

ANNUAL REPORT 2016 年報

CHINA XLX CULTURE 中國心連心文化

We attribute our achievements and breakthroughs to our dedicated team at China XLX. The team is committed to uphold the vision with integrity, discipline and strong commitment.

我們所有的成績與突破，都歸功於誠信為本、紀律嚴明、專注投入、放眼未來和充滿快樂的中國心連心團隊。

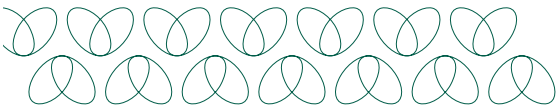
CHINA XLX DEVELOPMENT STRATEGY:

"Adhere to Produce Good Fertiliser". Explore and appropriate develop new energy and new chemical materials. Adhere to the competitive strategy of combination of "combination of low cost and differentiation" with the focus on

Corporate Information
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Financial Highlights
財務概要



Chairman's Statement
主席報告

PROSPECTS

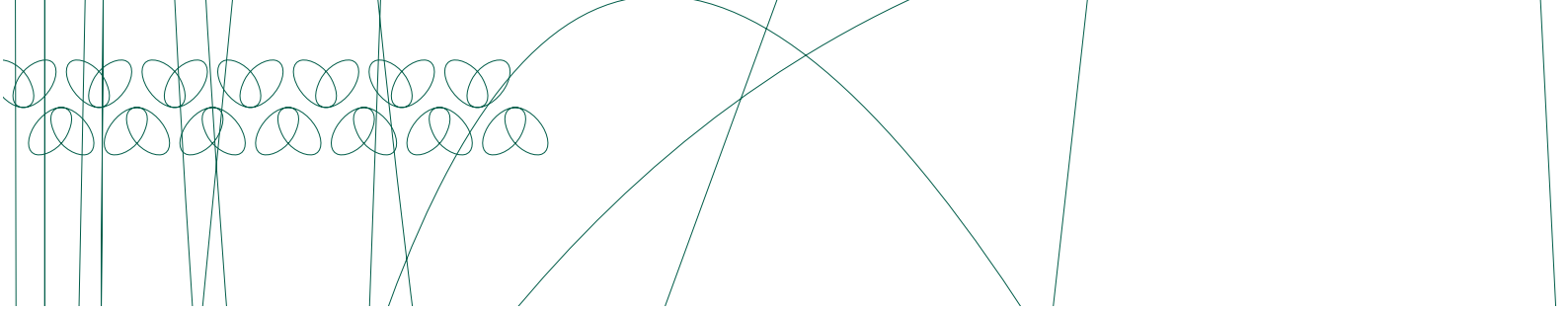
Strategic Planning: "Adhere to Produce Good Fertiliser". Explore and appropriate develop new energy and new chemical materials. Adhere to the competitive strategy of combination of "combination of low cost and differentiation" with the focus on fertiliser industry. Based on the fundamental conditions of "Henan, Xinjiang, Jiujiang" bases, become market-oriented, follow the development path with high standard, parks and bases with special features.

- **H a Ba :** Position as the Group's core base, create "fertiliser as base, chemical as complement" characteristics of the base. Exploit aso(nd)1(µ6.5d[e1(ê)1(ç)1(sy(a)1(n16(é)1(0i)19)-6()1(é)1(ç)1(of5(w)1(t)e1

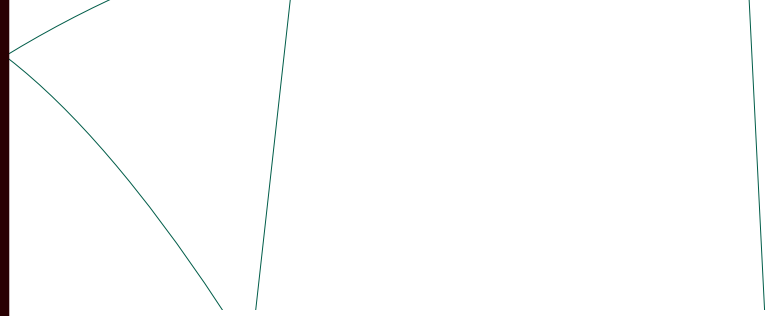


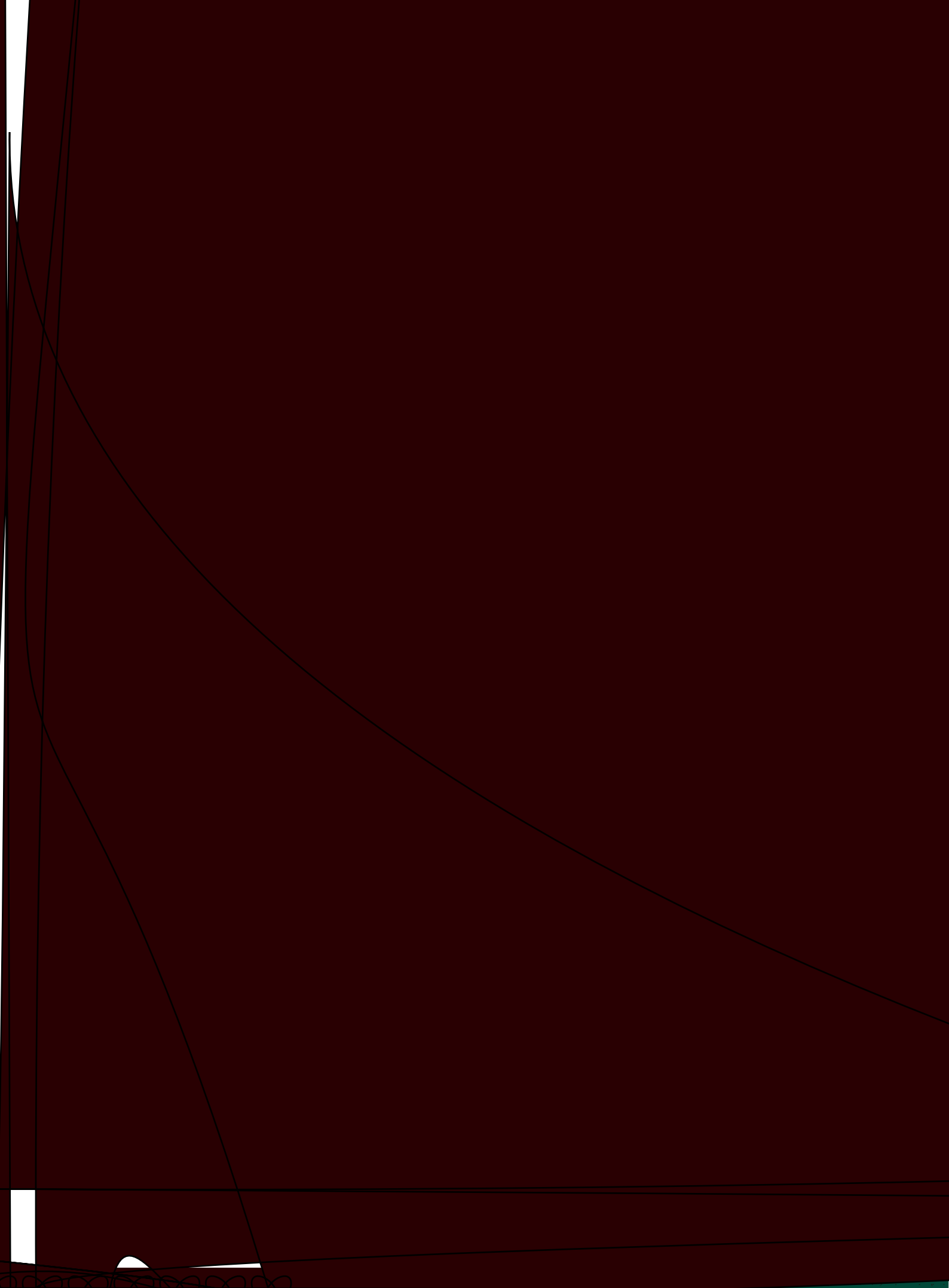
Management Discussion and Analysis
管理層討論與分析

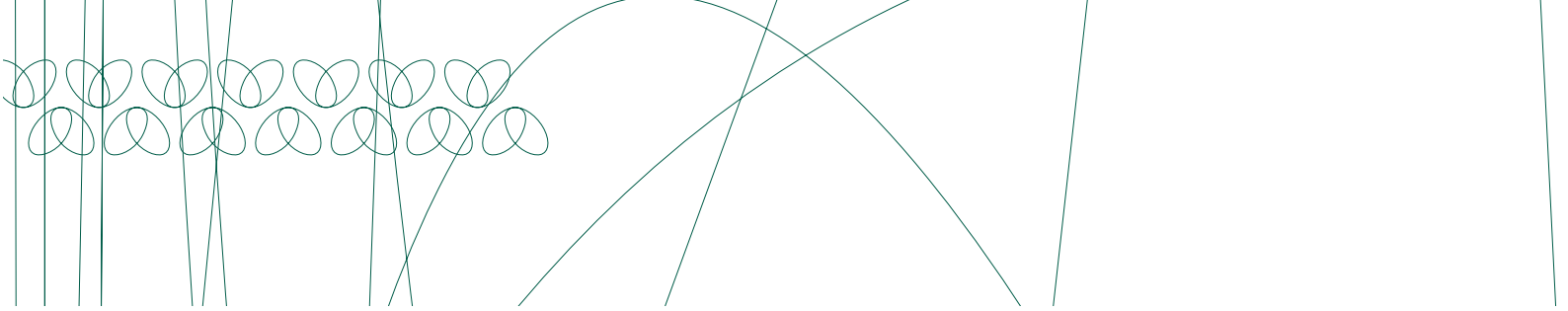
管理層討論











Directors, Senior Management and Company Secretaries
董事、高級管理層及公司秘書

NON-EXECUTIVE DIRECTOR

MR. LIAN JIE

Aged 42, has been appointed as a non-executive Director since 21 December 2011. Mr. Lian has been appointed as an independent non-executive director of Bosideng International Holdings Limited and Stella International Holdings Limited since 10 July 2013 and 1 February 2017, both companies are listed on the SEHK; and has been appointed as the president of Perfect World Co., Ltd. (a company listed on the Shenzhen Stock Exchange) since 22 September 2016. He was also an independent director of Bona Film Group Limited (delisted from NASDAQ Stock Market with effect from 8 April 2016). He resigned as a partner of Primavera Capital Group (a private equity fund which focuses on China) on 22 September 2016, and has served as a senior advisor to Primavera Capital Group with effect from the same date. From 2009 to 2010, Mr. Lian served as a managing director of Hong Kong Investment Banking, China International Capital Corporation Limited, before which he held various positions in The Goldman Sachs Group, Inc., including as a managing director of Hong Kong Investment Banking Division during 2001 to 2009. Mr. Lian owns a Master of Business Administration degree of Tuck School of Business at Dartmouth College. Nitro Capital Limited (a substantial Shareholder) is wholly owned by Primavera Capital (Cayman) Fund I L.P., which in turn is within Primavera Capital Group.

非執行董事

廉潔先生

42歲，自二零一一年十二月二十一日起獲委任為非執行董事。廉先生自二零一三年七月十日及二零一七年二月一日起獲委任為波司登國際控股有限公司及九興控股有限公司的獨立非執行董事，該兩家公司均於聯交所上市；及自二零一六年九月二十二日起獲委任為完美世界股份有限公司(一家於深圳證券交易所上市的公司)總裁。彼亦曾為博納影業集團有限公司(二零一六年四月八日起於納斯達克股票市場退市)的獨立董事。彼於二零一六年九月二十二日辭任春華資本集團(一家專注於中國的私募股權基金)合伙人，並自同日起擔任春華資本集團高級顧問。廉先生於二零零九年至二零一零年曾為中國國際金融有限公司香港投資銀行部董事總經理。在此之前，彼曾於高盛集團有限公司擔任多個職務，包括於二零零一年至二零零九年期間擔任香港投資銀行部董事總經理。廉先生擁有達特茅斯學院塔克商學院的工商管理碩士學位。Nitro Capital Limited(主要股東)由春華資本集團(開曼)一號基金全資擁有，而春華資本集團(開曼)一號基金則屬春華資本集團旗下公司。

INDEPENDENT NON-EXECUTIVE DIRECTORS

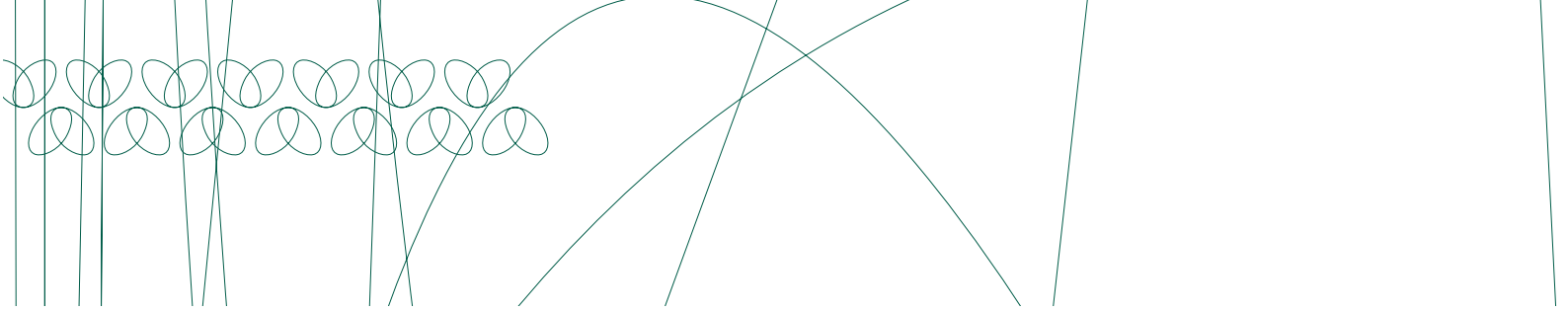
MR. ONG KIAN GUAN

Aged 49, has been appointed as an independent non-executive Director since 11 May 2007. He is also the chairman of the AC and a member of both the RC and the NC. He is a practising member and a fellow of the Institute of Singapore Chartered Accountants (formerly the "Institute of Certified Public Accountants of Singapore"), and also a partner of Baker Tilly TFW LLP. He has more than 20 years of professional experience in financial audits of multinational corporations and public listed companies from diverse industries. He is currently an independent director of Alliance Mineral Assets Limited and the lead independent director of Serrano Limited, both companies are listed on the SGX-ST, and also the lead independent non-executive director of Weiye Holdings Limited (a company listed on the SGX-ST and the SEHK). He was the lead independent director of China Haida Ltd. (a company listed on the SGX-ST) from October 2006 to April 2015, and also an independent non-executive director of China Animal Healthcare Ltd. (a company listed on the SEHK) from December 2007 to June 2014. Mr. Ong graduated from the Nanyang Technological University in Singapore with a bachelor of Accountancy degree in May 1992.

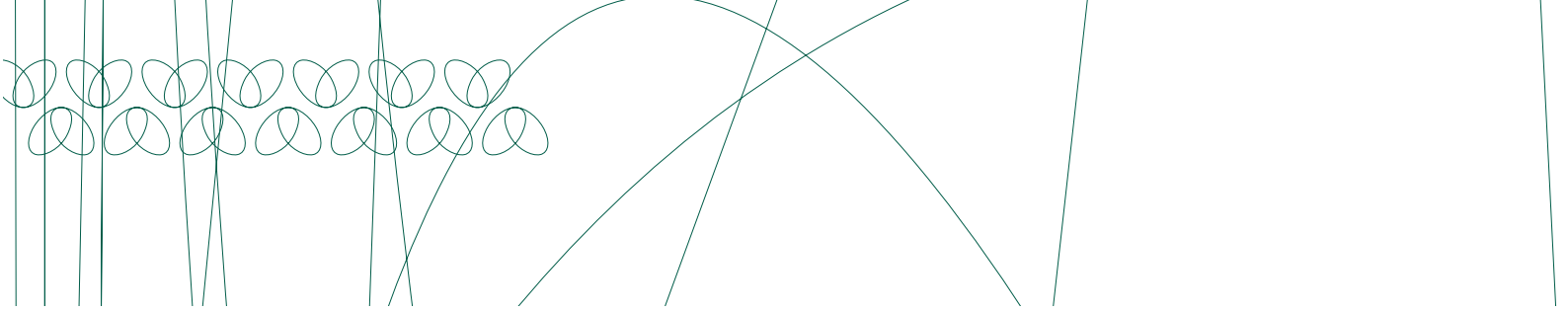
獨立非執行董事

王建源先生

49歲，自二零零七年五月十一日起獲委任為獨立非執行董事。彼亦為審核委員會主席以及薪酬委員會和提名委員會的成員。彼為新加坡特許會計師協會(前稱「新加坡註冊會計師公會」)執業會計師及資深會員，亦為Baker Tilly TFW LLP的合夥人。彼在從事不同行業的跨國公司及公眾上市公司的財務審核有逾20年的專業經驗。彼現為Alliance Mineral Assets Limited的獨立董事及Serrano Limited的首席獨立董事，該兩家公司均於新交所上市，同時為偉業控股有限公司(一家於新交所及聯交所上市的公司)的首席獨立非執行董事。彼自二零零六年十月至二零一五年四月曾任中國海達國際有限公司(一家於新交所上市的公司)的首席獨立董事，亦自二零零七年十二月至二零一四年六月曾任中國動物保健品有限公司(一家在聯交所上市的公司)的獨立非執行董事。王先生於一九九二年五月畢業於新加坡南洋理工大學，取得會計學學士學位。



年三



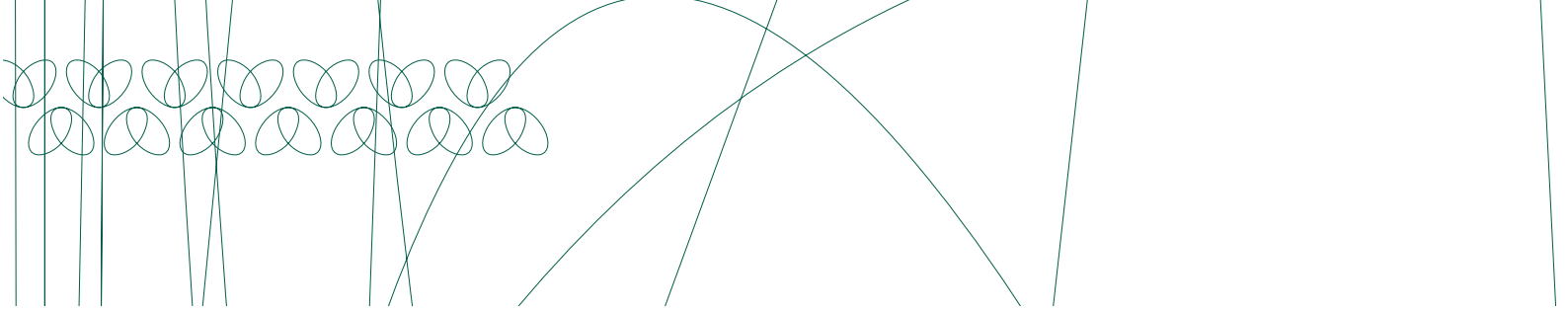
Directors, Senior Management and Company Secretaries
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A2. BOARD COMPOSITION

The composition of the Board as at 31 December 2016 is as follows:

Executive Directors:

Mr. Liu Xingxu

Mr. Zhang Qingjin

Ms. Yan Yunhua

Non-executive Director:

Mr. Lian Jie

Independent Non-executive Directors:

Mr. Ong Kian Guan

Mr. Li Shengxiao

Mr. Ong Wei Jin

Throughout the year ended 31 December 2016, the Board has met the requirements of Listing Rules 3.10 and 3.10A of having three independent non-executive Directors (representing at least one-third of the Board) with one of them possessing appropriate professional qualifications, accounting and related financial management expertise.

A2. 董事會構成

於二零一六年十二月三十一日，董事會的組成如下：

執行董事：

劉興旭先生 *(董事會主席及提名委員會成員)*

張慶金先生 *(首席執行官)*

閆蘊華女士 *(首席財務官)*

非執行董事：

廉潔先生

獨立非執行董事：

王建源先生 *(審核委員會主席、薪酬委員會及提名委員會成員)*

李生校先生 *(提名委員會主席、審核委員會及薪酬委員會成員)*

王為仁先生 *(薪酬委員會主席、審核委員會及提名委員會成員)*

於截至二零一六年十二月三十一日止整個年度，董事會均遵守上市規則第3.10及3.10A條有關須有三名獨立非執行董事(佔董事會人數至少三分之一)及其中一名獨立非執行董事具有適當的專業資格、會計及相關財務管理專長的規定。

On 26 April 2016, the Company announced that Mr. Zhang Qingjin, an executive Director, took up the role as the Chief Executive Officer of the Company, while Mr. Liu remained as the Chairman of the Board with effect from 26 April 2016. The Board considered that such segregation of the roles of the Chairman of the Board and the Chief Executive Officer of the Company was principally necessitated by an increase in the scale of the Group's operations, and the resultant separation of the duties of Chairman and Chief Executive Officer would enable a more timely management of the Group's affairs and further reinforce the Group's development.

於二零一六年四月二十六日，本公司宣佈，執行董事張慶金先生接任本公司首席執行官的職務，而劉先生仍為董事會主席，自二零一六年四月二十六日起生效。董事會認為，本公司董事會主席與首席執行官職務的分離主要是本集團經營規模擴大的所需，因此主席與首席執行官職務的分離將有助更及時地管理本集團事務及進一步加強本集團發展。

Since then, the Company has complied with the code provision A.2.1, with Mr. Liu focusing on the overall strategic planning and business development of the Group as the Chairman of the Board, whereas Mr. Zhang being responsible for the overall management, administrative functions and day-to-day business operations of the Group as the Chief Executive Officer of the Company.

此後，本公司符合守則條文第A.2.1條的規定，劉先生作為董事會主席專注於本集團的整體戰略規劃及業務發展，而張先生作為本公司首席執行官負責本集團的整體管理、行政工作及日常業務經營。

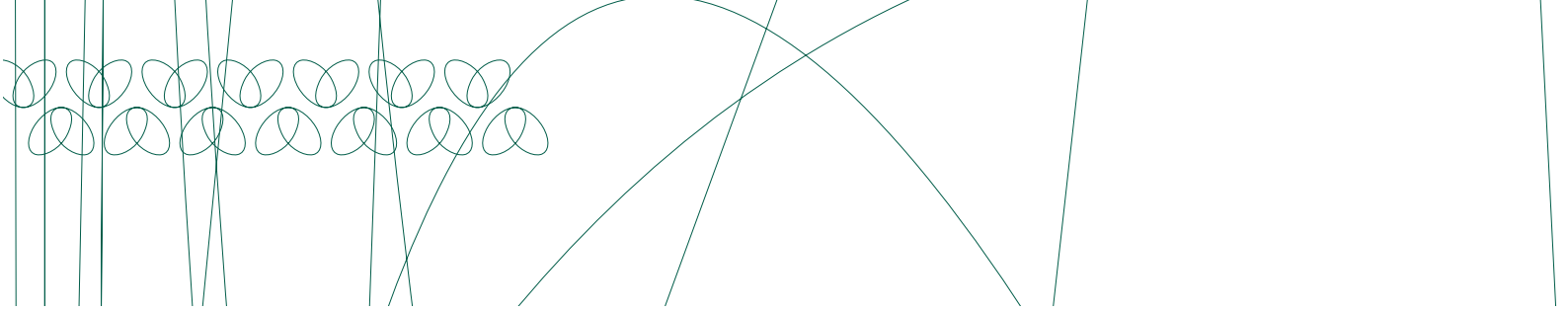
In addition, the Directors are of the view that the balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) on the Board and the existence of AC, RC and NC (comprising all or a majority of independent non-executive Directors) in overseeing different aspects of the Company's affairs, are adequate safeguards to ensure a balance of power and authority.

此外，董事認為董事會由人數均衡的執行董事及非執行董事(包括獨立非執行董事)組成，以及設立審核委員會、薪酬委員會及提名委員會(由全體或大部份獨立非執行董事所組成)監察本公司不同範疇的事宜，已足夠保障權力及授權的平衡。

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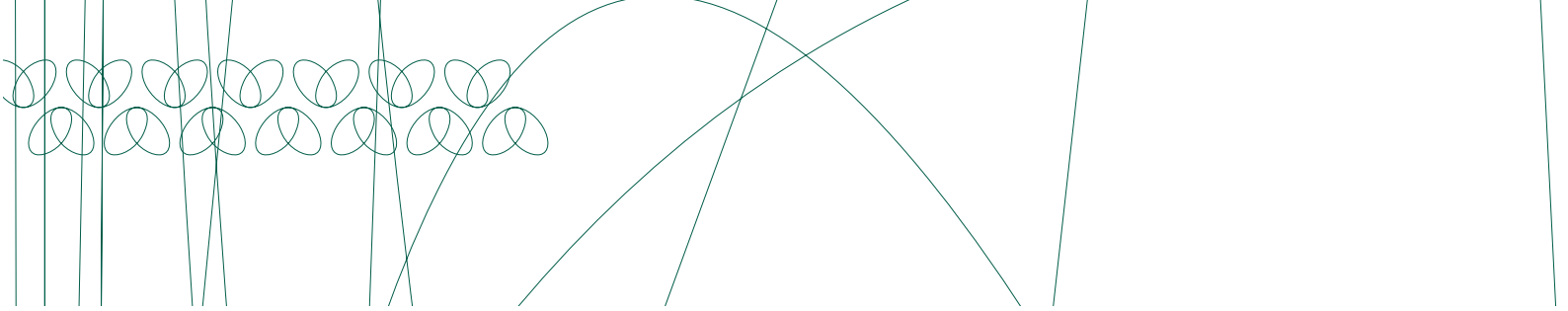


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Directors' Statement
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Statement by Directors
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Independent Auditor's Report
獨立核數師報告

Independent Auditor's Report
獨立核數師報告

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

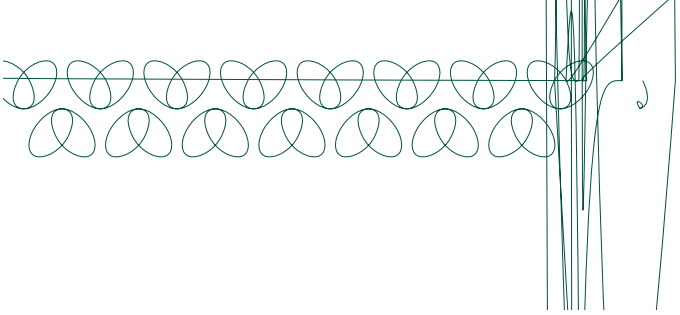
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

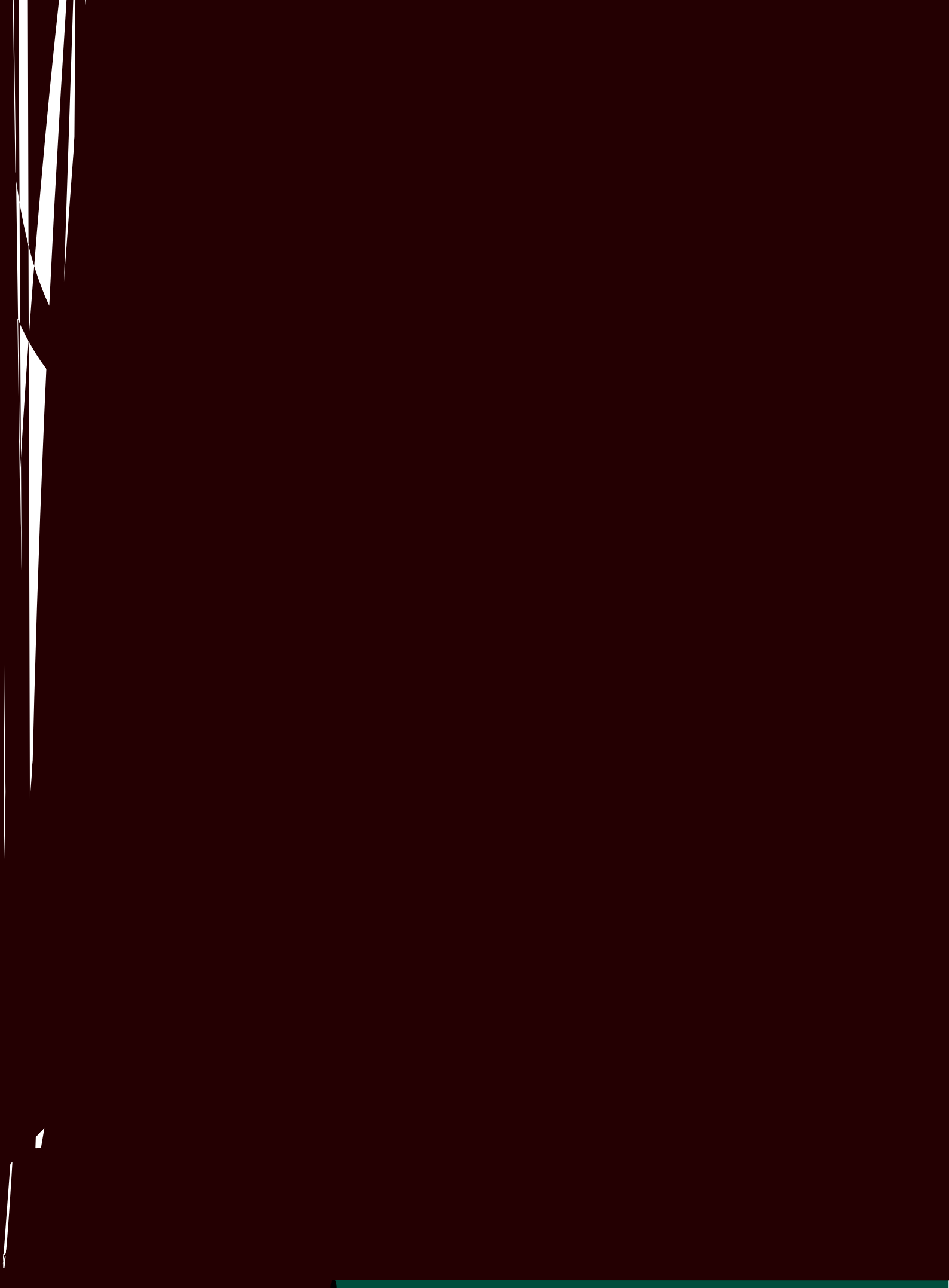
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or





Consolidated Statement of Financial Position

綜合財務狀況表 *31 December 2016 於二零一六年十二月三十一日*

Consolidated Statement of Changes In Equity

綜合權益變動表 *Year ended 31 December 2016 截至二零一六年十二月三十一日止年度*

Consolidated Statement of Changes In Equity

綜合權益變動表 *Year ended 31 December 2016 截至二零一六年十二月三十一日止年度*

Consolidated Statement of Cash Flows

綜合現金流量表

截至二零一八年十二月三十一日止年度

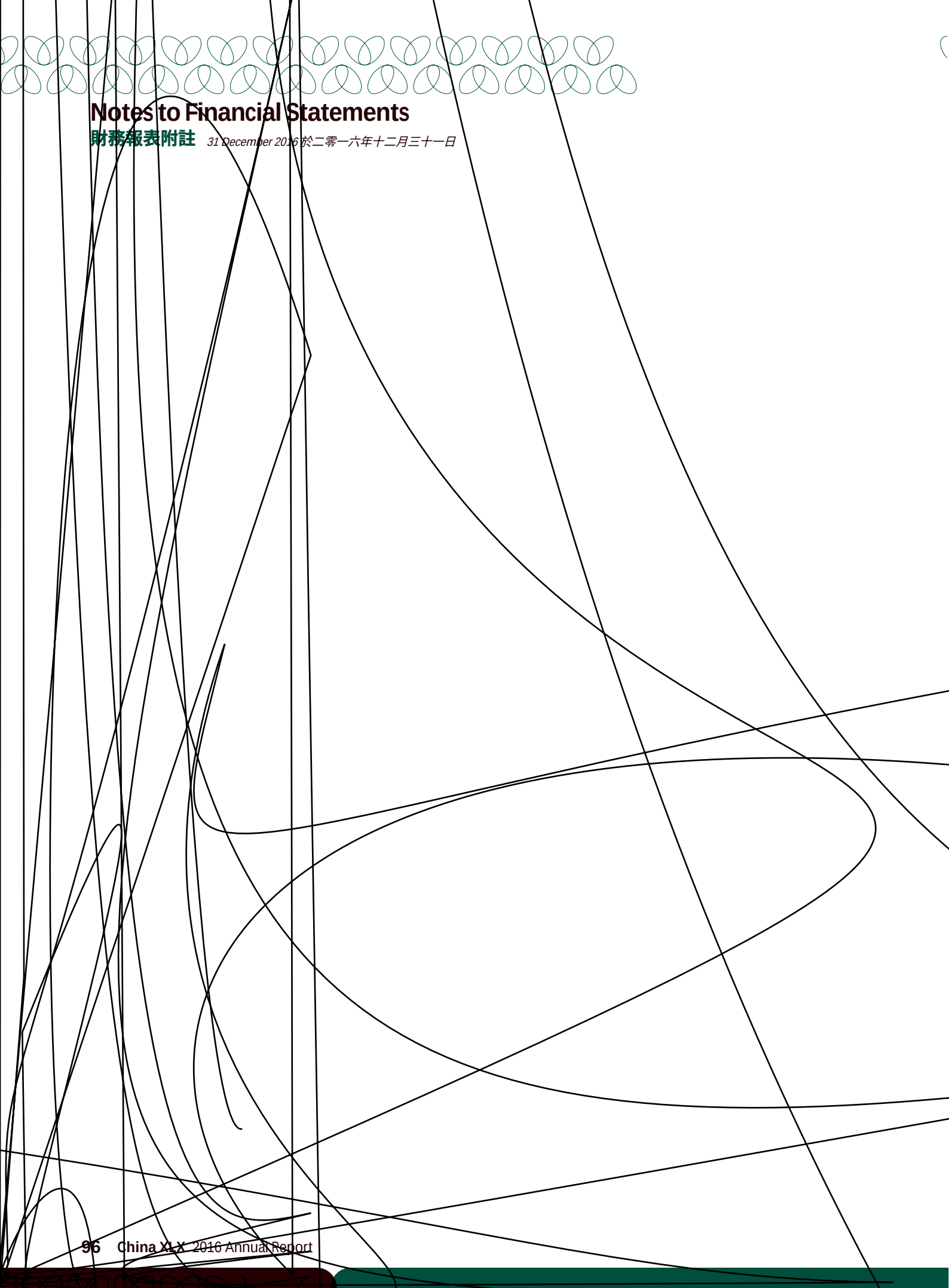


1. CORPORATE AND GROUP INFORMATION

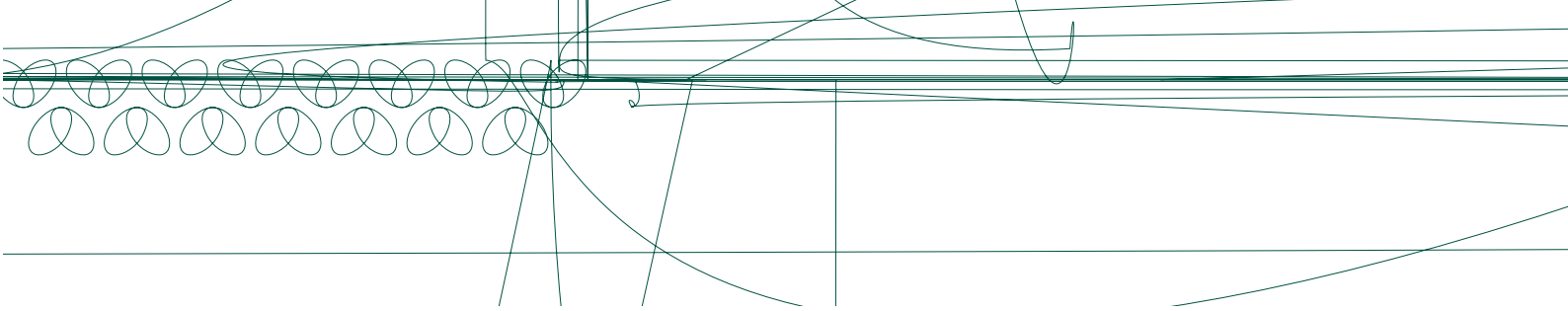
China XLX Fertiliser Ltd. is a limited liability company incorporated in Singapore on 17 July 2006 under the Singapore Companies Act and its shares are listed on The Stock Exchange of Hong Kong Limited. The registered office of the Company is located at 80 Robinson Road, #02-00, Singapore 068898. The principal place of business of the Group is located at Xinxiang High Technology Development Zone (Xiaoji Town), Henan Province, the People's Republic of China (the "PRC"). The principal activity of the Company consists of investment holding. Particulars of all the Group's subsidiaries are disclosed in note 46.

2.1 BASIS OF PREPARATION

The Group and the Company had net current liabilities of approximately RMB961 million and RMB16 million, respectively as at 31 December 2016. After taking into account the available unutilised banking facilities, the directors of the Company consider that the Group will have sufficient working capital to finance its operations and financial obligations as and when they fall due, and accordingly, are satisfied that it is appropriate to



Notes to Financial Statements
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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INVESTMENTS AND OTHER FINANCIAL ASSETS (CONTINUED)

(b) AVAILABLE-FOR-SALE FINANCIAL ASSETS (CONTINUED)

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life

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Notes to

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

VALUE-ADDED TAX ("VAT")

The Group's sales of goods in the PRC are generally subject to VAT at the applicable tax rates of rat ratxb = rat = 1 ú = 3

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Notes to Financial Statements
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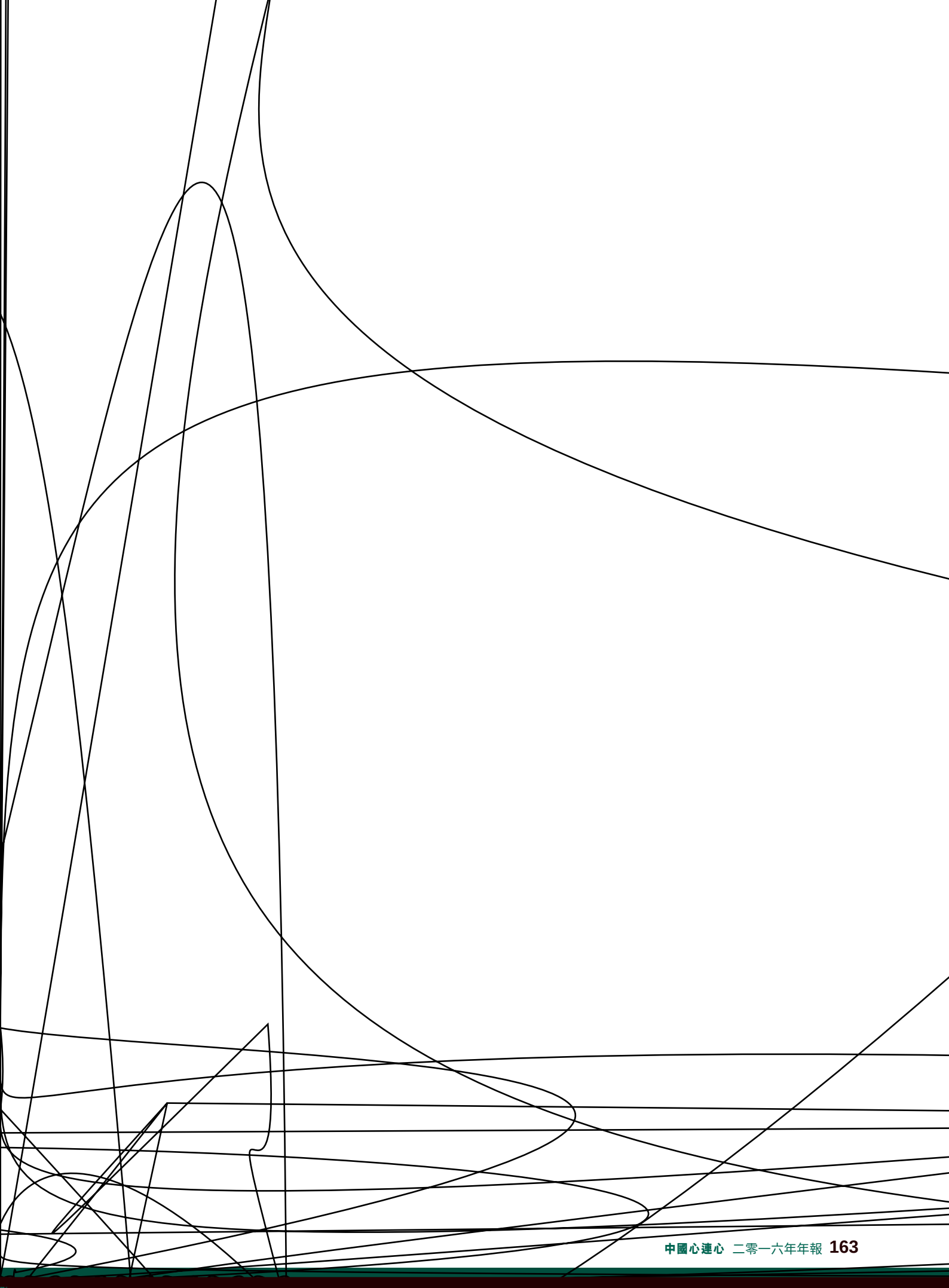
Notes to Financial Statements
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Notes to Financial Statements
財務報表附註 *31 December 2016*

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32. DEFERRED TAX (CONTINUED)

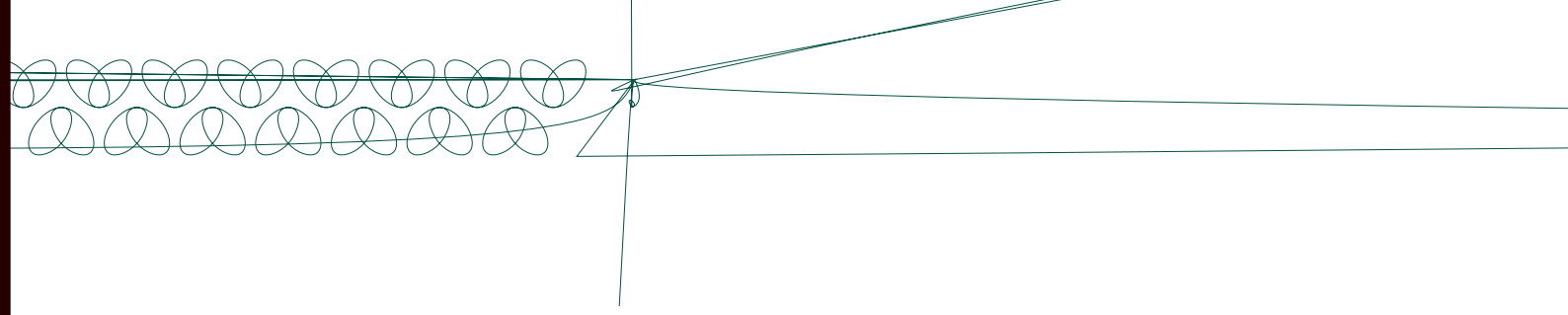
DEFERRED TAX ASSETS

32. 遞延稅項(續)

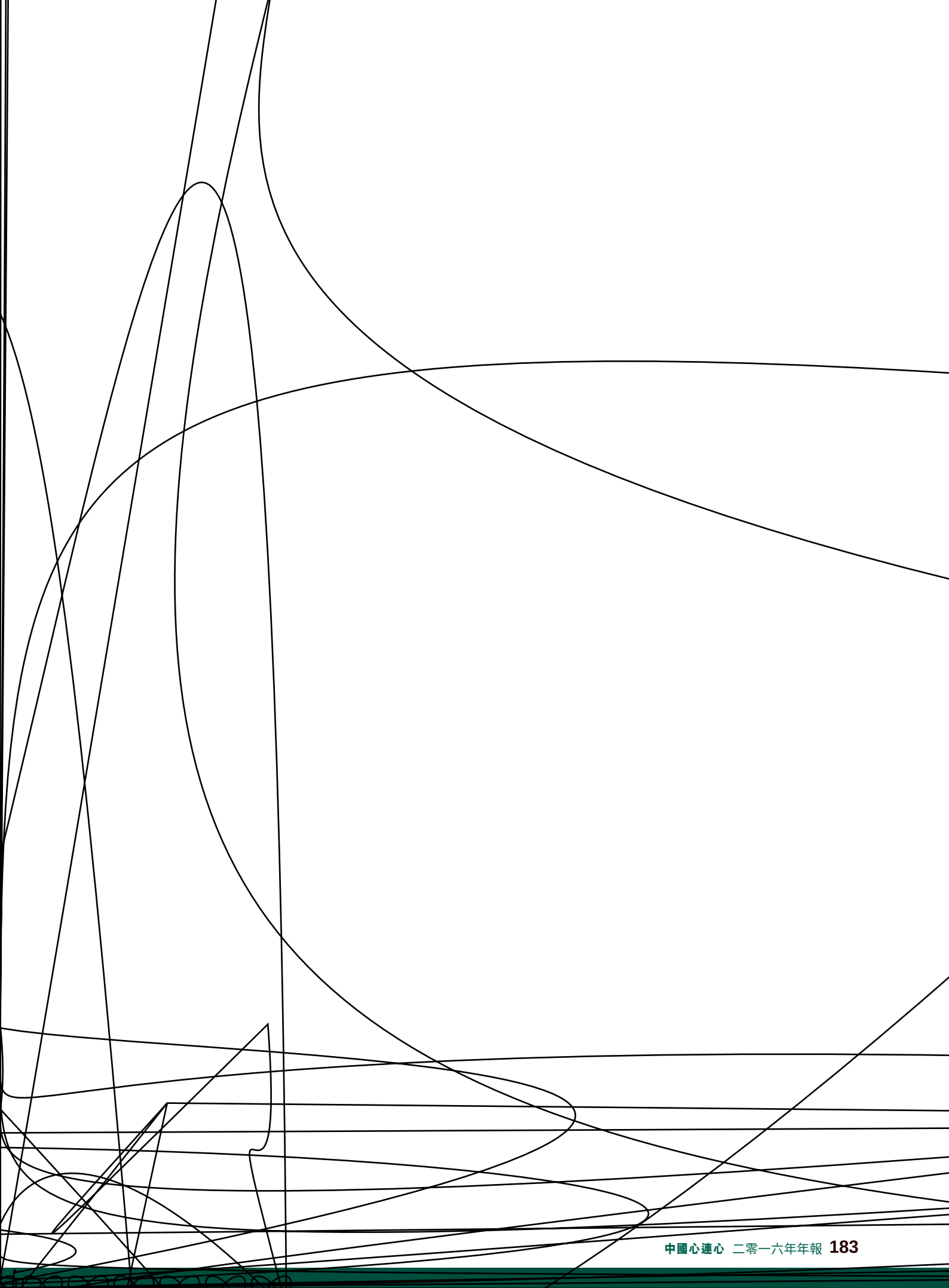
遞延稅項資產

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At 1 January 2015	於二零一五年一月一日	4,510	6,540	11,050
Deferred tax credited to profit or loss during the year (note 11)	年內在損益賬計入的遞延稅項(附註11)	4,083	4,581	8,664
At 31 December 2015 and at 1 January 2016	於二零一五年十二月三十一日及於二零一六年一月一日	8,593	11,121	19,714
Deferred tax credited to profit or loss during the year (note 11)	年內在損益賬計入的遞延稅項(附註11)	2,413	1,674	4,087
At 31 December 2016	於二零一六年十二月三十一日	11,006	12,795	23,801

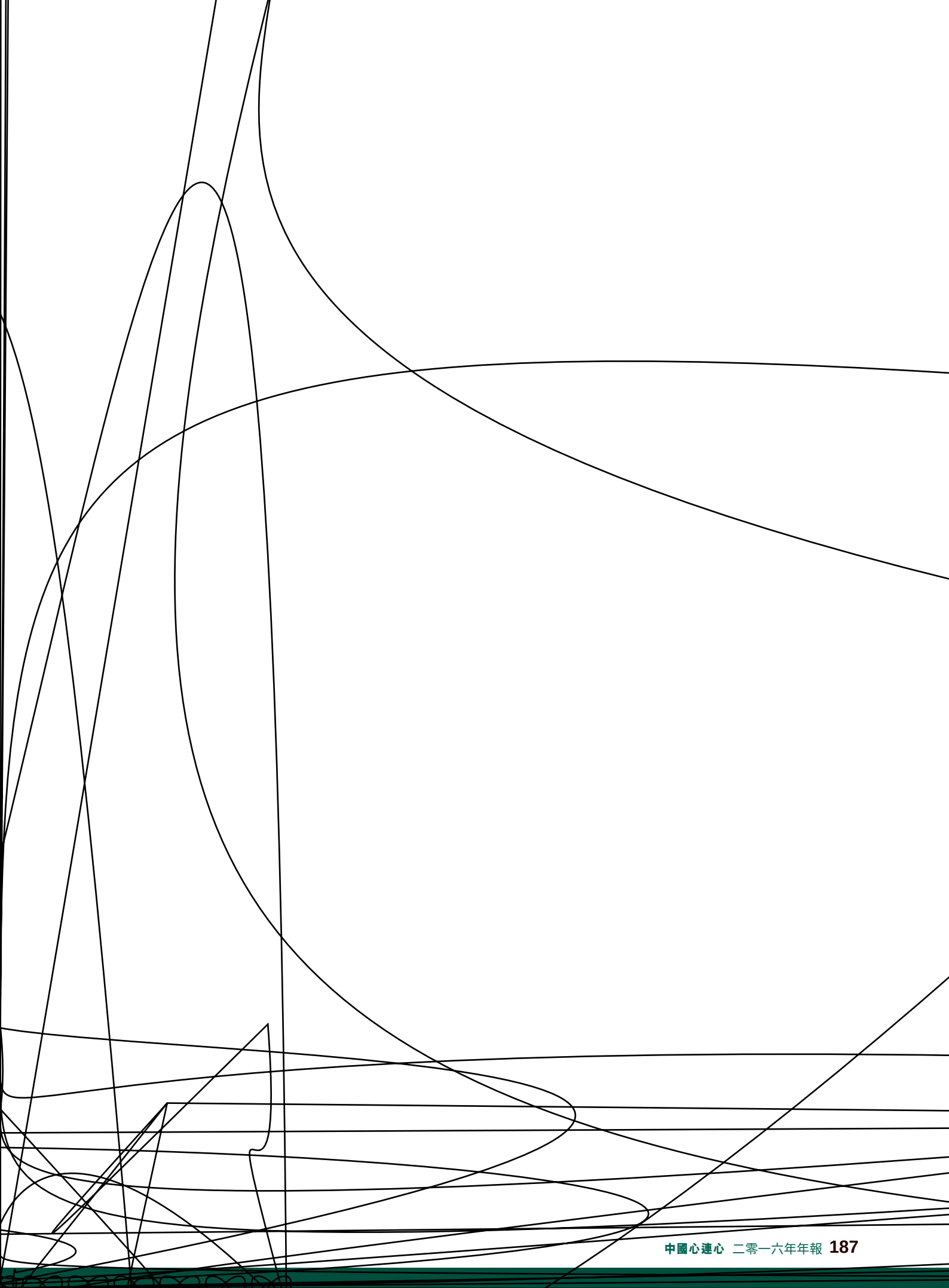
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et current liabilities	t À	(15,952)	49,612)
TOTAL	< (* ¯ t À	1,430,403	1,290,388
NON-CURRENT	¢ t À		
Interest-bearing bank and other borrowings	¹ Õ ¿ I ü > ›	176,800	–
Net assets	(*	1,253,603	1,290,388
EQUITY	ÆB		
Share capital	p I	881,124	881,124
Convertible bonds	I p À N	322,436	322,436
Reserves	· ê	50,043	86,828
Total equity	< ÆB	1,253,603	1,290,388

Notes to Financial Statements
財務報表附註 *31 December 2016*

Glossary
詞彙表

