction Fourth Engineering Division Corp. Ltd. (“**China Construction Fourth Division**”) or its subsidiaries through factoring company. After the transfer was completed, CCB Trust becomes a new creditor of the receivables from Zunyi City Huichuan District Louhaiqing Tourism Development Investment Co., Ltd. (“**Louhai Tourism**”). Louhai Tourism is 100% owned by the Management Committee of Zunyi Economic and Technological Development Zone. During the life of the trust plan, the debtor pays interest on the receivables. Before the trust plan expires, the debtor repays the receivables as agreed. The trust plan guarantee includes: 1. Before the trust plan expires, the China Construction Fourth Division repurchases receivables that have not been repaid by the debtor to ensure the safe withdrawal of trust funds; 2. The accounting firm issues a special audit report to ensure the authenticity and validity of the receivables; 3. The debtor acknowledges the debt and promises to repay it according to the contract through the notice and receipt of the account receivable transfer. China Construction Fourth Division was established in 1962. Its business covers housing construction engineering, infrastructure, real estate development, construction investment, etc.. It is a backbone company directly under the “China Construction Co., Ltd.” (“**China Construction**”). China Construction was listed on the main board of the Shanghai Stock Exchange on 29 July 2009 and its stock code is 601668.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略(續)

建信信託有限責任公司(「建信信託」)

立信22號集合資金信託計劃通過保理公司受讓中國建築第四工程局有限公司(「**中建四局**」)或其子公司持有的合法享有的應收賬款，受讓完成後，建信信託成為遵義市匯川區婁海情旅遊發展投資有限公司(「**婁海旅遊**」)應收賬款新的債權人。婁海旅遊由遵義經濟技術開發區管理委員會100%控股。信託計劃存續期間，由債務人支付應收賬款利息，信託計劃到期前，債務人按約定歸還應收賬款。信託計劃保障包括：1. 信託計劃到期前，由中建四局回購債務人尚未歸還的應收賬款，保障信託資金安全退出；2. 會計師事務所出具專項審計報告，以確認應收賬款的真實性和有效性；3. 債務人通過應收賬款轉讓通知和回執承認該債務並承諾按約償還。中建四局成立於1962年，業務覆蓋房屋建築工程、基礎設施、房地產開發、投資建造等，是中國建築股份有限公司(「**中國建築**」)直屬骨幹公司。中國建築於2009年7月29日於上海證券交易所主板上市，其股份編號為601668。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Financial Investment Products (continued)

Investment strategies of financial investment products (continued)

CCB Trust Co., Ltd. (“CCB Trust”) (continued)

HaiYun YangFan #3 Combined Investment Fund Trust Plan* (海韻揚帆3號集合資金信託計劃) is to collect the trust funds delivered by the client and use it to issue liquidity trust loan to Qingdao Jinshui Holding Group Co., Ltd. (“Qingdao Jinshui”) to obtain income. The credit enhancement measures include: 1. Balance top-up: Qingdao Ronghai State-owned Capital Investment and Operation Co., Ltd. (“Qingdao Ronghai”) provides an irrevocable balance top-up guarantee for the repayment of principal and interest of Qingdao Jinshui Trust Loan; 2. Supervision of fund usage: Qingdao Jinshui opened a special fund supervision account at the Licang Sub-branch of China Construction Bank in Qingdao to receive trust loans and ensure that the use of funds which meets the declared purpose. Qingdao Jinshui was established on 26 July 2010. Its main business sectors include commodity trading, infrastructure construction, asset operation and investment, etc.. The registered capital was RMB770 million as at 31 December 2019.

Ping An Bank Co., Ltd.

Ping An Bank TianTianLi Guaranteed RMB Company Investment Product* (平安銀行天天利保本人民幣公司理財產品) invests in bonds or money market instruments with higher credit ratings and better liquidity in the interbank market, including assets such as bond repurchase, lending, central bank bills, government bonds, financial bonds, and high credit rating corporate bonds (corporate bonds, short-term financing bonds, medium-term notes, etc.) etc..

Bank of Nanjing Co., Ltd.

“RiRi JuJin #1501” RMB Investment Product* (「日日聚金1501期」人民幣理財產品) invests government bonds, central bank bills, financial bonds, private placement bonds in the interbank bond market, and corporate bonds and medium-term notes with a credit rating not lower than AA-, short-term financing vouchers with a credit rating not lower than A-1, money market funds, interbank deposits and financial instruments of monetary market like repurchase, lending, etc..

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

金融投資產品(續)

金融投資產品的投資策略(續)

建信信託有限責任公司(「建信信託」)(續)

海韻揚帆3號集合資金信託計劃旨在集合委託人所交付的信託資金，用於向青島金水控股集團有限公司(「青島金水」)發放流動資金信託貸款以獲取收益。其中增信措施包括：1. 差額補足：青島融海國有資本投資運營有限公司(「青島融海」)為青島金水信託貸款本息的償付提供不可撤銷的差額補足保證；2. 資金支用監管：青島金水在中國建設銀行青島李滄支行開立資金監管專用賬戶，用以接收信託貸款，保證資金使用符合申報用途。青島金水成立於2010年7月26日，主要業務板塊包括商品貿易、基礎設施建設、資產運營以及投資等。於2019年12月31日註冊資本人民幣7.70億元。

平安銀行股份有限公司

平安銀行天天利保本人民幣公司理財產品投資於銀行間市場信用等級較高、流動性較好的債券或貨幣市場工具，包括：債券回購、拆借、央行票據、國債、金融債、以及高信用級別的企業債券(企業債、短期融資券、中期票據等)等資產。

南京銀行股份有限公司

「日日聚金1501期」人民幣理財產品投資銀行間債券市場國債、央行票據、金融債、私募債，以及信用等級不低於AA-級的企業債和中期票據、信用評級不低於A-1級的短期融資券，貨幣市場基金、同業存款以及回購、拆借等貨幣市場金融工具。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Listed Bond Investments

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

上市債券投資

Name of the financial assets	Number of units held as at 31 December 2019	Investment cost as at 31 December 2019	Fair Value as at 31 December 2019	Total amount of purchase(s) made during the year ended 31 December 2019	Total amount of disposal(s) made during the year ended 31 December 2019	Realised investment income/(loss) for the year ended 31 December 2019	Unrealised investment income/(loss) for the year ended 31 December 2019	
				於2019年12月31日持有之單位數量	於2019年12月31日之投資成本	於2019年12月31日之公允價值	於截至2019年12月31日止年度內購入之總金額	於截至2019年12月31日止年度內出售之總金額
				(RMB' 000)	(RMB' 000)	(RMB' 000)	(RMB' 000)	
				(千)	(人民幣千元)	(人民幣千元)	(人民幣千元)	
Beijing LeRui Asset Management Co., Ltd.								
LeRuiQiangZhai No. 27 Securities Investment Private Equity Fund*	北京樂瑞資產管理有限公司 樂瑞強債27號證券投資 私募基金	2,561	259,213	269,999	462,494	(203,281)	2,406	10,786
Shanghai Longlife Investment Co., Ltd.								
Longlife Jinxi Pure Bond No. 1 Private Equity Investment Fund*	上海久期投資有限公司 久期津西純債1號私募證券 投資基金	1,229	107,000	112,620	224,835	(117,835)	-	5,620
Shanghai JunXi Investment Management Co., Ltd.								
JunXi XiZhou No. 8 Private Equity Investment Fund*	上海君犀投資管理有限公司 君犀犀舟8號私募證券投資 基金	1,597	149,761	156,531	313,897	(164,136)	1,089	6,770
Others	其他	58	6,791	6,973	6,791	-	536	182

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Listed Bond Investments (continued)

Investment strategies of listed bond investments

Beijing LeRui Asset Management Co., Ltd.

LeRuiQiangZhai No.27 Securities Investment Private Equity Fund* (樂瑞強債27號證券投資私募基金) adopts a fixed income category allocation strategy to gain stable return, and through certain proportion of equity and derivative products asset allocation to enhance return. It uses fixed income assets such as good quality debentures as core assets to provide a safety cushion through stable return from bond interests. On this basis, it starts to implement “large scale asset allocation strategy”, and further extend portfolio assets to more risky asset categories of equity, derivative products, etc.. According to the risk-return profile of the targeted assets it intended to invest in and the changes in market conditions, it dynamically adjusts the investment ratio within a range to strive for realisation of continuous stable profit of account. LeRui “large scale asset allocation strategy” carries out large scale asset allocation rotation by a top-down approach, realising achievement of higher investment return under the premise of bearing limited risks. The strategy considers the macroeconomic situation, financial market environment, market structure changes as well as financial instruments available for investment, supported by quantitative models, and it comprehensively analyses market interest rate trend, capital market demand and supply, credit risk situation as well as stock market trend, and estimates each asset’s risk-reward characteristics in long, medium and short term. It carefully chooses large scale assets with a relatively better risk-reward profile, constructs an allocation strategy which reflects large scale asset rotation characteristics. Calculated by cost, the fund invests not less than 80% of the total value of fund’s asset in fixed income category assets and cash category assets, and not more than 20% of the total value of fund’s asset in equity category assets. Using issuer or debt rating as basis, it cannot invest in debentures with rating lower than AA or short term financing bonds with rating lower than A-1.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

上市債券投資(續)

上市債券投資的投資策略

北京樂瑞資產管理有限公司

樂瑞強債27號證券投資私募基金採用固定收益類配置策略獲取穩定收益，並通過一定比例權益、衍生品資產配置增厚收益。以優質信用債等固定收益資產為底倉，通過穩定票息收益來積累安全墊收益；在此基礎上，開始實施「大類資產配置策略」，將組合資產進一步擴展到較高風險的權益、衍生品等類別資產，根據擬投資目標資產的風險收益比和市場行情變化，在範圍內動態調整投資比例，爭取實現帳戶的持續穩定盈利。樂瑞「大類資產配置策略」是自上而下的進行大類資產配置輪動，實現在承擔有限風險的前提下獲取較高投資回報的目標。該策略考慮宏觀經濟形勢、金融市場環境、市場結構變化以及可投資金融工具，以定量模型為支援，綜合分析市場利率走勢、市場資金供求、信用風險情況以及股票市場走勢，預測各類資產在長、中、短期內的風險收益特徵，精選風險收益比相對優質的大類資產，構建體現大類資產輪動特點導向的配置策略。按成本計算，本基金投資於固定收益類資產及現金類資產佔基金資產總值的比例合計不低於80%，及於權益類資產的比例不高於基金資產總值的20%。以主體或債項評級孰高為基準，不得投資於評級低於AA級的信用債券或低於A-1級的短期融資券。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Listed Bond Investments (continued)

Investment strategies of listed bond investments (continued)

Shanghai Longlife Investment Co., Ltd.

Longlife Jinxi Pure Bond No.1 Private Equity Investment Fund* (久期津西純債1號私募證券投資基金) uses bonds as major investment subject. During different economic cycles, from the three dimensions of interest rate (duration), credit, and fixed income to carry out asset allocation, it strives to obtain steady return independent of economic cycle. In the aspect of risk control and strengthening return, it calculates the basic return from bond interest income. It sets a strict risk limit according to basic return level, so as to control drawdown risk. Within the risk limit, it adopts the approach of adjusting the duration of bonds, searching for wrong priced debentures and fixed income assets' equity attributes, etc. to obtain excess return over basic return. The restrictions of the fund include 1. it must not invest the fund assets in small to medium enterprises' private placement debts; 2. debt or issuer ratings of corporate debts, debentures, convertible bonds, detachable convertible bond must be AA or above; debt rating of short term financing bonds of A-1 and issuer rating must be A+ or above; private exchangeable bonds can be without rating.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

上市債券投資(續)

上市債券投資的投資策略(續)

上海久期投資有限公司

久期津西純債1號私募證券投資基金以債券類資產為主要投資標的，在不同的經濟週期中，從利率(久期)、信用、類固定收益三個維度進行資產配置，力爭獲得穿越經濟週期的穩健收益。風險控制和增厚收益方面，計算債券票息收入帶來的基礎收益，根據基礎收益水準設定嚴格的風險限額，以控制回撤風險。在風險限額內，通過調整持倉債券久期、挖掘被錯誤定價的信用債券、挖掘類固定收益資產的權益屬性等方式獲取基礎收益之上的超額收益。本基金限制包括1.不得將基金財產投資於中小企業私募債；2.企業債、公司債、可轉換債券、可分離交易債的債項或主體信用評級在AA級(含)以上；短期融資券的債項評級為A-1級且主體評級在A+級(含)以上；私募可交換債可不評級。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Listed Bond Investments (continued)

Investment strategies of listed bond investments (continued)

Shanghai JunXi Investment Management Co., Ltd.

JunXi XiZhou No.8 Private Equity Investment Fund* (君犀犀舟8號私募證券投資基金) constructs its investment portfolio on the basis of in-depth research. Under the premises of strictly controlling the investment risks, it strives to obtain long term stable investment return. The fund will carry out top-down approach asset allocation according to macroeconomic analysis and changes in the overall market valuation level, lower market risk and pursue higher return at the same time. The investment scope includes stocks issued and listed on the Shanghai or Shenzhen Stock Exchange (limited to shares issued from the conversion of convertible bonds or exchangeable bonds only), bonds and asset-backed securities issued and traded in the Shanghai or Shenzhen Stock Exchange or interbank market, asset-backed notes issued and traded in interbank market, fixed income securities of securities companies, bond repurchases, pledge-style quoted repurchase agreement in the Shanghai or Shenzhen Stock Exchange, cash, bank deposits (including fixed deposits, agreement deposits, structured deposits and other bank deposits), publicly offered funds, bank financial investment products, asset management plans of securities companies, insurance companies and future companies, asset management plans for specific clients of fund managers, privately offered funds issued by privately offered securities investment fund manager who are registered and published on the official website of the Asset Management Association of China. The investment restrictions of the fund include: 1. it must not invest in funds without custodian or safekeeping financial institutions (commercial banks, securities companies); 2. it must not invest in partnership shares without filings in the Asset Management Association of China; 3. it must not invest in subordinated share of structured financial product, and the priority rating of invested asset-backed securities and asset-backed notes shall be AAA; 4. the fund's total fund asset value shall not exceed 160% of fund net asset value; 5. it must not participate in the subscription of non-public issued shares in stock exchange; 6. the debt rating of invested debentures must be AA or above. If the invested debentures do not have a debt rating or their debt ratings do not reach AA or above, their issuer ratings shall be AA or above. Rate securities such as national debts, policy financial bonds, local debts, etc., are not restricted by ratings.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

上市債券投資(續)

上市債券投資的投資策略(續)

上海君犀投資管理有限公司

君犀犀舟8號私募證券投資基金在深入研究的基礎上構建投資組合，在嚴格控制投資風險的前提下，力求獲得長期穩定的投資回報。本基金將根據宏觀經濟分析和整體市場估值水準的變化自上而下的進行資產配置，在降低市場風險的同時追求更高收益。投資範圍包括滬深交易所發行及上市的股票（僅限於因可轉債轉股或可交換債換股所形成的股票）、滬深交易所或銀行間市場發行及交易的債券和資產支援證券、銀行間市場發行及交易的資產支援票據、證券公司收益憑證、債券回購、滬深交易所質押式報價回購、現金、銀行存款（包括定期存款、協定存款、結構性存款及其他銀行存款）、公募基金、銀行理財產品、證券公司、保險公司及期貨公司資產管理計劃、基金公司特定客戶資產管理計劃、於基金業協會官方網站公示已登記的私募證券投資基金管理人發行的私募基金。本基金的投資限制包括：1. 不得投向未經金融機構（商業銀行、證券公司）託管或保管的基金；2. 不得投資未在中國基金業協會備案的合夥企業份額；3. 不得投資於結構化金融產品的劣後級份額，且所投的資產支援證券和資產支援票據的優先順序評級應為AAA級；4. 本基金的基金資產總值佔基金資產淨值的比例不得超過160%；5. 不得參與認購證券交易所非公開發行股票；6. 投資的信用債債項評級需在AA級（含）以上，若投資的信用債無債項評級或債項評級未達到AA級（含）以上的，其主體評級應為AA級（含）以上，國債、政策性金融債、地方債等利率債不受評級限制。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Investment Funds

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

投資基金

Name of the financial assets	金融資產名稱	Number of units held as at 31 December 2019	Investment cost as at 31 December 2019	Fair value as at 31 December 2019	Total amount of purchase(s) made during the year ended 31 December 2019	Total amount of disposal(s) made during the year ended 31 December 2019	Realised investment income/(loss) for the year ended 31 December 2019	Unrealised investment income/(loss) for the year ended 31 December 2019
		於2019年12月31日持有之單位數量 ('000) (千)	於2019年12月31日之投資成本 (RMB' 000) (人民幣千元)	於2019年12月31日之公允價值 (RMB' 000) (人民幣千元)	於截至2019年12月31日止年度內購入之總金額 (RMB' 000) (人民幣千元)	於截至2019年12月31日止年度內出售之總金額 (RMB' 000) (人民幣千元)	截至2019年12月31日止年度已變現的投資收入/(虧損) (RMB' 000) (人民幣千元)	截至2019年12月31日止年度未變現的投資收入/(虧損) (RMB' 000) (人民幣千元)
Jiaxing FengJun Investment Management Co., Ltd.	嘉興灑浚投資管理有限公司							
FengHeXin FengJun JuJin#2 Structured Private Equity Investment Fund*	灑信灑浚聚金2號結構化私募基金	-	-	-	-	(208,028)	13,988	-
Shanghai QiuSheng Asset Management Co., Ltd.*	上海秋晟資產管理有限公司							
QiuSheng Asset YanXi No. 1 Macro Hedging Private Equity Fund*	秋晟資產言蹊1號宏觀對沖私募基金	106,850	107,000	110,323	107,000	-	15,098	3,323
Jiu Ding Hua Xin (Beijing) Investment Fund Management Co., Ltd.	九鼎華信(北京)投資基金管理有限公司							
Jiu Ding Hua Xin YiGuan No. 2 Private Equity Investment Fund*	九鼎華信德觀2號私募證券投資基金	-	-	-	50,000	(50,000)	750	-
Eternal Grand Investment Management Co., Ltd.	深圳市恒泰融安投資管理有限公司							
Eternal Grand Collective Private Equity Investment Fund*	恒泰融安集投私募證券投資基金	210,000	210,000	220,710	210,000	-	-	10,710
Bosera Asset Management Company Limited	博時基金管理有限公司							
Bosera New Strategy Flexible-configuration Hybrid Fund	博時新策略靈活配置混合型證券投資基金	26,600	30,000	33,513	30,000	-	-	3,513
HFT Investment Management Co., Ltd.	海富通基金管理有限公司							
HFT Retirement Income Balanced Fund	海富通安頤收益混合型證券投資基金	23,165	30,000	32,061	30,000	-	-	2,061
Huatai-Pinebridge Fund Management Co., Ltd.	華泰柏瑞基金管理有限公司							
Huatai-Pinebridge XinLi Flexible-configuration Commingled Securities Investment Fund*	華泰柏瑞新利靈活配置混合型證券投資基金	29,112	30,000	30,856	30,000	-	-	856
Beijing LeRui Asset Management Co., Ltd.	北京樂瑞資產管理有限公司							
LeRuiQiangZhai No. 27 Securities Investment Private Equity Fund*	樂瑞強債27號證券投資私募基金	4,784	4,999	5,171	4,999	-	-	172
Xinjiang Decent Zhiyuan Equity Investment Management Company Limited	新疆鼎信智遠股權投資管理有限公司							
DGW Kunyuan No.1 Private Equity Investment Fund	鼎信長城坤源1號私募股權投資基金	- ¹	100,000	100,000	100,000	-	-	-

Note:

註:

1. The investment is presented by way of fair value instead of units

1. 該投資以公允價值方式呈列而非以單位呈列。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Investment Funds (continued)

Investment strategies of investment funds

Jiaying FengJun Investment Management Co., Ltd.

FengHeXin FengJun JuJin#2 Structured Private Equity Investment Fund* (豐合信豐浚聚金2號結構化私募基金) primarily through investing in trust plan beneficial rights and/or trust plans, strives to achieve steady appreciation of fund assets. Based on an in-depth study of the domestic and foreign macroeconomic trend, monetary policy changing trend, capital market demand and supply situation, the fund will analyse the interest rate trend and comprehensively consider each investment product's profitability, liquidity and risk traits, and perform active management to the fund's asset portfolio.

*Shanghai QiuSheng Asset Management Co., Ltd.**

QiuSheng Asset YanXi No.1 Macro Hedging Private Equity Fund* (秋晟資產言蹊1號宏觀對沖私募基金) constructs its investment portfolio based on in-depth research, striving to realise continuous steady appreciation of the fund assets. Regarding the investment strategies, (i) for futures: through three dimensions of time, room and volatility, it addresses the issues of strategic term, strategic room for profit and volatility during the term respectively. First, according to macroeconomic analysis model, considering information in currency, investment, financing, interest rate, inflation, treasury, consumption, industry operation, import and export trade, etc., it carries out long cycle time series analysis, builds up co-integration model of each of the macroeconomic indicators under different economic cycles, studies and judges the macroeconomic operation situation. Second, according to own industry fixed asset investment, production output level as well as middle and downstream industries' output, sales, inventory situation of different commodities, it carries out evaluation to each of the commodities' supply and demand status and analyses strengths and weaknesses. At the same time, it makes an evaluation on the trade indicators such as future basis, monthly price difference, contract volume, margin deposit changes, etc., at transaction level, and finally it establishes arbitrage and hedging transaction model; (ii) for equities: through analysing factors such as company's industry policy direction, industry concentration, industry competition threshold, company technology level in the industry, company financial status, company product market share, company research and development expense, etc., it seeks for equity targets having product price bargaining power, production cost competitive advantages or having relatively higher development potential.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

投資基金(續)

投資基金的投資策略

嘉興豐浚投資管理有限公司

豐合信豐浚聚金2號結構化私募基金主要通過投資信託計劃受益權及/或信託計劃，力爭實現基金資產的穩步增值。本基金將在深入研究國內外的宏觀經濟走勢、貨幣政策變化趨勢、市場資金供求狀況的基礎上，分析和判斷利率走勢並綜合考慮各類投資品種的收益性、流動性和風險特徵，對基金資產組合進行積極管理。

上海秋晟資產管理有限公司

秋晟資產言蹊1號宏觀對沖私募基金在深入研究的基礎上，構建投資組合，力爭實現基金資產的穩步增值。就投資策略而言，(i)期貨策略：通過時間、空間、波動率三個維度，分別對應於策略期限、策略盈利空間、期間波動率三方面的問題。首先，根據巨集觀經濟分析模型，及考量貨幣、投資、融資、利率、通脹、財政、消費、工業運行、進出口貿易等方面的資料，進行長週期時間序列分析，建立不同經濟週期下各宏觀指標的協整模型，研判巨集觀經濟運行情況。其次，根據不同商品自身的行業固定資產投資、產出水平以及主要中、下游行業的產、銷、存情況對各類商品的供給、需求狀況進行評估，分析強弱性。同時，對期貨的基差、月間價差、合約成交量、持倉保證金變化等交易指標在交易層面上作出評價，最終構建套利、對沖交易模型；(ii)股票策略：通過分析公司所處行業政策導向、行業集中度、行業競爭門檻、公司技術水準在行業中所處的位置、公司財務情況、公司產品市佔率、公司研發支出等多方面的因素，尋找具有產品價格話語權、成本競爭優勢或者具有較大發展潛力的股票標的。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Investment Funds (continued)

Investment strategies of investment funds (continued)

Jiu Ding Hua Xin (Beijing) Investment Fund Management Co., Ltd.

Jiu Ding Hua Xin YiGuan No.2 Private Equity Investment Fund* (九鼎華信億觀2號私募證券投資基金) strives for creating steady income and return for fund investors under the premises of strictly controlling investment risks. The fund's investment scope covers instruments with good liquidity, including domestic legally issued and listed stocks, new shares subscriptions, bonds, warrants, monetary market instruments, bank deposits, bank investment products, securities firms asset management products, stock index futures as well as other investment products approved by law and regulations or the China Securities Regulatory Commission for fund investment. The investment strategies include (i) equity asset investment strategy — according to china economic social structural changes and trend, it adopts a top-down approach to invest in domestic legally issued and listed stocks, etc.; (ii) monetary market instruments investment strategy — based on in-depth research of domestic and foreign macroeconomic trend, monetary policy changing trend, capital market supply and demand, it analyses the interest rate trend and comprehensively considers different investment products' profitability, liquidity and risk traits, thereby performing active management to the fund's asset portfolio.; (iii) other strategies — according to market changes and manager's judgement, it invests in the contracted investment products, investment instruments, etc., within the fund's investment scope striving to realise fund asset steady appreciation.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

投資基金(續)

投資基金的投資策略(續)

九鼎華信(北京)投資基金管理有限公司

九鼎華信億觀2號私募證券投資基金在嚴格控制投資風險的前提下，力爭為基金投資者創造穩健的收益和回報。本基金的投資範圍為具有良好流動性的投資品種，包括國內依法發行上市的股票、新股申購、債券、權證、貨幣市場工具、銀行存款、銀行理財產品、券商資管產品、股指期貨以及法律法規或中國證監會允許基金投資的其他投資品種。投資策略包括(i)權益類資產投資策略 — 根據中國經濟社會的結構性變化和趨勢性規律，採取自上而下方式投資國內依法發行上市的股票等；(ii)貨幣市場工具投資策略 — 本基金將在深入研究國內外的宏觀經濟走勢、貨幣政策變化趨勢、市場資金供求狀況的基礎上，分析和判斷利率走勢並綜合考慮各類投資品種的收益性、流動性和風險特徵，對基金資產組合進行積極管理；(iii)其他策略 — 將根據市場變化和管理人的判斷，投資本基金投資範圍內約定的投資品種、投資工具等，力爭實現基金資產的穩步增值。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Investment Funds (continued)

Investment strategies of investment funds (continued)

Eternal Grand Investment Management Co., Ltd.

Eternal Grand Collective Private Equity Investment Fund* (恒泰融安集投私募證券投資基金) constructs investment portfolio based on in-depth research. Under the premises of strictly controlling the investment risks, it strives to obtain long term stable investment return. The fund will carry out quantitative hedging strategy according to macroeconomic analysis and overall market valuation level, at the same time participating in new share offline allotment of the Shanghai Stock Exchange including Science and Technology Innovation Board. It lowers market risk and pursues higher return at the same time. The investment scope includes stocks issued and listed on the Shanghai or Shenzhen Stock Exchange (including new share subscription), stock within the scope of the Stock Connect for Southbound Trading, depository receipts issued and listed on the Shanghai or Shenzhen Stock Exchange, preference shares issued and listed on stock exchange, bonds and asset-backed securities issued and trade in the Shanghai or Shenzhen Stock Exchange or interbank market, asset-backed notes issued and traded in interbank market, fixed income securities of securities companies, bond repurchases, pledge-style quoted repurchase agreement in the Shanghai or Shenzhen Stock Exchange, cash, bank deposits (including fixed deposits, agreement deposits, structured deposits and other bank deposits), interbank deposits, margin trading and short selling, refinancing securities lending (that is the fund use its holding securities as underlying of short sale lending to securities finance companies), stock index futures, commodities futures, national debts futures, stock options and commodities options listed in stock exchange and future exchange, warrants listed in stock exchange, contracts listed on the Shanghai Gold Exchange, publicly offered funds and bank investment products.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

投資基金(續)

投資基金的投資策略(續)

深圳市恒泰融安投資管理有限公司

恒泰融安集投私募證券投資基金在深入研究的基礎上構建投資組合，在嚴格控制投資風險的前提下，力求獲得長期穩定的投資回報。本基金將根據宏觀經濟分析和整體市場估值水準進行量化對沖策略，同時參與上交所含科創板在內的網下新股配售。在降低市場風險的同時追求更高收益。投資範圍包括滬深交易所發行及上市的股票(包含新股申購)、港股通標的範圍內的股票、滬深交易所發行及上市的存託憑證、證券交易所發行及上市的優先股、滬深交易所或銀行間市場發行及交易的債券和資產支援證券、銀行間市場發行及交易的資產支援票據、證券公司收益憑證、債券回購、滬深交易所質押式報價回購、現金、銀行存款(包括定期存款、協定存款、結構性存款及其他銀行存款)、同業存單、融資融券、轉融通證券出借交易(即本基金將其持有的證券作為融券標的證券出借給證券金融公司)、股指期貨、商品期貨、國債期貨、證券交易所及期貨交易所上市的股票期權及商品期權、證券交易所上市的權證、上海黃金交易所上市的合約品種、公募基金、銀行理財產品。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Investment Funds (continued)

Investment strategies of investment funds (continued)

Bosera Asset Management Company Limited

Bosera New Strategy Flexible-configuration Hybrid Fund (博時新策略靈活配置混合型證券投資基金) strives to obtain long term continuous stable investment return for fund holders, through organic combination of multiple investment strategies, under the premises of effective risk controls. The fund's investment targets are financial instruments with good liquidity, including equity financial instruments such as domestic legally issued and listed stocks (including Small and Medium Enterprise Board, Growth Enterprise Market and other stocks approved for listing by the China Securities Regulatory Commission), warrants, stock index futures, etc., as well as fixed income financial instruments such as bonds, etc., and other financial instruments approved by law and regulations or the China Securities Regulatory Commission for fund investment (must comply with the China Securities Regulatory Commission's relevant regulations). The fund's investment portfolio ratio is stock assets contributing 0%–95% of fund asset. The small to medium enterprises' private debts contributes not higher than 20% of the fund's net asset value. The fund's stock investment uses qualitative and quantitative analysis as basis, carrying out investment on the fundamental analysis.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

投資基金(續)

投資基金的投資策略(續)

博時基金管理有限公司

博時新策略靈活配置混合型證券投資基金通過對多種投資策略的有機結合，在有效控制風險的前提下，力爭為基金持有人獲取長期持續穩定的投資回報。基金的投資目標是具有良好流動性的金融工具，包括國內依法發行上市的股票（包括中小板、創業板及其他經中國證監會核准上市的股票）、權證、股指期貨等權益類金融工具，以及債券等固定收益類金融工具及法律法規或中國證監會允許基金投資的其他金融工具（須符合中國證監會的相關規定）。基金的投資組合比例為股票資產佔基金資產的0%–95%；中小企業私募債佔基金資產淨值的比例不高於20%。基金的股票投資以定性和定量分析為基礎，從基本面分析入手進行投資。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Investment Funds (continued)

Investment strategies of investment funds (continued)

HFT Investment Management Co., Ltd.

HFT Retirement Income Balanced Fund (海富通安頤收益混合型證券投資基金) insists on flexible asset allocation. Based on strict control of downside risk, it actively grasps investment opportunities in the stock market, ensuring asset protection and appreciation, realising the objective of beating absolute return benchmarks and providing a steady pension wealth management instrument for investors. The fund's investment scope covers financial instruments with good liquidity, including domestic legally issued and listed stocks (including Small and Medium Enterprise Board, Growth Enterprise Market and other stocks approved for listing by the China Securities Regulatory Commission), bonds, bank deposits, monetary market instruments, warrants, stock index futures as well as other financial instruments approved by law and regulations or the China Securities Regulatory Commission for fund investment (must comply with the China Securities Regulatory Commission's relevant regulations). The fund comprehensively utilises flexible and disciplined asset allocation strategies, segment allocation and individual stock selection strategies, return management and stop-loss strategies, etc., dynamically controlling the portfolio risk by utilising derivative products such as stock index futures, etc. at the same time. The fund's investment portfolio ratio is stock investment contributing 0%–95% of the fund assets.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

投資基金(續)

投資基金的投資策略(續)

海富通基金管理有限公司

海富通安頤收益混合型證券投資基金堅持靈活的資產配置，在嚴格控制下跌風險的基礎上，積極把握股票市場的投資機會，確保資產的保值增值，實現戰勝絕對收益基準的目標，為投資者提供穩健的養老理財工具。本基金的投資範圍為具有良好流動性的金融工具，包括國內依法發行上市的股票(包括中小板、創業板及其他經中國證監會核准上市的股票)、債券、銀行存款、貨幣市場工具、權證、股指期貨以及法律法規或中國證監會允許基金投資的其他金融工具(須符合中國證監會相關規定)。本基金將綜合運用靈活而有紀律的資產配置策略、板塊配置及個股精選策略、收益管理及止損策略等，同時利用股指期貨等衍生產品，動態控制組合風險。基金的投資組合比例為股票投資佔基金資產的比例為0%–95%。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Investment Funds (continued)

Investment strategies of investment funds (continued)

Huatai-Pinebridge Fund Management Co., Ltd.

Huatai-Pinebridge XinLi Flexible-configuration Commingled Securities Investment Fund* (華泰柏瑞新利靈活配置混合型證券投資基金) pursues long term appreciation of fund assets, under the premises of effective risk control. It prospectively seizes rate of return of stock market, bond market and interbank market at different times, striving to create investment return higher than results benchmarks for the investors in the medium to long run. The fund's investment scope covers financial instruments with good liquidity, including domestic legally issued and listed stocks (including Small and Medium Enterprise Board, Growth Enterprise Market and other stocks approved for listing by the China Securities Regulatory Commission), bonds, asset-backed securities, bond repurchases, bank deposits, monetary market instruments, stock index futures, warrants as well as other financial instruments approved by law and regulations or the China Securities Regulatory Commission for fund investment (must comply with the China Securities Regulatory Commission's relevant regulations). The fund is a commingled fund, with obtaining long term steady return as objective. When the stock market's overall valuation level seriously deviates from enterprises earning condition and expected growth rate, emerging obvious overvaluation, if its not timely adjusted could bring along potential capital losses for the fund unit holders, the fund will carry out large scale asset allocation adjustments, lowering stock asset ratio, raising other assets such as bonds, etc. ratio at the same time. The fund's stock asset investment ratio contributes 0%–95% of fund assets.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

投資基金(續)

投資基金的投資策略(續)

華泰柏瑞基金管理有限公司

華泰柏瑞新利靈活配置混合型證券投資基金在有效控制風險的前提下，追求基金資產的長期增值，前瞻性地把握不同時期股票市場、債券市場和銀行間市場的收益率，力爭在中長期為投資者創造高於業績比較基準的投資回報。本基金的投資範圍為具有良好流動性的金融工具，包括國內依法發行的上市股票（包含中小板、創業板及其他經中國證監會核准上市的股票）、債券、資產支持證券、債券回購、銀行存款、貨幣市場工具、股指期貨、權證以及法律法規或中國證監會允許基金投資的其他金融工具（須符合中國證監會相關規定）。本基金為混合型基金，以獲取長期穩定收益為目標。當股票市場的整體估值水平嚴重地偏離了企業實際的盈利狀況和預期的成長率，出現明顯的價值高估，如果不及時調整將可能給基金份額持有人帶來潛在的資本損失時，本基金將進行大類資產配置調整，降低股票資產的比例，同時相應提高債券等其他資產的比例。本基金股票資產的投資比例佔基金資產的0%–95%。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Investment Funds (continued)

Investment strategies of investment funds (continued)

Beijing LeRui Asset Management Co., Ltd.

LeRuiQiangZhai No.27 Securities Investment Private Equity Fund* (樂瑞強債27號證券投資私募基金) adopts a fixed income category allocation strategy to gain stable return, and through certain proportion of equity and derivative products asset allocation to enhance return. It uses fixed income assets such as good quality debentures as core assets to provide a safety cushion through stable return from bond interests. On this basis, it starts to implement “large scale asset allocation strategy”, and further extend portfolio assets to more risky asset categories of equity, derivative products, etc.. According to the risk-return profile of the targeted assets it intended to invest in and the changes in market conditions, it dynamically adjusts the investment ratio within a range to strive for realisation of continuous stable profit of account. LeRui “large scale asset allocation strategy” carries out large scale asset allocation rotation by a top-down approach, realising achievement of higher investment return under the premise of bearing limited risks. The strategy considers the macroeconomic situation, financial market environment, market structure changes as well as financial instruments available for investment, supported by quantitative models, and it comprehensively analyses market interest rate trend, capital market demand and supply, credit risk situation as well as stock market trend, and estimates each asset’s risk-reward characteristics in long, medium and short term. It carefully chooses large scale assets with a relatively better risk-reward profile, constructs an allocation strategy which reflects large scale asset rotation characteristics. Calculated by cost, the fund invests not less than 80% of the total value of fund’s asset in fixed income category assets and cash category assets, and not more than 20% of the total value of fund’s asset in equity category assets. Using issuer or debt rating as basis, it cannot invest in debentures with rating lower than AA or short term financing bonds with rating lower than A-1.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

投資基金(續)

投資基金的投資策略(續)

北京樂瑞資產管理有限公司

樂瑞強債27號證券投資私募基金採用固定收益類配置策略獲取穩定收益，並通過一定比例權益、衍生品資產配置增厚收益。以優質信用債等固定收益資產為底倉，通過穩定票息收益來積累安全墊收益；在此基礎上，開始實施「大類資產配置策略」，將組合資產進一步擴展到較高風險的權益、衍生品等類別資產，根據擬投資目標資產的風險收益比和市場行情變化，在範圍內動態調整投資比例，爭取實現帳戶的持續穩定盈利。樂瑞「大類資產配置策略」是自上而下的進行大類資產配置輪動，實現在承擔有限風險的前提下獲取較高投資回報的目標。該策略考慮宏觀經濟形勢、金融市場環境、市場結構變化以及可投資金融工具，以定量模型為支援，綜合分析市場利率走勢、市場資金供求、信用風險情況以及股票市場走勢，預測各類資產在長、中、短期內的風險收益特徵，精選風險收益比相對優質的大類資產，構建體現大類資產輪動特點導向的配置策略。按成本計算，本基金投資於固定收益類資產及現金類資產佔基金資產總值的比例合計不低於80%，及於權益類資產的比例不高於基金資產總值的20%。以主體或債項評級孰高為基準，不得投資於評級低於AA級的信用債券或低於A-1級的短期融資券。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Investment Funds (continued)

Investment strategies of investment funds (continued)

Xinjiang Decent Zhiyuan Equity Investment Management Company Limited

DGW Kunyuan No. 1 Private Equity Investment Fund (鼎信長城坤源1號私募股權投資基金) mainly invests in the equity of Yangzhou Yuanrong Real Estate Co., Ltd (楊州源融置業有限公司) (“**Yangzhou Yuanrong**”). Under the premise of strictly controlling risks, the fund maximises the steady appreciation of the fund’s assets. During the idle period of funds, the fund may be invested in bank deposits (including time deposits, agreement deposits, etc.) and monetary funds. The expected duration of the fund is no more than two years. Yangzhou Yuanrong is a joint establishment of Jiangsu New Energy Real Estate Group Co., Ltd. (江蘇新能源置業集團有限公司) (“**New Energy Real Estate**”) and Sunac China Holdings Limited (融創中國控股有限公司) (“**Sunac China**”). It is currently developing the construction project of “Shuxiang Yipin” (書香一品) in the humanities community located at the intersection of Development West Road and Xiangyuan Road in Yangzhou High-tech Zone. New Energy Real Estate was established in May 1996 with a registered capital of RMB200 million. Its business scope includes housing development (limited to the scope of construction of first-tier qualified enterprises), accommodation services, etc.. In 2005, it was approved by the Ministry of Construction to obtain first-class qualification for real estate development. It has successfully developed various real estate projects in Yangzhou, Beijing and Taixing. Sunac China was established in 2003 and was listed on the Main Board of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) (“**Main Board**”) (stock code: 1918) in October 2010. Its business covers mid-to-high-end residential, cultural tourism, industrial real estate, commercial real estate, hotels, property services, production and distribution of cultural and entertainment content, film and television filming integration services, etc.. In addition, it was ranked fourth in sales amongst Chinese real estate companies in 2019.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

投資基金(續)

投資基金的投資策略(續)

新疆鼎信智遠股權投資管理有限公司

鼎信長城坤源1號私募股權投資基金主要投資於楊州源融置業有限公司(「楊州源融」)股權。在嚴格控制風險的前提下，本基金最大限度地追求基金財產的穩定增值。在資金閒置期間，可投資於銀行存款(含定期存款、協議存款等)、貨幣基金。本基金等預計存續期限不超過兩年。楊州源融是江蘇新能源置業集團有限公司(「新能源置業」)和融創中國控股有限公司(「融創中國」)聯合成立，目前開發位於揚州高新區開發西路和祥園路交叉口的「人文社區」的一個建設項目「書香一品」。新能源置業於1996年5月成立，註冊資本人民幣2.00億元，經營範圍包括房屋開發(限一級資質企業施工範圍)、住宿服務等，於2005年經國家建設部批准獲得房地產開發一級資質，已在揚州、北京及泰興成功開發多個地產項目。融創中國於2003年成立，並於2010年10月在香港聯合交易所有限公司(「聯交所」)主板(「主板」)上市(股份編號：1918)，業務覆蓋中高端住宅、文化旅遊、產業地產、商業地產、酒店、物業服務、文化娛樂內容製作發行、影視拍攝一體化服務等。此外，其於2019年並佔中國地產企業銷售第四位。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

財務回顧(續)

Financial Assets at Fair Value Through Profit or Loss (continued)

按公允價值計量且其變動計入損益表之金融資產(續)

Listed Equity Interests

上市股權權益

Name of the financial assets	金融資產名稱	Number of units held as at 31 December 2019	Investment cost as at 31 December 2019	Fair value as at 31 December 2019	Total amount of purchase(s) made during the year ended 31 December 2019	Total amount of disposal(s) made during the year ended 31 December 2019	Realised investment income/(loss) for the year ended 31 December 2019	Unrealised investment income/(loss) for the year ended 31 December 2019
							截至2019年12月31日止年度已變現的投資收入/(虧損)	截至2019年12月31日止年度未變現的投資收入/(虧損)
		於2019年12月31日持有之單位數量 ('000) (千)	於2019年12月31日之投資成本 (RMB' 000) (人民幣千元)	於2019年12月31日之公允價值 (RMB' 000) (人民幣千元)	於截至2019年12月31日止年度內購入之總金額 (RMB' 000) (人民幣千元)	於截至2019年12月31日止年度內出售之總金額 (RMB' 000) (人民幣千元)	(RMB' 000) (人民幣千元)	(RMB' 000) (人民幣千元)
Chinacity EDU Fund I L.P.	Chinacity EDU Fund I L.P.	approximately 8.63 million shares ¹ 約863萬股 ¹	89,358	143,257	-	(21,470)	15,096	49,768
China Risun Group Limited*	中國旭陽集團有限公司	approximately 87.58 million shares ² 約8,758萬股 ²	128,161	211,620	-	-	18,879	83,459
Beijing LeRui Asset Management Co., Ltd. LeRuiQiangZhai No.27 Securities Investment Private Equity Fund*	北京樂瑞資產管理有限公司 樂瑞強債27號證券投資 私募基金	2,519	38,545	41,142	42,525	(3,980)	431	2,597
Jiangsu Shentong Valve Company Limited	江蘇神通閥門股份有限公司	-	-	-	-	(52,737)	11,883	-
Others	其他	-	2,700	4,240	2,700	-	-	1,540

Notes:

註：

- The investment is indirectly held by a special purpose vehicle.
- The number of shares held increased from approximately 24.80 million shares to approximately 87.58 million shares as a result of capitalisation issuance of China Risun Group Limited* on 1 February 2019.
- 該投資以一特殊目的載體間接持有。
- 由於中國旭陽集團有限公司於2019年2月1日進行資本化發行，故持有之股份數目由約2,480萬股增至約8,758萬股。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Listed Equity Interests (continued)

Investment strategies of listed equity interests

Chinacity EDU Fund I L.P.

During the year ended 31 December 2018, the Company subscribed for approximately 1.57% of the enlarged registered capital of Koolearn Technology Holding Limited (“**Koolearn**”) through Chinacity EDU Fund I L.P., at a cash consideration of USD16.75 million. As at 31 December 2019, the Company held approximately 0.92% of the registered capital of Koolearn through Chinacity EDU Fund I L.P.. Koolearn’s operating entity is Beijing New Oriental Xuncheng Network Technology Inc., which was incorporated in 2005. Its first product released was the online education platform, Koolearn. Today, Koolearn develops into an online education platform providing education products for college, K-12, pre-school and institutional clients, from an initial pure online foreign examination preparation service provider. Koolearn was listed on the Main Board on 28 March 2019 with stock code 1797.

China Risun Group Limited* (中國旭陽集團有限公司) (“**Risun Group**”)

During the year ended 31 December 2018, the Company subscribed for approximately 24.80 million shares of Risun Group, representing approximately 2.58% of its enlarged registered capital, at a cash consideration of approximately RMB128 million. As at 31 December 2019, the Company held approximately 2.14% of the registered capital of Risun Group. Risun Group was incorporated in 1995. It has four large chemical industrial zones in Xingtai, Dingzhou, Tangshan and Cangzhou, with more than ten coal chemical subsidiaries and joint ventures. It is a large scale enterprise group with principal business of manufacturing, and domestic and foreign trading of coal chemical products. It is a leading enterprise in China’s coke and coal chemicals, also being one of the major suppliers of coke of the Group. Risun Group was listed on Main Board on 15 March 2019 with stock code 1907.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

上市股權權益(續)

上市股權權益的投資策略

Chinacity EDU Fund I L.P.

於截至2018年12月31日止年度內，本公司通過Chinacity EDU Fund I L.P.認購新東方在綫科技控股有限公司(「**新東方在綫**」)經擴大註冊股本約1.57%權益，現金代價為美元1,675萬元。於2019年12月31日，本公司通過Chinacity EDU Fund I L.P.持有新東方在綫註冊股本約0.92%權益。新東方在綫運營實體是2005年成立的北京新東方迅程網路科技有限公司，推出的最早產品即是綫上教育平台新東方在綫。時至今日，新東方在綫已經從最初的純綫上海外考試準備服務供應商，發展成為集大學、K-12、學前和向機構客戶提供教育產品於一身的綫上教育平台。新東方在綫於2019年3月28日於主板上市，其股份編號為1797。

中國旭陽集團有限公司(「**旭陽集團**」)

於截至2018年12月31日止年度內，本公司認購旭陽集團約2,480萬股股份，即佔其經擴大註冊股本約2.58%，現金代價約為人民幣1.28億元。於2019年12月31日，本公司仍持有旭陽集團註冊股本約2.14%。旭陽集團成立於1995年，擁有邢臺、定州、唐山、滄州四大化工園區，十多家煤化工子公司和合資公司，是一家以煤化工產品生產和國內外貿易為主業的大型企業集團，是中國焦炭和煤化工產業的龍頭企業，並為本集團焦炭主要供應商之一。旭陽集團於2019年3月15日於主板上市，其股份編號為1907。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Listed Equity Interests (continued)

Investment strategies of listed equity interests (continued)

Beijing LeRui Asset Management Co., Ltd.

LeRuiQiangZhai No.27 Securities Investment Private Equity Fund* (樂瑞強債27號證券投資私募基金) adopts a fixed income category allocation strategy to gain stable return, and through certain proportion of equity and derivative products asset allocation to enhance return. It uses fixed income assets such as good quality debentures as core assets to provide a safety cushion through stable return from bond interests. On this basis, it starts to implement “large scale asset allocation strategy”, and further extend portfolio assets to more risky asset categories of equity, derivative products, etc.. According to the risk-return profile of the targeted assets it intended to invest in and the changes in market conditions, it dynamically adjusts the investment ratio within a range to strive for realisation of continuous stable profit of account. LeRui “large scale asset allocation strategy” carries out large scale asset allocation rotation by a top-down approach, realising achievement of higher investment return under the premise of bearing limited risks. The strategy considers the macroeconomic situation, financial market environment, market structure changes as well as financial instruments available for investment, supported by quantitative models, and it comprehensively analyses market interest rate trend, capital market demand and supply, credit risk situation as well as stock market trend, and estimates each asset’s risk-reward characteristics in long, medium and short term. It carefully chooses large scale assets with a relatively better risk-reward profile, constructs an allocation strategy which reflects large scale asset rotation characteristics. Calculated by cost, the fund invests not less than 80% of the total value of fund’s asset in fixed income category assets and cash category assets, and not more than 20% of the total value of fund’s asset in equity category assets. Using issuer or debt rating as basis, it cannot invest in debentures with rating lower than AA or short term financing bonds with rating lower than A-1.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

上市股權權益(續)

上市股權權益的投資策略(續)

北京樂瑞資產管理有限公司

樂瑞強債27號證券投資私募基金採用固定收益類配置策略獲取穩定收益，並通過一定比例權益、衍生品資產配置增厚收益。以優質信用債等固定收益資產為底倉，通過穩定票息收益來積累安全墊收益；在此基礎上，開始實施「大類資產配置策略」，將組合資產進一步擴展到較高風險的權益、衍生品等類別資產，根據擬投資目標資產的風險收益比和市場行情變化，在範圍內動態調整投資比例，爭取實現帳戶的持續穩定盈利。樂瑞「大類資產配置策略」是自上而下的進行大類資產配置輪動，實現在承擔有限風險的前提下獲取較高投資回報的目標。該策略考慮宏觀經濟形勢、金融市場環境、市場結構變化以及可投資金融工具，以定量模型為支援，綜合分析市場利率走勢、市場資金供求、信用風險情況以及股票市場走勢，預測各類資產在長、中、短期內的風險收益特徵，精選風險收益比相對優質的大類資產，構建體現大類資產輪動特點導向的配置策略。按成本計算，本基金投資於固定收益類資產及現金類資產佔基金資產總值的比例合計不低於80%，及於權益類資產的比例不高於基金資產總值的20%。以主體或債項評級孰高為基準，不得投資於評級低於AA級的信用債券或低於A-1級的短期融資券。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Listed Equity Interests (continued)

Investment strategies of listed equity interests (continued)

Jiangsu Shentong Valve Company Limited (“**Jiangsu Shentong**”)

During the year ended 31 December 2018, the Group acquired certain amount of shares of Jiangsu Shentong. As at 31 December 2018, the Group held approximately 9.20 million shares of Jiangsu Shentong, representing approximately 1.89% of its issued capital, with a historical cost of cash consideration of approximately RMB53.9 million. All the shares held were sold during the year ended 31 December 2019. Jiangsu Shentong is listed on the Shenzhen Stock Exchange (stock code 002438). It specialises in research, development, production and sale of novel special valves and is one of the suppliers of valves to the Group.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

上市股權權益(續)

上市股權權益的投資策略(續)

江蘇神通閥門股份有限公司(「**江蘇神通**」)

於截至2018年12月31日止年度內，本集團收購若干數量江蘇神通的股份。於2018年12月31日，本集團持有江蘇神通約920萬股股份，即佔其已發行股本約1.89%，現金代價的歷史成本約人民幣5,390萬元。所有持有之股份已於截至2019年12月31日止年度內出售。江蘇神通於深圳證券交易所上市(股份編號002438)，其專業從事新型特種閥門研究、開發、生產與銷售，並為本集團閥門供應商之一。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

財務回顧(續)

Financial Assets at Fair Value Through Profit or Loss (continued)

按公允價值計量且其變動計入損益表之金融資產(續)

Bond Market Funds

債券市場基金

Name of the financial assets	金融資產名稱	Number of units held as at 31 December 2019	Investment cost as at 31 December 2019	Fair value as at 31 December 2019	Total amount of purchase(s) made during the year ended 31 December 2019	Total amount of disposal(s) made during the year ended 31 December 2019	Realised investment income/(loss) for the year ended 31 December 2019	Unrealised investment income/(loss) for the year ended 31 December 2019
		於2019年12月31日持有之單位數量 ('000) (千)	於2019年12月31日之投資成本 (RMB'000) (人民幣千元)	於2019年12月31日之公允價值 (RMB'000) (人民幣千元)	於截至2019年12月31日止年度內購入之總金額 (RMB'000) (人民幣千元)	於截至2019年12月31日止年度內出售之總金額 (RMB'000) (人民幣千元)	截至2019年12月31日止年度已變現的投資收入/(虧損) (RMB'000) (人民幣千元)	截至2019年12月31日止年度未變現的投資收入/(虧損) (RMB'000) (人民幣千元)
Sculptor Capital Management, Inc. (Formerly known as "Och-Ziff Capital Management Group LLC")	司翹資本管理有限公司 (前稱為「奧氏資本管理集團有限公司*」)							
Sculptor Institutional Income Overseas Fund, L.P.(Formerly known as "OZ Institutional Income Overseas Fund, L.P.")	司翹機構收益海外基金 (前稱為「奧氏機構收益海外基金*」)	- ¹	198,569	206,669	-	-	9,968	6,843
Value Partners Hong Kong Limited	惠理基金管理香港有限公司							
Value Partners Greater China High Yield Income Fund	惠理大中華高收益債券基金	-	-	-	-	(30,725)	1,470	-
E Fund Management (HK) Co., Limited	易方達資產管理(香港)有限公司							
E Fund (HK) Select Bond Fund	易方達(香港)精選債券基金	- ¹	62,110	64,733	69,091	(6,981)	269	2,623
Invesco Hong Kong Limited	景順投資管理有限公司							
Invesco Global Investment Grade Corporate Bond Fund	景順環球高質企業債券基金*	- ¹	69,945	70,626	69,945	-	-	681

Note:

註：

1. The investment is presented by way of fair value instead of units.

1. 該投資以公允價值方式呈列而非以單位呈列。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Bond Market Funds (continued)

Investment strategies of bond market funds

Sculptor Capital Management, Inc.

Sculptor Institutional Income Overseas Fund, L.P. is the feeder fund for U.S. Tax Exempt and Non-U.S. investors of Sculptor Institutional Income Master Fund, L.P. (Formerly known as “OZ Institutional Income Master Fund, Ltd.”) (together, the “**Sculptor Fund**”). The Sculptor Fund seeks to generate risk-adjusted returns across the market cycle by combining rigorous fundamental analysis and active portfolio management. In addition, in respect of the distribution tranches, it also intends to make quarterly distributions of all or a portion of the current income that includes cash dividends, interest and other similar cash proceeds. The Sculptor Fund’s investment objective is to invest on an unlevered basis predominantly in U.S. dollar-denominated senior secured loans, or participation interests therein, senior secured notes, second lien loans, unsecured loans, letters of credit and bonds issued by below-investment grade obligors, as well as other debt securities. The allocation of capital across industries and types of obligors will vary depending on market opportunities and other factors.

Value Partners Hong Kong Limited

Value Partners Greater China High Yield Income Fund seeks to provide capital appreciation for investors. In addition, in respect of the distribution classes, it also intends to pay monthly dividends equal to all or substantially all of the net income attributable to each of the distribution classes.

財務回顧 (續)

按公允價值計量且其變動計入損益表之金融資產 (續)

債券市場基金 (續)

債券市場基金的投資策略

司韜資本管理有限公司

司韜機構收益海外基金為司韜機構收益主基金（前稱為OZ Institutional Income Master Fund, Ltd.）（統稱為「**司韜基金**」）的美國免稅及非美國投資者的聯接基金。司韜基金通過結合嚴謹的基本面分析和積極的投資組合管理，力求跨越市場週期創造風險調整後回報。此外，就派息期次而言，該基金亦擬每季度派付包括現金股息、利息和其他類似現金流在內的全部或部份當期收益。司韜基金的投資目標是不加槓桿地進行投資，並主要投資於以美元計價的優先有抵押貸款、或其中參與權益、優先有抵押票據、第二留置權貸款、無抵押貸款、信用證和投資級別以下債務人發行的債券，以及其他債務證券。各個行業或債務人類型的資本配置將根據市場機遇與其他因素而變化。

惠理基金管理香港有限公司

惠理大中華高收益債券基金旨在為投資者提供資本增值。此外，就分派類別而言，該基金亦擬每月派付相等於全部或絕大部份各分派類別應佔淨收入的股息。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Bond Market Funds (continued)

Investment strategies of bond market funds (continued)

Value Partners Hong Kong Limited (continued)

Value Partners Greater China High Yield Income Fund invests in a broadly diversified portfolio of debt securities with no fixed duration, term structure or industry sector weightings in the allocation of assets in Greater China. Selection of investments will be determined by the availability of attractive investment opportunities. It aims to achieve its investment objective by investing not less than 70% of its non-cash assets in a portfolio of debt securities issued by or fully guaranteed by (i) listed or unlisted corporations with their main operations (or majority of assets) in, or have their majority of their income derived from the Greater China Region, and (ii) governments and/or government related entities in the Greater China Region. The debt securities in which the fund may invest shall include, but are not limited to, convertible and non-convertible debt securities, fixed and floating rate bonds and high-yield bonds.

E Fund Management (HK) Co., Limited

Through global investment in portfolios composed of investment-grade debt securities denominated in Renminbi, US Dollar, Euro or HK Dollar, the E Fund (HK) Select Bond Fund aims at generating stable income in addition to capital appreciation for the fund, thus achieving long-term capital growth. The fund may invest in the globally issued bonds denominated in US Dollar, Euro or HK Dollar, in which shall comprise of investment-grade bonds no less than 70% and high-yield bonds up to 30%. Currently, the fund mainly invests in the US Dollar bonds issued by Chinese enterprises. The main reason is that under the same rating and duration, the US Dollar bonds issued by Chinese enterprises offer significantly higher yields than bonds issued by enterprises in developed markets. The fund may gradually expand its investment to cover US Dollar bonds issued by Hong Kong enterprises and companies in other developed countries. The fund may also invest no more than 30% of capital in other public funds. In addition, it may engage in the trading of interest rates, credits and foreign exchange derivatives for hedging risks purpose.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

債券市場基金(續)

債券市場基金的投資策略(續)

惠理基金管理香港有限公司(續)

惠理大中華高收益債券基金將廣泛投資於多元化的債務證券組合，於分配大中華地區的資產上並無固定期間、期限結構或行業比重。投資選擇將根據投資機遇的吸引力釐定。該基金旨在透過將其非現金資產不少於70%投資於(i)其主要業務(或大部份資產)位於或其大部份收入來自大中華地區的上市或非上市企業；及(ii)大中華地區政府及/或政府相關實體所發行或全面擔保的債務證券組合，以達致其投資目標。該基金可投資的債務證券包括但不限於可轉換及不可轉換債務證券、固定及浮動利率債券及高收益債券。

易方達資產管理(香港)有限公司

易方達(香港)精選債券基金透過在全球投資於主要由以境外人民幣、美元、歐元或港元計價的投資級別債務證券組成的投資組合，旨在為該基金產生資本增值以外的穩定收入流，從而達致長期資本增長。該基金可投資於全球範圍內發行的美元、歐元或港元債券，其中投資級債券不少於70%，高收益債券不高於30%。目前該基金實際投資於中資企業發行的美元債為主，主要原因是同等評級和期限下，中資企業美元債收益率水準仍顯著高於發達市場企業發行的債券。該基金後續將逐步拓展到港資企業以及其他發達國家市場發行的美元債。該基金亦可將不高於30%資金投資於其他公募基金。另外，該基金可以對沖風險為目的交易利率、信用和外匯衍生品。

Management Discussion and Analysis

管理層討論與分析

FINANCIAL REVIEW (continued)

Financial Assets at Fair Value Through Profit or Loss (continued)

Bond Market Funds (continued)

Investment strategies of bond market funds (continued)

Invesco Hong Kong Limited

The objective of Invesco Global Investment Grade Corporate Bond Fund is to achieve income and long-term capital growth by investing primarily in high quality debt instruments issued by companies worldwide, including contingent convertibles. The fund may make significant use of derivatives (complex instruments) in order to (i) reduce the risk and/or generate additional capital or income and/or (ii) meet the fund's investment objectives by generating varying amounts of leverage (i.e. where the fund gains market exposure in excess of the net asset value of the fund). The fund is actively managed and is not constrained by a benchmark.

Investment Strategy and Future Prospects

The Group's investments in financial assets at fair value through profit or loss have been conducted on the premises that such investments would not affect the working capital of the Group or the daily operation of the Group's principal business. Such investments are conducive to improving the capital usage efficiency and generating investment returns from the Group's temporarily idle funds. Giving top priority to prevention of excessive risk, the Company implemented control and made prudent decisions in respect of such investments on the principle of protecting the interests of its shareholders as a whole and the Company. On one hand, the Company is able to generate a relatively higher returns from such investments than fixed-term bank deposits, while at the same time the Company is still able to retain flexibility in redeeming the investments whenever it foresees there is a cash need.

Subject to any unforeseeable changes in China's and global economic, political and social conditions, the Company currently expects that the Group will continue to make such investments as and where appropriate pursuant to the investment strategy mentioned above. It is currently expected that barring any unforeseeable circumstances, such investments would continue to generate additional returns for the Group.

財務回顧(續)

按公允價值計量且其變動計入損益表之金融資產(續)

債券市場基金(續)

債券市場基金的投資策略(續)

景順投資管理有限公司

景順環球高質企業債券基金*的目標是主要通過投資於全球公司發行的高質量債務工具(包括或有可轉換債券)來實現收入和長期資本增長。基金可能會大量使用衍生工具(複雜的工具),以(i)降低風險和/或產生額外的資本或收入,和/或(ii)通過產生不同數量的槓桿來達到基金的投資目標(即基金獲得的市場敞口超過基金的資產淨值)。該基金受到積極管理,不受基準的限制。

投資策略及未來展望

本集團進行於按公允價值計量且其變動計入損益表之金融資產內的投資,前提是該等投資不會影響本集團的營運資金或本集團主要業務的日常運作,此等投資有利改善資金使用效益及為本集團暫時閒置的資金賺取投資回報,以防止過度風險為首要重點,本公司已就相關的投資進行控制及作出謹慎決策以保障本公司及其股東之整體利益為原則。另一方面,本公司自該等投資可產生相對銀行定期存款較高的回報,同時可以保留在預計出現現金需求時贖回該等投資的靈活性。

受限於中國及環球的經濟、政治及社會環境任何不可預期的變化,本公司現時預期本集團將於合適時根據以上所述的投資策略繼續進行投資。目前預期,除非出現不可預見的情況,該等投資仍會繼續為本集團賺取額外回報。

Management Discussion and Analysis

管理層討論與分析

ACCREDITATION FOR THE COMPANY AND ITS MANAGEMENT

For the year ended 31 December 2019, the Company was awarded rank 221st in the top 2019 Fortune China 500 companies, as well as named as one of the “2019 Top 50 Board of Directors — China” by Fortune China and Aon Hewitt jointly. Jinxi Limited, a subsidiary of the Company, was awarded the “National May Day Labor Award” by the All-China Federation of Trade Unions. Furthermore, Jinxi Limited was awarded the “2019 Excellent Steel Enterprise Brand”, “Building Material Most Technological Innovative Enterprise of China 2019”, etc.. In January 2020, the Company’s Chairman of the Board and Chief Executive Officer, Mr. Han Jingyuan, was awarded “The First China Financial and Economic Forum and The 70th Anniversary of the Founding of the Peoples Republic of China’s 70 Figures with Economic Merits”.

INVESTOR RELATIONS

The Company maintained close contact with its investors during the year of 2019. The Company not only made timely disclosures of the Company’s information through the website of the Stock Exchange and the Company for increasing the transparency of the Company, but also held meetings and conferences with investors, updating them on the Group’s business development and industrial trend.

This helped to promote investors’ understanding of the Group while allowing us to understand more about the opinions and expectations of investors. In future, the Group will further its effort to maintain close contact and effective interactive communication with investors.

公司及管理層取得的榮譽

截至2019年12月31日止年度，本公司獲選2019年《財富》中國500強排行榜中第221位，並榮獲《財富》(中文版)和怡安翰威特評為「2019年中國最佳董事會50強」之一。津西鋼鐵(本公司的附屬公司)，榮獲中華全國總工會授予「全國五一勞動獎狀」；此外，津西鋼鐵亦榮獲「2019年卓越鋼鐵企業品牌」、「2019年中國建材最具科技創新力企業」等。於2020年1月，本公司之董事局主席兼首席執行官韓敬遠先生獲評選為《首屆中國金融經濟論壇暨建國70年70位經濟功勳人物》之一。

投資者關係

本公司在2019年度內與投資者維持緊密的溝通，本公司除適時透過聯交所及本公司網站發放本公司信息以增強本公司的透明度，同時亦與投資者會面及會議，更新本集團的業務發展及行業趨勢。

此等有助促進投資者對本集團瞭解的同時，亦有助我們更有效掌握投資者的意見和期望。在未來本集團會繼續致力維持與投資者的密切溝通和良性互動。

Management Discussion and Analysis

管理層討論與分析

HUMAN RESOURCES AND REMUNERATION POLICIES

As at 31 December 2019, the Group had a workforce of approximately 9,400 and temporary staff of approximately 1,300. The staff cost included basic salaries and benefits. Staff benefits included discretionary bonus, medical insurance scheme, pension scheme, unemployment insurance scheme, maternity insurance scheme and share options, etc.. Effective from July 2008, the Group implemented a workers' injury insurance scheme and contributed 1.5% of the workers' wages to the Social Insurance Bureau. According to the Group's remuneration policy, employees' package is based on productivity and/or sales performance, and is consistent with the Group's quality control and cost control targets.

APPRECIATION

The Board would like to extend its heartfelt gratitude to all of its staff for their hard work and dedication to the Group, and to its shareholders for their continuous support and trust in the Company.

By order of the Board

China Oriental Group Company Limited

Han Jingyuan

Chairman and Chief Executive Officer

Hong Kong, 31 March 2020

** For identification purposes only*

人力資源及薪酬政策

於2019年12月31日，本集團僱用員工約9,400人及臨時工人約1,300人。職工成本包括基本薪金及福利，僱員福利包括酌情發放的花紅、醫療保險計劃、養老金計劃、失業保險計劃、生育保險計劃及購股權等。自2008年7月起，本集團推行工傷保險並按員工發放工資的1.5%上繳社保部門。根據本集團的薪酬政策，僱員的整套福利與生產力及／或銷售業績掛鈎，與本集團質量控制及成本控制目標一致。

感謝

董事局衷心感謝本集團全體僱員的辛勤工作及對本集團的奉獻，並感謝股東們的持續信任及對本公司的一貫支持。

承董事局命

中國東方集團控股有限公司*

韓敬遠

董事局主席兼首席執行官

香港，2020年3月31日

** 僅供識別*

Directors' and Senior Management's Biographical Information

董事及高級管理人員的履歷資料

EXECUTIVE DIRECTORS

Mr. Han Jingyuan, aged 63, is the Chairman and Chief Executive Officer of the Company (appointed on 13 November 2003), and also serves as a director of certain subsidiaries of the Company. He is the chairman of the nomination committee and member of the remuneration committee of the Company. Mr. Han graduated from the People's University in 1994 with a degree in management. Mr. Han began his career in Metallurgy in 1984 when he was a deputy mine manager and mine manager of Han'erzhuang Iron Mine. Mr. Han has in-depth industry knowledge and 34 years of extensive operational and managerial experience in the iron and steel industry. In January 2020, Mr. Han was awarded "The First China Financial and Economic Forum and The 70th Anniversary of the Founding of the People's Republic of China's 70 Figures with Economic Merits". In addition, Mr. Han was also awarded the honorary title of "No. 6 in Forbes China Best CEO List 2018", "Hebei Metallurgy Top Ten Man", "Outstanding Entrepreneur of Hebei Province", "Excellent Privately-owned Enterprises Entrepreneur in Hebei Province" and "Economic Top Ten Men of Honesty and Credibility in China", etc.. Mr. Han is the vice chairman of the China Chamber of Commerce for Metallurgical Enterprises, the honorary chairman of Hong Kong Tong San Chamber of Commerce and the vice chairman of Tangshan Charity Federation. Mr. Han was also the 9th and 11th representative of the People's Congress of Hebei Province, the PRC. Mr. Han is a director and the controlling shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company. Mr. Han Jingyuan is the father of Mr. Han Li, the Executive Director, Deputy General Manager and Chief Financial Officer of the Company.

Mr. Zhu Jun, aged 56, is an Executive Director (appointed on 23 December 2003), Executive Deputy General Manager and Chief Operating Officer of the Company and also a director of certain subsidiaries of the Company. Mr. Zhu graduated in 2001 from a graduate programme of the Communist Party School in Hebei Province with a diploma in management. Prior to working in the steel industry, Mr. Zhu worked for 10 years as deputy director of Qianxi County Chemical Fertilizer Factory which was based in Qianxi County, Hebei Province. Mr. Zhu joined Jinxi Iron Factory in 1992 and later served as deputy director. Mr. Zhu has 26 years of working experience in the iron and steel industry. Mr. Zhu is a director and minority shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company.

執行董事

韓敬遠先生，63歲，為本公司的董事局主席兼首席執行官（於2003年11月13日獲委任），亦為本公司若干附屬公司的董事。彼為本公司提名委員會主席和薪酬委員會成員。彼於1994年在人民大學畢業取得管理學位。韓先生於1984年在漢兒莊鐵礦出任副礦長及礦長職務開始其冶金事業。韓先生擁有深入的行業知識，並在鋼鐵業擁有34年的豐富運營和管理經驗。於2020年1月，韓先生獲評選為「首屆中國金融經濟論壇暨建國70年70位經濟功勳人物」之一。此外，韓先生亦曾榮獲「2018年福布斯中國最佳CEO名單第六位」、「河北冶金十大年度人物」、「河北省傑出企業家」、「河北省優秀民營企業家」及「中國經濟十大誠信人物」等殊榮。韓先生為全聯冶金商會副會長、香港唐山商會名譽會長及唐山市慈善總會副會長。韓先生亦曾任第九屆及第十一屆中國河北省人民代表大會代表。韓先生為本公司的控股股東Wellbeing Holdings Limited的一位董事及控股股東。韓敬遠先生為本公司執行董事、副總經理兼首席財務官韓力先生的父親。

朱軍先生，56歲，本公司的執行董事（於2003年12月23日獲委任）、常務副總經理兼首席運營官，亦為本公司若干附屬公司的董事。彼於2001年在中共河北省委黨校畢業，持有管理文憑。在從事鋼鐵業前，朱先生在河北省遷西縣的遷西縣化肥廠擔任副廠長達10年之久。彼於1992年加盟津西鐵廠，其後出任副廠長之職。朱先生在鋼鐵業累積26年經驗。朱先生為本公司控股股東Wellbeing Holdings Limited的一位董事及少數股東。

Directors' and Senior Management's Biographical Information 董事及高級管理人員的履歷資料

EXECUTIVE DIRECTORS (continued)

Mr. Shen Xiaoling, aged 59, is an Executive Director (appointed on 1 July 2005) of the Company and the chairman of the supervisory board of Jinxi Limited and he also serves as a director of certain subsidiaries of the Company. He obtained a diploma in management from the Hebei Province Communist Party School in 2001. Before joining the Group, Mr. Shen was the head of China Construction Bank Luanxian Sub-branch. Mr. Shen also had 5 years of experience acting as the head of China Construction Bank Qianxi Sub-branch and more than 6 years of experience as the deputy head of Bank of China Qianxi Sub-branch. Mr. Shen was the deputy general manager of Jinxi Limited during the period of January 2002 to October 2015. Mr. Shen was redesignated as the chairman of the Supervisory Board of Jinxi Limited since October 2015. Mr. Shen is a director and minority shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company.

Mr. Zhu Hao, aged 53, is an Executive Director of the Company (appointed on 21 November 2007). Mr. Zhu graduated at Tianjin Nankai University and obtained his master degree in accounting from the University of New South Wales in Australia. Mr. Zhu is a senior economist in China.

Mr. Han Li, aged 32, is an Executive Director (appointed on 7 February 2012), Deputy General Manager and Chief Financial Officer of the Company. Mr. Han joined the Group in 2009 as the assistant to the Financial Controller of the Company. He was the executive assistant to Chief Executive Officer of the Company and also currently serves as a director of certain subsidiaries of the Company. He also assists the Chief Executive Officer and Chief Operating Officer of the Company managing the daily operations of the Group. Mr. Han was the 12th and 13th representative of the People's Congress of Hebei Province, PRC, the vice chairman of the 11th Committee of Hebei Youth Federation and 17th representative of the People's Congress of the Communist Youth League of China. He was awarded Enterprise Brand Special Contribution Character (「企業品牌建設特殊貢獻人物」) and The Harmonious China 2012 Influential People's Award in Energy Saving (「和諧中國2012年度影響力人物 — 中國節能環保領域十大創新標兵」). Mr. Han is the son of Mr. Han Jingyuan, the Chairman and Chief Executive Officer of the Company, as well as the substantial shareholders (within the meaning of Part XV of the Securities and Futures Ordinance) (holding approximately 36.33% of the issued shares of the Company as at 31 December 2019) of the Company.

執行董事(續)

沈曉玲先生，59歲，本公司的執行董事(於2005年7月1日獲委任)、津西鋼鐵監事會主席及本公司若干附屬公司的董事。彼於2001年在中共河北省委黨校取得管理文憑。在加盟本集團前，沈先生為中國建設銀行灤縣支行行長，亦曾擔任中國建設銀行遷西支行行長達5年及中國銀行遷西支行副行長逾6年。沈先生在2002年1月至2015年10月期間擔任津西鋼鐵的副總經理，自2015年10月起調職為津西鋼鐵監事會主席。沈先生為本公司控股股東 Wellbeing Holdings Limited 的一位董事及少數股東。

朱浩先生，53歲，本公司的執行董事(於2007年11月21日獲委任)，朱先生於天津南開大學畢業並取得澳洲新南威爾斯大學會計學碩士學位。朱先生為中國高級經濟師。

韓力先生，32歲，本公司的執行董事(於2012年2月7日獲委任)、副總經理兼首席財務官。韓先生於2009年加入本集團並於當時任職本公司的財務總監助理，彼曾為本公司的首席執行官的行政助理，亦現為本公司若干附屬公司的董事，彼亦協助本公司的首席執行官及首席運營官管理本集團的日常工作。韓先生為中國河北省第十二屆及第十三屆人大代表、河北省青年聯合會第十一屆委員會副主席及共青團第十七次全國代表大會代表。彼曾榮獲「企業品牌建設特殊貢獻人物」及「和諧中國2012年度影響力人物 — 中國節能環保領域十大創新標兵」之榮譽稱號。韓先生為本公司董事局主席兼首席執行官以及根據證券及期貨條例第XV部屬本公司主要股東韓敬遠先生(於2019年12月31日持有本公司已發行股份約36.33%)的兒子。

Directors' and Senior Management's Biographical Information

董事及高級管理人員的履歷資料

EXECUTIVE DIRECTORS (continued)

Mr. Sanjay Sharma, aged 48, is an Executive Director of the Company (appointed on 30 September 2019). He is the vice president of ArcelorMittal (a substantial shareholder of the Company) and serves as chief executive officer of ArcelorMittal for China and India. Mr. Sharma joined ArcelorMittal in 2001 and was part of the first team on the ground to build ArcelorMittal's China operations from its early stages. Mr. Sharma served in multiple leadership roles in the China joint ventures of ArcelorMittal, including the chief executive officer for Valin ArcelorMittal Automotive Steel Co., Ltd. from March 2013 to September 2015, the chief operation officer at Hunan Valin Steel Co., Ltd. (listed on Shenzhen Stock Exchange, "Valin Steel") from October 2011 to September 2016 and a director of Valin Steel from December 2014 to September 2016. Prior to his roles in Valin Steel, he was the general manager of mergers and acquisitions in the corporate team at ArcelorMittal. Mr. Sharma has worked earlier with McKinsey & Company and Steel Authority of India Limited. Mr. Sharma holds an MBA from INSEAD in France and a B. Tech. (Honours), Metallurgical Engineering from the Indian Institute of Technology Roorkee. He is an alumnus of Harvard Business School's Advance Management Programme.

NON-EXECUTIVE DIRECTOR

Mr. Ondra Otradovec, aged 51, is a Non-Executive Director of the Company (re-appointed on 16 January 2015). Mr. Otradovec graduated from State University of New York in Stony Brook with a bachelor's degree in finance. Mr. Otradovec is the global head of mergers & acquisitions at ArcelorMittal (a substantial shareholder of the Company). Previously he worked at HSBC Investment Bank and was responsible for corporate finance transactions in emerging markets. Since joining in 2003, Mr. Otradovec has been involved in mergers & acquisitions at ArcelorMittal and has completed a large number of acquisitions, mergers and divestments undertaken by the company. Mr. Otradovec was involved in the merger of Mittal Steel with Arcelor as well as many other major transactions including acquisitions in Europe, US, South America and Asia, including Hunan Valin Iron and Steel Group Co., Ltd. in China (he served as a director of Valin Steel). He also was in charge of acquisitions of ThyssenKrupp Steel plant in Calvert, USA, Votorantim Steel in Brazil and ILVA in Italy. Mr. Otradovec acted as a Non-Executive Director of the Company from 2 January 2009 to 15 July 2013.

執行董事(續)

Sanjay Sharma 先生，48歲，本公司的執行董事（於2019年9月30日獲委任）。彼現為 ArcelorMittal（本公司的主要股東）的副總裁及 ArcelorMittal 中國及印度區的首席執行官。Sharma 先生於2001年加入 ArcelorMittal，為第一批自早期參與組建 ArcelorMittal 在中國的營運的團隊。Sharma 先生曾在 ArcelorMittal 於中國的合資公司任職多個高管職位，包括在2013年3月至2015年9月出任華菱安賽樂米塔爾汽車板有限公司的首席執行官、於2011年10月至2016年9月出任湖南華菱鋼鐵股份有限公司（於深圳證券交易所上市，「華菱鋼鐵」）的首席運營官以及於2014年12月至2016年9月出任華菱鋼鐵的董事。在擔任華菱鋼鐵職務之前，彼曾為 ArcelorMittal 企業部的收購與合併部總經理。Sharma 先生早期曾於麥肯錫公司及印度鋼鐵管理局工作。Sharma 先生擁有法國歐洲工商管理學院的工商管理碩士之學位及印度理工學院羅克分校的冶金工程（榮譽）學士學位，彼為哈佛商學院高級管理課程畢業生。

非執行董事

Ondra Otradovec 先生，51歲，本公司的非執行董事（於2015年1月16日獲再度委任）。Otradovec 先生畢業於紐約州立大學石溪分校並獲得金融學士學位。Otradovec 先生為 ArcelorMittal（本公司的主要股東）的收購與合併部之環球主管。此前，彼曾任職滙豐投資銀行，並負責新興市場的企業融資交易工作。Otradovec 先生自2003年加入 ArcelorMittal 後已參與該公司的收購與合併事項並完成大量收購、合併及撤資業務。Otradovec 先生曾參與 Mittal Steel 與 Arcelor 的合併工作以及多項於歐洲、美國、南美及亞洲的其他主要交易，包括中國的湖南華菱鋼鐵集團有限責任公司（彼曾出任華菱鋼鐵的董事）。彼亦曾負責美國 Calvert 市的 ThyssenKrupp 鋼鐵廠房、巴西的 Votorantim 鋼鐵及意大利的 ILVA 之收購事項。Otradovec 先生於2009年1月2日至2013年7月15日曾出任為本公司的非執行董事。

Directors' and Senior Management's Biographical Information 董事及高級管理人員的履歷資料

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Wong Man Chung, Francis, aged 55, is an Independent Non-executive Director of the Company (appointed on 25 August 2004). He is the chairman of the audit committee and remuneration committee and member of the nomination committee of the Company. He is a highly experienced certified public accountant (practising) and has over 31 years of experience in auditing, taxation, corporate internal control and governance, acquisition and financial advisory, corporate restructuring and liquidation, family trust and wealth management. Mr. Wong is an independent non-executive director of Digital China Holdings Limited, Wai Kee Holdings Limited, Integrated Waste Solutions Group Holdings Limited, Greenheart Group Limited, GCL-Poly Energy Holdings Limited, Hilong Holding Limited, Qeeka Home (Cayman) Inc., IntelliCentrics Global Holdings Ltd. and Shanghai Dongzheng Automotive Finance Co., Ltd., all of which are listed companies on the Stock Exchange. He was an independent non-executive director of Kunming Dianchi Water Treatment Co., Ltd. from June 2016 to August 2018 and China New Higher Education Group Limited from March 2017 to December 2019, all of which are listed companies on the Stock Exchange. Mr. Wong is the founding director and member of Francis M. C. Wong Charitable Foundation Limited, a charitable institution. Mr. Wong is also the non-executive chairman of Union Alpha C.P.A. Limited and non-executive director of Union Alpha CAAP Certified Public Accountants Limited. Previously, Mr. Wong worked for KPMG, an international accounting firm for 6 years and the Hong Kong Securities Clearing Company Limited for 2 years. Mr. Wong is a fellow member of The Association of Chartered Certified Accountants, Institute of Chartered Accountants in England and Wales, The Society of Chinese Accountants and Auditors and Hong Kong Institute of Certified Public Accountants and a certified tax adviser of the Taxation Institute of Hong Kong. Mr. Wong holds a master degree in management (管理學碩士) conferred by Guangzhou Jinan University (廣州暨南大學), the PRC.

獨立非執行董事

黃文宗先生，55歲，本公司之獨立非執行董事（於2004年8月25日獲委任）。彼為本公司審核委員會和薪酬委員會主席及提名委員會成員。彼為一名資深執業會計師，於審計、稅務、公司內部監控及管治、收購及財務顧問、企業重組及清算、家族信託及財富管理方面累積逾31年經驗。黃先生為神州數碼控股有限公司、惠記集團有限公司、綜合環保集團有限公司、綠心集團有限公司、保利協鑫能源控股有限公司、海隆控股有限公司、齊屹科技（開曼）有限公司、中智全球控股有限公司及上海東正汽車金融股份有限公司（該等公司均為聯交所上市公司）之獨立非執行董事。彼曾於2016年6月至2018年8月期間出任昆明滇池水務股份有限公司及於2017年3月至2019年12月期間出任中國新高教集團有限公司之獨立非執行董事（該等公司均為聯交所上市公司）。黃先生為慈善機構黃文宗慈善基金有限公司之創辦董事及成員，黃先生亦為才匯會計師事務所有限公司的非執行主席及中審亞太才匯（香港）會計師事務所有限公司的非執行董事。在此之前，黃先生曾於畢馬威國際會計師事務所工作6年，並於香港中央結算有限公司工作2年。黃先生為英國特許公認會計師公會、英格蘭及威爾斯特許會計師公會、香港華人會計師公會及香港會計師公會資深會員及香港稅務學會之註冊稅務師。黃先生持有中國廣州暨南大學授予的管理學碩士學位。



Directors' and Senior Management's Biographical Information

董事及高級管理人員的履歷資料

INDEPENDENT NON-EXECUTIVE DIRECTORS

(continued)

Mr. Wang Tianyi, aged 73, is an Independent Non-executive Director of the Company (appointed on 7 February 2012). He is member of the audit committee, nomination committee and remuneration committee of the Company. He is currently the supervisor of expert committee of The Chinese Society For Metals. Mr. Wang has over 46 years of extensive experience in the steel industry. Mr. Wang studied metallurgical machinery in Beijing Institute of Iron and Steel Engineering (北京鋼鐵學院) (now known as University of Science and Technology of Beijing 北京科技大學) from 1965 and graduated in 1970. He then worked at Handan Iron and Steel Group Company Limited (邯鄲鋼鐵集團有限責任公司) (“**Handan IS Group**”) from 1970 to 1995 and held various management and professional positions, including the position of a technician, deputy factory manager and executive deputy general manager. From 1995 to 2008, Mr. Wang was re-designated and worked at Tangshan Iron and Steel Group Company Limited (唐山鋼鐵集團有限責任公司) (“**Tangshan IS Group**”) as the chairman and managing director. From 2005 to 2011, he was also the deputy chairman and managing director of Shougang Jingtang Iron and Steel Company Limited (首鋼京唐鋼鐵聯合有限責任公司). From July 2008 to August 2011, he acted as the vice chairman of Hebei Iron and Steel Group Company Limited (河北鋼鐵集團有限責任公司) (“**HBIS Group**”). HBIS Group was established after the merger of Tangshan IS Group and Handan IS Group on 30 June 2008.

Mr. Wang Bing, aged 54, is an Independent Non-executive Director of the Company (appointed on 15 July 2016). He is member of the audit committee, nomination committee and remuneration committee of the Company. Mr. Wang graduated from Peking University with a bachelor's degree in Law in 1986 and obtained a doctor's degree in International Law from the Research Institute of Hiroshima University in 1995. Mr. Wang has over 24 years of experience in practicing law. In 1986, Mr. Wang joined Ministry of Human Resources and Social Security of the People's Republic of China, then worked for the Policy Research Office. He worked at Zhong Lun Law Firm from July 1995 to May 1998. Mr. Wang joined Beijing W&H Law Firm since May 1998 and currently, he is the senior partner of Beijing W&H Law Firm. Mr. Wang is qualified to practice law in the PRC. Mr. Wang was once the independent director of Shanxi Lanhua Sci-tech Venture Company Limited (listed on the Shanghai Stock Exchange) from May 2003 to May 2009 and Fujian Guan hong Holding Company Limited from May 2009 to May 2011. He is currently an independent director of Shanxi Tianji Coal Chemical Group Company Limited since May 2008 and Shangdong SINO-AGRI United Biotechnology Company Limited since January 2016. In addition, Mr. Wang acted as an external director of Beijing Fashion Holdings Company Limited, which is a wholly-owned company of State-owned Assets Supervision and Administration Commission of People's Government of Beijing Municipality, since February 2015.

獨立非執行董事(續)

王天義先生，73歲，本公司的獨立非執行董事（於2012年2月7日獲委任）。彼為本公司審核委員會、提名委員會和薪酬委員會成員。彼現任中國金屬學會專家委員會主任。王先生在鋼鐵行業擁有超過46年豐富經驗。王先生於1965年開始就讀於北京鋼鐵學院（現稱北京科技大學）修讀冶金機械專業及於1970年畢業。彼於1970年至1995年在邯鄲鋼鐵集團有限責任公司（「**邯鋼集團**」）工作並曾出任多個管理及專業職位，包括技術人員、副廠長及常務副總經理。於1995年至2008年期間，王先生調任至唐山鋼鐵集團有限責任公司（「**唐鋼集團**」），分別擔任過董事長及總經理，在2005年至2011年期間，彼亦曾擔任首鋼京唐鋼鐵聯合有限責任公司的副董事長兼總經理，並於2008年7月至2011年8月期間出任河北鋼鐵集團有限責任公司（「**河北鋼鐵集團**」）的副董事長，河北鋼鐵集團於2008年6月30日由唐鋼集團及邯鋼集團合併而成。

王冰先生，54歲，本公司的獨立非執行董事（於2016年7月15日獲委任）。彼為本公司審核委員會、提名委員會和薪酬委員會成員。王先生於1986年在北京大學法律系畢業取得法學學士學位，並於1995年在日本廣島大學研究生院取得國際法學博士學位。王先生具有24年以上的法律執業經驗。於1986年，王先生加入中華人民共和國人力資源和社會保障部，其後於政策研究室工作，彼在1995年7月至1998年5月期間於中倫律師事務所工作，王先生於1998年5月開始加入北京市煒衡律師事務所及現為該所的高級合夥人。王先生擁有中華人民共和國律師執業資格。王先生曾於2003年5月至2009年5月擔任山西蘭花科技創業股份有限公司（於上海證券交易所上市）及於2009年5月至2011年5月擔任福建冠宏股份有限公司的獨立董事，其目前自2008年5月起擔任山西天脊煤化工集團股份有限公司及自2016年1月起擔任山東中農聯合股份有限公司的獨立董事，此外，王先生自2015年2月起擔任北京市人民政府國有資產監督管理委員會的國有獨資企業，北京時尚控股有限責任公司的外部董事。

Directors' and Senior Management's Biographical Information 董事及高級管理人員的履歷資料

INDEPENDENT NON-EXECUTIVE DIRECTORS

(continued)

Dr. Tse Cho Che, Edward, aged 63, is an Independent Non-executive Director of the Company (appointed on 7 November 2019). Dr. Tse holds a bachelor's degree and a master's degree in civil engineering from the Massachusetts Institute of Technology, the United States and a master of business administration as well as a Ph.D. in civil engineering from the University of California, Berkeley, the United States. Dr. Tse is an independent non-executive director of China Travel International Investment Hong Kong Limited (listed on the Stock Exchange) and was an independent non-executive director of Shanghai Pharmaceuticals Holding Co., Ltd. (listed on the Stock Exchange and the Shanghai Stock Exchange) from June 2013 to June 2019. Dr. Tse has engaged in management consultancy and corporate senior management for over 30 years, with extensive experience and expertise in definition and implementation of corporate transformation, establishment of organizations, business strategy and overseas expansion. He holds the position of chairman in Gao Feng Advisory Company since April 2014. He was the chairman in Greater China region of Booz & Company, an independent director of Baoshan Iron & Steel Co., Ltd. (listed on the Shanghai Stock Exchange) from May 2006 to April 2012, outside director of Shanghai Automotive Industry Corporation (Group), executive vice president of corporate planning and development division and managing director of Greater China region of Cable & Wireless HKT Limited, a non-official member of the Strategy Development Commission and a part-time member of the Central Policy Unit of the Hong Kong Special Administrative Region Government and managing partner of Greater China region of the Boston Consulting Group, etc..

獨立非執行董事(續)

謝祖堉博士，63歲，本公司的獨立非執行董事（於2019年11月7日獲委任）。謝博士持有美國麻省理工學院土木工程學士及碩士學位及美國加利福尼亞州大學伯克萊分校工商管理碩士以及土木工程博士學位。謝博士現為香港中旅國際投資有限公司（於聯交所上市）之獨立非執行董事及於2013年6月至2019年6月曾為上海醫藥集團股份有限公司（於聯交所及上海證券交易所上市）之獨立非執行董事。謝博士擁有超過30年從事管理諮詢和公司高層管理的經驗，在定義和實施企業轉型、組織建設、業務戰略及海外擴張各領域有著豐富的專業經驗。彼自2014年4月起擔任高風諮詢公司董事長。彼曾任博斯公司大中華區董事長、在2006年5月至2012年4月曾為寶山鋼鐵股份有限公司（於上海證券交易所上市）的獨立董事、上海汽車工業（集團）總公司外部董事、香港電訊有限公司的企業規劃及拓展處執行副總裁及大中華區業務總裁、香港特別行政區政府策略發展委員會非官方委員和中央政策組兼職成員及波士頓諮詢公司大中華區主管合伙人等職位。

Directors' and Senior Management's Biographical Information

董事及高級管理人員的履歷資料

SENIOR MANAGEMENT

Mr. Yu Lifeng, aged 43, is the deputy chairman, legal representative and general manager of Jinxi Limited. Mr. Yu began his career in 1995 when he was employed as the sales supervisor of Han'erzhuang Iron Mine, and joined the Group in 1996. Mr. Yu has been awarded the honorary title of "Hebei Provincial Government — Quality Award (Individual)" (「河北省政府質量獎」個人獎), "The 10th Most Entrepreneur Concern In Hebei Province" (「河北省第十屆最受關注企業家」), "The Ten Best Newsmaker of 2018 China Era and Mainland China Appraisal Campaign" (「2018中國時代風采 • 中華大地之光征評活動“十佳新聞人物”」), "The Outstanding Chinese Entrepreneur" (「中華優秀企業家」), "Chinese Corporate Culture Top Ten Model of 40 Years of Reform and Opening Up" (「改革開放40年中國企業文化十大典範人物」) etc..

Mr. Yu Jianshui, aged 52, is the deputy general manager of Jinxi Limited. He was the general manager of Hebei Jinxi Iron and Steel Group Special Steel Company Limited and Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Company Limited. Mr. Yu was graduated at Hebei Polytechnic University in steel metallurgy and obtained a MBA from University of Northern Virginia in June 2009. He joined the Group after graduation until May 2005 and was employed as the deputy general executive manager of Shanxi Province Xiaoyi City Chengcai Iron and Steel Company in May 2005. He then re-joined the Group in April 2006. He has been awarded County Technological Selected Talent (「縣科技拔尖人才」), Ten Outstanding Youths in the County (「縣十大傑出青年」), Outstanding Youth in Post of Tangshan City (「唐山市青年崗位能手」), Workers' Model in Hebei Province (「河北省勞動模範」), The First Class Honour of Technological Improvement in Tangshan City (「唐山市科技進步一等獎」), The Third Class Honour of Technological Improvement in Hebei Province (「河北省科技進步三等獎」).

Mr. Lam Pak Kan, aged 40, is the financial controller and company secretary of the Company since 30 December 2015. Mr. Lam graduated from the Hong Kong University of Science and Technology with a bachelor's degree of Business Administration in Accounting in 2001. Mr. Lam has over 19 years experience in auditing, financial management, strategic management, corporate finance, corporate governance and investor relations with accounting firm, asset management company and listed companies. Mr. Lam is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He is also a Chartered Financial Analyst (CFA) charterholder.

高級管理人員

于利峰先生，43歲，現為津西鋼鐵的副董事長、法人代表及總經理。于先生於1995年任職漢兒庄鐵礦的銷售科長開展其事業，並於1996年加入本集團。于先生曾榮獲「河北省政府質量獎」個人獎、「河北省第十屆最受關注企業家」、「2018中國時代風采·中華大地之光徵評活動「十佳新聞人物」」、「中華優秀企業家」、「改革開放40年中國企業文化十大典範人物」等榮譽稱號。

于建水先生，52歲，現任津西鋼鐵副總經理。彼曾任河北津西鋼鐵集團特鋼有限公司及河北津西鋼鐵集團正達鋼鐵有限公司總經理。于先生畢業於河北理工大學鋼鐵冶金專業，2009年6月取得北弗吉尼亞大學的工商管理碩士學位。彼於畢業後在本集團工作至2005年5月，及後於2005年5月任職山西省孝義市城財鋼鐵公司常務副總經理。他其後於2006年4月重新加盟本集團。彼曾獲得「縣科技拔尖人才」、「縣十大傑出青年」、「唐山市青年崗位能手」、「河北省勞動模範」、「唐山市科技進步一等獎」、「河北省科技進步三等獎」等稱號。

林柏勤先生，40歲，本公司的財務總監及公司秘書（於2015年12月30日獲委任）。林先生於2001年畢業於香港科技大學，獲得工商管理學士學位，主修會計。林先生曾任職於多家會計師事務所、資產管理公司及上市公司並擁有逾19年審計、財務管理、策略管理、企業融資、企業管治及投資者關係的經驗。林先生為特許公認會計師公會及香港會計師公會會員，彼亦為特許財務分析師。

Corporate Governance Report

企業管治報告

The Company is committed to sound corporate governance practices designed to promote greater transparency, investor confidence and the continued development of the Group with the best long term interest of the Group and value enhancement for all Shareholders as our ultimate goal. The Company also believes that sound corporate governance practices benefit the Group's employees and the community in which the Group operates.

CORPORATE GOVERNANCE CODE AND CORPORATE GOVERNANCE REPORT PRACTICES SET OUT IN APPENDIX 14 OF THE RULES GOVERNING THE LISTING OF SECURITIES ("LISTING RULES") ON THE STOCK EXCHANGE ("CG CODE")

In the opinion of the Directors, the Company has complied the principles and code provisions with the CG Code throughout the year ended 31 December 2019, except for the deviations regarding code provisions A.2.1, A.4.2 and C.2.5 of the CG Code with explanation disclosed below.

BOARD OF DIRECTORS (THE "BOARD")

During the year under review, the Board comprised the following Directors and the composition is set out as follows:

Executive Directors

Mr. Han Jingyuan (*Chairman and Chief Executive Officer*)
Mr. Zhu Jun (*Executive Deputy General Manager and Chief Operating Officer*)
Mr. Shen Xiaoling
Mr. Zhu Hao
Mr. Han Li (*Deputy General Manager and Chief Financial Officer*)
Mr. Sanjay Sharma
(*appointed on 30 September 2019*)

Non-executive Director

Mr. Ondra Otradovec

Independent Non-executive Directors

Mr. Wong Man Chung, Francis
Mr. Wang Tianyi
Mr. Wang Bing
Dr. Tse Cho Che, Edward
(*appointed on 7 November 2019*)

本公司貫徹執行良好之企業管治實務，以提升透明度、投資者信心及促進本集團之持續發展，並一直以本集團之最佳長遠利益及提高全體股東的價值為其最終目標。本公司亦相信，良好之企業管治對本集團僱員及經營所在社區均屬有利。

聯交所證券上市規則(「上市規則」)附錄十四所載之《企業管治守則》及《企業管治報告》(「企業管治守則」)

除下文所披露關於企業管治守則之守則條文第A.2.1、A.4.2及C.2.5條的偏離和說明外，於截至2019年12月31日止整個年度，董事們認為本公司已遵守企業管治守則之原則及守則條文。

董事局(「董事局」)

於回顧年度內，董事局包括以下董事，其組成載列如下：

執行董事

韓敬遠先生(董事局主席兼首席執行官)
朱軍先生(常務副總經理兼首席運營官)

沈曉玲先生
朱浩先生
韓力先生(副總經理兼首席財務官)
Sanjay Sharma先生
(於2019年9月30日獲委任)

非執行董事

Ondra Otradovec先生

獨立非執行董事

黃文宗先生
王天義先生
王冰先生
謝祖堉博士
(於2019年11月7日獲委任)

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

ROLES AND RESPONSIBILITIES

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for promoting the success of the Company by directing and supervising the Company’s affairs. It should act in the best interest of the Company and its Shareholders at all times. The Board sets strategies for the Company and monitors the performance and activities of the senior management.

The Executive Directors of the Company are responsible for the day to day operations of the Company whereas the Independent Non-executive Directors of the Company are responsible for ensuring a high standard of financial and management reporting to the Board and Shareholders as well as to provide a balanced composition in the Board so that there is a strong independent element on the Board.

BOARD COMPOSITION

The composition of the Board is reviewed regularly to ensure that it has a good balance of expertise, skills and experience, which can meet the requirements of the business of the Group. The Directors’ biographical information is set out on pages 73 to 78.

There is a clear division of responsibilities between the Board and the management. The Board is responsible for providing high-level guidance and effective oversight of the management while day-to-day management of the Group is delegated to the management team of each respective subsidiary. Generally speaking, the Board is responsible for:

- Formulating the Group’s long-term strategy and monitoring the implementation thereof;
- Approval of dividends;
- Reviewing and approving the interim and annual reports;
- Ensuring good corporate governance and compliance;
- Monitoring the performance of the management;
- Reviewing and approving any material acquisition and disposal of assets and other material transactions.

RELATIONSHIP BETWEEN THE BOARD MEMBERS

Except for Mr. Han Li, who is the son of Mr. Han Jingyuan, to the best knowledge of the Directors, there is no financial, business, family relationship among the other Directors. All of them are free to exercise their independent judgments.

董事局(「董事局」)(續)

職務及職責

董事局擔負領導及監控本公司的責任，並共同負責指導及監督本公司的事宜，推動本公司的成功。董事局應始終以本公司及其股東的最佳利益行事。董事局制定本公司的策略，並監控高級管理層的表現及活動。

本公司執行董事負責本公司的日常營運，而本公司獨立非執行董事負責確保向董事局及股東作出高標準之財務及管理報告，以平衡董事局架構，使董事局具有高度獨立地位。

董事局架構

董事局定期檢討其成員架構，務求平衡各方的專業知識、技術及資歷，以符合本集團的業務要求。董事履歷資料載列於第73至78頁。

董事局與管理層職責具清晰劃分。董事局負責提供管理層高層次的指引及有效的監督，而本集團日常管理則轉授予各附屬公司管理層。一般而言，董事局負責：

- 制訂本集團長遠策略及監督有關策略之實施；
- 批准股息；
- 審閱及批准中期報告及年報；
- 確保良好的企業管治及遵守法規；
- 監督管理層之表現；
- 審閱及批准任何重大的資產收購及出售及其他重大交易。

董事局成員間之關係

除韓力先生為韓敬遠先生的兒子外，據董事所知悉，其他董事之間概無任何財務、業務和親屬關係。董事均可自由作出獨立判斷。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

DIRECTORS’ ATTENDANCE AND TIME COMMITMENT

The Board authorises the management to carry out the strategy that have been approved. During the year under review, nine Board meetings were held and the principal business transacted included approving interim and annual results and reports, as well as assessing business development and business performance. The attendance record of each Director of Board and Board Committees meetings for the year ended 31 December 2019 is set out as follows:

董事局(「董事局」)(續)

董事之出席情況及時間投入

董事局授權管理層履行已批准的策略。於回顧年度內，董事局共召開九次會議，已處理之主要事項包括批准中期及年度業績和報告，以及評估業務發展和表現。各董事於截至2019年12月31日止年度之董事局及董事局委員會會議出席情況如下：

		Board		Number of Meeting Attended/Eligible Attended				
		董事局		會議出席/ 有資格出席次數				
		Regular 定期	Ad Hoc 特別	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	General Meeting 股東大會	
Executive Directors	執行董事							
Mr. Han Jingyuan	韓敬遠先生	4/4	5/5	-	2/2	3/3	1/1	
Mr. Zhu Jun	朱軍先生	3/4	5/5	-	-	-	0/1	
Mr. Shen Xiaoling	沈曉玲先生	4/4	5/5	-	-	-	0/1	
Mr. Zhu Hao	朱浩先生	3/4	3/5	-	-	-	1/1	
Mr. Han Li	韓力先生	4/4	5/5	-	-	-	1/1	
Mr. Sanjay Sharma (appointed on 30 September 2019)	Sanjay Sharma 先生 (於2019年9月30日 獲委任)	1/1	4/4	-	-	-	NA/不適用	
Non-executive Director	非執行董事							
Mr. Ondra Otradovec	Ondra Otradovec 先生	3/4	5/5	-	-	-	1/1	
Independent Non-executive Directors	獨立非執行董事							
Mr. Wong Man Chung, Francis	黃文宗先生	4/4	5/5	4/4	2/2	3/3	1/1	
Mr. Wang Tianyi	王天義先生	4/4	4/5	4/4	2/2	3/3	0/1	
Mr. Wang Bing	王冰先生	4/4	5/5	3/4	2/2	3/3	0/1	
Dr. Tse Cho Che, Edward (appointed on 7 November 2019)	謝祖堉博士 (於2019年11月7日 獲委任)	1/1	3/3	-	-	-	NA/不適用	

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

DIRECTORS’ ATTENDANCE AND TIME COMMITMENT (continued)

All Directors have access to the Company Secretary who is responsible for ensuring that the Board procedures are complied with and all applicable rules and regulations are followed.

The Board ensures that its members are supplied, in a timely manner, with all necessary information in a form and of a quality appropriate to enable the Board to discharge its duties.

The minutes of Board meetings recorded all the details of the matters considered by the Board and the decisions reached, including any concerns raised by Directors or dissenting views expressed. Minutes of Board meetings are kept by the Company Secretary and are available for inspection by any Director.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to the code provision A.2.1 of the CG Code, the role of the chairman and chief executive officer should be separate and should not be performed by the same individual. The Board has Chairman to provide leadership to the Board in terms of establishing policies and business directions and monitor the daily operation of the Group.

Mr. Han Jingyuan serves as the Chairman and the Chief Executive Officer of the Company. The Board believes that there is no immediate need to separate the roles of the Chairman and the Chief Executive Officer of the Company because the role of chief executive officer/general manager of the Company’s major operating subsidiaries are performed by other persons.

The Board will consider the segregation of the roles of the Chairman and the Chief Executive Officer of the Company in light of the future development of the operating activities or businesses of the Group.

董事局(「董事局」)(續)

董事之出席情況及時間投入(續)

所有董事均可與公司秘書保持聯繫，而公司秘書負責確保董事局之運作符合程序及遵守所有適用規則及規例。

董事局確保其成員及時獲提供所有具適當形式及質量之必要資料，以便董事局履行其職責。

董事局會議記錄對董事局所審議之事項及達致之決定均有詳盡記錄，包括由董事提出之任何關注或表達之異議。董事局會議記錄由公司秘書保管，可供任何董事查閱。

董事局主席和首席執行官

根據企業管治守則之守則條文第A.2.1條，董事局主席和首席執行官的角色應有區分，並不應由一人同時兼任。董事局設主席為制定本集團政策、業務方向及領導董事局，並監督本集團日常業務。

韓敬遠先生擔任本公司的董事局主席和首席執行官。董事局相信無需立即分離本公司的董事局主席和首席執行官職務，因為本公司主要及實際營運的附屬公司的首席執行官／總經理職務已由其他人士擔任。

董事局將考慮分離本公司的董事局主席及首席執行官的職務以應付本集團未來的經營活動或業務發展。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

INDEPENDENT NON-EXECUTIVE DIRECTORS

During the year under review, the Company had four Independent Non-executive Directors of whom Mr. Wong Man Chung, Francis has appropriate professional qualifications and experience in financial matters in compliance with Rules 3.10(1) and 3.10(2) of the Listing Rules.

Following the appointment of Mr. Sanjay Sharma as an Executive Director on 30 September 2019, the Board comprises ten members with six Executive Directors, one Non-executive Director and three Independent Non-executive Directors. As a result, the number of Independent Non-executive Directors falls below one-third of the Board as required under Rule 3.10A of the Listing Rules.

On 7 November 2019, the Company appointed Dr. Tse Cho Che, Edward (“**Dr. Tse**”) as an Independent Non-executive Director. Following the appointment of Dr. Tse, the Board comprises eleven members with six Executive Directors, one Non-executive Director and four Independent Non-executive Directors. As a result, the Company is in compliance with the requirement of the minimum number of independent non-executive directors prescribed under Rule 3.10A of the Listing Rules.

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all the Independent Non-executive Directors to be independent.

董事局(「董事局」)(續)

獨立非執行董事

於回顧年度內，本公司有四名獨立非執行董事，當中黃文宗先生在財務事宜方面擁有合適之專業資格及經驗，符合上市規則第3.10(1)條及第3.10(2)條之規定。

Sanjay Sharma先生於2019年9月30日獲委任為執行董事後，董事局成員為十人，包括六名執行董事、一名非執行董事及三名獨立非執行董事。因此，本公司的獨立非執行董事人數低於上市規則第3.10A條規定須佔董事局成員三分之一的要求。

於2019年11月7日，本公司委任謝祖堉博士(「**謝博士**」)為本公司的獨立非執行董事。緊隨謝博士獲委任後，董事局成員人數為十一人，包括六名執行董事、一名非執行董事及四名獨立非執行董事。因此，本公司已遵守上市規則第3.10A條獨立非執行董事最少人數的規定。

本公司已接獲各獨立非執行董事根據上市規則第3.13條發出彼等之年度獨立性確認書。本公司認為全體獨立非執行董事均具備獨立性。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS

Under code provision A.4.2 of the CG Code, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

Article 86(2) of the Bye-laws of the Company (the “Bye-laws”) provides that, amongst other things, the directors shall have the power from time to time and at any time to appoint any person as a director, either to fill a casual vacancy on the Board, or, subject to authorisation by the shareholders in general meeting, as an addition to the existing Board. Any director so appointed by the Board shall hold office until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. In light of the Bye-laws, any director so appointed as aforesaid shall hold office until the next annual general meeting. This constitutes as a deviation from code provision of A.4.2 of the CG Code. Given the time between filling a causal vacancy and the next general meeting was generally too short to require a re-election, therefore the Company adopts the re-election to take place at the next annual general meeting instead. The Company believes that it is in the best interest of the Company’s shareholders to transact this ordinary course of business in the annual general meeting.

董事局(「董事局」)(續)

委任、重選和撤換董事

根據企業管治守則之守則條文第A.4.2條，所有獲委任以填補臨時空缺的董事們，均應在獲委任後的首次股東大會上膺選連任，及每位董事(包括有指定任期者)均須最少每三年輪值告退一次。

本公司之章程細則(「章程細則」)之細則第86(2)條規定，除其他事項外，董事們應有權不時及隨時委任任何人士為董事，以填補董事局臨時空缺或待股東於股東大會上授權後作為現有董事局新增成員。任何就此獲董事局委任之董事須任職至下屆本公司股東週年大會為止及應隨後有資格於該大會上重選連任。鑑於章程細則，任何董事如上述獲委任應任職至下屆股東週年大會。是項規定構成偏離企業管治守則之守則條文第A.4.2條。鑒於填補臨時空缺與下一屆股東大會之間隔時間一般是太短時間內要求重選，因此，本公司採納於下一屆股東週年大會進行重選連任。本公司相信於股東週年大會上進行此普通業務過程符合本公司股東之最佳利益。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS (continued)

Article 87(1) of the Bye-laws provides that, at each annual general meetings of the Company, one third of the directors for the time being (or, if the number is not a multiple of three, the number nearest to but not greater than one third), including the independent non-executive directors, shall retire from office by rotation, provided that the Chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of directors to retire in each year. This constitutes as a deviation from code provision of A.4.2 of the CG Code. Taking the code provision A.4.2 of the CG Code, Mr. Han Jingyuan, the Chairman of the Board and Chief Executive Officer of the Company, retired at the 2018 annual general meeting and was re-elected. The Company will consider amending the Bye-laws to comply with the code provision A.4.2 of the CG code in the future.

All the Directors of the Company are appointed for a specific term and subject to re-election. Currently, Mr. Han Jingyuan, Mr. Zhu Jun, Mr. Shen Xiaoling, Mr. Zhu Hao, Mr. Han Li and Mr. Sanjay Sharma (appointed on 30 September 2019) being the Executive Directors are appointed for a fixed term of three years. Mr. Ondra Otradovec being the Non-executive Director is appointed for a fixed term of two years. All Independent Non-executive Directors, including, Mr. Wong Man Chung, Francis, Mr. Wang Tianyi, Mr. Wang Bing and Dr. Tse Cho Che, Edward (appointed on 7 November 2019) are appointed for a fixed term of one year. All the Directors are still subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Company's Bye-laws and CG Code.

In accordance to article 87 of the Bye-laws and the code provision A.4.2 of the CG Code, Mr. Shen Xiaoling, Mr. Wong Man Chung, Francis and Mr. Wang Bing will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming AGM.

董事局(「董事局」)(續)

委任、重選和撤換董事(續)

章程細則之細則第87(1)條規定，於每次本公司之股東週年大會上，三分之一的在任董事(或倘數量並不是三的倍數，則取最接近但不能超過三分之一之人數)(包括獨立非執行董事)均須輪值告退，但本公司之董事局主席及／或董事總經理，於其任職期間，不須輪值告退或於釐定每年退任董事人數時被考慮在內。是項規定構成偏離企業管治守則之守則條文第A.4.2條。考慮到企業管治守則之守則條文第A.4.2條，本公司董事局主席兼首席執行官韓敬遠先生，已於2018年股東週年大會上退任，並獲得重選。於未來，本公司將考慮修改章程細則以符合企業管治守則之守則條文第A.4.2條。

本公司所有董事之委任均有指定任期及須接受重選。目前，執行董事韓敬遠先生、朱軍先生、沈曉玲先生、朱浩先生、韓力先生及Sanjay Sharma先生(於2019年9月30日獲委任)均以指定任期獲委任，為期三年，非執行董事Ondra Otradovec先生以指定任期獲委任，為期兩年。所有獨立非執行董事包括黃文宗先生、王天義先生、王冰先生及謝祖堉博士(於2019年11月7日獲委任)均以指定任期一年獲委任。所有董事均需根據本公司章程細則及企業管治守則輪席告退及於本公司股東週年大會重選。

根據章程細則第87條及企業管治守則之守則條文第A.4.2條，沈曉玲先生、黃文宗先生及王冰先生將於應屆股東週年大會上輪席退任，彼等並符合資格和願意於應屆股東週年大會上重選。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

APPOINTMENT, RE-ELECTION AND REMOVAL OF DIRECTORS (continued)

In accordance to article 86(2) of the Bye-laws, Mr. Sanjay Sharma and Dr. Tse Cho Che, Edward being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

Except for the change in the Board as mentioned above, during the year under review, no other Director was appointed to fill any causal vacancy or otherwise.

RESPONSIBILITIES OF DIRECTORS AND COMPANY SECRETARY

All Directors fully appreciate their role and duties as Directors of the Company.

New Director will be given an introduction to the Group’s major business activities, induction into their responsibilities and duties, and other regulatory requirements.

The Company Secretary is responsible for keeping all Directors updated on the Listing Rules and other relevant regulatory requirements.

DIRECTORS’ AND OFFICERS’ LIABILITY

Appropriate insurance cover on Directors’ and Officers’ liabilities has been provided by the Company to cover potential legal actions against Directors and Officers.

董事局(「董事局」)(續)

委任、重選和撤換董事(續)

根據章程細則第86(2)條，Sanjay Sharma 先生及謝祖堉博士符合資格和願意於應屆股東週年大會上重選。

除上述的董事局變動以外，於回顧年度內，概無其他董事獲委任以填補任何臨時空缺或其他變動。

董事及公司秘書責任

所有董事均充分了解彼等作為本公司董事之角色及職責。

新任董事於入職時，將獲簡介本集團之主要業務活動、彼等之責任及職責以及其他監管要求。

公司秘書負責向全體董事發放上市規則及其他相關監管要求之最新資料。

董事及高級職員之責任

本公司已就對董事及高級職員作出潛在性之法律行動，為董事及高級職員之責任提供適當的保險保障。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

TRAINING AND SUPPORT FOR DIRECTORS AND COMPANY SECRETARY

Each newly appointed Director will receive comprehensive, formal and tailored induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Group and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to Directors at the Company's expenses whenever necessary.

The Company provides regular updates relating to the Group's business and the legislative and regulatory environments in which the Group conducts its business to the Directors.

The Directors are committed to comply with the code provision A.6.5 of the CG Code. All Directors have participated in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant for the year ended 31 December 2019. The Company will arrange internally-facilitated briefings for Directors and reading material on relevant topics will be issued to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 December 2019, the Company has provided reading materials on corporate governance matters and update on the Listing Rules to all Directors for their reference and studying. Besides, Mr. Sanjay Sharma, Mr. Wong Man Chung, Francis and Dr. Tse Cho Che, Edward also attended other seminars and training sessions arranged by other professional firms/institutions. Record of training of each Director for the year ended 31 December 2019 were kept by the Company.

董事局(「董事局」)(續)

董事及公司秘書之培訓及支持

各新任董事已於首次獲委任時接受全面、正式及為彼而設之就職指引，確保董事對本集團業務及營運有恰當了解，並完全明白彼於上市規則及相關監管規定項下之責任及義務。

如有需要，董事亦獲安排提供持續簡報及專業發展，費用由本公司承擔。

本公司定期向董事提供有關本集團業務以及本集團經營業務所在地的法規及監管環境之最新資料。

董事承諾遵守企業管治守則之守則條文第A.6.5條。截至2019年12月31日止年度，全體董事均已參與發展及更新彼等知識及技能之持續專業發展，以確保繼續在具備全面資訊及切合所需的情況下向董事局作出貢獻。本公司將會於適當時為董事安排內部用簡報，並就有關主題刊發閱讀材料。本公司鼓勵所有董事參加相關培訓課程，費用由本公司支付。

截至2019年12月31日止年度內，本公司已向全體董事提供有關企業管治事宜的閱讀材料及上市規則更新的簡報，以供彼等參考及細閱。此外，Sanjay Sharma先生、黃文宗先生及謝祖堉博士亦參與其他專業公司／機構安排的其他研討會及培訓課程。本公司已保存截至2019年12月31日止年度各董事的培訓記錄。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

董事局(「董事局」)(續)

TRAINING AND SUPPORT FOR DIRECTORS AND COMPANY SECRETARY (continued)

董事及公司秘書之培訓及支持(續)

The individual training record of each Director received for the year ended 31 December 2019 is summarised as below:

各董事於截至2019年12月31日止年度所接受培訓之個別記錄概述如下：

Participation in Continuous Professional Development Programme in 2019

於2019年參與持續專業培訓計劃

		Reading regulatory updates 閱讀監管規定的更新資料	Attending training/ briefing on regulatory development, directors' duties or other relevant topics 出席有關監管變動、董事責任或其他相關題材的培訓／簡報會
Executive Directors	執行董事		
Mr. Han Jingyuan	韓敬遠先生	✓	
Mr. Zhu Jun	朱軍先生	✓	
Mr. Shen Xiaoling	沈曉玲先生	✓	
Mr. Zhu Hao	朱浩先生	✓	
Mr. Han Li	韓力先生	✓	
Mr. Sanjay Sharma (appointed on 30 September 2019)	Sanjay Sharma 先生 (於2019年9月30日 獲委任)	✓	✓
Non-executive Director	非執行董事		
Mr. Ondra Otradovec	Ondra Otradovec 先生	✓	
Independent Non-executive Directors	獨立非執行董事		
Mr. Wong Man Chung, Francis	黃文宗先生	✓	✓
Mr. Wang Tianyi	王天義先生	✓	
Mr. Wang Bing	王冰先生	✓	
Dr. Tse Cho Che, Edward (appointed on 7 November 2019)	謝祖堉博士 (於2019年11月7日 獲委任)	✓	✓

During the year under review, Mr. Lam Pak Kan, the financial controller and company secretary of the Company, took more than 15 hours of professional training to update his skills and knowledge in compliance with Rule 3.29 of the Listing Rules.

於回顧年度內，本公司財務總監及公司秘書林柏勤先生曾參加超過15個小時的專業培訓，提升其技能及知識，並符合上市規則第3.29條的規定。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “**Model Code**”) as its own code for dealing in securities of the Company by the Directors.

The Company has made specific enquiry of all Directors and all Directors have confirmed that they have complied with the required standard as set out in the Model Code during the year under review.

BOARD COMMITTEES

As an integral part of sound corporate governance, the Board has established the following committees whose authorities and functions, compositions and duties are set out below:

(1) Audit Committee

The audit committee of the Company (“**Audit Committee**”) has been established since 2005 with specific written terms of reference. The terms of reference of the Audit Committee (which were available on the websites of the Stock Exchange and the Company) have included those specific duties as set out in the code provision C.3.3 of the CG Code, with appropriate modifications when necessary. Pursuant to its terms of reference, the Audit Committee is required, amongst other things, to consider and recommend to the Board the appointment, re-appointment and removal of the external auditors and to approve their remuneration, to review the interim and annual financial statements, to review the Group’s financial controls, internal controls and risk management system including the adequacy of resources, qualification and experience of staff of the accounting and financial reporting function and their training programmes and budget, and to consider any findings of major investigation of internal control matters as delegated by the Board or on its own initiative and management’s response. The Audit Committee should meet at least twice each year and when the need arises.

董事局(「董事局」)(續)

董事之證券交易

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)作為董事買賣本公司證券的守則。

經向所有董事作出具體查詢後，所有董事確認於回顧年度內已遵守標準守則所載規定標準。

董事委員會

作為良好企業管治不可分割之部份，董事局已設立下列委員會，其權限、職能、組成及職責載列如下：

(1) 審核委員會

本公司審核委員會(「**審核委員會**」)自2005年起成立，並訂有特定書面職權範圍。審核委員會之職權範圍(可於聯交所及本公司網站查閱)包括企業管治守則之守則條文第C.3.3條所載之特定職責，並於需要時作出適當修訂。根據其職權範圍，審核委員會須(其中包括)審議並向董事局建議委任、重新委任及解聘外聘核數師並批准其薪酬、審閱中期及年度財務報表、審查本集團財務監控、內部監控與風險管理系統，包括在會計及財務匯報職能方面的資源、僱員資歷及經驗是否足夠，以及僱員所接受的培訓課程及有關預算又是否充足，以及審議由董事局或其自行發起對內部監控事宜進行重大調查之結果以及管理層作出之反應。審核委員會應每年最少召開兩次會議以及於有需要時舉行會議。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

BOARD COMMITTEES (continued)

(1) Audit Committee (continued)

During the year ended 31 December 2019, the Audit Committee comprised three Independent Non-executive Directors. Mr. Wong Man Chung, Francis as the chairman of the Audit Committee during the year under review and Mr. Wang Tianyi and Mr. Wang Bing as the members of the Audit Committee, in compliance with Rule 3.21 of the Listing Rules.

For the year ended 31 December 2019, four meetings of Audit Committee were held.

The Audit Committee has reviewed the Group’s consolidated financial statements for the year ended 31 December 2019 and has also discussed the internal control, the accounting principles and practices adopted by the Group. The Audit Committee is of the opinion that the consolidated financial statements have been prepared in accordance with the applicable accounting standard, the Listing Rules and the statutory requirements and that adequate disclosures have been made in this annual report.

董事局(「董事局」)(續)

董事委員會(續)

(1) 審核委員會(續)

於截至2019年12月31日止年度內，審核委員會包括三名獨立非執行董事，於回顧年度內之審核委員會主席為黃文宗先生以及審核委員會成員為王天義先生及王冰先生，並遵守上市規則3.21條。

截至2019年12月31日止年度，審核委員會共舉行四次會議。

審核委員會已審閱本集團截至2019年12月31日止年度之合併財務報表，亦已討論內部監控事宜、本集團所採納之會計原則及慣例。審核委員會認為，有關合併財務報表乃按適用會計準則、上市規則及法定規定編製，並已於本年報內作出充足披露。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

BOARD COMMITTEES (continued)

(2) Remuneration Committee

The remuneration committee of the Company (“**Remuneration Committee**”) has been established since 2005 with specific written terms of reference. The terms of reference of the Remuneration Committee (which were available on the websites of the Stock Exchange and the Company) have included the duties which are set out in the code provision B.1.2 of the CG Code, with appropriate modifications when necessary.

Pursuant to its terms of reference, the Remuneration Committee is required, amongst other things, (i) to determine, with delegated responsibility from the Board, the remuneration packages of individual Executive Directors and senior management; (ii) to make recommendations to the Board on the remuneration of Non-executive Directors; (iii) to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time; (iv) to review and approve the compensation payable to the Executive Directors, Non-executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company; and (v) to ensure that no Director is involved in deciding his/her own remuneration. The Remuneration Committee should meet at least once a year and when the need arises.

董事局(「董事局」)(續)

董事委員會(續)

(2) 薪酬委員會

本公司薪酬委員會(「**薪酬委員會**」)自2005年起成立，並訂有特定書面職權範圍。薪酬委員會之職權範圍(可於聯交所及本公司網站查閱)包括企業管治守則之守則條文第B.1.2條所載之職責，並於需要時作出適當修訂。

根據其職權範圍，薪酬委員會須(其中包括)，(i)擁有既授董事局職責以釐定個別的執行董事及高級管理層之薪酬福利；(ii)就非執行董事的薪酬向董事局提出建議；(iii)參考不時由董事局議決之企業方針及目標審議和批准以表現為基礎的薪酬；(iv)審議和批准應付執行董事、非執行董事及高級管理層有關彼等喪失或終止職位或委任之賠償以確保該等賠償乃根據相關合約條款而釐定且對本公司而言屬公平而非過度；及(v)確保並無董事參與釐定本身之薪酬。薪酬委員會應每年最少召開一次會議以及於有需要時召開會議。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

BOARD COMMITTEES (continued)

(2) Remuneration Committee (continued)

During the year under review, the Remuneration Committee comprised Independent Non-executive Director of the Company, Mr. Wong Man Chung, Francis, as the chairman of the Remuneration Committee, Chairman and Chief Executive Officer of the Company, Mr. Han Jingyuan and some of the Independent Non-executive Directors of the Company namely, Mr. Wang Tianyi and Mr. Wang Bing as the members of the Remuneration Committee in compliance with the Rule 3.25 of the Listing Rules.

For the year ended 31 December 2019, two meetings of Remuneration Committee were held.

Details of the remuneration of each Director for the year ended 31 December 2019 are set out in the Note 47 to the consolidated financial statements in this annual report.

董事局(「董事局」)(續)

董事委員會(續)

(2) 薪酬委員會(續)

於回顧年度內，薪酬委員會包括本公司獨立非執行董事黃文宗先生(薪酬委員會主席)、本公司董事局主席兼首席執行官韓敬遠先生及本公司部分獨立非執行董事，即王天義先生及王冰先生，均為薪酬委員會成員，符合上市規則第3.25條之規定。

截至2019年12月31日止年度，薪酬委員會共舉行兩次會議。

各董事於截至2019年12月31日止年度之薪酬詳情載列於本年報合併財務報表附註47。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

董事局(「董事局」)(續)

BOARD COMMITTEES (continued)

董事委員會(續)

(2) Remuneration Committee (continued)

(2) 薪酬委員會(續)

The biographies of members of the senior management team at the date of this annual report are disclosed in the section headed “Directors’ and Senior Management’s Biographical Information” in this annual report. Pursuant to the code provision B.1.5 of the CG Code, the emoluments of the senior management (excluding Directors) for the year ended 31 December 2019 are within the following bands:

於本年報日期的高級管理層成員的履歷於本年報「董事及高級管理人員的履歷資料」一節內披露。根據企業管治守則之守則條文第B.1.5條所載，截至2019年12月31日止年度支付予高級管理層(不包括董事)的薪酬介乎以下範圍：

		Number of individuals 人數	
		2019	2018
HK\$1,000,001 to HK\$1,500,000 (approximately RMB886,001– RMB1,329,000)	1,000,001 港元至 1,500,000 港元 (約人民幣 886,001 元至 人民幣 1,329,000 元)	1	–
HK\$1,500,001 to HK\$2,000,000 (approximately RMB1,329,001– RMB1,772,000)	1,500,001 港元至 2,000,000 港元 (約人民幣 1,329,001 元至 人民幣 1,772,000 元)	2	1
HK\$3,000,001 to HK\$3,500,000 (approximately RMB2,658,001– RMB3,101,000)	3,000,001 港元至 3,500,000 港元 (約人民幣 2,658,001 元至 人民幣 3,101,000 元)	–	1
HK\$4,000,001 to HK\$4,500,000 (approximately RMB3,544,001– RMB3,987,000)	4,000,001 港元至 4,500,000 港元 (約人民幣 3,544,001 元至 人民幣 3,987,000 元)	–	1

(3) Nomination Committees

(3) 提名委員會

The nomination committee of the Company (“**Nomination Committee**”) has been established on 23 March 2012 with specific written terms of reference. The terms of reference of the Nomination Committee (which were available on the websites of the Stock Exchange and the Company) have included the duties which are set out in the code provision A.5.2 of the CG Code, with appropriate modifications when necessary.

本公司提名委員會(「**提名委員會**」)於2012年3月23日成立，並訂有特定書面職權範圍。提名委員會之職權範圍(可於聯交所及本公司網站查閱)包括企業管治守則之守則條文第A.5.2條所載之職責，並於需要時作出適當修訂。

Corporate Governance Report

企業管治報告

BOARD OF DIRECTORS (THE “BOARD”) (continued)

BOARD COMMITTEES (continued)

(3) Nomination Committees (continued)

The duties of the Nomination Committee are mainly to (i) review the structure, size, composition and diversity of the Board at least annually and make recommendations on any proposed changes to the Board; (ii) identify individuals suitably qualified to become Board members and select or make recommendations to the Board; (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; (v) formulate a policy concerning diversity of members of the Board (the “**Board Diversity Policy**”), as appropriate; and (vi) to review the measurable objectives that the Board has set for implementing the Board Diversity Policy and the progress on achieving the objectives.

The Nomination Committee will taking into consideration a candidate’s qualification, experience, expertise and knowledge, the requirements applicable to the Company and the structure and composition of the Board, identify, review and nominate with diligence and care candidates suitably qualified as Board members before making recommendations to the Board for their final appointment.

During the year under review, the Nomination Committee comprised the Chairman and Chief Executive Officer of the Company, Mr. Han Jingyuan, as the chairman of the Nomination Committee and the Independent Non- executive Directors of the Company namely, Mr. Wong Man Chung, Francis, Mr. Wang Tianyi and Mr. Wang Bing as the members of the Nomination Committee in compliance with code provision A.5.1 of the CG Code.

For the year ended 31 December 2019, three meetings of Nomination Committee were held.

董事局(「董事局」)(續)

董事委員會(續)

(3) 提名委員會(續)

提名委員會的職務主要為(i)至少每年檢討董事局的架構、人數、組成及多元化並就擬對董事局作出的變動提出建議；(ii)物色具備合適資格可擔任董事的人士，並挑選提名有關人士出任董事或就此向董事局提供意見；(iii)評核獨立非執行董事的獨立性；(iv)就董事委任或重新委任以及董事繼任計劃向董事局提出建議；(v)在適當情況下，制定關於董事局成員多元化的政策(「**董事局多元化政策**」)；及(vi)檢討董事局為執行董事局多元化政策而制定的可計量目標和達標進度。

提名委員會於向董事局就董事之最終委任作出推薦前，將考慮候選人之資歷、經驗、專長及知識、本公司之適用規定以及董事局之架構及組成，審慎識別、審閱及提名具備合適資格可擔任董事局成員之候選人。

於回顧年度內，提名委員會包括本公司董事局主席兼首席執行官韓敬遠先生(提名委員會主席)及本公司的獨立非執行董事，即黃文宗先生、王天義先生及王冰先生，均為提名委員會成員且符合企業管治規則之守則條文第A.5.1條之規定。

截至2019年12月31日止年度，提名委員會舉行三次會議。

Corporate Governance Report

企業管治報告

BOARD DIVERSITY POLICY

The Company has adopted the Board Diversity Policy on 30 August 2013 with a view to achieving a sustainable and balanced development of the Group. The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development.

In designing the Board's composition, Board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Measurable Objectives

Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

Monitoring and Reporting

The Nomination Committee will review the Board's composition under diversified perspectives and monitor the implementation of the Board Diversity Policy annually. During the year under review, the Nomination Committee has reviewed the Board's composition (including the gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) which has been disclosed on pages 73 to 78 in this annual report and considered the current Board's composition is appropriate.

董事局多元化政策

為達致本集團可持續及均衡發展，本公司於2013年8月30日採納董事局多元化政策。本公司視董事局層面日益多元化為支持其達到策略目標及維持可持續發展的關鍵元素。

在設定董事局成員組合時，會從多個方面考慮董事局多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。董事局所有委任均以用人唯才為原則，並在考慮人選時以客觀條件充分顧及董事局多元化的裨益。

可計量目標

甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事局提供的貢獻而作決定。

監察及匯報

提名委員會將每年檢討董事局在多元化層面之組成，並監察董事局成員多元化政策之執行。於回顧年度內，提名委員會已審閱在本年報的第73頁至第78頁內披露的董事局之組成（包括性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期），並認為現時的董事局組成是恰當的。

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE

The Company is dedicated to maintaining a high standard of corporate governance and the Board is responsible for performing the corporate governance duties as stipulated in the Listing Rules.

During the year under review, the Board had developed and reviewed the Company's policies and practices on corporate governance and review the compliance with the CG Code and disclosure in the Corporate Governance Report.

ACCOUNTABILITY AND AUDIT

Financial Reporting

The Board acknowledges that it is its responsibility to prepare financial statements of the Company for each financial period which give a true and fair view of the state of affairs of the Company and ensure that financial statements are prepared in accordance with statutory and regulatory requirements and applicable accounting standards. The Board also ensures the timely publication of the financial statements of the Company.

The Board confirms that, to the best of its knowledge and, having made appropriate enquires, it considers that the Company has adequate resources to continue in operational existence for the foreseeable future and has prepared the financial statements on a going concern basis accordingly.

Risk Management and Internal Controls

For the year ended 31 December 2019, the Board conducted an annual review of the effectiveness of the Group's risk management and internal control systems based on the confirmation made by the senior management and inputs from the Audit Committee. The Board considered that the risk management and internal control systems of the Group, including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, internal audit and financial reporting functions, are effective and adequate during the year.

企業管治

本公司致力於維持高標準之企業管治，而董事局則負責履行上市規則所規定之企業管治職責。

於回顧年度內，董事局已制定及檢討本公司有關企業管治守則之政策及實務，並審閱遵守企業管治守則之情況及企業管治報告之披露。

問責和核數

財務匯報

董事局確認，其有責任就每一財務期間編製真實及公平地反映本公司財務狀況之財務報表，以及確保該等財務報表乃按法定與規管要求及適用會計準則編製。董事局亦須確保適時刊發本公司財務報表。

於作出適當查詢後，董事局確認，就其所知本公司具有充分資源於可見將來繼續維持營運，並已按持續經營準則編製財務報表。

風險管理及內部監控

截至2019年12月31日止年度，根據高級管理層作出的確認及來自審核委員會的意見，董事局對本集團風險管理及內部監控系統的有效性進行年度檢討。董事局考慮的範疇包括資源的充足性、員工資歷及經驗、培訓計劃及本集團會計、內部審計及財務報告職能之相關預算，認為年內本集團的風險管理及內部監控系統是有效及充足的。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT *(continued)*

Risk Management and Internal Controls *(continued)*

The Board has an overall and ongoing responsibility for the Group's risk management and internal control systems, and reviewing their effectiveness. It is acknowledged that risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material adverse change or damage.

The Board, through its risk oversight role, ensures that the senior management establishes an effective risk management, consistent with the Group's strategy and risk appetite. The senior management establishes risk management policies and internal control processes to identify, evaluate and manage risks. Each subsidiary implements such policies and processes in the daily operations and reports significant risks identified to the senior management regularly. The senior management assesses and evaluates these significant risks reported then allocates sufficient resources to address these risks and monitors the risk management status reported from the relevant subsidiary from time to time. The senior management will communicate the risk management and internal control findings to the Board for its assessment of the effectiveness of the relevant risk management and internal control systems of the Group.

The Finance Department and the PRC Internal Audit Department of the Group review material internal control aspects of the Group, including financial, operational and compliance controls as well as risk management function, duties which include (i) reviewing and reporting on internal and operational controls; (ii) following-up on the suggestions made by external auditors; (iii) ongoing monitoring and reviews on different operating cycles; and (iv) special review of areas of concern identified by senior management. It reports to the Chairman of Supervisory Board of Jinxi Limited as well as the Chief Operating Officer and the Chief Financial Officer of the Company from time to time, and also reports the findings to the Audit Committee at least twice a year and on ad-hoc basis. The findings are communicated with the senior management and actions are taken to resolve defects as and when identified. No material internal control defects were identified during the year.

問責和核數 *(續)*

風險管理及內部監控 *(續)*

董事局對本集團的風險管理及內部監控系統負起全部及持續的責任，並檢討其有效性。茲確認風險管理及內部監控系統乃旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大不利的變動或損失作出合理而非絕對的保證。

董事局透過其風險監察角色確保高級管理層建立有效之風險管理，並符合本集團之策略及風險取向。高級管理層制訂風險管理政策及內部監控流程，以識別、評估及管理風險。各個子公司會於日常營運中實施該等政策及流程，並定期向高級管理層報告所識別之重大風險。高級管理層會辨識及評估該等已作出報告之重大風險，隨後則分配充足資源以處理該等風險，並監察由相關子公司不時作出報告之風險管理狀況。高級管理層會將風險管理及內部監控的結果傳達給董事局，以供評估本集團相關風險管理及內部監控系統之有效性。

本集團的財務部門及中國大陸內部審計部門會檢討本集團的重大內部監控範疇，包括財務、營運及合規監控和風險管理職能，其工作包括 (i) 對內部及營運監控作出審議及報告；(ii) 跟進外聘核數師提供之建議；(iii) 對不同營運週期進行持續監控及檢討；及 (iv) 對高級管理層所識別之關注範圍進行專項審查。其不時向津西鋼鐵監事會主席以及本公司的首席運營官及首席財務官匯報，並每年向審核委員會報告有關結果至少兩次及不時向其作出報告。有關結果乃與高級管理層經溝通後得出，而於識別缺陷後則會採取行動解決。年內並無發現任何重大的內部監控缺陷。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT *(continued)*

Risk Management and Internal Controls *(continued)*

Under code provision C.2.5 of the CG Code and the related notes of the CG Code, the Company should have an internal audit function which generally carries out the analysis and independent appraisal of the adequacy and effectiveness of the Group's risk management and internal control systems. While the PRC internal audit function of the Company was established since January 2018, other internal audit function is merged with the finance function during the year ended 31 December 2019. During the year, the Group conducted a review on the need for setting up an independent internal audit department. Taking into account the size and complexity of the operations of the Group, the Company considers that the existing organisation structure and the close supervision of the management could provide sufficient internal control and risk management for the Group. The Audit Committee and the Board regularly review the effectiveness of the internal control system and the risk management of the Group. The Board will review the need to set up an independent internal audit function on an annual basis.

When the Board and the Audit Committee express concerns over the risk management and internal control matters of the Group, the Finance Department and the PRC Internal Audit Department of the Group will investigate and communicate the findings with and make recommendations to the senior management. The Finance Department and the PRC Internal Audit Department of the Group also maintain an effective communication with the external auditor of the Company on the Group's internal control system during interim review and annual audit.

The Group has a policy for handling and dissemination of inside information including relevant control processes and safeguards. The processes and safeguards are implemented as needed by the relevant department heads and management involved in the handling and dissemination of inside information.

問責和核數 *(續)*

風險管理及內部監控 *(續)*

根據企業管治守則之守則條文第C.2.5條及相關附註規定，本公司應設立內部審核功能，其普遍是對本集團的風險管理及內部監控系統是否足夠和有效作出分析及獨立評估。雖然本公司之中國內部審核功能已自2018年1月成立，但於截至2019年12月31日止年度內，其他內部審核功能仍與財務功能合併。於本年度內，本集團已就設立獨立內部審核部門的需要作出檢討。經考慮到本集團營運之規模及複雜程度，本公司認為現行組織架構及管理層緊密監察可為本集團提供足夠之內部監控及風險管理。審核委員會及董事局定期檢討本集團內部監控系統及風險管理之成效。董事局將每年檢討是否需要設立獨立內部審核功能。

當董事局及審核委員會對本集團之風險管理及內部監控事宜提出疑慮時，本集團之財務部門及中國內部審計部門將進行調查，並將於與高級管理層就結果磋商及提出建議。在中期審閱及年終審計期間，本集團之財務部門及中國內部審計部門亦會就本集團之內部監控系統與本公司外聘核數師維持有效溝通。

本集團設有處理及發放內幕消息之政策，當中包括相關監控流程及保障措施。參與處理及發放內幕消息之相關部門主管及管理層會於有需要時實施有關流程及保障措施。

Corporate Governance Report

企業管治報告

ACCOUNTABILITY AND AUDIT *(continued)*

External Auditor

The Directors are responsible for preparing the financial statements for the financial year ended 31 December 2019 to reflect a true and fair view of the Company's and the Group's financial position and financial performance and cash flows for the year.

In preparing the financial statements for the year ended 31 December 2019, the generally accepted accounting principles in Hong Kong, Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards are adopted, with consistent use of appropriate accounting policies, for making reasonable and prudent judgments and estimates. The financial statements for the year ended 31 December 2019 were prepared on a going concern basis.

The reporting responsibilities of the auditor are set out in the Independent Auditor's Report in this annual report.

For the year ended 31 December 2019 and up to the date of this report, the external auditor of the Group is PricewaterhouseCoopers. Fees of auditing services and non-auditing services provided by PricewaterhouseCoopers and its member firms of the same international network for the year ended 31 December 2019 were approximately RMB4.55 million and RMB0.57 million respectively.

For the year ended 31 December 2019 and up to the date of this report, PricewaterhouseCoopers and its member firms of the same international network provided non-audit services mainly on interim review and taxation services. These non-audit services are engaged only as they are more effective or economical than those available from other service providers and will not constitute adverse impact on the independence of the external auditor. The nature and ratio of annual fees to external auditor for non-audit services and for audit services in 2019 have been scrutinised by the Audit Committee.

問責和核數(續)

外聘核數師

董事負責編製截至2019年12月31日止財政年度的財務報表，以真實公平反映本公司和本集團的財務狀況及該年度的財務表現與現金流。

編製截至2019年12月31日止年度的財務報表時，已採納香港一般公認的會計準則，香港財務報告準則及香港會計準則，並貫徹運用合適的會計政策，做出合理審慎的判斷及估計。截至2019年12月31日止年度的財務報表乃按持續經營基準編製。

核數師之報告職責已載於本年報之獨立核數師報告。

截至2019年12月31日止年度及截至本報告日期，本集團外聘核數師為羅兵咸永道會計師事務所。截至2019年12月31日止年度，羅兵咸永道會計師事務所及其同一國際網絡下的成員機構提供審核與非審核服務之費用分別為約人民幣455萬元及人民幣57萬元。

截至2019年12月31日止年度及截至本報告日期，羅兵咸永道會計師事務所及其同一國際網絡下的成員機構提供非審核服務主要涉及中期審閱及稅務服務。該等非審核服務只可在較其他服務供應商所提供的服務更為有效或更合乎經濟原則，且不會對外聘核數師的獨立性構成不利影響的情況下，方可使用。外聘核數師於2019年全年就非審核服務及審核服務所收費用的性質及比率已由審核委員會詳細審閱。

SHAREHOLDERS' RIGHTS

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company's registered office and its principal office in Hong Kong (Suites 901-2 & 10, 9th floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong) for the attention of the Board or the Company Secretary, to require a special general meeting (the "SGM") to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. The written requisition must state the purposes of the SGM, signed by the Shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those Shareholders. If the requisition is in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid, the Shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested. Shareholder(s) of the Company holding (i) not less than one-twentieth of the total voting rights of all Shareholders having the right to vote at the general meeting; or (ii) not less than 100 Shareholders, can submit a written request stating the resolution intended to be moved at the annual general meeting or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting. The written request/statements must be signed by the Shareholder(s) concerned and deposited at the Company's registered office and its principal office in Hong Kong (Suites 901-2 & 10, 9th floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong) for the attention of the Company Secretary, not less than six (6) weeks before the annual general meeting in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition. If the written request is in order, the Company Secretary will ask the Board (i) to include the resolution in the agenda for the annual general meeting; or (ii) to circulate the statement for the general meeting, provided that the Shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the Shareholder(s) concerned in accordance with the statutory requirements to all the registered Shareholders. On the contrary, if the requisition is invalid or the Shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the Shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the annual general meeting or the statement will not be circulated for the general meeting.

股東權利

於遞呈要求日期時持有不少於本公司繳足股本(附有於本公司股東大會上投票權)十分之一的股東，於任何時候均有權向本公司註冊辦事處及其香港主要辦事處(香港灣仔港灣道23號鷹君中心9樓901-2及10室)發出書面要求(收件人為董事局或公司秘書)，要求董事局就該要求指明的任何業務交易召開股東特別大會(「股東特別大會」)；且該大會須於遞呈要求後兩(2)個月內舉行。書面要求必須列明股東特別大會的目的，由相關股東簽署且可包括具有類似格式的數份文件(均由一名或多名該等股東簽署)。倘要求屬適宜，公司秘書將要求董事局根據法定要求給予全體註冊股東足夠通知期，以召開股東特別大會。相反，倘要求無效，相關股東將獲通知此結果，因此，股東特別大會不會按要求召開。本公司股東持有(i)有權於股東大會上投票之全體股東總投票權不少於二十分之一；或(ii)不少於一百名股東，可向本公司提呈於股東週年大會上動議決議案的書面要求，或就於特定股東大會提呈之任何決議案所述事項或處理的事務作出不超過1,000字的書面陳述。書面請求/陳述須由相關股東簽署，並於股東週年大會舉行前六(6)週(倘要求需要以決議案通知)及股東大會舉行前一週(倘為任何其他要求)呈遞至本公司註冊辦事處及其香港主要辦事處(香港灣仔港灣道23號鷹君中心9樓901-2及10室)，收件人為公司秘書。倘書面要求適當，公司秘書將要求董事局(i)將決議案載入股東週年大會議程；或(ii)傳閱股東大會陳述，惟相關股東須支付董事局釐定的合理金額的費用，以便本公司根據法定要求向全體登記股東寄發決議案通知及/或向彼等傳閱相關股東提呈的陳述。相反，倘要求無效，或相關股東未有支付足夠費用供本公司作出上述行動，相關股東將獲通知此結果，因此，建議的決議案將不會載入股東週年大會議程，或股東大會陳述亦不會傳閱。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS *(continued)*

Shareholders and other stakeholders may at any time send their enquiries and concerns to the Board by addressing them to the Company Secretary by post to the Hong Kong principal office at Suites 901-2 & 10, 9th floor, Great Eagle Centre, 23 Harbour Road, Wanchai, Hong Kong.

IMPACT ON NEW LEGISLATION, POLICY AND PROCEDURES

As mentioned before, over 90% of the operations of the Group are carried in the Mainland China. Any change in the policy and procedure in the Mainland China may have adverse effects on the Group's operation and results.

Also, the introduction of new legislation and rules by the Stock Exchange, Securities and Futures Commission and other regulatory bodies in Hong Kong and overseas may induce changes in market conditions that in turn adversely affect the operating results of the Company.

COMMUNICATION WITH SHAREHOLDERS

The Board recognises the importance of good communication with the Shareholders of the Company. A Shareholders Communication Policy was adopted on 23 March 2012 to ensure that Shareholders are provided with ready, equal and timely access to balanced and understandable information about the Company. The policy is posted on the Company's website. The Company has established various channels of communications with its Shareholders such as publication of interim and annual reports, press release and announcement of the latest development of the Company in a timely manner. To promote effective communications, the Company also maintains a website at www.chinaorientalgroup.com, where updated information on the Company's business developments and operations and other information are posted, including all the regulatory announcements relating to the Company and the poll results on the business day following the general meeting (if any).

The general meeting of the Company provides a forum for exchange of views between the shareholders of the Company and the Board. The Chairman of the Board, the Directors (including Independent Non-executive Directors), chairman or members of the Board committees and senior management of the Group and where applicable are available to answer questions at the general meeting of the Company.

股東權利(續)

股東及其他權益相關人士可隨時將其查詢及關注意見以郵遞方法發送至香港主要辦事處(香港灣仔港灣道23號鷹君中心9樓901-2及10室)予董事局，收件人為公司秘書。

新法例、政策及程序之影響

正如上文所述，本集團的運作超過90%在中國大陸進行。任何於中國大陸的政策和程序變動均可能對本集團營運和業績產生不利影響。

此外，聯交所、證券及期貨事務監察委員會和香港及海外其他監管機構引入之新法例及規則可能導致市場狀況變動，並可能對本公司經營業績帶來不利影響。

與股東之溝通

董事局深明與本公司股東保持良好溝通之重要性。本公司已於2012年3月23日採納股東通訊政策以確保股東可快速、平等及適時獲得有關本公司全面而易於理解的資料。該政策刊登於本公司網站。本公司已設立多個渠道與股東溝通，如刊發中期報告及年報，適時地就本公司之最新發展發出新聞稿及公告。為促進有效溝通，本公司亦已設立網站，網址為 www.chinaorientalgroup.com，載有本公司業務發展及經營最新資訊以及其他資料，其中包括有關本公司之所有監管公告及於股東大會後之營業日刊登之投票結果(如有)。

本公司股東大會為本公司股東與董事局之間提供交流意見之平台。董事局主席、董事(包括獨立非執行董事)、董事局委員會主席或成員及本集團的高級管理層(如適用)，可於本公司股東大會上回應問題。

Corporate Governance Report

企業管治報告

COMMUNICATION WITH SHAREHOLDERS

(continued)

The rights of the Shareholders of the Company and the procedures for demanding a poll on resolution at general meeting are contained in the Bye-laws. Details of such right to demand a poll and the poll procedure are included in all circulars to the Shareholders of the Company which will call for a general meeting and will be explained during the proceedings of the meeting.

Upon the implementation of the amendments of the Listing Rules with effect from 1 January 2009, all resolutions proposed at general meeting will be voted by poll. The poll voting results will be posted on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinaorientalgroup.com) immediately after the relevant general meetings.

Under the code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting of the Company.

Separate resolutions are proposed at the general meetings for substantial separate issues, including re-election of retiring Directors. The Company's notice to Shareholders for the 2019 AGM was sent to Shareholders at least 20 clear business days before the meeting and notices of other general meetings were sent to Shareholders at least 10 clear business days before the meetings. The Chairman, the chairman of the Board Committees and the external auditor were available at the 2019 AGM to answer questions from the Shareholders.

The forthcoming AGM will be held on 5 June 2020.

The Company will continue to enhance communication and relationship with its Shareholders. Enquiries from the Shareholders of the Company are dealt with in an informative and timely manner.

與股東之溝通(續)

本公司股東之權利及在股東大會上要求就決議案投票表決之程序載於章程細則。要求投票表決權利之詳情及投票表決程序載於所有召開股東大會之本公司股東通函，並會於大會議事程序內解釋。

上市規則修訂於2009年1月1日生效後，所有在股東大會提呈的決議案均以投票方式表決。投票表決結果將於有關股東大會召開後立即於聯交所網站(www.hkexnews.hk)及本公司網站(www.chinaorientalgroup.com)刊登。

根據企業管治守則之守則條文第E.1.2條，董事局主席須出席本公司股東週年大會。

獨立事宜(包括重選退任董事)均會於股東大會上提呈個別決議案。本公司就2019股東週年大會致股東之通告已於大會舉行前最少足20個營業日向股東發送，而就其他股東大會而言，則在該大會舉行前最少足10個營業日向股東發送有關通知。主席及董事局委員會主席以及外聘核數師均有出席2019股東週年大會，以解答股東所提出之疑問。

應屆股東週年大會將於2020年6月5日舉行。

本公司將繼續增進與股東之間的溝通及關係。本公司股東之查詢將會適時並詳盡處理。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT

China Oriental Group Company Limited and its subsidiaries (collectively, the “**Group**”) are always committed to perform its corporate social responsibilities. Apart from strictly abiding by national laws and regulations, the Group has reduced emissions and energy consumption in the steel production process by continuously investing resources into production facilities, so as to minimise the environmental impact of the production process and strive for being an environmentally friendly enterprise.

The Group issues this Environmental, Social and Governance Report (“**ESG Report**”) in accordance with the “Environmental, Social and Governance Reporting Guide” (the “**ESG Reporting Guide**”) in Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**HKEX**”) (“**Listing Rules**”) to demonstrate the Group’s performance and practice for corporate social responsibility to all the stakeholders from both environmental and social areas.

Reporting Scope

This report covers the period from 1 January 2019 to 31 December 2019. Some of the contents go beyond the above period.

Currently, the Group’s revenue is mainly generated from the steel business which is dominated by sales of self-manufactured steel products. Production of such steel products is mainly conducted by its subsidiaries such as Hebei Jinxi Iron and Steel Group Company Limited (“**Jinxi Limited**”), Hebei Jinxi Sheet Piling Section Steel Technology Company Limited and Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited. In 2019, Jinxi Limited merged its wholly-owned subsidiary Hebei Jinxi Iron and Steel Group Special Steel Company Limited. The content and disclosure of environmental and social key performance indicators in this report below are mainly about its subsidiary, Jinxi Limited.

Compared with the ESG Report released in the 2018 Annual Report, there is no significant adjustment to the scope for this report.

關於本報告

中國東方集團控股有限公司及其附屬公司(統稱「**本集團**»)一直致力履行其企業社會責任，除緊守國家法規外，本集團透過持續投入資源於生產設備以減少在鋼鐵生產過程中的排放及能源消耗，從而降低生產過程對環境的影響及努力建設環境友好型企業。

本集團依照香港聯合交易所有限公司(「**香港聯交所**»)證券上市規則(「**上市規則**»)附錄27的《環境、社會及管治報告指引》(「**環境、社會及管治報告指引**»)，編制了本環境、社會及管治報告(「**環境、社會及管治報告**»)，從環境和社會兩個範疇，向各利益相關方介紹本集團在企業社會責任方面的表現和實踐。

報告範圍

本報告涵蓋的期間為2019年1月1日至2019年12月31日，部分內容超出上述期間。

本集團目前的主要收入來自鋼鐵業務，當中以銷售自行生產的鋼鐵產品為主，有關鋼鐵產品的生產主要由河北津西鋼鐵集團股份有限公司(「**津西鋼鐵**»)、河北津西鋼板樁型鋼科技有限公司及佛山津西金蘭冷軋板有限公司等附屬公司進行。於2019年，津西鋼鐵與其全資擁有的附屬公司河北津西鋼鐵集團特鋼有限公司合併。本報告以下的內容及披露的環境及社會範疇關鍵績效指標主要覆蓋其附屬公司津西鋼鐵。

與整合在2018年年報內發佈的環境、社會及管治報告相比，本報告並無重大報告範圍調整。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT *(continued)*

Reporting Standard and Principles

This report has been prepared in accordance with the following reporting principles:

- “Materiality”: The Group identifies key Environmental, Social and Governance issues through stakeholder engagement and materiality assessment which have been disclosed in this report;
- “Quantitative”: Information on the standards, methodologies and source of conversion factors used for the reporting of emission and energy consumption has been disclosed in this report;
- “Consistency”: The statistical methods and key performance indicators are consistent with previous years.

Environmental, Social and Governance

The Group understands the importance of enhancing its environmental and social commitments to sustainable operations, and has incorporated Environmental, Social and Governance-related factors of risk and opportunity into our business strategies to guide our day-to-day business operations. The board of directors of the Company (the “**Board**”) is the highest decision-maker of Environmental, Social and Governance management in the Group. The Board oversees the Group’s Environmental, Social and Governance issues and takes full responsibility for the Group’s Environmental, Social and Governance strategy and reporting. The Board is responsible for formulating Environmental, Social and Governance management policies and strategies, including assessing, prioritising and managing important Environmental, Social and Governance related issues and risks to the Group’s business, regularly reviewing the Group’s Environmental, Social and Governance performance, and approving the annual ESG Report of the Group.

關於本報告 *(續)*

報告準則和原則

本報告的編制遵守以下匯報原則：

- 「重要性」：本集團通過利益相關方參與及重要性評估，識別重要環境、社會及管治議題，並在本報告中予以披露；
- 「量化」：匯報排放量及能源消耗資料時所用的準則、方法及所使用轉換因素的來源在本報告中已予以披露；
- 「一致性」：統計方法和關鍵績效指標與往年保持一致。

環境、社會及管治

本集團深知提升自身的環境及社會承諾對可持續營運的重要性，已將環境、社會及管治相關的風險與機遇因素納入本集團的業務策略中，以指導日常業務營運。本公司董事局（「**董事局**」）是本集團環境、社會及管治管理層的最高決策者。董事局負責監管本集團的環境、社會及管治事宜，並對本集團環境、社會及管治策略及彙報承擔全部責任。董事局負責制定環境、社會及管治管理政策和策略，包括評估、優次排列及管理環境、社會及管治相關的重要事宜及其對本集團業務的風險，定期審閱本集團的環境、社會及管治表現，並審批本集團年度環境、社會及管治報告。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT *(continued)*

Environmental, Social and Governance *(continued)*

The management of the Group is responsible for arranging a working group of Environmental, Social and Governance to carry out related work in accordance with the policies and strategies formulated by the Board, reporting the Environmental, Social and Governance related risks and opportunities to the Board, and providing the Board with the Group's annual Environmental, Social and Governance performance and the annual ESG Report of the Group.

The Group has established a working group of Environmental, Social and Governance (“**ESG working group**”) to carry out the management work of ESG (“**ESG work**”). The ESG working group involves the persons-in-charge of departments, and designated special staffs to carry out daily ESG work and prepare annual ESG report. The ESG working group reports to the management of the Group on the daily Environmental, Social and Governance performance and the progress of annual ESG report.

Acting seriously on national industry policies, the Group relentlessly promotes the transformation and upgrading of industry structure and adjustment of product mix, in an effort to build the world's largest section steel production base. The Group's Environmental, Social and Governance strategies are based on the core principles and goals of green development, to provide guidelines for daily operations. The Group regularly reviews Environmental, Social and Governance policies and strategies to ensure that they are relevant and applicable to its own businesses.

Stakeholder Engagement

The Group's major stakeholders include government, shareholders, clients, employees, suppliers, environment, communities, etc.. The Group attaches great importance to stakeholder engagement, and therefore has established effective communication channels to understand the aspirations and expectations of stakeholders and to discuss and respond with their concerned Environmental, Social and Governance matters, thereby promoting the mutual growth of the Group and stakeholders.

關於本報告 *(續)*

環境、社會及管治 *(續)*

本集團管理層負責根據董事局制定的政策和策略安排環境、社會及管治工作小組開展相關工作，向董事局匯報環境、社會及管治相關的風險與機遇，為董事局提供本集團年度環境、社會及管治工作表現及年度環境、社會及管治報告。

為全面開展環境、社會及管治管理工作（「**環境、社會及管治工作**」），本集團成立了環境、社會及管治工作小組（「**環境、社會及管治工作小組**」），由各部門負責人直接參與，並指定專責職員負責進行日常環境、社會及管治工作、編制年度環境、社會及管治報告，並向本集團管理層匯報日常環境、社會及管治工作表現和年度環境、社會及管治報告的進展。

本集團認真落實國家產業政策，大力推進產業結構轉型升級和產品結構調整，致力於打造世界最大型鋼生產基地。本集團的環境、社會及管治策略基於綠色發展為核心原則及目標，為日常營運提供指導。本集團定期檢討環境、社會及管治政策及策略，以確保其內容相關及適用於自身業務。

利益相關方的參與

本集團的主要利益相關方包括政府、股東、客戶、員工、供應商、環境和社區等。本集團高度重視利益相關方的參與，及因此建立了有效的溝通渠道，以瞭解利益相關方的訴求和期望，並就其關注的環境、社會及管治議題進行討論和回應，從而促進本集團與利益相關方的共同成長。

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT *(continued)*

Stakeholder Engagement *(continued)*

Stakeholder 利益相關方	Expectation 期望	Communication mechanism 溝通機制
Government 政府	<ul style="list-style-type: none"> Law and regulation compliance 遵紀守法 Paying tax legitimately 依法納稅 Support local development 支持地方發展 	<ul style="list-style-type: none"> Daily management and exchanges in meeting 日常管理及會議交流 Supervision, inspection, and reporting 監督、檢查及彙報 Policy consultation 政策諮詢
Shareholder 股東	<ul style="list-style-type: none"> Sustainable development and returns to shareholders 可持續發展及回報股東 Information disclosure and investors relations 信息披露及投資者關係 Corporate governance and risk control 企業管治及風險控制 	<ul style="list-style-type: none"> General meetings of shareholders 股東大會 Timely information disclosure 及時信息披露 Investors relationship activities 投資者關係活動
Client 客戶	<ul style="list-style-type: none"> High-quality products 高質產品 Superior services 優質服務 Technical innovation 技術創新 	<ul style="list-style-type: none"> Contract signing and business dealings 合同簽訂及業務往來 Product quality assurance 產品質量保障
Employee 員工	<ul style="list-style-type: none"> Salaries and benefits 工資及福利 Safe and healthy working environment 安全及健康的工作環境 Fair promotion and career development opportunities 公平的晉升和事業發展的機會 	<ul style="list-style-type: none"> Compensation system 薪酬體制 Employee training 員工培訓 Employee activities 員工活動 Performance appraisal management 績效考核管理
Supplier 供應商	<ul style="list-style-type: none"> Commitment fulfilment 信守承諾 Fair, open and righteous purchasing 公平、公開及公正的採購 Win-win development 共贏發展 	<ul style="list-style-type: none"> Supplier inspection and evaluation 供應商考察和評估 Open tender 公開招標 Communications and visits 交流及訪問
Environment 環境	<ul style="list-style-type: none"> Environmental compliance 環保合規 Promote environmental protection 推動環境保護 Reduce resource consumption 降低資源消耗 Mitigation of climate change 減緩氣候變化 	<ul style="list-style-type: none"> Emissions management 排放物管理 Energy and water conservation measures 節能節水措施 Controlling noise 控制噪聲 Industrial structure adjustment 產業結構調整
Community 社區	<ul style="list-style-type: none"> Contribution to local development 促進當地發展 Contribution to community harmony 促進社區和諧 	<ul style="list-style-type: none"> Support local education 支持當地教育

關於本報告 *(續)*

利益相關方的參與 *(續)*

Environmental, Social and Governance Report

環境、社會及管治報告

ABOUT THIS REPORT *(continued)*

Materiality Assessment

According to the ESG Reporting Guide, the Group established an Environmental, Social and Governance materiality assessment model. Through identifying, evaluating and screening of Environmental, Social and Governance aspects, the Group identified the following material issues and thus would be given priority in discloses and responses in this ESG Report.

關於本報告 (續)

重要性評估

根據《環境、社會及管治報告指引》，本集團構建了環境、社會及管治重要性分析模型，通過對環境、社會及管治議題的識別、評估和篩選，本集團確定了以下議題為重要的，因此，在本環境、社會及管治報告中給予優先的披露和回應。

	Environment 環境	Employees 員工	Operation 運營
Material issues 重要議題	<ul style="list-style-type: none"> Exhaust emissions 廢氣排放 Greenhouse gas emissions 溫室氣體排放 Energy saving 節約能源 Water saving 節約用水 	<ul style="list-style-type: none"> Employment 僱傭 Health and safety 健康與安全 Development and training 發展與培訓 	<ul style="list-style-type: none"> Product quality 產品質量 Product innovation 產品創新 Customer relations 客戶關係 Supply chain management 供應鏈管理 Anti-corruption 反貪污
Relevant issues 相關議題	<ul style="list-style-type: none"> Sewage discharge 廢水排放 Solid waste discharge 廢棄物排放 Packaging materials 包裝材料 Environment and natural resources 環境及天然資源 	<ul style="list-style-type: none"> Labour standards 勞工準則 	<ul style="list-style-type: none"> Standard formulation and revision 標準制修 Advertising and trademarks 廣告和商標 Community investment 社區投資

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT

The Group strictly complies with relevant laws and regulations, including but not limited to the “Environmental Protection Law of the People’s Republic of China”, etc., formulated the “Environmental Protection Responsibility System”, the “Management Measures of Environmental Supervision and Management Personnel” and the “Management Measures of Environmental Protection Training” as well as other management policies. The Group adopts the environmental management policy of “Energy saving, pollution prevention, and clean production; compliance with laws and regulations, continuous improvement, and contribution to the society”. The Group has devoted itself to reduce emissions and resources consumption in production and operation by actively developing circular economy and implementing the national policies on energy conservation and emissions reduction.

The Group has established an environmental management system that meets the ISO 14001 standard, which has been certified by a third party, reducing the impact on the environment.

In 2019, Jinxi Limited compiled the “Environmental Protection Management Policy” and established the environmental management goal of “98% functioning rate of environmental protection equipment, 100% up-to-standard pollutant discharge, zero serious and major environmental pollution accidents”. It continuously implemented the environmental protection responsibility system and further strengthened the environmental management.

1.1 Emissions

1.1.1 Sewage discharges

Sewage generated by the Group consists of sewage from production process and household sewage from factory areas. Regarding the sewage, the Group complies with relevant laws and regulations as well as standards, including but not limited to the “Law of the People’s Republic of China on Prevention and Control of Water Pollution”, the “Discharge Standard of Water Pollutants for Iron and Steel Industry”, etc., and formulated management policies such as the “Procedures for Prevention and Control of Water Pollution” to ensure effective control and management of sewage.

1 環境

本集團嚴格遵守相關法律法規，包括但不限於《中華人民共和國環境保護法》等，制定《環境保護責任制》、《環境監督管理人員管理辦法》和《環保培訓管理辦法》以及其他的管理制度。本集團以「節能降耗，預防污染，實施清潔生產；遵紀守法，持續改進，造福人類社會」為環境管理方針，積極發展循環經濟，貫徹落實國家節能減排政策，致力於減少生產經營活動帶來的廢氣排放和資源消耗。

本集團建立了符合 ISO 14001 標準的環境管理體系，並獲得了第三方認證，減少對環境的影響。

於2019年，津西鋼鐵編制了《環保管理制度》，以「環保設備正常運轉率達到98%，污染物100%達標排放，嚴重特大環境污染事故為零」為環境管理目標，持續落實環境保護責任制度，進一步強化環境管理。

1.1 排放物

1.1.1 廢水排放

本集團的廢水主要為生產過程中產生的廢水和廠區的生活廢水。針對這些廢水，本集團遵守相關法律法規和標準，包括但不限於《中華人民共和國水污染防治法》、《鋼鐵工業水污染物排放標準》等，制定了《水污染防治控制程序》等管理制度，以確保對廢水進行有效控制和管理。

Environmental, Social and Governance Report

環境、社會及管治報告

1. ENVIRONMENT *(continued)*

1.1 Emissions *(continued)*

1.1.1 Sewage discharges *(continued)*

The Group built two sewage treatment plants with maximum daily treatment capacity of 50,000 tons and one sewage treatment plant with maximum daily treatment capacity of 10,000 tons in Jinxi Limited for the centralised treatment of sewage.

In 2019, to enhance the treatment capacity of industrial sewage, Jinxi Limited invested RMB15 million to build a new sewage treatment plant with daily treatment capacity of 10,000 tons. All the post-treatment water which meets the standard is reused in the production.

During the reporting period, the Group continued to carry out comprehensive treatment and usage of sewage generated with no external discharge of sewage.

1.1.2 Exhaust emissions

The exhaust emitted of the Group mainly includes particulate matters, nitrogen oxides and sulphur dioxide generated from production. The Group complies strictly with relevant laws and regulations as well as relevant standards, including but not limited to the “Law of the People’s Republic of China on Prevention and Control of Atmospheric Pollution”, the “Emission Standard of Air Pollutants for Iron and Steel Industry in Hebei”, the “Emission Standard of Air Pollutants for Ironmaking Industry”, the “Emission Standard of Air Pollutants for Steelmaking Industry”, the “Emission Standard of Air Pollutants for Sintering and Pelletising for Iron and Steel Industry” and the “Emission Standard of Air Pollutants for Steel Rolling Industry”, etc.. The Group invested in resources to improve its production environment and facilities, and equipped various operating production facilities with environmental protection equipment, to ensure strict control on environmental pollution caused by exhaust.

1. 環境 (續)

1.1 排放物 (續)

1.1.1 廢水排放 (續)

本集團於津西鋼鐵建設了兩座日處理能力最高達50,000噸的污水處理廠以及一座日處理能力最高達10,000噸的污水處理廠，對污水進行集中處理。

於2019年，津西鋼鐵投資人民幣1,500萬元，新建一座日處理能力10,000噸的污水處理廠，以加強工業污水的處理能力，將處理後達標的水全部回用於生產。

於本報告期內，本集團繼續對污水進行綜合處理及利用，並無廢水外排。

1.1.2 廢氣排放

本集團的廢氣排放主要包括生產過程中產生的顆粒物、氮氧化物及二氧化硫。本集團嚴格遵守相關法律法規和相關標準，包括但不限於《中華人民共和國大氣污染防治法》、《河北省鋼鐵工業大氣污染物排放標準》、《煉鐵工業大氣污染物排放標準》、《煉鋼工業大氣污染物排放標準》、《鋼鐵燒結、球團工業大氣污染物排放標準》、《軋鋼工業大氣污染物排放標準》等，本集團投入資源改善生產環境及設備，為各類運行的生產設備配置環保治理設施，以確保嚴格控制廢氣對環境造成的污染。

Environmental, Social and Governance Report

環境、社會及管治報告

1. ENVIRONMENT (continued)

1.1 Emissions (continued)

1.1.2 Exhaust emissions (continued)

In 2019, in order to implement relevant requirements, such as the “2019 Government Work Report”, the “Opinions of the CPC Central Committee and State Council on Comprehensive Strengthening Ecological Environment Protection and Resolutely Fighting against Pollution”, the “Notice of the State Council on Printing and Distributing a Three-year Action Plan to Win the Blue Sky Defense Battle”, etc., the Group actively promoted ultra-low emissions in the steel industry and implemented a number of emission reduction projects, including air quality testing, clean transportation, and reduction of smoke and dust, to reduce emissions of air pollutants and promote continuous improvement of air quality.

1. 環境 (續)

1.1 排放物 (續)

1.1.2 廢氣排放 (續)

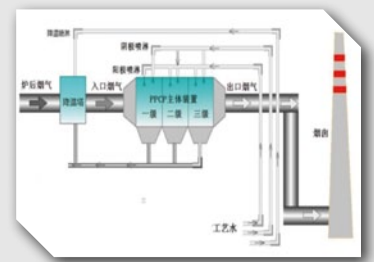
於2019年，為了貫徹落實《2019年政府工作報告》、《中共中央國務院關於全面加強生態環境保護堅決打好污染防治攻堅戰的意見》、《國務院關於印發打贏藍天保衛戰三年行動計劃的通知》等有關要求，本集團積極推進鋼鐵行業超低排放，實施了多項減排項目，包括空氣品質檢測、清潔運輸、減少煙塵，以削減大氣污染物排放量，促進大氣質量持續改善。

Topic: Desulfurisation, denitrification, dedusting and ultra-low emissions project of Jinxi Limited

專題：津西鋼鐵脫硫脫硝除塵超低排放項目

In 2019, Jinxi Limited launched the desulfurisation, denitrification, dedusting and ultra-low emissions project and deeply purified tail gas generated by several gas-fired boiler units. After the treatment, the tail gas achieved ultra-low emission standard, with nitrogen oxides $\leq 50\text{mg}/\text{m}^3$, sulphur dioxide $\leq 35\text{mg}/\text{m}^3$ and particulate matters $\leq 5\text{mg}/\text{m}^3$.

於2019年，津西鋼鐵推出脫硫脫硝除塵超低排放項目，對多個燃氣鍋爐機組的尾端煙氣進行深度淨化處理。經處理後，尾端煙氣達到超低排放標準（氮氧化物 $\leq 50\text{mg}/\text{m}^3$ 、二氧化硫 $\leq 35\text{mg}/\text{m}^3$ 、顆粒物 $\leq 5\text{mg}/\text{m}^3$ ）。



During the reporting period, the exhaust emissions of the Group are disclosed as below:

於本報告期內，本集團的廢氣排放量披露如下：

A1.1.2 Exhaust emissions 廢氣排放

		2019	2018	2017
Particulate matters (tons)	顆粒物(噸)	754	2,968	814
Nitrogen oxides (tons)	氮氧化物(噸)	809	3,318	5,493
Sulphur dioxide (tons)	二氧化硫(噸)	1,007	3,876	2,613

Note: During the reporting period, the Group upgraded the environmental protection equipment, and started the equipment upsizing project of some blast furnaces and converters, which actively responded to the government's call for capacity replacement, so the exhaust emissions were lower than those of previous years.

註：於本報告期內，本集團對環保設施進行了升級，並積極響應國家政策進行產能置換，開始部分高爐及轉爐的裝備大型化項目，因此廢氣排放量比往年有所降低。

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT (continued)

1.1 Emissions (continued)

1.1.3 Greenhouse gas emissions

Greenhouse gas emissions of the Group are mainly from:

- Scope 1: direct emissions, including fuel and raw materials used in production process, such as cleaned coal, anthracite, soft coal, coke, limestone, dolomite and silicon manganese alloy, etc.; as well as fuel used by vehicles, such as gasoline and diesel;
- Scope 2: indirect emissions of energy, mainly including use of purchased electricity.

The Group actively conducted energy conservation management by recycling energy such as thermal energy and gas generated in blast furnace during production to reduce consumption of fuel and purchased electricity, which resulted in effective reduction of greenhouse gas emissions.

During the reporting period, the amount and the intensity of greenhouse gas emissions of the Group are disclosed as below:

A1.1.3 Greenhouse gas emissions 溫室氣體排放

		2019	2018	2017
Scope 1: Direct emissions (tCO ₂ e)	範疇一：直接排放 (噸二氧化碳當量)	13,013,461	13,687,449	14,817,061
Scope 2: Indirect emissions of energy (tCO ₂ e)	範疇二：能源間接排放 (噸二氧化碳當量)	1,984,492	1,538,136	1,363,847
Total emissions (tCO ₂ e)	總排放量(噸二氧化碳當量)	14,997,953	15,225,585	16,180,909
Emission intensity (tCO ₂ e/ton of steel)	排放密度(噸二氧化碳當量/噸鋼)	1.86	1.58	1.70

Notes:

- 1 Greenhouse gas emissions are presented in terms of carbon dioxide equivalent and calculated in accordance with the "Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions for Chinese Steel Producers" issued by the National Development and Reform Commission.
- 2 During the reporting period, the total greenhouse gas emissions of the Group were lower than those of previous years, but the greenhouse gas emissions intensity increased because the steel production output was lower than those of previous years.

1 環境(續)

1.1 排放物(續)

1.1.3 溫室氣體排放

本集團的溫室氣體排放主要來自於：

- 範疇一：直接排放，包括生產過程中使用的燃料及原材料，包括洗精煤、無煙煤、煙煤、焦炭、石灰石、白雲石和矽錳合金等；以及車輛使用的燃料，包括汽油及柴油；
- 範疇二：能源間接排放，主要包括使用的外購電。

本集團積極推進節能管理，積極回收生產過程中產生的熱能和高爐煤氣等，以降低燃料和外購電消耗，從而有效降低溫室氣體排放。

於本報告期內，本集團的溫室氣體排放量及排放密度披露如下：

註：

- 1 溫室氣體排放以二氧化碳當量呈列，並依據國家發展和改革委員會發佈的《中國鋼鐵生產企業溫室氣體排放核算方法與報告指南》進行計算。
- 2 於本報告期內，本集團的溫室氣體總排放量比往年有所降低，但由於鋼產量比往年減少，溫室氣體排放密度比往年有所提升。

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT *(continued)*

1.1 Emissions *(continued)*

1.1.4 Solid waste discharge

In accordance with the “Law of the People’s Republic of China on the Prevention and Control of Environment Pollution by Solid Wastes”, the “National Catalogue of Hazardous Wastes”, etc., the Group formulated internal policies such as the “Procedures for Prevention and Control of Solid Waste Pollution” and the “Management Measures of Waste Solids” and revised the provisions on waste in the “Pollution Prevention Management Policy”, the “Environmental Protection Management Policy”, etc., to perform proper management of non-hazardous and hazardous waste. The Group has effectively reduced solid waste discharge through increasing recycling of recyclable wastes.

Non-hazardous wastes mainly include wastes containing iron, water slag, steel slag, desulfurised gypsum, refractory materials arising from production and household garbage in factory areas, etc.. The Group conducted separate collection and disposal of non-hazardous wastes, whereby wastes containing iron are recycled, water slag and steel slag are sold to cement plants for recycling, and household garbage is disposed of properly according to local regulations.

Hazardous wastes include used batteries, waste oil drums and waste oil, etc.. The Group properly identified, collected, stored, transported and disposed of them in accordance with the “National Catalogue of Hazardous Wastes” and other relevant laws and regulations, by storing them in separate storage rooms and entrusting qualified processors to properly dispose them.

1 環境 *(續)*

1.1 排放物 *(續)*

1.1.4 廢棄物排放

根據《中華人民共和國固體廢物污染環境防治法》、《國家危險廢物名錄》的要求，本集團制定了《固體廢棄物污染防治控制程序》、《固體廢物管理辦法》等內部制度，並修訂《污染防治管理制度》、《環保管理制度》等制度中關於廢棄物的規定，對無害廢物和有害廢物進行妥善管理，本集團通過增加對可回收廢棄物的回收利用，有效的減少廢棄物排放。

無害廢棄物主要包括生產過程中產生的含鐵廢棄物、水渣、鋼渣、脫硫石膏、耐火材料以及廠區生活垃圾等。本集團對這些無害廢棄物進行分類收集及處置，將含鐵的廢棄物回收再用，將水渣及鋼渣等廢棄物出售給水泥廠回收利用，並按照當地的法規妥善處置生活垃圾。

有害廢棄物包括廢舊電瓶、廢油桶和廢油等，本集團按照《國家危險廢物名錄》及其他相關法律法規，對其進行鑒別、收集、貯存、運輸和處置，設置單獨的儲存間進行儲存，並委託合資格的處理商進行妥善處置。

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT (continued)

1.1 Emissions (continued)

1.1.4 Solid waste discharge (continued)

During the reporting period, solid waste discharge in quantity and intensity of the Group are disclosed as below:

A1.1.4 Solid waste discharge 廢棄物排放		2019	2018	2017
Hazardous wastes (tons)	有害廢棄物(噸)	439.92	179.81	9.82
Hazardous wastes emission intensity (tons/ton of steel)	有害廢棄物排放密度(噸/噸鋼)	5.47*10 ⁻⁵	1.867*10 ⁻⁵	1.029*10 ⁻⁶
Non-hazardous wastes (tons)	無害廢棄物(噸)	2,777,121	3,122,608	3,453,554
Non-hazardous wastes emission intensity (tons/ton of steel)	無害廢棄物排放密度(噸/噸鋼)	0.345	0.324	0.362

Notes:

- During the reporting period, the Group executed several production equipment maintenance during several production limitation period, and to carry forward the capacity replacement project, some of our blast furnaces, converters and auxiliary equipment were dismantled, which resulted in a great amount of hazardous waste.
- During the reporting period, the Group's total non-hazardous wastes were lower than those of previous years, but the non-hazardous wastes emission intensity increased because the steel production output was lower than those of previous years.

1 環境(續)

1.1 排放物(續)

1.1.4 廢棄物排放(續)

於本報告期內，本集團的廢棄物排放量及排放密度披露如下：

註：

- 於本報告期內，本集團在多次環保限產期間對生產設備進行了維修，並隨著產能置換的推進，拆除了部分高爐、轉爐及其附屬設備，故產生大量危險廢棄物。
- 於本報告期內，本集團的無害廢棄物總量比往年有所降低，但由於鋼產量比往年減少，無害廢棄物排放密度比往年有所提升。

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT *(continued)*

1.2 Use of Resources

1.2.1 Energy saving

Energy used by the Group mainly comprises cleaned coal, anthracite, soft coal and coke used in production, as well as gasoline and diesel used by vehicles. Besides, the Group provided heating for residents of Qianxi County in winter. In compliance with laws and regulations such as the “Law of the People’s Republic of China on Conserving Energy”, etc.. The Group established internal management systems including the “Regulations on Enhancing Management of Energy Use”, the “Procedures for Control of Energy Evaluation”, the “Procedures for Control of Energy Operation” and the “Regulations on Enhancing Management of Energy Measurement”.

The Group establishes and implements an energy management system that meets the GB/T 23331-2012 (idt ISO 50001: 2011) “Energy Management System Requirements” and RB/T103-2013 “Energy Management System — Certification Requirements for Iron and Steel Industry”, and the system was certified by third party. The Group has established an energy management and control centre to manage the energy consumption of the entire plant, which has effectively controlled and managed the energy consumption.

In 2019, Jinxi Limited revised the “Energy Management Policy” to further strengthen the energy and water management. The Department of Environmental Protection and Energy is responsible for the leadership, deployment, coordination, supervision, inspection of energy conservation, and promoting the energy conservation. The Department of Environmental Protection and Energy formulates overall energy consumption indicators at the beginning of each year and monthly adjusts some indicators according to the production plan. It promotes energy and water conservation in all departments through evaluating energy consumption and intensifying the punishment for the waste of energy and water.

1 環境 (續)

1.2 資源使用

1.2.1 節約能源

本集團使用的能源主要包括生產所用的洗精煤、無煙煤、煙煤、焦炭以及車輛使用的汽油和柴油等。此外，本集團在冬季為遷西縣的全縣居民提供供暖。本集團遵守《中華人民共和國節約能源法》等法律法規，設定《關於加強能源使用管理的規定》、《能源評審控制程序》、《能源運行控制程序》、《關於加強能源計量管理的規定》等內部管理制度。

本集團建立和實施了符合GB/T 23331-2012(等同於ISO 50001: 2011)《能源管理體系要求》及RB/T103-2013《能源管理體系鋼鐵企業認證要求》的能源管理體系，並獲得了第三方認證。本集團建立能源管控中心，全面管控整個廠區的耗能情況，有效控制和管理各類能源的使用。

於2019年，津西鋼鐵修訂了《能源管理制度》，進一步加強對能源和用水的管理。環保能源部負責節能工作的領導、部署、協調、監督、檢查，並推行節能工作。環保能源部每年年初制定能源消耗總體指標，每月根據生產計劃對部分指標進行調整，並對能源使用情況進行考核，加大對能源和用水浪費的懲罰力度，促進各部門力行節能節水。

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT (continued)

1.2 Use of Resources (continued)

1.2.1 Energy saving (continued)

In 2019, the Group continued to improve energy efficiency and effectively reduce energy consumption by closely following cutting-edge technologies for energy saving and consumption reduction in iron and steel industry, optimising of production equipment, and carrying out energy-saving transformation:

- Jinxi Limited has carried out a series of projects such as waste heat recovery and utilisation, advanced technologies for systematic energy saving optimisation, etc., including:
 - Replacing air conditioning refrigeration by low-pressure steam to provide cooling in summer and heating in winter for plant operation rooms and electricity distribution rooms;
 - Utilising waste heat of shaft cold kiln pellets, absorbing the heat of high-temperature shaft furnace pellet through waste heat boiler and producing superheated steam for power generation or other technological purposes. This measure could cool the high-temperature pellet at the same time, replacing the original cooling measure;
 - Energy-saving transformation of intensified thermal radiation in steel-rolling heating furnace, installing energy saving parts on the top and side walls to enhance the transfer efficiency of radiant heat in the furnace.
- 50MW electricity generation modules project of Jinxi Limited adopts the country's first ultra-high temperature and high-voltage electricity generation modules. The overall design is economical, energy-saving and environmentally friendly at the leading position in the country, and has greatly improved the level of comprehensive energy utilisation.

1 環境(續)

1.2 資源使用(續)

1.2.1 節約能源(續)

於2019年，本集團密切追蹤鋼鐵行業節能降耗的前沿技術，優化各生產設備，進行節能改造，持續提高能源效益及有效降低能源消耗：

- 津西鋼鐵進行了一系列餘熱回收利用、系統節能優化先進技術等項目，包括：
 - 採用低壓蒸汽替代空調製冷，為廠區操作室、配電室等提供夏季製冷、冬季供暖；
 - 利用豎冷窯球團餘熱，通過餘熱鍋爐吸收高溫豎爐球團的熱量，產生過熱蒸汽用於發電或其他技術用途，此方法可同時冷卻高溫球團，替代原球團的冷卻方式；
 - 對軋鋼加熱爐強化熱輻射節能技術改造，在爐頂和側牆安裝節能元件，強化爐膛內輻射傳熱效率。
- 津西鋼鐵50MW發電機組項目使用全國首台超高溫高電壓的發電機組，其經濟型、節能型、環保型的整體設計達到國內領先地位，極大改善了能源綜合利用水平。

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT (continued)

1.2 Use of Resources (continued)

1.2.1 Energy saving (continued)

During the reporting period, energy consumption in total and intensity of the Group are disclosed as below:

		2019		2018		2017	
		Consumption	Power consumption	Consumption	Power consumption	Consumption	Power consumption
		消耗量	能耗	消耗量	能耗	消耗量	能耗
			(GWh)		(GWh)		(GWh)
		10 ³ tons 千噸	GWh	10 ³ tons 千噸	GWh	10 ³ tons 千噸	GWh
A1.2.1 Energy 能源							
Diesel	柴油	1	14	4	52	5	62
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Gasoline	汽油	92	1	155	2	250	3
		tons 噸		tons 噸		tons 噸	
Cleaned coal	洗精煤	189	1,383	275	2,009	322	2,354
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Anthracite	無煙煤	927	5,226	858	4,840	787	4,440
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Soft coal	煙煤	299	1,625	292	1,586	525	2,857
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Coke	焦炭	3,516	27,781	3,758	29,693	3,968	31,351
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Purchased electricity	外購電力	2,244	2,244	1,739	1,739	1,542	1,542
		GWh		GWh		GWh	
Total energy consumption	總能耗量	38,274,742	MWh	39,922,141	MWh	42,608,828	MWh
Energy consumption intensity	能耗密度	4.76	MWh/ton of steel 噸鋼	4.15	MWh/ton of steel 噸鋼	4.46	MWh/ton of steel 噸鋼

Notes:

- Energy consumption is presented in MWh (kWh in 000's), and the conversion factors are from the "Guidelines for the Accounting and Reporting of Greenhouse Gas Emissions for Chinese Steel Producers" issued by the National Development and Reform Commission.
- During the reporting period, the Group's total energy consumption was lower than those of previous years, but the energy consumption intensity increased because the steel production volume was lower than those of previous years.

1 環境 (續)

1.2 資源使用 (續)

1.2.1 節約能源 (續)

於本報告期內，本集團的能源消耗總量及密度披露如下：

		2019		2018		2017	
		Consumption	Power consumption	Consumption	Power consumption	Consumption	Power consumption
		消耗量	能耗	消耗量	能耗	消耗量	能耗
			(GWh)		(GWh)		(GWh)
		10 ³ tons 千噸	GWh	10 ³ tons 千噸	GWh	10 ³ tons 千噸	GWh
A1.2.1 Energy 能源							
Diesel	柴油	1	14	4	52	5	62
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Gasoline	汽油	92	1	155	2	250	3
		tons 噸		tons 噸		tons 噸	
Cleaned coal	洗精煤	189	1,383	275	2,009	322	2,354
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Anthracite	無煙煤	927	5,226	858	4,840	787	4,440
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Soft coal	煙煤	299	1,625	292	1,586	525	2,857
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Coke	焦炭	3,516	27,781	3,758	29,693	3,968	31,351
		10 ³ tons 千噸		10 ³ tons 千噸		10 ³ tons 千噸	
Purchased electricity	外購電力	2,244	2,244	1,739	1,739	1,542	1,542
		GWh		GWh		GWh	
Total energy consumption	總能耗量	38,274,742	MWh	39,922,141	MWh	42,608,828	MWh
Energy consumption intensity	能耗密度	4.76	MWh/ton of steel 噸鋼	4.15	MWh/ton of steel 噸鋼	4.46	MWh/ton of steel 噸鋼

註：

- 能源消耗量以兆瓦時(千千瓦時)呈列，轉換因素來自國家發展和改革委員會發佈的《中國鋼鐵生產企業溫室氣體排放核算方法與報告指南》。
- 於本報告期內，本集團的能源消耗總量比往年有所降低，但由於鋼產量比往年減少，能源消耗密度比往年有所提升。

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT (continued)

1.2 Use of Resources (continued)

1.2.2 Water saving

In strict compliance with relevant laws and regulations, including the “Water Law of the People’s Republic of China”, the Group formulated the “Provisions and Assessment Measures for Water Management”, and strengthened management of water control devices including water supply pipe and valve, faucet, bath and water tank, to prevent overflow and water running for a long time. With reasonable use of primary water and secondary water in strict compliance with production water standards, it effectively reduced water consumption.

Jinxi Limited adopted a reverse osmosis treatment system for concentrated brine with a capacity of 150m³/h, which used nanofiltration device to re-treat the concentrated brine after reverse osmosis treatment at sewage treatment station, and then imported the fresh water treated to water-consuming system or other water-consuming units for reuse, significantly reducing the consumption of fresh water. Jinxi Limited adopted 3-level water usage management. It reasonably controlled replenishment of fresh water based on indicators and carried out hierarchic management of water usage of various departments, reduced fresh water consumption per ton of steel.

In 2019, Jinxi Limited formulated the “Water Control Plan”. Through water use improvement and the 3-level water usage, the cascade utilisation of water was realised in each plant. The water recycling efficiency was improved and fresh water consumption was reduced.

During the reporting period, water consumption in total and intensity of the Group are disclosed as below:

A1.2.2 Water 水

		2019	2018	2017
Total water consumption (tons)	總用水量(噸)	16,362,239	19,539,413	18,937,789
Water consumption intensity (tons/ton of steel)	總用水密度 (噸/噸鋼)	2.033	2.029	1.985

1 環境(續)

1.2 資源使用(續)

1.2.2 節約用水

本集團嚴格執行《中華人民共和國水法》等相關法律法規，制定《用水管理規定及考核辦法》及加強對供水管路和閘門、水龍頭以及浴池、水箱等用水控制裝置的管理，防止溢流和長流水現象；嚴格按生產用水標準合理使用一、二次水，有效減少水資源的消耗。

津西鋼鐵採用150m³/h的反滲透處理系統處理濃鹽水，並使用納濾裝置將污水處理站反滲透處理後的濃鹽水再次處理，再將處理後的淡水導入至用水系統或其他用水單元再利用，大大減少了對新水的消耗。津西鋼鐵還採用3級用水，按指標合理控制食水補水量，對各部門用水進行分級管理等，減少了噸鋼耗新水量。

於2019年，津西鋼鐵制定了《水管控方案》，優化用水格局、深化3級用水，實現各分廠的梯次用水，有效提高水的循環利用率，降低新水使用量。

於本報告期內，本集團的總用水量和密度披露如下：

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT (continued)

1.2 Use of Resources (continued)

1.2.3 Packaging materials

The Group's products mainly are steel products such as section steel, strips, billet, rebar and sheet piling, etc., which use relatively small amount of packaging materials during sales, primarily includes packing strap used by Jinxi Limited to sell products.

During the reporting period, the Group's consumption of packing materials is disclosed as below:

A1.2.3 Packaging materials 包裝材料

		2019	2018	2017
Packing strap (tons)	打包帶(噸)	5,180	6,219	4,820

1.3 Environmental and natural resources

With a strong sense of social responsibility, the Group adhered to green development all the way. With the goal of achieving "production cleanliness, artistic architecture, factory gardening", the Group invested in enhancing environmental protection, energy saving and noise control and environmental greening.

1 環境(續)

1.2 資源使用(續)

1.2.3 包裝材料

本集團的產品主要包括型鋼、帶鋼、鋼坯、螺紋鋼及鋼板樁等鋼鐵類產品，出售產品時所使用的包裝材料較少，主要為津西鋼鐵出售產品時所使用的打包帶。

於本報告期內，本集團的包裝材料使用量披露如下：

1.3 環境及天然資源

本集團以強烈的社會責任感一直堅持綠色發展，為達至「生產潔淨化、建築藝術化、廠區園林化」的目標，本集團投資於強化環保治理、節能降噪及綠化環境。

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT (continued)

1.3 Environmental and natural resources (continued)

1.3.1 Noise control

On top of the aforesaid generated emissions and resource utilisation, the Group actively reduced other impact on the environment, including the noises during the production operation. In order to strengthen the control and reduce the impact brought by noises, and to meet the requirements of the relevant standards such as “Emission Standard for Ambient Noise” and the “Emission Standard for Noise at Boundary of Industrial Enterprises”, etc., the Group has taken various measures to strictly control ambient noise level at the plant boundary. The specific measures include:

- To set up factories for all types of large facilities and workshops;
- To install noise reduction facilities for production facilities and devices with loud noises, such as oxygen production module and electricity generation module, etc.;
- To install sound-proof doors for electricity generation modules, hot air stove blowers, and oxygen production workshops which generate relatively loud noises, etc.;
- To install shock reduction and shock insulation equipment for blowers and water pumps, etc. which generate relatively loud noises;
- To use totally closed settings for the transfer of raw materials using closed transfer corridor and feeder, etc.;
- To add sound-proof shield for saw machine;
- To hire professional environmental inspection company to carry out on-site noise detection;
- To install noise barriers at the plant boundary to reduce the impact of noise on the surrounding areas.

1 環境(續)

1.3 環境及天然資源(續)

1.3.1 噪聲控制

除上述所產生的排放物及資源使用外，本集團積極減低其他對環境的影響，包括生產運行時的噪聲。為加強控制及減少噪聲帶來的影響，及達到《環境噪聲排放標準》和《工業企業廠界環境噪聲排放標準》等相關標準的要求，本集團採取各項措施嚴格控制廠區邊界四周的噪聲水平，具體措施包括：

- 為各類大型設備及車間建設廠房；
- 對噪聲大的生產設備及裝置，如制氧機組和發電機組等設置降噪設施；
- 對各發電機組、熱風爐鼓風機及制氧車間等產生較大噪聲的車間設置了隔聲門；
- 為產生噪聲較大的風機、水泵等安裝減震及隔震設施；
- 將原料輸送所用的封閉輸送廊道及落料等環節設置為全封閉；
- 增設鋸機隔音罩；
- 通過聘請專業環境檢測公司對噪聲進行現場檢測；
- 在廠區邊界設置隔音屏障，以減少噪聲對周邊的影響。

Environmental, Social and Governance Report

環境、社會及管治報告

1 ENVIRONMENT *(continued)*

1.3 Environmental and natural resources *(continued)*

1.3.2 Tree planting

The Group valued green development and widely launched works on tree planting and afforestation, speeded up the implementation of comprehensive management projects on environmental improvement, so as to make the factory area a more beautiful, plant-covered and pleasant place for production and living.

In 2019, the Group donated RMB5 million in tree planting in Qianxi County.

In March 2019, the party committee of the Group arranged for the employees and their family members to participate in the voluntary tree planting activity named “FuErLin” organised by the Qianxi County Women’s Federation and Qianxi County Women and Children’s Service Association. In April 2019, the Group arranged for more than 60 party members and league members of Jinxi Limited to participate in the “Devoting to Ecological Construction, Building a Beautiful Qianxi” 2019 spring voluntary tree planting activity on the west bank of Beituo River in Nantuang Village, Santunying Town.

1 環境 (續)

1.3 環境及天然資源 (續)

1.3.2 植樹造林

本集團重視綠化發展，並廣泛發起植樹造林工作，加快實施環境改善綜合治理項目，廠區更美化、綠化、亮化，以改善生產生活工作環境。

於2019年，本集團為遷西縣植樹造林捐款人民幣500萬元。

於2019年3月，本集團黨委安排員工及家屬參與遷西縣婦聯、遷西縣婦女兒童服務協會組織「婦兒林」義務植樹活動；於2019年4月，本集團安排津西鋼鐵黨員、團員代表60多人到三屯營鎮南團汀村北灤河西岸參與「投身生態建設，共建美麗遷西」2019年春季義務植樹活動。



Environmental, Social and Governance Report

環境、社會及管治報告

2 SOCIAL

2.1 Employment

The Group strictly abides by the labour laws and regulations such as the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China”, the “Regulation on Work-Related Injury Insurance”, etc., to protect employees’ rights and dignity, maintain harmonious employee-employer relations, provide development opportunities, create a healthy working environment, and enhance employees’ sense of well-being and belonging.

2.1.1 Recruitment and dismissal

The Group attracted talents under the principles of fairness and objectiveness as well as employment on the basis of competitive selections by using internet recruitment, campus recruitment, recruitment in the labour market and specialist recruitment firms, etc.. The Group entered into, updated and terminated labour contracts with formal employees in accordance with laws and regulations, which clearly specified contractual rights and obligations as well as the conditions and procedures for terminating labour contracts.

2.1.2 Remuneration and benefits

The Group established a remuneration system which reflects the value and contribution of individuals. According to management system such as the “Interim Measures for Remuneration Management”, employee’s remuneration is composed of basic salary, annual allowance, performance bonus and company prizes. Furthermore, the Group paid all kinds of social insurances (including medical insurance scheme, pension scheme, unemployment insurance scheme, maternity insurance scheme, etc.) in a full and timely manner in accordance with the national requirements. The Group introduced the work injury insurance and has been paying 1.5% of the employees’ wages to the Social Insurance Bureau.

2 社會

2.1 僱傭

本集團嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《工傷保險條例》等勞動法律法規，以保障員工權益和尊嚴、維護和諧勞資關係、提供發展機會、營造健康工作環境及增進員工幸福感和歸屬感。

2.1.1 招聘及解聘

本集團以公平客觀、擇優錄取為原則，採用網路招聘、校園招聘、人才市場招聘及獵頭公司等多種招聘方式吸納人才。本集團與正式員工依法訂立、更新及終止勞動合約，清楚規定了合同的權利與義務以及解除勞動合同的條件及程序。

2.1.2 薪酬及福利

本集團建立了體現個人價值和貢獻的薪酬體系。根據《薪酬管理暫行辦法》等管理制度，員工的薪酬由基本工資、年度補貼、績效獎金和公司獎勵構成。此外，本集團依照國家規定，按時足額為員工繳納各項社會保險費（包括醫療保險計劃、養老金計劃、失業保險計劃、生育保險計劃等）。本集團推行工傷保險並按員工發放工資的1.5%上繳社保部門。

Environmental, Social and Governance Report

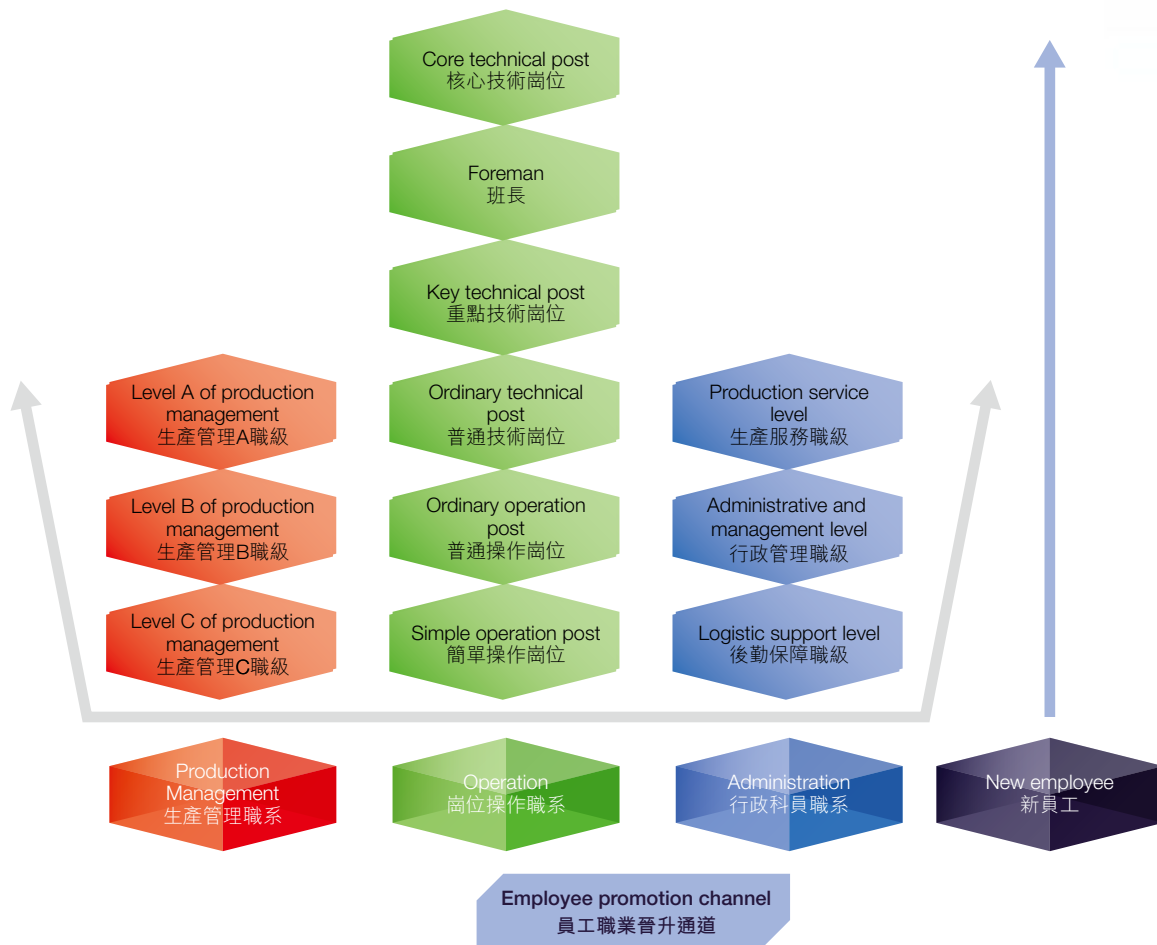
環境、社會及管治報告

2 SOCIAL (continued)

2.1 Employment (continued)

2.1.3 Position and promotion

The Group has developed a position framework including system, classification, title and level, and continuously improved and updated it to provide a clear promotion path for employees.



With increasingly strengthened performance appraisal and improved selection through competition, the Group enhanced the human resources management principle of selecting the superior and eliminating the inferior as well as preparing for both promotion and demotion, and established the incentive and assessment mechanism which linked the performance of employees with their remuneration.

2 社會 (續)

2.1 僱傭 (續)

2.1.3 崗位與晉升

本集團建立了包括職系、等別、名稱和職級等在內的崗位架構，並不斷對其完善更新，為員工提供明確的晉升路徑。

本集團不斷加強績效考評力度，完善競聘選拔工作，強化優勝劣汰、能上能下的人力資源管理原則，建立員工表現與薪酬掛鈎的市場化激勵考核機制。

Environmental, Social and Governance Report

環境、社會及管治報告

2 SOCIAL (continued)

2.1 Employment (continued)

2.1.3 Position and promotion (continued)

The Group continued to improve the open competition mechanism:

- In the event of any vacancy of engineers, the management team of professional and technical talents organised open competitions and supervised the whole process, according to the “Administrative Measures for Professional and Technical Talents” and other management system;
- In the event of any vacancy of cadres, the cadre management team organised open competitions, according to the “Administrative Measures for Cadres below Middle Level” and other regulations. The ratio of participants was not less than 3:1. In 2019, the Group amended the “Administrative Measures for Cadres below Middle Level”, which further specified evaluation criteria of open competition and improved the competition mechanism.

2.1.4 Working hours and holidays

The Group strictly controlled the working hours in accordance with the legal requirements. It guaranteed that all overtime work by the employees was on a voluntary basis. The overtime remuneration was paid in full according to the local applicable labour laws. The rest days of the employees of the Group are the public holidays in accordance with national laws and regulations and other holidays in accordance with the local laws and regulations.

2.1.5 Equality and anti-discrimination

The Group provided equal, fair and reasonable employment opportunities for employees. The recruitment, wages, benefits and promotion depended on the work capabilities of the employees concerned. It treated all the employees equally, regardless their genders, ages, races, bloodlines, colours, nationalities, political status, religious beliefs, marital status, number of children, disabilities or not or any other factors not related to the work. If a discriminatory behaviour was found, the Group would investigate the nature of the problem, and would take disciplinary action to the person(s) with such discriminatory behaviour.

2 社會(續)

2.1 僱傭(續)

2.1.3 崗位與晉升(續)

本集團持續完善公開競聘選拔機制：

- 在工程師出現空缺時，專業技術人才管理小組按照《專業技術人才管理辦法》及其他管理制度，組織公開競聘並全程監督；
- 在幹部崗位出現空缺時，幹部管理小組按照《中層以下幹部管理辦法》及其他管理制度，組織公開競聘，公開競聘參與人數比例不少於3：1。於2019年，本集團修訂了《中層以下幹部管理辦法》，進一步明確公開競聘具體評分標準，完善幹部競聘機制。

2.1.4 工作時間及假期

本集團按照法律的要求嚴格管控工作時間，保證所有加班都為員工自願，加班報酬按照當地適用勞動法足額支付。本集團的員工之休息日乃按照國家法律法規規定的公眾假期，以及依照當地法律法規規定的其他假期。

2.1.5 平等與反歧視

本集團為員工提供公平、公正及合理的工作機會，在聘用、工資、福利及晉升時完全基於員工的工作能力，對所有員工一視同仁，不論其性別、年齡、種族、血統、膚色、國籍、政治面貌、宗教信仰、婚姻狀況、子女人數、殘疾或其他任何與工作無關的因素。如發現有歧視行為，本集團根據問題的性質核實，對有歧視行為者作紀律處分。

Environmental, Social and Governance Report

環境、社會及管治報告

2 SOCIAL (continued)

2.1 Employment (continued)

2.1.6 Employee care

By organising a series of recreational and sports activities to boost the cultural development and enrich the spare time life of employees, the Group created harmonious atmosphere for the team to enhance satisfaction and sense of belonging of our employees. Meanwhile, the Group provided assistance and support to employees in straitened circumstances and gave them necessary cares.



2019 Spring festival party — Strive for Transformation and Gain More Glory

「轉型奮進 再鑄輝煌」2019年春節文藝聯歡會

2 社會(續)

2.1 僱傭(續)

2.1.6 員工關愛

本集團組織了一系列文體活動大力推進文化建設及豐富員工工餘生活，營造和諧融洽的團隊氣氛，以此提高員工的滿意度和歸屬感。同時，本集團為處於困境的員工提供幫助和支持，給予員工必要的關懷。



Recognition ceremony of “The stars of meritorious heroine” and lecture on EQ for Women in the workplace

「巾幗建功立業之星」表彰會暨女性職場情商專題講座



Making a caring donation to employee's family troubled with illness

對因病致困的員工家庭進行愛心捐款



Speech competition with the theme of “Remain true to our original aspiration and keep our mission firmly in mind”

「不忘初心 牢記使命」主題演講賽

Environmental, Social and Governance Report

環境、社會及管治報告

2 SOCIAL (continued)

2.1 Employment (continued)

2.1.7 Employee situation

During the reporting period, total workforce of Jinxi Limited by gender, employment type and age group is showed as below:

A2.1.7 Employee situation 員工概況		Total employees 僱員總數
By gender	按性別劃分	
Male	男性	8,070
Female	女性	340
By employment type	按僱傭類型劃分	
Full time	全職	8,410
Part time	兼職	0
By age group	按年齡劃分	
Under 30 years old	30歲以下	1,484
30–50 years old	30–50歲	5,831
Over 50 years old	50歲以上	1,095

2.2 Health and safety

Upholding the safe production principles featured by “people oriented, safe development and safety first, prevention as priority and comprehensive governance”, the Group strictly followed laws and regulations such as the “Labour Law of the People’s Republic of China”, the “Law of the People’s Republic of China on Safe Production”, the “Law of the People’s Republic of China on Prevention and Control of Occupational Diseases” and the “Interim Regulations on Investigation and Control of Hidden Peril of Production Accident”, providing a safe and healthy working environment for employees.

2 社會(續)

2.1 僱傭(續)

2.1.7 員工概況

於本報告期內，津西鋼鐵按性別、僱傭類型和年齡劃分的僱員總數如下表所示：

2.2 健康與安全

本集團堅持「以人為本、安全發展和安全第一、預防為主及綜合治理」的安全生產方針，嚴格遵守《中華人民共和國勞動法》、《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《安全生產事故隱患排查治理暫行規定》等法律法規，為員工提供安全及健康的工作環境。

Environmental, Social and Governance Report

環境、社會及管治報告

2 SOCIAL (continued)

2.2 Health and safety (continued)

2.2.1 Safe production

The Group has established a sound safety production system including the “Responsibility System for Safe Production”, the “General Rules for Assessment on Implementation of Safe Production Responsibilities”, the “Management System on Hierarchical Control of Production Safety Risk and Hidden Danger Investigation and Treatment”, the “Management System for Emergency Plan of Safety Incidents”, the “Management System for Education and Training on Safe Production”, the “Fire Prevention Management Policy”, etc.. Through the dual prevention work mechanism of risk control by classification and hidden danger investigation and rectification, the risk control ability of safe production is enhanced, and the prevention of hidden dangers is strengthened. Meanwhile, subsidiaries of the Group proactively enhanced standardisation of safe production, for instance, Jinxi Limited has obtained a series of certificates for safe production standardization, including metallurgical coal gas, ironmaking, oxygen production, and sintering and pelletising, etc..

Based on the “Management System for Emergency Plan of Safety Incidents” and other regulations, the Group has established a number of plans for firefighting and emergency evacuation. Each department organised drills regularly according to the plans and constantly improved the plans based on the actual situation. Besides, the Group regularly conducted fire protection publicity, education and fire knowledge trainings to improve safety awareness.

In 2019, each department of the Group proactively carried out safety production work, including:

- Significant and major risks identification and adoption of control measures;
- Hidden dangers investigation and rectification each month;
- Publicity and education on laws, regulations and knowledge on risk control and hidden danger rectification in forms of safety-themed column, WeChat platform, specialised training, safety competition and publicity;
- Fire accident drills on a regular basis.

2 社會 (續)

2.2 健康與安全 (續)

2.2.1 安全生產

本集團建立了健全的安全生產體系，包括《安全生產責任制度》、《關於落實安全生產主體責任的考核通則》、《安全生產風險分級管控與隱患排查治理規定》、《安全生產事故應急預案管理制度》、《安全生產教育培訓管理制度》、《消防管理制度》等，並通過風險分級管控和隱患危險調查糾正雙重預防工作機制，提升安全生產風險管控能力，強化隱患危險的防範力度。同時，本集團各附屬公司積極加強安全生產標準化，如津西鋼鐵獲得了包括冶金煤汽、煉鐵、製氧及燒結球團等一系列安全生產標準化證書。

本集團基於《安全生產事故應急預案管理制度》及其他管理制度，已設立滅火和應急疏散等各類預案，各部門按照預案定期組織演練，並結合實際情況不斷完善預案。此外，本集團定期進行消防宣傳教育和防火知識培訓，以提高安全意識。

於2019年，本集團各部門積極進行安全生產工作，包括：

- 識別重大和較大風險，並採取控制措施；
- 每月對隱患危險進行調查及糾正；
- 採取以安全專欄、微信平台、專題培訓、安全競賽及宣傳展示等形式，進行風險管控與隱患危險治理的法律法規和知識的宣傳和教育；
- 定期進行火災事故演練。

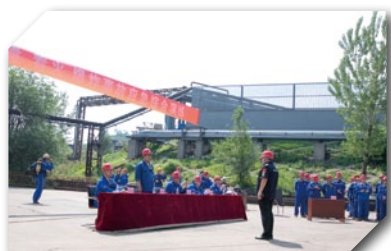
Environmental, Social and Governance Report

環境、社會及管治報告

2 SOCIAL (continued)

2.2 Health and safety (continued)

2.2.1 Safe production (continued)



Jinxi Limited organised the emergency drill of major hazard source and gas zone pressure plugging in June 2019
於2019年6月，津西鋼鐵重大危險源暨煤氣帶壓堵漏應急演練



Jinxi Limited organised fire knowledge training for the sub-contractor team of sintering plant (Jin Hai) in August 2019
於2019年8月，津西鋼鐵為燒結廠(津海)的分包商團隊組織消防知識培訓



Jinxi Limited organised fire rescue drill of oxygen plant in November 2019
於2019年11月，津西鋼鐵製氧廠火災事故救援演習

In the past three years, no work-related fatality occurred in the Group. During the reporting period, the number of lost days due to work injury of the Group was 420 days.

2.2.2 Occupational health

The Group implemented a series of rules including the “Responsibility System for Prevention and Control of Occupational Hazards”, the “Warning and Notification System for Occupational Hazards”, the “Management System for Routine Monitoring and Evaluation of Occupational Hazards”, the “Occupational Hygiene Management System” and the “Code of Practice for Dust, Noise, Gas, High Temperature, Assay and Radiation”, and passed the occupational health and safety management system certification. In addition, the Group actively carried out prevention, control and elimination of occupational hazards to protect employees’ safety and health through occupational hazard detection, occupational health monitoring, training and promotion, distribution of personal protective equipment, and setting up hazard warnings, etc..

2 社會(續)

2.2 健康與安全(續)

2.2.1 安全生產(續)

過去三年，本集團並無發生因工亡故的事件。於本報告期內，本集團因工傷損失的工作日數為420天。

2.2.2 職業健康

本集團已實施《職業病危害防治責任制度》、《職業病危害警示與告知制度》、《職業病危害日常監測及評價管理制度》、《職業衛生管理制度》、《粉塵、噪音、煤氣、高溫、化驗、放射類操作規程》等一系列制度規程，通過了職業健康安全體系認證。此外，本集團積極開展預防、控制和消除職業危害，通過職業危害檢測、職業健康監控、培訓宣傳、發放個人防護裝備及設置危害警示等方式，以保護員工健康安全。

Environmental, Social and Governance Report

環境、社會及管治報告

2 SOCIAL (continued)

2.2 Health and safety (continued)

2.2.2 Occupational health (continued)

In 2019, Jinxi Limited established the “2019 Prevention and Implementation Plan for Occupational Diseases”, the “2019 Monitoring Plan for Occupational Health” and the “2019 Training Plan for Occupational Hygiene”, which standardised occupational health protection work in 2019, strengthened the supervision and monitoring management of occupational health, and protected employees’ health and related rights and interests.

During the 17th promotion week of the “Law of the People’s Republic of China on Prevention and Control of Occupational Diseases” in April 2019, Jinxi Limited arranged for the employees to watch an education video on occupational health cautions with the theme of “Healthy China with Occupational Health”. It conducted the knowledge training of occupational health protection, so as to instil the occupational disease prevention knowledge in employees and improve their self-protection awareness and ability.

2 社會(續)

2.2 健康與安全(續)

2.2.2 職業健康(續)

於2019年，津西鋼鐵制定《2019年職業病防治計劃和實施方案》、《2019年職業健康監護工作計劃》和《2019年職業衛生培訓計劃》，規範2019年職業健康保護工作，加強職業健康監控及監督管理，及保護員工健康及其相關權益。

於2019年4月，在第17個《職業病防治法》宣傳週，津西鋼鐵安排員工觀看主題為「健康中國，職業健康同行」的職業健康警示教育片，進行職業健康防護知識培訓，為了向員工普及職業病防治知識，提高其自我防護的意識和能力。



Environmental, Social and Governance Report

環境、社會及管治報告

2 SOCIAL (continued)

2.3 Development and training

With focus on personal and professional development of employee, the Group developed management systems such as the “Administrative Measures for Employee Training” to carry out employee training. All subsidiaries have established three-level training management system composed of training management committee, training organisation committee and training work group, set up training centre and established full-time and part-time teaching team dominated by engineers, technicians and senior technicians, so as to practically improve overall quality of employee members.

The Group developed annual employee training plan at the beginning of each year, and all subsidiaries conducted training activities according to such plan. The Group adopted a variety of training modes. It provided training on management knowledge for cadres at all levels via systematic training, expert lecture and web-based instruction. Training on technical expertise was conducted in a way that combined theory with practice. In addition, the Group created training and development opportunities for employee through various training forms such as centralised training, on-the-job training, on-site teaching, case-studies, daily question, anti-accident drill, “master-apprentice mentoring”, “one helps one” and training via WeChat platform, etc..

2 社會(續)

2.3 發展與培訓

本集團注重員工的個人及專業發展，通過《員工培訓工作管理辦法》等管理體系開展員工培訓工作。各子公司成立了由培訓工作管理委員會、培訓工作組織委員會和培訓工作小組構成的三級培訓管理體系，設立培訓中心，建立以工程師、技師、高級技師為主導的全職及兼職教師隊伍，著實提高員工隊伍的整體素質。

本集團每年年初制定年度員工培訓計劃，各子公司按照培訓計劃進行培訓活動。本集團採用多樣的培訓模式，通過系統培訓、專家講座、網路教學等形式為各級幹部提供管理知識培訓，採用理論與實踐相結合的方式進行專業技術培訓。此外，本集團採用集中培訓、在職培訓、現場教學、案例教學、每日一題、反事故演練、「師帶徒」、「一幫一」、微信平台等培訓形式，為員工創造培訓和發展的機會。



Environmental, Social and Governance Report

環境、社會及管治報告

2 SOCIAL (continued)

2.3 Development and training (continued)

In 2019, following the “Lean Management Year” activity, the Group formulated the “2019 Training Plan for Cadres and Employees”. It combined “Menu” training with “Targeted” training internally and externally, and implemented diversified trainings in lean management, skill quality improvement, injury prevention, etc. to reserve talents for the Group’s industrial upgrading.



In February 2019, training of a special topic on “Solutions and Analysis Tools for 5W2H”
於2019年2月，「5W2H問題解決分析工具」
專題培訓

2.4 Labour standards

The Group abided by the relevant laws and regulations such as the “Labour Law of the People’s Republic of China”, the “Labour Contract Law of the People’s Republic of China”, “Regulations on Prohibition of Recruitment of Child Labour”, which prohibited the recruitment of child labour and forced labour. The “Administration Regulations on Standardising Labour Employment System (Revised)” of Jinxi Limited stipulated that, newly recruited employees must be at least 18 years old, seasonal workers for common jobs must be at least 18 years old, and seasonal workers for technical jobs must be at least 22 years old.

During the reporting period, the Group employed no child labour or forced labour.

2 社會(續)

2.3 發展與培訓(續)

於2019年，本集團結合「精益管理年」活動，制定了《2019年幹部員工培訓工作計劃》，採取「菜單式」與「定向型」內外培訓相結合的方式，全力開展精益管理、技能素質改善、工傷預防等方面的培訓，為本集團的產業提升儲備人才。



In May 2019, senior executive training seminar with over 50 senior and middle-level cadres
於2019年5月，共50多名高中層幹部參加
高管培訓研討會

2.4 勞工準則

本集團依照《中華人民共和國勞動法》、《中華人民共和國勞動合同法》、《禁止使用童工規定》等相關的法律法規，杜絕聘用童工或強制勞工。津西鋼鐵的《關於規範勞動用工制度的管理規定(修訂)》規定，新錄用的員工必須年滿18歲，普通工種季節工必須年滿18歲，而技術工種季節工必須年滿22歲。

於本報告期內，本集團不存在使用童工或強制勞工的現象。

Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION

3.1 Suppler chain management

The Group cooperated with suppliers who strived for higher and higher quality, endeavoured environmental protection and stuck to business ethics, and also delivered the Group's ideas in environmental and social responsibilities to the suppliers. In compliance with laws and regulations such as the "Bidding and Tendering Law of the People's Republic of China" and the "Regulations on the Implementation of the Bidding Law of the People's Republic of China", and internal workflow documents such as "Regulations on Standardising Procurement Processes Standards" and "Regulations on Materials Management". The Group revised "Management Measures on Bidding and Tendering" in 2019 to strictly control internal procurement processes, enhanced its management abilities and improved its level of integrity continuously.

3 營運

3.1 供應鏈管理

本集團注重與精益求精、致力於環保、具商業道德的供應商合作，並向供應商傳遞本集團在環境及社會責任方面的理念。本集團遵守國家《中華人民共和國招標投標法》、《中華人民共和國招標投標法實施條例》等法律法規，制定了《關於對規範採購工作流程標準的規定》、《物資管理暫行規定》等內部流程文件，並於2019年修訂了《招標投標管理辦法》，嚴格控制內部採購流程，不斷提升其管理能力和改善其誠信水平。

Supplier Management System 供應商管理系統

Supplier Management Policy 供應商管理政策	Request suppliers to provide certificates of quality, environmental and safety systems upon reviewing admission conditions, conducting regular assessment and preparing electronic file records of suppliers. 於審查供應商的准入條件、對供應商進行定期評估及準備供應商的電子檔案時，要求供應商提供質量、環境及安全系統證書。
Administrative Measures for Procedures of Online Tender 網上招標程序的管理措施	Standardise online procurement and bidding activities in line with the principles of publicity, fairness, equality, integrity and honesty. 按照宣傳、公平、平等、誠信、誠實的原則，為網上採購及招標活動制訂標準。
Administrative Measures for Registration System of Suppliers on Blacklist 供應商黑名單登記系統的管理措施	Promote the establishment of supplier credit rating system and punish defaulting or dishonest suppliers. 推動建立供應商信貸評級系統，並懲處違約或不誠實的供應商。
Integrity Agreement 誠信協議	Sign contracts and integrity agreements with suppliers, which prohibit dishonest behavior of the suppliers in their transactions with the Group. 與供應商簽訂合同及誠信協議，有關協議禁止供應商在與本集團的交易中作出不誠實行為。



Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION (continued)

3.2 Product quality

Aiming to build the world's largest section steel production base as well as an international first-class enterprise, the Group made constant efforts in industrial structure transformation and upgrades, and product mix adjustment while continuously committing to technology innovation and high quality development, so as to meet the needs of markets and clients.

3 營運(續)

3.2 產品質量

本集團以打造世界最大型鋼生產基地和國際一流企業集團為目標，不斷推進產業結構轉型升級和產品結構調整，繼續堅持科技創新與高質量發展，滿足市場和客戶需求。



Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION (continued)

3.2 Product quality (continued)

In 2019, the Group won a series of honours and recognitions for the high-quality services, reliable products and leading innovation capabilities, including:

- ◆ AAAA Enterprises with Good Standardising Practice in Hebei Province
河北省標準化良好行為AAAA級企業
- ◆ 2019 National Quality, Service and Credibility Assured Enterprise
2019年全國品質、服務、信譽放心承諾單位
- ◆ A Grade Super Competitive Enterprise
A級競爭力特強企業
- ◆ The first batch of industrial model enterprises of “Variety Increase, Quality Improvement and Brand Creation” in Tangshan City
唐山市首批工業「三品」示範企業
- ◆ 2019 Customer Satisfaction Enterprise of Quality and Service in Iron and Steel Industry
2019年鋼鐵行業品質服務使用者滿意企業
- ◆ The Quality Inspection Centre certificated with the “National Laboratories”
質檢中心通過「國家實驗室」認可
- ◆ The Science & Technology Centre rated as “Technology Centre at Provincial Level”
科技中心被評為「省級技術中心」
- ◆ The title of 2019 Enterprise Standard Forerunner of Hebei Province based on the Enterprise Standard Q/HJGT 06-2018 “Hot-rolled Steel Sheet Pile”
憑Q/HJGT 06-2018《熱軋鋼板樁》企業標準獲2019年度河北省企業標準「領跑者」稱號
- ◆ The First Quality and Reputation Brand in China H-section Steel Market
中國H型鋼品質信譽第一品牌
- ◆ Customer Satisfied and Preferred Brand in China H-section Steel Market
中國H型鋼市場用戶滿意首選品牌
- ◆ Nationwide Customer Satisfied Product
全國用戶滿意產品

3 營運(續)

3.2 產品質量(續)

於2019年，本集團因高品質的服務、可靠的產品和領先的創新能力獲得了一系列榮譽和認可，包括：

Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION (continued)

3.2 Product quality (continued)

With years of efforts in implementation of high-quality development strategy and promotion of application of advanced measures for quality management, the Group managed to enhance employees' quality awareness, push technology breakthrough and on-site management, improve product quality and capability of value creation. The Group firmly complied with relevant laws and regulations such as the "Product Quality Law of the People's Republic of China". The Group's subsidiaries have set up quality management system meeting requirements of ISO 9001:2008 and measurement management system meeting requirements of ISO 10022:2003 respectively, which have obtained third-party certification. With multiple international certifications on its products including KS certification (South Korea) and KAN certification (Indonesia), the Group's product quality has been widely recognised internationally.

In 2019, Jinxi Limited actively followed the relevant requirements of ISO 9001 Quality Management System. It completed the review of certificate renewal for quality management system and the review of BSI Management Systems, and participated in and organised the annual supervision review of over 50 specifications of rebar products according to different national standards in South Korea, Japan, Singapore, Philippines, Indonesia and Thailand, etc..

The Group prepared quality manual, developed relating quality inspection system and control procedures such as the "Procedures for Monitoring and Measurement Control of Products", and according to a series of internal control standards on raw materials, semi-finished products and finished products, took multi measures for all processes to verify quality characteristic parameters of products for compliance with regulations, so as to ensure product quality in the entire production process. The Group required its employees to pay attention to the quality of work of the production process, and encouraged them to identify and address problems to realise continuous improvement of product quality. In accordance with management policy such as the "Regulations on Implementing Special Rewards for Continuous Quality Improvement of Steel Products", the Group awarded those cadres and employees who have contributed to improvement of product quality or elimination of potential quality hazards.

3 營運(續)

3.2 產品質量(續)

本集團多年來堅持實施高質量發展戰略及推廣應用先進質量管理方法，提高員工的質量意識，推動技術突破及現場管理，改進產品品質水平和創價能力。本集團嚴格遵守相關法律法規，包括《中華人民共和國產品質量法》等。本集團各附屬公司分別建立了符合ISO 9001：2008要求的質量管理體系，以及符合ISO 10022：2003要求的測量管理體系，並獲得了第三方認證；各項產品獲得了包括南韓KS認證和印度尼西亞KAN認證在內的多項國際產品認證，本集團的產品質量獲得國際普遍認可。

於2019年，津西鋼鐵積極落實ISO 9001質量管理體系相關要求，先後完成質量管理體系續證審核及英標質量管理體系審查，參與和組織南韓、日本、新加坡、菲律賓、印度尼西亞及泰國等多個國家標準50多個螺紋鋼產品規格的年度監督審查。

本集團編制了質量手冊，制定了《產品的監視和測量控制程序》等相關質量檢驗制度和控制程序，根據關於原材料、半製成產品和成品的一系列內控標準，在各工序上採取多種措施，驗證產品各類質量特性值是否符合規定，保證各個生產環節中的產品質量。本集團要求全員重視生產工序工作質量，鼓勵發現並解決問題，實現對產品質量的持續改進，並根據《關於實施鋼產品質量持續改進專項獎勵的規定》等管理制度，對改進產品質量或消除質量隱患做出貢獻的幹部及員工進行獎勵。

Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION (continued)

3 營運(續)

3.2 Product quality (continued)

3.2 產品質量(續)



Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION (continued)

3.2 Product quality (continued)

In 2019, Jinxi Limited revised “Management Measures on Objections about Product Quality” and the “Appraisal and Administration Regulations on Process Quality” and other policies. In line with the concept of “The requirement of the next process is the standard of the previous one” in the production process, it focused on process supervision and joint spot check. Through supervision and spot check, process verification and production inspection, etc., it completed detection and tracking more than 1,700 times for quality control points of each key process, improved 13 quality control methods including internal product inspection and process sampling, process sampling and laboratory analysis, etc..

3.3 Product innovation, and standards formulation and revision

Devoted to “building the world’s largest section steel production base”, the Group highly valued technological innovation. The Group continued to enhance Research and Development team building and increased expenses to improve our capabilities for innovation.

In 2019, the Group established the “New Product Development Control Procedures”, the “Management Measures of Scientific Research and Technological Breakthrough Projects”, the “Incentive System for New Product Development”, the “Incentive System for Research and Technology Breakthrough Projects” and other policies, to standardise the management of new product development process, continuously improve technological innovation capabilities, and enhance the core competitiveness. In 2019, the Group’s “850 hot-rolled strip AWC and automatic upgrade” and “Reduction in the scrap rate of steel sheet piling performance” won the Excellence Award and the Second Award of Metallurgical System in Hebei Province in 2019 respectively.

The Group also actively promoted green product innovation, and has strategic cooperation with a number of companies and institutions to jointly develop environmental friendly, green steel products with low production costs. In 2019, the Group’s hot-rolled H-section steel and hot-rolled steel sheet piling were awarded as “Recommended Energy Saving Products for Green Building”, with their excellent product quality, wide application fields, and energy-saving features, etc. in constructions.

3 營運(續)

3.2 產品質量(續)

於2019年，津西鋼鐵修訂了《產品質量異議管理辦法》與《工藝質量考核管理規定》及其他制度，在生產過程中遵照「下道工序的要求就是上道工序的標準」的理念，針對過程督查和聯合抽查，通過監察抽查、工藝核查和生產檢查等，完成對各關鍵工序質量控制點的檢測跟蹤超過1,700多次，優化內部產品檢查及過程取樣、進程制樣及化驗分析等13項質量控制的方法。

3.3 產品創新與標準制修

本集團致力於「打造世界最大的型鋼生產基地」，高度重視科技創新，本集團持續加大研發團隊建設及費用投入，不斷提升自主創新能力。

於2019年，本集團制定了《新產品開發控制程序》、《科研與技術攻關專案管理辦法》、《新產品開發獎勵制度》、《科研與技術攻關專案的激勵辦法》及其他制度，規範新產品開發過程的管理，持續完善技術創新能力，增強核心競爭力。於2019年，本集團的「850熱軋帶鋼AWC及自動化升級」和「降低鋼板樁性能廢品率」分別榮獲2019年河北省冶金系統優秀成果優秀獎和二等獎。

本集團亦積極推動綠色產品創新，與多家公司和機構進行戰略合作，共同研發生產低成本且環保的綠色鋼產品。於2019年，憑藉在建設中產品質量優良、應用領域廣泛、具有綠色節能等特性，使本集團的熱軋H型鋼、熱軋鋼板樁榮膺「綠色建築節能推薦產品」。

Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION (continued)

3 營運(續)

3.3 Product innovation, and standards formulation and revision (continued)

3.3 產品創新與標準制修(續)



The Group highly valued the standardisation of work, regarded standards as a key to improve enterprise's core competitiveness, spared no effort in taking forward the standard research and development of section steel and actively participated in the formulation and revision of national (industrial) and local standards. As of 2019, the Group has participated and led in drafting more than 80 national (industrial) and local standards, by which the Group's products were supported by relevant technical standards.

本集團高度重視標準化工作，視標準為提升企業核心競爭力的關鍵，全力推進型鋼標準研發，積極參與國家(行業)及地方標準規劃及修訂。截至2019年，本集團累計參與並部分主導國家(行業)標準及地方標準修訂80多項，使本集團的產品具有相關的技術標準作為支持。



Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION (continued)

3.4 Customer relationship

The Group has established management policies such as the “Administrative Measures for Monitoring Customer Satisfaction of Sales Company”, the “Administrative Measures for Customer Relationship of Sales Company” and the “Administrative Measures for Handling Objections about Product Quality”, to regulate customer relationship management, handling of disputes of product quality and monitoring of customer satisfaction, so as to improve service quality, and promote brand reputation and customer loyalty.

In order to constantly optimise customer experience, the Group deepened “All-day customer experience detection mechanism”. It upgrades the original “Five in One” customer service system to comprehensively collect customers’ needs by using big data which could cover all critical control points of customer services, investigate customer needs and upgrade service level. The Group clarified marketing and service directions through comprehensive evaluation, provided customers with personalised and closed-loop products and services in pre-sale, mid-sale, and post-sale.

In strict compliance with the “Law of the People’s Republic of China on the Protection of Consumer Rights and Interests”, the Group highly emphasised on protection of consumers’ information and privacy, guaranteeing the private information of customers confidential.

3.5 Advertising and trademark management

In compliance with the “Trademark Law of the People’s Republic of China” and its detailed ordinance, the Group established standardised trademark management system and designated the office as the responsible department for trademark management to effectively manage trademarks, to ensure proper use of trademarks and protect exclusive rights of trademark.

The Group strictly complied with relevant laws and regulations, such as “Advertising Law of the People’s Republic of China” and the “Price Law of the People’s Republic of China” as well as the regulations on prohibited use of extreme words and sensitive words, and formulated the “Administration Regulations on Advertising Management System Design”. All the released advertisements were complied with the requirements of the relevant laws and regulations, and internal system.

3 營運 (續)

3.4 客戶關係

本集團通過《銷售公司顧客滿意程度監測管理辦法》、《銷售公司客戶關係管理辦法》、《關於處理產品質量異議的管理辦法》等管理制度，規範了客戶關係管理、處理產品質量糾紛及監控顧客滿意度，從而改善服務質量，提升品牌的知名度和客戶忠誠度。

為持續優化客戶體驗，本集團深化「全天候客戶體驗檢測機制」，將原有「五位元一體」客戶服務體系升級，透過大數據的方式去全面收集客戶需求，全面覆蓋客戶服務過程各關鍵控制點，全面調研客戶需求以及提升服務水平；本集團並通過綜合評價明確市場行銷及服務方向，為客戶提供售前、售中、售後的個性化、閉環式產品和服務。

本集團高度重視客戶資料和隱私保障，嚴格遵守《中華人民共和國消費者權益保護法》，保證客戶隱私信息不外泄。

3.5 廣告和商標管理

本集團按照《中華人民共和國商標法》及其實施條例，建立了規範的商標管理制度，並以辦公室作為商標管理的主管部門，有效管理商標，確保商標的正確使用，保護商標專用權。

本集團嚴格遵守《中華人民共和國廣告法》、《中華人民共和國價格法》等相關的法律法規及其對極限詞、敏感度的禁用規定，制定《廣告管理制度設計的管理規定》，發佈的廣告均遵守相關法律法規和內部制度的相關要求。

Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION (continued)

3.6 Anti-corruption

While strictly following the laws and regulations, such as the “Company Law of the People’s Republic of China”, the “Bidding and Tendering Law of the People’s Republic of China”, the “Law of the People’s Republic of China against Unfair Competition” and the “Interim Provisions on Banning Commercial Bribery”, etc., the Group set up a supervision committee and built a three-level supervision and monitoring network. The Group improved the “Certain Regulation on Honest and Clean Conduct of Senior Executives”, the “Suggestions on Implementing Integrity Assessment of Middle-level Cadres (Including Assistant)” and the “Regulations on Punishment of Cadres and Employees Violating Rules and Disciplines” as well as supporting supervision system covering one post with dual duties, inspection tour, admonishment meeting and accountability and provided sound and smooth reporting channels. The Group strengthened anti-corruption and self-discipline education and training of cadres and employees. In addition, through regular and ad hoc inspections, business approval at all levels and publicity of anti-corruption, the Group enhanced punishment of internal violations of rules and disciplines, and created an upright and clean corporate development environment.

In 2019, the Group revised the “Administrative Measures on Further Improvement of Accountability Work” to strengthen the oversight of employee selection, elimination and training. It organised the evaluation of integrity and self-discipline for senior executives and middle-level cadres and above every six months. In August, the Audit & Supervision Department launched a special investigation into the procurement and consumption of resistant materials to further standardise the management.

On 17 May 2019, the Group invited prosecutors of Qianxi Procuratorate to provide trainings to all employees of audit and supervision system, cadres at all levels of the Group, and business personnel at some key positions on the common types of duty crimes committed by private enterprise employees and prevention laws, and strengthened the legal threshold awareness of employees.

於2019年5月17日，本集團邀請遷西縣檢察院檢察官，為審計監察全體人員、集團各級幹部、部分關鍵崗位業務人員提供私營企業員工常見職務犯罪類型及預防法律的培訓，增強員工的法律「紅線」思維。



3 營運(續)

3.6 反貪污

本集團嚴格遵守《中華人民共和國公司法》、《中華人民共和國招標投標法》、《中華人民共和國反不正當競爭法》和《關於禁止商業賄賂行為的暫行規定》等法律法規，成立監事委員會，組建三級監事監察網路。本集團完善了《關於高管人員廉潔從業的若干規定》、《關於對中層幹部(含助理級)廉潔考核的實施意見》、《關於違規違紀幹部員工的處分規定》以及支持廉潔一崗雙責、巡視、約談、問責等配套監察制度，提供健全暢通舉報管道。本集團強化幹部及員工廉潔自律教育和培訓。此外，通過定期及不定期檢查、業務層層審批、反腐倡廉宣導，本集團加大對違法違規內部人員的懲戒力度，及營造風清氣正的企業發展環境。

於2019年，本集團修訂了《關於進一步加強問責工作的管理辦法》，強化對員工選拔、淘汰和培訓的監督，組織高級行政人員及中層幹部及以上員工每半年進行一次廉潔自律考評。於8月，審計監察部進行了對耐用原材料採購及消耗使用情況的特定調查，以進一步規範管理。

Environmental, Social and Governance Report

環境、社會及管治報告

3 OPERATION (continued)

3.7 Community investment

The Group has been actively engaged in social welfare and charity by caring vulnerable groups, advocating a healthy lifestyle and sponsoring recreational and sports activities, contributing to the well-being of society. The Group formulated the “System for Public Benefit Activities”, carried out social welfare activities in an orderly manner, and managed the public benefit foundation set up by it. In 2019, the Group donated RMB0.2 million to Beijing Excellent Entrepreneurs Growth Research Foundation.

3 營運(續)

3.7 社區投資

本集團積極投身社會公益和慈善事業，關愛弱勢群體，宣導健康生活，贊助文體活動，力求為社會帶來福祉。本集團制定了《公益活動制度》，有序開展社會公益活動，並對其設立的公益基金進行管理。於2019年，本集團向「北京卓越企業家成長研究基金會」捐贈人民幣20萬元。



Environmental clean-up volunteer activities of “Jinxi in Action of Creating a Civilised City”
「創建文明城 津西在行動」環境清理志願服務活動



“Revitalise Education and Benefit Hometown”
Teachers’ Day visits
「振興教育 造福桑梓」教師節拜訪活動



Fight together! On January 28, 2020, the Group donated RMB10 million, through Red Cross, to the command centre for prevention and control of novel coronavirus disease in Qianxi County, Tangshan City, Hebei Province for the prevention and control of epidemic. Entrusted by Mr. Han Jingyuan, chairman of the Board, Mr. Han Li, executive director and CFO of the Company and chairman of Jinxi Limited, delivered a speech. Mr. Yu Lifeng, secretary of the party committee and general manager of Jinxi Limited, donated a cheque to Mr. Wang Jinshan, deputy party secretary and county chief of Qianxi County.

風雨同心！於2020年1月28日，本集團通過紅十字會，向河北省唐山市遷西縣新型冠狀病毒疾病疫情防控工作指揮部定向捐款人民幣1,000萬元，用於疫情防控工作。受董事局主席韓敬遠先生委託，由本公司執行董事兼首席財務官、津西鋼鐵董事長韓力先生致辭，津西鋼鐵黨委書記、總經理于利峰先生向遷西縣黨委副書記、縣長王錦山先生捐贈支票。

Directors' Report

董事局報告

The Board presents their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

INCORPORATION AND LISTING OF THE COMPANY

The Company was incorporated in Bermuda as an exempted company with limited liability on 3 November 2003 under the Companies Act 1981 of Bermuda and the shares of the Company (the "Shares") were listed on the Main Board of the Stock Exchange on 2 March 2004.

PRINCIPAL ACTIVITIES

For the year ended 31 December 2019, the Company's principal activities are investment holding and trading of steel products and iron ore. The principal activities of the Group are manufacture and sales of iron and steel products, trading of steel products and iron ore and real estate business.

SEGMENT INFORMATION

Approximately 90% of the Group's consolidated sales and contribution to results are derived from the PRC and mainly from the production and sales of iron and steel products and real estate business for the year ended 31 December 2019 and are set out in Note 5 to the consolidated financial statements.

RESULTS AND DIVIDENDS

The Group's consolidated statement of profit or loss for the year ended 31 December 2019 and its consolidated balance sheet as at that date are set out in the financial statements on pages 169 to 172. The balance sheet of the Company as at 31 December 2019 is set out in Note 46 to the consolidated the financial statements.

At a Board meeting held on 31 March 2020, The Board proposed a final dividend of HK\$335.0 million (approximately RMB306.1 million), representing HK\$0.09 per ordinary share in respect of the year ended 31 December 2019 to the shareholders of the Company whose names appear on the register of members of the Company at the close of business on Friday, 19 June 2020. The final dividend, payable on or around Wednesday, 15 July 2020 is subject to approval of the shareholders of the Company at the forthcoming AGM to be held on Friday, 5 June 2020.

董事局謹此提呈其年報及本集團截至2019年12月31日止年度的經審核合併財務報表。

本公司之註冊成立和上市

本公司於2003年11月3日根據百慕達1981年公司法在百慕達註冊成立為獲豁免有限責任公司。於2004年3月2日，本公司的股份（「股份」）在聯交所主板上市。

主要業務

截至2019年12月31日止年度，本公司的主要業務為投資控股及鋼鐵產品及鐵礦石貿易。本集團的主要業務為製造及銷售鋼鐵產品、鋼鐵產品及鐵礦石貿易以及房地產業務。

分部資料

截至2019年12月31日止年度，本集團的合併銷售額及業績貢獻有約90%源自中國，且主要來自製造及銷售鋼鐵產品及房地產業務，並載於合併財務報表附註5。

業績及股息

本集團截至2019年12月31日止年度的合併損益表及其於該日的合併資產負債表載於第169至第172頁的財務報表。本公司於2019年12月31日的資產負債表載於合併財務報表的附註46。

於2020年3月31日舉行的董事局會議上，就有關截至2019年12月31日止年度，董事局建議向在2020年6月19日（星期五）辦公時間結束時名列於本公司股東名冊上之本公司股東派發末期股息3.35億港元（約人民幣3.061億元）（即每股普通股0.09港元）。末期股息須待將於2020年6月5日（星期五）舉行應屆的本公司之股東週年大會上獲股東批准後方可作實，並將於2020年7月15日（星期三）或前後支付。

Directors' Report

董事局報告

DIVIDEND POLICY

The Company has approved and adopted a dividend policy (the “**Dividend Policy**”), pursuant to which the Company may declare and distribute dividends to the shareholders of the Company (the “**Shareholder(s)**”) to allow Shareholders to share the Company’s profits and for the Company to retain adequate reserves for future development.

The declaration, distribution and amount of dividend is subject to the absolute discretion of the Board, after taking into account, inter alia, the Group’s operations, business and future development plans, liquidity position, earnings, capital requirement, financial results, losses and distributable reserves, debt ratios, contractual restrictions and other factors that the Board deem relevant. The distribution of final dividend of a financial year will be subject to the approval of the Shareholders, but the amount of dividend shall not exceed the recommendation of the Board.

Subject to the aforesaid factors, the Board plan to maintain distributing not less than 20% of the distributable profit of the relevant financial year of the Group as dividend.

Declaration, recommendation or distribution of any dividend is subject to all relevant applicable laws and regulations of Bermuda and the memorandum and Articles of Association of the Company. The Board will continually review the Dividend Policy and reserve the right in its sole and absolute discretion to update, amend and/or modify the Dividend Policy at any time. The Dividend Policy shall in no way constitute a legally binding commitment by the Company that dividends will be paid in any particular amount and/or in no way obligate the Company to declare a dividend at any time or from time to time.

股息政策

本公司已批准及採納股息政策（「**股息政策**」），據此，本公司可向本公司股東（「**股東（們）**」）宣派及派付股息，使股東們能分享本公司之溢利，同時使本公司能為未來發展保留充足儲備。

股息的宣派、派付及金額由本公司的董事局全權酌情釐定，並須考慮本集團之營運、業務和未來的發展計劃、流動資金狀況、盈利、資本需求、財務業績、虧損及可分派儲備、債務比率、合約限制及董事局認為相關的其他因素。各財政年度之末期股息的派付均應獲得股東們的批准，惟派息金額不得超過董事局的建議。

受上文所述的因素所規限，董事局計劃維持分派不少於本集團於相關財政年度可分派溢利的20%作為股息。

宣派、建議或派付任何股息亦須遵守百慕達所有相關適用之法律和規則及本公司之組織章程細則。董事局將持續檢討股息政策，並保留其唯一及絕對酌情權利隨時更新、修訂及／或修改股息政策。股息政策絕不會構成本公司須派付任何特定金額的股息之具法律約束力承諾，並／或令本公司有義務須隨時或不時宣派股息。

Directors' Report

董事局報告

BUSINESS REVIEW

A review of the business of the Group during the year, an analysis of the Group's performance during the year using financial key performance indicators, a discussion on the Group's future business development and description of possible risks and uncertainties that the Group may be facing are provided in the Chairman's Statement and Management Discussion and Analysis on pages 8 to 12 and pages 13 to 72 of this annual report respectively. The financial risk management objectives and policies of the Group can be found in Note 3 to the consolidated financial statements. In addition, discussions on the Group's environment, society and governance, relationship with employees, customers and suppliers and compliance with laws and regulations which have a significant impact on the Group are contained on pages 158 to 159 of the Directors' Report of this annual report.

CLOSURE OF REGISTER OF MEMBERS

(a) For determining the entitlement to attend and vote at the forthcoming AGM

The register of members of the Company will be closed from Tuesday, 2 June 2020 to Friday, 5 June 2020 (both days inclusive), during which period no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement to attend and vote at the forthcoming AGM. In order to be eligible to attend and vote at the forthcoming AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Monday, 1 June 2020.

業務審視

有關本集團年內業務的審視、以財務關鍵表現指標分析本集團年內的表現、對集團未來業務發展的論述及有關本集團可能面對的風險及不明朗因素的描述均載於本年報第8頁至第12頁的主席報告及第13頁至第72頁的管理層討論及分析。本集團財務風險管理的目標及政策刊載於合併財務報表附註3。此外，本集團的環境、社會及管治、與僱員、客戶及供應商之關係及對本集團有重大影響的法律及規例之遵守，刊載於本年報第158頁至第159頁的董事局報告中。

暫停辦理股份過戶登記

(a) 釐定有權出席應屆股東週年大會及投票

本公司將由2020年6月2日(星期二)至2020年6月5日(星期五)止期間(首尾兩天包括在內)暫停辦理股份過戶登記手續，以釐定有權出席應屆股東週年大會及於會上投票之股東身份。為確保符合資格出席應屆的股東週年大會並於會上投票，所有股份過戶文件連同有關股票須於2020年6月1日(星期一)下午4時30分前，送達本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)辦理股份過戶登記手續。

Directors' Report

董事局報告

CLOSURE OF REGISTER OF MEMBERS *(continued)*

(b) For determining the entitlement to the final dividend

The register of members of the Company will be closed from Wednesday, 17 June 2020 to Friday, 19 June 2020 (both days inclusive), during which period no transfer of shares of the Company may be registered, for the purposes of ascertaining shareholders' entitlement for the proposed final dividend. The record date for the proposed final dividend shall be Friday, 19 June 2020. In order to qualify for the proposed final dividend, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 16 June 2020.

SUMMARY OF FINANCIAL INFORMATION

A summary of the consolidated financial results and assets, liabilities and non-controlling interests of the Group for the last five financial years, is set out on page 328.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

Details of movements in the property, plant and equipment and investment properties of the Group and the Company during the year are set out in Notes 7 and 9 to the consolidated financial statements respectively.

SHARE CAPITAL

Details of the movements in the Company's issued share capital during the year are set out in Note 25 to the consolidated financial statements.

RESERVES

Details of the movements in the reserves of the Group during the year are set out in Consolidated Statement of Changes in Equity and Note 26 to the consolidated financial statements.

暫停辦理股份過戶登記(續)

(b) 釐定有權享有末期股息

本公司將由2020年6月17日(星期三)至2020年6月19日(星期五)止期間(首尾兩天包括在內)暫停辦理股份過戶登記手續,以釐定有權享有建議的末期股息之股東身份。享有建議的末期股息之記錄日期為2020年6月19日(星期五)。為確保有權收取建議的末期股息,所有股份過戶文件連同有關股票須於2020年6月16日(星期二)下午4時30分前,送達本公司的香港股份過戶登記分處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心54樓)辦理股份過戶登記手續。

財務資料概要

本集團截至前五個財政年度的合併財務業績及資產、負債與非控制性權益概要載於第328頁。

物業、廠房及設備以及投資物業

本集團及本公司於年內的物業、廠房及設備以及投資物業的變動詳情分別載於合併財務報表附註7及9。

股本

本公司已發行股本於年內的變動詳情載於合併財務報表附註25。

儲備

本集團於年內的儲備變動詳情載於合併權益變動表及合併財務報表附註26。

Directors' Report

董事局報告

DISTRIBUTABLE RESERVES

At 31 December 2019, the Company's retained earnings amounted to RMB469 million (2018: RMB224 million) and the Company has total distributable reserves amounted to RMB458 million (2018: RMB220 million). The Company will utilise the subsidiaries' retained earnings to distribute the proposed final dividend (subject to the approval of the shareholders at the forthcoming AGM).

At 31 December 2019, the Group's retained earnings amounted to RMB13,978 million (2018: RMB12,021 million).

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws or the Companies Act 1981 of Bermuda, which would oblige the Company to offer new Shares on a pro rata basis to existing shareholders of the Company.

MAJOR CUSTOMERS AND SUPPLIERS

The sales attributable to the five largest customers of the Group accounted for less than 30% of the Group's consolidated total revenue for the year.

The purchases attributable to the five largest suppliers of the Group accounted for less than 30% of the Group's consolidated total purchases for the year.

None of the Directors nor any of their close associates (as defined in the Listing Rules) nor any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the number of issued Shares) had any beneficial interest in the Group's five largest customers and/or five largest suppliers during the year.

可分派儲備

於2019年12月31日，本公司的留存收益為人民幣4.69億元(2018年：人民幣2.24億元)及本公司可分派儲備總額為人民幣4.58億元(2018年：人民幣2.20億元)。本公司將利用附屬公司之留存收益以分派建議的末期股息(需待應屆股東週年大會上獲股東批准後方可作實)。

於2019年12月31日，本集團的留存收益為人民幣139.78億元(2018年：人民幣120.21億元)。

優先認購權

章程細則或百慕達1981年公司法均無有關優先購買權的規定，致使本公司須向本公司現有股東按比例發售新股份。

主要客戶及供應商

本集團年內五大客戶所佔銷售額佔本集團的本年度合併總銷售額少於30%。

本集團年內五大供應商所佔採購額佔本集團的本年度合併採購總額少於30%。

年內，董事或彼等的任何緊密聯繫人(如上市規則所列)或任何股東(就董事所深知擁有已發行股份數目5%以上)概無於本集團五大客戶及/或五大供應商中擁有任何實益權益。

Directors' Report

董事局報告

DIRECTORS

The Directors during the year ended 31 December 2019 and up to the date of this report were as follows:

Executive Directors

Mr. Han Jingyuan
Mr. Zhu Jun
Mr. Shen Xiaoling
Mr. Zhu Hao
Mr. Han Li
Mr. Sanjay Sharma
(appointed on 30 September 2019)

Non-executive Director

Mr. Ondra Otradovec

Independent Non-executive Directors

Mr. Wong Man Chung, Francis
Mr. Wang Tianyi
Mr. Wang Bing
Dr. Tse Cho Che, Edward
(appointed on 7 November 2019)

In accordance to article 87 of the Bye-laws and the code provision A.4.2 of the CG Code, Mr. Shen Xiaoling, Mr. Wong Man Chung, Francis and Mr. Wang Bing will retire from office by rotation and, being eligible, will offer themselves for re-election at the forthcoming AGM.

In accordance to article 86(2) of the Bye-laws, Mr. Sanjay Sharma and Dr. Tse Cho Che, Edward being eligible, will offer themselves for re-election at the forthcoming annual general meeting.

The respective existing Directors' fees of Mr. Shen Xiaoling, Mr. Sanjay Sharma, Mr. Wang Bing and Dr. Tse Cho Che, Edward for service contracts are HK\$400,000 each per annum and the existing Director's fee of Mr. Wong Man Chung, Francis for service contract is HK\$800,000 per annum. The basis of determining the Directors' fee was based on the mutual negotiation between level of the Directors with reference to the range of prevailing directors' fee for directors of listed companies in Hong Kong. Other than Mr. Shen Xiaoling is the director and minority shareholder of Wellbeing Holdings Limited, the controlling shareholder of the Company, and Mr. Sanjay Sharma is the vice president of ArcelorMittal (a substantial shareholder of the Company) and serves ArcelorMittal as chief executive officer for China and India, Mr. Wong Man Chung, Francis, Mr. Wang Bing and Dr. Tse Cho Che, Edward do not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

董事

於截至2019年12月31日止年度內及直至本報告日期止的董事如下：

執行董事

韓敬遠先生
朱軍先生
沈曉玲先生
朱浩先生
韓力先生
Sanjay Sharma先生
(於2019年9月30日獲委任)

非執行董事

Ondra Otradovec先生

獨立非執行董事

黃文宗先生
王天義先生
王冰先生
謝祖堉博士
(於2019年11月7日獲委任)

根據章程細則第87條及企業管治守則第A.4.2條守則條文，沈曉玲先生、黃文宗先生及王冰先生將於應屆股東週年大會上輪席退任，彼等並符合資格和願意於應屆股東週年大會上重選。

根據章程細則第86(2)條，Sanjay Sharma先生及謝祖堉博士符合資格和願意於應屆股東週年大會上重選。

沈曉玲先生、Sanjay Sharma先生、王冰先生及謝祖堉博士各自的現有服務合約的董事袍金為每年40萬港元及黃文宗先生的現有服務合約的董事袍金為每年80萬港元。董事袍金的基準乃按與各董事共同磋商並且參考香港上市公司董事目前之董事袍金水平而釐定。除了沈曉玲先生為本公司控股股東Wellbeing Holdings Limited的董事及少數股東，以及Sanjay Sharma先生為ArcelorMittal(本公司的主要股東)的副總裁及ArcelorMittal中國及印度區的首席執行官外，黃文宗先生、王冰先生及謝祖堉博士概無與本公司其他董事、高級管理人員、主要股東或控股股東有任何關係。

Directors' Report

董事局報告

The Company has received, from each of the Independent Non-executive Directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the Independent Non-executive Directors are independent.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in this annual report, no Director had a material interest in any 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' AND SENIOR MANAGEMENT'S BIOGRAPHICAL INFORMATION

Biographical details of the Directors and senior management of the Company are set out on pages 73 to 79 in this annual report.

DIRECTORS' SERVICE CONTRACTS

The Executive Directors have service contracts with the Company for a fixed term of three years. The Non-executive Director has service contract with the Company for a fixed term of two years. The Independent Non-executive Directors have service contracts with the Company for a fixed term of one year. All the service contracts with the Executive Directors and the Non-executive Director may be terminated by either party giving not less than three months' notice in writing.

Apart from the Director service contracts, Mr. Han Jingyuan, Mr. Zhu Jun, Mr. Shen Xiaoling and Mr. Han Li also have other service contracts with the Company and its subsidiaries. The emoluments specified in other service contracts with them are determined by the remuneration committee of the Company with reference to their respective qualification and experience, responsibilities to be undertaken, and the prevailing market level of remuneration of similar position.

Save as disclosed above, no Director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

根據上市規則第3.13條，本公司已接獲每位獨立非執行董事的年度確認函確認其獨立性。本公司認為所有獨立非執行董事均為獨立。

董事的合約權益

除本年報所披露外，董事於年內概無與本公司或其任何附屬公司訂立而對本集團業務屬重大的任何合約中擁有重大權益。

董事及高級管理人員的履歷

本公司董事及高級管理人員的履歷詳情載於本年報第73至79頁。

董事的服務合約

執行董事與本公司訂立的服務合約的固定任期為期三年。非執行董事與本公司訂立的服務合約的固定任期為期兩年。獨立非執行董事與本公司訂立之服務合約均有固定任期為期一年。與執行董事及非執行董事訂立的所有服務合約均可由任何一方發出不少於三個月的書面通知予以終止。

除董事服務合約外，韓敬遠先生、朱軍先生、沈曉玲先生及韓力先生亦與本公司及其附屬公司訂立其他服務合約。在與彼等訂立的其他服務合約中訂明的薪酬乃由本公司薪酬委員會經參考彼等各自的資格及經驗、即將承擔的責任以及類似職位薪酬的現行市場水平而釐定。

除上文所披露外，概無董事與本公司訂立於一年內不可免付賠償(法定賠償除外)而終止的服務合約。

Directors' Report

董事局報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Pursuant to Rule 8.10 of the Listing Rules, the interests of Directors in businesses which might compete with the Group for the year ended 31 December 2019 and as at 31 December 2019 were as follows:

Mr. Han Jingyuan, Chairman and Chief Executive Officer of the Company, is a sole director and sole beneficial shareholder of King Mark International Limited (“**King Mark**”) from 1 January 2019 to 31 December 2019 and Avatar Integrated Systems, Inc. (“**Avatar**”) from 1 January 2019 to 17 June 2019 (Avatar is a wholly owned subsidiary of King Mark). Avatar engaged in provision of physical design software tools for the semiconductor chip design industry in United States, Japan and Taiwan. It is an upstream business of Dongfang Jingyuan Electron Limited, the Group's subsidiary. The shares of Avatar was voluntary cancelled by King Mark on 18 June 2019 and there are no more business is likely to compete with the Group in King Mark.

As the Board is independent of the boards of the abovementioned entities and none of the above directors of the abovementioned entities can control the Board, the Group is therefore capable of carrying on its businesses independently of, and at arm's length from the businesses of these entities.

Save as disclosed above, none of the Directors is interested in any business apart from the Group's business, which competes or is likely to compete, either directly or indirectly, with the Group's business.

PERMITTED INDEMNITY

Pursuant to the Bye-laws, subject to the Companies Act 1981 of Bermuda, every Director shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in the execution of his/her office or otherwise in relation thereto. The Company has taken out insurance against the liability and costs associated with defending any proceedings which may be brought against directors of the Group.

董事於競爭業務上之權益

根據上市規則第8.10條，董事於截至2019年12月31日止年度及於2019年12月31日當天擁有與集團之業務可能構成競爭之業務權益如下：

本公司董事局主席及首席執行官韓敬遠先生於2019年1月1日至2019年12月31日為萬至國際有限公司(「萬至」)及於2019年1月1日至2019年6月17日為Avatar Integrated Systems, Inc.(「Avatar」)之唯一董事及唯一實益股東(Avatar為萬至的全資附屬公司)。Avatar於美國、日本及台灣從事為半導體晶片設計行業提供物理設計軟件工具，為本集團之附屬公司東方晶源微電子科技(北京)有限公司之上游業務。於2019年6月18日，Avatar的股份已被萬至自願註銷及萬至已無可能與本集團構成競爭的業務。

由於董事局乃獨立於上述實體的董事局，且上述董事概無對董事局擁有控制權，故本集團能獨立於該等實體的業務及按公平基準經營其業務。

除上述披露外，除本集團業務以外，並無任何董事在與本集團直接或間接構成或可能構成競爭的業務中持有任何權益。

獲准許之彌償條文

根據章程細則，在百慕達1981年公司法的條文規限下，每名董事應有權獲得保障，從本公司於其資產中補償因執行職務或與此有關的其他方面可能蒙受或招致之所有成本、費用、開支、損失及責任。本公司已就本集團之董事可能面對任何訴訟時產生的責任及相關的費用購買保險。

Directors' Report

董事局報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES

As at 31 December 2019, the interest and short positions of the Directors, chief executives and their associates of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules and adopted by the Company were as follows:

Interest in the Shares and underlying Shares of the Company:

董事於證券的權益及淡倉

於2019年12月31日，各董事、本公司主要行政人員及其聯繫人於本公司或其任何相聯法團（定義見證券及期貨條例「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XV部的第7及第8分部須知會本公司及聯交所（包括根據證券及期貨條例彼等被當作或視為擁有之權益或淡倉）；或(ii)根據證券及期貨條例第352條須列入該條所指登記冊內；或(iii)根據本公司已採納的上市規則附錄十所載的標準守則知會本公司及聯交所的權益及淡倉載列如下：

於本公司股份和相關股份的權益：

	Interests in Shares		Interests in underlying Shares pursuant to share options	Percentage of the Company's issued share capital	Long/Short position
	Corporate Interest	Personal Interest			
	公司權益	個人權益	根據購股權在相關股份的權益	佔本公司已發行股本的百分比	好/淡倉
Mr. Han Jingyuan (Note 1) 韓敬遠先生(備註1)	1,352,488,849	-	-	36.33	Long(好)
Mr. Zhu Jun 朱軍先生	-	10,200,000	-	0.27%	Long(好)
Mr. Shen Xiaoling 沈曉玲先生	-	10,200,000	-	0.27%	Long(好)
Mr. Zhu Hao 朱浩先生	-	-	-	-	-
Mr. Han Li 韓力先生	-	5,400,000	-	0.15%	Long(好)
Mr. Sanjay Sharma Sanjay Sharma先生	-	-	-	-	-

Directors' Report

董事局報告

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SECURITIES (continued)

Interest in the Shares and underlying Shares of the Company: (continued)

董事於證券的權益及淡倉 (續)

於本公司股份和相關股份的權益：(續)

	Interests in Shares 股份權益		Interests in underlying Shares pursuant to share options 根據購股權 在相關股份 的權益	Percentage of the Company's issued share capital 佔本公司 已發行股本 的百分比	Long/Short position 好/淡倉
	Corporate Interest 公司權益	Personal Interest 個人權益			
Mr. Ondra Otradovec Ondra Otradovec 先生	-	-	-	-	-
Mr. Wong Man Chung, Francis 黃文宗先生	-	-	-	-	-
Mr. Wang Tianyi 王天義先生	-	-	-	-	-
Mr. Wang Bing 王冰先生	-	-	-	-	-
Dr. Tse Cho Che, Edward 謝祖堉博士	-	-	-	-	-

Note:

- At 31 December 2019, Mr. Han Jingyuan ("Mr. Han") beneficially owned 63.15% of the issued share capital of Wellbeing Holdings Limited ("Wellbeing Holdings") and held 16.09% of the issued share capital of Wellbeing Holdings on trust for the benefit of certain employees of the subsidiary of the Company. Wellbeing Holdings beneficially owned 1,265,535,124 Shares, representing approximately 34.00% of the issued share capital of the Company. Mr. Han also beneficially owned 100% of the issued share capital of Chingford Holdings Limited which beneficially owned 86,953,725 Shares, representing approximately 2.34% of the issued share capital of the Company.

Save as disclosed above and in the section of "Equity-settled Share Option Scheme" below, at 31 December 2019, none of the Directors, chief executives and their associates of the Company had any interest and short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of SFO) as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

備註：

- 於2019年12月31日，韓敬遠先生(「韓先生」)實益擁有Wellbeing Holdings Limited (「Wellbeing Holdings」)已發行股本63.15%的權益，並以信託方式就本公司附屬公司若干僱員的利益持有Wellbeing Holdings已發行股本的16.09%權益。Wellbeing Holdings實益擁有1,265,535,124股股份，約佔本公司已發行股本的34.00%權益。韓先生亦實益擁有Chingford Holdings Limited的全部已發行股本，彼實益擁有86,953,725股股份，約佔本公司已發行股本的2.34%。

除上文和下述的「以股權結算的購股權計劃」一節所披露外，於2019年12月31日，概無董事、本公司主要行政人員及其聯繫人於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債券中擁有需根據證券及期貨條例第352條所存置的股東名冊所記錄，或根據標準守則須知會本公司及聯交所的任何權益及淡倉。

Directors' Report

董事局報告

EQUITY-SETTLED SHARE OPTION SCHEME

The Company adopted three share option schemes approved by the Shareholders at the annual general meeting held on 17 May 2006 (“**2006 Share Option Scheme**”), approved by the Shareholders at the special general meeting held on 20 December 2010 (“**2010 Share Option Scheme**”) and approved by the Shareholders at the special general meeting held on 15 May 2013 (“**2013 Share Option Scheme**”) respectively (collectively referred to as “**Share Option Schemes**”) for the purpose of providing incentives and rewards to eligible participants who are regarded as valuable human resources of the Group or who have contributed to the growth and success of the Group with their performance and other factors (e.g. their years of service with the Company and/or work experience and/or knowledge in the industry, etc.) to contribute further to the Company. The 2006 Share Option Scheme was expired on 16 May 2016.

The Share Option Schemes do not specify any minimum holding period and/or performance targets as a condition for the exercise of an option but subject to the rules of the Share Option Schemes. The Board is empowered with the authority to determine granting of an option on a case by case basis taking into account of the relevant factors as the Board in its sole discretion considers appropriate.

The maximum number of Shares issuable under the Share Option Schemes to each eligible participant within any 12-month period is limited to 1% of the Shares in issue at any time. Any further grant of share options in excess of this limit is subject to Shareholders' approval in a general meeting.

Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Schemes shall be valid and effective for a period of ten years from their respective dates of adoption.

The subscription price shall be such price determined by the Board at its absolute discretion and shall be no less than the highest of: (a) the closing price of Shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (b) the average closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a Share on the date of grant.

以股權結算的購股權計劃

本公司已採納的三個購股權計劃分別為於2006年5月17日舉行的股東週年大會上由股東批准的購股權計劃(「**2006年購股權計劃**」)、在2010年12月20日舉行的股東特別大會上由股東批准的購股權計劃(「**2010年購股權計劃**」)及在2013年5月15日舉行的股東特別大會上由股東批准的購股權計劃(「**2013年購股權計劃**」)(統稱為「**購股權計劃**」)已向合資格參與者授予購股權，目的旨在激勵及獎勵合資格參與者，彼等被視為本集團的寶貴人力資源或以彼等之表現及其他因素對本集團的發展和成功作出貢獻(例如彼等在本公司的服務年期及/或行內的工作經驗及/或知識等)，並對本公司作出更多貢獻。2006年購股權計劃已於2016年5月16日到期。

購股權計劃並沒有特定須持有的最短期間及/或行使購股權須達致的表現目標，惟根據購股權計劃的條款，授予董事局有權利釐定每個個別情況的授出購股權條款作出其全權酌情認為適當的有關因素。

根據購股權計劃下向每名合資格參與者授予的最高可發行的股份數目在該授出日期止任何十二個月期間內上限為當時已發行股份的1%，任何超出限制的進一步授予購股權需於股東大會上由股東批准。

在不抵觸本公司於股東大會上或透過董事局提早終止下，購股權計劃將自其採納日期起計為期十年有效及生效。

認購價乃由董事局全權酌情釐定，並不會低於以下最高者：(a) 股份於授予日期在聯交所每日報價表所報的收市價；(b) 股份於緊接授予日期前五個營業日在聯交所每日報價表所報的平均收市價；及(c) 股份於授予日期的面值。

EQUITY-SETTLED SHARE OPTION SCHEME

(continued)

The consideration payable on acceptance of the options granted to an grantee under the respective Share Option Schemes is HK\$1.00.

As at 31 December 2019, there was no share option outstanding under the Share Option Schemes.

Pursuant to the 2010 Share Option Scheme, the Company can issue options so that the total number of Shares that may be issued upon exercise of all options to be granted under the 2010 Share Option Scheme are 146,486,250 Shares, representing approximately 3.94% of the issued share capital of the Company as at 31 December 2019. Eligible participants of the 2010 Share Option Scheme includes all Directors (whether Executive or Non-executive and whether independent or not) and any employees (whether full-time or part-time) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid) and any person considered by the Directors to have contributions to any company in the Group or any entity in which any member of the Group holds an equity interest. During the year ended 31 December 2019, no option was granted, exercised, cancelled or lapsed under the 2010 Share Option Scheme.

Pursuant to the 2013 Share Option Scheme, the Company can issue options so that the total number of Shares that may be issued upon exercise of all options to be granted under the 2013 Share Option Scheme are 146,571,250 Shares, representing approximately 3.94% of the issued share capital of the Company as at 31 December 2019. Eligible participants of the 2013 Share Option Scheme includes all Directors (whether Executive or Non-executive and whether independent or not) and any employees (whether full-time or part-time) of any company in the Group or any entity in which any member of the Group holds an equity interest (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid) and any person considered by the Directors to have contributions to any company in the Group or any entity in which any member of the Group holds an equity interest. During the year ended 31 December 2019, no option was granted, exercised, cancelled or lapsed under the 2013 Share Option Scheme.

The accounting policy for equity-settled share option is stated in the Note 2 to the consolidated financial statements.

以股權結算的購股權計劃(續)

在各購股權計劃下，接納授予承授人的購股權須支付代價為1.00港元。

於2019年12月31日，概無根據購股權計劃授出之尚未行使購股權。

根據2010年購股權計劃，本公司可發行購股權，以使根據2010年購股權計劃將予授出的所有購股權獲行使時可予發行的股份總數為146,486,250股股份，佔本公司於2019年12月31日的已發行股本約3.94%。2010年購股權計劃的合資格參與者包括本公司全體董事（無論執行董事或非執行董事及無論是否獨立）、本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體的任何僱員（無論全職或兼職）（不論其基於聘用、合約、榮譽或其他性質及是否受薪）及董事認為對本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體作出貢獻的任何人士。於截至2019年12月31日止年度內，概無根據2010年購股權計劃授出、行使、註銷或失效之購股權。

根據2013年購股權計劃，本公司可發行購股權，以使根據2013年購股權計劃將予授出的所有購股權獲行使時可予發行的股份總數為146,571,250股股份，佔本公司於2019年12月31日已發行股本約3.94%。2013年購股權計劃的合資格參與者包括本公司全體董事（無論執行或非執行及無論是否獨立）、本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體的任何僱員（無論全職或兼職）（不論其基於聘用、合約、榮譽或以其他方式及是否受薪）以及董事認為對本集團任何成員公司或本集團任何成員公司持有股本權益的任何實體作出貢獻的任何人士。於截至2019年12月31日止年度內，概無根據2013年購股權計劃授出、行使、註銷或失效之購股權。

以股權結算的購股權的會計政策於合併財務報表附註2中呈列。

Directors' Report

董事局報告

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above, at no time during the year were rights to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate granted to any Director or their respective spouses or children under 18 years of age, or were any such rights exercised by them; or were the Company or any of its holding companies, fellow subsidiaries and subsidiaries a party to any arrangement to enable the Company's Directors, their respective spouses or children under 18 years of age to acquire such rights in any other body corporate.

CONTRACTS OF SIGNIFICANCE

Save as disclosed above and the transactions as disclosed in Note 44 to the consolidated financial statements, no controlling shareholder or any of its subsidiaries have any contract of significance with the Company or its subsidiaries during the year.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2019, the interests or short positions of every person, other than a Director or Chief Executive of the Company, in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

董事認購股份或債券的權利

除上文所披露外，於年內任何時間，概無任何董事或彼等各自的配偶或未滿十八歲的子女獲授可透過購買本公司或任何其他法人團體股份或債券而獲益的權利，或行使任何該等權利；而本公司或其任何控股公司、同系附屬公司及附屬公司概無訂立任何安排，致使本公司董事、彼等各自的配偶或未滿十八歲的子女可自任何其他法人團體購入該等權利。

重大合約

除上文所披露外及於合併財務報表附註44所披露的交易外，控股股東或其任何附屬公司於年內並無與本公司或其附屬公司訂立任何重大合約。

主要股東

於2019年12月31日，根據本公司按照證券及期貨條例第336條所存置的股東名冊所記錄，每名人士(本公司董事或主要行政人員除外)於股份及相關股份擁有的權益或淡倉如下：

Name	Capacity and nature of interest	Number of Shares held	Percentage of the Company's issued share capital 佔本公司已發行股本百分比	Long/Short position 好/淡倉
名稱	身份及權益性質	所持股份數目	發行股本百分比	好/淡倉
ArcelorMittal (Note 1) (備註1)	Beneficial interest and interest of controlled corporation 實益權益及受控制法團權益	1,377,491,891	37.00%	Long (好)
ArcelorMittal Holdings AG ("AM Holdings AG") ("AM Holdings AG")	Beneficial interest 實益權益	867,711,151	23.31%	Long (好)
Wellbeing Holdings	Beneficial interest 實益權益	1,265,535,124	34.00%	Long (好)

Directors' Report

董事局報告

SUBSTANTIAL SHAREHOLDERS (continued)

Note:

- (1) At 31 December 2019, Mr. Lakshmi Niwas Mittal and Mrs. Usha Mittal beneficially owned 37.41% of the issued share capital of ArcelorMittal which beneficially owns 509,780,740 Shares, representing approximately 13.69% of the Company's issued share capital. As ArcelorMittal indirectly held the entire equity interest in AM Holdings AG, ArcelorMittal was deemed to be interested in 867,711,151 Shares held by AM Holdings AG under Part XV of the SFO, and therefore owned in aggregate 1,377,491,891 Shares, representing approximately 37.00% of the issued share capital of the Company.

Saved as disclosed above and in Directors' Interests and short positions in securities sections, at 31 December 2019, no person, other than a director or chief executive of the Company, had interests or short positions in the Shares and underlying Shares as recorded in the register required to be kept by the Company under Section 336 of the SFO.

RELATED PARTY TRANSACTIONS

Details of the related party transactions were set out in Note 44 to the consolidated financial statements. Details of the related party transactions which constitute continuing connected transaction not exempted under Chapter 14A of the Listing Rules are disclosed in the section "Connected Transactions and Continuing Connected Transactions".

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Company had conducted a review of the related party transactions of the Group and is satisfied that all those related party transaction constituting non-exempt connected transactions and continuing connected transactions have been properly reported and complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected parties (as defined in the Listing Rules) and the Group have been entered into and/or are ongoing for which relevant announcements and independent shareholders' approval, if necessary, had been made and obtained by the Company in accordance with Chapter 14A of the Listing Rules and disclosed in the Note 44 to the consolidated financial statements of the Company where applicable.

主要股東(續)

備註：

- (1) 於2019年12月31日，Lakshmi Niwas Mittal先生和Usha Mittal太太實益擁有ArcelorMittal（實益持有509,780,740股股份，約佔本公司已發行股本13.69%）已發行股本37.41%。因ArcelorMittal間接擁有AM Holdings AG全部股本權益，根據證券及期貨條例第XV部，ArcelorMittal被視為在AM Holdings AG持有的867,711,151股股份擁有權益，及實益總共擁有1,377,491,891股股份，約佔本公司已發行股本約37.00%權益。

除上文及董事於證券的權益和淡倉一節所披露外，於2019年12月31日，根據本公司按照證券及期貨條例第336條所存置的股東名冊，概無人士（本公司董事或主要行政人員除外）於股份及相關股份擁有權益或淡倉。

關聯方交易

有關關聯方交易的詳情載於合併財務報表附註44。根據上市規則第十四A章構成不獲豁免持續關連交易的關聯方交易詳情披露於「關連交易及持續關連交易」一節內。

關連交易及持續關連交易

於年內，本公司已進行檢討本集團之關聯方交易，且信納所有構成不獲豁免關連交易及持續關連交易之關聯方交易均已妥為呈報及遵守上市規則第14A章之披露規定。按上市規則第14A章的規定，若干關連方（按上市規則定義）與本集團進行的下列交易經已訂立及／或持續進行，而本公司已作出相關公佈及獲得獨立股東批准（如需要）及於本公司合併財務報表附註44中已披露（如適用）。

Directors' Report

董事局報告

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(continued)

Continuing connected transactions

On 6 January 2017, the Company entered into a renewal framework agreement with Oriental Sheet Piling Sdn. Bhd. (“**Oriental Sheet Piling**”), a subsidiary of ArcelorMittal, a substantial shareholder of the Company, in which the Company and/or its subsidiaries would sell steel products to Oriental Sheet Piling and/or its subsidiaries at prevailing market prices, for a term of three years commencing from 1 January 2017 and expiring on 31 December 2019. The annual cap for the continuing connected transactions contemplated under the renewal framework agreement for each of the three years ending 31 December 2017, 2018 and 2019 will not exceed RMB150 million, RMB150 million and RMB150 million respectively. The total amount of the aforesaid transaction for the year ended 31 December 2019 was approximately RMB61.9 million (excluding VAT) (Note 44(b)).

On 24 January 2020, the Company entered into a renewal framework agreement with Oriental Sheet Piling for a further term of three years commencing from 1 January 2020 and expiring on 31 December 2022. The annual cap for the continuing connected transactions contemplated under the renewal framework agreement for each of the three years ending 31 December 2020, 2021 and 2022 will not exceed RMB450 million, RMB450 million and RMB450 million respectively.

On 6 January 2017, Jinxi Limited entered into a renewal framework agreement with Qianxi Jin Zhao Lai Iron Ore Mine (“**Jin Zhao Lai**”) for the purchase of iron powder and related products from Jin Zhao Lai and/or its subsidiaries by Jinxi Limited and/or its subsidiaries for a term of three years commencing from 1 January 2017 and expiring on 31 December 2019. The annual cap for the continuing connected transactions contemplated under the renewal framework agreement for each of the three years ending 31 December 2017, 2018 and 2019 will not exceed RMB30 million, RMB30 million and RMB30 million respectively. Jin Zhao Lai is currently wholly owned by Ms. Liu Cuihong. Ms. Liu Cuihong is the wife of Mr. Zhang Yugui and Mr. Zhang Yugui is a deemed connected person of the Company as he is the brother of Mr. Zhang Yuhai who is connected person of the Company by virtue of being a director of certain subsidiaries of the Company. The total amount of the aforesaid transaction for the year ended 31 December 2019 was nil. Following the expiry of the framework agreement on 31 December 2019, the renewal framework agreement was fully exempt from the requirements under Chapter 14A of the Listing Rules as all the applicable percentage ratios thereof were less than 1% (calculated with aggregation of renewal framework agreement of Baojun Mining) and the transaction was a connected transaction only because it involved connected person(s) at the subsidiary level.

關連交易及持續關連交易 (續)

持續關連交易

於2017年1月6日，本公司與Oriental Sheet Piling Sdn. Bhd. (「**Oriental Sheet Piling**」)，本公司主要股東ArcelorMittal的附屬公司)就本公司及／或其附屬公司按一般市場價向Oriental Sheet Piling及／或其附屬公司銷售鋼鐵產品已訂立一份續訂框架協議，由2017年1月1日開始至2019年12月31日屆滿，為期三年。續訂框架協議下擬進行的持續關連交易截至2017年、2018年及2019年12月31日止三年的年度上限分別為不超過人民幣1.50億元、人民幣1.50億元及人民幣1.50億元。上述交易於截至2019年12月31日止年度的總額(不含增值稅)約為人民幣6,190萬元(附註44(b))。

於2020年1月24日，本公司與Oriental Sheet Piling已訂立一份續訂框架協議，由2020年1月1日開始至2022年12月31日屆滿，進一步續期三年。續訂框架協議下擬進行的持續關連交易截至2020年、2021年及2022年12月31日止三年的年度上限分別為不超過人民幣4.50億元、人民幣4.50億元及人民幣4.50億元。

於2017年1月6日，津西鋼鐵與遷西縣金兆來精選廠(「**金兆來**」)就津西鋼鐵及／或其附屬公司自金兆來及／或其附屬公司購買鐵粉及相關產品已訂立一份續訂框架協議，由2017年1月1日開始至2019年12月31日屆滿，為期三年。續訂框架協議下擬進行的持續關連交易截至2017年、2018年及2019年12月31日止三年的年度上限分別為不超過人民幣3,000萬元、人民幣3,000萬元及人民幣3,000萬元。金兆來現時由劉翠紅女士全資擁有，劉翠紅女士為張玉貴先生的妻子而張玉貴先生屬於本公司之被視為關連人士是由於其為張玉海先生的哥哥(因張玉海先生為本公司若干附屬公司之董事)。上述交易於截至2019年12月31日止年度的總額為零。在框架協議於2019年12月31日到期後，由於續訂框架協議之所有適用百分比率均低於1%(已合併計算寶軍礦業之續訂框架協議)且有關交易之所以屬一項關連交易，純粹因為涉及附屬公司層面的關連人士，因此該續訂框架協議獲全面豁免於上市規則第14A章的規定。

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(continued)

Continuing connected transactions (continued)

On 6 January 2017, Jinxi Limited entered into a framework agreement with Qianxi County Baojun Mining Company Limited ("Baojun Mining") for which Jinxi Limited and/or its subsidiaries has agreed to purchase iron powder and related products from Baojun Mining and/or its subsidiaries, for a term of three years commencing on 1 January 2017 and expiring on 31 December 2019. Baojun Mining is currently 91% owned by Mr. Zhang Yugui. Mr. Zhang Yugui is a deemed connected person of the Company as he is the brother of Mr. Zhang Yuhai who is a connected person of the Company by virtue of being a director of certain subsidiaries of the Company. Therefore, Mr. Zhang Yugui and accordingly Baojun Mining are connected persons of the Company. The annual cap for this continuing connected transactions contemplated under the framework agreement for each of the three years ending 31 December 2017, 2018 and 2019 will not exceed RMB30 million, RMB30 million and RMB30 million respectively. The total amount of the aforesaid transaction incurred by Jinxi Limited and its subsidiaries for the year ended 31 December 2019 was nil. Following the expiry of the framework agreement on 31 December 2019, the renewal framework agreement was fully exempt from the requirements under Chapter 14A of the Listing Rules as all the applicable percentage ratios thereof were less than 1% (calculated with aggregation of renewal framework agreement of Jin Zhao Lai) and the transaction was a connected transaction only because it involved connected person(s) at the subsidiary level.

The aforesaid continuing connected transactions have been reviewed by Independent Non-executive Directors of the Company. The Independent Non-executive Directors confirmed that the aforesaid continuing connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) on normal commercial terms or better; and (c) according to the agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

關連交易及持續關連交易 (續)

持續關連交易 (續)

於2017年1月6日，津西鋼鐵與遷西縣寶軍礦業有限公司（「寶軍礦業」），就津西鋼鐵及／或其附屬公司同意向寶軍礦業及／或其附屬公司採購鐵粉及相關產品已訂立一份框架協議，由2017年1月1日開始至2019年12月31日屆滿，為期三年。張玉貴先生現時擁有寶軍礦業的91%權益，張玉貴先生屬於本公司之被視為關連人士是由於其為張玉海先生的哥哥（因張玉海先生為本公司若干附屬公司之董事，故彼為本公司之關連人士），因此，張玉貴先生及因此寶軍礦業屬於本公司的關連人士。框架協議下擬進行的持續關連交易截至2017年、2018年及2019年12月31日止三年的年度上限分別為不超過人民幣3,000萬元、人民幣3,000萬元及人民幣3,000萬元。由津西鋼鐵及其附屬公司產生的上述交易於截至2019年12月31日止年度的總額為零。在框架協議於2019年12月31日到期後，由於續訂框架協議之所有適用百分比率均低於1%（已合併計算金兆來之續訂框架協議）且有關交易之所以屬一項關連交易，純粹因為涉及附屬公司層面的關連人士，因此該續訂框架協議獲全面豁免於上市規則第14A章的規定。

上述持續關連交易已由本公司獨立非執行董事審閱。獨立非執行董事確認上述持續關連交易是(a)在本集團的日常業務中訂立；(b)按照一般商務條款或更佳條款進行；及(c)根據有關交易的協議進行，條款公平合理，並且符合本公司股東的整體利益。

Directors' Report

董事局報告

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

(continued)

Continuing connected transactions (continued)

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its letter pursuant to Rule 14A.56 of the Listing Rules confirming nothing has come to their attention that causes them to believe that the continuing connected transactions disclosed by the Group on pages 156 to 158 of this annual report were not in compliance with the relevant requirements as set out in Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

ENVIRONMENT, SOCIETY AND GOVERNANCE

The Group has committed to perform its corporate responsibility for environmental protection and strictly comply with the national regulations by continuous investment in its production facilities to reduce emissions and energy consumption during the steel production process so as to minimise the impact of the production process on the environment. The Group has also recognised the local laws and regulations which are applicable to the Group's business to ensure the operation of the Group complies with all the relevant local laws, regulations and standards.

關連交易及持續關連交易 (續)

持續關連交易 (續)

根據香港會計師公會發佈的香港核證業務準則第3000號「歷史財務資料審核或審閱以外的鑒證工作」並參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」，本公司核數師已受聘對本集團持續關連交易作出報告。核數師已就本年報第156至158頁所載本集團披露的持續關連交易，根據上市規則第14A.56條發出函件，確認其並無注意到任何事情，可使他們認為有關持續關連交易並不符合上市規則第14A.56條所述之相關規定。本公司已將核數師函件副本向聯交所提供。

環境、社會及管治

本集團致力盡其對環境保護的企業責任及緊守國家法規，一直透過持續投入資源於其生產設備以減少鋼鐵生產過程中的排放及能源消耗，從而盡力降低生產過程對環境的影響。本集團亦已確定適用於本集團業務的當地法律及法規以確保集團的運作符合所有有關的當地法律、法規及標準。

ENVIRONMENT, SOCIETY AND GOVERNANCE

(continued)

In particular, all the operating production facilities are equipped with environmental control facilities in order to reduce exhaust emissions and meet the relevant national standard. Production and domestic wastewater of the Company will be recycled and subsequently used in the closed water loop. In addition, measures for filtration and reuse are adopted to reduce the production of waste mineral oil. For the waste mineral oil which cannot be reused, we engage the experts with relevant qualification and processing capacity to carry out the harmless treatment of waste mineral oil for us as required by the state environmental regulations. Smelting slag and solid waste produced during other smelting process of iron making will be sold to other cement factories or used as raw material in other production process. After the above comprehensive treatment measures, the impact on the environment shall be reduced.

The Environmental, Social and Governance report are set out on pages 104 to 141 in this annual report.

RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

The Group believes that the employees of the Group are valuable assets. The Group offered competitive remuneration to attract and retain the talented employees. Regular review on remuneration of employees is made in order to retain outstanding employees and attract human resources that are valuable to the Group.

Our relationships with major customers are contract-based. The Group cherished the mutually beneficial relationships with our customers. We will provide the best value to our clients to establish and consolidate the Group's sound reputation in the industry. Also, we believe that maintaining long term relationship with the suppliers is essential to the Group's success. The Group will keep strengthening the partnership with clients and suppliers, aiming to realise a triple-win result.

COMPLIANCE WITH LAWS AND REGULATIONS

During the reporting period, the Group has implemented policies and procedures which related to our industry designed to ensure compliance with the most relevant laws and regulations, but there can be no assurance that the Group's employees or agents will not violate such laws and regulations or the Group's policies and procedures.

環境、社會及管治(續)

特別是，投入運行的各類生產設備均配備了環保治理設施，致力降低廢氣排放及達到有關國家標準。而本公司的生產及生活廢水全部作回收處理，處理後於水閉路迴圈使用。此外，採取過濾及重複使用的措施以降低廢礦物油產生量，對於無法重用的廢礦物油，我們則按照國家環保法規的要求委託給有相關資格及處理能力的專業廠家進行無害化處置。其他煉鐵工序冶煉過程中產生的冶煉渣及固體廢物等則銷售給其他水泥廠或作為其他生產工序的原料使用。經過上述綜合處理措施，減省對環境帶來的影響。

環境、社會及管治報告載於本年報第104至141頁。

與僱員、客戶及供應商之關係

本集團相信，僱員是我們的寶貴資產，本集團提供競爭力之薪酬待遇吸引及挽留人才。本集團會定期檢討僱員之待遇，以保留優秀員工及吸納對本集團而言寶貴的人才。

基於我們與主要客戶之間的關係建立在合約之上，本集團十分珍惜與客戶之互惠關係。我們會提供最優秀之價值予客戶，以建立及鞏固本集團在行業的優良信譽。同樣，我們相信，與供應商保持長遠關係是本集團成功的重要因素。本集團會不斷與客戶及供應商加強彼此間的合作關係，我們冀望與客戶及供應商共創三贏局面。

遵守法律法規

於報告期間，本集團已實行旨在遵守與我們行業相關的相關法律法規的政策和程序，惟無法保證本集團的僱員或代理將不會違反有關法律法規或本集團的政策和程序。

Directors' Report

董事局報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has sufficient public float of at least 25% of the Company's issued shares as at the date of this report.

MANAGEMENT CONTRACTS

There was no contracts concerning the management or administration of the whole or any substantial part of the business of the Group which was entered into or existed during the year under review.

PURCHASE, SALES OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2019.

AUDITOR

PricewaterhouseCoopers retired and a resolution for their reappointment as auditor of the Company will be proposed at the forthcoming AGM.

On behalf of the Board

China Oriental Group Company Limited

Han Jingyuan

Chairman and Chief Executive Officer

Hong Kong, 31 March 2020

* For identification purposes only

足夠公眾持股量

根據本公司所得到之公開資料，並就董事們所知，本公司於本報告日維持佔本公司已發行股份至少25%的足夠公眾持股量。

管理合約

於回顧年度內，本公司並無簽訂或存有任何與本集團全部或任何重要業務之管理及行政有關之合約。

購買、出售或贖回本公司上市證券

截至2019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。

核數師

羅兵咸永道會計師事務所退任，而應屆股東週年大會上將提呈決議案，續聘彼等為本公司的核數師。

謹代表董事局

中國東方集團控股有限公司*

韓敬遠

董事局主席兼首席執行官

香港，2020年3月31日

* 僅供識別

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

To the Shareholders of China Oriental Group Company Limited
(incorporated in Bermuda with limited liability)

致中國東方集團控股有限公司股東
(於百慕達註冊成立的有限公司)

OPINION

意見

What we have audited

我們已審計的內容

The consolidated financial statements of China Oriental Group Company Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 169 to 327, which comprise:

中國東方集團控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第169至327頁的合併財務報表，包括：

- the consolidated balance sheet as at 31 December 2019;
 - the consolidated statement of profit or loss for the year then ended;
 - the consolidated statement of comprehensive income for the year then ended;
 - the consolidated statement of changes in equity for the year then ended;
 - the consolidated statement of cash flows for the year then ended; and
 - the notes to the consolidated financial statements, which include a summary of significant accounting policies.
- 於2019年12月31日的合併資產負債表；
 - 截至該日止年度的合併損益表；
 - 截至該日止年度的合併綜合收益表；
 - 截至該日止年度的合併權益變動表；
 - 截至該日止年度的合併現金流量表；及
 - 合併財務報表附註，包括主要會計政策概要。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Our opinion

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 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") 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 ("HKSAs") issued by the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

KEY AUDIT MATTERS

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

Key audit matter identified in our audit is related to the impairment of loans and other receivables.

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映了貴集團於2019年12月31日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部份中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

獨立性

根據香港會計師公會頒佈的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

關鍵審計事項

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

我們在審計中識別的關鍵審計事項為關於應收貸款及其他應收賬款之減值。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

Impairment of loans and other receivables

應收貸款及其他應收賬款之減值

Refer to Note 2.12 "Accounting policy — Financial assets", Note 4 (a) "Critical accounting estimates and judgements — Impairment of loans and other receivables", Note 20 "Prepayments, deposits and other receivables" and Note 21 "Loan receivables" to the consolidated financial statements.

As at 31 December 2019, the Group had loans and other receivables of approximately RMB1,259 million and RMB428 million. A provision of approximately RMB45 million and RMB199 million was set aside by management against these loans and other receivables, respectively.

請參閱合併財務報表附註2.12「會計政策 — 金融資產」、附註4(a)「關鍵會計估計及判斷 — 貸款及其他應收賬款之減值」、附註20「預付款項、按金及其他應收賬款」及附註21「應收貸款」。

於2019年12月31日，貴集團擁有應收貸款及其他應收賬款約人民幣12.59億元及人民幣4.28億元。管理層就該等應收貸款及其他應收賬款分別作出人民幣4,500萬元及人民幣1.99億元的撥備。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

Our audit procedures on the impairment of loans and other receivables included:

- We evaluated management's accounting policy relating to impairment of loans and other receivables, mainly including default definition, significant increase in credit risk, expected credit losses ("ECL") risk parameter estimation, lifetime of financial instruments, and forward looking information. We assessed the implementation of methodology in ECL recognition. For significant loans and other receivables, we conducted, on a sample basis, audit procedures include:
 - checked the relevant contract terms, and conducted background search to evaluate the financial position of the borrowers or debtors;
 - checked settlements of these receivables after the reporting date;
 - gathered information on collaterals, if any, and assessed their values by comparing with the available evidences, including market prices of the collaterals;

我們對應收貸款及其他應收賬款之減值的審核程序包括：

- 我們評估管理層有關應收貸款及其他應收賬款之減值的會計政策，主要包括違約的定義、信貸風險大幅增加、預期信貸損失（「預期信貸損失」）風險參數估計、金融工具年限及前瞻性資料。我們評估預期信貸損失確認方法的實施。對於重大的應收貸款及其他應收賬款，我們按抽樣基準進行審核程序，包括：
 - 檢查相關合約條款及進行背景調查以評估借款人或債務人的財務狀況；
 - 檢查於報告日期後該等應收賬款的結算情況；
 - 搜集抵押品的資料（如有），並與可取得的證據比較，包括抵押品的市價，以評估其價值；

Independent Auditor's Report (Continued)

獨立核數師報告(續)

Key Audit Matter

關鍵審計事項

Management assessed the impairment of loans and other receivables based on ECL methodology. The impairment of individually significant loans and other receivables were assessed on an individual basis based on management's estimates of discounted future cash flows. Individual insignificant loans and other receivable balances were grouped based on their credit risk characteristics for evaluation. The collective impairment provision was determined by management based on historical loss experience, taking into considerations of forward looking macroeconomic data, industry risk and other circumstances.

We focused on this area due to the magnitude of loans and other receivables and the significance of management's judgements applied in assessing the impairment of such balances.

管理層按預期信貸損失方法評估應收貸款及其他應收賬款之減值。個別重大的應收貸款及其他應收賬款乃根據管理層對折現未來現金流量的估計按個別基準評估。個別非重大的應收貸款及其他應收賬款結餘依據其信貸風險特性組合以作評估。管理層根據歷史虧損經驗，並考慮前瞻性的宏觀經濟數據、行業風險及其他情況釐定集體減值撥備。

我們專注於此領域，是因為應收貸款及其他應收賬款的規模以及管理層於評估該等結餘之減值時採納的重大判斷。

How our audit addressed the Key Audit Matter

我們的審計如何處理關鍵審計事項

- assessed the appropriateness of forward looking macroeconomic data used by management; and
- recalculated the management's computation of ECL.
- For individual insignificant loans and other receivables:
 - We assessed the appropriateness of management's grouping of balances based on risk characteristics, and tested the collective provision estimation by considering the historical bad debts amounts and pattern, available reasonable and supportive forward-looking information, taking into consideration of factors such as borrowers or debtors' credit and market conditions.

Based on the procedures performed, we found management's assessment and judgments of the impairment of loans and other receivables to be supported by the evidence we gathered.

- 評估管理層使用的前瞻性的宏觀經濟數據的合適性；及
- 重新計算管理層對預期信貸損失的計量。
- 就個別非重大的應收貸款及其他應收賬款而言：
 - 我們根據風險特性評估管理層組合結餘的合適性，並透過歷史壞賬金額及模式，所取得的合理性和支持的前瞻性資料，經考慮借款人或債務人的信貸及市場狀況等因素，測試集體撥備估計。

根據已執行的程序，我們發現管理層對貸款及其他應收款項之減值的評估及判斷是獲得我們所收集的證據支持。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內除合併財務報表及我們的核數師報告以外的所有信息。

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

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部監控負責。

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

治理層須負責監督貴集團的財務報告過程。

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda 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 judgment and maintain professional scepticism throughout the audit. We also:

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

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅按照百慕達1981年《公司法》第90條向閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可影響使用者依賴這些合併財務報表而作出經濟決定，則有關的錯誤陳述可被視作重大。

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

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

Independent Auditor's Report (Continued)

獨立核數師報告(續)

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

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

除其他事項外，我們與治理層溝通了審計的計劃範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

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

Independent Auditor's Report (Continued)

獨立核數師報告(續)

From the matters communicated with those charged with governance, 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 Mang Kwong Fung, Frederick.

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 31 March 2020

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

出具本獨立核數師報告的審計項目合夥人是孟江峰。

羅兵咸永道會計師事務所

執業會計師

香港，2020年3月31日

Consolidated Balance Sheet

合併資產負債表

(All amounts in RMB thousands unless otherwise stated) As at 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 於2019年12月31日

		Note	As at 31 December	
		附註	於12月31日	
			2019	2018
ASSETS	資產			
Non-current assets	非流動資產			
Leasehold land and land use rights	租賃土地及土地使用權	6	-	181,499
Property, plant and equipment	物業、廠房及設備	7	9,586,054	7,559,747
Right-of-use assets	使用權資產	8	278,442	-
Investment properties	投資物業	9	125,667	187,184
Intangible assets	無形資產	10	1,039,546	129,647
Investment in associates and a joint venture	於聯營公司及一間合營企業之投資	12	136,072	121,858
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之金融資產	16	720,468	487,376
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產	17	211,620	243,120
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	20	1,812,460	729,364
Loan receivables	應收貸款	21	200,000	720,000
Deferred income tax assets	遞延所得稅資產	31	278,838	270,989
			14,389,167	10,630,784
Current assets	流動資產			
Properties under development and held for sale	發展中及持作出售物業	15	116,639	168,790
Inventories	存貨	18	4,093,435	3,107,511
Trade receivables	應收貿易賬款	19	1,201,005	661,951
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	20	1,616,370	1,439,935
Amounts due from related parties	應收關聯方款項	44(c)	127,544	185,906
Prepaid current income tax	預付當期所得稅		36,864	29,176
Loan receivables	應收貸款	21	1,014,000	40,328
Notes receivable – bank acceptance notes	應收票據 – 銀行承兌匯票	22	1,517,684	1,364,128
Derivative financial instruments	衍生金融工具		2,513	2,157
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之金融資產	16	30,637	-
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產	17	3,347,778	6,567,243
Restricted bank balances	受限制銀行結餘	23	1,082,560	527,542
Cash and cash equivalents	現金及現金等價物	23	4,630,945	2,845,229
Structured bank deposits	結構性銀行存款	24	2,200,100	2,037,900
			21,018,074	18,977,796
Total assets	總資產		35,407,241	29,608,580
EQUITY	權益			
Equity attributable to owners of the Company	歸屬於本公司權益持有者的權益			
Share capital	股本	25	380,628	380,628
Share premium	股份溢價	25	3,532,234	3,532,234
Other reserves	其他儲備	26	1,610,422	1,473,735
Retained earnings	留存收益		13,978,397	12,020,989
			19,501,681	17,407,586
Non-controlling interests	非控制性權益		321,814	273,962
Total equity	權益合計		19,823,495	17,681,548

Consolidated Balance Sheet (Continued)

合併資產負債表(續)

(All amounts in RMB thousands unless otherwise stated) As at 31 December 2019

(除另有指明外，所有金額均以人民幣千元為單位) 於2019年12月31日

		Note 附註	As at 31 December 於12月31日	
			2019	2018
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借款	29	1,318,699	162,000
Lease liabilities	租賃負債	8	90,661	–
Deferred revenue	遞延收入	30	162,265	120,136
Deferred income tax liabilities	遞延所得稅負債	31	32,147	21,283
			1,603,772	303,419
Current liabilities	流動負債			
Trade payables	應付貿易賬款	27	5,048,774	4,157,453
Accruals and other current liabilities	預提費用及其他流動負債	28	2,394,627	2,087,437
Contract liabilities	合約負債	5(c)	1,457,738	1,629,944
Amounts due to related parties	應付關聯方款項	44(c)	48,047	59,118
Current income tax liabilities	當期所得稅負債		411,828	1,070,382
Lease liabilities	租賃負債	8	15,155	–
Derivative financial instruments	衍生金融工具		16,859	15,778
Borrowings	借款	29	4,579,905	2,603,357
Dividends payable	應付股息		7,041	144
Total current liabilities	流動負債合計		13,979,974	11,623,613
Total liabilities	總負債		15,583,746	11,927,032
Total equity and liabilities	權益及負債合計		35,407,241	29,608,580

The notes on pages 177 to 327 are an integral part of these financial statements.

第177至327頁的附註為該等財務報表的整體一部份。

The financial statements on pages 169 to 327 were approved by the Board of Directors on 31 March 2020 and were signed on its behalf.

第169至327頁的財務報表已於2020年3月31日經董事局批准並由以下董事代為簽署。

Han Jingyuan
韓敬遠
Chairman
主席

Han Li
韓力
Director
董事

Consolidated Statement of Profit or Loss

合併損益表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

		Note	Year ended 31 December	
		附註	截至12月31日止年度	
			2019	2018
Revenue	收入	5	43,014,224	40,782,302
Cost of sales	銷售成本	34	(38,863,112)	(33,991,503)
Gross profit	毛利		4,151,112	6,790,799
Other income	其他收入	33	187,139	35,394
Distribution costs	分銷成本	34	(82,321)	(85,817)
Administrative expenses	行政費用	34	(647,678)	(735,705)
(Provision for)/reversal of impairment on financial assets, net	金融資產減值之(撥備)/撥回淨額	34	(5,231)	218,371
Other expenses	其他費用	34	(27,484)	(23,148)
(Losses)/gains from derivative financial instruments	衍生金融工具之(虧損)/收益	39	(111,661)	29,872
Other gains – net	其他收益 – 淨額	32	619,796	231,311
Operating profit	經營溢利		4,083,672	6,461,077
Finance income	財務收入	36	73,748	35,721
Finance costs	財務成本	36	(143,330)	(161,315)
Finance costs – net	財務成本 – 淨額	36	(69,582)	(125,594)
Impairment loss on investment in an associate	於一間聯營公司之投資減值損失		–	(34,122)
Share of results of associates and a joint venture	應佔聯營公司及一間合營企業業績		50,704	(1,941)
Profit before income tax	除所得稅前溢利		4,064,794	6,299,420
Income tax expense	所得稅費用	37	(797,869)	(1,438,899)
Profit for the year	年度溢利		3,266,925	4,860,521
Profit attributable to:	溢利歸屬於：			
Owners of the Company	本公司權益持有者		3,210,309	4,781,678
Non-controlling interests	非控制性權益		56,616	78,843
			3,266,925	4,860,521
Earnings per share for profit attributable to owners of the Company	本公司權益持有者應佔溢利的每股收益			
(expressed in RMB per share)	(每股人民幣元)			
– Basic earnings per share	– 每股基本收益	40	RMB0.86 人民幣0.86元	RMB1.31 人民幣1.31元
– Diluted earnings per share	– 每股稀釋收益	40	RMB0.86 人民幣0.86元	RMB1.31 人民幣1.31元

The notes on pages 177 to 327 are an integral part of these financial statements.

第177至327頁的附註為該等財務報表的整體一部份。

Consolidated Statement of Comprehensive Income

合併綜合收益表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

	Note 附註	Year ended 31 December	
		截至12月31日止年度 2019	2018
Profit for the year		3,266,925	4,860,521
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Fair value (losses)/gains on debt investments at fair value through other comprehensive income	16	(6,960)	5,735
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Fair value gains on equity investments at fair value through other comprehensive income	16	14,516	–
<i>Item reclassified to profit or loss</i>			
Transfer of fair value gains previously credited to reserve to statement of profit or loss upon disposal of debt investments at fair value through other comprehensive income		–	(2,635)
		7,556	3,100
Total comprehensive income for the year		3,274,481	4,863,621
Attributable to:			
Owners of the Company		3,217,865	4,784,778
Non-controlling interests		56,616	78,843
		3,274,481	4,863,621

The notes on pages 177 to 327 are an integral part of these financial statements.

第177至327頁的附註為該等財務報表的整體一部份。

Consolidated Statement of Changes in Equity

合併權益變動表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

		Note 附註	Attributable to owners of the Company 歸屬於本公司權益持有者					Non- controlling interests 非控制性 權益	Total equity 權益合計
			Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 留存收益	Total 合計		
Balance at 1 January 2018	於2018年1月1日的結餘		364,762	2,820,785	1,744,091	8,982,541	13,912,179	192,589	14,104,768
Comprehensive income	綜合收益								
Profit for the year	年度溢利		-	-	-	4,781,678	4,781,678	78,843	4,860,521
Other comprehensive income	其他綜合收益								
Fair value gains on debt investments at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之債務投資之公允價值收益	16	-	-	5,735	-	5,735	-	5,735
Transfer of fair value gains previously credited to reserve to statement of profit or loss upon disposal of debt investments at fair value through other comprehensive income	於出售按公允價值計量且其變動計入其他綜合收益之債務投資時將先前計入儲備之公允價值收益轉至損益表		-	-	(2,635)	-	(2,635)	-	(2,635)
Total comprehensive income	綜合收益合計		-	-	3,100	4,781,678	4,784,778	78,843	4,863,621
Transactions with owners	與權益持有者的交易								
Profit appropriation to statutory reserves	向法定儲備作出的溢利分配	26	-	-	244,671	(244,671)	-	-	-
Capital injection by non-controlling interests	非控制性權益注資		-	-	-	-	-	120,000	120,000
Changes in ownership interests in subsidiaries without change of control	在不改變控制權的情況下變更於附屬公司的所有權益		-	-	(105,318)	-	(105,318)	(78,797)	(184,115)
Acquisition of a subsidiary	收購一間附屬公司		-	-	-	-	-	2,236	2,236
Employee share option scheme	僱員購股權計劃								
— issuance of shares	— 發行股份	25 & 26	15,866	711,449	(314,981)	-	412,334	-	412,334
— lapse of share options	— 購股權失效	26	-	-	(97,828)	97,828	-	-	-
Dividend provided	已計提股息		-	-	-	(1,596,387)	(1,596,387)	(40,909)	(1,637,296)
Total transactions with owners	與權益持有者的交易合計		15,866	711,449	(273,456)	(1,743,230)	(1,289,371)	2,530	(1,286,841)
Balance at 31 December 2018	於2018年12月31日的結餘		380,628	3,532,234	1,473,735	12,020,989	17,407,586	273,962	17,681,548

Consolidated Statement of Changes in Equity (Continued)

合併權益變動表(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

		Attributable to owners of the Company 歸屬於本公司權益持有者					Non-controlling interests 非控制性權益	Total equity 權益合計
Note		Share capital 股本	Share premium 股份溢價	Other reserves 其他儲備	Retained earnings 留存收益	Total 合計		
	附註	股本	股份溢價	其他儲備	留存收益	合計	權益合計	
Balance at 1 January 2019	於2019年1月1日的結餘	380,628	3,532,234	1,473,735	12,020,989	17,407,586	273,962	17,681,548
Comprehensive income	綜合收益							
Profit for the year	年度溢利	-	-	-	3,210,309	3,210,309	56,616	3,266,925
Other comprehensive income	其他綜合收益							
Fair value losses on debt investments at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之債務投資之公允價值虧損	16	-	-	(6,960)	-	(6,960)	(6,960)
Fair value gains on equity investments at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之股權投資之公允價值收益	16	-	-	14,516	-	14,516	14,516
Total comprehensive income	綜合收益合計	-	-	7,556	3,210,309	3,217,865	56,616	3,274,481
Transactions with owners	與權益持有者的交易							
Profit appropriation to statutory reserves	向法定儲備作出的溢利分配	26	-	-	174,762	(174,762)	-	-
Capital injection by non-controlling interests	非控制性權益注資		-	-	-	-	590	590
Changes in ownership interests in a subsidiary without change of control	在不改變控制權的情況下變更於一間附屬公司的所有權權益	11(i)	-	-	(45,172)	-	30,672	(14,500)
Disposal of a subsidiary	出售一間附屬公司		-	-	(459)	459	(11,585)	(11,585)
Dividend provided	已計提股息		-	-	(1,078,598)	(1,078,598)	(28,441)	(1,107,039)
Total transactions with owners	與權益持有者的交易合計	-	-	129,131	(1,252,901)	(1,123,770)	(8,764)	(1,132,534)
Balance at 31 December 2019	於2019年12月31日的結餘	380,628	3,532,234	1,610,422	13,978,397	19,501,681	321,814	19,823,495

The notes on pages 177 to 327 are an integral part of these financial statements.

第177至327頁的附註為該等財務報表的整體一部份。

Consolidated Statement of Cash Flows

合併現金流量表

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

		Note	Year ended 31 December	
		附註	截至12月31日止年度	
			2019	2018
Cash flows from operating activities	來自經營活動的現金流量			
Cash generated from operations	產生自經營的現金	42	1,499,889	9,599,918
Interest received	已收利息		69,127	29,552
Interest paid	已付利息		(151,993)	(141,604)
Income tax paid	已付所得稅		(1,460,976)	(1,387,606)
Net cash (used in)/generated from operating activities	(用於)/產生自經營活動的現金淨額		(43,953)	8,100,260
Cash flows from investing activities	來自投資活動的現金流量			
Purchase of property, plant and equipment	購買物業、廠房及設備		(638,737)	(336,413)
Proceeds from sales of property, plant and equipment	出售物業、廠房及設備的所得款項	42	192,014	349
Increase in intangible assets	無形資產增加		(922,368)	-
(Increase)/decrease in deposits of procurement of derivative financial instruments	購買衍生金融工具按金(增加)/減少		(227,250)	35,763
Net inflows/(outflows) of financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產流入/(流出)淨值		3,695,981	(3,866,119)
Proceeds from asset-related government grants	資產相關的政府補貼所得款項		59,233	-
Loans granted to related parties	授予關聯方之貸款		-	(41,778)
Loan receivables granted to third parties	向第三方提供的應收貸款		(664,000)	(760,328)
Loan receivables repaid by third parties	第三方償還的應收貸款		210,328	2,209
Repayment of loans granted to related parties	授予關聯方貸款之償還		64,532	21,763
Purchases of financial assets at fair value through other comprehensive income	購買按公允價值計量且其變動計入其他綜合收益之金融資產		(352,173)	(115,226)
Proceeds from disposal of financial assets at fair value through other comprehensive income	出售按公允價值計量且其變動計入其他綜合收益之金融資產的所得款項		96,000	51,091
Net outflows of structured bank deposits	結構性銀行存款流出淨值		(117,697)	(2,037,900)
Disposal of a subsidiary, net of cash received	出售一間附屬公司(扣除已收現金淨額)		8,111	(54,322)
Prepayment for purchase of production capacity	購買產能之預付款項		(1,142,200)	-
Prepayment for purchase of right-of-use assets	購買使用權資產之預付款項		(223,955)	-
Deposits for purchase of right-of-use assets	購買使用權資產之按金		(300,000)	-
Acquisition of a subsidiary, net of cash acquired	收購一間附屬公司(扣除所獲現金淨額)		-	1,518
Capital deduction from an associate	一間聯營公司削減資本	12	35,740	-
Other investing cash flow – net	其他投資現金流量 – 淨額		(26,411)	5,556
Net cash used in investing activities	用於投資活動的現金淨額		(252,852)	(7,093,837)

Consolidated Statement of Cash Flows (Continued)

合併現金流量表(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019

(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

	Note 附註	Year ended 31 December 截至12月31日止年度	
		2019	2018
Cash flows from financing activities			
Proceeds from borrowings		16,805,513	6,188,990
Repayment of borrowings		(13,707,344)	(5,566,782)
Dividends paid to shareholders		(1,117,032)	(1,637,296)
Loans granted from a related party		13,024	–
Employee share option scheme – issuance of share		–	412,334
Capital injection by non-controlling interests		590	120,000
Acquisition of non-controlling interests of subsidiaries		(14,500)	(184,115)
Cash paid for sales and leaseback transaction		–	(198,000)
Repayment of borrowings from related parties		–	(36,480)
Repayment of other long-term payables		–	(8,043)
Principal elements of lease payments		(10,258)	–
Net proceeds from national debt repurchase		66,899	–
Decrease/(increase) in restricted bank balances pledged as security for current bank borrowings		30,029	(47,730)
Net cash generated from/(used in) financing activities		2,066,921	(957,122)
Net increase in cash and cash equivalents		1,770,116	49,301
Effect of foreign exchange rate changes		15,600	29,532
Cash and cash equivalents, beginning of year	23	2,845,229	2,766,396
Cash and cash equivalents, end of year	23	4,630,945	2,845,229

The notes on pages 177 to 327 are an integral part of these financial statements.

第177至327頁的附註為該等財務報表的整體一部份。

Notes to the Consolidated Financial Statements

合併財務報表附註

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

1. GENERAL INFORMATION

China Oriental Group Company Limited (the “**Company**”) was incorporated in Bermuda on 3 November 2003 as an exempted company with limited liability under the Companies Act 1981 of Bermuda as a result of a group reorganisation (“**Reorganisation**”).

The address of the Company’s registered office is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

The Company’s shares have been listed on The Stock Exchange of Hong Kong Limited since 2 March 2004.

The Company together with its subsidiaries are hereinafter collectively referred to as the Group. The Group is principally engaged in the manufacture and sales of iron and steel products, trading of steel products and iron ore and real estate business. The Group has manufacturing plants in Hebei Province and Guangdong Province of the People’s Republic of China (the “**PRC**”) and sells mainly to customers located in the PRC. The Group also carries out property development business which is mainly in the PRC.

These consolidated financial statements are presented in thousands of units of RMB, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors (the “**Board**”) on 31 March 2020.

1. 一般資料

中國東方集團控股有限公司(「**本公司**」)於2003年11月3日經完成一項集團重組(「**重組**」)後根據百慕達1981年公司法在百慕達註冊成立為獲豁免有限責任公司。

本公司的註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。

本公司股份自2004年3月2日已在香港聯合交易所有限公司上市。

本公司及其附屬公司以下統稱為本集團。本集團主要從事製造及銷售鋼鐵產品、鋼鐵產品及鐵礦石貿易以及房地產業務。本集團在中華人民共和國(「**中國**」)河北省及廣東省設有生產廠房，並主要針對位於中國的客戶進行銷售。本集團亦從事主要在中國的物業發展業務。

除另有指明外，本合併財務報表以人民幣千元呈列。本合併財務報表於2020年3月31日已獲董事局(「**董事局**」)批准刊發。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) issued by Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance Cap 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss and derivative financial instruments, which are carried at fair value.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2. 重要會計政策摘要

編製本合併財務報表採用的主要會計政策載於下文。除另有指明外，此等政策在所呈列的所有年度內貫徹應用。

2.1 編製基準

本集團的合併財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈的所有適用香港財務報告準則(「香港財務報告準則」)及香港公司條例第622章的披露規定編製。合併財務報表已依據歷史成本法編製，並就若干按公允價值列賬的按公允價值計量且其變動計入其他綜合收益之金融資產、按公允價值計量且其變動計入損益表之金融資產及衍生金融工具的重估作出修訂。

編製符合香港財務報告準則的合併財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對合併財務報表作出重大假設和估算的範疇，在附註4中披露。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- HKFRS 16 Leases
- HK (IFRIC) 23 Uncertainty over Income Tax Treatments
- HKFRS 9 (Amendments) Prepayment Features with Negative Compensation
- HKAS 28 (Amendments) Long-term Interests in Associates and Joint Ventures
- HKAS 19 (Amendments) Plan Amendment, Curtailment or Settlement
- Annual Improvements to HKFRS “2015-2017 Cycle”

The Group had to change its accounting policies following the adoption of HKFRS 16. For details, please refer to Note 2.1.1(c). The other amendments listed above did not have any significant impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露的變化

(a) 本集團已採納的新訂及已修訂準則

本集團已於2019年1月1日起開始的年度報告期間首次應用下列準則及修訂：

- 香港財務報告準則第16號租賃
- 香港(國際財務報告詮釋委員會)第23號所得稅處理的不確定性
- 香港財務報告準則第9號(修訂)具有負補償之提前還款特性
- 香港會計準則第28號(修訂)於聯營公司及合營企業之長期權益
- 香港會計準則第19號(修訂)計劃修訂、縮減或結算
- 對香港財務報告準則「2015年至2017年週期」的年度改善項目

於採納香港財務報告準則第16號後(詳情請參閱附註2.1.1(c))，本集團須更改其會計政策。上述所列的其他修訂對過往期間已確認的金額並無重大影響，且預期不會對本期或未來期間造成重大影響。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 重要會計政策摘要(續)

2.1 Basis of preparation (continued)

2.1 編製基準(續)

2.1.1 Changes in accounting policy and disclosures (continued)

2.1.1 會計政策及披露的變化(續)

(b) New standards and interpretations not yet adopted by the Group

(b) 本集團未採納的新訂準則及詮釋

A number of new standards and amendments to standards and interpretations that are relevant to the Group but not yet effective for the financial year beginning at 1 January 2019 and have not been early adopted by the Group are as follows:

於2019年1月1日起開始的財政年度尚未生效，且與本集團有關，但未獲本集團提前採納的新準則及準則和詮釋的修訂如下：

Standards 準則	Key requirements 主要規定	Effective for annual periods beginning on or after 於下列日期起 或之後開始的 年度期間生效
Amendments to HKAS 1 and HKAS 8 香港會計準則第1號及香港會計準則第8號(修訂)	Definition of Material 重大性的定義	1 January 2020 2020年1月1日
Amendments to HKFRS 3 香港財務報告準則第3號(修訂)	Definition of a Business 業務的定義	1 January 2020 2020年1月1日
Amendments to HKAS 39, HKFRS 7 and HKFRS 9 香港會計準則第39號、香港財務報告準則第7號及香港財務報告準則第9號(修訂)	Hedqe Accounting 對沖會計處理	1 January 2020 2020年1月1日
Revised Conceptual Framework 概念框架(經修訂)	Revised Conceptual Framework for Financial Reporting 經修訂財務報告概念框架	1 January 2020 2020年1月1日
HKFRS 17 香港財務報告準則第17號	Insurance Contracts 保險合約	1 January 2021 2021年1月1日
Amendments to HKFRS 10 and HKAS 28 香港財務報告準則第10號及香港會計準則第28號(修訂)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture 投資者與其聯營公司或合營企業間的資產出售或注入	To be determined 待定

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(c) Changes in accounting policy

This note explains the impact of the adoption of HKFRS 16 “Leases” (“**HKFRS 16**”) on the Group’s financial information.

The Group has adopted HKFRS 16 from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the simplified transition approach in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in Note 2.31.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 “Leases” (“**HKAS 17**”). These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019 in each territory or region where the lease assets are located. The weighted average discount rate applied to the lease liabilities on 1 January 2019 was 4.82%.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露的變化(續)

(c) 會計政策的變動

本附註說明採納香港財務報告準則第16號「租賃」(「**香港財務報告準則第16號**」)對本集團財務資料的影響。

本集團自2019年1月1日起採用香港財務報告準則第16號，並如該標準的簡化過渡方法所允許，未有重列2018年報告期間的比較數據。因此，由新租賃規則產生的經重新分類及調整數據在2019年1月1日的期初資產負債表中予以確認。新會計政策於附註2.31中披露。

於採納香港財務報告準則第16號時，本集團就先前根據香港會計準則第17號「租賃」(「**香港會計準則第17號**」)的原則分類為「經營租賃」的相關租賃已確認為租賃負債。該等負債以剩餘租賃付款的現值計量，並使用承租人截至2019年1月1日在租賃資產所在的每一區域或地區的增量借款利率進行折現。於2019年1月1日，適用於租賃負債的加權平均折現率為4.82%。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(c) Changes in accounting policy (continued)

(i) Practical expedients applied

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application; and

2. 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露的變化(續)

(c) 會計政策的變動(續)

(i) 已應用的實際權宜做法

於首次應用香港財務報告準則第16號時，本集團已使用該準則所允許的以下實際權宜做法：

- 對具備合理相似特徵的租賃組合應用單一折現率；
- 依賴先前關於租賃是否虧損的評估，作為進行減值審閱的替代方法 – 於2019年1月1日並無虧損性合約；
- 對於2019年1月1日餘下租期少於12個月的經營租賃的會計處理為短期租賃；
- 於首次應用日期扣除初始直接成本以計量使用權資產；及

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(c) Changes in accounting policy (continued)

(i) Practical expedients applied (continued)

- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains, a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) 4 “Determining whether an Arrangement contains a Lease”.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露的變化(續)

(c) 會計政策的變動(續)

(i) 已應用的實際權宜做法(續)

- 當合約包含延長或終止租約的選擇權時，使用事後分析釐定租期。

本集團亦已選擇不重新評估合約於首次應用日期是否為租賃或包含租賃。相反，就於過渡日期之前訂立的合約而言，本集團依據其採用香港會計準則第17號及香港(國際財務報告詮釋)第4號「釐定安排是否包含租賃」作出的評估。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 重要會計政策摘要(續)

2.1 Basis of preparation (continued)

2.1 編製基準(續)

2.1.1 Changes in accounting policy and disclosures (continued)

2.1.1 會計政策及披露的變化(續)

(c) Changes in accounting policy (continued)

(c) 會計政策的變動(續)

(ii) Measurement of lease liabilities

(ii) 租賃負債的計量

Operating lease commitments disclosed as at 31 December 2018	於2018年12月31日 已披露的經營租賃承擔	131,888
Discounted using the lessee's incremental borrowing rate as at the date of initial application	使用承租人於首次應用日期的 增量借款利率貼現	94,436
Less: short-term leases not recognised as a liability	減：沒有確認為負債的 短期租賃	(9,112)
Lease liabilities recognised as at 1 January 2019	於2019年1月1日確認的 租賃負債	85,324
Add: reclassification of leasehold land and land use rights	加：租賃土地及土地使用權 重分類	181,499
Right-of-use assets recognised as at 1 January 2019	於2019年1月1日確認的 使用權資產	266,823
Of lease liabilities are:	其中租賃負債：	
Current lease liabilities	流動租賃負債	3,622
Non-current lease liabilities	非流動租賃負債	81,702
		85,324

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(c) Changes in accounting policy (continued)

(iii) Measurement of right-of-use assets

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 1 January 2019.

(iv) Adjustments recognised in the balance sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by approximately RMB266,823,000
- Leasehold land and land use rights – decrease by approximately RMB 181,499,000
- Lease liabilities (current portion) – increase by approximately RMB3,622,000

2. 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露的變化(續)

(c) 會計政策的變動(續)

(iii) 使用權資產的計量

使用權資產乃按相當於租賃負債的金額計量，並根據於2019年1月1日在資產負債表中確認與該租賃有關的任何預付或應計租賃付款的金額進行調整。

(iv) 於2019年1月1日在資產負債表中確認的調整

會計政策變動影響到2019年1月1日資產負債表的以下項目：

- 使用權資產 – 增加約人民幣266,823,000元
- 租賃土地及土地使用權 – 減少約人民幣181,499,000元
- 租賃負債(流動部分) – 增加約人民幣3,622,000元

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

(c) Changes in accounting policy (continued)

(iv) Adjustments recognised in the balance sheet on 1 January 2019 (continued)

- Lease liabilities (non-current portion) – increase by approximately RMB81,702,000

There was no impact on retained earnings on 1 January 2019.

(v) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of HKFRS 16.

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2. 重要會計政策摘要(續)

2.1 編製基準(續)

2.1.1 會計政策及披露的變化(續)

(c) 會計政策的變動(續)

(iv) 於2019年1月1日在資產負債表中確認的調整(續)

- 租賃負債(非流動部分) – 增加約人民幣81,702,000元

對2019年1月1日的留存收益概無影響。

(v) 出租人的會計處理法

本集團無需因採用香港財務報告準則第16號而對經營租賃項下作為出租人持有的資產進行任何會計處理調整。

2.2 附屬公司

2.2.1 合併賬目

附屬公司是本集團有控制權的實體(包括結構性實體)。若本集團因參與有關實體而對可變回報承擔風險或享有權利，並能透過其在該實體的權力影響該等回報，本集團即對該實體具有控制權。附屬公司在控制權轉移至本集團之日起合併入賬，並在控制權終止之日起停止合併入賬。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

2. 重要會計政策摘要(續)

2.2 附屬公司(續)

2.2.1 合併賬目(續)

集團內的交易、結餘及集團公司間交易的未確認收益予以對銷。未確認虧損亦予以對銷，除非交易提供所轉讓資產減值的證據。在需要時，附屬公司的呈報金額已調整，以確保與本集團的會計政策一致。

(a) 業務合併

本集團應用收購法將業務合併入賬。收購一間附屬公司所轉讓的代價為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股權權益的公允價值。所轉讓的代價包括或然代價安排所產生的任何資產或負債的公允價值。在業務合併中所購買的可識別資產以及所承擔的負債及或然負債，首先以彼等於購買日期的公允價值計量。

本集團按個別收購基準，確認在被收購方的任何非控制性權益。被收購方的非控制性權益為現時的擁有權權益，並賦予持有人一旦清盤時按比例應佔實體的淨資產，可按公允價值或按現時的擁有權權益應佔被收購方的可識別淨資產的確認金額比例計量。非控制性權益的所有其他組成部份按收購日期的公允價值計量，除非香港財務報告準則規定必須以其他計量基準計算。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations (continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2. 重要會計政策摘要(續)

2.2 附屬公司(續)

2.2.1 合併賬目(續)

(a) 業務合併(續)

收購的相關成本乃於產生時支銷。

倘業務合併分階段進行，收購方先前持有的被收購方股權的收購當日賬面值於收購當日重新計量為公允價值；由此產生的任何收益或虧損於損益中確認。

如果現金代價的任何部份遞延結算，則未來應付金額將折現為交換日的現值。所使用的貼現率是實體的增量借貸利率，即在可比條款和條件下，可以從獨立融資人處獲得類似借貸的利率。

本集團所轉讓的任何或然代價將在收購當日按公允價值確認。被視為一項資產或負債的或然代價的公允價值隨後變動，將按照香港財務報告準則第9號於損益中確認。分類為權益的或然代價毋須重新計量，而其隨後結算於權益中入賬。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations (continued)

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 2.10). If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of profit or loss.

(b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

2. 重要會計政策摘要(續)

2.2 附屬公司(續)

2.2.1 合併賬目(續)

(a) 業務合併(續)

所轉讓代價、被收購方的任何非控制性權益金額及任何先前於被收購方的股本權益於收購日的公允價值超出所收購的可識別資產淨值的公允價值的部份以商譽列賬(附註2.10)。如在議價購入的情況下，所轉讓代價、已確認非控制性權益及先前所持權益計量的總和低於所收購附屬公司資產淨值的公允價值，其差額則直接在損益表中確認。

(b) 所有權權益變動

本集團將不導致喪失控制權的非控制性權益交易視作與本集團權益持有者的交易。擁有權權益變動導致控制性與非控制性權益賬面值的調整，以反映其於附屬公司的相關權益。非控制性權益調整金額與任何已付或已收代價之間的任何差額於歸屬於本公司權益持有者應佔權益中的獨立儲備內確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(b) Changes in ownership interests (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2. 重要會計政策摘要(續)

2.2 附屬公司(續)

2.2.1 合併賬目(續)

(b) 所有權權益變動(續)

當本集團因喪失控制權、共同控制權或重大影響力而停止合併入賬或按權益入賬一項投資時，於實體的任何保留權益重新按公允價值計量，而賬面值變動於損益中確認。就其後入賬列作聯營公司、合營企業或金融資產之保留權益，其公允價值為初始賬面值。此外，先前於其他綜合收益中確認與該實體有關之任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。此可能意味先前在其他綜合收益確認之金額重分類至損益或根據適用香港財務報告準則之規定／許可轉撥至另一類權益。

倘於一間合營企業或聯營公司的擁有權權益減少但保留共同控制權或重大影響力，則先前於其他綜合收益中確認的金額僅有一定比例份額重分類至損益(如適用)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Subsidiaries (continued)

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs received of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill, if any, identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2. 重要會計政策摘要(續)

2.2 附屬公司(續)

2.2.2 獨立財務報表

於附屬公司之投資按成本扣除減值入賬。成本亦包括投資直接應佔成本。本公司根據已收取及應收股息為基準，計算附屬公司的業績。

在收取該等投資的股息時，倘若所得股息高於股息宣派期內附屬公司的綜合收益總額，或者在獨立財務報表中的投資賬面值高於合併財務報表中的被投資方淨資產(包括商譽)之賬面值時，則須對附屬公司的投資進行減值測試。

2.3 聯營公司

聯營公司指本集團對其有重大影響力但無控制權的實體，通常附帶有20%至50%投票權的股權。投資在聯營公司是採用權益會計法入賬。根據該權益會計法，有關投資最初按成本確認，並會增減賬面值以確認收購日後投資者於被投資方的損益份額。本集團於聯營公司之投資包括於收購時識別的商譽(如有)。

倘於聯營公司的擁有權權益減少但仍保留重大影響，只有按比例將之前於其他綜合收益中確認的金額重新分類至損益(如適當)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Associates (continued)

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in 'impairment loss on investment in an associate' in the consolidated statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates are recognised in the consolidated statement of profit or loss.

2. 重要會計政策摘要(續)

2.3 聯營公司(續)

本集團應佔收購後的溢利或虧損於損益表中確認，而應佔收購後其他綜合收益的變動(連同對投資賬面值作出的相應調整)則於其他綜合收益內確認。如本集團應佔聯營公司的虧損等於或超過其在該聯營公司的權益，包括任何其他無抵押應收賬款，本集團不會確認進一步虧損，除非本集團對聯營公司已產生法律或推定債務或已代聯營公司作出付款。

本集團於各報告日期釐定是否有任何客觀證據顯示於聯營公司之投資出現減值。如屬此情況，本集團會將減值金額作為聯營公司之可收回金額與其賬面值之差額計算，並將該金額在合併損益表「於一間聯營公司之投資減值損失」中確認。

本集團與其聯營公司之間的上游及下游交易產生的溢利及虧損，只限於無相關投資者佔聯營公司權益範圍在本集團的合併財務報表內確認。除非交易提供所轉讓資產減值的證據，否則未變現虧損會予以抵銷。聯營公司的會計政策已按需要作出改變，以確保與本集團採納的政策符合一致。

於聯營公司的股權攤薄所產生的收益或虧損於合併損益表內確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Joint arrangement

The Group has assessed the nature of its joint arrangement and determined it to be joint venture. A joint venture is accounted for using the equity method.

Under the equity method of accounting, interests in a joint venture are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investment in a joint venture include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture (including any other unsecured receivables), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.5 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the management committee (Note 5(b)) that makes strategic decisions.

2. 重要會計政策摘要(續)

2.4 共同安排

本集團已評估其共同安排之性質，並將其定為合營企業。合營企業採用權益法入賬。

根據權益會計法，於合營企業的權益乃按成本初步確認，其後予以調整以確認本集團應佔收購後的損益及於其他綜合收益的變動。本集團於合營企業的投資包括就收購識別的商譽。收購於一間合營企業的擁有權權益後，合營企業成本與本集團應佔合營企業的可識別資產及負債之公允價值淨值之間的差額入賬列作商譽。當本集團應佔合營企業虧損等於或超過其佔合營企業之權益時(包括任何其他無抵押應收賬款)，本集團不會確認進一步虧損，除非本集團代合營企業承擔負債或支付款項。

本集團與其合營企業之間的交易未變現收益與本集團於合營企業的權益抵銷。未變現虧損亦予以抵銷，除非交易時有證據表明所轉讓資產出現減值。合營企業的會計政策已按需要作出改變，以確保與本集團所採納政策符合一致。

2.5 分部報告

營運分部之報告方式須與首席營運決策人獲提供的內部報告之方式一致。作出決策的管理委員會(附註5(b))是首席營運決策人，其負責分配資源並且評核營運分部的表現。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 重要會計政策摘要(續)

2.6 Foreign currency translation

2.6 外幣換算

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

(a) 功能及呈列貨幣

本集團各實體計入財務報表的項目乃採用實體營運的主要經濟環境的貨幣(「功能貨幣」)計算。合併財務報表則以人民幣(「人民幣」)(本公司的功能貨幣及本集團的呈列貨幣)呈列。

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognised in the consolidated statement of profit or loss.

(b) 交易及結餘

外幣交易按交易日之通行的匯率或重新計量該等項目時之價值換算為功能貨幣。結算此等交易以及將以外幣為單位的貨幣性資產及負債按年終的匯率換算而產生的匯兌收益及虧損於合併損益表中確認。

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of profit or loss within 'Finance costs'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'Other gains – net'.

與借款相關之匯兌收益及虧損於合併損益表「財務成本」中列賬。所有其他匯兌收益及虧損均於合併損益表「其他收益 – 淨額」內列賬。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation (continued)

(b) Transactions and balances (continued)

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

2. 重要會計政策摘要(續)

2.6 外幣換算(續)

(b) 交易及結餘(續)

以外幣按公允價值計量的非貨幣項目使用釐定公允價值當日的匯率換算。按公允價值列賬的資產及負債的換算差額作為公允價值收益或虧損的一部分呈列。舉例而言，非貨幣資產及負債(例如持有按公允價值計量且其變動計入損益表之權益)之換算差額在損益內確認為公允價值盈虧的一部份，而非貨幣資產(例如分類為按公允價值計量且其變動計入其他綜合收益之權益)之換算差額於其他綜合收益內確認。

(c) 集團公司

本集團旗下所有公司(當中沒有高通脹經濟體系之貨幣)之功能貨幣倘有別於呈列貨幣，其業績及財務狀況須按以下方式換算為呈列貨幣：

- (i) 每份資產負債表所列的資產及負債按其結算日之收市匯率換算；

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Foreign currency translation (continued)

(c) Group companies (continued)

- (ii) income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income.

2.7 Property, plant and equipment

Property, plant and equipment, comprising buildings, machinery, furniture and fixtures, vehicles, leasehold improvements and finance leased machinery are stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance costs are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

2. 重要會計政策摘要(續)

2.6 外幣換算(續)

(c) 集團公司(續)

- (ii) 每份損益表所列的收入及開支按平均匯率換算，但若此平均匯率未能合理地反映各交易日之通行的匯率所帶來的累積影響，則按照交易日之匯率換算此等收入和支出；及
- (iii) 所有由此而產生之貨幣換算差額均於其他綜合收益中確認。

2.7 物業、廠房及設備

物業、廠房及設備，包括樓宇、機器設備、辦公設備、汽車、租賃物業裝修及融資租賃機器設備，乃按歷史成本減折舊及減值列賬。歷史成本包括收購該項目直接應佔的開支。

其後成本僅於當與該項目有關的未來經濟利益很有可能流入本集團，而項目的成本能夠可靠地計量，方會包括在資產的賬面值或確認為獨立資產(如適用)。作為獨立資產入賬的任何組件的賬面值於被更換時終止確認。所有其他維修及保養成本於產生時的財務期間自合併損益表扣除。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Property, plant and equipment (continued)

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Estimated useful life
Buildings	10–20 years
Machinery	5–10 years
Furniture and fixtures	3–10 years
Vehicles	4–10 years
Leasehold improvements	2–5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.11).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains – net' in the consolidated statement of profit or loss.

Construction-in-progress ("**CIP**") represents buildings, plant and machinery under construction or pending installation and is stated at historical cost less accumulated impairment losses, if any. Historical cost includes the costs of construction, acquisition and borrowing. No provision for depreciation is made on CIP until such time as the relevant assets are completed and available for intended use. When the assets concerned are ready for their intended use, the costs are transferred to property, plant and equipment and depreciated in accordance with the policy as stated above.

2. 重要會計政策摘要(續)

2.7 物業、廠房及設備(續)

物業、廠房及設備的折舊乃採用以下估計可使用年期將其成本按直線法分攤至剩餘價值計算，如下：

	估計可使用年期
樓宇	10–20年
機器設備	5–10年
辦公設備	3–10年
汽車	4–10年
租賃物業裝修	2–5年

資產的剩餘價值及可使用年期於每個報告期末獲審閱及調整(如適用)。

倘資產的賬面值高於其估計可收回金額，則其賬面值即時撇減至可收回金額(附註2.11)。

出售盈虧乃對比所得款項與賬面值後釐定，並於合併損益表中「其他收益 – 淨額」確認。

在建工程(「**在建工程**」)指正在興建或有待安裝的樓宇、廠房及機器設備，並按歷史成本減累計減值虧損(如有)列賬。歷史成本包括興建、收購及借款成本。概無就在建工程的折舊計提撥備，直至有關資產竣工及可用作擬定用途為止。當有關資產按其既定用途使用，成本會轉撥至物業、廠房及設備，並根據上述政策予以折舊。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Leasehold land and land use rights

All land in the Mainland China is state-owned and no individual land ownership right exists. The Group acquired the right to use certain lands. The upfront prepayments made for leasehold land and land use rights were treated as prepayment for leases and recorded as leasehold land and land use rights separately in the consolidated balance sheet before 1 January 2019. The leasehold land and land use rights were stated at historical cost less accumulated amortisation and impairment losses.

2.9 Investment property

The property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the entities in the Group, is classified as "Investment property".

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at depreciated cost less accumulated impairment.

Depreciation of investment properties is calculated using the straight-line method to allocate cost to their residual value over their estimated useful lives of 20 years.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the consolidated statement of profit or loss during the financial period in which they are incurred.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its carrying amount at the date of reclassification becomes its cost for accounting purposes.

If an item of property, plant and equipment becomes an investment property because its use has changed, the transfer does not change the carrying amount of the property transferred, nor does it change the cost of that property for measurement or disclosure purposes.

2. 重要會計政策摘要(續)

2.8 租賃土地及土地使用權

中國大陸的所有土地均為國有，不存在個人土地所有權。本集團獲得使用若干土地的權利。租賃土地及土地使用權的預付款項被視為租賃預付款項，並於2019年1月1日之前在合併資產負債表中分別入賬為租賃土地及土地使用權。租賃土地及土地使用權以歷史成本減去累計攤銷及減值虧損後列賬。

2.9 投資物業

持有長期租金收益或資本增值或此兩種用途，而並非由本集團的各實體佔用的物業分類為「投資物業」。

投資物業按成本(包括相關交易成本)初始計量。初始確認後，投資物業按已折舊成本減累計減值列賬。

投資物業的折舊乃採用其估計可使用年期(20年)將成本按直線法分攤至其剩餘價值計算。

其後開支僅於當與該項目有關的未來經濟利益很有可能會流入本集團，而項目的成本能夠可靠地計量，方會在資產的賬面值扣除。所有其他維修及保養成本於產生時的財務期間於合併損益表中列支。

倘投資物業成為業主自用，則重分類為物業、廠房及設備，而就會計目的而言，於重分類當日的賬面值為其成本。

倘物業、廠房及設備的某個項目因其用途改變而成為投資物業，則該轉撥並無改變所轉撥物業的賬面值，亦無改變該物業的成本作計量或披露用途。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Intangible assets

(a) Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

(b) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;

2. 重要會計政策摘要(續)

2.10 無形資產

(a) 商譽

收購附屬公司的商譽列入無形資產。商譽不予攤銷，惟每年進行減值測試，或當有事件出現或情況變動顯示其可能出現減值時，進行更頻密減值測試，並按成本減去累計減值損失列示。出售實體的收益及虧損包括與出售實體有關的商譽賬面值。

商譽會被分配至現金產生單位以進行減值測試。有關分配乃對預期將從商譽產生的業務合併中獲益的現金產生單位或現金產生單位組別作出。現金產生單位或現金產生單位組別乃就內部管理目的而於監察商譽的最低層次(即營運分部)識別。

(b) 軟件

與維護軟件程式相關的成本於產生時確認為開支。倘符合下列標準，由本集團控制的可識別及獨特軟件產品直接相關的設計及測試之開發成本確認為無形資產：

- 在技術上能夠完成軟件以供使用；
- 管理層擬完成的軟件及使用或出售該軟件；

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Intangible assets (continued)

(b) Software (continued)

- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use using the straight-line method over their estimated useful lives of 3-5 years.

(c) Unpatented and patented technology

Acquired unpatented and patented technology costs recognised as assets are amortised using the straight-line method over their estimated useful life of 8 years.

2. 重要會計政策摘要(續)

2.10 無形資產(續)

(b) 軟件(續)

- 能夠使用或出售軟件；
- 能夠展示軟件將產生可能未來經濟利益的方式；
- 可獲得足夠的技術、財務及其他資源以完成開發及使用或銷售軟件；及
- 軟件開發過程產生的開支可予以可靠計量。

作為軟件的一部份予以資本化的直接成本包括僱員成本及合適比例的相關開支。

資本化的開發成本自資產可供使用的時間點開始列為無形資產及使用直線法於其估計可使用年期3至5年攤銷。

(c) 非專利及專利技術

已收購非專利及專利技術成本確認為資產及使用直線法於其估計可使用年期8年攤銷。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill – are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Financial assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income (“**OCI**”) or through profit or loss); and
- those to be measured at amortised cost.

2. 重要會計政策摘要(續)

2.11 非金融資產減值

沒有確定可使用年期的資產(例如商譽)毋須攤銷，惟會每年進行減值測試，或當有事件出現或情況變動顯示其可能出現減值時，或會進行更頻密的減值測試。無論在任何情況下當有事件或變動顯示賬面值可能無法收回時，則須進行攤銷的資產作減值檢討。減值虧損乃按資產賬面值高出其可收回金額的金額確認。可收回金額為資產公允價值減出售成本及使用價值兩者的較高者。就評估減值而言，資產乃按多數獨立於其他資產或資產組別所得現金流入的可獨立識別現金流量(現金產生單位)的最低層次組合。出現減值的非金融資產(商譽除外)會於每個報告日期作出可能撥回減值的檢討。

2.12 金融資產

(i) 分類

本集團將其金融資產分為以下類別：

- 隨後按公允價值計量者(不論是計入其他綜合收益(「**其他綜合收益**」)或是計入損益表)；及
- 按攤銷成本計量者。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Financial assets (continued)

(i) Classification (continued)

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

2. 重要會計政策摘要(續)

2.12 金融資產(續)

(i) 分類(續)

分類視乎於實體用於管理金融資產的業務模型及現金流量的合約條款而定。

就按公允價值計量的資產而言，收益及虧損將計入損益或其他綜合收益。非持作買賣的權益工具之投資，將視乎本集團是否有在首次確認時作出不可撤銷的選擇，以按公允價值計量且其變動計入其他綜合收益(「按公允價值計量且其變動計入其他綜合收益」)列賬權益投資。

當且僅當管理該等資產的業務模式改變時，本集團方會對債務投資進行重分類。

(ii) 確認及終止確認

金融資產之一般買賣於交易日(即本集團承諾購買或出售資產當日)確認。金融資產乃從收取現金流量的權利屆滿或轉讓，而本集團實質上轉移所有權的一切風險及回報時，金融資產即終止確認。

(iii) 計量

於初始確認時，本集團按其公允價值加上(倘金融資產並非按公允價值計量且其變動計入損益表(「按公允價值計量且其變動計入損益表」)收購金融資產直接應佔的交易成本計量金融資產。以按公允價值計量且其變動計入損益表列賬的金融資產的交易成本於損益中支銷。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Financial assets (continued)

(iii) Measurement (continued)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income or other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'Other gains – net' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of profit or loss.

2. 重要會計政策摘要(續)

2.12 金融資產(續)

(iii) 計量(續)

附帶嵌入式衍生工具的金融資產於釐定其現金流量是否僅支付本金及利息時會以整體作考慮。

債務工具

債務工具的後續計量取決於本集團管理資產的業務模式及資產的現金流量特徵。本集團將其債務工具分類為三種計量類別：

- 攤銷成本：倘為收取合約現金流量而持有的資產的現金流量僅為本金及利息的償付，及按攤銷成本計量。該等金融資產的利息收入採用實際利率法計入財務收入或其他收入。終止確認產生的任何收益或虧損直接於損益中確認，並與匯兌收益及虧損於「其他收益 – 淨額」列示。減值虧損於合併損益表內作為單獨項目列示。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Financial assets (continued)

(iii) Measurement (continued)

Debt instruments (continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other gains – net'. Interest income from these financial assets is included in finance income or other income using the effective interest rate method. Foreign exchange gains and losses are presented in 'Other gains – net' and impairment expenses are presented as separate line item in the consolidated statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within 'Other gains – net' in the period in which it arises.

2. 重要會計政策摘要(續)

2.12 金融資產(續)

(iii) 計量(續)

債務工具(續)

- 按公允價值計量且其變動計入其他綜合收益：倘持有資產為收取合約現金流量及出售金融資產而其現金流量僅為本金及利息的償付，則按公允價值計量且其變動計入其他綜合收益計量。賬面值變動乃透過其他綜合收益確認，惟確認減值收益或虧損、利息收入及匯兌收益及虧損是於損益中確認。終止確認金融資產時，先前於其他綜合收益確認的累計收益或虧損將自權益重分類至損益並於「其他收益 – 淨額」中確認。來自該等金融資產的利息收入採用實際利率法計入財務收入或其他收入。匯兌收益及虧損於「其他收益 – 淨額」呈列，而減值開支於合併損益表內作為單獨項目列示。
- 按公允價值計量且其變動計入損益表：不符合攤銷成本或按公允價值計量且其變動計入其他綜合收益標準的資產按公允價值計量且其變動計入損益表計量。其後按公允價值計量且其變動計入損益表之債務投資產生的收益或虧損於損益內確認並於其產生期間的「其他收益 – 淨額」以淨值列示。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Financial assets (continued)

(iii) Measurement (continued)

Equity instruments

- The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.
- Changes in the fair value of financial assets at FVPL are recognised in 'Other gains – net' in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 19 for further details.

2. 重要會計政策摘要(續)

2.12 金融資產(續)

(iii) 計量(續)

權益工具

- 本集團其後按公允價值計量所有權益投資。倘本集團管理層已選擇於其他綜合收益呈列權益投資的公允價值收益及虧損，則於終止確認此類投資後，公允價值收益及虧損隨後不再重分類至損益表。當本集團收取付款的權利確立時，此類投資的股息繼續於損益中確認為其他收入。
- 按公允價值計量且其變動計入損益表之金融資產的公允價值變動於損益表(如適用)「其他收益 – 淨額」中確認。按公允價值計量且其變動計入其他綜合收益之權益投資的減值虧損(及減值虧損撥回)不會與公允價值的其他變動分開呈報。

(iv) 減值

本集團按前瞻性基準評估與其以攤銷成本及按公允價值計量且其變動計入其他綜合收益之債務工具相關的預期信貸損失。所應用的減值方法取決於信貸風險是否顯著增加。

就應收貿易賬款而言，本集團採用香港財務報告準則第9號所允許的簡化方法，該方法規定預期整個存續期虧損將自初始確認為應收款項起確認，進一步詳情見附註19。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 重要會計政策摘要(續)

2.13 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative instrument contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative instrument is designed as a hedging instrument, and if so, the nature of item being hedged.

For derivative financial instruments do not qualify for hedge accounting, changes in fair value are recognised immediately in the consolidated statement of profit or loss as a separate item.

2.14 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.15 Inventories

Inventories are stated at the lower of cost and the net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 衍生金融工具及對沖活動

衍生工具於訂立衍生工具合約當日按公允價值初始確認，並於各報告期末按其後公允價值重新計量。公允價值其後變動的會計處理視乎於衍生工具是否界定為對沖工具，如是，則取決於被對沖項目的性質。

就不符合資格進行對沖會計處理的衍生金融工具而言，公允價值的變動即時於合併損益表內確認為單獨項目。

2.14 抵銷金融工具

當有法定可執行權利可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

2.15 存貨

存貨按成本及可變現淨值兩者的較低者入賬。成本乃按加權平均法釐定。製成品及在製品的成本包括原材料、直接人工、其他直接成本及相關生產間接開支(依據正常營運能力)，不包括借款成本。可變現淨值為日常業務過程中的估計售價，減去適用的可變銷售支出。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Properties under development and held for sale

Properties under development and held for sale are stated at the lower of cost and net realisable value. Development cost of properties comprises cost of land use rights, construction costs and borrowing costs incurred during the construction period. Upon completion, the properties are transferred to completed properties held for sale.

Net realisable value takes into account the price ultimately expected to be realised, less applicable variable selling expenses and the anticipated costs to completion.

Properties under development and held for sale are classified as current assets unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

2.17 Trade, notes and other receivables

Trade and notes receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection of trade, notes and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. Notes receivables are measured at fair value through other comprehensive income. See Notes 19, 22 and 20 for further information about the Group's accounting for trade, notes and other receivables and Note 2.12(iv) for a description of the Group's impairment policies.

2. 重要會計政策摘要(續)

2.16 發展中及持作出售物業

發展中及持作出售物業以成本及可變現淨值兩者的較低者入賬。物業發展成本包括土地使用權費用、建築成本及在建期間產生的借款成本。竣工後，物業轉為已完成的持作出售物業。

可變現淨值考慮最終預計可變現價格，減去適用可變動銷售支出及預期竣工成本。

發展中及持作出售物業分類為流動資產，惟相關物業發展項目的建築工期預計超出正常經營周期者除外。

2.17 應收貿易賬款、票據及其他應收賬款

應收貿易賬款及票據為在日常業務過程中就已銷售商品之應收客戶的款項。倘應收貿易賬款、票據及其他應收賬款預期可於一年或之內收款(或時間更長，則在業務的正常營運週期)，則分類為流動資產。如未能於一年或之內收款，則分類為非流動資產。

應收貿易賬款及其他應收賬款初始按公允價值確認，而其後則採用實際利率法按已攤銷成本減去減值撥備計量。應收票據按公允價值計量且其變動計入其他綜合收益。有關本集團應收貿易賬款、票據及其他應收賬款列賬之進一步資料請參閱附註19、22及20及有關本集團之減值政策之說明請參閱附註2.12(iv)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Cash and cash equivalents

In the consolidated statement of cash flow, cash and cash equivalents includes cash in hand, deposits held at call with banks with original maturities if three months or less.

2.19 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.21 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

2. 重要會計政策摘要(續)

2.18 現金及現金等價物

合併現金流量表中，現金及現金等價物包括現金、銀行活期存款(三個月或更短內到期)。

2.19 股本

普通股分類為權益。與發行新股或購股權直接相關的新增成本於權益中列為所得款項的減少(扣除稅項)。

2.20 應付貿易賬款及其他應付賬款

應付貿易賬款為在日常業務過程中就自供應商採購商品或服務的付款責任。倘應付貿易賬款及其他應付賬款預期於一年或之內到期支付(或時間更長，則在業務的正常營運週期)，則分類為流動負債。如並非於一年或之內到期，則分類為非流動負債。

應付貿易賬款及其他應付賬款初始按公允價值確認，而其後則採用實際利率法按已攤銷成本計量。

2.21 借款

借款初始按公允價值(扣除已產生的交易成本)確認。借款其後按已攤銷成本列賬；所得款項(扣除交易成本)與贖回價值之間的任何差額於借款期使用實際利率法於合併損益表中確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Borrowings (continued)

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.22 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowing costs include interest expense, finance charges in respect of finance lease and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs. The exchange gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity had borrowed funds in its functional currency, and the borrowing costs actually incurred on foreign currency borrowings. Such amounts are estimated based on interest rates on similar borrowings in the entity's functional currency/forward currency rates at the inception of the borrowings.

2. 重要會計政策摘要(續)

2.21 借款(續)

借款於合約列明的責任獲解除、註銷或屆滿時自資產負債表中剔除。已失效或轉移至另一方之財務負債之賬面值與已付代價之差額(包括已轉讓的任何非現金資產或已承擔負債)於損益內確認為其他收入或財務成本。

除非本集團有無條件的權利延遲償還負債直至報告期末後最少12個月，否則借款分類為流動負債。

2.22 借款成本

任何直接用於收購、建設或生產需較長時間方可用於其擬定用途或出售的合資格資產的一般及特定借款成本，乃加入該等資產的成本當中，直至資產已大致可作其擬定用途或銷售時為止。

所有其他借款成本則於其產生時之期間於損益中確認。

借款成本包括利息開支、有關融資租賃之融資費用及外幣借貸產生且被視為屬於利息成本調整範圍內之匯兌差異。匯兌收益及虧損為利息成本之調整，包括倘實體按其功能貨幣借入資金將產生借款成本之利率差異，及外幣借款實際產生之借款成本。該款項按實體的功能貨幣/借款成立時的遠期匯率基於類似借款之利率估計。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Borrowing costs (continued)

When the construction of the qualifying assets takes more than one accounting period, the amount of foreign exchange differences eligible for capitalisation is determined on a cumulative basis based on the cumulative amounts of interest expenses that would have been incurred had the entity borrowed in its functional currency. The total amount of foreign exchange differences capitalised cannot exceed the amount of total net foreign exchange differences incurred on a cumulative basis at the end of the reporting period.

2.23 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. 重要會計政策摘要(續)

2.22 借款成本(續)

當建立合資格資產需花費一個以上會計期間，合資格資本化的匯兌差異金額基於利息開支的累計金額(該實體以其功能貨幣借款所產生)按累計方式釐定。匯兌差異資本化總額不得超過報告期末按累計基準產生的匯兌差異淨值總額。

2.23 當期及遞延所得稅

期內稅項開支指當期及遞延稅項。稅項於合併損益表確認，惟倘與該等在其他綜合收益確認或直接於權益確認的項目有關者除外。在該情況下，稅項亦會分別於其他綜合收益確認或直接於權益確認。

(a) 當期所得稅

當期所得稅費用按本公司及其附屬公司及聯營公司從事業務經營並產生應課稅收入的所在國家在結算日已頒佈或實質上已頒佈的稅務法律計算。在適用的稅務法規有待解釋的情況下，管理層會定期評估申報的稅務狀況，必要時按預期向稅務機關繳納的稅額計提撥備。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Current and deferred income tax (continued)

(b) Deferred income tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The deferred tax liability in relation to investment property that is measured at fair value is determined assuming the property will be recovered entirely through sale.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2. 重要會計政策摘要(續)

2.23 當期及遞延所得稅(續)

(b) 遞延所得稅

遞延所得稅採用負債法按資產和負債的稅基與其在合併財務報表的賬面值兩者產生的暫時性差異確認。然而，倘遞延所得稅負債於首次確認商譽產生時並無確認，遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計或應課稅盈虧，則不作記賬。遞延所得稅採用在結算日前生效或實質生效，並在有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法律)而釐定。

有關按公允價值計量的投資物業的遞延稅項負債乃假設該物業將透過出售完全收回釐定。

遞延所得稅資產僅就有可能在未來應課稅溢利而就此可動用暫時性差異相抵而確認。

倘本公司能控制撥回暫時性差異的時間及該等差異很可能不會於可見將來撥回，則不會就外國業務投資賬面值與稅基之間的暫時性差異確認遞延稅項資產及負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Current and deferred income tax (continued)

(b) Deferred income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. 重要會計政策摘要(續)

2.23 當期及遞延所得稅(續)

(b) 遞延所得稅(續)

當有法定可執行權利將當期稅項資產與負債抵銷，及倘遞延稅項結餘與同一稅務機構相關，則可將遞延稅項資產與負債抵銷。倘實體有法定可執行抵銷權利且有意按淨值基準清償或同時變現資產及清償負債時，則當期稅項資產與稅項負債抵銷。

當期及遞延稅項於損益中確認，惟有關於其他綜合收益或直接於權益確認的項目除外。在此情況下，稅項亦分別於其他綜合收益或直接於權益中確認。

(c) 抵銷

當有法定可執行權利將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅實體或不同應課稅實體但有意以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Employee benefits

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the “MPF Scheme”). Under the MPF Scheme, the Group and its Hong Kong employees make monthly contributions to the MPF Scheme at 5% of the employees’ earnings as defined under the Mandatory Provident Fund legislation, subject to a cap per person per month and any excess contributions are voluntary (if any).

In accordance with the rules and regulations in the PRC, the Group has arranged for its PRC employees to join the defined contribution retirement benefit plans organised by PRC government. The PRC government undertakes to assume the retirement benefit obligations of all existing and future retired employees payable under the plan as set out in Note 35. The assets of this plan are held separately from those of the Group in an independent fund managed by the PRC government.

The Group’s contributions to the defined contribution retirement benefit plan are charged to the consolidated statement of profit or loss as incurred. The Group has no further payment obligations once the contributions have been paid.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

2. 重要會計政策摘要(續)

2.24 僱員福利

本集團已為其香港僱員安排參與強制性公積金計劃(「強積金計劃」)。根據強積金計劃，本集團及其香港僱員須各自根據強制性公積金條例按僱員收入5%每月向強積金計劃供款，按每人每月的供款上限及自願作出額外供款(如有)。

根據中國的規定及條例，本集團已為其中國僱員安排參與中國政府組織的定額供款統籌退休金計劃。中國政府承諾負擔按附註35所述的計劃向所有現時及未來退休的僱員支付退休金的責任。本計劃的資產撥入獨立於本集團，並由中國政府管理的獨立基金。

本集團向定額供款統籌退休金計劃繳交的供款於產生時在合併損益表列賬。本集團於供款付清後再無其他付款責任。

僱員享有之年假於彼等享有年假時確認。因僱員提供服務至結算日而須給予之估計年假均須計提撥備。

僱員享有之病假及產假須待正式休假時予以確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Share-based payments

(a) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or hold shares for a specific period of time).

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2. 重要會計政策摘要(續)

2.25 購股權支出

(a) 以股權結算之購股權支出交易

本集團設有一項以股權結算、股份支付的薪酬計劃，據此實體以本集團的權益工具(購股權)作為代價取得僱員的服務。就僱員提供服務而授予的購股權的公允價值確認為支出。將列作支出的總金額乃參考所授購股權的公允價值釐定：

- 包括任何市場表現狀況(例如，實體的股份價格)；
- 不包括任何服務及非市場表現可行權條件(例如，盈利能力、銷售增長目標和該實體僱員在指定時期留任)之影響；及
- 包括任何非可行權條件(例如，僱員留任或於一段特定時間持有股份之要求)之影響。

在假定預期將授予的購股權數目時，非市場性質的表現及服務條件亦加入一併考慮。支出的開支總額於可行權期間內確認，該期間為所有特定可行權條件將獲達成的期間。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Share-based payments (continued)

(a) Equity-settled share-based payment transactions (continued)

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-marketing vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statement of profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value).

(b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2. 重要會計政策摘要(續)

2.25 購股權支出(續)

(a) 以股權結算之購股權支出交易(續)

此外，在某些情況下，僱員可能在授出日期之前提供服務，因此授出日期的公允價值會予以估計，以確認服務開始期至授出日期之間期間的開支。

於各個報告期末，實體根據非市場性質的可行權條件調整對預期將授予的購股權數目所作出的估計，如有對原來估計產生影響，在合併損益表中對權益作出相應調整。

在購股權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本(面值)。

(b) 集團實體間購股權支出交易

本公司授出之購股權超過本集團附屬公司業務僱員的權益工具，作為注資處理。已收取僱員服務的公允價值乃參考授出當日公允價值計量，於歸屬期確認為於附屬公司業務投資的增加，並計入相關母實體賬目之權益內。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.26 Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.27 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of profit or loss over the period necessary to match them with the costs that they are intended to compensate.

2. 重要會計政策摘要(續)

2.26 撥備

環境整修、重建成本及法律索償的撥備乃於：本集團因已發生的事件而承擔現時的法定或推定責任；可能須以資源流出清償該項責任；及責任的金額能可靠估計時須予以確認。概不就未來經營虧損確認撥備。

如有多項類似責任，則履行該等責任時將需要流出資源的可能性乃在整體考慮有關責任的類別後予以釐定。即使有關同一類別責任內任何一項責任出現流出的可能性很低，惟仍須確認撥備。

撥備按管理層對結付報告期末現時責任所需的開支的最佳估計現值計量。用於釐定現值的貼現率為除稅前利率，其反映了市場目前對貨幣時間價值及特定風險的評估。時間流逝導致撥備金額的增加乃確認為利息費用。

2.27 政府補貼

當本集團可合理確保將會收到補貼，且本集團將符合所有附帶條件時，政府補貼可按公允價值予以確認。

有關成本的政府補貼遞延入賬，並按擬補償的成本配合所需期間於合併損益表中確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Government grants (continued)

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the consolidated statement of profit or loss on a straight-line basis over the expected lives of the related assets.

2.28 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied or service performed, stated net of value added taxes, returns, rebates and discounts and after eliminating sales with the Group. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

(a) Sales of goods

Revenue from the sales of goods directly to the customers is recognised at the point that the control of the inventory have passed to the customers, which is primarily upon the acceptance of the products by the customers. The customers have full discretion over the products, and there is no unfulfilled obligation that could affect the customers' acceptance of the products. The Group collects cash or bank acceptance notes from the customers before or upon deliveries of products. Cash or bank acceptance notes collected from the customers before product delivery is recognised as contract liabilities.

2. 重要會計政策摘要(續)

2.27 政府補貼(續)

有關物業、廠房及設備的政府補貼按遞延政府補貼列入非流動負債，並按有關資產的預期可使用年期以直線法計入合併損益表。

2.28 收入確認

收入乃按已收或應收代價之公允價值計量，並代表有關所供應貨物或所提供服務之應收賬款，在扣除增值稅、退貨、回扣和折扣，以及對銷本集團內銷售額後列示。於如下文所述當收入之金額能可靠計量時；當未來經濟利益可能流入該實體時；及當已符合本集團各項活動的特定條款時，本集團確認收入。本集團基於過往業績並計及客戶類型、交易類型及各安排的特性的考慮，作出回報估計。

(a) 貨物的銷售

向客戶直接銷售貨物產生的收入於存貨之控制權已轉移至客戶時(即主要於客戶接納產品時)確認。客戶對產品有全權酌情決定權，且概無可影響客戶接納產品的未履行政責任。本集團於交付產品前或交付產品時自客戶收取現金或銀行承兌匯票。於產品交付前自客戶收取的現金或銀行承兌匯票確認為合約負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Revenue recognition (continued)

(b) Sales of properties

The Group develops and sells properties. Revenue is recognised when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment depends on the specific terms and conditions of the contract. For the contract with an enforceable right to payment, revenue is recognised over period, otherwise, revenue is recognised at a point.

(c) Sales of services

The Group sells logistics transportation and customs declaration services. For sales of services, revenue is recognised when the related services are provided.

2.29 Interest income

Interest income from financial assets at fair value through profit or loss is included in 'Other gains – net' on these assets, see Note 32 below. Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the consolidated statement of profit or loss as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes, see Note 36 below. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

2. 重要會計政策摘要(續)

2.28 收入確認(續)

(b) 物業的銷售

本集團發展及銷售物業。當物業之控制權已轉移至客戶時確認收入。由於合約限制，對本集團而言，物業一般並無替代用途。然而，強制付款的權利視乎合約的特定條款及條件而定。就具有強制付款的權利的合約而言，收入於期內確認，否則，收入於某一時間點確認。

(c) 服務的銷售

本集團銷售物流運輸及報關服務。有關服務的銷售，收入於相關服務提供時確認。

2.29 利息收入

按公允價值計量且其變動計入損益表之金融資產之利息收入計入該等資產的「其他收益 – 淨額」，見下文附註32。使用實際利率法計算的按攤銷成本計量之金融資產及按公允價值計量且其變動計入其他綜合收益之金融資產之利息收入於合併損益表中確認為其他收入的一部份。

賺取自持作現金管理用途之金融資產的利息收入呈列作財務收入，見下文附註36。任何其他利息收入乃計入其他收入。

利息收入乃對金融資產賬面總值應用實際利率法計算，惟其後出現信貸減值的金融資產除外。就信貸減值金融資產而言，實際利率應用於金融資產賬面淨值(扣除虧損撥備後)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.30 Dividend income

Dividends are received from financial assets measured at FVPL and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2.31 Leases

As explained in Note 2.1.1 above, the Group has changed its accounting policy for leases where the Group is the lessee with effect from 1 January 2019. The new policy is described below and the impact of the change is set out in Note 2.1.1.

The Group leases various lands and offices. Rental contracts are typically made for fixed periods but may have extension options as described below. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

For the year ended 31 December 2018 and before, leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

2. 重要會計政策摘要(續)

2.30 股息收入

自按公允價值計量且其變動計入損益表之金融資產以及按公允價值計量且其變動計入其他綜合收益之金融資產收取之股息。在收取股息的權利確立時，股息於損益中確認為其他收入。即使以收購前溢利支付仍適用，除非股息明顯代表對部份投資成本的收回。在這種情況下，倘股息與按公允價值計量且其變動計入其他綜合收益的投資有關，則於其他綜合收益確認。然而，該投資可能因此需要進行減值測試。

2.31 租賃

誠如上文附註2.1.1所闡述，本集團已自2019年1月1日起變更其作為承租人的租賃會計政策。新政策於下文載述，而有關變動的影響載於附註2.1.1。

本集團租賃多幅土地及多個辦公室。租賃合約通常訂有固定期限，但可能包含下文所述的延期選擇權。租期乃按個別基礎上協商，並包含各種不同的條款及條件。租賃協議並無施加任何限制，惟租賃資產不得用作借款的抵押。

截至2018年12月31日止年度及之前，租賃所有權的絕大部份風險及回報並無轉移至本集團(作為承租人)的租賃分類為經營租賃。經營租賃項下支付的款項(扣除自出租人獲取的任何優惠)於租期內以直線法自損益扣除。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Leases (continued)

From 1 January 2019, leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), less any lease incentives receivable.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the incremental borrowing rate of the Group which the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use assets in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability and any lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis to allocate their cost to their residual values over their estimated lease period.

2. 重要會計政策摘要(續)

2.31 租賃(續)

自2019年1月1日起，租賃確認為使用權資產，並於租賃資產可供本集團使用之日確認相應負債。

租約產生的資產及負債初始以現值進行計量。租賃負債包括固定付款(包括實質固定付款)的淨現值減任何應收租賃優惠。

計量負債時亦包括根據合理確定延長選擇權作出的租賃付款。租賃付款使用本集團的增量借款利率(即本集團在類似經濟環境下按類似條款、抵押及條件借入所需資金以取得類似價值的使用權資產所須支付的利率)貼現。

為釐定增量借款利率，本集團使用個別承租人最近獲得的第三方融資作為出發點，並作出調整以反映自獲得第三方融資以來融資條件的變動。

租賃付款於本金與融資成本之間作出分配。融資成本於租期內自損益扣除以計算出各期間負債結餘的固定週期利率。

使用權資產按成本計量，並包括租賃負債的初始計量金額，以及於開始日期或之前作出的任何租賃付款減任何已收租賃優惠。使用權資產於資產可使用年期與租賃期限的較短者以直線法折舊，以於估計租期內分配成本至餘值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.31 Leases (continued)

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. The Group has not leased any low-value assets during the year ended 31 December 2019.

Extension options are included in the land leases across the Group. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension options held are exercisable only by the Group and not by the respective lessor. None of the extension option was exercised during the year ended 31 December 2019.

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term (Note 33). Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2. 重要會計政策摘要(續)

2.31 租賃(續)

與短期租賃及低價值資產租賃相關的付款以直線法於損益內確認為開支。短期租賃指租期為12個月或以下的租賃。於截至2019年12月31日止年度，本集團並無租賃任何低價值資產。

本集團所有土地租賃均包含延長選擇權。該等條款可盡量提高管理合約方面的營運彈性。大部份所持有的延長選擇權僅可由本集團行使，而不得由相關出租人行使。於截至2019年12月31日止年度內，本集團並無行使延長選擇權。

於釐定租賃期限時，本集團會考慮產生行使延長選擇權的經濟誘因的所有事實及情況。僅在合理確定延長租賃的情況下，租賃期限方會包含延長選擇權。

經營租賃(本集團作為出租人)的租賃收入於租賃期限內以直線法確認為收入(附註33)。於獲取經營租賃時產生的初始直接成本會加入相關資產的賬面值，並於租賃期限內按確認租賃收入的同一基準確認為開支。相關租賃資產按其性質計入資產負債表。於採納新租賃準則後，本集團毋須就作為出租人持有資產的會計處理作出任何調整。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2. 重要會計政策摘要(續)

2.32 Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

2.32 或然負債

或然負債指因已發生的事件而可能引起的責任，此等責任需就某一宗或多宗本集團不能完全控制會否實現的事件會否發生才能確認。或然負債亦可能是因已發生的事件引致的現有責任，但由於可能不需要消耗經濟資源，或責任金額未能可靠地計量而未有入賬。或然負債不會予以確認，但會在合併財務報表附註中披露。假若消耗資源的可能性改變導致可能出現資源消耗，則其將被列作撥備入賬。

2.33 Dividends distribution

Dividends distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.33 股息分派

向本公司股東分派的股息在股息獲本公司股東批准的期間內於本集團的財務報表內確認為負債。

2.34 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, by weighted average number of ordinary shares outstanding during the financial year.

2.34 每股收益

(a) 每股基本收益

每股基本收益按本公司權益持有者應佔溢利除以該財政年度發行在外的普通股加權平均數計算。

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(b) 每股稀釋收益

每股稀釋收益調整了用於釐定每股基本收益的數字，當中計及利息所得稅的稅後效應及其他與具攤薄性潛在普通股有關的財務成本，以及假設就具攤薄性潛在普通股作無代價發行的股份的加權平均數。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.35 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under HKFRS 9 “Financial Instruments”; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of HKFRS 15 “Revenue from Contracts with Customers”.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

2. 重要會計政策摘要(續)

2.35 財務擔保合約

財務擔保合約於出具擔保時確認為金融負債。負債初始按公允價值計量，其後則以下文較高者計量：

- 按香港財務報告準則第9號「金融工具」項下的預期信貸損失模型釐定的金額；及
- 初始確認的金額(如適用)減按香港財務報告準則第15號「與客戶的合約產生的收入」所確認的累計收入金額。

財務擔保的公允價值基於債務工具所需合約付款與無擔保情況下須付款項的現金流量差額現值，或假設責任而應付一名第三方的估計金額釐定。

倘有關聯營公司的貸款或其他應付賬款之擔保為無償提供，該等公允價值作為貢獻入賬並確認為投資成本的一部份。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk, cash flow interest rate risk and foreign exchange risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant floating interest-bearing assets. The Group's interest rate risk mainly arises from bank borrowings. Borrowings issued at variable rates expose the Group to cash flow interest risk which is partially offset by cash held at variable rates. Loan receivables, other receivables and amounts due from related parties issued at fixed rates exposed the Group to fair value interest rate risk. The maximum exposures to the interest rate risk have been disclosed in Notes 20, 21, 29 and 44 respectively.

The Group has not entered into any derivatives to hedge its exposure to interest rate risk for the year ended 31 December 2019 (2018: The Group has entered into some derivatives to hedge its exposure to interest rate risk).

3. 財務風險管理

3.1 財務風險因素

本集團的活動承受多種財務風險：市場風險(包括公允價值利率風險、現金流量利率風險及外匯風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於財務市場的難預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。

(a) 市場風險

(i) 現金流量及公允價值利率風險

由於本集團並無任何重大浮動計息資產，故本集團的收入及經營現金流量基本上不受市場利率變動所影響。本集團的利率風險主要來自銀行借貸。按浮動利率發行的借款令本集團面臨現金流量利率風險，而該風險由按浮動利率持有的現金部份抵銷。按固定利率發行的應收貸款、其他應收賬款及應收關聯方款項令本集團面臨公允價值利率風險。最大利率風險分別於附註20、21、29及44中披露。

截至2019年12月31日止年度，本集團並無訂立任何衍生工具以對沖其利率風險(2018年：本集團訂立若干衍生工具以對沖其利率風險)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk

The major foreign exchange risk exposure arises from the Group's importing and exporting activities and the Group's borrowings, which are mostly denominated in United States Dollars (the "US\$"). The Group also has certain bank deposits, financial assets and financial liabilities that are denominated in foreign currencies, mainly US\$, HK\$ and AU\$, which are exposed to foreign currency translation risk. The foreign exchange risk is reduced where the Group is in a position of receiving and paying the same currency. The Group also used foreign currency forward contract to hedge its exposure to foreign exchange risk for the year ended 31 December 2019. The maximum exposures to the foreign exchange risks are disclosed in Notes 19, 23, 27, 29 and 44 respectively.

(iii) Summarised sensitivity analysis

The following table summarised the impact of increases/decreases of cash flow interest rate and foreign exchange rate on the Group's consolidated financial statements.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 外匯風險

外匯風險主要來自本集團進口及出口業務及本集團的借款，其中大部份均以美元(「美元」)計值。本集團亦有若干以外幣計值的銀行存款、金融資產及金融負債，主要計值貨幣是美元、港元及澳元，其面臨外幣匯兌風險。外匯風險降低因本集團收取及支付相同貨幣。截至2019年12月31日止年度，本集團亦使用外幣遠期合約對沖其外匯風險。最高外匯風險的金額分別於附註19、23、27、29及44中披露。

(iii) 敏感度分析摘要

下表概述現金流量利率及外匯上升/下跌對本集團合併財務報表的影響。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Summarised sensitivity analysis (continued)

The sensitivity analysis for the cash flow interest rate risk and foreign exchange risk is based on the assumption that:

- (a) Interest rate had been 15% lower/higher from the year end rates with all other variables held constant (for example, 11.5% or 8.5% instead of 10%);
- (b) RMB had weakened/strengthened by 10% against US\$ and HK\$ (pegged with US\$) with all other variables held constant.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 敏感度分析摘要(續)

現金流量利率風險及外匯風險的敏感度分析是基於以下假設：

- (a) 利率較年末下降／上升15%，而所有其他變量均保持不變(如：11.5%或8.5%，而非10%)；
- (b) 人民幣兌美元及港元(與美元掛鈎)貶值／升值10%，而所有其他變量均保持不變。

		Cash flow interest rate risk 現金流量利率風險				
		-15%		+15%		
		Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
31 December 2019	2019年12月31日					
Financial assets at floating interest rates	按浮動利率計息的金融資產					
Cash and cash equivalents	現金及現金等價物	4,630,945	(5,477)	(5,477)	5,477	5,477
Restricted bank balances	受限制銀行結餘	682,560	(807)	(807)	807	807
Structured bank deposits	結構性銀行存款	1,300,100	(2,380)	(2,380)	2,380	2,380
Financial liabilities at floating interest rates	按浮動利率計息的金融負債					
Bank and other borrowings	銀行及其他借款	(952,636)	4,025	4,025	(4,025)	(4,025)
Total (decrease)/increase	合計(減少)/增加		(4,639)	(4,639)	4,639	4,639

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Summarised sensitivity analysis (continued)

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 敏感度分析摘要(續)

		Foreign exchange risk 外匯風險				
			-10%		+10%	
		Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
31 December 2019	2019年12月31日					
Monetary assets	貨幣資產					
Cash and cash equivalents	現金及現金等價物	1,209,227	120,923	120,923	(120,923)	(120,923)
Restricted bank balances	受限制銀行結餘	20,888	2,089	2,089	(2,089)	(2,089)
Trade receivables	應收貿易賬款	503,734	50,373	50,373	(50,373)	(50,373)
Other receivables	其他應收賬款	65,947	6,595	6,595	(6,595)	(6,595)
Amounts due from related parties	應收關聯方款項	63,894	6,389	6,389	(6,389)	(6,389)
Monetary liabilities	貨幣負債					
Trade payables	應付貿易賬款	(486,882)	(48,688)	(48,688)	48,688	48,688
Other payables	其他應付賬款	(3,023)	(302)	(302)	302	302
Borrowings	借款	(1,785,104)	(178,510)	(178,510)	178,510	178,510
Amount due to a related party	應付一名關聯方款項	(13,104)	(1,310)	(1,310)	1,310	1,310
Total (decrease)/increase	合計(減少)/增加		(42,441)	(42,441)	42,441	42,441

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Summarised sensitivity analysis (continued)

		Cash flow interest rate risk 現金流量利率風險				
		-15%		+15%		
		Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
31 December 2018	2018年12月31日					
Financial assets at floating interest rates	按浮動利率計息的金融資產					
Cash and cash equivalents	現金及現金等價物	2,845,229	(3,132)	(3,132)	3,132	3,132
Restricted bank balances	受限制銀行結餘	527,542	(581)	(581)	581	581
Structured bank deposits	結構性銀行存款	1,037,900	(512)	(512)	512	512
Financial liabilities at floating interest rates	按浮動利率計息的金融負債					
Bank and other borrowings	銀行及其他借款	(1,280,500)	2,802	2,802	(2,802)	(2,802)
Total (decrease)/increase	合計(減少)/增加		(1,423)	(1,423)	1,423	1,423
		Foreign exchange risk 外匯風險				
		-10%		+10%		
		Carrying amount 賬面值	Profit 溢利	Equity 權益	Profit 溢利	Equity 權益
31 December 2018	2018年12月31日					
Monetary assets	貨幣資產					
Cash and cash equivalents	現金及現金等價物	665,606	64,793	64,793	(64,793)	(64,793)
Restricted bank balances	受限制銀行結餘	47,730	4,773	4,773	(4,773)	(4,773)
Trade receivables	應收貿易賬款	117,411	10,569	10,569	(10,569)	(10,569)
Other receivables	其他應收賬款	2,787	276	276	(276)	(276)
Amounts due from related parties	應收關聯方款項	112,684	7,888	7,888	(7,888)	(7,888)
Monetary liabilities	貨幣負債					
Trade payables	應付貿易賬款	(400,245)	(38,612)	(38,612)	38,612	38,612
Other payables	其他應付賬款	(1,013)	(101)	(101)	101	101
Borrowings	借款	(1,100,357)	(99,140)	(99,140)	99,140	99,140
Amount due to a related party	應付一名關聯方款項	(4,668)	(350)	(350)	350	350
Total (decrease)/increase	合計(減少)/增加		(49,904)	(49,904)	49,904	49,904

Profit represents consolidated profit post tax; equity represents total equity, including non-controlling interests.

溢利指除稅後合併溢利；權益指權益合計，包括非控制性權益。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk

The carrying amounts of trade and other receivables, loan receivables, notes receivable – bank acceptance notes, cash and cash equivalents, restricted bank balances, structured bank deposits, debt instruments measured at FVOCI and amounts due from related parties represent the Group's maximum exposure to credit risk in relation to financial assets.

The Group expects that there is no significant credit risk associated with cash deposits at banks and notes receivable – bank acceptance notes since they are substantially deposited at or issued by state-owned banks and other medium or large-sized listed banks. Management does not expect that there will be any significant losses from non-performance by these counterparties.

The Group has large number of customers and there was no concentration of credit risk. The Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverability of these receivables at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

應收貿易及其他應收賬款、應收貸款、應收票據 – 銀行承兌匯票、現金及現金等價物、受限制銀行結餘、結構性銀行存款、按公允價值計量且其變動計入其他綜合收益之債務工具及應收關聯方款項的賬面值為本集團的金融資產在信貸風險方面的最高風險水平。

本集團預期並無與銀行現金存款及應收票據 – 銀行承兌匯票有關的重大信貸風險，乃由於彼等大部份存放於國有銀行或其他中大型上市銀行或由該等銀行發出。管理層預期不會因為該等交易對手的不履約而產生任何重大虧損。

本集團有大量客戶，且並無信貸風險集中的問題。本集團有監控程序以確保採取跟進行動以收回逾期債務。此外，本集團於各報告期末審閱該等應收賬款的可回收性，以確保就不可收回款項作出充足減值虧損。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- internal credit rating;
- external credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower.

(i) Trade receivables

The Group applies HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

本集團考慮於資產初始確認後發生違約的機率，並於各報告期整個期間持續評估信貸風險有否顯著增加。為評估信貸風險有否顯著增加，本集團將於報告日期的資產發生的違約風險與初始確認日期的違約風險進行比較。其考慮可用的合理及支持性前瞻性資料。尤其是結合了以下指標：

- 內部信貸評級；
- 外部信貸評級；
- 營商、財務或經濟環境中實際或預期發生重大不利變化而預期導致借款人償還債務的能力產生重大變化；
- 借款人的經營業績實際或預期發生重大變化。

(i) 應收貿易賬款

本集團應用香港財務報告準則第9號簡化模式計量預期信貸損失，該模式就所有應收貿易賬款採用整個存續期內預期虧損撥備。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

On that basis, the loss allowance as at 31 December 2019 and 31 December 2018 was determined as follows for trade receivables:

		Less than 1 year 少於1年	More than 1 year 超過1年	More than 2 years 超過2年	More than 3 years 超過3年	Total 合計
31 December 2019	2019年12月31日					
Gross carrying amount	總賬面值	1,206,404	16,734	14,859	29,870	1,267,867
Expected loss rate	預期損失率	1.44%	45.37%	80.63%	100.00%	5.27%
Loss allowance	虧損撥備	17,419	7,592	11,981	29,870	66,862
		Less than 1 year 少於1年	More than 1 year 超過1年	More than 2 years 超過2年	More than 3 years 超過3年	Total 合計
31 December 2018	2018年12月31日					
Gross carrying amount	總賬面值	655,984	23,205	14,359	26,242	719,790
Expected loss rate	預期損失率	1.58%	42.74%	78.66%	100.00%	8.04%
Loss allowance	虧損撥備	10,385	9,917	11,295	26,242	57,839

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(i) 應收貿易賬款(續)

根據上述基準，於2019年12月31日及2018年12月31日對應收貿易賬款的虧損撥備釐定如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Other financial assets (excluding trade receivables)

Other financial assets include other receivables, loan receivables, debt instruments measured at FVOCI and amounts due from related parties.

The Group uses three categories for other receivables which reflect their credit risk and how the expected credit loss provision is determined for each of those categories. The Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers both historical loss rates and forward looking macroeconomic data. A summary of the assumptions underpinning the Group's expected credit loss model is as follows:

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 其他金融資產(不包括應收貿易賬款)

其他金融資產包括其他應收賬款、應收貸款、按公允價值計量且其變動計入其他綜合收益之債務工具及應收關聯方款項。

本集團對其他應收賬款使用三個類別反映其信貸風險及釐定各類別的預期信貸損失撥備的方式。本集團按其信貸風險及時地就預期信貸損失適當計提撥備。在計算預期信貸損失率時，本集團會考慮歷史虧損率以及前瞻性的宏觀經濟數據。本集團的預期信貸損失模型基於的假設總結如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Other financial assets (excluding trade receivables) (continued)

Category 類別	Group definition of category 集團對各類別的定義	Basis for recognition of expected credit loss provision 確認預期信貸損失 撥備的基準	Expected credit loss rate 預期信貸 損失率
Stage one	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 months expected credit losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime	0%–5%
第一階段	客戶違約風險很低且有很強的能力履行合約現金流	未來12個月的預期信貸損失。對於預期整個存續期少於12個月的資產，預期損失按整個存續期計量	0%–5%
Stage two	Receivables for which there is a significant increase in credit risk since initial recognition	Lifetime expected credit losses	5%–30%
第二階段	自首次確認起信貸風險顯著增加的應收賬款	整個存續期內的預期信貸損失	5%–30%
Stage three	Receivables for which there is credit loss since initial recognition	Lifetime expected credit losses	30%–100%
第三階段	自首次確認起產生信貸損失的應收賬款	整個存續期內的預期信貸損失	30%–100%

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險(續)

(ii) 其他金融資產(不包括應收貿易賬款)(續)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Credit risk (continued)

(ii) Other financial assets (excluding trade receivables) (continued)

As at 31 December 2019, the Group provided for expected credit loss provision against other financial assets as follows:

		Expected loss rate	Gross carrying amount	Expected credit loss provision	Carrying amount (net of impairment provision)
31 December 2019					
2019年12月31日		預期損失率	總賬面值 RMB'000 人民幣千元	預期信貸 損失撥備 RMB'000 人民幣千元	賬面值(扣除 減值撥備) RMB'000 人民幣千元
Other receivables	其他應收賬款	37.23%	533,434	(198,621)	334,813
Loan receivables	應收貸款	3.56%	1,258,791	(44,791)	1,214,000
Debt instruments measured at FVOCI	按公允價值計量且其變動計入其他綜合收益之債務工具	0.00%	95,471	-	95,471
Amounts due from related parties	應收關聯方款項	0.00%	127,544	-	127,544
			2,015,240	(243,412)	1,771,828

As at 31 December 2018, the Group provided for expected credit loss provision against other financial assets as follows:

		Expected loss rate	Gross carrying amount	Expected credit loss provision	Carrying amount (net of impairment provision)
31 December 2018					
2018年12月31日		預期損失率	總賬面值 RMB'000 人民幣千元	預期信貸 損失撥備 RMB'000 人民幣千元	賬面值(扣除 減值撥備) RMB'000 人民幣千元
Other receivables	其他應收賬款	53.60%	379,729	(203,516)	176,213
Loan receivables	應收貸款	5.56%	805,119	(44,791)	760,328
Debt instruments measured at FVOCI	按公允價值計量且其變動計入其他綜合收益之債務工具	0.00%	66,376	-	66,376
Amounts due from related parties	應收關聯方款項	0.00%	185,906	-	185,906
			1,437,130	(248,307)	1,188,823

(ii) 其他金融資產(不包括應收貿易賬款)(續)

於2019年12月31日，本集團就其他金融資產的預期信貸損失撥備計提如下：

於2018年12月31日，本集團就其他金融資產的預期信貸損失撥備計提如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk

The liquidity risk of the Group is controlled by maintaining sufficient cash and cash equivalents, together with adequate banking facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

		Less than 1 year 1年內	Between 1 and 2 years 1至2年	Between 2 and 5 years 2至5年	Over 5 years 5年以上	Total 合計
At 31 December 2019	於2019年12月31日					
Borrowings	借款	4,579,905	533,127	728,572	57,000	5,898,604
Interests payable on borrowings (i)	借款應付利息(i)	144,794	45,117	35,466	10,156	235,533
Trade payables	應付貿易賬款	5,048,774	-	-	-	5,048,774
Other payables	其他應付賬款	1,286,745	-	-	-	1,286,745
Amounts due to related parties	應付關聯方款項	48,047	-	-	-	48,047
Lease liability	租賃負債	15,155	13,761	15,858	61,042	105,816
Derivative financial instruments	衍生金融工具	16,859	-	-	-	16,859
		11,140,279	592,005	779,896	128,198	12,640,378

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

本集團的流動資金風險透過維持充足現金及現金等價物，以及足夠銀行信貸額度控制。

下表是本集團金融負債的分析。按結算日至合約到期日的剩餘期限，將金融負債分到相關的期限組別。表中披露的金額是約定的未折現現金流量。對於12個月內到期的餘額，因折現影響不大，該等餘額等於其賬面餘額。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(c) Liquidity risk (continued)

		Less than 1 year 1年內	Between 1 and 2 years 1至2年	Between 2 and 5 years 2至5年	Over 5 years 5年以上	Total 合計
At 31 December 2018	於2018年12月31日					
Borrowings	借款	2,603,357	162,000	-	-	2,765,357
Interests payable on borrowings (i)	借款應付利息(i)	68,425	6,434	-	-	74,859
Trade payables	應付貿易賬款	4,157,453	-	-	-	4,157,453
Other payables	其他應付賬款	821,509	-	-	-	821,509
Amounts due to related parties	應付關聯方款項	59,118	-	-	-	59,118
Derivative financial instruments	衍生金融工具	15,778	-	-	-	15,778
		<u>7,725,640</u>	<u>168,434</u>	<u>-</u>	<u>-</u>	<u>7,894,074</u>

(i) The interest on borrowings is calculated based on borrowings held as at 31 December 2019 and 2018 without taking into account extension or refinancing of the borrowings in future. Floating-rate interest is estimated using current interest rate as at 31 December 2019 and 2018 respectively.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

(i) 借款利息按2019年及2018年12月31日持有的借款計算，不考慮未來延期或重新籌集借款。浮動利率分別按2019年及2018年12月31日的當時利率估算。

3.2 資金風險管理

本集團的資金管理目標，是保障本集團按持續經營基準繼續營運之能力，以為股東帶來回報，同時兼顧其他權益持有者的利益，並維持最佳的資本結構以減低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東發還資本、發行新股或出售資產以減低債務。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.2 Capital risk management (continued)

The Group monitors capital on the basis of the debt-to-capital ratio. This ratio is calculated as total debt divided by the total capital. Total debt includes current and non-current borrowings, lease liabilities and loans from related parties. Total capital includes non-current borrowings, non-current lease liabilities and equity attributable to owners of the Company.

		2019	2018
Total debt	債項總額	6,041,455	2,789,288
Total capital	總資本	20,911,041	17,569,586
Debt-to-capital ratio	債項與資本比率	28.89%	15.88%

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. 財務風險管理(續)

3.2 資金風險管理(續)

本集團是根據債項與資本比率監察資本狀況。該比率為債項總額除以總資本。債項總額包括流動及非流動借款、租賃負債及關聯方貸款。總資本包括非流動借款、非流動租賃負債及歸屬於本公司權益持有者的權益。

3.3 公允價值估計

下表透過估值法分析按公允價值計量的金融工具。不同級別界定如下：

- 相同資產或負債的活躍市場報價(未經調整)(第1級)。
- 除包含於第1級的報價外，資產或負債的可觀察直接(即價格)或間接(即源自價格者)的輸入資料(第2級)。
- 並非根據可觀察市場資料而釐定的資產或負債的輸入資料(即不可觀察的輸入資料)(第3級)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2019 and 31 December 2018.

3. 財務風險管理(續)

3.3 公允價值估計(續)

下表呈列本集團於2019年12月31日及2018年12月31日按公允價值計量的資產及負債。

		Level 1 第1級	Level 2 第2級	Level 3 第3級	Total 合計
At 31 December 2019	於2019年12月31日				
Assets	資產				
Financial assets at fair value through profit or loss (Note 17)	按公允價值計量且其變動計入損益表之金融資產(附註17)				
— Money market funds	— 貨幣市場基金	897,667	—	—	897,667
— Financial investment products	— 金融投資產品	—	—	840,687	840,687
— Bond market funds	— 債券市場基金	135,359	—	206,669	342,028
— Investment funds	— 投資基金	101,601	—	431,033	532,634
— Listed equity interests	— 上市股權權益	400,259	—	—	400,259
— Listed bond investments	— 上市債券投資	546,123	—	—	546,123
Financial assets at fair value through other comprehensive income (Note 16)	按公允價值計量且其變動計入其他綜合收益之金融資產(附註16)				
— Debt securities	— 債務證券	95,471	—	—	95,471
— Equity investments	— 股權投資	327,699	—	327,935	655,634
Structured bank deposits (Note 24)	結構性銀行存款(附註24)	—	900,000	—	900,000
Notes receivable — bank acceptance notes (Note 22)	應收票據 — 銀行承兌匯票(附註22)	—	—	1,517,684	1,517,684
Derivative financial instruments	衍生金融工具				
— Trading derivatives	— 買賣衍生工具	2,513	—	—	2,513
		2,506,692	900,000	3,324,008	6,730,700
Liabilities	負債				
Derivative financial instruments	衍生金融工具				
— Trading derivatives	— 買賣衍生工具	14,606	2,253	—	16,859

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3. 財務風險管理(續)

3.3 Fair value estimation (continued)

3.3 公允價值估計(續)

		Level 1 第1級	Level 2 第2級	Level 3 第3級	Total 合計
At 31 December 2018	於2018年12月31日				
Assets	資產				
Financial assets at fair value through profit or loss (Note 17)	按公允價值計量且其變動計入損益表之金融資產(附註17)				
— Money market funds	— 貨幣市場基金	4,863,936	—	—	4,863,936
— Financial investment products	— 金融投資產品	—	—	1,211,991	1,211,991
— Bond market funds	— 債券市場基金	30,725	—	199,826	230,551
— Investment funds	— 投資基金	—	—	208,028	208,028
— Equity investments	— 股權投資	—	—	243,120	243,120
— Listed equity interests	— 上市股權權益	52,737	—	—	52,737
Financial assets at fair value through other comprehensive income (Note 16)	按公允價值計量且其變動計入其他綜合收益之金融資產(附註16)				
— Debt securities	— 債務證券	66,376	—	—	66,376
— Equity investments	— 股權投資	—	—	421,000	421,000
Structured bank deposits (Note 24)	結構性銀行存款(附註24)	—	1,000,000	—	1,000,000
Notes receivable — bank acceptance notes (Note 22)	應收票據 — 銀行承兌匯票(附註22)	—	—	1,364,128	1,364,128
Derivative financial instruments	衍生金融工具				
— Trading derivatives	— 買賣衍生工具	2,157	—	—	2,157
		5,015,931	1,000,000	3,648,093	9,664,024
Liabilities	負債				
Derivative financial instruments	衍生金融工具				
— Trading derivatives	— 買賣衍生工具	707	15,071	—	15,778

For the year ended 31 December 2019, the Group transferred certain equity investments of financial assets at fair value through profit or loss from level 3 into listed equity interests of level 1 as counterparties for the investments made initial public offering on the main board of The Stock Exchange of Hong Kong Limited and became listed. This results that there are quoted market prices in an active market to reflect the fair value of the investments.

截至2019年12月31日止年度，本集團將按公允價值計量且其變動計入損益表之金融資產的若干股權投資從第3級轉移至第1級的上市股權權益，因為投資的對手方於香港聯合交易所有限公司主板進行首次公开发售，並已經上市。此導致在活躍市場有市場報價可反映投資的公允價值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

3.3.1 Fair value measurements using quoted prices (Level 1)

The Group's trading fund investments, classified as level 1 financial assets, are the money market funds acquired from certain financial institution whereby the Group is expecting to earn short-term gains from the funds. The fair values of the trading funds are determined based on the quoted market prices at the balance sheet date.

The Group's bond market fund investments, classified as level 1 financial assets, mainly invest in debentures with fixed and floating interest rates whereby the Group is expecting to sell these assets. The fair values are determined based on the quoted market prices at the balance sheet date.

The Group's investments funds, classified as level 1 financial assets, mainly invest in equity financial instruments with high liquidity whereby the Group is expecting to sell these assets. The fair values are determined based on the quoted market prices at the balance sheet date.

The Group's listed equity interests investments, classified as level 1 financial assets, are shares of companies listed on the Shanghai Stock Exchange, the Shenzhen Stock Exchange, The Stock Exchange of Hong Kong Limited and the New OTC (Over the Counter) Market. The fair values are determined based on the share prices at the balance sheet date.

The Group's listed bond investments, classified as level 1 financial assets, are the corporate bonds issued on the main board of the Shanghai Stock Exchange and the Shenzhen Stock Exchange. The fair values are determined based on the quoted market prices at the balance sheet date.

3. 財務風險管理(續)

3.3 公允價值估計(續)

3.3.1 採用報價計量公允價值(第1級)

本集團可交易的基金投資(分類為第1級金融資產)乃向若干金融機構購買的貨幣市場基金，據此，本集團預計自該等基金賺取短期收益。可交易基金的公允價值乃按結算日所報市價釐定。

本集團的債券市場基金投資(分類為第1級金融資產)主要投資於固定及浮動利率的債券，據此，本集團預期將出售該等資產。公允價值乃按結算日所報市價釐定。

本集團的投資基金(分類為第1級金融資產)主要投資於高流通性的股權金融工具，據此本集團預期將出售該等資產。公允價值乃按結算日所報市價釐定。

本集團的上市股權權益投資(分類為第1級金融資產)為於上海證券交易所、深圳證券交易所、香港聯合交易所有限公司及新三板上市的公司股份。公允價值乃按結算日的股價釐定。

本集團的上市債券投資(分類為第1級金融資產)為於上海證券交易所及深圳證券交易所主板發行的公司債券。公允價值乃按結算日所報市價釐定。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

3.3.1 Fair value measurements using quoted prices (Level 1) (continued)

The Group's debt securities investments, classified as level 1 financial assets, are investments in debentures with fixed interest rate ranging from 3.25% to 7.88% per annum and maturity date between March 2020 and June 2022. The fair values are determined based on the quoted market prices at the balance sheet date.

The Group's derivative financial instruments, classified as level 1 financial assets, are the manganese-silicon future contracts entered into by the Group and certain financial institutions. The fair values are determined based on the prices on the Zhengzhou Commodity Exchange at the balance sheet date.

The Group's derivative financial instruments, classified as level 1 financial liabilities, are the iron ore future contracts entered into by the Group and certain financial institutions. The fair values are determined based on the prices on the Singapore Futures Exchange at the balance sheet date.

3. 財務風險管理(續)

3.3 公允價值估計(續)

3.3.1 採用報價計量公允價值(第1級)(續)

本集團的債權證券投資(分類為第1級金融資產)乃按介乎3.25%至7.88%的固定年利率計息及到期日介乎2020年3月至2022年6月的債券之投資。公允價值乃按結算日所報市價釐定。

本集團衍生金融工具(分類為第1級金融資產)為本集團與若干金融機構訂立之錳矽期貨合約。公允價值乃按結算日於鄭州商品交易所的價格釐定。

本集團的衍生金融工具(分類為第1級金融負債)為本集團與若干金融機構訂立之鐵礦石期貨合約。公允價值乃按結算日於新加坡期貨交易所的價格釐定。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

3.3.2 Valuation techniques used to derive fair values (Level 2)

The Group's structured bank deposits, classified as level 2 financial assets, represent financial instruments placed by the Group to bank in Mainland China for a term within one year. The Group entrust the bank to make investment mainly in financial derivatives related to US\$ 3 months LIBOR and BFIX EUR/USD. Principals are guaranteed with floating returns. The products cannot be traded until the maturity date but could be early terminated by the issuing bank. The fair values are determined based on LIBOR and BFIX EUR/USD (Note 24).

The Group's derivative financial instruments, classified as level 2 financial liabilities, are the foreign currency forward contracts entered into by the Group and certain financial institutions. The fair values are determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value. The foreign currency forward contracts as at 31 December 2019 comprised contracts with notional principal amounts totalling US\$5.0 million (equivalent to approximately RMB34.89 million).

3. 財務風險管理(續)

3.3 公允價值估計(續)

3.3.2 用於計算公允價值之估值技巧(第2級)

本集團的結構性銀行存款(分類為第2級金融資產)為本集團在中國大陸銀行所存放的一年期以內之金融工具。本集團委託銀行於有關3個月美元倫敦銀行同業拆借利率及彭博BFIX歐元/美元的金融衍生工具作出投資。本金以浮動收益作擔保。該等產品直至到期日前不可買賣，但發行銀行可提早終止。公允價值乃基於倫敦銀行同業拆借利率及彭博BFIX歐元/美元釐定(附註24)。

本集團的衍生金融工具(分類為第2級金融負債)為本集團與若干金融機構訂立之外幣遠期合約。公允價值乃使用結算日之遠期外幣匯率釐定，結果值再折現至現值。於2019年12月31日的外幣遠期合約包括名義本金額合共500萬美元(相當於約人民幣3,489萬元)的合約。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

3.3.3 Fair value measurements using significant unobservable inputs (Level 3)

The Group's financial investment products, classified as level 3 financial assets are issued by banks and trusts. Buyers of these products entrust the banks and trusts to make investment. The products issued by banks mainly invest in money market and bond market. The ones issued by trusts mainly invest in bond and income right market. Principals and returns of such products are not guaranteed. These products cannot be traded but could be early terminated by the issuing parties. The fair values are determined using discounted cash flow model, the main inputs are the expected yield rates which are an unobservable data.

The Group's bond market fund investments, classified as level 3 financial assets, mainly invest in debentures. The fair values are determined using discounted cash flow model, the main inputs are the expected yield rates which are an unobservable data.

3. 財務風險管理(續)

3.3 公允價值估計(續)

3.3.3 使用重大不可觀察輸入值之公允價值計量(第3級)

本集團的金融投資產品(分類為第3級金融資產)由銀行及信託發行。該等產品之買方委託銀行及信託進行投資。銀行發行之產品主要投資於貨幣市場及債券市場。信託發行之產品主要投資於債券及收入權利市場。該等產品的本金及回報並無擔保。該等產品不可買賣，但發行方可提早終止。公允價值乃使用貼現現金流模式釐定，主要輸入數據為預期回報率(不可觀察數據)。

本集團的債券市場基金投資(分類為第3級金融資產)主要投資於債券。公允價值乃使用貼現現金流模式釐定，主要輸入數據為預期收益率(不可觀察數據)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value estimation (continued)

3.3.3 Fair value measurements using significant unobservable inputs (Level 3) (continued)

Description	Fair value as at 31 December 2019	Valuation technique	Unobservable inputs	Range of inputs	Relationship of unobservable inputs to fair value
Financial Investment products	840,687	Discounted cash flow	Expected yield rates	2.8%–7.0%	A change in the yield rate by 100 basis points would increase/decrease the fair value by approximately RMB8,014,175
金融投資產品		貼現現金流	預期收益率		收益率變動100個基點，將使公允價值增加/減少約人民幣8,014,175元
Bond Market funds	206,669	Discounted cash flow	Expected yield rates	1.6%–6.6%	A change in the yield rate by 100 basis points would increase/decrease the fair value by approximately RMB1,985,293
債券市場基金		貼現現金流	預期收益率		收益率變動100個基點，將使公允價值增加/減少約人民幣1,985,293元
Notes receivable – bank acceptance notes	1,517,684	Discounted cash flow	Expected discount interest rates	3.25%–3.65%	A change in the discount interest rate by 100 basis points would increase/decrease the fair value by approximately RMB14,670,701
應收票據 – 銀行承兌匯票		貼現現金流	預期貼現利率		貼現利率變動100個基點，將使公允價值增加/減少約人民幣14,670,701元

The Group's other financial assets, including investment funds and equity investments are mainly related to debt and equity assets. These investments do not have any quoted market price in an active market. The fair values are determined using valuation technique, including discounted cash flow model and comparable market value. The main unobservable inputs are the risk-adjusted discount rate, earnings growth factor, price-earnings ratio, price-book ratio, volatility, lack of marketability discount and etc..

本集團的其他金融資產(包括投資基金及股權投資)主要與債務及權益類資產有關。該等投資並無任何活躍市場的市場報價。公允價值乃使用估值技術(包括貼現現金流模式及可比較市值)釐定。主要的不可觀察輸入數據為風險調整後的貼現率、盈利增長因素、市盈率、市帳率、波動性、缺乏市場流通性折讓等。

3.4 Fair value of financial assets and liabilities measured at amortised cost

The fair value of the other financial assets and liabilities of the Group are disclosed in the relevant notes of these financial statements.

3.4 按攤銷成本計量之金融資產及負債之公允價值

本集團的其他金融資產及負債的公允價值披露於該等財務報表相關附註。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes judgements, estimates and assumptions concerning the future. The resulting accounting judgements and estimates will, by definition, seldom equal to the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of loans and other receivables

Management assessed the impairment of loans and other receivables based on expected credit losses (“ECL”) methodology. The impairment of individually significant loans and other receivables were assessed on an individual basis based on management’s estimates of discounted future cash flows. Individual insignificant loans and other receivable balances were grouped based on their credit risk characteristics for evaluation. The collective impairment provision was determined by management based on historical loss experience, taking into considerations of forward looking macroeconomic data, industry risk and other circumstances.

(b) Current and deferred income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4. 關鍵會計估計及判斷

估計及判斷會被持續評估，並根據過往經驗和其他因素進行持續評估，包括在有關情況下相信為合理的對未來事件的預期。

本集團對未來作出判斷、估計及假設。所得的會計判斷及估計如其定義，很少會與其實際結果相同。很大風險導致下個財政年度的資產與負債的賬面值作出重大調整的判斷、估計及假設討論如下。

(a) 貸款及其他應收賬款之減值

管理層按預期信貸損失(「預期信貸損失」)方法評估貸款及其他應收賬款之減值。個別重大貸款及其他應收賬款的減值乃根據管理層對折現未來現金流量按個別基準評估。個別非重大貸款及其他應收賬款結餘按其信用風險特徵組合進行評估。管理層根據歷史虧損經驗，並考慮前瞻性的宏觀經濟數據、行業風險及其他情況釐定集體減值撥備。

(b) 當期及遞延所得稅

本集團須繳納眾多司法權區的所得稅。於釐定所得稅準備時需作出重要判斷。有許多交易及計算均難以確定最終稅項的釐定。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜的責任。倘該等事宜的最終稅務結果與最初記錄的金額不同，有關差異會影響到有關釐定期間的當期及遞延所得稅資產及負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(b) Current and deferred income taxes (continued)

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers it to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation in the periods in which such estimate is changed.

(c) Impairment of property, plant and equipment

The Group reviews property, plant and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, in accordance with the accounting policy stated in Note 2.11. The recoverable amount of a cash generating unit (“CGU”) has been determined based on higher of value-in-use and fair value less costs to sell.

In assessing the recoverability of the property, plant and equipment that had impairment indicators, management identified the relevant CGUs to which these property, plant and equipment belong, and estimated the recoverable amounts of these CGUs based on the higher of their fair value less costs of disposal (“FVLCOD”) and value in use (“VIU”) calculation. Management applied significant judgements in determining the FVLCOD and VIU. The key assumption adopted in the calculations of FVLCOD was the estimated disposal considerations. The key judgements adopted in the VIU calculation included:

- growth rates to extrapolate revenue and cash flows within and beyond the budget period;
- gross margin; and
- discount rate.

4. 關鍵會計估計及判斷(續)

(b) 當期及遞延所得稅(續)

當管理層認為將來可能有應課稅溢利以抵扣暫時性差額或可使用稅務虧損時，有關若干暫時性差額及稅務虧損之遞延稅項資產予以確認。當預期與原來估計不同時，差額將影響對這些估計出現變動期間的遞延稅項資產及稅項之確認。

(c) 物業、廠房及設備減值

當在任何情況下有事件或變動顯示賬面值可能不會予以收回時，本集團則會根據附註2.11所述的會計政策檢討物業、廠房及設備的減值。一個現金產生單位(「現金產生單位」)的可收回金額已根據使用價值與公允價值減銷售成本兩者的較高者釐定。

於評估具有減值跡象的物業、廠房及設備的可收回性時，管理層確認該等物業、廠房及設備所屬相關現金產生單位及估計該等現金產生單位的可收回金額，其根據其公允價值減出售成本(「公允價值減出售成本」)與使用價值(「使用價值」)之較高者計算。於釐定公允價值減出售成本及使用價值時，管理層應用重大判斷。計算公允價值減出售成本所採納的重要假設為估計出售代價。計算使用價值時所採納的重要判斷包括：

- 於預算期內及超出預算期的推斷收入及現金流量增長率；
- 毛利；及
- 折現率。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(d) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on the current market condition as at the balance sheet date and the historical experience of manufacturing and selling products of similar nature.

5. SALES AND SEGMENT INFORMATION

(a) Sales

The Group is principally engaged in the manufacture and sales of iron and steel products, trading of steel products and iron ore and real estate business. Sales recognised for the years ended 31 December 2019 and 2018 were as follows:

4. 關鍵會計估計及判斷(續)

(d) 存貨可變現淨值

存貨可變現淨值為日常業務過程中的估計售價減估計完成成本及銷售開支。該等估計乃根據於結算日的現時市況及製造和出售類似性質產品之過往經驗而作出。

5. 銷售額及分部資料

(a) 銷售額

本集團主要從事製造及銷售鋼鐵產品、鋼鐵產品及鐵礦石貿易以及房地產業務。截至2019年及2018年12月31日止年度已確認的銷售額如下：

		2019	2018
Sales	銷售額		
— H-section steel products	— H型鋼產品	12,084,633	12,440,612
— Iron ore	— 鐵礦石	10,986,474	3,345,394
— Strips and strip products	— 帶鋼及帶鋼類產品	8,069,055	11,554,034
— Rebar	— 螺紋鋼	4,539,062	7,318,931
— Sheet piling	— 鋼板樁	2,863,994	2,158,645
— Billets	— 鋼坯	1,707,982	1,120,929
— Cold rolled sheets and galvanised sheets	— 冷軋板及鍍鋅板	1,360,682	1,412,960
— Real estate	— 房地產	104,549	194,222
— Others	— 其他	1,297,793	1,236,575
		43,014,224	40,782,302

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

5. SALES AND SEGMENT INFORMATION (continued)

(b) Segment information

The chief operating decision-maker has been identified as the management committee, which comprises all executive directors and top management. The chief operating decision-maker reviews the Group's internal reporting in order to assess performance and allocate resources.

Based on these reports, the chief operating decision-maker considers the business from a business perspective. From a business perspective, the chief operating decision-maker assesses the performance of the iron and steel and the real estate segments.

- (i) Iron and steel – Manufacture and sales of iron and steel products and trading of steel products and iron ore; and
- (ii) Real estate – Development and sales of properties.

The chief operating decision-maker assesses the performance of the operating segments based on a measure of revenue and operating profit. This measurement is consistent with that in the annual financial statements.

5. 銷售額及分部資料(續)

(b) 分部資料

首席營運決策人已獲確認為包括所有執行董事及最高管理層的管理委員會。首席營運決策人審閱本集團的內部報告以作評估業績表現及分配資源。

根據該等報告，首席營運決策人從商業角度考慮業務。從商業角度，首席營運決策人評估鋼鐵及房地產分部表現。

- (i) 鋼鐵 — 製造及銷售鋼鐵產品以及鋼鐵產品及鐵礦石貿易；及
- (ii) 房地產 — 開發及銷售物業。

首席營運決策人根據計量收入及經營溢利評估經營分部表現。該計量與年度財務報表一致。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

5. SALES AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

The segment information provided to the chief operating decision-maker for the reportable segments for the year was as follows:

5. 銷售額及分部資料(續)

(b) 分部資料(續)

就年內報告分部提供予首席營運決策人的分部資料呈列如下：

		Year ended 31 December 2019 截至2019年12月31日止年度		
		Iron and steel 鋼鐵		Total 合計
		Real estate 房地產		
Revenue	收入	42,909,675	104,549	43,014,224
Segment results:	分部業績：			
Operating profit	經營溢利	4,066,976	16,696	4,083,672
Finance costs – net	財務成本 – 淨額	(64,042)	(5,540)	(69,582)
Share of results of associates and a joint venture	應佔聯營公司及一間合營 企業業績	50,704	–	50,704
Profit before income tax	除所得稅前溢利			4,064,794
Income tax expense	所得稅費用			(797,869)
Profit for the year	年度溢利			3,266,925
Other profit or loss items	其他損益項目			
Depreciation and amortisation	折舊及攤銷	1,195,399	1,492	1,196,891
Capital expenditure	資本開支	4,293,022	452	4,293,474

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

5. SALES AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

		Iron and steel 鋼鐵	Real estate 房地產	Total 合計
Revenue	收入	40,588,080	194,222	40,782,302
Segment results:	分部業績：			
Operating profit	經營溢利	6,404,759	56,318	6,461,077
Finance costs – net	財務成本 – 淨額	(124,617)	(977)	(125,594)
Impairment loss on investment in an associate	於一間聯營公司之投資 減值損失	(34,122)	–	(34,122)
Share of results of associates and a joint venture	應佔聯營公司及一間合營 企業業績	(1,941)	–	(1,941)
Profit before income tax	除所得稅前溢利			6,299,420
Income tax expense	所得稅費用			(1,438,899)
Profit for the year	年度溢利			4,860,521
Other profit or loss items	其他損益項目			
Depreciation and amortisation	折舊及攤銷	1,158,805	1,459	1,160,264
Capital expenditure	資本開支	838,407	6	838,413

Segment assets are those operating assets that are employed by a segment in its operating activities. Segment assets are determined after deducting related allowance that is reported as direct offsets in the balance sheet. Segment assets consist primarily of leasehold land and land use rights, property, plant and equipment, right-of-use assets, investment properties, intangible assets, investment in associates and a joint venture, loan receivables, properties under development and held for sale, prepayments, deposits and other receivables, inventories, trade receivables, amounts due from related parties, notes receivable, restricted bank balances and cash and cash equivalents.

Segment liabilities are those operating liabilities that result from the operating activities of a segment. Segment liabilities consist primarily of deferred revenue, amounts due to related parties, trade payables, contract liabilities, accruals and other current liabilities and lease liabilities.

5. 銷售額及分部資料(續)

(b) 分部資料(續)

Year ended 31 December 2018
截至2018年12月31日止年度

Iron

and steel
鋼鐵

Real estate
房地產

Total
合計

40,588,080

194,222

40,782,302

6,404,759

56,318

6,461,077

(124,617)

(977)

(125,594)

(34,122)

–

(34,122)

(1,941)

–

(1,941)

6,299,420

(1,438,899)

4,860,521

1,158,805

1,459

1,160,264

838,407

6

838,413

分部資產乃分部用於其經營活動的經營資產。分部資產扣除以資產負債表中直接抵銷呈報的相關撥備後釐定。分部資產主要包括租賃土地及土地使用權、物業、廠房及設備、使用權資產、投資物業、無形資產、於聯營公司及一間合營企業之投資、應收貸款、發展中及持作出售物業、預付款項、按金及其他應收賬款、存貨、應收貿易賬款、應收關聯方款項、應收票據、受限制銀行結餘及現金及現金等價物。

分部負債乃分部的經營活動所導致的經營負債。分部負債主要包括遞延收入、應付關聯方款項、應付貿易賬款、合約負債、預提費用及其他流動負債及租賃負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

5. SALES AND SEGMENT INFORMATION (continued)

(b) Segment information (continued)

The segment assets and liabilities as at 31 December 2019 were as follows:

		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
Segment assets	分部資產	28,153,021	779,713	(354,311)	28,578,423
Segment assets for reportable segments	報告分部的分部資產				28,578,423
Unallocated:	未分配：				
Deferred income tax assets	遞延所得稅資產				278,838
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之金融資產				751,105
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產				3,559,398
Derivative financial instruments	衍生金融工具				2,513
Structured bank deposits	結構性銀行存款				2,200,100
Prepaid current income tax	預付當期所得稅				36,864
Total assets per balance sheet	資產負債表內的總資產				35,407,241

5. 銷售額及分部資料(續)

(b) 分部資料(續)

於2019年12月31日的分部資產及負債如下：

		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
Segment liabilities	分部負債	9,034,917	536,661	(354,311)	9,217,267
Segment liabilities for reportable segments	報告分部的分部負債				9,217,267
Unallocated:	未分配：				
Current income tax liabilities	當期所得稅負債				411,828
Current borrowings	流動借款				4,579,905
Non-current borrowings	非流動借款				1,318,699
Derivative financial instruments	衍生金融工具				16,859
Dividends payable	應付股息				7,041
Deferred income tax liabilities	遞延所得稅負債				32,147
Total liabilities per balance sheet	資產負債表內的總負債				15,583,746

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

5. SALES AND SEGMENT INFORMATION (continued)

5. 銷售額及分部資料(續)

(b) Segment information (continued)

(b) 分部資料(續)

The segment assets and liabilities as at 31 December 2018 were as follows:

於2018年12月31日的分部資產及負債如下：

		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
Segment assets	分部資產	19,263,674	784,124	(77,179)	19,970,619
Segment assets for reportable segments	報告分部的分部資產				19,970,619
Unallocated:	未分配：				
Deferred income tax assets	遞延所得稅資產				270,989
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之金融資產				487,376
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產				6,810,363
Derivative financial instruments	衍生金融工具				2,157
Structured bank deposits	結構性銀行存款				2,037,900
Prepaid current income tax	預付當期所得稅				29,176
Total assets per balance sheet	資產負債表內的總資產				29,608,580
		Iron and steel 鋼鐵	Real estate 房地產	Elimination 抵銷	Total 合計
Segment liabilities	分部負債	7,775,971	355,296	(77,179)	8,054,088
Segment liabilities for reportable segments	報告分部的分部負債				8,054,088
Unallocated:	未分配：				
Current income tax liabilities	當期所得稅負債				1,070,382
Current borrowings	流動借款				2,603,357
Non-current borrowings	非流動借款				162,000
Derivative financial instruments	衍生金融工具				15,778
Dividends payable	應付股息				144
Deferred income tax liabilities	遞延所得稅負債				21,283
Total liabilities per balance sheet	資產負債表內的總負債				11,927,032

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

5. SALES AND SEGMENT INFORMATION

(continued)

(c) Liabilities related to contracts with customers

The Group has recognised following liabilities related to contracts with customers:

		2019	2018
Iron and steel	鋼鐵	1,432,776	1,541,512
Real estate	房地產	24,962	88,432
Total contract liabilities	合約負債總額	1,457,738	1,629,944

The following table shows how much of the revenue recognised for the years ended 31 December 2019 and 2018 related to carried-forward contract liabilities:

		2019	2018
Iron and steel	鋼鐵	1,541,512	1,440,144
Real estate	房地產	88,432	56,695
Total revenue	收入總額	1,629,944	1,496,839

5. 銷售額及分部資料(續)

(c) 與客戶合約有關的負債

本集團已確認以下與客戶合約有關的負債：

下表載列截至2019年及2018年12月31日止年度確認的收入中有多少與結轉合約負債有關：

6. LEASEHOLD LAND AND LAND USE RIGHTS

Before 1 January 2019, the Group's interests in leasehold land and land use rights represent the prepayment for the operating lease, the net book value of which is analysed as follows:

At 1 January 2018	於2018年1月1日	187,311
Amortisation of leasehold land and land use rights (Note 34)	租賃土地及土地使用權攤銷(附註34)	(5,812)
At 31 December 2018	於2018年12月31日	181,499
Change in accounting policy – HKFRS 16 (Note 2.1.1(c))	會計政策變動 – 香港財務報告準則第16號(附註2.1.1(c))	(181,499)
At 1 January 2019	於2019年1月1日	–

As at 31 December 2018, the net book value of leasehold land and land use rights pledged as security for the Group's borrowings amounted to approximately RMB53 million (Note 29).

6. 租賃土地及土地使用權

於2019年1月1日前，本集團在租賃土地及土地使用權的權益指經營租賃預付款項，按其賬面淨值分析如下：

於2018年12月31日，為本集團之借款作抵押的租賃土地及土地使用權之賬面淨值為約人民幣5,300萬元(附註29)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

7. PROPERTY, PLANT AND EQUIPMENT

7. 物業、廠房及設備

		Buildings	Machinery	Furniture and fixtures	Vehicles	Leasehold improvements	CIP	Total
		樓宇	機器設備	辦公設備	汽車	租賃物業 裝修	在建工程	合計
Year ended	截至2019年12月31日							
31 December 2019	止年度							
Opening net book amount	年初賬面淨值	2,553,776	4,475,051	36,014	18,449	-	476,457	7,559,747
Additions	添置	31,546	278,334	8,623	11,492	-	3,011,724	3,341,719
Transfer from CIP	在建工程轉入	315,709	549,418	136	-	-	(865,263)	-
Disposal of a subsidiary	出售一間附屬公司	-	-	(14)	(202)	-	-	(216)
Disposals (Note 42(c)) ⁽ⁱ⁾	出售(附註42(c)) ⁽ⁱ⁾	(13,591)	(139,366)	(525)	(3,668)	-	-	(157,150)
Depreciation (Note 34)	折舊(附註34)	(209,482)	(932,820)	(7,483)	(8,261)	-	-	(1,158,046)
Closing net book amount	年末賬面淨值	2,677,958	4,230,617	36,751	17,810	-	2,622,918	9,586,054
At 31 December 2019	於2019年12月31日							
Cost	成本	4,655,229	13,562,891	146,353	71,003	-	2,635,077	21,070,553
Accumulated depreciation	累計折舊	(1,750,506)	(8,743,186)	(105,329)	(49,742)	-	-	(10,648,763)
Impairment	減值	(226,765)	(589,088)	(4,273)	(3,451)	-	(12,159)	(835,736)
Net book amount	賬面淨值	2,677,958	4,230,617	36,751	17,810	-	2,622,918	9,586,054

		Buildings	Machinery	Furniture and fixtures	Vehicles	Leasehold improvements	CIP	Total
		樓宇	機器設備	辦公設備	汽車	租賃物業 裝修	在建工程	合計
Year ended	截至2018年12月31日							
31 December 2018	止年度							
Opening net book amount	年初賬面淨值	2,639,900	4,338,579	28,467	47,046	-	1,106,590	8,160,582
Additions	添置	11,121	78,407	9,319	29,975	-	709,207	838,029
Addition from acquiring a subsidiary	收購一間附屬公司增加	-	-	271	-	-	-	271
Transfer from CIP	在建工程轉入	141,886	1,193,297	2,464	1,693	-	(1,339,340)	-
Disposal of a subsidiary	出售一間附屬公司	-	(37,587)	-	(1,690)	-	-	(39,277)
Disposals (Note 42(c))	出售(附註42(c))	(39,049)	(187,623)	(206)	(41,608)	-	-	(268,486)
Depreciation (Note 34)	折舊(附註34)	(200,082)	(910,022)	(4,301)	(16,967)	-	-	(1,131,372)
Closing net book amount	年末賬面淨值	2,553,776	4,475,051	36,014	18,449	-	476,457	7,559,747
At 31 December 2018	於2018年12月31日							
Cost	成本	4,660,490	13,678,617	146,344	94,650	1,337	488,616	19,070,054
Accumulated depreciation	累計折舊	(1,715,378)	(8,092,529)	(104,886)	(72,735)	(1,337)	-	(9,986,865)
Impairment	減值	(391,336)	(1,111,037)	(5,444)	(3,466)	-	(12,159)	(1,523,442)
Net book amount	賬面淨值	2,553,776	4,475,051	36,014	18,449	-	476,457	7,559,747

(i) During the year ended 31 December 2019, the disposals of property, plant and equipment mainly comprised scrapping of certain buildings and machinery as a result of the shut-down of certain old production line and selling of certain property, plant and equipment which had been provided for impairment of approximately RMB688 million in prior years.

(i) 於截至2019年12月31日止年度內，出售物業、廠房及設備主要包括因關閉若干舊生產線而報廢的若干樓宇及機器設備以及銷售若干物業、廠房及設備，其已於過往年度計提減值撥備約人民幣6.88億元。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

7. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation expenses have been charged to the consolidated statement of profit or loss as follows:

		2019	2018
Cost of sales	銷售成本	1,125,326	1,103,900
Administrative expenses	行政費用	32,720	27,472
		1,158,046	1,131,372

As at 31 December 2019, the net book value of property, plant and equipment pledged as security for the Group's borrowings and notes payable issuing amounted to approximately RMB8 million (2018: RMB645 million) (Note 29).

For the year ended 31 December 2019, borrowing costs amounted to approximately RMB49 million (2018: RMB2 million) were capitalised in the cost of property, plant and equipment at an annual average capitalisation rate of approximately 4.59% (2018: 3.60%). These property, plant and equipment were mainly new blast furnaces and converter furnace under the Group's equipment upsizing projects.

8. LEASES

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

		2019	1 January 2019 2019年1月1日
Right-of-use assets	使用權資產		
Leasehold land and land-use rights (i)	租賃土地及土地使用權 (i)	255,724	266,823
Buildings	樓宇	22,718	-
		278,442	266,823
Lease liabilities	租賃負債		
Current	流動	15,155	3,622
Non-current	非流動	90,661	81,702
		105,816	85,324

7. 物業、廠房及設備(續)

已於合併損益表中扣除的折舊開支如下：

於2019年12月31日，為本集團借款及發行應付票據作抵押之物業、廠房及設備之賬面淨值約人民幣800萬元(2018年：人民幣6.45億元)(附註29)。

截至2019年12月31日止年度，借款成本約人民幣4,900萬元(2018年：人民幣200萬元)已按年度平均資本化比率約4.59%(2018年：3.60%)資本化為物業、廠房及設備的成本。該等物業、廠房及設備主要為本集團裝備大型化項目下的新高爐及轉爐。

8. 租賃

(a) 於資產負債表確認的金額

資產負債表列示下列與租賃有關的金額：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

8. LEASES (continued)

(a) Amounts recognised in the balance sheet (continued)

- (i) The Group has land lease arrangement with Mainland China government. The Group's leasehold land and land use rights are all located in the PRC and of which amounts of approximately RMB176 million own land certificates.

As at 31 December 2019, the net book value of leasehold land and land use rights pledged as security for the Group's borrowings and notes payable issuing amounted to approximately RMB25 million (Note 29).

Additions to the right-of-use assets during the year end 31 December 2019 were approximately RMB29,387,000.

(b) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

8. 租賃(續)

(a) 於資產負債表確認的金額(續)

- (i) 本集團與中國大陸政府訂有土地租賃安排。本集團的租賃土地及土地使用權全部均位於中國，其中約人民幣1.76億元擁有土地證書。

於2019年12月31日，就本集團借款及發行應付票據而質押作抵押之租賃土地及土地使用權賬面淨值約人民幣2,500萬元(附註29)。

截至2019年12月31日止年度，添置使用權資產約人民幣29,387,000元。

(b) 於損益表確認的金額

損益表列示下列與租賃有關的金額：

		2019	2018
Depreciation charge of right-of-use assets	使用權資產折舊開支		
Leasehold land and land-use rights	租賃土地及土地使用權	11,099	—
Buildings	樓宇	6,669	—
		17,768	—
Interest expense (Note 36)	利息費用(附註36)	4,790	—
Expense relating to short-term leases (Note 34)	與短期租賃有關的費用(附註34)	8,051	—

The total cash outflow for leases (including short-term leases) during the year end 31 December 2019 was approximately RMB22,735,000.

於截至2019年12月31日止年度內，租賃現金流出總額(包括短期租賃)約人民幣22,735,000元。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

9. INVESTMENT PROPERTIES

The investment properties are located in the PRC and their net book value are analysed as follows:

Year ended 31 December 2019

Opening net book amount
Depreciation (Note 34)
Disposal
Closing net book amount

At 31 December 2019

Cost
Accumulated depreciation
Net book amount

Year ended 31 December 2018

Opening net book amount
Transfer from completed properties held for sale
Depreciation (Note 34)
Disposal
Closing net book amount

At 31 December 2018

Cost
Accumulated depreciation
Net book amount

9. 投資物業

投資物業位於中國，按其賬面淨值分析如下：

截至2019年12月31日止年度

年初賬面淨值 187,184
折舊(附註34) (8,608)
出售 (52,909)
年末賬面淨值 125,667

於2019年12月31日

成本 149,318
累計折舊 (23,651)
賬面淨值 125,667

截至2018年12月31日止年度

年初賬面淨值 238,920
已完成的持作出售物業轉入 5,553
折舊(附註34) (11,530)
出售 (45,759)
年末賬面淨值 187,184

於2018年12月31日

成本 208,077
累計折舊 (20,893)
賬面淨值 187,184

Amounts recognised in consolidated statement of profit or loss for investment properties included:

於合併損益表內就投資物業確認的金額包括：

		2019	2018
Rental income from operating leases (Note 33)	經營租賃之租金收入(附註33)	10,645	15,783
Direct operating expenses and depreciation	直接經營開支及折舊	(8,608)	(11,530)
(Losses)/gains on disposal of investment property (Note 32)	出售投資物業之(虧損)/收益(附註32)	(7,017)	2,529
		(4,980)	6,782

As at 31 December 2019 and 2018, the Group had no significant contractual obligations for future repairs and maintenance of the investment properties.

於2019年及2018年12月31日，本集團並無就投資物業的日後維修及保養產生重大合約承擔。

As at 31 December 2019, the Directors estimated that the fair value of the investment properties was approximately RMB257.8 million (2018: RMB416.3 million) based on the prices in the active market.

於2019年12月31日，董事們根據在交投活躍市場的價格估計投資物業的公允價值約人民幣2.578億元(2018年：人民幣4.163億元)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

10. INTANGIBLE ASSETS

10. 無形資產

		Unpatented technology 非專利技術	Patented technology 專利技術	Software 軟件	Production capacity (i) 產能(i)	Goodwill 商譽	Total 合計
Year ended	截至2019年						
31 December 2019	12月31日止年度						
Opening net book amount	年初賬面淨值	40,304	7,406	1,642	-	80,295	129,647
Additions	添置	-	5,000	24,761	892,607	-	922,368
Amortisation (Note 34)	攤銷(附註34)	(10,076)	(1,601)	(792)	-	-	(12,469)
Closing net book amount	年末賬面淨值	30,228	10,805	25,611	892,607	80,295	1,039,546
At 31 December 2019	於2019年12月31日						
Cost	成本	80,608	14,000	27,430	892,607	87,962	1,102,607
Accumulated amortisation and impairment	累計攤銷及減值	(50,380)	(3,195)	(1,819)	-	(7,667)	(63,061)
Net book amount	賬面淨值	30,228	10,805	25,611	892,607	80,295	1,039,546
Year ended	截至2018年						
31 December 2018	12月31日止年度						
Opening net book amount	年初賬面淨值	50,380	8,531	1,571	-	33,650	94,132
Addition from acquiring a subsidiary	收購一間附屬公司 增加	-	-	36	-	46,645	46,681
Additions	添置	-	-	384	-	-	384
Amortisation (Note 34)	攤銷(附註34)	(10,076)	(1,125)	(349)	-	-	(11,550)
Closing net book amount	年末賬面淨值	40,304	7,406	1,642	-	80,295	129,647
At 31 December 2018	於2018年12月31日						
Cost	成本	80,608	9,000	2,669	-	87,962	180,239
Accumulated amortisation and impairment	累計攤銷及減值	(40,304)	(1,594)	(1,027)	-	(7,667)	(50,592)
Net book amount	賬面淨值	40,304	7,406	1,642	-	80,295	129,647

(i) The additions of production capacity during the year ended 31 December 2019 comprised the acquired iron and steel production capacity for supplementing the Group's equipment upsizing which will be transferred into the cost of aforesaid equipment upon completion of the upsizing construction.

(i) 於截至2019年12月31日止年度內添置產能包括就補足本集團裝備大型化而收購的鋼鐵產能，其將於大型化建設完工後轉入上述設備成本。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES

As at 31 December 2019, the Company had direct and indirect interests in the following subsidiaries:

11. 附屬公司

於2019年12月31日，本公司於下列附屬公司擁有直接及間接權益：

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別	本集團應佔權益百分比	已發行及繳足股本	法定股本	主要業務
Gold Genesis Development Limited ("Gold Genesis")	British Virgin Islands ("BVI") 21 February 2003	Limited liability company	100% (Directly held)	US\$1	US\$50,000	Investment holding
Gold Genesis Development Limited (「Gold Genesis」)	英屬維爾京群島 (「英屬維爾京群島」) 2003年2月21日	有限責任公司	100% (直接持有)	1美元	50,000美元	投資控股
Good Lucky Enterprises Limited ("Good Lucky")	BVI 21 February 2003	Limited liability company	100% (Directly held)	US\$1	US\$50,000	Investment holding
Good Lucky Enterprises Limited (「Good Lucky」)	英屬維爾京群島 2003年2月21日	有限責任公司	100% (直接持有)	1美元	50,000美元	投資控股
First Glory Services Limited ("First Glory")	BVI 16 October 2003	Limited liability company	100% (Directly held)	US\$2	US\$50,000	Investment holding
First Glory Services Limited (「First Glory」)	英屬維爾京群島 2003年10月16日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股
Accordpower Investments Limited ("Accordpower")	BVI 30 November 2004	Limited liability company	100% (Directly held)	US\$2	US\$50,000	Investment holding
致威投資有限公司 (「致威」)	英屬維爾京群島 2004年11月30日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股
Fullhero Investments Limited ("Fullhero")	BVI 3 May 2005	Limited liability company	100% (Directly held)	US\$2	US\$50,000	Investment holding
英豐投資有限公司 (「英豐」)	英屬維爾京群島 2005年5月3日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股
Hebei Jinxi Iron and Steel Group Company Limited ("Jinxi Limited")	PRC 24 December 1999	Joint stock company with limited liability	97.6% (Indirectly held)	RMB228,640,000	RMB228,640,000	Manufacture and sales of steel products
河北津西鋼鐵集團股份有限公司 (「津西鋼鐵」)	中國 1999年12月24日	股份有限責任公司	97.6% (間接持有)	人民幣 228,640,000元	人民幣 228,640,000元	生產及銷售鋼鐵產品

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Foshan Jin Xi Jin Lan Cold Rolled Sheet Company Limited ("Jinxi Jinlan")	PRC 26 December 2003	Limited liability company	80.28% (Indirectly held)	US\$55,150,000	US\$55,150,000	Manufacture and sales of steel products
佛山津西金蘭冷軋板有限公司 (「津西金蘭」)	中國 2003年12月26日	有限責任公司	80.28% (間接持有)	55,150,000美元	55,150,000美元	生產及銷售鋼鐵產品
Oriental Fullhero Leasing Co., Ltd. ("Fullhero Leasing")	PRC 23 September 2005	Limited liability company	100% (Indirectly held)	US\$65,000,000	US\$65,000,000	Leasing and financial leasing
東方英豐租賃有限公司 (「英豐租賃」)	中國 2005年9月23日	有限責任公司	100% (間接持有)	65,000,000美元	65,000,000美元	租賃及融資租賃
Hebei Jinxi Section Steel Company Limited ("Jinxi Section Steel")	PRC 30 May 2008	Limited liability company	97.6% (Indirectly held)	RMB350,000,000	RMB350,000,000	Manufacture and sales of steel products
河北津西型鋼有限公司 (「津西型鋼」)	中國 2008年5月30日	有限責任公司	97.6% (間接持有)	人民幣 350,000,000元	人民幣 350,000,000元	生產及銷售鋼鐵產品
Jinxi Hong Kong Trading Company Limited ("HK Trading")	Hong Kong 27 October 2008	Limited liability company	97.6% (Indirectly held)	HK\$38,750,001	HK\$80,000,000	Import and export of goods
津西香港進出口有限公司 (「津西香港」)	香港 2008年10月27日	有限責任公司	97.6% (間接持有)	38,750,001港元	80,000,000港元	進出口貨物
Suifenthe City Jinyin Trading Co., Ltd. ("Jinyin Trading")	PRC 24 September 2008	Limited liability company	97.6% (Indirectly held)	RMB10,000,000	RMB10,000,000	Import and export of goods and technology
綏芬河市津銀貿易有限公司 (「津銀貿易」)	中國 2008年9月24日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	進出口貨物及技術
Hebei Jinxi Iron and Steel Group Zhengda Iron and Steel Co., Ltd. ("Zhengda Iron and Steel") (i)	PRC 19 December 2008	Limited liability company	97.6% (Indirectly held)	RMB50,000,000	RMB50,000,000	Manufacture and sales of steel products
河北津西鋼鐵集團正達鋼鐵有限公司 (「正達鋼鐵」) (i)	中國 2008年12月19日	有限責任公司	97.6% (間接持有)	人民幣 50,000,000元	人民幣 50,000,000元	生產及銷售鋼鐵產品

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Tangshan Fengrun Qu Tong Yuan Trading Company Limited ("Tong Yuan Trading")	PRC 22 May 2009	Limited liability company	69.3% (Indirectly held)	RMB5,000,000	RMB5,000,000	Purchase and sales of ferrous metal and coke
唐山市豐潤區通遠商貿有限公司(「通遠商貿」)	中國 2009年5月22日	有限責任公司	69.3% (間接持有)	人民幣 5,000,000元	人民幣 5,000,000元	買賣黑色金屬及焦炭
Hebei Jinxi Boyuan Real Estate Co., Ltd. ("Boyuan Real Estate")	PRC 17 December 2009	Limited liability company	97.6% (Indirectly held)	RMB40,000,000	RMB40,000,000	Development and sales of real estate
河北津西博遠房地產開發有限公司(「博遠房地產」)	中國 2009年12月17日	有限責任公司	97.6% (間接持有)	人民幣 40,000,000元	人民幣 40,000,000元	開發及銷售房地產
Clear Precision Limited ("Clear Precision")	BVI 22 July 2010	Limited liability company	100% (Directly held)	US\$2	US\$50,000	Investment holding
明達有限公司(「明達」)	英屬維爾京群島 2010年7月22日	有限責任公司	100% (直接持有)	2美元	50,000美元	投資控股
Beijing Jinxi Investment Holding Co., Ltd. ("Beijing Jinxi Investment")	PRC 26 August 2010	Limited liability company	97.6% (Indirectly held)	RMB130,000,000	RMB130,000,000	Investment holding
北京津西投資控股有限公司(「北京津西投資」)	中國 2010年8月26日	有限責任公司	97.6% (間接持有)	人民幣 130,000,000元	人民幣 130,000,000元	投資控股
Oriental Evertrust Finance Leasing Co., Ltd. ("Oriental Evertrust")	PRC 27 September 2010	Limited liability company	98.20% (Indirectly held)	US\$200,000,000	US\$200,000,000	Financial leasing and leasing
東方信遠融資租賃有限公司(「東方信遠」)	中國 2010年9月27日	有限責任公司	98.20% (間接持有)	200,000,000美元	200,000,000美元	融資租賃及租賃
Oriental Green Energy-Saving Environmental Protection Engineering Co., Ltd. ("Oriental Green")	PRC 20 October 2010	Limited liability company	97.6% (Indirectly held)	RMB100,000,000	RMB100,000,000	Environmental protection engineering
東方綠源節能環保工程有限公司(「東方綠源」)	中國 2010年10月20日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	環境保護工程

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Hebei Jinshun Energy-Saving Technology Development Co., Ltd. ("Jinshun Energy-Saving")	PRC 17 November 2010	Limited liability company	97.6% (Indirectly held)	RMB100,000,000	RMB100,000,000	Research and development on recycling and energy-saving technology and other recycling business
河北津順節能技術開發有限公司(「津順節能」)	中國 2010年11月17日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	研發循環及節能技術及其他回收再用業務
Beijing Jinxi Boyuan Real Estate Co., Ltd. ("Beijing Real Estate")	PRC 18 November 2010	Limited liability company	97.6% (Indirectly held)	RMB300,000,000	RMB300,000,000	Development and sales of real estate
北京津西博遠置業有限公司(「北京房地產」)	中國 2010年11月18日	有限責任公司	97.6% (間接持有)	人民幣 300,000,000元	人民幣 300,000,000元	開發及銷售房地產
China Oriental Singapore Pte. Ltd. ("China Oriental Singapore")	Singapore 29 November 2010	Limited liability company	100% (Indirectly held)	US\$10,000,000	Not applicable	Trading of iron ore and related products
China Oriental Singapore Pte. Ltd. ("China Oriental Singapore")	新加坡 2010年11月29日	有限責任公司	100% (間接持有)	10,000,000美元	不適用	鐵礦石及相關產品貿易
Hebei Jinxi Iron and Steel Group Heavy Industry Science and Technology Co., Limited ("Jinxi Heavy Industry")	PRC 27 November 2003	Limited liability company	99.02% (Indirectly held)	RMB93,098,162	RMB93,098,162	Manufacture and sales of casting products and equipment maintenance
河北津西鋼鐵集團重工科技有限公司(「津西重工」)	中國 2003年11月27日	有限責任公司	99.02% (間接持有)	人民幣 93,098,162元	人民幣 93,098,162元	生產及銷售鑄造產品及設備保養
Jinxi International Trade Co., Ltd. ("Jinxi International Trade")	PRC 23 March 2011	Limited liability company	97.6% (Indirectly held)	RMB100,000,000	RMB100,000,000	International trading
津西國際貿易有限公司(「津西國際貿易」)	中國 2011年3月23日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	國際貿易
Hebei Caofeidian Jinxing Resource Development Co., Ltd. ("Caofeidian Jinxing")	PRC 1 July 2011	Limited liability company	97.6% (Indirectly held)	RMB6,000,000	RMB6,000,000	Motor vehicle scrap and crush demolition solution
河北曹妃甸津興資源開發有限公司(「曹妃甸津興」)	中國 2011年7月1日	有限責任公司	97.6% (間接持有)	人民幣 6,000,000元	人民幣 6,000,000元	機動車輛報廢和壓碎清理方案

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Beijing jinxi LongXiang Culture Development Co., Ltd. ("LongXiang Culture")	PRC 4 May 2012	Limited liability company	97.6% (Indirectly held)	RMB10,000,000	RMB10,000,000	Publication
北京津西龍翔文化發展有限公司(「龍翔文化」)	中國 2012年5月4日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	出版業
Tianjin Oriental Huitong Microcredit Co., Ltd. ("Oriental Huitong")	PRC 29 June 2012	Limited liability company	97.8% (Indirectly held)	RMB100,000,000	RMB100,000,000	Provision of loans
天津東方匯通小額貸款有限公司(「東方匯通」)	中國 2012年6月29日	有限責任公司	97.8% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	提供貸款
Tianjin Juli Trade Co., Ltd. ("Juli Trade")	PRC 25 October 2012	Limited liability company	97.6% (Indirectly held)	RMB100,000,000	RMB100,000,000	International trading
天津聚利貿易有限公司(「聚利貿易」)	中國 2012年10月25日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	國際貿易
Suzhou Jinxi Boyuan Real Estate Co., Ltd. ("Suzhou Boyuan")	PRC 23 January 2013	Limited liability company	97.6% (Indirectly held)	RMB80,000,000	RMB80,000,000	Development and sales of real estate
蘇州津西博遠房地產開發有限公司(「蘇州博遠」)	中國 2013年1月23日	有限責任公司	97.6% (間接持有)	人民幣 80,000,000元	人民幣 80,000,000元	房地產開發及銷售
Beijing Jinxi Boyuan Project Management Co., Ltd. ("Beijing Boyuan Project Management")	PRC 12 July 2013	Limited liability company	97.6% (Indirectly held)	RMB1,000,000	RMB1,000,000	Construction project management
北京津西博遠項目管理有限公司(「北京博遠項目管理」)	中國 2013年7月12日	有限責任公司	97.6% (間接持有)	人民幣 1,000,000元	人民幣 1,000,000元	工程項目管理
Well Balanced Global Limited ("Well Balance")	BVI 2 January 2014	Limited liability company	100% (Directly held)	US\$1	US\$50,000	Investment holding
Well Balanced Global Limited ("Well Balance")	英屬維爾京群島 2014年1月2日	有限責任公司	100% (直接持有)	1美元	50,000美元	投資控股
Finest Sino International Limited ("Finest Sino")	BVI 2 January 2014	Limited liability company	100% (Indirectly held)	US\$1	US\$50,000	Investment holding
Finest Sino International Limited ("Finest Sino")	英屬維爾京群島 2014年1月2日	有限責任公司	100% (間接持有)	1美元	50,000美元	投資控股
Dongfang Jingyuan Electron Limited ("Dongfang Jingyuan")	PRC 18 February 2014	Limited liability company	49.8% (Indirectly held)	RMB200,000,000	RMB200,000,000	Technology and import and export of goods
東方晶源微電子科技(北京)有限公司(「東方晶源」)	中國 2014年2月18日	有限責任公司	49.8% (間接持有)	人民幣 200,000,000元	人民幣 200,000,000元	技術及貨物進出口

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Tianjin Hainajin International Trade Co., Ltd. ("Tianjin Hainajin")	PRC 20 February 2014	Limited liability company	97.6% (Indirectly held)	RMB100,000,000	RMB100,000,000	International trading
天津海納金國際貿易有限公司 (「天津海納金」)	中國 2014年2月20日	有限責任公司	97.6% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	國際貿易
Tianjin Hengyuanda Trade Co., Ltd. ("Tianjin Hengyuanda") (Formerly known as "Tianjin Hengyuanda Coal Trade Co., Ltd.")	PRC 26 March 2014	Limited liability company	97.6% (Indirectly held)	RMB0	RMB10,000,000	Wholesale and retail trade
天津恒遠達貿易有限公司 (「天津恒遠達」) (前稱為「天津恒遠達煤炭貿易有限公司」)	中國 2014年3月26日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 10,000,000元	批發及零售貿易
Suzhou Jinxi Boyun Real Estate Co., Ltd. ("Suzhou Boyun")	PRC 25 April 2014	Limited liability company	97.6% (Indirectly held)	RMB30,000,000	RMB30,000,000	Development and sales of real estate
蘇州津西博運房地產開發有限公司 (「蘇州博運」)	中國 2014年4月25日	有限責任公司	97.6% (間接持有)	人民幣 30,000,000元	人民幣 30,000,000元	房地產開發及銷售
Qianxi Boshun Logistics Co., Ltd. ("Boshun Logistics")	PRC 9 April 2015	Limited liability company	97.6% (Indirectly held)	RMB10,000,000	RMB10,000,000	Logistics
遷西縣博順物流有限公司 (「博順物流」)	中國 2015年4月9日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	物流
New Asia Prosperity International Trade Co., Ltd. ("New Asia Prosperity")	PRC 10 June 2015	Limited liability company	97.6% (Indirectly held)	RMB0	RMB100,000,000	International trading
天津新亞熙國際貿易有限公司 (「新亞熙貿易」)	中國 2015年6月10日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易
Dongfang Jingyuan Hong Kong Co., Ltd. ("Dongfang Jingyuan Hong Kong")	Hong Kong 18 September 2015	Limited liability company	49.8% (Indirectly held)	HK\$1	Not applicable	Investment holding
東方晶源香港有限公司 (「東方晶源香港」)	香港 2015年9月18日	有限責任公司	49.8% (間接持有)	1港元	不適用	投資控股

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別	本集團應佔權益百分比	已發行及繳足股本	法定股本	主要業務
Tianjin Ansai Assets Management Co., Ltd ("Ansai Asset Management")	PRC 30 September 2015	Limited liability company	97.6% (Indirectly held)	RMB2,000,000	RMB100,000,000	Assets management
天津安塞資產管理有限公司 ("安塞資產管理")	中國 2015年9月30日	有限責任公司	97.6% (間接持有)	人民幣 2,000,000元	人民幣 100,000,000元	資產管理
Tianjin Jinxi Zhengda Hengxin International Trade Co., Ltd. ("Zhengda Hengxin")	PRC 23 March 2016	Limited liability company	97.6% (Indirectly held)	RMB0	RMB100,000,000	International trading
天津津西正達恒信國際貿易有限公司 ("正達恒信")	中國 2016年3月23日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易
Tianjin Jinxi Zhiyuan International Trade Co., Ltd. ("Jinxi Zhiyuan")	PRC 23 March 2016	Limited liability company	97.6% (Indirectly held)	RMB0	RMB100,000,000	International trading
天津津西致遠國際貿易有限公司 ("津西致遠")	中國 2016年3月23日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易
Tianjin Xinhui Finance Leasing Co., Ltd. ("Tianjin Xinhui")	PRC 13 April 2016	Limited liability company	98.2% (Indirectly held)	RMB1,000,000,000	RMB1,000,000,000	Financial leasing and leasing
天津信匯融資租賃有限公司 ("天津信匯")	中國 2016年4月13日	有限責任公司	98.2% (間接持有)	人民幣 1,000,000,000元	人民幣 1,000,000,000元	融資租賃及租賃
Hebei Jinxi International Trade Co., Ltd. ("Hebei Jinxi International Trade")	PRC 27 April 2016	Limited liability company	97.6% (Indirectly held)	RMB0	RMB100,000,000	International trading
河北津西國際貿易有限公司 ("河北津西國貿")	中國 2016年4月27日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易
Qianxi County Jinxi Hotel Services Co., Ltd. ("Jinxi Hotel")	PRC 15 July 2016	Limited liability company	97.6% (Indirectly held)	RMB1,000,000	RMB1,000,000	Hotel and catering services
遷西縣津西賓館服務有限公司 ("津西賓館")	中國 2016年7月15日	有限責任公司	97.6% (間接持有)	人民幣 1,000,000元	人民幣 1,000,000元	酒店及餐飲服務
Zhongke Jingyuan Electron Limited ("Zhongke Jingyuan")	PRC 25 August 2016	Limited liability company	44.8% (Indirectly held)	RMB100,000,000	RMB100,000,000	Technology and import and export of goods
中科晶源微電子技術(北京)有限公司 ("中科晶源")	中國 2016年8月25日	有限責任公司	44.8% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	技術及貨物進出口

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Shenzhen Jingyuan Information Technology Co., Ltd. ("Shenzhen Jingyuan")	PRC 11 November 2016	Limited liability company	49.8% (Indirectly held)	RMB10,000,000	RMB10,000,000	Technology and import and export of goods
深圳晶源信息技術有限公司 (「深圳晶源」)	中國 2016年11月11日	有限責任公司	49.8% (間接持有)	人民幣 10,000,000元	人民幣 10,000,000元	技術及貨物進出口
Zhongjin Finance Leasing Co., Ltd. ("Zhongjin Leasing")	PRC 15 December 2016	Limited liability company	99.1% (Indirectly held)	RMB3,249,000,000	RMB3,500,000,000	Financial leasing and leasing
中津融資租賃有限公司 (「中津融資」)	中國 2016年12月15日	有限責任公司	99.1% (間接持有)	人民幣 3,249,000,000元	人民幣 3,500,000,000元	融資租賃及租賃
Hebei Jinxi Sheet Piling Section Steel Technology Co., Ltd. ("Jinxi Sheet Piling")	PRC 3 January 2017	Limited liability company	85.89% (Indirectly held)	RMB1,000,000,000	RMB1,000,000,000	Manufacture and sales of steel products
河北津西鋼板樁型鋼科技 有限公司(「津西鋼板樁」)	中國 2017年1月3日	有限責任公司	85.89% (間接持有)	人民幣 1,000,000,000元	人民幣 1,000,000,000元	生產及銷售鋼鐵產品
China Oriental Investment Pty. Ltd. ("China Oriental Investment")	Australia ("AUS") 25 January 2017	Limited liability company	100% (Indirectly held)	AUS\$ 0	Not applicable	Investment holding
China Oriental Investment Pty. Ltd. (「China Oriental Investment」)	澳洲(「澳洲」) 2017年1月25日	有限責任公司	100% (間接持有)	零澳元	不適用	投資控股
Suzhou Jinhaili Commercial Management Co., Ltd. ("Suzhou Jinhaili")	PRC 22 December 2017	Limited liability company	97.6% (Indirectly held)	RMB0	RMB5,000,000	Commercial management service
蘇州金海利商業管理有限公司 (「蘇州金海利」)	中國 2017年12月22日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 5,000,000元	商業管理服務
Hebei Jinxi Cargo Agent Co., Ltd. ("Jinxi Cargo Agent")	PRC 8 June 2018	Limited liability company	97.6% (Indirectly held)	RMB0	RMB10,000,000	International and domestic cargo transit agent
河北津西貨運代理有限公司 (「津西貨運代理」)	中國 2018年6月8日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 10,000,000元	國際及本地貨運代理
Ningbo Ruihe Zhihui Investment Co., Ltd. ("Ningbo Ruihe")	PRC 8 November 2018	Limited liability company	97.6% (Indirectly held)	RMB650,500,000	RMB1,000,000,000	Investment and management service
寧波瑞和智慧投資有限公司 (「寧波瑞和」)	中國 2018年11月8日	有限責任公司	97.6% (間接持有)	人民幣 650,500,000元	人民幣 1,000,000,000元	投資及管理服務

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Beijing Jinxi SBS Architectural Design Co., Ltd. ("Beijing Jinxi SBS") (Formerly known as "Beijing SBS Architectural Design Co., Ltd.")	PRC 11 January 1999	Limited liability company	59.41% (Indirectly held)	RMB37,500,000	RMB37,500,000	Architectural designing, sales and instalment
北京津西賽博思建築設計有限公司 ("北京津西賽博思") (前稱為「北京賽博思建築設計有限公司」)	中國 1999年1月11日	有限責任公司	59.41% (間接持有)	人民幣 37,500,000元	人民幣 37,500,000元	建築設計、銷售及安裝
Suzhou Jinyihua Commercial Management Co., Ltd. ("Suzhou Jinyihua")	PRC 27 March 2018	Limited liability company	97.6% (Indirectly held)	RMB 0	RMB1,000,000	Commercial Management service
蘇州金德華商業管理有限公司 ("蘇州金德華")	中國 2018年3月27日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 1,000,000元	商業管理服務
Tianjin Juyingyuan International Trade Co., Ltd. ("Tianjin Juyingyuan")	PRC 9 April 2019	Limited liability company	97.6% (Indirectly held)	RMB0	RMB20,000,000	International trading
天津聚盈源國際貿易有限公司 ("天津聚盈源")	中國 2019年4月9日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 20,000,000元	國際貿易
Tianjin Zhiruiying International Trade Co., Ltd. ("Tianjin Zhiruiying")	PRC 9 April 2019	Limited liability company	97.6% (Indirectly held)	RMB0	RMB100,000,000	International trading
天津致瑞盈國際貿易有限公司 ("天津致瑞盈")	中國 2019年4月9日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	國際貿易
Tianjin Shengyingxiang International Trade Co., Ltd. ("Tianjin Shengyingxiang")	PRC 9 April 2019	Limited liability company	97.6% (Indirectly held)	RMB0	RMB20,000,000	International trading
天津盛盈祥國際貿易有限公司 ("天津盛盈祥")	中國 2019年4月9日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 20,000,000元	國際貿易
Qianxi County Yingheshun Trade Co., Ltd. ("Qianxi Yingheshun")	PRC 7 May 2019	Limited liability company	97.6% (Indirectly held)	RMB19,000,000	RMB25,000,000	Steel trading
遷西縣盈和順貿易有限公司 ("遷西盈和順")	中國 2019年5月7日	有限責任公司	97.6% (間接持有)	人民幣 19,000,000元	人民幣 25,000,000元	鋼材貿易
Ningbo Shengyinghui Investment Co., Ltd. ("Ningbo Shengyinghui")	PRC 28 May 2019	Limited liability company	97.6% (Indirectly held)	RMB10,000,000	RMB300,000,000	Investment and management service
寧波盛盈惠利投資有限公司 ("寧波盛盈惠利")	中國 2019年5月28日	有限責任公司	97.6% (間接持有)	人民幣 10,000,000元	人民幣 300,000,000元	投資及管理服務

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Ningbo Juyingruizhi Investment Co., Ltd. ("Ningbo Juyingruizhi")	PRC 28 May 2019	Limited liability company	97.6% (Indirectly held)	RMB10,000	RMB300,000,000	Investment and management service
寧波聚盈瑞智投資有限公司 ("寧波聚盈瑞智")	中國 2019年5月28日	有限責任公司	97.6% (間接持有)	人民幣 10,000元	人民幣 300,000,000元	投資及管理服務
Zhongjinrong Commercial Factoring Co., Ltd. ("Zhongjinrong Factoring")	PRC 21 June 2019	Limited liability company	98.2% (Indirectly held)	RMB100,000,000	RMB100,000,000	Commercial factoring
中津融商業保理有限公司 ("中津融保理")	中國 2019年6月21日	有限責任公司	98.2% (間接持有)	人民幣 100,000,000元	人民幣 100,000,000元	商業保理
Hebei Jinxi New Material Technology Co., Ltd. ("Jinxi New Material")	PRC 7 July 2019	Limited liability company	97.6% (Indirectly held)	RMB117,350,000	RMB300,000,000	New material technology and building engineering design service
河北津西新材料科技有限公司 ("津西新材料")	中國 2019年7月7日	有限責任公司	97.6% (間接持有)	人民幣 117,350,000元	人民幣 300,000,000元	新材料技術及樓宇工程設計服務
Beijing Jinxi Lvjian Technology Industrial Group Co., Ltd. ("Beijing Jinxi Lvjian")	PRC 17 July 2019	Limited liability company	97.6% (Indirectly held)	RMB436,350,000	RMB436,350,000	Technology promotion and engineering design service
北京津西綠建科技產業集團有限公司 ("北京津西綠建")	中國 2019年7月17日	有限責任公司	97.6% (間接持有)	人民幣 436,350,000元	人民幣 436,350,000元	技術升級及工程設計服務
Fangchenggang Jinxi Section Steel Technology Co., Ltd. ("Fangchenggang Jinxi")	PRC 3 September 2019	Limited liability company	97.6% (Indirectly held)	RMB1,370,200,000	RMB6,000,000,000	Manufacture and sales of steel products
防城港津西型鋼科技有限公司 ("防城港津西")	中國 2019年9月3日	有限責任公司	97.6% (間接持有)	人民幣 1,370,200,000元	人民幣 6,000,000,000元	製造及銷售鋼鐵產品
Suzhou Jinyuan Commercial Consulting Limited Partnership ("Suzhou Jinyuan")	PRC 23 September 2019	Limited partnership	81.3% (Indirectly held)	RMB0	RMB300,000	Commercial consulting
蘇州津遠商業諮詢合伙企業 ("蘇州津遠")	中國 2019年9月23日	有限合伙	81.3% (間接持有)	人民幣 零元	人民幣 300,000元	商業諮詢
Hebei Jinxi Jingwan Real Estate Co., Ltd. ("Jinxi Jingwan")	PRC 26 September 2019	Limited liability company	97.6% (Indirectly held)	RMB60,000,000	RMB60,000,000	Development and sales of real estate
河北津西景灣房地產開發有限公司 ("津西景灣")	中國 2019年9月26日	有限責任公司	97.6% (間接持有)	人民幣 60,000,000元	人民幣 60,000,000元	開發及銷售房地產

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

11. SUBSIDIARIES (continued)

11. 附屬公司(續)

Name	Place and date of incorporation	Legal status	Percentage of equity interest attributable to the Group 本集團應佔權益百分比	Issued and fully paid capital	Authorised capital	Principal activities
名稱	註冊成立地點及日期	法定主體類別		已發行及繳足股本	法定股本	主要業務
Jinxi Lvjian Technology Tianjing Co., Ltd. ("Jinxi Lvjian Technology")	PRC 12 November 2019	Limited liability company	97.6% (Indirectly held)	RMB0	RMB100,000,000	Engineering design and technology promotion service
津西綠建科技(天津)有限公司(「津西綠建科技」)	中國 2019年11月12日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 100,000,000元	工程設計及技術升級服務
Guangxi Jinxi Boyuan Real Estate Co., Ltd. ("Guangxi Boyuan")	PRC 12 December 2019	Limited liability company	97.6% (Indirectly held)	RMB0	RMB20,000,000	Development and sales of real estate
廣西津西博遠房地產開發有限公司(「廣西博遠」)	中國 2019年12月12日	有限責任公司	97.6% (間接持有)	人民幣 零元	人民幣 20,000,000元	開發及銷售房地產
Rizhao Shengyingrui Management Consulting Limited Partnership ("Rizhao Shengyingrui")	PRC 18 December 2019	Limited partnership	97.6% (Indirectly held)	RMB0	RMB1,000,000,000	Management and consulting service
日照盛盈瑞利管理諮詢 合夥企業(有限合伙) (「日照盛盈瑞利」)	中國 2019年12月18日	有限合夥	97.6% (間接持有)	人民幣 零元	人民幣 1,000,000,000元	管理及諮詢服務
JK Spundwand Systeme GmbH ("JK Spundwand")	Germany 28 May 2019	Limited liability company	68.3% (Indirectly held)	EUR775,000	EUR1,000,000	Technology development, promotion, trading and leasing of steel products
JK Spundwand Systeme GmbH(「JK Spundwand」)	德國 2019年5月28日	有限責任公司	68.3% (間接持有)	775,000歐元	1,000,000歐元	技術開發、升級、鋼鐵產品貿易及租賃

The English name of certain companies referred in this financial statements represent management's best effort at translating the Chinese names of these companies as no English names have been registered.

本財務報表所述若干公司的英文名稱為管理層根據其中文名稱最佳翻譯所得，此乃由於該等公司並無登記任何官方英文名稱。

- (i) Pursuant to an equity transfer agreement, the minority shareholder of Zhengda Iron and Steel, agreed to sell their entire equity holdings of this subsidiary to the Group. According to the agreement, the Group paid a cash consideration of RMB14.5 million to the minority shareholder of this subsidiary, the difference amounting to approximately RMB45.2 million between the carrying amount of non-controlling interest of accumulated losses amounting to approximately RMB30.7 million and consideration was recorded in capital surplus.

- (i) 根據股權轉讓協議，正達鋼鐵的少數股東同意出售彼等於該附屬公司的全部股權予本集團。根據協議，本集團向該附屬公司的少數股東支付現金代價人民幣1,450萬元，而非控股權益累計虧損之賬面值約人民幣3,070萬元與代價之間差額約人民幣4,520萬元已計入資本公積。

As at and for the year ended 31 December 2019, there were no significant non-controlling interests of the subsidiaries in the Group.

於及截至2019年12月31日止年度，本集團的附屬公司並無重大非控制性權益。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

12. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE

12. 於聯營公司及一間合營企業之投資

(a) Investment in associates, unlisted

(a) 於聯營公司之投資，非上市

		2019	2018
At 1 January	於1月1日	103,049	145,487
Impairment loss on investment in an associate	於一間聯營公司之投資減值損失	-	(34,122)
Share of results of associates	應佔聯營公司業績	48,433	(8,316)
Dividends received	已收股息	(750)	-
Capital deduction	資本削減	(35,740)	-
At 31 December	於12月31日	114,992	103,049

The information of the unlisted associated companies at 31 December 2019 is as follows:

於2019年12月31日，有關非上市聯營公司的資料載列如下：

Name	Place and date of incorporation	Percentage of equity interest attributable to the Group	Assets	Liabilities	Revenues	Net profit/(loss)
名稱	註冊成立地點及日期	應佔股權百分比	資產	負債	收入	淨溢利／(虧損)
Palma Ceia SemiDesign, Inc. ("PCS")	USA 5 November 2012	30% (Indirectly held)	12,754	18,970	52,019	11,223
Palma Ceia SemiDesign, Inc. (「PCS」)	美國 2012年11月5日	30% (間接持有)	12,754	18,970	52,019	11,223
XTAL Inc. ("XTAL") (i)	USA 27 January 2014	32.13% (Indirectly held)	1,252	466	2,930	(18,571)
XTAL Inc. (「XTAL」) (i)	美國 2014年1月27日	32.13% (間接持有)	1,252	466	2,930	(18,571)
Beijing Wofu Energy Co., Ltd. ("Wofu")	PRC 6 December 2016	20% (Indirectly held)	109,352	17,588	114,420	2,606
北京沃富能源有限公司 (「沃富」)	中國 2016年12月6日	20% (間接持有)	109,352	17,588	114,420	2,606
2-14 Elise Street Unit Trust ("Elise Trust")	AUS 27 July 2016	49% (Indirectly held)	328,948	930	364,469	90,909
2-14 Elise Street Unit Trust (「Elise Trust」)	澳洲 2016年7月27日	49% (間接持有)	328,948	930	364,469	90,909

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

12. INVESTMENT IN ASSOCIATES AND A JOINT VENTURE (continued)

(a) Investment in associates, unlisted (continued)

- (i) During the year ended 31 December 2019, XTAL filed for bankruptcy to local court due to insolvency and the filing had been officially approved. As at 31 December 2019, full provisions amounting to RMB34 million (2018: RMB34 million) were made on investment in XTAL. Save as disclosed in this consolidated financial statements, the Directors are of the view that there are no other contingent liabilities in this regard.

(b) Investment in a joint venture, unlisted

12. 於聯營公司及一間合營企業之投資(續)

(a) 於聯營公司之投資，非上市(續)

- (i) 於截至2019年12月31日止年度內，XTAL因無力償債而向地方法院申請破產，且該申請已正式獲批。於2019年12月31日，對XTAL的投資作出人民幣3,400萬元(2018年：人民幣3,400萬元)全額撥備。除本合併財務報表所披露外，董事們認為就此概無其他或然負債。

(b) 於一間合營企業之投資，非上市

		2019	2018
At 1 January	於1月1日	18,809	12,434
Share of result of a joint venture	應佔一間合營企業業績	2,271	6,375
At 31 December	於12月31日	21,080	18,809

The information of the unlisted joint venture at 31 December 2019 is as follows:

於2019年12月31日，非上市合營企業資料如下：

Name	Place and date of incorporation	Percentage of equity interest attributable to the Group	Assets	Liabilities	Revenues	Net profit
名稱	註冊成立地點及日期	本集團應佔股權百分比	資產	負債	收入	淨溢利
Atlas Hurstville Property Unit Trust ("Hurstville Trust")	AUS 5 June 2017	50% (Indirectly held)	292,500	246,762	16,969	4,541
Atlas Hurstville Property Unit Trust ("Hurstville Trust")	澳洲 2017年6月5日	50% (間接持有)	292,500	246,762	16,969	4,541

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

13. FINANCIAL INSTRUMENTS BY CATEGORY 13. 金融工具(按類別)

		Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
	Financial assets at amortised cost	按公允價值 計量且其變動 計入損益表 之金融資產	按公允價值 計量且其變動 計入其他綜合 收益之金融資產	合計
	按攤銷 成本計量 之金融資產	按公允價值 計量且其變動 計入損益表 之金融資產	按公允價值 計量且其變動 計入其他綜合 收益之金融資產	合計
Assets as per consolidated balance sheet	合併資產負債表所示的資產			
As at 31 December 2019	於2019年12月31日			
Financial assets at fair value through other comprehensive income (Note 16)	按公允價值計量且其變動計入其他綜合收益之金融資產(附註16)	-	751,105	751,105
Trade receivables (Note 19)	應收貿易賬款(附註19)	1,201,005	-	1,201,005
Notes receivable – bank acceptance notes (Note 22)	應收票據 – 銀行承兌匯票(附註22)	-	1,517,684	1,517,684
Deposits, prepaid tax, lease and other receivables and national debt reverse repurchase (Note 20)	按金、預付稅款、租賃及其他應收賬款及國債逆回購(附註20)	801,381	-	801,381
Financial assets at fair value through profit or loss (Note 17)	按公允價值計量且其變動計入損益表之金融資產(附註17)	-	3,559,398	3,559,398
Loan receivables (Note 21)	應收貸款(附註21)	1,214,000	-	1,214,000
Derivative financial instruments	衍生金融工具	-	2,513	2,513
Amounts due from related parties (Note 44(c))	應收關聯方款項(附註44(c))	127,544	-	127,544
Restricted bank balances (Note 23)	受限制銀行結餘(附註23)	1,082,560	-	1,082,560
Cash and cash equivalents (Note 23)	現金及現金等價物(附註23)	4,630,945	-	4,630,945
Structured bank deposits (Note 24)	結構性銀行存款(附註24)	1,300,100	900,000	2,200,100
Total	合計	10,357,535	4,461,911	17,088,235

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

13. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

13. 金融工具(按類別)(續)

	Financial assets at amortised cost	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
	按攤銷成本計量之金融資產	按公允價值計量且其變動計入損益表之金融資產	按公允價值計量且其變動計入其他綜合收益之金融資產	合計
Assets as per consolidated balance sheet	合併資產負債表所示的資產			
As at 31 December 2018	於2018年12月31日			
Financial assets at fair value through other comprehensive income (Note 16)			487,376	487,376
Trade receivables (Note 19)	661,951			661,951
Notes receivable – bank acceptance notes (Note 22)			1,364,128	1,364,128
Deposits, prepaid tax, lease and other receivables (Note 20)	521,279			521,279
Financial assets at fair value through profit or loss (Note 17)		6,810,363		6,810,363
Loan receivables (Note 21)	760,328			760,328
Derivative financial instruments		2,157		2,157
Amounts due from related parties (Note 44(c))	185,906			185,906
Restricted bank balances (Note 23)	527,542			527,542
Cash and cash equivalents (Note 23)	2,845,229			2,845,229
Structured bank deposits (Note 24)	1,037,900	1,000,000		2,037,900
Total	6,540,135	7,812,520	1,851,504	16,204,159

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

13. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

13. 金融工具(按類別)(續)

		Financial liabilities measured at fair value through profit or loss 按公允價值計量且其變動計入損益表之金融負債	Financial liabilities measured at amortised cost 按攤銷成本計量之金融負債	Total 合計
Liabilities as per consolidated balance sheet	合併資產負債表所示的負債			
As at 31 December 2019	於2019年12月31日			
Trade payables (Note 27)	應付貿易賬款(附註27)	–	5,048,774	5,048,774
Other payables (Note 28)	其他應付款項(附註28)	–	1,286,745	1,286,745
Lease liabilities (Note 8)	租賃負債(附註8)	–	105,816	105,816
Dividends payable	應付股息	–	7,041	7,041
Borrowings (Note 29)	借款(附註29)	–	5,898,604	5,898,604
Amounts due to related parties (Note 44(c))	應付關聯方款項(附註44(c))	–	48,047	48,047
Derivative financial instruments	衍生金融工具	16,859	–	16,859
Total	合計	16,859	12,395,027	12,411,886
As at 31 December 2018	於2018年12月31日			
Trade payables (Note 27)	應付貿易款項(附註27)	–	4,157,453	4,157,453
Other payables (Note 28)	其他應付款項(附註28)	–	821,509	821,509
Dividends payable	應付股息	–	144	144
Borrowings (Note 29)	借款(附註29)	–	2,765,357	2,765,357
Amounts due to related parties (Note 44(c))	應付關聯方款項(附註44(c))	–	59,118	59,118
Derivative financial instruments	衍生金融工具	15,778	–	15,778
Total	合計	15,778	7,803,581	7,819,359

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

14. CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets can be assessed by types of the financial assets and by reference to historical information about counterparty default rates. The Group categorised the trade receivables, notes receivables, loan receivables and debt instruments measured at FVOCI as follows:

- Group 1 – Bank acceptance notes
- Group 2 – Trade receivables, notes receivables and loan receivables due from customers with no defaults in the past and debt instruments measured at FVOCI
- Group 3 – Trade receivables, notes receivables and loan receivables due from customers with some defaults in the past

Trade receivables, notes receivables, loan receivables and debt instruments measured at FVOCI

14. 金融資產的信貸狀況

金融資產的信貸狀況可根據金融資產類別，並參考有關對方拖欠比率的歷史資料進行評估。本集團將應收貿易賬款、應收票據、應收貸款及按公允價值計量且其變動計入其他綜合收益之債務工具分類如下：

- 第一類 — 銀行承兌匯票
- 第二類 — 應收過往無拖欠記錄的客戶的應收貿易賬款、應收票據及應收貸款及按公允價值計量且其變動計入其他綜合收益之債務工具
- 第三類 — 應收過往有部份拖欠記錄的客戶的應收貿易賬款、應收票據及應收貸款

應收貿易賬款、應收票據、應收貸款及按公允價值計量且其變動計入其他綜合收益之債務工具

		2019	2018
Group 1	第一類	1,517,684	1,364,128
Group 2	第二類	2,531,598	1,504,315
Group 3	第三類	90,531	86,970
		4,139,813	2,955,413

The credit quality of 'Deposits and other receivables' and 'Amounts due from related parties' of the Group is disclosed in Notes 3.1(b), 20 and 44(c) respectively.

本集團「按金及其他應收賬款」及「應收關聯方款項」的信貸狀況分別於附註3.1(b)、20及44(c)中披露。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

14. CREDIT QUALITY OF FINANCIAL ASSETS (continued)

The Group categorises cash in banks, bank deposits and structured bank deposits measured at amortised cost as follows:

- Group 1 – Major international banks
- Group 2 – Listed banks in the PRC
- Group 3 – Other banks in the PRC

The Directors considered the credit risks in respect of cash in banks, bank deposits and structured bank deposits measured at amortised cost with financial institution are relatively minimum as each counter party either bears a high credit rating or is state-owned bank and large local banks in the PRC.

Cash in banks, bank deposits and structured bank deposits measured at amortised cost

14. 金融資產的信貨狀況(續)

本集團將其銀行現金、銀行存款及按攤銷成本計量之結構性銀行存款分類如下：

- 第一類 – 主要國際銀行
- 第二類 – 中國上市銀行
- 第三類 – 中國其他銀行

由於各方有高度信貨評級或為中國國有銀行及中國當地大型銀行，故董事們認為存放於金融機構的銀行現金、銀行存款及按攤銷成本計量之結構性銀行存款信貨風險極低。

銀行現金、銀行存款及按攤銷成本計量之結構性銀行存款

		2019	2018
Group 1	第一類	1,129,955	640,291
Group 2	第二類	4,982,726	3,362,132
Group 3	第三類	898,724	406,732
		7,011,405	4,409,155

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

15. PROPERTIES UNDER DEVELOPMENT AND HELD FOR SALE

15. 發展中及持作出售物業

		2019	2018
Properties under development comprise:	發展中物業包括：		
— Land use rights	— 土地使用權	38,942	—
Completed properties held for sale	已完成的持作出售物業	77,697	168,790
		116,639	168,790

The properties under development and held for sale are all located in the PRC. The related land use rights are on leases of 40 to 70 years.

發展中及持作出售物業均位於中國。相關土地使用權租期為40至70年。

For the year ended 31 December 2019, no borrowing costs were capitalised into the cost of properties under development (2018: nil).

截至2019年12月31日止年度，概無借款成本獲資本化為發展中物業的成本(2018：無)。

		2019	2018
Properties under development comprised:	發展中物業包括：		
Expected to be completed and available for sale between 1 and 2 years	預期於1至2年內完工及可供出售	38,942	—

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

16. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

16. 按公允價值計量且其變動計入其他綜合收益之金融資產

		2019	2018
Non-current	非流動		
Unlisted equity interests	非上市股權權益	421,000	325,000
Additions	添置	2,935	96,000
Less: disposal	減：出售	(96,000)	-
Net	淨額	327,935	421,000
Listed debt securities	上市債權證券	66,376	92,506
Additions	添置	22,526	19,226
Less: current portion	減：流動部份	(26,873)	(48,318)
Net gains transfer to equity (Note 26)	轉移至權益的收益淨額 (附註26)	2,805	2,962
Net	淨額	64,834	66,376
Listed equity interests	上市股權權益	-	-
Additions	添置	313,183	-
Net gains transfer to equity (Note 26)	轉移至權益的收益淨額 (附註26)	14,516	-
Net	淨額	327,699	-
		720,468	487,376
Current	流動		
Listed debt securities	上市債權證券	-	-
Additions	添置	13,529	-
Add: current portion	加：流動部份	26,873	48,318
Net (losses)/gains transfer to equity (Note 26)	轉移至權益的(虧損)/收益 淨額(附註26)	(9,765)	2,773
Less: disposal	減：出售	-	(51,091)
Net	淨額	30,637	-
Total	合計	751,105	487,376

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

17. 按公允價值計量且其變動計入損益表之金融資產

		2019	2018
Non-current	非流動		
Equity investments	股權投資	211,620	243,120
Current	流動		
Money market funds	貨幣市場基金	897,667	4,863,936
Financial investment products	金融投資產品	840,687	1,211,991
Bond market funds	債券市場基金	342,028	230,551
Investment funds	投資基金	532,634	208,028
Listed bond investments	上市債券投資	546,123	–
Listed equity interests	上市股權權益	188,639	52,737
		3,347,778	6,567,243
Total	合計	3,559,398	6,810,363

Changes in fair values of financial assets at fair value through profit or loss are recorded in 'Other gains – net' in the consolidated statement of profit or loss (Note 32).

按公允價值計量且其變動計入損益表之金融資產之公允價值變化計入合併損益表中的「其他收益 – 淨額」(附註32)。

18. INVENTORIES

18. 存貨

		2019	2018
Raw materials and materials in-transit	原材料及在途材料	2,855,933	1,938,802
Work-in-progress	在製品	798,335	653,016
Finished goods	製成品	466,989	547,665
Less: impairment provision	減：減值撥備	(27,822)	(31,972)
Inventories – net	存貨 – 淨額	4,093,435	3,107,511

As at 31 December 2019, no inventories (2018: RMB34 million) was pledged as security for the Group's notes payable (Note 27) and borrowings (Note 29).

於2019年12月31日，概無(2018年：人民幣3,400萬元)存貨為本集團的應付票據(附註27)及借款(附註29)作抵押。

The cost of inventories recognised in cost of sales for the year ended 31 December 2019 amounted to RMB38,778 million (2018: RMB33,899 million).

截至2019年12月31日止年度，已確認為銷售成本的存貨成本為人民幣38.78億元(2018年：人民幣33.89億元)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

19. TRADE RECEIVABLES

19. 應收貿易賬款

		2019	2018
Trade receivables	應收貿易賬款	1,267,867	719,790
Less: impairment provision for trade receivables	減：應收貿易賬款的減值撥備	(66,862)	(57,839)
Trade receivables – net	應收貿易賬款 – 淨額	1,201,005	661,951

As at 31 December 2019 and 2018, the carrying amount of the Group's trade receivables approximated their fair values.

本集團的應收貿易賬款於2019年及2018年12月31日的賬面值近似其公允價值。

The credit policy usually adopted by the Group for the sales of products to customers is to deliver goods either upon receipt in cash or upon receipt of bank acceptance notes with the maturity dates within 1 year.

本集團執行的產品銷售信貸政策，通常為於收取現金或到期日在1年以內的銀行承兌匯票時向客戶交付貨物。

As at 31 December 2019 and 2018, the ageing analysis of the gross amount of trade receivables based on invoiced date was as follows:

於2019年及2018年12月31日，應收貿易賬款總額按發票日期的賬齡分析如下：

		2019	2018
Within 3 months	3個月內	1,158,789	585,975
4–6 months	4至6個月	12,633	50,772
7–12 months	7至12個月	34,982	19,237
Over 1 year	1年以上	61,463	63,806
		1,267,867	719,790

As at 31 December 2019, trade receivables amounting to RMB502 million (2018: RMB117 million) were secured by letters of credit issued by third party customers.

於2019年12月31日，以第三方客戶開具的信用證作抵押的應收貿易賬款為人民幣5.02億元(2018年：人民幣1.17億元)。

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

由於流動應收款的短期性質，其賬面值被視為等於其公允價值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

19. TRADE RECEIVABLES (continued)

The Group have applied HKFRS 9 simplified approach to measuring expected credit losses which use a lifetime expected loss allowance for all trade receivables at 31 December 2019. Note 3.1(b) provides for detail about the calculation of the allowance.

Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 3.1.

The gross amounts of the Group's trade receivables are denominated in the following currencies:

		2019	2018
RMB	人民幣	764,810	602,379
US\$	美元	502,399	117,411
EUR	歐元	658	-
		1,267,867	719,790

Movements on the Group's provision for impairment of trade receivables are as follow:

		2019	2018
At 1 January	於1月1日	57,839	40,352
Provision for impairment (Note 34)	減值撥備(附註34)	10,126	17,873
Write-off of receivables	撇銷應收賬款	(1,103)	(386)
At 31 December	於12月31日	66,862	57,839

19. 應收貿易賬款(續)

本集團已應用香港財務報告準則第9號簡化模式計量預期信貸損失，該模式就所有應收貿易賬款於2019年12月31日採用整個存續期內預期虧損撥備。附註3.1(b)提供計算撥備的詳情。

有關本集團應收貿易賬款之減值以及本集團所面臨之信貸風險、外幣風險及利率風險的資料可見於附註3.1。

本集團應收貿易賬款的總額乃以下列貨幣為單位：

本集團應收貿易賬款減值撥備變動如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

20. 預付款項、按金及其他應收賬款

		2019	2018
Non-current	非流動		
Prepayments for purchase of long-term assets	購買長期資產的預付款項	1,690,315	922,796
Less: impairment provision	減：減值撥備	(234,235)	(234,235)
Prepayments for purchase of long-term assets – net	購買長期資產的預付款項 – 淨額	1,456,080	688,561
Deposits for purchase of right-of-use assets	購買使用權資產的按金	300,000	–
Lease receivables	應收租賃款項	56,380	40,803
		1,812,460	729,364
Current	流動		
Prepayments for purchase of inventories	購買存貨的預付款項	858,233	949,849
Other receivables	其他應收賬款	428,316	379,729
Less: impairment provision	減：減值撥備	(198,621)	(203,516)
Other receivables – net	其他應收賬款 – 淨額	229,695	176,213
Prepaid tax	預付稅款	130,628	139,285
Deposits	按金	335,940	161,279
National debt reverse repurchase	國債逆回購	35,100	–
Prepaid expenses	預付費用	13,136	9,610
Lease receivables	應收租賃款項	13,638	3,699
		1,616,370	1,439,935
Total	合計	3,428,830	2,169,299

The fair values of prepayments, deposits and other receivables approximated their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

Certain prepayments and other receivables were fully impaired since certain suppliers and debtors were in significant financial difficulty and had defaulted the payment of the remaining balances.

因折現影響不重大，預付款項、按金及其他應收賬款於結算日的公允價值近似其賬面值。

若干預付款項及其他應收賬款已全額減值，乃由於若干供應商及債務人處於重大財務困難並已拖欠支付餘額。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

20. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Movements on the Group's impairment provision of prepayments, deposits and other receivables are as follows:

		2019	2018
At 1 January	於1月1日	(437,751)	(671,786)
Reversal of impairment (Note 34)	減值撥回(附註34)	4,895	234,035
At 31 December	於12月31日	(432,856)	(437,751)

21. LOAN RECEIVABLES

		2019	2018
Non-current	非流動		
Long-term loan receivables (a)	應收長期貸款(a)	200,000	720,000
Current	流動		
Short-term loan receivables (b)	應收短期貸款(b)	1,058,791	85,119
Less: impairment provision (c)	減：減值撥備(c)	(44,791)	(44,791)
		1,014,000	40,328
Total loan receivables, net of provision	應收貸款總額，扣除撥備	1,214,000	760,328

The Group provided loans to third parties. The details of the loans are set out below:

- (a) As at 31 December 2019, long-term loan receivables of RMB200 million were secured by pledge of shares of a listed company held by the borrowers, interest bearing at rates of 8.0% per annum and with repayment terms of 2 years.

As at 31 December 2018, long-term loan receivables of RMB720 million comprised of various loans with individual amount ranging from RMB20 million to RMB300 million. The loan receivables of RMB700 million and RMB20 million were secured by pledge of shares of listed and unlisted companies held by the borrowers or guarantors of the borrowers respectively, interest bearing at rates ranging from 8.0% to 9.0% per annum and with repayment terms of 2 years.

20. 預付款項、按金及其他應收賬款(續)

本集團預付款項、按金及其他應收賬款的減值撥備變動如下：

21. 應收貸款

本集團向第三方提供貸款。貸款詳情載列如下：

- (a) 於2019年12月31日，人民幣2.00億元的應收長期貸款由借款人持有的一間上市公司的股票作為抵押，按年利率8.0%計息及還款期為2年。

於2018年12月31日，人民幣7.20億元的應收長期貸款包括單項金額介乎人民幣2,000萬元至人民幣3.00億元的各項貸款。人民幣7.00億元及人民幣2,000萬元的應收貸款分別由借款人或借款人的擔保人持有的上市及非上市公司的股票作為抵押，按年利率介乎8.0%至9.0%計息及還款期為2年。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

21. LOAN RECEIVABLES (continued)

- (b) Loan receivables of RMB1,059 million as at 31 December 2019 comprised of various loans with residual repayment terms within 1 year and with individual amount ranging from RMB0.3 million to RMB300 million. The loans were secured by pledge of certain land use rights and listed and unlisted shares of the borrowers or guarantors of the borrowers and were guaranteed by related parties of the borrowers, interest bearing at rates ranging from 8.0% to 18.0% per annum.

Loan receivables of RMB85 million as at 31 December 2018 comprised of various loans with repayment terms within 1 year and with individual amount ranging from RMB5 million to RMB40 million. The loans were secured by pledge of certain property, plant and equipment, land use rights and equity shares of the borrowers or guarantors of the borrowers or other parties, interest bearing at rates ranging from 12.0% to 24.0% per annum.

- (c) As at 31 December 2019, provisions amounting to RMB45 million (2018: RMB45 million) were made on the loan receivables given that the borrowers were in significant financial difficulty and had defaulted in scheduled payments and there was significant uncertainty of recovering the loan receivables by the enforcement of mortgage rights.

The fair values of loan receivables approximated their carrying amounts as at the balance sheet date, as the impact of discounting is not significant.

21. 應收貸款(續)

- (b) 於2019年12月31日，人民幣10.59億元的應收貸款包括還款期為1年內及單項金額介乎人民幣30萬元至人民幣3.00億元的各項貸款。貸款由借款人或借款人的擔保人的若干土地使用權及所持有的上市及非上市公司的股票作為抵押及由借款人的關聯方作擔保，按年利率介乎8.0%至18.0%計息。

於2018年12月31日，人民幣8,500萬元的應收貸款包括還款期為1年內及單項金額介乎人民幣500萬元至人民幣4,000萬元的各項貸款。貸款由借款人或借款人的擔保人或其他方的若干物業、廠房及設備、土地使用權及股權作為抵押，按年利率介乎12.0%至24.0%計息。

- (c) 於2019年12月31日，鑒於借款人面臨重大財政困難及已違反還款計劃，且強制執行按揭權利收回應收貸款存在重大不明朗因素，故已就應收貸款作出人民幣4,500萬元(2018年：人民幣4,500萬元)的撥備。

因折現影響不重大，應收貸款於結算日的公允價值近似其賬面值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

22. NOTES RECEIVABLE – BANK ACCEPTANCE NOTES

22. 應收票據 – 銀行承兌匯票

		2019	2018
Notes receivable – bank acceptance notes	應收票據 – 銀行承兌匯票	1,517,684	1,364,128

As at 31 December 2019, notes receivable amounting to approximately RMB62 million (2018: RMB66 million) was pledged as security for the Group's notes payable (Note 27) and nil (2018: RMB80 million) was pledged as security for the Group's borrowings (Note 29).

The settlement of the notes receivable was guaranteed by banks with maturity dates within 1 year and the credit risks in respect of the notes receivable are considered to be low.

As at 31 December 2019 and 2018, the ageing analysis of notes receivable was as follows:

於2019年12月31日，約人民幣6,200萬元(2018年：人民幣6,600萬元)的應收票據為本集團的應付票據(附註27)作抵押，而概無(2018年：人民幣8,000萬元)為本集團借款(附註29)作抵押。

應收票據的結算由銀行擔保，到期日期於1年以內及應收票據的信貸風險被認為較低。

於2019年及2018年12月31日，應收票據賬齡分析如下：

		2019	2018
Within 3 months	3個月內	1,272,301	1,024,523
4–6 months	4至6個月	242,487	339,605
7–12 months	7至12個月	2,896	–
		1,517,684	1,364,128

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

23. CASH AND CASH EQUIVALENTS AND RESTRICTED BANK BALANCES

23. 現金及現金等價物及受限制銀行結餘

		2019	2018
Cash and cash equivalents	現金及現金等價物	4,630,945	2,845,229
Restricted bank balances	受限制銀行結餘	1,082,560	527,542
Total cash and bank balances	現金及銀行結餘合計	5,713,505	3,372,771

As at 31 December 2019, restricted bank balances comprised the following:

於2019年12月31日，受限制銀行結餘包括下列各項：

- | | |
|--|---|
| (a) Approximately RMB1,000.5 million (2018: RMB397.6 million) were pledged as security for issuing notes payable (Note 27) of the Group, of which amounts of RMB400 million were bank deposits above three months (2018: nil). | (a) 約人民幣10.005億元(2018年：人民幣3.976億元)已為開具本集團應付票據(附註27)作抵押，其中人民幣4.00億元為三個月以上的銀行存款(2018年：零)； |
| (b) Approximately RMB64.4 million (2018: RMB82.2 million) were pledged as security for issuing letters of credit of the Group. | (b) 約人民幣6,440萬元(2018年：人民幣8,220萬元)已為開具本集團信用證作抵押； |
| (c) Approximately US\$2.54 million (equivalent to RMB17.7 million) (2018: US\$6.95 million (equivalent to RMB47.7 million)) were pledged as security for bank borrowings (Note 29) of the Group. | (c) 約254萬美元(相等於人民幣1,770萬元)(2018年：695萬美元)(相等於人民幣4,770萬元)已為本集團銀行借款(附註29)作抵押。 |

The carrying amounts of the cash and cash equivalents and restricted bank balances are denominated in the following currencies:

現金及現金等價物及受限制銀行結餘的賬面值乃以下列貨幣為單位：

		2019	2018
Cash and cash equivalents and restricted bank balances	現金及現金等價物以及受限制銀行結餘		
RMB	人民幣	4,483,389	2,659,435
US\$	美元	1,096,696	683,995
AU\$	澳元	116,242	21,681
HK\$	港元	17,178	6,626
Others	其他	-	1,034
Total	合計	5,713,505	3,372,771

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

24. STRUCTURED BANK DEPOSITS

24. 結構性銀行存款

		2019	2018
Category	類別		
Financial assets at amortised cost	按攤銷成本計量之金融資產	1,300,100	1,037,900
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產	900,000	1,000,000
Total	合計	2,200,100	2,037,900

As at 31 December 2019, the structured bank deposits represented financial instruments placed by the Group in various banks in Mainland China for a term within 1 year. The structured bank deposits are principal-protected, among which amounts of approximately RMB1,300 million are recorded in financial assets at amortised cost as their interests link to SHIBOR and amounts of RMB900 million are recorded in financial assets at fair value through profit or loss as their interests link to LIBOR and BFIX EUR/USD. Considering the principal-protected nature or short term maturity of the deposits, the Directors are of the view that the structured bank deposits are held for cash management purpose.

As at 31 December 2019, structured bank deposits amounting to RMB1,200 million (2018: RMB1,000 million) were pledged as security for issuing notes payable (Note 27) of the Group.

於2019年12月31日，結構性銀行存款指本集團在中國大陸多家銀行所存放的1年期以內之金融工具。結構性銀行存款為保本，其中約人民幣13.00億元由於其利息與上海銀行同業拆放利率掛鉤而記錄為按攤銷成本計量之金融資產及人民幣9.00億元由於其利息與倫敦銀行同業拆借利率及彭博BFIX歐元/美元掛鉤而記錄為按公允價值計量且其變動計入損益表之金融資產。考慮到存款的保本性質或短期限，董事們認為結構性銀行存款乃持作現金管理用途。

於2019年12月31日，人民幣12.00億元(2018年：人民幣10.00億元)的結構性銀行存款為開具本集團的應付票據(附註27)作抵押。

25. SHARE CAPITAL AND SHARE PREMIUM

25. 股本及股份溢價

		Number of shares (thousands) 股份數目 (千股)	Amount 金額		Total 合計
			Ordinary shares 普通股	Share premium 股份溢價	
As at 1 January 2018	於2018年1月1日	3,530,209	364,762	2,820,785	3,185,547
Employee share option scheme — issuance of shares	僱員購股權計劃 — 發行股份	192,360	15,866	711,449	727,315
As at 31 December 2018 and 31 December 2019	於2018年12月31日及2019年12月31日	3,722,569	380,628	3,532,234	3,912,862

As at 31 December 2019 and 31 December 2018, the total number of authorised ordinary shares of the Company is 5,000,000,000 shares with a par value of HK\$0.1 per share.

於2019年12月31日及2018年12月31日，本公司法定普通股總數為5,000,000,000股每股面值0.1港元之股份。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

26. OTHER RESERVES

26. 其他儲備

		Merger reserve	Capital surplus	Statutory reserve	Employee share option scheme	Financial assets at fair value through other comprehensive income 按公允價值計量 且其變動計入 其他綜合收益 之金融資產	Total
		合併儲備 (a)	資本公積 (b)	法定儲備 (c)	僱員購股權計劃 (d)		合計
Balance at 1 January 2018	於2018年1月1日之結餘	(599)	53,367	1,285,569	412,809	(7,055)	1,744,091
Profit appropriation	溢利分配	-	-	244,671	-	-	244,671
Changes in ownership interests in subsidiaries without change of control	在不改變控制權的情況下變更 於附屬公司的所有權權益	-	(105,318)	-	-	-	(105,318)
Employee share options scheme	僱員購股權計劃						
— issuance of shares	— 發行股份	-	-	-	(314,981)	-	(314,981)
— lapse of share options	— 購股權失效	-	-	-	(97,828)	-	(97,828)
Fair value gains on debt investments at fair value through other comprehensive income (Note 16)	按公允價值計量且其變動計入 其他綜合收益之債務投資之 公允價值收益(附註16)	-	-	-	-	5,735	5,735
Transfer of fair value gains previously credited to reserve to statement of profit or loss upon disposal of debt investments at fair value through other comprehensive income	於出售按公允價值計量且其 變動計入其他綜合收益之 債務投資將先前計入儲備 的公允價值收益轉至損益表	-	-	-	-	(2,635)	(2,635)
Balance at 31 December 2018	於2018年12月31日之結餘	(599)	(51,951)	1,530,240	-	(3,955)	1,473,735
Profit appropriation	溢利分配	-	-	174,762	-	-	174,762
Changes in ownership interests in a subsidiary without change of control (Note 11(i))	在不改變控制權的情況下 變更於附屬公司的所有權 權益(附註11(i))	-	(45,172)	-	-	-	(45,172)
Merger of subsidiaries by absorption (i)	通過吸納合併附屬公司(i)	-	147,084	(147,084)	-	-	-
Fair value losses on debt investments at fair value through other comprehensive income (Note 16)	按公允價值計量且其變動計入 其他綜合收益之債務投資之 公允價值虧損(附註16)	-	-	-	-	(6,960)	(6,960)
Fair value gains on equity investments at fair value through other comprehensive income (Note 16)	按公允價值計量且其變動計入 其他綜合收益之股權投資之 公允價值收益(附註16)	-	-	-	-	14,516	14,516
Disposal of a subsidiary	出售一間附屬公司	-	-	(459)	-	-	(459)
Balance at 31 December 2019	於2019年12月31日之結餘	(599)	49,961	1,557,459	-	3,601	1,610,422

(i) During the year ended 31 December 2019, Jinxi Limited merged two wholly-owned subsidiaries by absorption.

(i) 於截至2019年12月31日止年度內，津西鋼鐵通過吸納合併兩間全資附屬公司。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

26. OTHER RESERVES (continued)

(a) Merger reserve

The merger reserve of the Group represents the difference between the nominal value of the shares of the subsidiaries that had been acquired and the nominal value of the Company's shares issued in exchange therefore pursuant to the Reorganisation.

(b) Capital surplus

The Group's capital surplus arose from transactions with non-controlling interests.

(c) Statutory reserve

(i) Statutory surplus reserves

In accordance with the PRC regulations and the Articles of the Association of certain subsidiaries of the Group registered in the PRC, before distributing the net profit of each year, these PRC subsidiaries are required to set aside 10% of their statutory net profit for the year after offsetting any prior year's losses as determined under the PRC accounting regulations to the statutory surplus reserve fund. When the balance of such reserve reaches 50% of the share capital, any further appropriation is optional.

The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares. However, such statutory surplus reserve fund must be maintained at a minimum of 25% of the entity's share capital after such issuance.

(ii) Discretionary reserves

The appropriation of discretionary reserve fund is proposed by Board of the PRC subsidiaries, and approved by the shareholder's meeting. The discretionary reserve fund can be utilised to offset prior years' losses or increase share capital.

(d) Employee share option scheme

As at 31 December 2019 and 31 December 2018, there was no outstanding share option of the Group.

26. 其他儲備(續)

(a) 合併儲備

本集團的合併儲備指已收購附屬公司股份的面值與根據重組為有關收購而發行的本公司股份面值的差額。

(b) 資本公積

本集團的資本公積來自與非控制性權益的交易。

(c) 法定儲備

(i) 法定盈餘儲備

根據中國法規及本集團在中國註冊的若干附屬公司的組織章程細則，每年分派淨溢利前，該等中國附屬公司根據中國會計準則規定在抵銷去年的虧損後，須撥其年度法定淨溢利的10%至法定盈餘儲備資金，直至該儲備達至其股本的50%為止，可選擇繼續或者停止該等撥備。

法定盈餘儲備資金可用作抵銷往年的虧損或發行紅股。然而，該法定盈餘儲備資金必須於發行後維持該實體股本的最少25%。

(ii) 任意儲備

任意儲備資金的分配乃由中國附屬公司的董事局建議，並須獲股東大會的批准。任意儲備資金可用作抵銷過往年度的虧損或用作增加股本。

(d) 僱員購股權計劃

於2019年12月31日及2018年12月31日，本集團並無尚未行使的購股權。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

27. TRADE PAYABLES

27. 應付貿易賬款

		2019	2018
Account payables	應付賬款	2,030,988	2,048,214
Notes payable	應付票據	3,017,786	2,109,239
		5,048,774	4,157,453

As at 31 December 2019, all notes payable represented bank acceptance notes, of which RMB59 million (2018: nil) were secured by certain notes receivable (Note 22), RMB1,606 million (2018: RMB1,010 million) were secured by certain restricted bank balances (Note 23), RMB1,211 million (2018: RMB1,000 million) were secured by certain structured bank deposits (Note 24), RMB142 million (2018: nil) were secured by certain restricted bank balances (Note 23), certain right-of-use assets (Note 8) and certain property, plant and equipment (Note 7), nil (2018: RMB26 million) was secured by certain inventories (Note 18) and certain restricted bank balances (Note 23), and nil (2018: RMB73 million) was secured by certain restricted bank balances (Note 23) and certain notes receivable (Note 22).

於2019年12月31日，所有應付票據均為銀行承兌匯票，其中包括人民幣5,900萬元(2018年：無)以若干應收票據(附註22)作抵押，人民幣16.06億元(2018年：人民幣10.10億元)以若干受限制銀行結餘(附註23)作抵押，人民幣12.11億元(2018年：人民幣10.00億元)以若干結構性銀行存款(附註24)作抵押，人民幣1.42億元(2018年：無)以若干受限制銀行結餘(附註23)、若干使用權資產(附註8)及若干物業、廠房及設備(附註7)作抵押；概無(2018年：人民幣2,600萬元)以若干存貨(附註18)及若干受限制銀行結餘(附註23)作抵押；及概無(2018年：人民幣7,300萬元)以若干受限制銀行結餘(附註23)及若干應收票據(附註22)作抵押。

As at 31 December 2019 and 2018, the ageing analysis of the trade payables was as follows:

於2019年及2018年12月31日，應付貿易賬款的賬齡分析如下：

		2019	2018
Within 3 months	3個月內	3,731,575	3,249,807
4-6 months	4至6個月	509,290	592,692
7-9 months	7至9個月	647,832	148,008
10-12 months	10至12個月	15,563	28,431
Over 1 year	1年以上	144,514	138,515
		5,048,774	4,157,453

The carrying amounts of the Group's trade payables are denominated in the following currencies:

本集團應付貿易賬款的賬面值乃以下列貨幣為單位：

		2019	2018
RMB	人民幣	4,561,892	3,757,208
US\$	美元	486,882	400,245
		5,048,774	4,157,453

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

28. ACCRUALS AND OTHER CURRENT LIABILITIES

28. 預提費用及其他流動負債

		2019	2018
Payables for purchase of property, plant and equipment	購買物業、廠房及設備的應付賬款	921,373	678,865
Accrual for processing fee and importing expenses	預提加工費及進口費用	384,250	336,809
Value-added tax payable and other taxes payables	應付增值稅及其他應付稅項	279,321	520,433
Deposits from suppliers	供應商按金	253,374	110,247
Salary, pension and other social welfare payables	應付薪金、退休金及其他社會福利	175,893	189,803
National debt repurchase	國債回購	66,899	-
Accrual of freight charges	預提運輸費用	54,129	24,023
Employee deposits	僱員按金	24,923	22,167
Deposits from customers	客戶按金	20,176	10,230
Accrual of interest expense	預提利息費用	12,885	1,637
Provisions for legal claims	法律索償撥備	-	20,000
Others	其他	201,404	173,223
		2,394,627	2,087,437

29. BORROWINGS

29. 借款

		2019	2018
Non-current	非流動		
Bank borrowings	銀行借款		
Unsecured	無抵押	1,318,699	162,000
		1,318,699	162,000
Current	流動		
Bank borrowings	銀行借款		
Secured (a)	有抵押 (a)	168,130	686,116
Unsecured	無抵押	4,391,775	1,852,241
		4,559,905	2,538,357
Other borrowings, unsecured (b)	其他借款，無抵押 (b)	20,000	65,000
		4,579,905	2,603,357
Total borrowings	總借款	5,898,604	2,765,357

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

29. BORROWINGS (continued)

- (a) The secured bank borrowings as at 31 December 2019 totalling RMB168 million were secured by property, plant and equipment (Note 7), right-of-use assets (Note 8), and restricted bank balances (Note 23) of the Group.

The secured bank borrowings as at 31 December 2018 totalling RMB686 million were secured by property, plant and equipment (Note 7), leasehold land and land use rights (Note 6), certain inventories (Note 18), certain notes receivable (Note 22) and restricted bank balances (Note 23) of the Group and guaranteed by a third party.

- (b) The other unsecured borrowings of RMB20 million (2018: RMB65 million) represented a borrowing from a local county government without fixed term of repayment. Interest is charged at the RMB bank deposit rate for one year fixed deposit.
- (c) As at 31 December 2019 and 2018, the Group's borrowings were repayable as follows:

29. 借款(續)

- (a) 於2019年12月31日，合共人民幣1.68億元的有抵押銀行借款以本集團的物業、廠房及設備(附註7)、使用權資產(附註8)及受限制銀行結餘(附註23)作抵押。

於2018年12月31日，合共人民幣6.86億元的有抵押銀行借款以本集團的物業、廠房及設備(附註7)、租賃土地及土地使用權(附註6)、若干存貨(附註18)、若干應收票據(附註22)以及受限制銀行結餘(附註23)作抵押並由一名第三方作擔保。

- (b) 人民幣2,000萬元(2018年：人民幣6,500萬元)的其他無抵押借款指當地縣政府提供的借款，該筆借款無固定償還期。利息開支按銀行人民幣一年期定期存款利率計算。
- (c) 於2019年及2018年12月31日，本集團的借款到期期限如下：

		Bank borrowings 銀行借款		Other borrowings 其他借款	
		2019	2018	2019	2018
Within 1 year	1年內	4,559,905	2,538,357	20,000	65,000
Between 1 and 2 years	1至2年	533,127	162,000	-	-
Between 2 and 5 years	2至5年	728,572	-	-	-
Over 5 years	5年以上	57,000	-	-	-
		5,878,604	2,700,357	20,000	65,000

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

29. BORROWINGS (continued)

(c) (continued)

The effective interest rates at the balance sheet date were as follows:

		2019		2018	
		RMB 人民幣	US\$ 美元	RMB 人民幣	US\$ 美元
Bank borrowings	銀行借款	3.68%–6.86%	2.21%–4.75%	4.52%–8.00%	2.96%–4.71%
Other borrowings	其他借款	3.60%	–	3.60%	–

The carrying amounts of current borrowings approximated their fair values as at the balance sheet date as the impact of discounting is not significant.

The carrying amounts and fair value of the non-current bank borrowings are as follows:

		Carrying amount 賬面值		Fair value 公允價值	
		2019	2018	2019	2018
Bank borrowings	銀行借款	1,318,699	162,000	1,318,743	162,392

The fair values of non-current bank borrowings are based on discounted cash flow approach using the prevailing market rates of interest available to the Group for financial institution with substantially the same terms and characteristics at the respective balance sheet dates.

As at 31 December 2019, the carrying amount of the borrowings amounting to RMB1,785 million (2018: RMB1,100 million) and RMB4,114 million (2018: RMB1,665 million) were denominated in US\$ and RMB respectively.

29. 借款(續)

(c) (續)

於結算日的實際利率如下：

由於折現影響不大，流動借款於結算日的賬面值近似其公允價值。

非流動銀行借款的賬面值及公允價值如下：

非流動銀行借款的公允價值使用本集團於各結算日條款及特徵大體相同的金融機構的現行市場利率按現金流量法折現處理。

於2019年12月31日，賬面值為人民幣17.85億元(2018年：人民幣11.00億元)及人民幣41.14億元(2018年：人民幣16.65億元)的借款分別以美元及人民幣計值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

29. BORROWINGS (continued)

(c) (continued)

The exposure of the Group's bank borrowings and other borrowings to interest-rate changes and the contractual repricing dates are as follows:

		2019	2018
6 months or less	6個月內	2,142,604	1,279,756
6-12 months	6至12個月	2,721,000	1,323,601
More than 12 months	12個月以上	1,035,000	162,000
		5,898,604	2,765,357

29. 借款(續)

(c) (續)

本集團銀行借款及其他借款承擔利率變動風險及合約重新定價日期如下：

30. DEFERRED REVENUE

30. 遞延收入

		Deferred government grant 遞延政府補貼
At 1 January 2018	於2018年1月1日	111,664
Addition	添置	30,217
Credited to the consolidated statement of profit or loss	於合併損益表內記賬	(21,745)
At 31 December 2018	於2018年12月31日	120,136
Addition	添置	59,233
Credited to the consolidated statement of profit or loss	於合併損益表內記賬	(17,104)
At 31 December 2019	於2019年12月31日	162,265

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

31. DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to income taxed levied by the same taxation authority on either the taxable entity or different taxable entities where there is an interaction to settle the balances on a net basis. The offset amounts are as follows:

		2019	2018
Deferred tax assets:	遞延稅項資產：		
— Deferred tax asset to be recovered after more than 12 months	— 將於12個月後收回的遞延稅項資產	55,840	104,636
— Deferred tax asset to be recovered within 12 months	— 將於12個月內收回的遞延稅項資產	222,998	166,353
		278,838	270,989
Deferred tax liabilities:	遞延稅項負債：		
— Deferred tax liabilities to be settled after more than 12 months	— 將於12個月後支銷的遞延稅項負債	(25,938)	(16,215)
— Deferred tax liabilities to be settled within 12 months	— 將於12個月內支銷的遞延稅項負債	(6,209)	(5,068)
		(32,147)	(21,283)
Deferred tax assets – net	遞延稅項資產 – 淨額	246,691	249,706

The gross movement on the deferred income tax account is as follows:

遞延所得稅賬目的總變動如下：

		2019	2018
At 1 January	於1月1日	249,706	140,534
(Charged)/credited to the consolidated statement of profit or loss (Note 37)	於合併損益表(扣除)/記賬(附註37)	(3,015)	109,172
At 31 December	於12月31日	246,691	249,706

Deferred taxation is calculated on temporary differences under the liability method using the tax rate and the tax base that is consistent with the expected manner of recovery or settlement for the year ended 31 December 2019.

遞延稅項採用負債法就暫時性差異按與截至2019年12月31日止年度預期收回或結算方式一致的稅率及稅基計算。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

31. DEFERRED INCOME TAX (continued)

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred income tax assets:

		Tax losses	Temporary difference arising from expense recognition	Impairment provision of assets and legal claims	Unrealised gains	Accelerated depreciation	Total
		稅項虧損	費用確認的暫時性差異	資產減值撥備及法律索償撥備	尚未變現收益	加速折舊	合計
At 1 January 2018	於2018年1月1日	16,052	111,449	20,992	77,521	-	226,014
(Charged)/credited to the consolidated statement of profit or loss	於合併損益表(扣除)/記賬	(3,767)	29,169	1,765	5,752	54,173	87,092
At 31 December 2018	於2018年12月31日	12,285	140,618	22,757	83,273	54,173	313,106
(Charged)/credited to the consolidated statement of profit or loss	於合併損益表(扣除)/記賬	(11,334)	(5,348)	(551)	(10,210)	41,671	14,228
At 31 December 2019	於2019年12月31日	951	135,270	22,206	73,063	95,844	327,334

The Directors are of opinion that accumulated tax losses of RMB782 million and unused temporary differences arising from impairment provision of assets of RMB1,687 million as at 31 December 2019 (31 December 2018: RMB315 million and RMB2,375 million) were unlikely to be utilised, therefore no deferred income tax assets were recognised in this regard. Tax loss amounting to RMB9 million (2018: RMB119 million), RMB12 million (2018: RMB9 million), RMB63 million (2018: RMB12 million), RMB90 million (2018: RMB78 million) and RMB608 million (2018: RMB97 million) expire in 2020, 2021, 2022, 2023 and 2024 (2018: 2019, 2020, 2021, 2022 and 2023) respectively.

31. 遞延所得稅(續)

年內遞延所得稅資產及負債(沒有計入在同一徵稅區內抵銷的結餘)的變動如下:

遞延所得稅資產:

董事們認為，於2019年12月31日，人民幣7.82億元的累計稅項虧損及人民幣16.87億元資產減值撥備產生的未動用暫時性差異(2018年12月31日：人民幣3.15億元及人民幣23.75億元)將不太可能被使用，因此，並無就此確認遞延所得稅資產。人民幣900萬元(2018年：人民幣1.19億元)、人民幣1,200萬元(2018年：人民幣900萬元)、人民幣6,300萬元(2018年：人民幣1,200萬元)、人民幣9,000萬元(2018年：人民幣7,800萬元)及人民幣6.08億元(2018年：人民幣9,700萬元)的稅項虧損分別於2020年、2021年、2022年、2023年及2024年(2018年：2019年、2020年、2021年、2022年及2023年)屆滿。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

31. DEFERRED INCOME TAX (continued)

Deferred income tax liabilities:

31. 遞延所得稅(續)

遞延所得稅負債：

		Fair value gains 公允 價值收益	Capitalised interest 資本化利息	Investment in an associate 於一間聯營 公司之投資	Depreciation differences 折舊差異	Total 合計
At 1 January 2018	於2018年1月1日	(32,844)	(42,399)	(10,237)	-	(85,480)
Credited to the consolidated statement of profit or loss	於合併損益表記賬	8,019	3,824	10,237	-	22,080
At 31 December 2018	於2018年12月31日	(24,825)	(38,575)	-	-	(63,400)
Credited/(charged) to the consolidated statement of profit or loss	於合併損益表記賬/(扣除)	7,711	(7,835)	-	(17,119)	(17,243)
At 31 December 2019	於2019年12月31日	(17,114)	(46,410)	-	(17,119)	(80,643)

32. OTHER GAINS – NET

32. 其他收益 – 淨額

		2019	2018
Government grants	政府補貼	82,260	147,609
Fair value gains/(losses) of financial assets at fair value through profit or loss	按公允價值計量且其變動計入 損益表之金融資產之公允價值 收益/(虧損)	210,754	(3,416)
Investment income from financial assets at fair value through profit or loss	按公允價值計量且其變動計入 損益表之金融資產之投資收入	227,330	203,646
Gains on disposal of financial assets at fair value through other comprehensive income	出售按公允價值計量且其變動 計入其他綜合收益之金融 資產之收益	-	2,635
Investment income from structured bank deposits	結構性銀行存款之投資 收入	44,503	-
Gains/(losses) on disposal of property, plant and equipment (Note 42)	出售物業、廠房及設備之 收益/(虧損)(附註42)	119,925	(214,734)
(Losses)/gains on disposal of investment property (Note 9)	出售投資物業之(虧損)/收益 (附註9)	(7,017)	2,529
Gains of raw materials and by-products	原材料及副產品收益	16,790	15,890
Other foreign exchange gains – net (Note 38)	其他匯兌收益 – 淨額 (附註38)	13,040	32,603
Losses on derecognition of notes receivable	應收票據終止確認 虧損	(116,970)	-
Others, net	其他，淨額	29,181	44,549
Total other gains – net	其他收益 – 淨額合計	619,796	231,311

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

33. OTHER INCOME

33. 其他收入

		2019	2018
Interest income from loan receivables	應收貸款之利息收入	89,094	4,985
Dividend income from financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入 其他綜合收益之金融資產之 股息收入	82,092	6,319
Interest income from financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入 其他綜合收益之金融資產之 利息收入	5,278	8,279
Rental income from investment properties (Note 9)	投資物業之租金收入 (附註9)	10,645	15,783
Others	其他	30	28
Total	合計	187,139	35,394

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

34. EXPENSES BY NATURE

34. 按性質呈列的開支

		2019	2018
Employee benefit expense (Note 35)	僱員福利開支(附註35)	1,118,634	1,087,756
Changes in inventories of finished goods and work in progress	製成品及在製品的存貨變動	(68,793)	294,401
Raw materials used and cost of goods sold for trading	所用原材料及已售貿易貨品成本	35,362,477	29,858,023
Cost of properties sold	已銷售物業成本	85,600	122,459
Utilities	能源	1,526,999	1,667,953
Depreciation of property, plant and equipment (Note 7)	物業、廠房及設備折舊(附註7)	1,158,046	1,131,372
Amortisation of intangible assets (Note 10)	無形資產攤銷(附註10)	12,469	11,550
Amortisation of leasehold land and land use rights (Note 6)	租賃土地及土地使用權攤銷(附註6)	-	5,812
Depreciation of investment properties (Note 9)	投資物業折舊(附註9)	8,608	11,530
Depreciation of right-of-use assets (Note 8)	使用權資產折舊(附註8)	17,768	-
Provision for impairment of trade receivables (Note 19)	應收貿易賬款之減值撥備(附註19)	10,126	17,873
Reversal of impairment of prepayments, deposits and other receivables (Note 20)	預付款項、按金及其他應收賬款減值之撥回(附註20)	(4,895)	(234,035)
Reversal of impairment of loan receivables	應收貸款減值之撥回	-	(2,209)
Tax	稅項	134,432	154,179
Research and technical consulting fee	研究及技術諮詢費	80,065	113,269
Rental fee	租金費用	8,051	181,570
Auditors' remuneration	核數師酬金		
— Audit services	— 核數服務	4,550	4,538
— Non-audit services	— 非核數服務	570	2,281
Export fee	出口費用	4,188	6,622
Others	其他	166,931	182,858
Total	合計	39,625,826	34,617,802

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

35. EMPLOYEE BENEFIT EXPENSE

35. 僱員福利開支

		2019	2018
Staff costs (including directors' emoluments)	僱員成本 (包括董事酬金)		
– Salaries and welfare	– 薪金及福利	996,728	969,593
– Pension costs – defined contribution plans (a)	– 退休金成本 – 定額供款計劃 (a)	121,906	118,163
		1,118,634	1,087,756

(a) Pensions – defined contribution plans

The employees of the subsidiaries of the Group that are incorporated in the PRC participate in a defined contribution retirement benefit plan organised by the relevant provincial government. For the years ended 31 December 2019 and 2018, the Group is required to make monthly defined contributions to these plans at rates from 10% to 20%, with the base of their total salary subject to a certain ceiling.

The Group has no other obligations for the payment of retirement and other post-retirement benefits of employees or retirees other than the payments disclosed in the above note.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include four (2018: four) directors whose emoluments are reflected in the analysis of Note 47. The emoluments of the remaining one (2018: one) highest paid individuals for the year ended 31 December 2019 are as follows:

(a) 退休金 – 定額供款計劃

本集團於中國註冊成立的附屬公司的僱員參與有關省政府組織的定額供款統籌退休金計劃。截至2019年及2018年12月31日止年度，本集團按僱員薪金總額10%至20%每月向該等計劃作出定額供款，惟受若干上限所限。

除以上附註所披露的款項外，本集團並無向僱員或退休人士支付退休金及給予其他退休後福利的其他責任。

(b) 五名最高薪酬人士

本年度本集團五位最高薪酬人士包括四位(2018年：四位)董事，其酬金已於附註47的分析中呈列。截至2019年12月31日止年度內支付予其餘一位(2018年：一位)最高薪酬人士的酬金如下：

		2019	2018
Salaries, allowances and other benefits	薪金、津貼及其他福利	1,593	771
Retirement benefits scheme contributions	退休福利計劃供款	16	39
Performance related incentive payments	表現相關獎勵金	–	3,000
		1,609	3,810

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

35. EMPLOYEE BENEFIT EXPENSE (continued)

(b) Five highest paid individuals (continued)

The remuneration fell within the following bands:

35. 僱員福利開支(續)

(b) 五名最高薪酬人士(續)

酬金介乎以下範圍：

		Number of individuals 人數	
		2019	2018
HK\$1,500,001 to HK\$ 2,000,000 (approximately RMB1,329,001 to RMB1,772,000)	1,500,001 港元至2,000,000 港元 (約人民幣1,329,001 元至 人民幣1,772,000 元)	1	-
HK\$4,000,001 to HK\$ 4,500,000 (approximately RMB3,544,001 to RMB3,987,000)	4,000,001 港元至4,500,000 港元 (約人民幣3,544,001 元至 人民幣3,987,000 元)	-	1

36. FINANCE INCOME AND COSTS

36. 財務收入及成本

		2019	2018
Interest expenses	利息費用		
– borrowings	– 借款	(135,955)	(89,923)
– discount of notes receivable	– 應收票據貼現	-	(44,601)
– lease liabilities	– 租賃負債	(4,790)	(11,688)
Net foreign exchange losses on borrowings and dividends payable (Note 38)	借款及應付股息的匯兌虧損淨額(附註38)	(51,965)	(17,443)
Finance costs	財務成本	(192,710)	(163,655)
Less: amounts capitalised as qualifying assets	減：合資格資產資本化金額	49,380	2,340
Total finance costs (Note 42)	財務成本總額(附註42)	(143,330)	(161,315)
Interest income	利息收入		
– bank deposits	– 銀行存款	69,127	29,552
– other receivables and amounts due from related parties	– 其他應收賬款及應收關聯方款項	4,621	6,169
Total finance income (Note 42)	財務收入總額(附註42)	73,748	35,721
Finance costs – net	財務成本 – 淨額	(69,582)	(125,594)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

37. INCOME TAX EXPENSE

37. 所得稅費用

		2019	2018
Current income tax	當期所得稅		
— PRC enterprise income tax (the “EIT”)	— 中國企業所得稅 (「企業所得稅」)	772,928	1,544,702
— Singapore profit tax	— 新加坡利得稅	21,926	3,369
Deferred income tax (Note 31)	遞延所得稅(附註31)	3,015	(109,172)
		797,869	1,438,899

The Company was incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and, accordingly, is exempted from payment of Bermuda income tax.

本公司根據百慕達1981年公司法在百慕達註冊成立為獲豁免有限責任公司，故獲豁免繳付百慕達所得稅。

The subsidiaries directly held by the Company were incorporated in BVI with limited liability under the International Business Companies Act Chapter 291 and, accordingly, are exempted from payment of BVI income tax.

本公司直接持有的附屬公司根據國際商業公司法第291章在英屬維爾京群島註冊成立為有限責任公司，故獲豁免繳付英屬維爾京群島所得稅。

No Hong Kong profits tax has been provided since the Company and the subsidiaries traded or incorporated in Hong Kong do not have assessable taxable profits during the year ended 31 December 2019 after utilising accumulated tax losses (2018: nil).

由於在動用累計稅項虧損後，於香港進行貿易或註冊成立的本公司及附屬公司於截至2019年12月31日止年度內並無應課稅利潤，故並沒有計提香港利得稅(2018年：無)。

China Oriental Singapore has been awarded the “Global Trader Programme” status since 1 April 2011 and continued to be awarded from 1 January 2019 for 5 years. Income from qualifying transactions will be taxed at the concessionary corporate tax rate of 10%, subject to China Oriental Singapore meeting certain terms and conditions as stated in the letter issued by International Enterprise Singapore.

中國東方新加坡自2011年4月1日起獲得「環球貿易計劃」地位，並繼續獲得有關地位，自2019年1月1日起生效5年。根據中國東方新加坡達到新加坡國際企業發展局發出的函件內所列的若干條款及條件，合資格的交易之收入將按特許企業稅率10%徵稅。

The PRC EIT is calculated based on the statutory profit of subsidiaries incorporated in the Mainland China in accordance with the PRC tax laws and regulations, after adjustments on certain income and expense items which are non-taxable or non-deductible for income tax purposes. The EIT rate applicable to the subsidiaries incorporated in the Mainland China is 25% (2018: 25%) except for Zhongjin Leasing.

中國企業所得稅乃基於根據中國稅務法律及條例在中國大陸註冊成立的附屬公司的法定溢利，於調整若干毋須課稅或不可扣減所得稅的收入及費用項目後計算。適用於在中國大陸註冊成立的附屬公司的企業所得稅稅率為25%(2018年：25%)，除中津融資外。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

37. INCOME TAX EXPENSE (continued)

Zhongjin Leasing qualified as a key encouraged industry enterprise and was established in an economically difficult zone. Approved by local tax authority in 2017, Zhongjin Leasing was entitled to a four-year full tax exemption from 2017 to 2020. As at 31 December 2019, the effective tax rate of Zhongjin Leasing was nil (2018: nil).

According to the applicable PRC tax regulations, dividends distributed by a company established in the Mainland China to a foreign investor with respect to profits derived after 1 January 2008 are generally subject to withholding tax ("WHT") at rate of 10%. If a foreign investor incorporated in Hong Kong meets the conditions and requirements under the double taxation treaty arrangement entered into between the Mainland China and Hong Kong, the relevant rate of WHT will be reduced from 10% to 5%. During the year ended 31 December 2019, the distribution of dividends among Jinxi Limited and certain foreign subsidiaries of the Group was subject to WHT at rate of 5%.

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average applicable tax rate of 23.77% (2018: 24.93%) to respective profits of the consolidated entities for the years ended 31 December 2019 and 2018 as follows:

37. 所得稅費用(續)

中津融資作為重點鼓勵產業企業，成立於經濟下行地區。中津融資於2017年獲得當地稅務機關批准，由2017年至2020年享有四年全額豁免所得稅。於2019年12月31日，中津融資之實際稅率為零(2018年：零)。

根據適用中國稅務條例，在中國大陸設立的公司向海外投資者分派於2008年1月1日後產生的溢利相關股息，一般應按10%稅率繳納預扣稅(「預扣稅」)。倘於香港註冊成立的外國投資者符合中國大陸與香港之間訂立的避免雙重課稅協定安排下的條件及要求，相關的預扣稅稅率將從10%降至5%。於截至2019年12月31日止年度內，津西鋼鐵與本集團若干海外附屬公司之間的股息分派按5%稅率繳納預扣稅。

本集團除稅前溢利的稅項於截至2019年及2018年12月31日止年度合併實體的溢利因採用加權平均適用稅率23.77%(2018年：24.93%)計算的理論總額的差異分別如下：

		2019	2018
Profit before taxation	除稅前溢利	4,064,794	6,299,420
Taxation calculated at statutory tax rate	按法定稅率計算的稅項	966,394	1,570,294
Tax exemption of a subsidiary established in specific area	一間成立於特定地區的附屬公司之所得稅豁免	(123,977)	(124,725)
Temporary differences and tax losses for which no deferred income tax asset was recognised	未確認遞延所得稅資產的暫時性差異及稅項虧損	10,314	26,941
Reversal of withholding tax on investment in an associate	於一間聯營公司之投資之預扣稅撥回	-	(10,237)
Withholding tax on dividends from subsidiaries	附屬公司之股息之預扣稅	102,044	120,662
Utilisation of previously unrecognised tax losses and temporary differences	動用過往未確認之稅項虧損及暫時性差異	(54,538)	(90,069)
Withholding tax on intra-group interest	集團內部利息之預扣稅	527	277
Effect of non-taxable income	毋須課稅收入之影響	(99,954)	(57,653)
Effect of non-deductible expenses	不可扣減費用之影響	2,061	3,409
Deductible investment in environmental protection equipment	可扣減的環保設備投資	(5,002)	-
		797,869	1,438,899

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

38. NET FOREIGN EXCHANGE (LOSSES)/GAINS

The exchange differences credited in the consolidated statement of profit or loss included the followings:

		2019	2018
Other gains – net (Note 32)	其他收益 — 淨額(附註32)	13,040	32,603
Finance costs – net (Note 36)	財務成本 — 淨額(附註36)	(51,965)	(17,443)
		(38,925)	15,160

38. 匯兌(虧損)/收益淨額

於合併損益表內記賬之匯兌差異載列如下：

39. (LOSSES)/GAINS FROM DERIVATIVE FINANCIAL INSTRUMENTS

		2019	2018
Investment (losses)/gains from foreign currency forward contracts (a)	外幣遠期合約之投資(虧損)/收益(a)	(19,639)	18,559
Investment gains/(losses) from foreign currency, interest rate and iron ore swap contracts (b)	外幣、利率及鐵礦石掉期合約之投資收益/(虧損)(b)	1,646	(252)
Investment (losses)/gains from iron ore, rebar and alloy future contracts (c)	鐵礦石、螺紋鋼及合金期貨合約之投資(虧損)/收益(c)	(94,095)	11,565
Investment gains from rebar and coke future option contracts (d)	螺紋鋼及焦煤期貨期權合約之投資收益(d)	427	–
Total	合計	(111,661)	29,872

39. 衍生金融工具之(虧損)/收益

(a) As at 31 December 2019, realised losses amounted to RMB17.3 million and unrealised losses amounted to RMB2.3 million (2018: realised gains amounted to RMB33.4 million and unrealised losses amounted to RMB14.8 million) were derived from foreign currency forward contracts. A derivative financial liability of RMB2.3 million was recognised on balance sheet as at 31 December 2019 accordingly.

(b) As at 31 December 2019, realised gains amounted to RMB1.6 million (2018: unrealised losses amounted to RMB0.3 million) was derived from foreign currency, interest rate and iron ore swap contracts.

(a) 於2019年12月31日，外幣遠期合約產生人民幣1,730萬元已確認虧損及人民幣230萬元未確認虧損(2018年：人民幣3,340萬元已確認收益及人民幣1,480萬元未確認虧損)。因此，於2019年12月31日，人民幣230萬元的衍生金融負債於資產負債表中確認。

(b) 於2019年12月31日，外幣、利率及鐵礦石掉期合約產生人民幣160萬元已確認收益(2018年：人民幣30萬元未確認虧損)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

39. (LOSSES)/GAINS FROM DERIVATIVE FINANCIAL INSTRUMENTS (continued)

- (c) As at 31 December 2019, realised losses amounted to RMB82.0 million and unrealised losses amounted to RMB12.1 million (2018: realised gains amounted to RMB10.1 million and unrealised gains amounted to RMB1.5 million) were derived from iron ore, rebar and alloy future contracts. A derivative financial asset of RMB2.5 million and a derivative financial liability of RMB14.6 million were recognised on balance sheet as at 31 December 2019 accordingly.
- (d) As at 31 December 2019, realised gains amounted to RMB0.4 million was derived from rebar and coke future option contracts.

39. 衍生金融工具之(虧損)/收益(續)

- (c) 於2019年12月31日，鐵礦石、螺紋鋼及合金期貨合約產生人民幣8,200萬元已確認虧損及人民幣1,210萬元未確認虧損(2018年：人民幣1,010萬元已確認收益及人民幣150萬元未確認收益)。因此，於2019年12月31日，人民幣250萬元的衍生金融資產及人民幣1,460萬元的衍生金融負債於資產負債表中確認。
- (d) 於2019年12月31日，螺紋鋼及焦煤期貨期權合約產生人民幣40萬元已確認收益。

40. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

40. 每股收益

基本

每股基本收益乃根據本公司權益持有者應佔溢利除以年內已發行普通股的加權平均數而計算。

		2019	2018
Profit attributable to owners of the Company	本公司權益持有者應佔溢利	3,210,309	4,781,678
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千股)	3,722,569	3,655,434
Basic earnings per share (RMB per share)	每股基本收益(每股人民幣元)	0.86	1.31

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

40. EARNINGS PER SHARE (continued)

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2018, the Company has one category of dilutive potential ordinary shares: share options. For the share options, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options. As at 31 December 2019 and 2018, the Company did not have any dilutive potential ordinary share.

40. 每股收益(續)

稀釋

每股稀釋收益乃在假設所有可稀釋的潛在普通股被兌換後，透過調整已發行普通股的加權平均股數計算。於截至2018年12月31日止年度，本公司有一類可稀釋的潛在普通股：購股權。就購股權而言，根據尚未行使購股權所附的認購權的貨幣價值，釐定按公允價值(釐定為本公司股份的平均年度市價)可購入的股份數目。按以上方式計算的股份數目與假設購股權行使而應已發行的股份數目作出比較。於2019年及2018年12月31日，本公司沒有任何可稀釋的潛在普通股。

		2019	2018
Profit attributable to owners of the Company	本公司權益持有者應佔溢利	3,210,309	4,781,678
Weighted average number of ordinary shares in issue used in calculating basic earnings per share (thousands)	用於計算每股基本收益的已發行普通股加權平均數(千股)	3,722,569	3,655,434
Adjustments for options (thousands)	購股權調整(千股)	-	4,738
Weighted average number of ordinary shares and potential ordinary shares issued as the denominator in calculating diluted earnings per share (thousands)	計算每股稀釋收益時作為分母的已發行普通股及潛在普通股加權平均數(千股)	3,722,569	3,660,172
Diluted earnings per share (RMB per share)	每股稀釋收益(每股人民幣元)	0.86	1.31

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

41. DIVIDENDS

41 股息

		2019	2018
Interim, paid (a) (b)	中期·已付(a) (b)	504,428	613,395
Final, paid (c)	末期·已付(c)	–	574,170
Final, proposed (d)	末期·建議(d)	306,118	–

- (a) At the Board meeting held on 29 August 2019, the Board proposed an interim dividend of HK\$372.3 million (approximately RMB336.3 million), representing HK\$0.10 per ordinary share and a special dividend of HK\$186.1 million (approximately RMB168.1 million), representing HK\$0.05 per ordinary share in respect of the six months ended 30 June 2019. The proposed dividend was paid during the year ended 31 December 2019.
- (a) 於2019年8月29日舉行的董事局會議上，董事局建議就截至2019年6月30日止六個月派發中期股息3.723億港元(約人民幣3.363億元)(即每股普通股0.10港元)及特別股息1.861億港元(約人民幣1.681億元)(即每股普通股0.05港元)。此建議派發的股息已於截至2019年12月31日止年度內支付。
- (b) At the Board meeting held on 29 August 2018, the Board proposed an interim dividend of HK\$707.3 million (approximately RMB613.4 million), representing HK\$0.19 per ordinary share in respect of the six months ended 30 June 2018. The proposed dividend was paid during the year ended 31 December 2018.
- (b) 於2018年8月29日舉行的董事局會議上，董事局建議就截至2018年6月30日止六個月派發中期股息7.073億港元(約人民幣6.134億元)(即每股普通股0.19港元)。此建議派發的股息已於截至2018年12月31日止年度內支付。
- (c) At the Board meeting held on 28 March 2019, the Board proposed a final dividend of HK\$405.2 million (approximately RMB348.5 million), representing HK\$0.11 per ordinary share and a special dividend of HK\$262.5 million (approximately RMB225.7 million), representing HK\$0.07 per ordinary share in respect of the year ended 31 December 2018. The proposed dividend was approved by the shareholders of the Company on the Annual General Meeting of the Company dated 3 June 2019 and was paid during the year ended 31 December 2019.
- (c) 於2019年3月28日舉行的董事局會議上，董事局建議就截至2018年12月31日止年度派發末期股息4.052億港元(約人民幣3.485億元)(即每股普通股0.11港元)及特別股息2.625億港元(約人民幣2.257億元)(即每股普通股0.07港元)。此建議派發的股息於2019年6月3日本公司舉行的股東週年大會上經本公司的股東通過及已於截至2019年12月31日止年度內支付。
- (d) At the Board meeting held on 31 March 2020, the Board proposed a final dividend of HK\$335.0 million (approximately RMB306.1 million), representing HK\$0.09 per ordinary share in respect of the year ended 31 December 2019.
- (d) 於2020年3月31日舉行的董事局會議上，董事局建議就截至2019年12月31日止年度派發末期股息3.350億港元(約人民幣3.061億元)(即每股普通股0.09港元)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

42. CASH GENERATED FROM OPERATIONS

42. 產生自經營的現金

(a) Reconciliation of profit before income tax to cash generated from operations is as follows:

(a) 除所得稅前溢利與產生自經營的現金的對賬表如下：

		2019	2018
Profit before income tax	除所得稅前溢利	4,064,794	6,299,420
Adjustments for:	調整：		
Amortisation of leasehold land and land use rights (Notes 6, 34)	租賃土地及土地使用權攤銷(附註6、34)	-	5,812
Depreciation of property, plant and equipment (Notes 7, 34)	物業、廠房及設備折舊(附註7、34)	1,158,046	1,131,372
Depreciation of investment properties (Notes 9, 34)	投資物業折舊(附註9、34)	8,608	11,530
Depreciation of right-of-use assets (Note 8)	使用權資產折舊(附註8)	17,768	-
Amortisation of intangible assets (Notes 10, 34)	無形資產攤銷(附註10、34)	12,469	11,550
Amortisation of deferred revenue (Note 30)	遞延收益攤銷(附註30)	(17,104)	-
(Gains)/losses on disposal of property, plant and equipment (Note 32)	出售物業、廠房及設備之(收益)/虧損(附註32)	(119,925)	214,734
Losses/(gains) on disposal of investment property (Note 32)	出售投資物業之虧損/(收益)(附註32)	7,017	(2,529)
Provision for impairment of trade receivables (Notes 19, 34)	應收貿易賬款之減值撥備(附註19、34)	10,126	17,873
Reversal of impairment of prepayments, deposits and other receivables (Notes 20, 34)	預付款項、按金及其他應收賬款之減值撥回(附註20、34)	(4,895)	(234,035)
Reversal of impairment of loan receivables (Notes 21, 34)	應收貸款之減值撥回(附註21、34)	-	(2,209)
Share of results of associates and a joint venture (Note 12)	應佔聯營公司及一間合營企業業績(附註12)	(50,704)	1,941
Gain on disposal of financial assets at fair value through other comprehensive income (Note 32)	出售按公允價值計量且其變動計入其他綜合收益之金融資產之收益(附註32)	-	(2,635)
Losses/(gains) from derivative financial instruments (Note 39)	衍生金融工具之虧損/(收益)(附註39)	111,661	(29,872)
Dividend income from financial assets at fair value through other comprehensive income (Note 33)	按公允價值計量且其變動計入其他綜合收益之金融資產之股息收入(附註33)	(82,092)	(6,319)
Interest income from financial assets at fair value through other comprehensive income (Note 33)	按公允價值計量且其變動計入其他綜合收益之金融資產之利息收入(附註33)	(5,278)	(8,279)
Interest income from loan receivables (Note 33)	應收貸款之利息收入(附註33)	(89,094)	(4,985)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

42. CASH GENERATED FROM OPERATIONS

(continued)

(a) Reconciliation of profit before income tax to cash generated from operations is as follows: (continued)

42. 產生自經營的現金(續)

(a) 除所得稅前溢利與產生自經營的現金的對賬表如下：(續)

		2019	2018
Fair value (gains)/losses of financial assets at fair value through profit or loss (Note 32)	按公允價值計量且其變動計入損益表之金融資產之公允價值(收益)/虧損(附註32)	(210,754)	3,416
Investment income from financial assets at fair value through profit or loss (Note 32)	按公允價值計量且其變動計入損益表之金融資產之投資收入(附註32)	(227,330)	(203,646)
Impairment loss on investment in an associate (Note 12)	於一間聯營公司之投資減值損失(附註12)	-	34,122
Other foreign exchange gains (Notes 32, 38)	其他匯兌收益(附註32、38)	(13,040)	(32,603)
Finance income (Note 36)	財務收入(附註36)	(73,748)	(35,721)
Finance costs (Note 36)	財務成本(附註36)	143,330	161,315
(Increase)/decrease in inventories, properties under development and held for sale and investment properties	存貨、發展中及持作出售物業及投資物業(增加)/減少	(884,814)	273,140
(Increase)/decrease in trade and notes receivables, prepayments, deposits and other receivables	應收貿易賬款及票據、預付款項、按金及其他應收賬款(增加)/減少	(2,407,811)	968,340
(Increase)/decrease in amounts due from related parties	應收關聯方款項(增加)/減少	(850)	1,952
Increase in restricted bank balances	受限制銀行結餘增加	(585,047)	(62,661)
Increase in deferred revenue (Note 30)	遞延收入增加(附註30)	-	8,472
Increase/(decrease) in trade payables, accruals, advances from customers and other current liabilities	應付貿易賬款、預提費用、預收客戶款項及其他流動負債增加/(減少)	914,469	(571,868)
(Decrease)/increase in amounts due to related parties	應付關聯方款項(減少)/增加	(24,175)	22,347
(Decrease)/increase in contract liabilities	合約負債(減少)/增加	(151,738)	1,629,944
Cash generated from operation	產生自經營的現金	1,499,889	9,599,918

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

42. CASH GENERATED FROM OPERATIONS (continued)

(b) Major non-cash transactions:

Except the major non-cash transactions disclosed elsewhere in these consolidated financial statements, the Group endorsed bank acceptance notes to suppliers for purchase of property, plant and equipment amounting to approximately RMB1,862 million (2018: approximately RMB1,125 million) for the year ended 31 December 2019.

(c) In the consolidated statement of cash flows, proceeds from sales of property, plant and equipment comprised:

		2019	2018
Net book amount of property, plant and equipment disposed (Note 7)	出售物業、廠房及設備的賬面淨值(附註7)	157,150	268,486
Gains/(losses) on disposals of property, plant and equipment (Note 32)	出售物業、廠房及設備之收益/(虧損)(附註32)	119,925	(214,734)
Non-cash assets received	已收非現金資產	(85,061)	(53,403)
Cash proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得現金	192,014	349

Non-cash assets received mainly represented bank acceptance notes and other receivables received from deductions of property, plant and equipment.

42. 產生自經營的現金(續)

(b) 主要非現金交易：

除合併財務報表其他部份所披露的主要非現金交易外，截至2019年12月31日止年度，本集團就購買物業、廠房及設備向供應商背書銀行承兌匯票約人民幣18.62億元(2018年：約人民幣11.25億元)。

(c) 於現金流量表內，出售物業、廠房及設備所得款項包括：

收取的非現金資產主要指就物業、廠房及設備減少而收取的銀行承兌匯票及其他應收賬款。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

42. CASH GENERATED FROM OPERATIONS (continued)

42. 產生自經營的現金(續)

(d) Reconciliation of liabilities arising from financing activities is as follows:

(d) 融資活動產生的負債之對賬表如下：

		Borrowings (Non-current)	Borrowings (Current)	Loans from related parties (Current)	Other long-term payables (Non-current)	Other long-term payables (Current)	Total
		借款 (非流動)	借款 (流動)	關聯方 提供之貸款 (流動)	其他長期 應付賬款 (非流動)	其他長期 應付賬款 (流動)	合計
At 31 December 2017	於2017年12月31日	235,500	1,890,206	60,411	-	206,540	2,392,657
Cash flows	現金流量						
- Inflow from financing activities	- 融資活動流入	162,000	6,026,990	-	-	-	6,188,990
- Outflow from financing activities	- 融資活動流出	-	(5,566,782)	(36,480)	-	(206,043)	(5,809,305)
Non-cash changes	非現金變動						
- Reclassification	- 重分類	(235,500)	235,500	-	-	-	-
- Increase in future finance charges on finance leases	- 融資租賃之未來 融資支出增加	-	-	-	-	(497)	(497)
Currency translations	貨幣換算	-	17,443	-	-	-	17,443
At 31 December 2018	於2018年12月31日	162,000	2,603,357	23,931	-	-	2,789,288

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

42. CASH GENERATED FROM OPERATIONS (continued)

(d) Reconciliation of liabilities arising from financing activities is as follows: (continued)

42. 產生自經營的現金(續)

(d) 融資活動產生的負債之對賬表如下：(續)

		Borrowings (Non-current)	Borrowings (Current)	Loans from related parties (Current) 關聯方 提供之貸款 (流動)	Lease liabilities (Non-current)	Lease liabilities (Current)	National debt repurchase	Total
		借款 (非流動)	借款 (流動)	提供之貸款 (流動)	租賃負債 (非流動)	租賃負債 (流動)	國債回購	合計
Recognised on adoption of HKFRS 16	採納香港財務報告準則第16號後確認	-	-	-	81,702	3,622	-	85,324
At 1 January 2019	於2019年1月1日	162,000	2,603,357	23,931	81,702	3,622	-	2,874,612
Cash flows	現金流量							
- Inflow from financing activities	- 融資活動流入	2,130,133	14,675,380	13,024	-	-	398,292	17,216,829
- Outflow from financing activities	- 融資活動流出	-	(13,707,344)	-	-	(15,048)	(331,393)	(14,053,785)
Non-cash changes	非現金變動							
- Recognition of right-of-use assets	- 確認使用權資產	-	-	-	22,490	6,896	-	29,386
- Reclassification	- 重分類	(982,005)	982,005	-	(19,621)	19,621	-	-
- Increase in future finance charges on leases	- 租賃之未來融資支出增加	-	-	-	4,790	-	-	4,790
Currency translations	貨幣換算	8,571	26,507	80	1,300	64	-	36,522
At 31 December 2019	於2019年12月31日	1,318,699	4,579,905	37,035	90,661	15,155	66,899	6,108,354

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

43. COMMITMENTS

(a) Capital commitments

		2019	2018
Purchase of property, plant and equipment	購買物業、廠房及設備		
— Contracted but not provided for	— 已訂約但未撥備	2,643,877	1,824,782
— Authorised but not contracted for	— 已授權但未訂約	2,985,217	238,701
		5,629,094	2,063,483

(b) Commitments to properties under development

		2019	2018
Purchase of properties under development	購買發展中物業	39,387	—

(c) Operating lease commitments

(i) As lessor

The investment properties are leased to tenants under operating leases with various arrangements of rental payments. The minimum lease payments receivable on leases of investment properties are as follows:

		2019	2018
Within one year	1年內	7,542	6,411
Between one and two years	1至2年	7,265	6,278
Between two and three years	2至3年	6,531	5,853
Between three and four years	3至4年	6,130	4,600
Between four and five years	4至5年	4,714	3,958
Later than five years	5年以上	8,387	8,891
		40,569	35,991

43. 承擔

(a) 資本承擔

(b) 發展中物業之承擔

(c) 經營租賃承擔

(i) 作為出租人

投資物業根據經營租賃以不同租金付款安排租賃予租戶。投資物業租賃的最低應收租賃付款如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

43. COMMITMENTS (continued)

(c) Operating lease commitments (continued)

(ii) As lessee

The Group leases various lands and offices under non-cancellable operating leases expiring within six months to nineteen years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term and low-value leases, see Note 2.1.1 (c) and Note 8 for further information.

43. 承擔(續)

(c) 經營租賃承擔(續)

(ii) 作為承租人

本集團根據不可撤銷的經營租賃租賃各種土地和辦公室，租賃期在六個月至十九年內。租賃具有不同條款、升級條款及續租權。續租時，將重新協商租賃條款。

自2019年1月1日起，本集團已確認相關租賃的使用權資產，惟短期及低價值租賃除外(更多詳情見附註2.1.1(c)及附註8)。

		2019	2018
Within one year	1年內	-	10,308
Later than one year and no later than five years	1年以上，5年以內	-	31,579
Later than five years	5年以上	-	90,001
		-	131,888

44. RELATED PARTY TRANSACTIONS

- (a) For the years ended 31 December 2019 and 2018, the Directors are of the view that the following companies and persons are related parties of the Group:

44. 關聯方交易

- (a) 截至2019年及2018年12月31日止年度，董事們認為以下公司及人士為本集團的關聯方：

Name 名稱	Relationship with the Group 與本集團的關係
Foshan Jin Lan Aluminium Company Limited ("Foshan Jin Lan") 佛山金蘭鋁廠有限公司(「佛山金蘭」)	Minority shareholder of Jinxi Jinlan 津西金蘭的少數股東
Foshan Jin Lan Nonferrous Metals Product Co., Ltd. ("Jin Lan Nonferrous Metals") 佛山金蘭有色金屬製品有限公司(「金蘭有色金屬」)	Foshan Jin Lan's subsidiary 佛山金蘭的附屬公司
Tangshan Fengnan Qu Jinxi Fenggang Iron and Steel Co., Ltd. ("Jinxi Fenggang") 唐山市豐南區津西豐鋼鋼鐵有限公司(「津西豐鋼」)	Chairman of the board of Jinxi Fenggang is Mr. Shen Xiaoling, a director of the Company 津西豐鋼董事局主席為本公司董事沈曉玲先生

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

44. RELATED PARTY TRANSACTIONS (continued)

- (a) For the years ended 31 December 2019 and 2018, the Directors are of the view that the following companies and persons are related parties of the Group: (continued)

44. 關聯方交易(續)

- (a) 截至2019年及2018年12月31日止年度，董事們認為以下公司及人士為本集團的關聯方：(續)

Name 名稱	Relationship with the Group 與本集團的關係
Oriental Sheet Piling Sdn. Bhd. and its subsidiaries ("Oriental Sheet Piling")	Controlled by the same ultimate parent company of ArcelorMittal Holdings AG, an entity holds over 20% equity interests in the Company
Oriental Sheet Piling Sdn. Bhd. 及其附屬公司 ("Oriental Sheet Piling")	由擁有本公司超過20%股權權益的實體 ArcelorMittal Holdings AG 的相同最終母公司控制
Arcelor International Steel Trading (Shanghai) Co., Ltd. ("Arcelor International Trading")	Controlled by the same ultimate parent company of ArcelorMittal Holdings AG, an entity holds over 20% equity interests in the Company
Arcelor International Steel Trading (Shanghai) Co., Ltd. ("Arcelor International Trading")	由擁有本公司超過20%股權權益的實體 ArcelorMittal Holdings AG 的相同最終母公司控制
XTAL XTAL	An associated company of the Group 本集團的一間聯營公司
Tianjin Zhanwei Technology Co., Ltd. ("Tianjin Zhanwei") 天津展微科技有限公司("天津展微")	Minority shareholder of a subsidiary of the Group 本集團一間附屬公司之少數股東
Hurstville Trust Hurstville Trust	A joint venture of the Group 本集團的一間合營企業
Atlas Property Holdings Pty. Ltd. ("Atlas")	The other shareholder of an associated company of the Group
Atlas Property Holdings Pty. Ltd. ("Atlas")	本集團一間聯營公司之其他股東

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

44. RELATED PARTY TRANSACTIONS (continued)

- (a) For the years ended 31 December 2019 and 2018, the Directors are of the view that the following companies and persons are related parties of the Group: (continued)

44. 關聯方交易(續)

- (a) 截至2019年及2018年12月31日止年度，董事們認為以下公司及人士為本集團的關聯方：(續)

Name 名稱	Relationship with the Group 與本集團的關係
Vodar Tianjin Co., Ltd. (“ Tianjin Vodar ”) 沃達爾(天津)服務有限公司(「 天津沃達爾 」)	Minority shareholder of a subsidiary of the Group up to 19 February 2019 截至2019年2月19日本集團一間附屬公司之少數股東
KOHE Industrial Plant and Technology Company Ltd. (“ Kohe ”) 科赫工程技術(上海)有限公司(「 科赫 」)	Minority shareholder of a subsidiary of the Group 本集團一間附屬公司之少數股東
Mr. Zhou Weijie 周偉傑先生	Controlling shareholder of Foshan Jin Lan 佛山金蘭的控股股東
Elise Trust Elise Trust	An associated company of the Group 本集團一間聯營公司
Mr. Li Hejun 李賀軍先生	Minority shareholder of Jinxi Heavy Industry up to 1 January 2018 截至2018年1月1日津西重工的少數股東
Mr. Han Jingyuan and Ms. Zhang Cuilan 韓敬遠先生及張翠蘭女士	Chairman and Chief Executive Officer of the Company and his spouse 本公司的董事局主席兼首席執行官及其配偶

The English name of certain companies referred in this financial statements represent management’s best effort at translating Chinese names of these companies as no English names have been registered.

本財務報表所述若干公司的英文名稱為管理層根據其中文名稱最佳翻譯所得，此乃由於該等公司並無登記任何官方英文名稱。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

44. RELATED PARTY TRANSACTIONS (continued)

- (b) Save as disclosed elsewhere in the consolidated financial statements, the Directors were of the view that the following significant related party transactions were carried out in the normal course of business of the Group during the years ended 31 December 2019 and 2018:

44. 關聯方交易(續)

- (b) 除本合併財務報表其他部份中已披露外，於截至2019年及2018年12月31日止年度內，董事們認為以下的重大關聯方交易乃於本集團日常業務過程中進行：

		2019	2018
Sales of goods	銷售貨物		
— Oriental Sheet Piling	— Oriental Sheet Piling	53,358	15,275
— Arcelor International Trading	— Arcelor International Trading	8,499	27,449
— Tianjin Vodar	— 天津沃達爾	-	1,830
		61,857	44,554
Sales of utilities	銷售能源		
— Jin Lan Nonferrous Metals	— 金蘭有色金屬	21,661	26,094
— Foshan Jin Lan	— 佛山金蘭	71	2,383
		21,732	28,477
Rendering of service	提供服務		
— XTAL	— XTAL	-	157
Purchase of goods	購買貨物		
— Tianjin Vodar	— 天津沃達爾	36	81,952
Purchase of service	購買服務		
— Kohe	— 科赫	8,732	31,995
— XTAL	— XTAL	1,249	7,067
		9,981	39,062
Loans granted from a related party	一名關聯方授予之貸款		
— Elise Trust	— Elise Trust	13,024	-
Repayment of loans granted from a related party	償還一名關聯方授予之貸款		
— Mr. Li Hejun	— 李賀軍先生	-	36,480
Loans granted to related parties	授予關聯方之貸款		
— Atlas	— Atlas	-	26,778
— Mr. Zhou Weijie	— 周偉傑先生	-	15,000
		-	41,778
Repayment of loans granted to related parties	授予關聯方貸款之償還		
— Atlas	— Atlas	47,590	7,766
— Mr. Zhou Weijie	— 周偉傑先生	15,000	-
— Hurstville Trust	— Hurstville Trust	1,942	2,529
— XTAL	— XTAL	-	11,468
		64,532	21,763

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

44. RELATED PARTY TRANSACTIONS (continued)

- (b) Save as disclosed elsewhere in the consolidated financial statements, the Directors were of the view that the following significant related party transactions were carried out in the normal course of business of the Group during the years ended 31 December 2019 and 2018: (continued)

		2019	2018
Guarantee for bank borrowings of the Group provided by	本集團銀行借款由下列各方提供擔保		
— Mr. Han Jingyuan and Ms. Zhang Cuilan	— 韓敬遠先生及張翠蘭女士	500,000	—

The guarantee for bank borrowings of the Group provided by Mr. Han Jingyuan and Ms. Zhang Cuilan expired during the year ended 31 December 2019.

44. 關聯方交易(續)

- (b) 除本合併財務報表其他部份中已披露外，於截至2019年及2018年12月31日止年度內，董事們認為以下的重大關聯方交易乃於本集團日常業務過程中進行：(續)

韓敬遠先生及張翠蘭女士就本集團銀行借款提供的擔保於截至2019年12月31日止年度已到期。

(i) Key management compensation

Key management includes executive and non-executive directors. The compensation paid or payable to key management for employee services is shown below:

		2019	2018
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	21,512	45,663
Post-employment benefits	退休金供款	84	75
		21,596	45,738

(i) 主要管理人員酬金

主要管理人員包括執行及非執行董事。就僱員服務而已付或應付主要管理人員的酬金如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

44. RELATED PARTY TRANSACTIONS (continued)

- (c) The following were the related party balances of the Group as at 31 December 2019 and 2018:

		2019	2018
Amounts due from related parties	應收關聯方款項		
<i>Current</i>	<i>流動</i>		
Trade balance	貿易結餘		
— Jin Lan Nonferrous Metals	— 金蘭有色金屬	2,622	1,247
— Foshan Jin Lan	— 佛山金蘭	—	525
		2,622	1,772
Loans to related parties	關聯方貸款		
— Hurstville Trust	— Hurstville Trust	63,894	65,048
— Tianjin Zhanwei (i)	— 天津展微(i)	61,028	56,450
— Atlas	— Atlas	—	47,636
— Mr. Zhou Weijie (ii)	— 周偉傑先生(ii)	—	15,000
		124,922	184,134
		127,544	185,906

As at 31 December 2019 and 2018, the fair values of the Group's amounts due from related parties approximated their carrying amount, as the impact of discounting is not significant.

As at 31 December 2019, the ageing of trade balances due from related parties were within three months.

44. 關聯方交易(續)

- (c) 於2019年及2018年12月31日，本集團的關聯方結餘如下：

於2019年及2018年12月31日，因折現影響不重大，本集團的應收關聯方款項之公允價值近似其賬面值。

於2019年12月31日，應收關聯方貿易結餘的賬齡為三個月內。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

44. RELATED PARTY TRANSACTIONS (continued)

- (c) The following were the related party balances of the Group as at 31 December 2019 and 2018:
(continued)

Except for the related party balances disclosed in (i) and (ii) below, others were unsecured, interest-free, without fixed terms of repayments and are expected to be collected within one year.

- (i) The loan to Tianjin Zhanwei was secured by shares of a minority shareholder of Dongfang Jingyuan, bore interest at a rate of 8% per annum and repayable within one year.
- (ii) The loan to Mr. Zhou Weijie was secured by shares of a minority shareholder of Foshan Jin Lan, bore interest at a rate of 8% per annum and was repaid during the year ended 31 December 2019.

As at 31 December 2019, the carrying amount of the Group's amounts due from related parties amounting to RMB64 million (2018: RMB113 million) and RMB64 million (2018: RMB73 million) were dominated in AU\$ and RMB respectively.

44. 關聯方交易(續)

- (c) 於2019年及2018年12月31日，本集團的關聯方結餘如下：(續)

除下列(i)及(ii)披露的關聯方結餘外，其他均為無抵押、免息、無固定償還期及預期將於一年內收回。

- (i) 貸款予天津展微以東方晶源一名少數股東之股份作抵押，按年利率8%計息及須於一年內償還。
- (ii) 貸款予周偉傑先生以佛山金蘭一名少數股東之股份作抵押，按年利率8%計息及已於截至2019年12月31日止年度內償還。

於2019年12月31日，本集團的應收關聯方款項之賬面值為人民幣6,400萬元(2018年：人民幣1.13億元)及人民幣6,400萬元(2018年：人民幣7,300萬元)，分別以澳元及人民幣計值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

44. RELATED PARTY TRANSACTIONS (continued)

- (c) The following were the related party balances of the Group as at 31 December 2019 and 2018:
(continued)

		2019	2018
Amounts due to related parties	應付關聯方款項		
<i>Current</i>	<i>流動</i>		
Loans from related parties	關聯方貸款		
– Foshan Jin Lan	– 佛山金蘭	23,931	23,931
– Elise Trust	– Elise Trust	13,104	–
		37,035	23,931
Trade balance	貿易結餘		
– Foshan Jin Lan	– 佛山金蘭	140	–
– XTAL	– XTAL	–	4,668
– Tianjin Vodar	– 天津沃達爾	–	63
		140	4,731
Others	其他		
– Kohe	– 科赫	10,125	29,407
– Foshan Jin Lan	– 佛山金蘭	383	383
– Jinxi Fenggang	– 津西豐鋼	354	354
– Arcelor International Trading	– Arcelor International Trading	10	10
– Oriental Sheet Piling	– Oriental Sheet Piling	–	302
		10,872	30,456
		48,047	59,118

All the amounts due to related parties were unsecured, interest-free and without fixed terms of repayments.

44. 關聯方交易(續)

- (c) 於2019年及2018年12月31日，本集團的關聯方結餘如下：(續)

所有應付關聯方款項均為無抵押、免息且無固定償還期。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

45. POST BALANCE SHEET EVENTS

The novel coronavirus disease (“**COVID-19**”) epidemic was spreading out since January 2020, imposing a material adverse impact on the overall economy and every industry in China. The Group has carried out a series of prevention measures, such as arranging shift work for staff, controlling the number of staff in office, performing production line maintenance earlier than original plan, etc., to effectively protect the health of staff and to ensure production safety. For the steel industry, the downstream construction enterprises were having different degrees of delay in resumption of work after Chinese New Year, and the Chinese Government was imposing logistics control to prevent the spread of the epidemic. Hence, there were increase in social inventory and decrease in steel prices. On the other hand, it is expected that the Chinese Government will continue strengthening infrastructure facility investment to reduce the impact of COVID-19 epidemic on the economy. The Group will closely monitor the development of COVID-19 epidemic, and continue to assess the impact of the epidemic on the financial position and operating results of the Group as well as to take proactive measures as appropriate. As at the date on which this set of consolidated financial statements were authorised for issue, the assessment is still in progress.

45. 結算日後事項

自2020年1月以來，新型冠狀病毒疾病(「**新冠病毒**」)疫情蔓延，對中國整體經濟及所有行業產生重大不利影響。本集團採取了一系列預防措施，例如安排員工輪班工作、控制辦公室員工人數、較原計劃提早進行生產線的維護等，以有效保護員工的健康並確保生產安全。就鋼鐵業而言，下游建築企業於中國新年後的復工有不同程度的延遲，以及中國政府實施運輸管控以防止疫情蔓延。因此，出現社會庫存增加及鋼材價格回落的情況。另一方面，預期中國政府將繼續加強對基礎設施的投資，以減輕新冠病毒疫情對經濟的影響。本集團將密切監察新冠病毒疫情的發展，及繼續評估該疫情對本集團財務狀況及經營成果的影響並採取適當的積極措施。於批准發佈本合併財務報表日期，該評估工作尚在進行中。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

46. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

46. 本公司資產負債表及儲備變動

		As at 31 December	
		於12月31日	
		2019	2018
ASSETS	資產		
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,049	1,127
Right-of-use assets	使用權資產	4,607	–
Investments in subsidiaries	附屬公司投資	519,531	574,873
Loans to subsidiaries	附屬公司貸款	2,140,103	2,232,537
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之金融資產	64,834	66,376
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產	211,620	243,120
		2,941,744	3,118,033
Current assets	流動資產		
Trade receivables	應收貿易賬款	343,044	710,744
Prepayments, deposits and other receivables	預付款項、按金及其他應收賬款	54,824	50,210
Financial assets at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之金融資產	30,637	–
Financial assets at fair value through profit or loss	按公允價值計量且其變動計入損益表之金融資產	485,958	230,550
Restricted bank balances	受限制銀行結餘	20,888	47,730
Cash and cash equivalents	現金及現金等價物	956,139	551,280
		1,891,490	1,590,514
Total assets	總資產	4,833,234	4,708,547
EQUITY	權益		
Equity attributable to owners of the Company	歸屬於本公司權益持有者的權益		
Share capital	股本	380,628	380,628
Share premium	股份溢價	3,532,234	3,532,234
Other reserves	其他儲備	(10,915)	(3,955)
Retained earnings	留存收益	469,315	224,142
Total equity	權益合計	4,371,262	4,133,049

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

46. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

46. 本公司資產負債表及儲備變動(續)

		As at 31 December	
		於12月31日	
		2019	2018
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	190,683	–
Lease liabilities	租賃負債	2,470	–
		193,153	–
Current liabilities	流動負債		
Trade payables	應付貿易賬款	5,998	259,467
Accruals and other current liabilities	預提費用及其他流動負債	16,790	11,692
Borrowings	借款	243,503	304,195
Lease liabilities	租賃負債	2,381	–
Dividends payable	應付股息	147	144
		268,819	575,498
Total liabilities	總負債	461,972	575,498
Total equity and liabilities	權益及負債合計	4,833,234	4,708,547

The balance sheet of the Company was approved by the Board of Directors on 31 March 2020 and were signed on its behalf.

本公司資產負債表已於2020年3月31日經董事局批准並由以下董事代為簽署。

Han Jingyuan
韓敬遠
Chairman
主席

Han Li
韓力
Director
董事

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

46. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (continued)

46. 本公司資產負債表及儲備變動(續)

		Options	Financial assets at fair value through other comprehensive income	Accumulated gains	Total
		購股權	按公允價值計量且其變動計入其他綜合收益之金融資產	累計收益	合計
Balance at 1 January 2018	於2018年1月1日之結餘	412,809	(7,055)	55,859	461,613
Profit for the year	年度溢利	-	-	1,666,842	1,666,842
Fair value gains on debt investments at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之債務投資之公允價值收益	-	5,735	-	5,735
Transfer of fair value gains previously credited to reserve to statement of profit or loss upon disposal of debt investments at fair value through other comprehensive income	於出售按公允價值計量且其變動計入其他綜合收益之債務投資時將先前計入儲備之公允價值收益轉至損益表	-	(2,635)	-	(2,635)
Employee share options	僱員購股權計劃				
– issuance of shares	– 發行股份	(314,981)	-	-	(314,981)
– lapse of share options	– 購股權失效	(97,828)	-	97,828	-
Dividend provided	已計提股息	-	-	(1,596,387)	(1,596,387)
Balance at 31 December 2018	於2018年12月31日之結餘	-	(3,955)	224,142	220,187
Profit for the year	年度溢利	-	-	1,323,771	1,323,771
Fair value losses on debt investments at fair value through other comprehensive income	按公允價值計量且其變動計入其他綜合收益之債務投資之公允價值虧損	-	(6,960)	-	(6,960)
Dividend provided	已計提股息	-	-	(1,078,598)	(1,078,598)
Balance at 31 December 2019	於2019年12月31日之結餘	-	(10,915)	469,315	458,400

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

47. BENEFITS AND INTERESTS OF DIRECTORS

The emoluments received/receivable by individual directors and the chief executive is set out below:

(i) For the year ended 31 December 2019:

Name of director	Fees	Salaries and allowances	Bonus	Fair value	Pension	Total
				of employee share options granted	costs-defined plans contribution	
董事姓名	袍金	薪金及津貼	花紅	已授出僱員購股權計劃之公允價值	退休金成本一定額供款計劃	合計
2019						
Mr. Han Jingyuan (i)	532	10,207	-	-	16	10,755
Mr. Zhu Jun	354	3,190	-	-	16	3,560
Mr. Shen Xiaoling	354	1,772	-	-	16	2,142
Mr. Han Li	354	2,126	-	-	16	2,496
Mr. Zhu Hao	709	-	-	-	16	725
Mr. Sanjay Sharma (appointed on 30 September 2019)	90	-	-	-	4	94
Mr. Ondra Otradovec	354	-	-	-	-	354
Mr. Wong Man Chung, Francis	709	-	-	-	-	709
Mr. Wang Tianyi	354	-	-	-	-	354
Mr. Wang Bing	354	-	-	-	-	354
Dr. Tse Cho Che, Edward (appointed on 7 November 2019)	53	-	-	-	-	53
	4,217	17,295	-	-	84	21,596

47. 董事福利及權益

個人董事及主要行政人員已收／應收薪酬載列如下：

(i) 截至2019年12月31日止年度：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

(All amounts in RMB thousands unless otherwise stated) For the year ended 31 December 2019
(除另有指明外，所有金額均以人民幣千元為單位) 截至2019年12月31日止年度

47. BENEFITS AND INTERESTS OF DIRECTORS (continued)

47. 董事福利及權益(續)

(ii) For the year ended 31 December 2018:

(ii) 截至2018年12月31日止年度：

Name of director	Fees	Salaries and allowances	Bonus	Fair value	Pension	Total
				of employee share options granted	costs-defined contribution plans	
董事姓名	袍金	薪金及津貼	花紅	已授出僱員購股權計劃之公允價值	退休金成本 - 定額供款計劃	合計
2018						
Mr. Han Jingyuan (i)	韓敬遠先生(i)	514	23,730	-	15	24,259
Mr. Zhu Jun	朱軍先生	342	7,708	-	15	8,065
Mr. Shen Xiaoling	沈曉玲先生	342	4,281	-	15	4,638
Mr. Han Li	韓力先生	342	5,152	-	15	5,509
Mr. Zhu Hao	朱浩先生	685	856	-	15	1,556
Mr. Ondra Otradovec	Ondra Otradovec 先生	342	-	-	-	342
Mr. Wong Man Chung, Francis	黃文宗先生	685	-	-	-	685
Mr. Wang Tianyi	王天義先生	342	-	-	-	342
Mr. Wang Bing	王冰先生	342	-	-	-	342
		3,936	41,727	-	75	45,738

(i) Mr. Han Jingyuan is also the Chief Executive Officer of the Company.

(i) 韓敬遠先生亦為本公司首席執行官。

None of the directors waived or agreed to waive any remuneration for the years ended 31 December 2019 and 2018. The emoluments of the independent non-executive directors of the Company during the year are approximately RMB1.5 million (2018: RMB1.4 million).

截至2019年及2018年12月31日止年度，概無董事放棄或同意放棄任何酬金。年內，支付予本公司的獨立非執行董事的酬金約人民幣150萬元(2018年：人民幣140萬元)。

Save as disclosed elsewhere in the consolidated financial statements, no significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the years ended 31 December 2019 and 2018.

除合併財務報表其他部分所披露外，於截至2019年及2018年12月31日止年度年末或於該年度任何時間，本公司於其中概無就本集團業務訂立使本公司董事直接或間接擁有重大權益之重要交易、安排或合約。

Five-year Financial Information

五年財務資料

A summary of the consolidated statement of profit or loss and of the consolidated assets, liabilities and non-controlling interests of the Group for the last five financial years is as set out below:

本集團截至前五個財政年度的合併損益表及合併資產、負債及非控制性權益概要載列如下：

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

合併損益表

		Year ended 31 December				
		截至12月31日止年度				
		Audited				
		經審核				
		2019	2018	2017	2016	2015
		(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)
Revenue	收入	43,014,224	40,782,302	41,352,596	26,427,443	21,071,538
Profit/(loss) before income tax	除所得稅前溢利/(虧損)	4,064,794	6,299,420	6,407,730	1,054,948	(889,668)
Income tax expense	所得稅費用	(797,869)	(1,438,899)	(1,524,566)	(523,936)	(46,349)
Profit/(loss) for the year	年度溢利/(虧損)	3,266,925	4,860,521	4,883,164	531,012	(936,017)
Profit/(loss) attributable to:	溢利/(虧損)歸屬於:					
Owners of the Company	本公司權益持有者	3,210,309	4,781,678	4,839,080	722,127	(766,503)
Non-controlling interests	非控制性權益	56,616	78,843	44,084	(191,115)	(169,514)
		3,266,925	4,860,521	4,883,164	531,012	(936,017)

CONSOLIDATED ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

合併資產、負債與非控制性權益

		As at 31 December				
		於12月31日				
		Audited				
		經審核				
		2019	2018	2017	2016	2015
		(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	35,407,241	29,608,580	24,405,369	21,048,562	22,363,723
Total liabilities	總負債	(15,583,746)	(11,927,032)	(10,300,601)	(11,684,021)	(13,451,561)
Non-controlling interests	非控制性權益	(321,814)	(273,962)	(192,589)	(108,443)	(397,734)
		19,501,681	17,407,586	13,912,179	9,256,098	8,514,428



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僅供識別

