

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Zhejiang Hailiang Co., Ltd.

ZHE JIANG HAI LIANG CO., LTD

2018 Annual Report

Stock code: 002203

Stock abbreviation: Hailiang

Disclosure Date: April 2019

Section Important, catalogs and Interpretation

The company's board of directors, board of supervisors, directors, supervisors, and senior management guarantee the truthfulness of the content of the annual report Factual, accurate and complete, there are no false records, misleading statements or major omissions, and bear individual and Legal liability.

Zhu Zhangquan, person in charge of the company, Chen Dong, person in charge of accounting work, and person in charge of accounting institutions (accounting chief Tube staff) Chen Dong statement: to ensure annual report, financial report is true, accurate and complete.

All directors have attended the board meeting to review this report.

The main risks of the Company described in detail in this report, please refer to the detailed report " Section IV Operation Discussion and Analysis " of " Nine, look to the future development of the company , " the " risk (b), Factor " .

Companies do not need to comply with the disclosure requirements of special industries.

The profit distribution plan approved by the board of directors of the company at this time is as follows:

1,952,107,432 shares is the base number, and a cash dividend of **0.70** yuan (including tax) will be distributed to all shareholders for every **10** shares .

There are **0** bonus shares (including tax), and no capital reserve will be converted into share capital.

table of Contents

[Section 1 Important Tips, Table of Contents and Interpretation 6](#)

[Section 2 Company Profile and Main Financial Indicators 10](#)

[Section III Company Business Overview 14](#)

[Section 4 Discussion and Analysis of Business Situation 36](#)

[Section 5 Important Matters 63](#)

[Section 6 Share Changes and Shareholders 73](#)

[Section VII Preference Shares 73](#)

[Section VIII Directors, Supervisors, Senior Management and Employees 74](#)

[Section 9 Corporate Governance 83](#)

[Section 10 Relevant Information on Corporate Bonds 92](#)

[Section 11 Financial Report 93](#)

[Section XII Documents for Reference 200](#)

Definition

Interpretation	Finger	Interpretation
The company, company, Hailiang shares		Refers to Zhejiang Hailiang Co., Ltd.
Hailiang Group, the controlling shareholder		Refers to Hailiang Group Co., Ltd.
Z & P		Refers to Z & P ENTERPRISES LLC
Copper Processing Research Institute		Refers to Zhejiang Copper Processing Research Institute Co., Ltd.
Keyu		Refers to Zhejiang Keyu Metal Materials Co., Ltd.
Shanghai Hailiang		Refers to Shanghai Hailiang Copper Co., Ltd.
Hailiang		Refers to Hong Kong Hailiang Copper Trading Co., Ltd.
Hong Kong Metal		Refers to Hong Kong Hailiang Metal Materials Co., Ltd.
Hailiang International Trade		Refers to Zhejiang Hailiang International Trade Co., Ltd.
American Bright		Hailiang America
Hailiang, Vietnam		Refers to Vietnam Hailiang Metal Products Co., Ltd.
Anhui Hailiang		Refers to Hailiang (Anhui) Copper Co., Ltd.
Hailiang (Vietnam) Copper		Refers to Hailiang (Vietnam) Copper Co., Ltd.
Guangdong Hailiang		Refers to Guangdong Hailiang Copper Co., Ltd.
African Bright		Refers to Hailiang (Africa) Mining Investment Co., Ltd.
Congo Hailiang		Refers to Congo Hailiang Mining Co., Ltd.
Haibo Small Loan		Refers to Zhejiang Haibo Microfinance Co., Ltd.
Finance Company		Refers to Hailiang Group Finance Co., Ltd.
Bank of Ningxia		Ningxia Bank Co., Ltd.
Jinchuan Group		Refers to Jinchuan Group Co., Ltd.
Hailiang Ring		Refers to Zhejiang Hailiang Environmental Material Co., Ltd.
Zhengmao Ventures		Refers to Zhejiang Zhengmao Venture Capital Co., Ltd.
Golden Dragon		Jinlong Precision Copper Tube Group Co., Ltd.
JMF		Refers to JMF Company
HDI		Refers to Hailiang Distribution Inc.
Singapore Hailiang		Refers to Singapore Hailiang Metal Materials Co., Ltd.
Jiangsu Canghuan		Refers to Jiangsu Canghuan Copper Pipe Sales Co., Ltd.
Luvata, Luvata Group		Refers to Luvata Group
Desheng Company		Refers to Moral Top Enterprise Limited

Thailand Hailiang	Hailiang Otto Copper Pipe (Thailand) Co., Ltd., LOYAL HAILIANG COPPER Finger (THAILAND) CO., LTD., Formerly Luvata Thailand, Luvata Heating Cooling Technologies (Thailand) Ltd.
Hailiang Otto	Hailiang Otto Copper Pipe (Guangdong) Co., Ltd. Renamed after merger and merger with Nuoerda Auto Copper (Zhongshan) Co., Ltd
Equity incentive	Refers to the first phase of the restricted stock incentive plan of Zhejiang Hailiang Co., Ltd.
Hailiang Holdings	Refers to Hong Kong Hailiang Holding Limited (Hong Kong Hailiang Holding Limited)
Hailiang, Texas	Refers to Hailiang Copper Texas Inc.
company policy	Refers to the articles of association of Zhejiang Hailiang Co., Ltd.
China Securities Regulatory Commission, China Securities Regulatory Commission	China Securities Regulatory Commission
Shenzhen Stock Exchange	Refers to the Shenzhen Stock Exchange
yuan	Refers to RMB
Company Law	Refers to the "Company Law of the People's Republic of China"
Securities Law	Refers to the "Securities Law of the People's Republic of China"

1. Company Information

Stock abbreviation	Hailiang	Stock symbol	002203
Stock exchange	Shenzhen Stock Exchange		
The Chinese name of the company	Zhejiang Hailiang Co., Ltd.		
Chinese abbreviation of the company	Hailiang		
The company's foreign name (if any)	ZHEJIANG HAILIANG CO., LTD		
The company's legal representative	Zhu Zhangquan		
Registered address	Industrial Zone, Diankou Town, Zhuji City, Zhejiang Province		
Postal address postal code	311835		
office address	No.386 Jiefang Road, Diankou Town, Zhuji City, Zhejiang Province		
Office address postal code	311835		
company website	www.hailiang.com		
email	gfoffice@hailiang.com		

2. Contact person and contact information

	Secretary of the Board	Securities Affairs Representative
Name	Qian Ziqiang	Lin ZHU
contact address	2nd Floor, No.386 Jiefang Road, Diankou Town, Zhuji City, Zhejiang Province	2nd Floor, No.386 Jiefang Road, Diankou Town, Zhuji City, Zhejiang Province
	Board Office	Board Office
phone	0575-87069033	0575-87069033
fax	0575-87069031	0575-87069031
email	gfoffice@hailiang.com	gfoffice@hailiang.com

3. Information disclosure and location

Name of information disclosure media selected by the company	Securities Daily, Securities Times, China Securities News, Shanghai Securities News
URL of website designated by China Securities Regulatory Commission to publish annual report	http://www.hailiang.com
Where to prepare the company's annual report	Company Board Office

4. Registration changes

Organization Code	91330000724510604K
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6

Changes in the main business of the company since its listing (such as Have)	On August 27, 2015, the company's second extraordinary shareholders' meeting in 2015 reviewed and approved "Proposal for Business Scope" and "Proposal for Amending the Articles of Association of the Company" Copper tubes, copper strips, copper foil and related copper products. "Changed to" copper tube, copper strip, copper foil and other copper products. Manufacturing and processing of aluminum and aluminum alloy tube profiles and related aluminum products, copper-aluminum composite materials. "The company in 2015 On November 30, the above-mentioned industrial and commercial change registration was completed.
Changes of previous controlling shareholders (if any)	No change

V. Other relevant information

Accounting firm hired by the company

Name of accounting firm	Daxin Certified Public Accountants (Special General Partnership)
Office Address of Accounting Firm	No. 1504, 15th Floor, College International Building, No. 1 Zhichun Road, Haidian District, Beijing
Name of the signed accountant	Guo Jingli Li Yunxin

Sponsors hired by the company to perform continuous supervision responsibilities during the reporting period

Applicable Not applicable

Sponsor name	Sponsor office address	Name of sponsor representative	Continuous supervision period
GF Securities Co., Ltd.	Zhongxingguang, Huangpu District, Guangzhou City, Guangdong Province State Knowledge City Room 618, No. 2 Takeoff First Street	Jiang Nan Liu Kang	2018-2019

Financial consultant hired by the company to perform continuous supervision duties during the reporting period

Applicable Not applicable

6. Main accounting data and financial indicators

Does the company need to retroactively adjust or restate previous year's accounting data

Yes No

	2018	2017	This year is more or less than the previous year	
Operating income (yuan)	40,596,624,275.45	29,816,268,253.96	36.16%	17,917,107,059.19
Net profit attributable to shareholders of listed companies (yuan)	908,793,300.88	705,332,026.60	28.85%	551,248,526.37
Non-economic deductions attributed to shareholders of listed companies				
Net profit and loss (RMB)	801,484,317.00	711,904,914.82	12.58%	510,382,362.92
Net cash flow from operating activities (yuan)	2,606,546,702.86	-3,113,546,846.58	183.72%	886,716,661.35
Basic earnings per share (yuan / share)	0.5216	0.4217	23.69%	0.3298
Diluted earnings per share (yuan / share)	0.5164	0.4187	23.33%	0.3295

7

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

	14.87%	13.57%	1.30%	13.61%
	End of 2018	End of 2017	The end of this year is more or less than the end of last year	
Weighted average return on net assets				
Total assets (yuan)	19,218,163,534.27	15,279,965,966.40	25.77%	12,764,294,465.24
Net assets attributable to shareholders of listed companies (yuan)	8,029,373,850.62	5,177,759,390.35	55.07%	4,312,079,175.77

7. Differences in accounting data under domestic and foreign accounting standards

1. The difference between net profit and net assets in financial reports disclosed in accordance with international accounting standards and in accordance with Chinese accounting standards

Applicable Not applicable

During the reporting period of the company, there was no net profit and net profit in the financial reports disclosed in accordance with international accounting standards and in accordance with Chinese accounting standards
Asset differences.

2. The difference between net profit and net assets in financial reports disclosed in accordance with overseas accounting standards and in accordance with Chinese accounting standards

Applicable Not applicable

During the reporting period of the company, there was no net profit and net profit in the financial reports disclosed in accordance with overseas accounting standards and in accordance with Chinese accounting standards
Asset differences.

8. Major financial indicators by quarter

	unit: yuan			
	the first season	Second quarter	the third quarter	Fourth quarter
Operating income	9,363,838,349.01	10,753,623,874.48	11,871,969,585.80	8,607,192,466.16
Net profit attributable to shareholders of listed companies	50,491,770.09	300,178,163.41	140,514,943.65	217,608,423.73
Non-economic deductions attributed to shareholders of listed companies	275,013,991.32	261,758,769.49	92,707,824.01	172,003,732.18
Net profit and loss				
Net cash flow from operating activities	684,139,280.40	434,358,811.94	1,028,906,833.44	459,141,777.08

Whether the above financial indicators or their totals are significantly different from the financial indicators disclosed in the company's quarterly and semi-annual reports

Big difference

Yes No

9. Non-recurring items and amounts

Applicable Not applicable

8

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

project	unit: yuan			Explanation
	2018 amount	2017 amount	2016 amount	
Non-current asset disposal gains and losses (including accrued assets minus Value write-offs)	-4,465,351.31	-8,093,556.01	-277,384.72	
Government subsidies included in the current profit and loss (close to the business of the enterprise Relevant, according to the national unified standard quota or quota government Except for government subsidies received)	28,883,410.87	28,883,410.87	39,812,323.97	
Except for effective hedging related to the company's normal business operations In addition to value-added services, holding transactional financial assets, transactional				
Profit and loss from changes in fair value of financial liabilities and Disposal of transactional financial assets, transactional financial liabilities and	6,482,842.89	-33,590,130.25	45,799,716.78	

Investment income from available-for-sale financial assets			
Other non-operating income and expenses other than the above 13,507,572.48	1,947,356.94	4,341,672.16	
Other profit and loss items that meet the definition of non-recurring gains and losses	2,757,973.60		
Less: the amount of income tax impact	23,154,404.86	-1,651,603.87	45,671,159.41
Minority shareholders' equity impact (after tax)	-1,008,735.58	129,547.24	3,139,005.33
total	107,308,983.88	-6,572,888.22	40,866,163.45

Definition of the company in accordance with "Interpretative Announcement No. 1 on Information Disclosure of Companies Offering Securities to the Public-Non-recurring Profit and Loss

Defined non-recurring profit and loss items, and the "Interpretative Announcement on Information Disclosure of Companies Offering Securities

The non-recurring gains and losses items listed in "Recurring gains and losses" are defined as recurring gains and losses, and the reasons should be explained.

Applicable Not applicable

The company does not exist during the reporting period.

The definition and enumeration of non-recurring gains and losses items defined as "recurring gains and losses" are defined as items of recurring gains and losses.

Section 3 Company Business Overview

1. The main business of the company during the reporting period

Does the company need to comply with the disclosure requirements of special industries

no

(1) Company business and business model

The company is mainly engaged in the research and development and manufacturing of copper tubes, copper rods, copper tube connectors, copper-aluminum composite conductors, aluminum profiles and other products And sales. The company's products are widely used in air conditioning and refrigerator refrigeration, construction water pipes, seawater desalination, shipbuilding, nuclear power facilities, Equipment manufacturing, automobile industry, electronic communication, transportation, hardware machinery, electric power and other industries.

The company is one of the world's largest and most competitive copper processing enterprises in the world. It is the largest copper pipe and copper pipe fitting in China. It is one of the leading enterprises in the copper processing industry.

The company's production and operation adopts the "production by sales" business model, and the product sales adopt the "raw material price + processing fee" Price model, thereby earning a profitable model of stable processing fees.

(2) Development status and prospects of the company's industry

1. Development prospects of the company's industry

After years of development, China's copper processing industry has made great progress, but still faces inconsistent industrial structure Management, independent innovation ability is not strong, environmental pollution problems are prominent, energy-saving emission reduction tasks are arduous and other issues. With prices in recent years, In the fierce competition in the market and other aspects, copper products are facing both the growing challenges of other competitive materials and modern technology. The urgent need for high reliability, high performance, and miniaturization of copper products has impacted the low-end copper processing market.

China is at a stage of transition from traditional copper processing to modern precision copper processing The cost advantage has basically disappeared, and is facing a trend from extensive to intensive development. Future industry development will continue to phase out production Low-end copper processing products with excess capacity and low added value of products are guided by innovation, with high technology, high precision and high added value Development direction, constantly improving product performance and quality, optimizing industrial structure, reducing production costs, and improving production efficiency.

The current policy of China on the copper processing industry is mainly to accelerate the adjustment and optimization of industrial structure, and vigorously develop a circular economy. To achieve the sustainable development of the copper industry, to meet the growing demand for copper products in the development of the national economy, and to have a certain production Enterprises with strong business scale and strong R & D and innovation capabilities continue to develop healthily.

2. The development status of the company's industry

10

The downstream of China's copper pipe manufacturing industry is mainly the air-conditioning and refrigeration industry. After years of development, the air-conditioning industry has been continuously concentrated improve. However, China's copper pipe manufacturing industry has a low concentration and serious product homogeneity. The overall professionalization and automation of the industry All times lower, it is easy to be at a disadvantage in the industrial chain. Copper tube manufacturing companies and downstream air-conditioning manufacturing companies in product pricing, accounting period, etc. The issue has always been in a passive position. In recent years, downstream customers' demand for high-performance, high-precision, low-energy The risk of copper price fluctuations and the increasing pressure on the demand for working capital have caused the development of copper pipe processing enterprises to be extremely unbalanced. Enter the reshuffle phase. At present, the copper pipe manufacturing industry urgently needs industry leading enterprises to lead the industry integration, through mergers and acquisitions, Industry upgrading and other methods to eliminate backward production capacity, reduce unhealthy competition, concentrate superior resources and vigorously improve the degree of refinement and product addition Value, rational planning of production capacity and industrial chain layout, so as to improve the upstream and downstream industrial chain of China's copper pipe manufacturing industry and the same industry worldwide Market position in competition.

Through industry integration, industry concentration will gradually increase, forming a leading-tier manufacturer-led, supplemented by small and medium-sized enterprises Competitive landscape. With the development of scale and specialization in the industry, the polarization of the copper tube manufacturing enterprise model has become more prominent. Large copper processing enterprises are developing towards scale and internationalization, while small copper processing enterprises are developing towards specialization and specialization

exhibition.

With the accelerating process of integration in the copper pipe manufacturing industry, the in-depth "destocking" adjustment of the air-conditioning manufacturing industry has ended. South and Southeast Asia As the demand in emerging markets expands, China's copper tube manufacturing companies, especially leading companies, face many opportunities for development. Although copper price The rise has suppressed the consumption of copper processing products to a certain extent, but as the people 's requirements for quality of life continue to The demand for industrial products is also increasing. In addition, marine engineering, seawater desalination, defense military industry and other industries have also developed to a certain extent The above alleviated the impact of rising copper prices.

2. Major changes in major assets

1. Major changes in major assets

Main assets	Description of major changes
Equity assets	Mainly due to the use of equity method accounting for associates.
Fixed assets	The main reasons are the completion of the copper processing construction and technical transformation projects and the consolidation and increase under different control.
Intangible assets	The main reason is that the company purchased land for related construction projects
Construction in progress	The main reason is the implementation of related copper processing construction and technological transformation projects.

2. Main overseas assets

√ Applicable □ Not applicable

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Asset specific content	Cause of formation	asset size	location	Operating mode	Guarantee asset security		Foreign assets accounted for	
					Total control	Income status	Company Net Assets	Whether there is heavy Great impairment risk
				Measures		The proportion of		
Hong Kong Hailiang Copper Trade limited company	business expansion	299,669.24 Ten thousand yuan	China Hong Kong	Distribution metal	Adopt a subsidiary	Net profit during the reporting period		
Division				Materials and products	Management Mode	Run 5,219.52 Ten thousand yuan	9.43%	No
Hailiang (Vietnam) Copper Corporation	business expansion	293,130.60 Ten thousand yuan	Vietnam	Copper or copper alloy	Adopt a subsidiary	Net profit during the reporting period		
Division				Product production	Management Mode	Run 12,809.51 Ten thousand yuan	9.93%	No
LOYAL HAILIANG COPPER (THAILAND) CO., LTD.	Equity acquisition	937,007,700 yuan	Thailand	Made for air	Adopt a subsidiary	Net profit during the reporting period		
				Gas and refrigeration	Management Mode	Run 3,436.05 Ten thousand yuan	2.64%	No
				Seamless phosphorus bronze	Management Mode	Run 3,465.90 Ten thousand yuan	1.98%	No
				(DHP) Copper tube				
JMF Company	Equity acquisition	300,272.35 million yuan	United States	Air conditioning and refrigeration	Adopt a subsidiary	Net profit during the reporting period		
				Plumbing and building materials	Management Mode	Run 3,465.90 Ten thousand yuan	1.98%	No
				Product distribution; Insulation pipe				
				Industrial and distribution				

Other situations
Bright no

3. Analysis of core competitiveness

Does the company need to comply with the disclosure requirements of special industries

no

1. Excellent elite gathering ability

An excellent team of elite talents is the core element of Hailiang's continuous and rapid development. The company has an inclusive culture

Gather excellent teams, train and introduce first-class excellent management and technical talents; build a business platform with development and innovation for management

Talents provide career platform, provide technical innovation platform for technicians; drive team development with perfect incentives, through perfection

The company's incentive system (short-term, medium-term, and long-term) stimulates the enthusiasm and pioneering nature of the team, making it a Hailiang share

Key factors in the development strategy.

2. Leading fine management capabilities

Hailiang shares were established "based on innovation as the foundation of business, refined management as the treasure of success, and precise budget as the first step in development".

A comprehensive system of modern production management has been established. The company achieves high-efficiency personnel through an efficient organization and operation model.

12

The production management mechanism realizes the high efficiency of the production line, and is regarded by the industry as a "fine management" benchmark enterprise.

The indicators are ahead of their peers.

3. Sound risk control system

Hailiang shares the business philosophy of "only earn processing fees, not speculate in the copper market", and has a complete set of systematic risk control system. The company guarantees the company's profitability through a perfect net inventory risk management and control system; through a sound exchange rate risk management

Control system to effectively reduce exchange rate risk; through scientific account receivables management and control system, to minimize the loss of bad debts. The body

The system has been verified in many events of large fluctuations in copper prices and exchange rates, effectively avoiding copper prices and exchange rate fluctuations

The risks come from, maintaining the company's stable performance growth and benign development.

4. Strong equipment and process research and development capabilities

Hailiang shares adhering to the concept of "manufacturing and R & D", and has a national "enterprise technology center" and a national doctorate

Qualified technology platforms such as post-scientific research stations; composed of many academicians, more than 100 domestic and foreign copper processing experts and more than 1,000 reserve technology

The technical team composed of technical backbones; and market demand-oriented, with engineering and technical personnel as the core, advanced global enterprises,

Technology, equipment and patents are benchmarks, and research and development systems take scientific and technological projects as carriers.

5. Strong upstream and downstream bargaining power

Relying on the global layout of production bases and scale effects, Hailiang has a strong global procurement and supply chain resource allocation

And the advantages of integration. The company's control of resource channels from the global market can greatly reduce the cost of raw material purchases and increase the original cost

Guarantee of material supply; at the same time, as the company's scale and product competitiveness increase, downstream customers

Increased reliance and enhanced relative premium capacity.

13

Section IV Discussion and Analysis of Business Situation

I. Overview

(I. Overview

In 2018, the world copper processing material industry generally maintained a good situation, but with the tightening of macro policies and China-US trade dispute has hindered and slowed down China's manufacturing industry in 2018, and the output of major industrial products has also declined. here In the context, the overall operation of China's copper processing industry remained stable in 2018, and the output of copper processing materials in China was 17.81 million tons in 2018. An increase of 3.4% from 2017.

During the reporting period, Hailiang continued to adhere to the development strategy of 2025, focusing on "becoming a "Master" development vision, accelerate the construction of new production lines, optimize the layout of industrial bases, strengthen technical innovation, and seize opportunities The implementation of industry mergers and acquisitions has accelerated the reshuffle of industries worldwide, further enhancing the company's product manufacturing capabilities and market share. The operating capacity of the company was further strengthened.

In 2018, the company's sales of copper processed materials amounted to 693,500 tons, an increase of 25.73% over the same period of last year (including The sales volume of the processing business was 123,900 tons); the company achieved operating income of RMB 40,596,663,400, an increase from the same period last year 36.16%; realized a total profit of RMB 107,226,700, an increase of 37.77% over the same period of the previous year; net attributable to shareholders of listed companies The profit was 890,793,300 yuan, an increase of 28.85% over the same period of the previous year.

(2) In 2018, the company's main operating work

1. The manufacturing capacity continues to improve, leading the industry to become more stable

During the reporting period, the company raised investment project "Guangdong Hailiang's annual output of 75,000 tons of high-efficiency energy-saving and environmentally friendly precision copper pipe information production line", "Anhui Hailiang annual output of 90,000 tons of high-efficiency energy-saving and environmentally friendly precision copper pipe information production line project" and other projects continued. Some production lines have been put into operation one after another, which further strengthens the company's product manufacturing capacity and market competitiveness. The market share continues to increase.

In recent years, on the one hand, the company has steadily expanded its production capacity through continuous construction and renovation of production lines. Through global industry mergers and acquisitions, the company's production capacity and market share have been rapidly increased, and the company's product manufacturing capacity has continued to expand. 2018 The company's sales of copper processed materials amounted to 693,500 tons, an increase of 25.73% over the same period of the previous year. In the past 5 years, the company's sales, The compound growth rate of total operating income and net profit attributable to the parent company reached 28.08%, 25.46% and 25.79%, respectively. Far more than the growth rate of global copper pipe market consumption (according to the data provided by IWCC, the global copper pipe market consumption from 2013 to 2018 The compound volume growth of 3.09%), the company's global industry leader position is becoming more and more stable.

14

2. Settling in Chongqing and the United States to improve the layout of domestic and global production bases.

During the reporting period, the company's domestic southwest production base and the US production base started construction. The company is currently in Based on production bases in Hai, Anhui, Taishan, Guangdong, Zhongshan, Guangdong, and production bases in Southeast Asia, Vietnam, and Thailand, Sub-Chongqing and Houston, USA have established copper processing production bases, which has perfected the company's domestic and global production bases. The layout complements the company's supply shortcomings in some important markets, and realizes the company's production and supply capabilities in all regions. Comprehensive coverage of important global markets.

In addition, the global base layout will further build and enhance the company's global manufacturing brand of copper pipes and improve the company's copper pipes. The global influence and competitiveness of the products are conducive to enhancing the brand value of the company's copper tube products in the global market. To achieve a certain level of brand premium by market. At the same time, the global multi-base layout allows the company to fully utilize and deploy the global Market and global resources, optimize the company's procurement and supply chain system to achieve the company's comprehensive management benefits.

3. Expand capital strength and optimize the company's financial structure

During the reporting period, the company successfully implemented the non-public offering of A shares. According to the April 23, 2018, China Securities Supervision and Administration Commission "Approval on the Approval of Zhejiang Hailiang Co., Ltd.'s Non-Public Issuance of Shares" (Securities Regulatory License (2018) No. 616), the company issued 256,860,319 shares to specific objects, and the net proceeds were RMB 2,049,585,713.01. The smooth implementation of this issuance has greatly increased the company's total assets and net assets, raised its financial strength, and financial structure. It will become more reasonable and the asset-liability ratio will be effectively reduced, which will continue to expand the company's future business scale and the healthy and rapid performance of the company. Growth has laid a solid capital foundation.

In addition, the company initiated the public issuance of A-share convertible corporate bonds in November 2018. Through the issuance of convertible corporate bonds, the raised funds shall not exceed RMB 3.25 billion (including RMB 3.25 billion) to further Expand the company's capital strength to ensure the smooth implementation and healthy development of the company's development strategy.

4. Seize the opportunity to implement industry mergers and acquisitions, and accelerate the reshuffle of industries worldwide

At present, domestic copper processing enterprises have low manufacturing technical capabilities, small scale, and scattered production.

The downstream customers' demand for high-performance, high-precision and low-energy consumption products continues to expand, and copper processing companies have developed and refined technology. The increasing requirements for management have led to the extremely uneven development of domestic copper processing enterprises at this stage, and the industry is entering a comprehensive reshuffle stage.

During the reporting period, the company completed the acquisition of copper rod production company Chengdu Beide Copper Co., Ltd.

Upon completion of the delivery, a better M & A coordination effect was achieved immediately, and the overall operating performance in 2018 was significantly improved.

At the same time, during the reporting period, the company continued to seek opportunities for industry mergers and acquisitions and cooperation worldwide, and actively selected high-quality Assets, advance M & A in multiple ways and in many ways to quickly enhance the company's competitiveness and influence in the global market. 2019

15

In January 2015, the company signed the "Equity Asset Purchase Agreement" with the global copper processing industry leader KME Group, the company will Acquired five copper alloy rod and copper pipe factories in Germany, France, Italy and Spain.

5. Consolidate the achievements of technological R & D and lead the industry to leapfrog development

The company adheres to the strategy of strengthening enterprises with science and technology, constantly implements technological transformation and process updating, and intensifies research and development of new products. Reporting period In the company, the company won the first place in the "Top Ten Copper Pipe Enterprises in China" by the China Nonferrous Metal Processing Industry Association. The copper pipes of the company were selected in the "third batch of manufacturing industry" jointly selected by the Ministry of Industry and Information Technology and the China Federation of Industrial Economy. List of single champion products. The company's large-disc copper tube production technology project for air conditioning and refrigeration, continuous casting of copper and copper alloy rods -Online curling technology project, manufacturing technology of precision aluminum alloy flat tubes for new energy heat exchangers, manufacturing of precision aluminum alloy valve body profiles 5 new achievements including technology, manufacturing technology of aluminum alloy microchannel flat tubes for parallel flow heat exchangers, etc. passed the provincial new products (technology, Process) identification.

During the reporting period, the company applied for a total of 148 patents, including 43 invention patents, and completed discussions on 6 national industry standards Discussion drafting work. As of December 31, 2018, the company has a total of 372 patent certificates, including 140 invention patents Items, 232 utility models.

Second, the main business analysis

1. Overview

See "I. Overview" in "Discussion and Analysis of Business Situation".

2. Revenue and cost

(1) Composition of operating income

unit: yuan

2018

2017

YoY increase and decrease

	Amount	% Of operating income	Amount	% Of operating income	
Total operating income	40,596,624,275.45	100%	29,816,268,253.96	100%	36.16%
sector					
Copper processing industry	32,839,573,963.59	80.89%	24,282,445,778.30	81.44%	35.24%
other industry	286,534,857.39	0.71%	504,442,089.88	1.69%	-43.20%
Raw materials and other trade	7,470,515,454.47	18.40%	5,029,380,385.78	16.87%	48.54%
Product					
Copper tube	30,394,534,193.01	74.87%	23,091,916,670.87	77.45%	31.62%

16

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Copper rod	1,787,313,676.50	4.40%	1,190,529,107.43	3.99%	50.13%
Copper bar	657,726,094.08	1.62%			
other	286,534,857.39	0.71%	504,442,089.88	1.69%	-43.20%
Raw materials, etc.	7,470,515,454.47	18.40%	5,029,380,385.78	16.87%	48.54%
By region					
Domestic sales	26,796,247,700.25	66.01%	19,447,474,585.98	65.22%	37.79%
Overseas sales	13,800,376,575.20	33.99%	10,368,793,667.98	34.78%	33.10%

(2) Industry, product or region that accounts for more than 10% of the company's operating income or operating profit

Applicable Not applicable

Does the company need to comply with the disclosure requirements of special industries

no

unit: yuan

	Operating income	Operating cost	Gross margin	Gross margin is the same as last year		
				Operating income	Operating cost	Gross margin
Same period increase or decrease						
sector						
Copper processing industry	32,839,573,963.59	30,649,912,033.57	6.67%	35.24%	35.21%	0.02%
Product						
Copper tube	30,394,534,193.01	28,306,094,758.09	6.87%	31.62%	31.34%	0.20%
Copper rod	1,787,313,676.50	1,700,600,610.42	4.85%	50.13%	52.22%	-1.31%
Copper bar	657,726,094.08	643,216,665.06	2.21%			
By region						
Domestic sales	20,578,466,510.45	19,427,765,793.09	5.59%	33.53%	32.57%	0.68%
Overseas sales	12,261,107,453.14	11,222,146,240.48	8.47%	38.20%	40.04%	-1.20%

In the case that the statistical caliber of the company's main business data is adjusted during the reporting period, the company's

Adjusted main business data

Applicable Not applicable

(3) Whether the company's sales revenue in kind exceeds the labor service revenue

Yes No

17

Page 18

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Category	project	unit	2018	2017	YoY increase and decrease
	Sales	Ton	571,387.09	447,310.61	27.74%
Copper processing industry	Production	Ton	571,874.96	451,116.79	26.77%
	inventory	Ton	20,463.48	19,620.19	4.30%

The reason why the relevant data has changed by more than 30% year-on-year

Applicable Not applicable

(4) The performance of the company's signed major sales contract as of the reporting period

Applicable Not applicable

(5) Operating cost structure

Industry and product classification

unit: yuan

Category	project	2018		2017		YoY increase and decrease
		Amount	% Of operating costs weight	Amount	Accounting for operating costs proportion	
Copper processing industry	Raw materials	22,786,344,802.22	59.46%	16,343,983,762.86	58.15%	39.42%
Copper processing industry	Wages	307,550,191.26	0.80%	244,421,351.34	0.87%	25.83%
Copper processing industry	Manufacturing costs	1,248,481,602.90	3.26%	1,125,693,092.43	4.01%	10.91%

unit: yuan

Product Categories	project	2018		2017		YoY increase and decrease
		Amount	% Of operating costs weight	Amount	Accounting for operating costs proportion	
Copper tube	Raw materials	20,574,492,774.06	53.69%	15,289,902,138.82	54.40%	34.56%
Copper tube	Wages	278,269,092.27	0.73%	224,269,580.01	0.80%	24.08%
Copper tube	Manufacturing costs	1,145,797,454.57	2.99%	1,082,724,426.56	3.85%	5.83%
Copper rod	Raw materials	1,630,808,982.92	4.26%	1,054,081,624.04	3.75%	54.71%
Copper rod	Wages	22,341,189.87	0.06%	20,151,771.33	0.07%	10.86%
Copper rod	Manufacturing costs	47,450,437.63	0.12%	42,968,665.87	0.15%	10.43%
Copper bar	Raw materials	581,043,045.24	1.52%			

Copper bar	Wages	6,939,909.12	0.02%
Copper bar	Manufacturing costs	55,233,710.70	0.14%

Explanation

18

Page 19

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

no.

(6) Whether the scope of consolidation has changed during the reporting period

Yes No

During the reporting period, the company set up five wholly-owned subsidiaries: Chongqing Hailiang Copper Co., Ltd. and Chongqing Hailiang Metal Materials Co., Ltd.

Company, Chongqing Hailiang International Trade Co., Ltd., Hong Kong Hailiang Holdings Co., Ltd., Hailiang Copper Texas Co., Ltd. ;

Acquisition of a company: Chengdu Bede Copper Co., Ltd.

(7) Major changes or adjustments in the company's business, products or services during the reporting period

Applicable Not applicable

(8) Main sales customers and main suppliers

The company's main sales customers

Total sales amount of the top five customers (yuan)	9,156,605,675.28
The proportion of the total sales of the top five customers to the total annual sales	22.55%
The ratio of the sales of related parties to the total annual sales in the sales of the top five customers	0.00%
example	

Top 5 customer information of the company

Serial number	client's name	Sales (yuan)	% Of total annual sales
1	First place	3,740,650,711.04	9.21%
2	Second place	2,138,640,245.20	5.27%
3	Third place	1,382,263,543.16	3.40%
4	fourth place	985,251,841.51	2.43%
5	the fifth place	909,799,334.37	2.24%
total	-	9,156,605,675.28	22.55%

Major customers' other information

Applicable Not applicable

The company's main suppliers

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Total purchase amount of the top five suppliers (yuan)	7,980,158,700.09
The proportion of the total purchase amount of the top five suppliers to the total annual purchase	20.62%
The purchase amount of related parties accounts for the total annual purchase amount in the purchase amount of the top five suppliers proportion	0.00%

Company Top 5 Supplier Information

Serial number	Supplier name	Purchase amount (yuan)	Percentage of total annual purchase
1	First place	1,925,744,438.50	4.98%
2	Second place	1,653,580,034.50	4.27%
3	Third place	1,543,007,299.57	3.99%
4	fourth place	1,432,801,852.75	3.70%
5	the fifth place	1,425,025,074.77	3.68%
total	-	7,980,158,700.09	20.62%

Other facts about major suppliers

Applicable Not applicable

3. Cost

unit: yuan

	2018	2017	YoY increase and decrease	Description of major changes
sales expense	408,271,582.82	391,944,380.11	4.17%	
Management fees	387,624,498.13	371,057,145.04	4.46%	
Financial expenses	488,304,251.64	203,120,700.60	140.40%	The main reason is interest expense and net exchange loss increase;
R & D expenses	174,803,265.86	116,740,157.57	49.74%	The main reason is the increase in R & D investment;
Income tax expense	145,752,135.46	57,964,371.93	151.45%	The main reason is the income tax payable by Shanghai Hailiang And deferred income tax expense increase;

4. R & D investment

Applicable Not applicable

The company adheres to the strategy of strengthening enterprises with science and technology, constantly implements technological transformation and process updating, and intensifies research and development of new products. Reporting period

In the company, the company won the first place in the "Top Ten Copper Pipe Enterprises in China" by the China Nonferrous Metal Processing Industry Association.

The copper pipes of the company were selected in the "third batch of manufacturing industry" jointly selected by the Ministry of Industry and Information Technology and the China Federation of Industrial Economy.

List of single champion products. The company's large-dise copper tube production technology project for air conditioning and refrigeration, continuous casting of copper and copper alloy rods

-Online curling technology project, manufacturing technology of precision aluminum alloy flat tubes for new energy heat exchangers, manufacturing of precision aluminum alloy valve body profiles 5 new achievements including technology, manufacturing technology of aluminum alloy microchannel flat tubes for parallel flow heat exchangers, etc. passed the provincial new products (technology, Process) identification.

During the reporting period, the company applied for a total of 148 patents, including 43 invention patents, and completed discussions on 6 national industry standards Discussion drafting work. As of December 31, 2018, the company has a total of 372 patent certificates, including 140 invention patents Items, 232 utility models.

Company R & D investment

	2018	2017	Change ratio
Number of R & D personnel (person)	477	436	9.40%
Proportion of R & D personnel	6.69%	6.89%	-0.20%
R & D investment amount (yuan)	523,411,182.95	406,561,157.18	28.74%
R & D investment as a percentage of operating income	1.29%	1.36%	-0.07%
Amount of capitalized R & D investment (yuan)	0.00	0.00	0.00%
Capitalized R & D investment accounts for R & D investment proportion	0.00%	0.00%	0.00%

The reason for the significant change in the proportion of total R & D investment in operating income compared with the previous year

Applicable Not applicable

Reasons for the substantial change in the capitalization rate of R & D investment and its rationality

Applicable Not applicable

5. Cash flow

project	2018	2017	YoY increase and decrease
			unit: yuan
Subtotal of cash inflow from operating activities	46,136,220,515.10	33,036,357,725.07	39.65%
Subtotal of cash outflow from operating activities	43,529,673,812.24	36,149,904,571.65	20.41%
Net cash flow from operating activities amount	2,606,546,702.86	-3,113,546,846.58	183.72%
Subtotal of cash inflow from investment activities	140,792,308.89	1,373,771,937.04	-89.75%
Subtotal of cash outflows from investment activities	1,575,038,719.91	2,245,077,111.67	-29.84%
Net cash flow from investment activities amount	-1,434,246,411.02	-871,305,174.63	-64.61%
Subtotal of cash inflows from financing activities	13,581,576,583.26	12,735,592,777.42	6.64%

twenty one

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Subtotal of cash outflows from financing activities	14,182,491,995.27	9,489,594,400.50	49.45%
Net cash flow from financing activities amount	-600,915,412.01	3,245,998,376.92	-118.51%
Net increase in cash and cash equivalents	656,820,871.82	-780,828,442.68	184.12%

Explanation of the main influencing factors of significant changes in relevant data year-on-year

Applicable Not applicable

1. The net inflow of cash flow from operating activities during the reporting period was 2.607 billion yuan, mainly due to the company's comprehensive financial Capital cost, timely adjust the purchase settlement method with the supplier, accelerate the receivable bill turnover and other methods to achieve extended payment cycle, Optimized and reduced financing costs;

2. The net cash flow from investment activities during the reporting period was a net outflow of 1.434 billion yuan, mainly due to the company's copper processing Increased investment in related projects;

3. The net cash flow from financing activities during the reporting period was a net outflow of 601 million yuan, mainly due to the company's The cost of financing and repayment of bank borrowings increased over the same period of the previous year.

Explanation of the reasons for the significant difference between the net cash flow generated by the company's operating activities during the reporting period and the current year's net profit

Applicable Not applicable

During the reporting period, although the sales volume of copper processing products increased significantly resulting in an increase in current assets, the company In this way, timely adjust the purchase settlement method with the supplier, speed up the receivables turnover, etc. to achieve the extension of payment cycle and optimize And reduce financing costs.

3. Analysis of non-main business

Applicable Not applicable

unit: yuan			
Amount	% Of total profit	Description of formation	Is it sustainable
		Mainly for the use of equity in associates	Among them, the equity method is adopted for associates
Investment income	1.32%	Investment income and disposal	The calculated investment income is sustainable
		Foreign exchange-derived financial instruments income	Sex
Changes in fair value gains and losses	13.15%	Mainly for foreign exchange derivative financial instruments	No sustainability
		Income from changes in fair value	
Asset impairment	-0.39%	Mainly bad debt losses, loan impairment	Sustainable
		Accrual of losses	

twenty two

Non-operating income	56,148,176.31	5.24%	mainly for various government subsidies	No sustainability
Operating expenses	3,685,479.52	0.34%	Mainly for all kinds of donations, compensation, fines	No sustainability
			Money	

4. Analysis of assets and liabilities

I. Significant changes in asset composition

unit: yuan

	End of 2018		End of 2017		Increase or decrease in proportion	Description of major changes
	Amount	Of total assets proportion	Amount	Of total assets proportion		
Money funds	3,371,183,597.58	17.54%	688,383,667.58	4.51%	13.03%	The main reason is that the company is used for letter of credit issuance, Issuance of financing guarantee and bank acceptance draft guarantee Increase in the amount of the deposit
accounts receivable	3,677,162,914.97	19.13%	3,401,063,215.98	22.26%	-3.13%	The main reason is the sales volume of the company's copper processed products increase
stock	2,918,432,300.83	15.19%	2,553,521,186.18	16.71%	-1.52%	The main reason is the company's copper processing product production regulations Mode expansion
Investment real estate	335,689,602.36	1.75%	43,371,404.71	0.28%	1.47%	The main reason is that the company buys land in the United States For rent
Long-term equity investment	1,560,813,363.15	8.12%	1,491,746,038.48	9.76%	-1.64%	The main reason is the company's right to adopt an associate Profit accounting
Fixed assets	1,600,174,242.66	8.33%	1,526,981,307.77	9.99%	-1.66%	The main reason is the company's copper processing construction and technological transformation Completion of project completion and consolidation and merger under different control increase
Construction in progress	562,878,423.78	2.93%	253,529,989.18	1.66%	1.27%	The main reason is that the company implements related copper processing and construction Design and technical transformation project
short-term loan	4,108,790,798.52	21.38%	4,619,783,073.46	30.23%	-8.85%	
Long term loan	525,769,100.00	2.74%	1,445,344,399.99	9.46%	-6.72%	The main reason is that long-term loans are converted into Non-current liabilities
Measured at fair value						
And its changes are included in the						
Gold financing	101,919,873.37	0.53%	19,093,938.60	0.12%	0.41%	The main reason is that the company's forward foreign exchange trading floats Increased profit
Produce						
bill receivable	1,393,856,619.52	7.25%	1,767,290,771.48	11.57%	-4.32%	The main reason is the increase in discounted corporate bills
Loans and advances issued	819,751,636.80	4.27%	958,566,764.28	6.27%	-2.00%	The main reason is that the company's external loans are reduced
Intangible assets	523,236,150.46	2.72%	330,062,946.24	2.16%	0.56%	The main reason is that the company purchases related construction projects Land

twenty three

Bills payable	919,000,000.00	4.78%	286,000,000.00	1.87%	2.91%	The main reason is that the company pays for material purchases.
---------------	----------------	-------	----------------	-------	-------	--

						Increase in bills
accounts payable	3,483,247,145.85	18.12%	2,170,802,575.13	14.21%	3.91%	The main reason is that the company has not paid the materials Increase in purchases
Non-expired within one year						The main reason is that long-term loans are converted into
Current liabilities	968,786,229.77	5.04%	294,125,102.51	1.92%	3.12%	Non-current liabilities
Share capital	1,952,458,432.00	10.16%	1,695,598,113.00	11.10%	-0.94%	The main reason is that the company completed the non-public offering of shares Ticket
Capital reserve	2,309,674,999.78	12.02%	525,563,219.87	3.44%	8.58%	The main reason is that the company completed the non-public offering of shares Ticket

2. Assets and liabilities measured at fair value

Applicable Not applicable

unit: yuan

project	Opening number	Fair value of the current period Variable profit and loss	Accrued Calculate fair value change move	Decrease accrued in this period value	Current sales Current purchase amount	amount	End of period
monetary assets							
2. Derivatives financing							
Produce	19,093,938.60	81,602,451.39	1,223,483.38				101,919,873.37
Subtotal of financial assets	19,093,938.60	81,602,451.39	1,223,483.38				101,919,873.37
The above	19,093,938.60	81,602,451.39	1,223,483.38				101,919,873.37
Financial liabilities	64,587,001.37	59,412,217.99		-237,081.16			5,411,864.54

During the reporting period, has the company's main asset measurement attributes changed significantly?

Yes No

3. Restrictions on asset rights as of the end of the reporting period

project	Book value at the end of the period	Restricted cause
Money funds	2,181,122,875.19	Used for letter of credit issuance, financing guarantee and bank acceptance draft
bill receivable	411,495,676.70	used for bank loan pledge
accounts receivable	326,104,769.14	for factoring loan pledge

twenty four

V. Analysis of investment status

1. Overall situation

Applicable Not applicable

Investment during the reporting period (yuan)	Investment amount in the same period of last year (yuan)	Variation
2,061,827,268.86	903,269,730.93	128.26%

2. Significant equity investment obtained during the reporting period

Applicable Not applicable

3. The major non-equity investment in progress during the reporting period

Applicable Not applicable

unit: yuan

Item name	investor	Is it Fixed assets Investment	Investment Project investment Amount	This report End of the period Cumulative real Inter-investment Amount	End of the period Funds come Project progress source degree	Expected closing degree beneficial	Deadline not reached End of the period Cumulative Current income	Plan to enter Disclosure Degree and Period (eg Have)	Disclosure Cited (such as Have)
Year of expansion 50,000 tons Efficient festival Can be environmentally friendly Self-built Precision copper Management Information Chemical production Line item Annual output 17 10,000 tons of copper And copper Gold bar Construction item Project (Phase I project) Annual output of 30,000 Tons efficient Energy-saving Bao Precision Copper pipe wisdom		Yes	Copper processing industry	112,546, 072.81	Self-raised		2018 Not applicable day	Announcement number: December 01 2018-07 3	
		Yes	Copper processing industry	9,920.63, 6.89	Self-raised		2018 Not applicable day	Announcement number: December 01 2018-07 3	
		Yes	Copper processing industry	33,086.1, 07.82	Self-raised		2018 Not applicable day	Announcement number: December 01 2018-07 3	

25

Can make project Nonferrous gold Material	Deep (fine) Processing items Mesh	Self-built Items	Yes	Copper processing industry	35,121.0, 77.40	Self-raised	2018 Not applicable day	Announcement number: December 01 2018-07 3

period)										
total	-	-	190,673,	190,673,	-	-	0.00	0.00	-	-
			894.92	894.92						

4. Financial assets measured at fair value

Applicable Not applicable

unit: yuan

asset types	Initial investment cost	Fair value of the current period	Equity	During the reporting period		Cumulative investment amount at the end of the period	Sofunds	of funds
			Variable profit and loss	Purchase amount	Amount sold			
Financial derivatives	0.00	141,014,669.38	986,402.22	0.00	0.00	-79,331,826.49	96,508,008.83	own funds
total	0.00	141,014,669.38	986,402.22	0.00	0.00	-79,331,826.49	96,508,008.83	-

5. Use of raised funds

Applicable Not applicable

(1) Overall use of raised funds

Applicable Not applicable

Unit: ten thousand yuan

Way of raising year	Fund raising lump sum	This issue has accumulated		During the reporting period			Regulatory changes Unused	Unused Fund raising	Idle for two years
		Fundraising	Fundraising	Repurpose	Raise	Raise			
		Total amount	Total amount	Fundraising Total amount	Total funds raised amount	Total funds raised Amount ratio	Fund raising lump sum	Use and go to	Raised above Funding amount
2018	Non-public development Stock	207,800	184,049.96	184,049.96			23,778.31	23,778.31	

Unused Fundraising The gold balance is Ten thousand yuan, of which 160 million Yuan has been used

26

Temporary supplement
 Working capital,
 The rest are kept
 Raise
 Special funds
 Account (including fundraising
 Pooled funds
 Interest
 288,800
 Yuan), above
 Fund raising

The balance will be used

Fundraising

Gold project.

total - 207,800 184,049.96 184,049.96 0 0 0.00% 23,778.31 - 0

Description of the overall use of raised funds

Approved by the China Securities Regulatory Commission's "Approval on the Approval of Zhejiang Hailiang Co., Ltd.'s Non-Public Issuance of Shares" (Zhenjian License [2018] No. 616), this
 The company issued RMB 256,860,319 ordinary shares (A shares) by way of non-public issuance of shares to the society at an issue price of 8.09 yuan per share. As of 2018
 On September 19, the company actually issued 256,860,319 shares of RMB ordinary shares (A shares) to the society, with a total raised capital of 2,077,999,980.71 yuan, deducted
 Excluding underwriting fees, sponsorship fees, audit fees, lawyer fees, information disclosure and other issuance costs of RMB 28,414,267.70, the actual net raised funds are RMB 2,049,585,713.01
 yuan. The availability of the above funds was verified by Daxin Certified Public Accountants (Special General Partnership), and Daxin Yanzi [2018] No. 4-00034 "Capital Verification Report" was issued.
 In this year, the fund-raising projects have used raised funds of 1,812,085,373.94 yuan to temporarily replenish working capital of 160 million yuan, and each special fund-raising account received deposits
 Interest is RMB 282,799.14, and unused raised funds are RMB 77,783,138.21, which is consistent with the ending balance of the raised funds account.

(2) Promised projects of raised funds

Applicable Not applicable

Unit: ten thousand yuan

Commitment to investment projects	Capital investment (Inclusive change)	Fund raising lump sum	Cast after adjustment (1)	Cast after adjustment Amount invested (2)	As of the end of the reporting period Cumulative investment Amount (2)	As of the end of the reporting period Investment scheduled to make (3) = (2) / (1)	Use state day period	The project is feasible	This reporting period Achieved effect	Expected benefit	Significant changes

Commitment to investment projects

Acquisition of three target companies no 100% equity projects of the company	88,800	88,800	88,800	88,800	100.00%			Not applicable			
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Guangdong Hailiang has an annual output of 75,000 tons

High-efficiency, energy-saving and environmental friendly alloy pipe fittings	1,000	1,000	1,000	1,000	100.00%	25,006.04	83.35%	no	no		
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Management information production line project

Anhui Hailiang has an annual output of 90,000 tons

High-efficiency, energy-saving and environmental friendly alloy pipe fittings	7,000	7,000	7,000	7,000	100.00%	26,999.88	72.97%	no	no		
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Management information production line project

High-precision environmentally friendly copper and copper

Intelligent manufacturing of alloy pipe fittings	5,400	5,400	1,382.92	1,382.92	25.61%			no	no		
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Technical transformation project

10,000 tons per year

For high-efficiency parallel flow heat exchangers	6,000	6,000	2,653.57	2,653.57	44.23%			no	no		
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Micro-channel aluminum alloy flat tube

construction project

Copper and copper alloy pipe intelligence	4,600	4,600	3,207.56	3,207.56	69.73%			no	no		
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Manufacturing Project

Supplementary liquidity projects	33,158.57	33,158.57	33,158.57	33,158.57	100.00%			Not applicable			
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Subtotal of committed investment projects	204,958.5	204,958.5	181,208.5	181,208.5				0	-	-	-
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	7	7	4	4							
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Super funds raised									
Not applicable									
total	204,958.5	204,958.5	181,208.5	181,208.5					
	7	7	4	4					

Did not reach the planned progress or expected

Situation and reasons for calculation ~~Not applicable~~

(By specific items)

Project feasibility is significant Not applicable

Description of changes

Amount and purpose of over-investments ~~Not applicable~~

And use progress

Not applicable

Raised funds for investment projects

Change of application location

Not applicable

Raised funds for investment projects

Adjustment method

Be applicable

As of August 31, 2018, the initial investment amount of the company's fundraising project was RMB 1.3022815 million. Daxin Certified Public Accountants

Raise funds to invest in projects first Special General Partnership) As of August 31, 2018, the company

Period investment and replacement Special Explanation of Jin" was reviewed, and an audit report of No. 4-00093 [2018] of Daxin Special Review was issued. The company in September 2018

The twenty-second meeting of the sixth session of the Board of Directors was held on December 27 to review and approve the

The Proposal of Self-owned Funds, the company replaced the self-owned funds of RMB 1.3222815 million with the raised funds in advance for investment projects invested with raised funds.

By the end of 2018, the replacement has been completed.

Raise funds temporarily with ~~Be~~ applicable

Supplementary liquidity The 22nd meeting of the 6th Board of Directors held on September 27, 2018 reviewed and approved the

The Proposal to Temporarily Replenish Funds with Liquid Funds, agrees that the company should use no more than RMB 200 million (including the number) to idle to raise funds temporarily

Replenishment of working capital shall not exceed 12 months from the date of approval by the board of directors. As of December 31, 2018, the company will

The raised funds of 160 million yuan are used to supplement working capital.

Project implementation raises ~~Not applicable~~

The amount and reason of the gold balance

Raised funds not yet used For projects

Purpose and destination

Use and disclosure of raised funds

Problems or others Not applicable

Happening

(3) The situation of the project of the change of raised funds

Applicable Not applicable

During the reporting period of the company, there was no change in the project of raised funds.

6. Major asset and equity sale

1. The sale of major assets

Applicable Not applicable

The company did not sell any significant assets during the reporting period.

2. The sale of major equity

Applicable Not applicable

7. Analysis of major holding companies

Applicable Not applicable

Major subsidiaries and shareholding companies that affect more than 10% of the company's net profit

								unit: yuan
company name	Type of company	Main business	Registered capital	Total assets	Net assets	Operating income	operating profit	Net profit
Zhejiang Keyujin Materials are limited company	Subsidiary	Non-ferrous metals Production of raw materials Property management	RMB32,000 Ten thousand yuan	57,324,922. 49	532,100,812. 05	1,775,904,65 1.19	44,690,568.9 6	52,996,386.8 4
LOYAL	Subsidiary	For local and out	RMB50,000	937,510,694.	221,148,499.	2,301,943.19	42,671,079.7	34,360,501.0
HAILIANG		Provided by customers	Ten thousand yuan	10	76	0.22	8	9

29

COPPER (THAILAND) CO., LTD		High performance seamless Exploration refrigeration tube						
Hong Kong Hailiang Copper Trade limited company Division	Subsidiary	Metal materials and The advancement of its products Export business	USD88.2 million yuan	2,996,692.42 1.54	791,414,438. 01	17,600,531.7 81.86	51,784,272.2 3	52,195,234.1 3
Shanghai Hailiang Copper Industry Co., Ltd.	Subsidiary	Non-ferrous metal complex Material, new Alloy material Production and operation	USD 46.3 million yuan	2,606,369.68 3.77	760,386,408. 74	21,025,630.0 99.88	179,668,594. 92	129,326,674. 68
High Bright Otto Copper Guan (Guangdong) Limited company	Subsidiary	Production and operation fund Material, gold Composite gold New materials Gold material	RMB54,588. 6.17 million	762,116,476. 12	641,592,350. 48	2,293,841.85 4.86	77,194,066.9 2	63,438,154.7 9
Hailiang (Vietnam) Copper Corporation	Subsidiary	Copper castings plus Industrial and copper or copper Alloy products	USD 40 million	2,931,306.02	833,301,386.	2,823,219,38	134,795,929.	128,095,088.

Division	Production, metal scrap		9.07	19	9.94	70	67
	Material recycling						
	Copper and copper						
	Gold pipes, tubes						
Hailiang (Anhui) Copper Corporation Subsidiary	Pieces, metal	RMB53,000	1,558,618.51	719,137,417.	4,299,824.44	83,756,012.9	72,230,244.2
Division	Production and sales	ten thousand yuan	9.37	87	1.79	1	9
	Sales and import and export business						
	Production and sales:						
	Copper and copper alloys						
	Pipes, fittings,						
Guangdong Hailiang Copper Industry Co., Ltd. Subsidiary	Copper rods, copper pipes	RMB50,000	1,035,350.13	44,959,071.	2,361,492.49	101,155,968.	104,313,814.
	And other colored metal made from metal;	ten thousand yuan	5.03	89	3.25	38	11
	Renewable resources back collection and processing						

Acquisition and disposal of subsidiaries during the reporting period

Applicable Not applicable

company name	Acquisition and disposal of subsidiaries during the reporting period	Overall production, operation and performance
Chongqing Hailiang Copper Co., Ltd.	Investment establishment	During the reporting period, there was no huge influence

30

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Chongqing Hailiang International Trade Co., Ltd.	Investment establishment	During the reporting period, there was no huge influence
Chongqing Hailiang Metal Materials Co., Ltd.	Investment establishment	During the reporting period, there was no huge influence
Hong Kong Hailiang Holdings Limited	Investment establishment	During the reporting period, there was no huge influence
Hailiang Copper Texas Co., Ltd.	Investment establishment	During the reporting period, there was no huge influence
Chengdu Bede Copper Co., Ltd.	Merger formation	During the reporting period, there was no huge influence

Description of major holding companies

Unit: ten thousand yuan

company name	Reporting period		Increase or decrease Change amount
	last year	Net profit	
Shanghai Hailiang Copper Co., Ltd.	12,932.67	-13,966.06	26,898.73
Hong Kong Hailiang Copper Trading Co., Ltd.	5,219.52	22,478.60	-17,259.08
Guangdong Hailiang Copper Co., Ltd.	10,431.38	3,410.63	7,020.75
LOYAL HAILIANG	3,436.05	1,097.35	2,338.70
COPPER (THAILAND) CO., LTD.			
Hailiang Otto Copper Pipe (Guangdong) Co., Ltd.	6,343.82	2,421.74	3,922.08

1. The main reason for the growth of Shanghai Hailiang Copper Co., Ltd.'s performance is that the company's forward foreign exchange trading losses and floating losses were relatively large in the same period of last year;
2. The main reason for the decline in the performance of Hong Kong Hailiang Copper Trading Co., Ltd. is that the company's forward foreign exchange trading profits and floating profits were relatively large in the same period of last year;
3. Guangdong Hailiang Copper Co., Ltd., LOYAL HAILIANG COPPER (THAILAND) CO., LTD., Hailiang Otto Copper Pipe (Guangdong Dong) Co., Ltd.'s performance growth was mainly due to the company's strengthened cost (expense) center assessment during the reporting period, effectively reducing production costs and expenses, while increasing market expansion efforts, led to a rapid increase in company sales.

8. The structured main body of company control

Applicable Not applicable

Nine, the company's future development prospects

(1) The company's 2019 business plan

In 2019, the company will continue to be guided by the development strategy of 2025, combine the current situation of the industry and the market, and focus on development opportunities to meet various challenges to ensure the company's annual goals.

1. Assemble company resources to ensure the smooth implementation and commissioning of construction projects

In 2019, the company will gather various resources and form an excellent project team to ensure that all projects including the company's investment projects. The construction project continued to progress smoothly and was put into operation and reached its production capacity as planned.

31

In the process of project construction, the company will make full use of the latest production technology and equipment technology, and introduce intelligent, informatized, Automated system and equipment to comprehensively improve the intelligent manufacturing level of the company's production line and reduce energy consumption in the production process, Improve the precision and performance of production products to better meet customer needs for high-performance, high-quality products, and social The environmental requirements for production processes such as low energy consumption and high environmental protection requirements.

2. In-depth development of merger and acquisition integration to build the company's global production and operation structure

On March 31, 2019, the company completed the delivery of its equity and assets with KME Group, the company has held It has five copper alloy rod and copper tube factories in Germany, France, Italy and Spain. After delivery, the company will follow the established Plan to carry out various integration and docking work in an orderly manner. Through this merger and acquisition, the company and the acquisition target can achieve technical sharing, plus Quickly refine the pace of management experience output, continuously improve the operational efficiency of the M & A target, and quickly improve the company's profitability and profitability Use its existing brands and channels to fully expand the European market and quickly increase the global market share.

After the completion of this acquisition, the company will have manufacturing bases in major global markets such as China, Southeast Asia, the United States, and Europe. The industrial layout is more complete, the manufacturing capacity is rapidly enhanced, and customer service is more comprehensive. At the same time, the company will further integrate Global production and sales resources, optimize global supply chain resource allocation, improve operating efficiency, and accelerate the establishment of multinational companies Architecture.

3. Enrich the company's core competitive products and improve product structure

In 2019, on the basis of having become a leading enterprise in the global copper pipe industry, the company will implement "Copper alloy bar construction project" and the merger and acquisition and later integration of the KME project to quickly enhance the company's industry in the global copper bar market

The position makes the company grow into a leading enterprise in the global copper rod industry.

The company's acquisition target is the undisputed European copper rod manufacturing market leader, with an annual production capacity of 280,000 tons of copper rods.

Product portfolio and excellent brand reputation. The acquisition will enable the company to build on the existing copper processing technology capabilities

Quickly enhance the company's technical R & D and manufacturing capabilities for high-end copper rod products, and fill some of the domestic high-end copper alloy processing materials market

The field is vacant.

In addition, the company will continue to increase its investment in independent scientific research and strive to achieve mass production of R & D results to further enhance

Proportion of high value-added products, actively promote new products such as 5mm low flow resistance copper tubes, R32 new refrigerant copper tubes, heat pump dedicated copper tubes and other new products

Development and promotion work to optimize the company's product structure and increase product added value.

4. Continue to strengthen management and control capabilities to prevent various business risks

In 2019, the company will continue to pay close attention to various operational risks, continue to strengthen the company's management and control capabilities, and improve management efficiency.

Strengthen financial, procurement and sales risks, further improve the company's fund management system, and strengthen the receivables recovery and inventory control

Assessment, through effective deployment, accelerated turnover, structural adjustment and other measures to improve the efficiency of the use of funds, and strictly control the public

32

The company's asset-liability ratio, to prevent the adverse effects of macro market changes on the company's healthy development and the company's scale expansion may bring

Management risk.

(2) Possible risk factors

1. Risk of copper price fluctuation

As a copper processing enterprise, the company's main raw material is electrolytic copper, and the main product pricing model is "raw material price + processing

Fee", the main profit model is to obtain gross profit through relatively stable processing fees. From the perspective of pricing mechanism and profit model, the company can

In order to pass on the risk of high electrolytic copper prices or fluctuations to downstream customers, but in the short term, large fluctuations in copper prices will bring down current assets

Value risk.

The company insists on setting production by sales, continuously improves the level of operation and management, shortens the turnover period of production and operation, and speeds up accounts receivable

Recovery efforts to improve the efficiency of asset use. At the same time, the company practices a sound business philosophy: only earn processing fees, stay away

Copper speculation. The company strictly implements the "Raw Material Purchase and Net Inventory Risk Control Management System" and uses hedging tools reasonably

Reduce the impact of copper price fluctuations on the company and ensure that the company's inventory risk is effectively controlled.

2. Exchange rate risk

With the further deepening of the company's internationalization process, exchange rate fluctuations will have a certain impact on the company's profitability. On the one hand,

The exchange rate will affect the price of the company's export products, which will affect the competitiveness of the company's products. On the other hand, the company's foreign currency (USD)

The denominated liabilities and assets cannot be completely matched in terms of amount and time, and exchange rate fluctuations will cause exchange gains and losses to the company, which will directly affect

Ring company profits. The renminbi exchange rate has fluctuated greatly in recent years, and the company will pay close attention to the dynamics of the international financial market and the foreign exchange market.

Potential, by establishing a sense of risk avoidance, improving risk identification and response mechanisms, and establishing risk decision-making and operational processes, through external

Financial instruments such as foreign exchange forwards, spot and arbitrage, solve currency mismatches and lock in exchange rate interest rate risks, and effectively control exchange rate fluctuations

risk.

3. Market risk

The copper processing industry is a basic industry and has a close relationship with the development of the national economy. In recent years, the global market has remained weak. Weak, the domestic economic growth slowed down, which intensified the market competition in the copper processing industry, the company's global resource integration and development management Ability puts forward higher requirements. The company always adheres to the concept of "providing customers with surpassing value" and implements Oriented marketing strategy, to provide customers with excess value with high-quality products and good after-sales service quality, with the country Internal and downstream customers maintain a long-term stable supply and marketing relationship to ensure the company's stable and orderly production and operation activities. Although Therefore, if the overall market is depressed for a long time, it may still have an adverse impact on the company's benign development.

4. Bad debt risk of accounts receivable

As the domestic economic growth slows down, the external business risks of enterprises continue to increase, capital crisis events occur frequently, and large-scale enterprises

33

The business collapsed and the business environment of the enterprise deteriorated. The company and its holding subsidiaries attach great importance to the risk of accounts receivable and continue to strengthen Awareness of management and control, taking effective measures to control the risks of accounts receivable, and formulated the "Company Credit Management System", "Company Credit Rating" Evaluation Management Measures, "Company Product Sales and Payment Recovery Management System", "Company Receivables Collection Management Measures", "Major "Response risk rapid response mechanism" and other systems, further improve the sales customer credit evaluation system, standardize business activities, The whole process of dynamic tracking management of accounts receivable is implemented, and the collection of accounts receivable overdue customer units is carried out to carry out effective external wind Risk management and control to reduce business risks.

5. Human resources risk

In recent years, there has been a "labor shortage" phenomenon in many areas of the country. Due to the shortage of labor, the labor cost has continued to rise. Especially in developed areas (such as Guangdong, Zhejiang, Jiangsu and other provinces) is more obvious. Although the company Measures such as construction, improving equipment automation, and optimizing technological processes, partially offset labor shortages and rising labor costs Adverse impact on the company, but if the shortage of labor and rising labor prices continue Further expansion of the scale of operations has created major constraints. Therefore, the company has human resources risks.

6. Risks of M & A integration

In 2019, the company has completed the delivery and reorganization of the copper alloy rod and copper pipe business of KME Germany GmbH & Co. KG Together. Can the company make progress with the target company in terms of corporate culture, management model, technology research and development, sales channels and customer resources? Integration, can the company achieve effective control of the target company through integration, and at the same time ensure that the target company continues to play its original role The advantages are uncertain. If this integration fails to achieve the expected results, it may affect the company's operations and shareholders' Benefits have an adverse effect.

10. Receiving research, communication, interviews and other activities

I. Registration form for receiving research, communication, interviews and other activities during the reporting period

√ Applicable □ Not applicable

Reception hours	Reception method	Reception object type	Index of the basic situation of the survey
January 04, 2018	Field research	mechanism	Zhejiang Hailiang Co., Ltd. investor relations activities Dynamic Record Form (No.: 2018001) www.cninfo.com.cn
May 04, 2018	Field research	mechanism	Zhejiang Hailiang Co., Ltd. investor relations activities Dynamic Record Form (No.: 2018002) www.cninfo.com.cn
May 08, 2018	Field research	mechanism	Zhejiang Hailiang Co., Ltd. investor relations activities Dynamic Record Form (No.: 2018003)

34

Page 35

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

June 21, 2018	Field research	mechanism	www.cninfo.com.cn Zhejiang Hailiang Co., Ltd. investor relations activities Dynamic Record Form (No.: 2018004) www.cninfo.com.cn
August 24, 2018	Field research	mechanism	Zhejiang Hailiang Co., Ltd. investor relations activities Dynamic Record Form (No.: 2018005) www.cninfo.com.cn
September 10, 2018	Field research	mechanism	Zhejiang Hailiang Co., Ltd. investor relations activities Dynamic Record Form (No.: 2018006) www.cninfo.com.cn
October 26, 2018	Field research	mechanism	Zhejiang Hailiang Co., Ltd. investor relations activities Dynamic Record Form (No.: 2018007) www.cninfo.com.cn
November 05, 2018	Field research	mechanism	Zhejiang Hailiang Co., Ltd. investor relations activities Dynamic Record Form (No.: 2018008) www.cninfo.com.cn

Section 5 Important Matters

1. Profit distribution of the company's common stock and the conversion of capital reserve to share capital

During the reporting period, the common stock profit distribution policy, especially the formulation, implementation or adjustment of the cash dividend policy

Applicable Not applicable

On May 17, 2018, the company's 2017 annual shareholders' meeting reviewed and approved the "2017 Profit Distribution Plan" to

The total number of shares on December 31, 2017 is 1,695,598,113 shares as the base, and a dividend of 0.6 yuan will be distributed for every 10 shares

(Including tax), a total of 101,735,886.78 yuan of cash dividends will be distributed, and the capital reserve will not be converted into share capital. May 28, 2018,

The company implemented the 2017 profit distribution plan.

Special explanation of cash dividend policy

Whether it meets the requirements of the company's articles of association or the resolution of the shareholders' general meeting:

Whether the dividend standard and proportion are clear and clear: Yes

Whether relevant decision-making procedures and mechanisms are complete: Yes

Whether the independent directors perform their duties and fulfill their due roles: Yes

Whether the small and medium shareholders have the opportunity to fully express their opinions and demands, their legal rights are

Is it fully protected: Yes

If the cash dividend policy is adjusted or changed, are the conditions and procedures compliant and transparent? Not applicable.

Bright:

The company's common stock dividend distribution plan (preplan) and capital reserve fund to increase share capital plan for the past 3 years (including this reporting period)

(Plan) Situation

On April 26, 2017, the eighth meeting of the sixth board of directors of the company reviewed and approved the 2016 Profit Distribution Plan,

Based on the total share capital of 1,692,117,113 shares as of December 31, 2016, a cash dividend of RMB 0.6 will be distributed for every 10 shares

Profits (including tax), a total of 101,527,026.78 yuan of cash dividends will be distributed, and the capital reserve will not be converted into share capital. July 12, 2017,

The company implemented the 2016 profit distribution plan.

On April 25, 2018, the eighteenth meeting of the sixth board of directors of the company reviewed and approved the

Case, based on the total share capital of 1,695,598,113 shares on December 31, 2017, based on the distribution of 0.6 yuan for every 10 shares
Gold dividends (including tax), a total of 101,735,886.78 yuan of cash dividends will be distributed, and the capital reserve will not be converted into share capital.

On April 25, 2019, the thirty-fourth meeting of the sixth board of directors of the company reviewed and approved the "2018 Profit Distribution
"Plan", based on the company's existing total share capital of 1,952,107,432 shares as the base, the company will distribute a cash dividend of 0.70 to all shareholders for every 10 shares

36

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Yuan (including tax), capital reserve is not converted into share capital. According to the relevant regulations, the company implements the profit distribution of the company on the day of the registration of the stock registration.

The shares of the company held by the special account do not have the right to participate in the distribution of profits, so the company does not participate in the repurchase of the shares in the special account

This equity distribution. Since the company is still in the repurchase implementation period, the number of shares repurchased cannot be determined for the time being, so the current

The total share capital of 1,952,107,432 shares is calculated. The company plans to distribute cash dividends of RMB 136,647,520.24 (including tax) in 2018.

The company's common stock cash dividends in the past three years (including this reporting period)

unit: yuan

Dividend year	Cash dividend amount (Tax included)	Cash dividend amount Belonging to the report Listed company Net profit of shareholders	Cash dividend amount Accounted for in consolidated reports Attributable to listed company Ratio of net profit	In other ways Gold dividends accounted for Company repurchase Ordinary shareholder cash dividends	Total cash dividend (Including other parties Total cash dividend Type) Common stock Shareholders' net profit	
						Run rate
2018	136,647,520.24	908,793,300.88	15.04%	79,723,434.17	8.77% 216,370,954.41	23.81%
2017	101,735,886.78	705,332,026.60	14.42%		101,735,886.78	14.42%
2016	101,527,026.78	551,248,526.37	18.42%		101,527,026.78	18.42%

The company was profitable during the reporting period and the parent company's common shareholder's profit distribution was positive but no common share cash dividend distribution was proposed.

Plan

Applicable Not applicable

2. Profit distribution and capital reserve capital conversion plan during the reporting period

Applicable Not applicable

Number of bonus shares for every 10 shares (shares)	0
Dividends per 10 shares (yuan) (including tax)	0.70
Increased number of shares per 10 shares (shares)	0
Allocation of share capital base (shares)	For the time being, the current total share capital of 1,952,107,432 shares
Cash dividend amount (yuan) (including tax)	136,647,520.24
The amount of cash dividends (yuan) in other ways (such as share repurchase)	79,723,434.17
Total cash dividends (including other methods) (yuan)	216,370,954.41
Distributable profit (yuan)	3,705,600,495.89
Total cash dividends (including other methods) accounted for total profit distribution proportion	23.81%

This cash dividend

If the company is not easy to distinguish at the stage of development but has significant capital expenditure arrangements, when profit is distributed, the minimum proportion of cash dividends in this profit distribution should reach 20%

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Detailed description of the profit distribution or capital reserve fund conversion plan

On April 25, 2019, the 34th meeting of the 6th board of directors of the company reviewed and approved the "2018 Profit Distribution Plan", based on the company's existing total share capital With 1,952,107,432 shares as the base, the company will distribute a cash dividend of RMB 0.70 (including tax) for every 10 shares to all shareholders, and the capital reserve will not be converted into share capital. According to relevant regulations The company repurchases the shares of the company held by the special account on the registration date of the profit distribution, and does not have the right to participate in profit distribution, so the company repurchases the shares in the special account Copies do not participate in this equity distribution. Since the company is still in the repurchase implementation period, the number of repurchased shares cannot be determined for the time being, so the current total share capital is temporarily 1,952,107,432 According to the calculation of shares, the company plans to distribute cash dividends of RMB 136,647,520.24 (including tax) in 2018.

3. Implementation of commitments

1. The company's actual controllers, shareholders, related parties, purchasers, and companies and other related parties have fulfilled their commitments during the reporting period and as of the end of the reporting period Unfulfilled commitments

Applicable Not applicable

The type of commitment	Commitment content	Implementation of Commitment Time and Commitment Period
	(1) Within thirty-six months from the date of this new share listing, the company Will not transfer or entrust others to manage the shares of the listed company obtained this time.	
Hailiang Group limited	(2) If the shares of the listed company are connected within six months after the listing of the newly added shares The closing price for the next 20 trading days is lower than this issue price, or this time it is 2019 added	
Division, Zhejiang Zhengmao Venture	The end of the six-month period from the date of stock listing (if the day is a 2019 trading day) Month 29 (The first trading day in the future will prevail.) The closing price of the listed company's stock is lower than this issue.	Fulfilled
Limited investment the company	In case of market price, the lock-up period of the shares of the listed company acquired by the company this time automatically Extension for six months. If a listed company has dividends, dividends, shares, capital In the event of ex-rights and ex-dividends such as the conversion of accumulated funds to equity Adjust the ex-rights and ex-dividends.	
Acquisition report Book or equity Change report	According to the "Commitment Letter on Avoiding Inter-Industry Competition", Hailiang Group and Zhengmao Chuang Investment commitment: 1. The promisee and its affiliates will not directly or indirectly in any form Grounding addition to existing business is the same as Hailiang shares and its subsidiaries Or similar business, including non-investment, acquisition, joint venture, merger, acquisition	
Made in the book committed to	Avoid peers Entrusted operation and other ways to engage in the same or similar to Hailiang shares and its subsidiaries Normal performance	
Division, Zhejiang Zhengmao Venture	Competitive commitment Similar business. 2. For example, Hailiang and its subsidiaries will be Month 29 long in	
Limited investment the company	Any business opportunities obtained are related to the main business of the company and its subsidiaries Competition or potential competition, the company and its subsidiaries will immediately notify Hailiang After obtaining the third-party's promise, try to give Hailiang shares the business opportunity Copies.	
Hailiang Group limited	According to the Commitment Letter on Reducing and Regulating Related Party Transactions, Hailiang Zhengmao Venture Commitment: 1. After the completion of this transaction, the promiser will continue to be strict	
Division, Zhejiang Zhengmao Venture	Reduction and regulation According to the requirements of regulatory documents such as the "Company Law" and other laws, regulations and rules And the relevant provisions of Hailiang's "Articles of Association", which 2018 the rights of shareholders' performance	
Limited investment the company	Easy Commitment The directors urge directors to exercise their rights in accordance with the law Month 29 long in When voting on related party transactions involving the company and its subsidiaries, Fulfill the obligation to avoid voting. 2. After the transaction is completed, the promiser and the next Affiliated companies and Hailiang shares will minimize connected transactions. In progress	

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

When it is necessary and there is no circumvention of related transactions, ensure that the market-based principles and fairness
 The price is operated fairly and according to relevant laws, regulations, rules and other normative
 The provisions of the document fulfill the transaction procedures and information disclosure obligations. Guarantee not to pass
 The joint transaction damages the legal rights and interests of Hailiang shares and other shareholders. 3. Promisor
 Any agreement made by Hailiang with regard to related affairs and exchanges
 And arrangements that do not prevent the other party from competing in the market for its own interests
 Undertook business transactions or transactions with any third party.

The company's controlling shareholder Hailiang Group Co., Ltd. issued a certificate on May 16, 2007.

Hailiang Group	Avoid peers	"Commitment Letter on Avoiding Inter-Industry Competition", the promise will not be directly or through	2007 05	Normal performance
Limited company	Competitive	conductively engaged in other ways to constitute an economic competition with joint-stock company business	Month 16th	in
	promise	Business activities and is willing to deal with the economic		
		Liability for damages.		

Company shareholder Z & P ENTERPRISES LLC on May 18, 2007

Z & P ENTERP	Avoid peers	Issued the "Commitment Letter on Avoiding Inter-Industry Competition"	2007 05	Normal performance
RISES	Competitive	conductively engagement through other means constitutes industry competition	18th	long in
LLC	promise	Business activities, and is willing to		
		Compensation for economic losses.		

The actual controller of the company, Mr. Feng Hailiang, issued the

Avoid peers Letter of Commitment to Avoid Inter-Industry Competition, the promise will not be directly or through other parties

Feng Hailiang	Competitive	conductively engage in business activities that constitute competition with the industry of the joint-stock company,	2007 05	Normal performance
First public	promise	And willing to bear the financial losses caused to the joint stock company in violation of the above commitments	Month 16th	in

Issue or reissue Take responsibility for compensation.

Financing place Huarong Ruitong

Make a promise Equity investment

Limited management

Company, China

November 2018

Ancai

Share lock

Production management

Promise of

Limited liability company

Division, Hu'an

Fund management

Limited Liability

the company

November 2018

Hailiang Group

Share lock

Limited company

The date of this non-public offering of shares by Zhejiang Hailiang Co., Ltd. November 2018th to

Within 36 months, the shares subscribed by the company will not be transferred September 09 November 2020#

September 9

Whether to promise

Yes

Perform on time

As promised

Unfulfilled Not applicable

Finished.

- Should be detailed
- Description is not complete
- Fulfilled
- specific reason
- And the next step
- Work plan
- Draw

2. The company's assets or projects have profit forecasts, and the reporting period is still in the profit forecast period. The company's assets or projects have reached the original profit forecast and

Explain why

Applicable Not applicable

4. Non-operating capital occupation of listed companies by controlling shareholders and their related parties

Applicable Not applicable

During the reporting period of the company, there was no non-operating capital occupation of the listed company by the controlling shareholder and its related parties.

V. Explanation of the board of directors, board of supervisors and independent directors (if any) on the " non-standard audit report " of the accounting firm during the reporting period

Applicable Not applicable

6. Explanation of changes in accounting policies, accounting estimates and accounting methods compared to the previous year 's financial report

Applicable Not applicable

On June 15, 2018, the Ministry of Finance issued the " Ministry of Finance on Amending and Printing the 2018 General Enterprise Financial Report Form Notice (Caihui [2018] No. 15), enterprises implementing enterprise accounting standards should follow the enterprise accounting standards and the notice to Seeking to prepare financial statements for 2018 and beyond.

The main effects of the company's implementation of Caihui [2018] No. 15 are as follows:

Contents and reasons for changes in accounting policies	Affected reports	Report items affected by this issue	Last restated amount	Report items and amounts presented in the previous period
	accounting policies	Amount		
1. Consolidation of notes receivable and bills receivable and show	Receivables	71,019,534.49	5,168,353,987.46	Bills receivable: 1,767,290,771.48
List	Receivables			Accounts receivable: 3,401,063,215.98
2. Interest receivable, dividend receivable and other receivables	Other receivables	90,728,065.01	65,475,340.83	Interest receivable: 21,366,183.11
List of accounts receivable	Other receivables			Other receivables: 44,109,157.72
3. Liquidation of fixed assets into fixed assets	Fixed assets	1,600,174,242.66	1,526,981,307.77	Fixed assets: 1,526,981,307.77
Production listing				
4. Engineering materials are incorporated into the construction progress	Construction in progress	963,828,423.78	253,529,989.18	Construction in progress: 253,529,989.18
Show				

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

5. Consolidation of bills payable and accounts payable and should be paid	4,402,247,145.85	2,456,802,575.13	Bills payable: 286,000,000.00
List	Pay bills		Accounts payable: 2,170,802,575.13
6. Interest payable and dividend payable and other payables	190,779,691.37	317,892,305.92	Interest payable: 8,093,322.16
List of his payable items			Other payables: 309,798,983.76
7. Management expense report adjustment	Management fees 387,624,498.13	371,057,145.04	Administrative expenses: 487,797,302.61
8. R & D expenses are listed separately	R & D expenses 174,803,265.86	116,740,157.57	—

VII. Explanation on the situation of correction of major accounting errors during the reporting period requiring retrospective restatement

Applicable Not applicable

During the reporting period, there was no major accounting error correction that required retrospective restatement.

8. Description of changes in the scope of consolidated statements compared to last year 's financial report

Applicable Not applicable

During the reporting period, the company set up five wholly-owned subsidiaries: Chongqing Hailiang Copper Co., Ltd. and Chongqing Hailiang Metal Materials Co., Ltd.

Company, Chongqing Hailiang International Trade Co., Ltd., Hong Kong Hailiang Holdings Co., Ltd., Hailiang Copper Texas Co., Ltd. ;

Acquisition of a company: Chengdu Bede Copper Co., Ltd.

9. Appointment and dismissal of accounting firms

Currently engaged accounting firm

Name of domestic accounting firm Daxin Certified Public Accountants (Special General Partnership)

Remuneration of domestic accounting firm (ten thousand yuan) 120

The consecutive years of audit services of domestic accounting firms 16

Name of certified public accountant of domestic accounting firm Guo Jingli Li Yunxin

The consecutive years of auditing services of certified public accountants of domestic accounting firms

Whether to reappoint an accounting firm in the current period

Yes No

Engagement of internal control audit accounting firms, financial advisors or sponsors

Applicable Not applicable

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

10. After the disclosure of the annual report, it faces the suspension of listing and the termination of listing

Applicable Not applicable

11. Matters related to bankruptcy and reorganization

Applicable Not applicable

There were no bankruptcy and reorganization related matters during the reporting period.

12. Major litigation and arbitration

Applicable Not applicable

Litigation (arbitration) basic situation (Ten thousand yuan) Debt	Amount involved Expected (Cut)	Whether it is shaped Litigation (Cut) progress	Litigation (arbitration) trial results and impact Happening	Litigation (arbitration) judgment enforcement	
				Disclosure Date	Disclosure Index
Hailiang and Dongda Water Group Co., Ltd. on both sides			April 22, 2016, Zhuji City The people's court issued a civil mediation No. 31 ((2016) Zhejiang 0681 Republic of China Civil Judgment requirements, press No.) Defendant Dongda Water Group Co., Ltd. should return to Zhejiang Hailiang until September 2016		
The signed "sales contract" cited Disputes. In December 2015,			Co., Ltd. has paid RMB 40,231,960 and pay it		
The company as the plaintiff should Matters to Zhuji Municipal People's Law			Dongda Water Group until the 30th Limited company (hereinafter referred to as: "Dongda Water Industry") need to return to the sea From January 19, another 20,231,960 Bright stock payment and payment of profits		
The court filed a lawsuit requesting Dongda University			Yuan will start from September 10, 2016 The total amount of interest loss is:	The company is huge	
Total contract payments from the water industry 40,231,960 yuan. 2016			Calculated according to the monthly interest rate of 8.1% East Interest loss, the payment is scheduled. Dongda Industry	Chao Information Network (Http://	
On April 22, the people of Zhuji City			Payment of interest loss before the 8th September 2018	www.cni	
The court issued a civil mediation (2016) Zhejiang 0681 Early Republic of China No. 31), requiring Dongda Water		Compulsory Row	700,000 yuan, the balance is scheduled for negotiation, sign "Supplement January 27 Pay off before September 30, 2015. As defendant reached a grace period Agreement. Into the Great Water	nfo.com.cn) disclosed (2017	
Return the company paid 40,231,960 yuan, and pay Nine thousandths of interest per month Interest loss, of which 700,000			Dongda Water Group Co., Ltd. in Agreement. Into the Great Water Not completed before September 30, 2016 The industry failed to perform the repayment obligations, Hailiang shares	Assessment report Sue	
Yuan interest loss should be Before May 8, 2016			If all payment obligations are fulfilled According to the monthly interest rate of 8.1% (2017)		
Paid, the remaining balance in 2016 9 Pay by the 30th of the month.			Stated interest loss, and the plaintiff Zhejiang City People's Court Application Hailiang Co., Ltd. has the right to Enforce. People from Zhuji Pledged Defendant Dongda Water Group Civil Court in December 2017 Microfinance in Zhejiang Haibo Made on the 23rd (2017) Stock and shareholding Zhejiang 0681 No. 10885 After the legal rights and interests have been established, ruling: Right to first be compensated. Litigation cost should be person Yuan, owned by the defendant Dongda Water Group		

year. Because the two
 Negotiating payment issues, so
 Temporary suspension of Dongda Water
 Group Co., Ltd. Mandatory
 Implement measures.

13. Penalties and rectification

Applicable Not applicable

There were no penalties and rectifications during the reporting period.

14. The integrity of the company and its controlling shareholders and actual controllers

Applicable Not applicable

15. Implementation of the company's equity incentive plan, employee stock ownership plan or other employee incentive measures

Applicable Not applicable

(1) The first phase of the restricted stock incentive plan of Zhejiang Hailiang Co., Ltd.

On August 5, 2016, the company held the 22nd meeting of the 5th Board of Directors and the 13th meeting of the 5th Board of Supervisors. The meeting reviewed and approved the "About Zhejiang Hailiang Co., Ltd. Phase I Restricted Stock Incentive Plan (Draft)" and its Summary Proposal "and" About the Establishment of "Zhejiang Hailiang Co., Ltd. Phase I Restricted Stock Incentive Plan Implementation Assessment Management "Proposal of Measures>", independent directors of the company expressed their independent opinions on this.

On August 6, 2016, the company disclosed "Zhejiang Hailiang Co., Ltd." on www.cninfo.com.cn. Division I Restricted Stock Incentive Plan (Draft) "and its summary," Zhejiang Hailiang Co., Ltd. Phase I Restricted Shares Management Measures for the Implementation of Examination of the Incentive Plan for Voting Incentives "and" List of Persons in the First Phase Restricted Stock Incentive Plan " On the same day, the company passed The method of combining the announcement of the office automation system with the announcement of the factory bulletin board publicized the name and name of the incentive object within the company Position, publicity time is from August 6, 2016 to August 15, 2016, as of August 15, 2016, the company's director The meeting office and human resources center did not receive any questions from anyone on this incentive object. The board of supervisors of the company The person who was awarded the list of incentive targets was checked and issued an audit opinion.

On August 25, 2016, the company held the first extraordinary general meeting of shareholders in 2016 and reviewed and approved the "About Proposal of the First Phase of Restricted Stock Incentive Plan (Draft)> and its summary ", " About the formulation of <Zhejiang Hailiang

43

The Proposal on the Implementation of the Administrative Measures for the Implementation of the First Phase of the Restricted Stock Incentive Plan for Joint Stock Co., Ltd. " Authorize the board of directors to handle the company's first phase of the restricted stock incentive plan related matters. "

On September 1, 2016, the company convened the second meeting of the sixth board of directors and the second meeting of the sixth board of supervisors to review Approved the "Proposal on Adjusting the First Phase Restricted Stock Incentive Plan (Draft)" and the "On Incentive

"The first proposal to grant the first phase of restricted stock." The number of incentive objects granted by this restricted stock incentive plan is 195. It was adjusted to 193, and the total number of restricted shares granted was adjusted from 21 million shares to 20.98 million shares. 4 million shares reserved constant. The independent directors expressed their independent opinions on related matters, and considered that the qualifications of the incentive subjects are legal and effective. The adjustment of the sub-equity incentive plan and the determined grant date comply with the relevant regulations.

On November 9, 2016, the company announced that the restricted stock incentive plan was granted for the first time and part of the registration was completed, and the listing date was November 10, 2016. Since 3 people gave up the subscription of restricted stocks, this restricted stock incentive plan actually granted 190 million shares. The number of incentive targets was adjusted from 193 to 190, and the total amount of restricted stock granted was adjusted from 20.98 million shares to 20.716 million shares. The reserved portion of 4 million shares remains unchanged.

On July 24, 2017, the company convened the 11th meeting of the 6th Board of Directors and the 7th meeting of the 6th Board of Supervisors. Reviewed and approved the Proposal on Granting Restricted Stocks to Incentives. According to the "Listed Companies Equity Incentive Management Office Law, the relevant provisions of the "Zhejiang Hailiang Co., Ltd. Phase I Restricted Stock Incentive Plan (Draft)" and the company's 2016 Annual General Meeting of Shareholders held on August 25 Authorized by the 2016 First Extraordinary General Meeting of Shareholders held on August 25. The company's board of directors believes that the conditions for granting restricted stocks as specified in the company's restricted stock incentive plan have been fulfilled. It is agreed that the company will grant 4 million shares of reserved restricted stock to 175 incentive objects on July 24, 2017. public. The independent director of the company issued an independent opinion, and Guohao Lawyer (Hangzhou) Office issued a legal opinion.

On September 19, 2017, the company announced the reserved part of the restricted stock incentive plan to complete the registration and listing procedures. due to 12 people give up the subscription of reserved restricted stock, the reserved part of the restricted stock incentive plan is actually granted to the incentive target 12 people. The number was adjusted from 175 to 163, and the total amount of reserved restricted stock granted was adjusted from 4 million shares to 3.9 million shares.

On October 27, 2017, the 14th meeting of the 6th Board of Directors and the 10th meeting of the 6th Board of Supervisors reviewed and approved the "Proposal on Adjusting the First Grant of Restricted Stock Repurchase Price" and "On the Repurchase of Certain Restricted Stocks" and "The Proposal" and "The Proposal on the First Granted Part of the Restricted Stock Incentive Plan for the First Time to Lift the Restricted Sale Period" public. The independent director of the company issued an independent opinion, and Guohao Lawyer (Hangzhou) Office issued a legal opinion.

On November 10, 2017, the first unlocking period of the company's first restricted stock incentive plan was lifted. A total of 6.162 million shares of restricted stocks were released from circulation and restricted sales.

On December 27, 2017, the company repurchased and cancelled a total of 419,000 shares of equity incentive shares in China. Registration and settlement limited.

44

The Shenzhen branch of the company has completed the procedures for repurchasing and canceling registration of restricted stock.

On October 31, 2018, the twenty-fifth meeting of the sixth board of directors and the eighteenth meeting of the sixth board of supervisors, examined and approved the "Regarding the First Granted Part of the First Phase of Restricted Stock Incentive Plan and the Second Lifting of the Restricted Sales" (The first ticket to lift the sale restriction period) can lift the sale restriction. Independent directors of the company issued independent opinions, Guohao Lawyer (Hangzhou) Office issued a legal opinion.

On November 16, 2018, the company's first phase of the restricted stock incentive plan granted the stock for the second release of the restricted sales period (pre-

The first restricted period for the release of stocks to be granted) a total of 7,859,200 shares to be listed for circulation.

On November 19, 2018, the twenty-seventh meeting of the sixth board of directors and the twentieth meeting of the sixth board of supervisors, Examined and approved the Proposal on Adjusting the Repurchase Price of Certain Restricted Stocks First Granted and Reserved Granted Proposal to Purchase and Cancel Some Restricted Stocks. The independent directors of the company issued independent opinions, and Guohao Lawyer (Hangzhou) Have a legal opinion.

On December 6, 2018, the company's fourth temporary shareholders' meeting in 2018 reviewed and approved the "Proposal for Sexual Stocks" and "Proposal for Companies to Change Registered Capital and Amend <Articles of Association".

The equity incentive shares cancelled in this repurchase totaled 351,000 shares, accounting for 0.0180% of the total share capital of the company before the repurchase. This time The price of the purchased and cancelled equity incentive shares is as follows: 5 of them are the incentive objects granted for the first time. A total of 231,000 shares of all restricted stocks, due to the company 's 2016 implementation of equity distribution, every 10 shares will be paid a cash dividend of 0.6 Yuan, the 2017 equity distribution pays a cash dividend of 0.6 yuan for every 10 shares, so the repurchase price is adjusted accordingly to 3.68 yuan / share; 3 The incentive objects are all the restricted shares of the incentive objects that have been retired and reserved for a total of 120,000 shares. Equity distribution in 2017, so the repurchase price was adjusted accordingly to RMB 4.36 / share.

The company has completed the above-mentioned restricted stock in China Registration and Clearing Co., Ltd. Shenzhen Branch on January 21, 2019 Registration procedures for repurchase and cancellation. After the repurchase cancellation, the company's total share capital was changed to 1,952,107,432 shares.

(2) Matters concerning the first phase of employee stock ownership plan

On August 15, 2018, the twenty-first meeting of the sixth board of directors of the company reviewed and approved the "About "The first phase of the company's employee stock ownership plan (draft) and its summary of the proposal", the proposal has been the company's second temporary in 2018 Shareholders' meeting reviewed and approved. Agree to use the total capital of the asset management plan of 120 million yuan and the company's stocks closed on August 15, 2018 Based on the price of 8.33 yuan per share, the number of target shares involved in the current employee stock ownership plan is about 14.4 million shares, and the number of shares involved is about It accounts for 0.85% of the company's total share capital, and the cumulative total does not exceed 10% of the company's total share capital The number of shares corresponding to the planned share does not exceed 1% of the company 's total share capital.

On November 13, 2018, the company received GF Securities Asset Management (Guangdong) Co., Ltd. to complete the first phase of employee shareholding

45

Notice of planned stock purchase, the company 's first phase of employee stock ownership plans to accumulatively purchase company stocks through the secondary market 12,519,688 Shares, accounting for 0.6412% of the company 's total share capital, with a total transaction value of RMB 93,410,401.85 and an average transaction price of about 7.4611 Yuan / share. So far, "Guangfa Yuanchi Hailiang Share No. 1 Directed Asset Management Plan" has completed the stock purchase, and the purchased stock is locked Regularly from November 13, 2018 to November 12, 2019.

16. Major Related Party Transactions

I. Related transactions related to daily operations

Applicable Not applicable

During the reporting period, there were no related-party transactions related to daily operations.

2. Related transactions in the acquisition or sale of assets or equity

Applicable Not applicable

During the reporting period, the company did not have any related party transactions related to the acquisition or sale of assets or equity.

3. Related transactions of joint foreign investment

Applicable Not applicable

During the reporting period, there was no related party transaction involving joint foreign investment.

4. Related credit and debt transactions

Applicable Not applicable

There were no related claims and debt transactions during the reporting period.

5. Other major related party transactions

Applicable Not applicable

a: Related guarantees

guarantor	Secured party	Guarantee amount	Guarantee start date	Guarantee maturity date	Whether the guarantee has been fulfilled
					Finished
Zhejiang Hailiang Co., Ltd. Hailiang Group Co., Ltd.		330 million yuan	July 3, 2018	July 3, 2019	no
Zhejiang Hailiang Co., Ltd. Hailiang Group Co., Ltd.		400 million yuan	October 17, 2018	October 16, 2019	no
Zhejiang Hailiang Co., Ltd. Hailiang Group Co., Ltd.		100 million yuan	December 27, 2018	December 26, 2019	no

46

Hailiang Group Co., Ltd.	Zhejiang Hailiang Environmental Materials Limited company	22.23 million yuan	November 9, 2018	December 31, 2019	no
Hailiang Group Co., Ltd.	Hong Kong Hailiang Copper Trading Limited company	US \$ 20 million	July 22, 2016	December 31, 2020	no
Hailiang Group Co., Ltd.	Hong Kong Hailiang Copper Trading Limited company	\$ 10 million	May 22, 2018	January 15, 2021	no
Hailiang Group Co., Ltd.	Hong Kong Hailiang Copper Trading Limited company	300 million yuan	December 25, 2018	December 24, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Keyu Metal Materials Limited company	50 million yuan	October 17, 2017	October 17, 2018	no
Hailiang Group Co., Ltd.	Zhejiang Keyu Metal Materials Limited company	223.23 million yuan	November 9, 2018	December 31, 2019	no
Hailiang Group Co., Ltd.	Shanghai Hailiang Copper Co., Ltd. the company	150 million yuan	January 9, 2018	January 9, 2019	no

Hailiang Group Co., Ltd.	Hailiang Otto Copper Pipe (Guangdong East) Co., Ltd.	250 million yuan	September 19, 2018	September 18, 2020	no
Hailiang Group Co., Ltd.	Hailiang (Vietnam) Copper Limited company	\$ 12 million	June 25, 2018	June 19, 2020	no
Hailiang Group Co., Ltd.	Hailiang (Vietnam) Copper Limited company	\$ 35 million	May 31, 2018	May 30, 2021	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	\$ 56 million	November 16, 2016	Credit change day stop	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	800 million yuan	September 13, 2018	September 13, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	400 million yuan	March 27, 2018	March 27, 2020	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	770 million yuan	January 11, 2018	January 11, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	220 million yuan	January 11, 2018	January 11, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	\$ 14.5 million	July 13, 2018	January 9, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	\$ 11.4 million	October 24, 2018	April 19, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	50 million yuan	October 31, 2018	April 26, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	US \$ 10 million	November 14, 2018	May 10, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	US \$ 6.6 million	November 14, 2018	February 18, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	\$ 850 million	October 25, 2018	October 25, 2019	no

47

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	281.21 million yuan	November 9, 2018	December 31, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	300 million yuan	November 20, 2018	November 20, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	150 million yuan	January 9, 2018	December 17, 2018	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	300 million yuan	September 4, 2018	September 3, 2019	no
Hailiang Group Co., Ltd. Feng Hailiang	Zhejiang Hailiang Co., Ltd. the company	308 million yuan	July 1, 2017	July 1, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	1.44 billion yuan	June 26, 2017	December 31, 2019	no
Hailiang Group Co., Ltd. Feng Hailiang	Zhejiang Hailiang Co., Ltd. the company	\$ 84.7 million	February 9, 2018	The credit changes to stop	no
	Hong Kong Hailiang Copper Trading				

Hailiang Group Co., Ltd.	Limited company Zhejiang Hailiang Co., Ltd. the company	\$ 26.65 million	January 1, 2017	July 4, 2021	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	68 million euros	April 21, 2017	April 20, 2020	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	\$ 30 million	April 16, 2018	April 15, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. the company	\$ 38 million	September 6, 2018	September 5, 2019	no
Hailiang Real Estate Holding Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. the company	20 million yuan	August 31, 2018	February 14, 2019	no
Hailiang Real Estate Holding Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. the company	USD 7.5 million	August 10, 2018	February 1, 2019	no
Hailiang Real Estate Holding Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. the company	\$ 6 million	December 27, 2018	June 25, 2019	no
Hailiang Real Estate Holding Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. the company	\$ 2.8858 million	December 17, 2018	February 8, 2021	no
Hailiang Real Estate Holding Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. the company	US \$ 3.0975 million	December 25, 2018	March 29, 2019	no

48

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

b: The Company and Hailiang Group Finance Co., Ltd. signed the "Financial Service Agreement". According to the content of the agreement, Hailiang Group Tuan Finance Co., Ltd. will handle related financial business for the company within the scope permitted by its business scope, including but not limited to absorbing deposits, providing loans, receiving and paying settlement, handling financial and financing consultants, credit verification and related consultations, agents Business etc.

Deposit monetary funds of related parties	Ending balance		Beginning amount	
	Amount	proportion%	Amount	proportion%
Hailiang Group Finance Co., Ltd.	1,659,086,686.67	49.28	199,147,096.76	28.93
Short-term loans borrowed from related parties	Borrowing amount	Start date	expiry date	
Hailiang Group Finance Co., Ltd.	100,000,000.00	2018-7-25	2019-7-25	
Hailiang Group Finance Co., Ltd.	100,000,000.00	2018-7-23	2019-7-23	
Hailiang Group Finance Co., Ltd.	99,000,000.00	2017-3-23	2018-3-23	
Hailiang Group Finance Co., Ltd.	100,000,000.00	2018-8-22	2019-8-22	
Hailiang Group Finance Co., Ltd.	100,000,000.00	2018-9-25	2019-9-25	

Note: As of December 31, 2018, all short-term loans borrowed from related parties have been repaid.

Major interrelated transaction interim report disclosure website related inquiries

Temporary announcement name	Temporary announcement disclosure date	Temporary announcement to disclose website name
About providing support for the controlling shareholder Hailiang Group Co., Ltd. Announcement	April 27, 2018	Juchao Information Website www.cninfo.com.cn
About Hailiang Group Finance Co., Ltd. Announcement for financial services	April 25, 2016	Juchao Information Website www.cninfo.com.cn

17. Major contracts and their performance

1. Information about trusteeship, contracting and leasing

(1) Trusteeship

Applicable Not applicable

There was no trusteeship during the reporting period.

(2) Contracting situation

Applicable Not applicable

There was no contracting during the reporting period.

49

(3) Lease situation

Applicable Not applicable

There were no leases during the reporting period.

2. Major guarantee

Applicable Not applicable

(1) Guarantee situation

Unit: ten thousand yuan

External guarantees of the company and its subsidiaries (excluding guarantees for subsidiaries)

Name of guarantee object	Guarantee amount	Related announcement disclosure date	Actual guarantee amount	Type of guarantee	Whether to fulfill		
					Warranty period	Finished	Joint guarantee
Hailiang Group Co., Ltd.	2016 05 18th	December 29, 2016 day	33,000	Joint Liability certificate	December 2016 29th-2017 December 29 day	Yes	Yes
					September 2017 26th-2018 26th	Yes	Yes
Hailiang Group Co., Ltd.	2017 05	September 26, 2017	50,000	Joint Liability	September 2017 26th-2018 26th	Yes	Yes

Name of guarantee object	Guarantee amount	Actual date of the guarantee amount	Actual guarantee amount	Type of guarantee	Warranty period	Whether to finish	Joint guarantee
Disclosure date						Finished	Joint guarantee
Hailiang Group Co., Ltd.	2018 05 18th	33,000	22,000	Joint Liability certificate	September 25, 2018 July 3, 2018 Sun-July 2019 Month 3	no	Yes
Hailiang Group Co., Ltd.	2018 05 18th	40,000	40,000	Joint Liability certificate	October 2018 17th-2019 October 16, 2016 day	no	Yes
Hailiang Group Co., Ltd.	2018 05 18th	10,000	4,000	Joint Liability certificate	December 2018 27th-2019 December 26 day	no	Yes
The amount of external guarantees approved during the reporting period Meter (A1)		83,000	The actual issue of external guarantees during the reporting period Total living allowance (A2)				66,000
The amount of external guarantees approved at the end of the reporting period Total (A3)		83,000	Actual external guarantee balance at the end of the reporting period Total amount (A4)				66,000
Company guarantees to subsidiaries							

50

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Name of guarantee object	Guarantee amount	Actual date of the guarantee amount	Actual guarantee amount	Type of guarantee	Warranty period	Whether to finish	Joint guarantee
Disclosure date						Finished	Joint guarantee
Shanghai Hailiang Copper Co., Ltd. Division	2017 05 20th	24,021	0	Joint Liability certificate	October 2017 26th-2018 October 25 day	Yes	no
Shanghai Hailiang Copper Co., Ltd. Division	2017 05 18th	56,038	18,981	Joint Liability certificate	January 2017 1st-2021 February 28	no	no
Shanghai Hailiang Copper Co., Ltd. Division	2017 05 18th	24,021	0	Joint Liability certificate	January 2017 1st-2021 February 28	no	no
Hong Kong Hailiang Copper Trading Limited the company	2018 05 18th	33,731	20,511	Joint Liability certificate	June 2018 15-2019 June 15,	no	no
Hong Kong Hailiang Copper Trading Limited the company	2018 05 18th	19,217	6,384	Joint Liability certificate	June 2018 18th-2020 September 18,	no	no
Hong Kong Hailiang Copper Trading Limited the company	2018 05 18th	17,158	6,717	Joint Liability certificate	June 2018 28th-2022 November 16, 2016 day	no	no
Hong Kong Hailiang Copper Trading Limited	2018 05 18th	6,863	0	Joint Liability	June 2018 25th-2022	no	no

the company	18th		day	certificate	November 16, 2016 day		
Hong Kong Hailiang Copper Trading Limited	20,590	June 28, 2018		Joint Liability	June 2018		
the company	18th	day		certificate	28th-2021	no	no
					February 8, 2016		
Hong Kong Hailiang Copper Trading Limited	30,000	December 25, 2018		Joint Liability	December 2018		
the company	18th	day		certificate	25th-2019	no	no
					December 24		
					day		
Guangdong Hailiang Copper Division	22,000	May 30, 2018		Joint Liability	May 2018		
	18th	day		certificate	30-2019	no	no
					May 30		
Guangdong Hailiang Copper Division	21,000	December 21, 2018		Joint Liability	December 2018		
	18th	day		certificate	21-2019	no	no
					December 20		
					day		

51

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Hailiang (Anhui) Copper Limited company	2016 05 18th	10,000	April 25, 2017 day	0	Joint Liability certificate	April 2017 25th-2018	Yes	no
						April 25, October 2017		
Hailiang (Anhui) Copper Limited company	2017 05 January 20	4,000	October 31, 2017 day	0	Joint Liability certificate	31-2018 October 30	Yes	no
						day		
Hailiang (Anhui) Copper Limited company	2018 05 18th	4,000	December 03, 2018 day	4,000	Joint Liability certificate	December 2018 3rd-2019	no	no
						December 2		
Hailiang (Anhui) Copper Limited company	2018 05 18th	10,000	June 13, 2018 day	5,007	Joint Liability certificate	June 2018 13-2019	no	no
						June 13,		
Hailiang (Anhui) Copper Limited company	2018 05 18th	10,140	September 29, 2018 day	10,140	Joint Liability certificate	September 2018 29th-2019	no	no
						September 29,		
Hailiang (Anhui) Copper Limited company	2018 05 18th	10,000	November 13, 2018 day	10,000	Joint Liability certificate	November 2018 13-2019	no	no
						October 15		
						day		
Approval of the guarantee amount for subsidiaries during the reporting period Total (B1)			228,720		During the reporting period, Total International Balance (B2)			348,797
Guarantees to subsidiaries approved at the end of the reporting period Total amount (B3)			284,758		At the end of the reporting period Total guaranteed balance (B4)			152,224

Subsidiary to subsidiary guarantee

Guarantee amount	Actual guarantee amount	Type of guarantee	Whether to fulfill
Name of guarantee object	Related amount	Warranty period	Finished Joint guarantee
Disclosure date	The actual date of the guarantee amount		

Total company guarantee (ie the sum of the top three items)		
Total amount of guarantees approved during the reporting period (A1 + B1 + C1)	311,720	The actual amount of guarantee during the reporting period Total (A2 + B2 + C2) 414,797
The total amount of guarantees approved at the end of the reporting period (A3 + B3 + C3)	367,758	The actual guarantee balance at the end of the reporting period Meter (A4 + B4 + C4) 218,224
The proportion of the actual total guarantee (ie A4 + B4 + C4) to the company's net assets among them:		27.18%
Balance of guarantee for shareholders, actual controllers and their related parties (D)		83,000
Debt provided directly or indirectly to the guaranteed object whose asset-liability ratio exceeds 70% Guaranteed balance (E)		103,077
The amount of the total guarantee exceeding 50% of the net assets (F)		0
		52

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

The total amount of the above three guarantees (D + E + F) 186,077

For unexpired guarantees, guarantee liability has occurred during the reporting period or may be jointly and severally liable
Statement of responsibility (if any) The above-mentioned guaranteed parties are in good operating condition, with strong solvency, and the guaranteed financial
The risk is within the company's control.

Instructions for providing external guarantees in violation of prescribed procedures (if any)

Description of the specific situation of using a composite guarantee

Not applicable.

(2) Violation of external guarantees

Applicable Not applicable

During the reporting period, the company had no violations of external guarantees.

3. Entrust others to manage cash assets

(1) Entrusted financial management

Applicable Not applicable

There was no entrusted wealth management during the reporting period.

(2) Entrusted loans

Applicable Not applicable

There were no entrusted loans during the reporting period.

4. Other major contracts

Applicable Not applicable

There were no other major contracts during the reporting period.

18. Social Responsibility

1. Situation of fulfilling social responsibilities

The company adheres to the mission of "to gather talents, to benefit and benefit all", and always adheres to "people-oriented, open and innovative, stable and pragmatic, The value of "integrity and win-win", playing the spirit of "integrity, pragmatism, stability, efficiency, excellence", is committed to Create, dedicate the country and repay society. For details, please refer to the company's posting on www.cninfo.com on April 29, 2019.

53

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

(Http://www.cninfo.com.cn/) "2018 Social Responsibility Report".

2. Performance of social responsibility for targeted poverty alleviation

During the reporting period, the company has not yet carried out targeted poverty alleviation work and has no follow-up targeted poverty alleviation plan.

3. Environmental protection related situation

Whether the listed company and its subsidiaries belong to the key pollutant discharge units announced by the environmental protection department

Yes

Company or son-in-law Division name	Major pollutants And characteristic pollution of discharge outlets The name of the thing	Number of discharge outlets	Discharge outlet Happening	Discharge outlet distribution Emission concentration	Executed pollution Emission standards	Approved emissions Total	Exceeding emissions condition
Zhejiang Hailiang shares Co., Ltd.	COD	Nanotube 1	Factory area	50mg / L	GB8978-19 96 "Sewage Comprehensive Emission standard quasi"	4,327 tons 5.47 tons	no
Zhejiang Hailiang shares Co., Ltd.	Ammonia nitrogen	Nanotube 1	Factory area	5mg / L	DB33 / 887-2 013 "Zhejiang Provincial Local Standard"	0.206 tons 0.547 tons	no
Zhejiang Keyujin Materials are limited the company	COD	Nanotube 1	Factory area	50mg / L	GB8978-19 96 "Sewage Comprehensive Emission standard quasi"	0.8654 tons 0.945 tons	no
Zhejiang Keyujin Materials are limited the company	Ammonia nitrogen	Nanotube 1	Factory area	5mg / L	DB33 / 887-2 013 "Zhejiang Provincial Local Standard"	0.0148 tons 0.095 tons	no

Construction and operation of pollution prevention facilities

The pollution prevention and control facilities of the Zhejiang base mainly include 1 set of 500 tons / day sewage treatment facility and 1 set of 400 tons / day sewage treatment facility. Facilities, 12 sets of 60000m3 / h waste gas treatment facilities, and the establishment of soundproof walls in the northwest corner of the plant area to reduce the noise of the plant boundary

The impact of residents; the pollution prevention facilities of the Shanghai base mainly include a set of 200 tons / day sewage treatment facility and two sets of 50,000 m³ / h Waste gas treatment facility; the pollution prevention and control facility in Vietnam base mainly includes a set of 980 tons / day sewage treatment facility and two sets of 40,000 m³ / h waste gas treatment facility; Zhejiang Hailiang Environmental Materials Co., Ltd. mainly has a set of wastewater equipment with a treatment capacity of 240 tons / day; Two sets of ammonia absorption equipment are used to absorb the process waste gas, the processing capacity is 12000m³ / h and 18000m³ / h respectively; one set of wet electric dust removal The equipment is used to treat sintering waste gas, with a designed processing capacity of 30,000m³ / h; two sets of filter dust collectors, each with a processing capacity of 5500m³ / h.

54

The pollution prevention and control facilities of the Guangdong base mainly include a set of 250 tons / day sewage treatment facility and two sets of 17000m³ / h waste gas treatment facilities Implementation; the pollution prevention and control facilities in Anhui base mainly include a set of 550 tons / day sewage treatment facility, three sets of 40,000m³ / h, 20,000m³ / h, 15000m³ / h waste gas treatment facility; the pollution prevention and control facility in Chongqing base mainly has a set of 35 tons / day sewage treatment facility, 1 Set of 45000 m³ / h waste gas treatment facilities;

All production facilities have built pollution control facilities in accordance with the requirements of the EIA report or approval documents, and all are stable in 2018 During operation, all types of pollutants are discharged to meet the standards, and zero accidents in environmental protection facilities are achieved.

Construction project environmental impact assessment and other environmental protection administrative permits

In 2018, the company's Zhejiang base obtained approval comments on the environmental impact assessment of two projects, each with an annual output of 50,000 tons Body busbar and busbar construction project and intelligent manufacturing project of copper and copper alloy precision seamless tubes for air conditioning and refrigeration with an annual output of 70,000 tons; Guangdong base obtained approval for environmental impact assessment of expansion project of 70,000 tons high-efficiency, energy-saving and environmentally friendly precision copper pipe production line Opinion; Chongqing base obtained approval opinion on environmental impact assessment of non-ferrous metal materials deep (finish) processing project (phase I); in addition, The company and its subsidiaries changed and extended the sewage permit.

Emergency plans for environmental emergencies

The company is in accordance with the "Administrative Measures for the Recording of Environmental Emergency Response Plans of Enterprises and Institutions in Zhejiang Province (Trial)" (Zhejiang Letter [2015] No. 195), combined with the implementation of the environmental emergency plan, every three years, the environmental risks and environmental emergency Carry out a retrospective assessment of the case, combined with the latest requirements, on the basis of the original single-book emergency plan for environmental emergencies, Through carrying out environmental risk assessment and emergency material survey, the emergency plan and risk assessment report and emergency material adjustment were re-prepared The investigation report was reported to Zhuji City Environmental Protection Bureau of Shaoxing City for the record after being reviewed by relevant environmental protection experts. At the same time, the company prepared according to the emergency plan According to the relevant requirements of the case management measures, the environmental emergency plan shall be revised and filed in a timely manner according to the actual situation. Complete Zhejiang in 2018 Jiang Hailiang Co., Ltd. and Zhejiang Keyu Metal Materials Co., Ltd. have made emergency environmental emergency response plan filing work, and press The emergency drill was carried out smoothly according to the content of the emergency plan. In November 2018, the Anhui base was targeted by professional organizations in response to the company's environmental status, Re-compiled the "Hailiang (Anhui) Copper Co., Ltd. Emergency Response Plan for Environmental Emergencies" and reported to the Tongguan District Environmental Protection Bureau for the record, The record number 340705-2018-009-L, the company combined with the actual plan, held an environmental emergency plan drill in November 2018.

Environmental self-monitoring program

The company and related subsidiaries strictly follow the "National Key Monitoring Enterprises Self-Monitoring and Information Disclosure Measures" (Huanfa [2013] No. 81) and the "General Guidelines for Self-Monitoring Technology of Pollutant Discharge Units" (released on April 25, 2017, implemented on 2017.6.1) and other requirements

The company's environmental self-monitoring plan has been adopted. The company's monitoring indicators, monitoring points, monitoring frequency, monitoring methods, The implementation of emission standards and standard limits has been clearly stipulated, and is carried out on the self-monitoring information disclosure platform of the attribution company public.

55

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Other environmental information that should be disclosed

no

Other environmental related information

Since 2010, Hailiang has hired qualified units to prepare the company's "Environment Report" every year

The information disclosure website designated by Yi conducts external disclosure of environmental matters and integrates the company's environmental information system transparently and truthfully. Communicate to the public, further uphold and deepen the company's responsibility for the environment and society, and let all stakeholders understand and support Support the company's environmental protection philosophy and actions to promote the sustainable development of the company's green cause.

The company's 2018 Environmental Report was published on Juchao Information Network on April 29, 2019
([Http://www.cninfo.com.cn/](http://www.cninfo.com.cn/)).

19. Explanation of other major issues

Applicable Not applicable

(1) Matters concerning the non-public offering of shares in 2017

On April 27, 2017, the ninth meeting of the sixth board of directors of the company reviewed and approved "Preplan" and other related proposals, and held the tenth meeting of the sixth board of directors on May 26, 2017, and reviewed and approved the "2017 Proposal for the Non-public Issuance of Stocks (Revised Draft)" and other related proposals, which have been held on June 12, 2017. The company's 2017 second extraordinary shareholders meeting reviewed and approved. The thirteenth meeting of the sixth board of directors held on September 25, 2017 The meeting reviewed and approved relevant proposals such as the 2017 Private Stock Issuance Plan (Second Revision) and other related proposals. The 15th meeting of the Sixth Board of Directors held on November 16 reviewed and approved Three revisions) "and other related proposals. The company intends to issue non-public A shares with no more than 338,423,422 shares and raise The total amount of funds does not exceed RMB 2945 million. On December 11, 2017, the China Securities Regulatory Commission issued an audit committee The company's application for non-public offering of shares was reviewed. According to the review results of the meeting, the company's application for non-public offering of shares Please get approval.

On April 23, 2018, the company received the "About Approval of Zhejiang Hailiang Shares" issued by the China Securities Regulatory Commission. Reply to the Non-Public Issuance of Shares by a Limited Company (Securities Regulatory Permission (2018) No. 616). After approval, the company Public offering of 256,860,319 RMB common shares to raise matching funds, the issue price per share is RMB 8.09 The total amount of supporting funds is RMB 2,077,999,980.71 yuan, after deducting the related issuance costs of RMB 28,414,267.70 yuan (not

After tax), the net proceeds will be RMB 2,049,585,713.01. The above raised funds have been put in place by Daxinhui

56

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Daxin Yanzi [2018] No. 4-00034 issued by Daji Yanzi (Special General Partnership) on September 19, 2018

Report "Verification Confirmation.

On November 9, 2018, the company completed the registration of the above shares. And completed on December 11, 2018

After the industrial and commercial change registration, the company's registered capital was changed from RMB 1,695,598,113 to RMB 1,952,458,432.

(2) Matters concerning the acquisition of 100% equity of Chengdu Bede Copper Co., Ltd.

On January 29, 2018, the seventeenth meeting of the sixth board of directors of the company reviewed and approved the "Zhejiang Hailiang Co., Ltd.

The Proposal of the Company on the Acquisition of 100% Equity Interest of Chengdu Beide Copper Co., Ltd., and was held in Chengdu on March 14, 2018

The Shuangliu District Market and Quality Supervision Administration completed the registration procedures for industrial and commercial changes, and obtained the changed Business License.

After the completion of the industrial and commercial change of Bader Copper, the company held 100% equity of Bader Copper, and Bader Copper became a wholly-owned subsidiary of the company.

(3) Matters concerning the establishment of a wholly-owned subsidiary Chongqing Hailiang Copper Co., Ltd.

On January 29, 2018, the 17th meeting of the sixth board of directors of the company reviewed and approved the

Proposal of Chongqing Hailiang Copper Co., Ltd., a subsidiary company, agreed to invest in the establishment of a wholly-owned subsidiary Chongqing Hailiang Copper Co.

Division.

On February 26, 2018, the company completed the industrial and commercial registration of Chongqing Hailiang Copper Co., Ltd., a wholly-owned subsidiary.

And obtained the "Business License" issued by the Jiangjin Branch of Chongqing Municipal Administration for Industry and Commerce (Unified Social Credit Code:

91500116MA5YRGWU7M).

(4) Matters concerning the issuance of shares to purchase asset shares and the lifting of restricted sales and listing and circulation

According to the China Securities Regulatory Commission's "Approval of Zhejiang Hailiang Co., Ltd. Xianghai Liang Group Co., Ltd., etc.

Approval for Issuing Shares to Purchase Assets "(Zhongjian License (2015) No. 408), approved by the company to issue to Hailiang Group Co., Ltd.

111,028,038 shares, issued 12,336,449 shares to Zhejiang Zhengmao Venture Capital Co., Ltd. to purchase Zhejiang Hailiang Environmental Materials

Limited company. The total of 123,364,487 newly-added shares issued by the above-mentioned issued shares to purchase assets were listed on the Shenzhen Stock Exchange on June 29, 2015.

Listed on the SME Board of the Shenzhen Stock Exchange. According to the "Company Law", "Management Measures for Major Asset Restructuring of Listed Companies", "Shenzhen

Stock Exchange Listing Rules of the Stock Exchange and other relevant laws, regulations and rules

On June 29, the restricted sales and listing were lifted. The number of restricted shares lifted this time was 123,364,487 shares, accounting for the company 's

7.28% of the previous total share capital.

(V) Matters concerning the first-phase employee stock ownership plan

On August 15, 2018, the twenty-first meeting of the sixth board of directors of the company reviewed and approved the "About

"The first phase of the company's employee stock ownership plan (draft) and its summary of the proposal", the proposal has been the company's second temporary in 2018

Shareholders' meeting reviewed and approved. Agree to use the total capital of the asset management plan of 120 million yuan and the company's stocks closed on August 15, 2018

57

Based on the price of 8.33 yuan per share, the number of target shares involved in the current employee stock ownership plan is about 14.4 million shares, and the number of shares involved is about It accounts for 0.85% of the company's total share capital, and the cumulative total does not exceed 10% of the company's total share capital
The number of shares corresponding to the planned share does not exceed 1% of the company 's total share capital.

On November 13, 2018, the company received GF Securities Asset Management (Guangdong) Co., Ltd. to complete the first phase of employee shareholding
Notice of planned stock purchase, the company 's first phase of employee stock ownership plans to accumulatively purchase company stocks through the secondary market 12,519,688
Shares, accounting for 0.6412% of the company 's total share capital, with a total transaction value of RMB 93,410,401.85 and an average transaction price of about 7.4611
Yuan / share. So far, "Guangfa Yuanchi Hailiang Share No. 1 Directed Asset Management Plan" has completed the stock purchase, and the purchased stock is locked
Regularly from November 13, 2018 to November 12, 2019.

(VI) Issue of publicly issued A- share convertible corporate bonds

On November 29, 2018, the 28th meeting of the sixth board of directors of the company reviewed and approved
Development Bank's A Share Convertible Corporate Bond Conditions "and other related proposals, which have been adopted on December 17, 2018
The fifth temporary shareholders' meeting of the company held in 2018 was reviewed and approved. The company plans to issue convertible corporate bonds to raise funds
No more than RMB 3.25 billion (including RMB 3.25 billion).

On March 7, 2019, the China Securities Regulatory Commission (hereinafter referred to as "China Securities Regulatory Commission") issued "China
The Application for Acceptance of Application for Administrative Licensing by the China Securities Regulatory Commission (serial number: 190326).
The application materials for the administrative license of "The Approval of the Issuance of Corporate Bonds Convertible into Stocks by Listed Companies of Liang Co., Ltd." were reviewed,
Considering that the application materials are complete, it decided to accept the application for administrative license.

(7) Matters concerning the purchase of land and workshops in the United States for new copper pipe production line projects

On October 10, 2018, the twenty-third meeting of the sixth board of directors of the company reviewed and approved the
Proposal for Land and Factory Buildings for New Copper Pipe Production Line Projects ", agreeing to the company or an authorized company 's wholly-owned subsidiary to raise funds by itself
Acquired a piece of land held by Five Star Properties Sealy, LLC and related rights. Company management
After the agreement is signed, the layer will carry out relevant due diligence work, including but not limited to environmental assessment, property rights verification, building inspection
Wait for work. Lawyers and relevant professional institutions entrusted by the company submitted the subject asset due diligence report to the company. According to lawyers and
The contents and opinions of the reports of the relevant professional organizations have not affected the major findings of the land-factory transaction. Another company and Five
Star Properties Sealy, LLC conducted negotiations on the pricing of the underlying asset, and the transaction price of the underlying asset was RMB 45 million
The US dollar was adjusted to US \$ 44 million and the "COMMERCIAL CONTRACT AMENDMENT" was signed.

On December 14, 2018, the 30th meeting of the 6th Board of Directors of the company reviewed and approved the
The Proposal for Delivery to Plant Matters ", the company's board of directors agreed to pay USD 44 million for this transaction and complete the purchase
Matters related to the delivery of assets.

(8) Repurchase of social public shares

The company held the twenty-sixth meeting of the sixth board of directors on November 16, 2018 and the call on December 6, 2018.

The fourth extraordinary general meeting of shareholders in 2018 reviewed and approved the "Plan on the Repurchase of Some Social Public Shares", and agreed to the

The company uses its own funds to repurchase the company's shares in a centralized auction transaction, and the total repurchase funds are not less than RMB 500 million (inclusive)

And no more than RMB 1 billion (inclusive), the price of repurchased shares is not more than RMB 10.60 per share (inclusive). Repurchase

The upper limit of the amount is 1 billion yuan, and the upper limit of the repurchase price is 10.60 yuan per share. It is estimated that the total number of shares repurchased is 94,339,622 shares.

About 4.83% of the company's total share capital. The specific number of shares repurchased and the proportion of the total share capital are based on the actual number of repurchases when the repurchase period expires

The amount shall prevail. The repurchase period shall not exceed 6 months from the date when the shareholders' meeting considers and approves the share repurchase plan.

On December 20, 2018, the company implemented share repurchases for the first time.

As of December 31, 2018, the company has repurchased 10,171,200 shares of the company through centralized auction transactions, accounting for

The total share capital is 0.5209%, the highest transaction price is 8.05 yuan / share, the lowest transaction price is 7.614 yuan / share, and the total transaction amount is

RMB 79,723,434.17 (including transaction fees). This repurchase meets the company's repurchase plan and relevant laws and regulations.

As of the disclosure date of this report, the company has repurchased 36,218,344 shares of the company in a centralized auction transaction, accounting for total shares

The price is 1.8553%, the highest transaction price is 8.737 yuan / share, the lowest transaction price is 7.599 yuan / share, and the total transaction amount is

290,001,080.97 (including transaction fees).

(IX) The entrusted processing business of the company and Jinlong shares expires

On November 16, 2015, the company signed with Jinlong Precision Copper Tube Group Co., Ltd. (hereinafter referred to as "Jinlong Shares")

Department of "Agreement on Entrusted Processing and Other Matters" and subsidiary agreement, Chongqing Longyu Precision Copper Tube Co., Ltd.

The company, Guangdong Longfeng Precision Copper Tube Co., Ltd., and Jiangsu Canghuan Copper Co., Ltd. started commissioned processing business. In the original association

After the negotiation expires, the company and Jinlong Co., Ltd. reached an agreement to continue the commissioned processing business.

Huan Copper Co., Ltd., GD Copper (USA) Inc., Jinlong (Ink

(Georgia) Limited liability company (GD Affiliates, S. DE RL DE CV) continued to be the company and

Its subsidiaries provide exclusive commission processing. At present, the term of the entrusted processing business of the agreement has expired. In 2019, the company will

It does not engage in entrusted processing business with Jinlong and its subsidiaries.

Overview of important matters	Disclosure date	Interim report disclosure website query index
About the 2017 non-public offering of shares should	April 28, 2017	Company announcement: "Announcement on Resolutions of the Ninth Meeting of the Sixth Board of Directors" (Announcement Number: 2017-021), see www.cninfo.com.cn for details.
	May 27, 2017	Company announcement: "Announcement on Resolutions of the Tenth Meeting of the Sixth Board of Directors" (Announcement Number: 2017-028), please see www.cninfo.com.cn for details.

	June 13, 2017	Company announcement: "Announcement on Resolutions of the Second Extraordinary General Meeting of 2017" (Announcement Number: 2017-033), see www.cninfo.com.cn for details.
	July 01, 2017	Company Announcement: "About receipt of the" Notice of Acceptance of Application for Administrative License of China Securities Regulatory Commission " Announcement (Announcement No. : 2017-037), see Juchao Information Network for details (Www.cninfo.com.cn).
	September 27, 2017	Company announcement: "Zhejiang Hailiang Co., Ltd. Application for Non-Public Issuance of Stocks "Response of the feedback", see the www.cninfo.com.cn for details.
	December 12, 2017	Company Announcement: "On the application for non-public issuance of A shares to obtain the China Securities Regulatory Commission Announcement on the Review and Approval of the Development Committee of the Management Committee (Announcement Number: 2017-081), detailed See www.cninfo.com.cn.
	April 23, 2018	Company Announcement: "The Company's Non-Public Issuance of Stock Approved by the China Securities Regulatory Commission Announcement (Announcement No. : 2018-011), see Juchao Information Network for details (Www.cninfo.com.cn).
	May 16, 2018	Company announcement: "Announcement on Resolutions of the Nineteenth Meeting of the Sixth Board of Directors" (Announcement Number: 2018-025), see www.cninfo.com.cn for details.
	June 01, 2018	Company announcement: "Announcement on Resolutions of the First Extraordinary General Meeting of 2018" (Announcement Number: 2018-030), see www.cninfo.com.cn for details.
	November 07, 2018	Company announcement: "Zhejiang Hailiang Co., Ltd. Non-public Issuance of Stock Issuance Report and Listing Announcement (Summary) (Announcement Number: 2018-057) Chao Information Network (www.cninfo.com.cn).
	December 15, 2018	Company Announcement: "Announcement on Completing the Registration of Changes in Industry and Commerce" (Announcement Number: 2018-087), see www.cninfo.com.cn for details.
	January 30, 2018	Company Announcement: "Announcement on the Acquisition of 100% Equity of Chengdu Beide Copper Co., Ltd." (Announcement No. : 2018-003), please see www.cninfo.com.cn for details.
Acquired 100% shares of Chengdu Bede Copper Co., Ltd. Rights	March 16, 2018	Company Announcement: "Completion of Industry and Commerce on Acquisition of 100% Equity of Chengdu Bede Copper Co., Ltd. Announcement of Change Registration (Announcement Number: 2018-010) (Www.cninfo.com.cn).
	January 30, 2018	Company announcement: "Zhejiang Hailiang Co., Ltd. invests heavily in establishing a wholly-owned subsidiary Announcement of Qinghailiang Copper Co., Ltd. (Announcement No. : 2018-004), see the giant Chao Information Network (www.cninfo.com.cn).
Established a wholly-owned subsidiary Chongqing Hailiang Copper Co., Ltd. Company matters	March 03, 2018	Company announcement: "About the completion of the industrial and commercial registration of Chongqing Hailiang Copper Co., Ltd., a wholly-owned subsidiary Announcement." (Announcement No. : 2018-009), please see Juchao Information Net for details (Www.cninfo.com.cn).
Regarding the issuance of shares to purchase asset shares Matters related to sale, listing and circulation	June 27, 2018	Company Announcement: "Information on Lifting Non-Public Issuance of Shares and Restricting Sale and Listing Announcement (Announcement No. : 2018-031), see Juchao Information Network for details (Www.cninfo.com.cn).
Repurchase of social public shares	November 17, 2018	Company announcement: "Plan on Repurchase of Some Public Shares" (2018-064). For details, please refer to www.cninfo.com.cn.

	Juchao Information Network (www.cninfo.com.cn).
December 21, 2018	Company announcement: "Announcement on Repurchasing Company Shares for the First Time" (2018-090), detailed See www.cninfo.com.cn.
January 3, 2019	Company announcement: "Announcement on Progress in Repurchasing Company Shares" (2019-001), detailed See www.cninfo.com.cn.
February 2, 2019	Company Announcement: "Announcement on Progress in Repurchasing Company Shares" (2019-008), detailed See www.cninfo.com.cn.
February 15, 2019	Company Announcement: "Announcement on Repurchase of Companies' Shares of 1% and Progress of Repurchase" (2019-009), see www.cninfo.com.cn for details. 》
March 2, 2019	Company announcement: "Announcement on Progress in Repurchasing Company Shares" (2019-0016), detailed See www.cninfo.com.cn.
April 1, 2019	Company announcement: "Announcement on Progress in Repurchasing Company Shares" (2019-021), detailed See www.cninfo.com.cn.
Purchase land and plant in the US for new copper pipe production line project matters	October 11, 2018 Company announcement: "About plans to purchase land and plants in the United States for new copper pipe production lines Announcement of the project "(2018-049), see Juchao Information Network for details (Www.cninfo.com.cn).
	December 15, 2018 Company announcement: "Announcement on Resolutions of the 30th Meeting of the Sixth Board of Directors" (2018-086), For details, please refer to www.cninfo.com.cn.
Public Offering of A-Share Convertible Corporate Bonds	December 1, 2018 Company announcement: "Announcement on Resolutions of the 28th Meeting of the Sixth Board of Directors" (2018-073), "Plan of Zhejiang Hailiang Co., Ltd.'s public issuance of A-share convertible corporate bonds" (2018-076), see www.cninfo.com.cn for details.
	December 18, 2018 Company announcement: "Announcement on Resolutions of the Fifth Extraordinary General Meeting of Shareholders in 2018" (2018-088), For details, please refer to www.cninfo.com.cn.
	March 8, 2019 Company Announcement: "On the Application for the Public Issuance of Convertible Corporate Bonds to Obtain the China Securities Regulatory Commission Announcement on Acceptance (2019-017), please see www.cninfo.com.cn for details.
The first phase of the employee stock ownership plan	August 16, 2018 Company announcement: "Announcement on Resolutions of the 21st Meeting of the Sixth Board of Directors" (2018-035), "Summary of Zhejiang Hailiang Co., Ltd. Phase I Employee Stock Ownership Plan" (2018-038), see www.cninfo.com.cn for details.
	September 1, 2018 Company announcement: "Announcement on Resolutions of the Second Extraordinary General Meeting of 2018" (2018-039), For details, please refer to www.cninfo.com.cn.
	October 23, 2018 Company announcement: "Announcement on the progress of the company's first employee stock ownership plan" (2018-053), see www.cninfo.com.cn for details.
	November 14, 2018 Company announcement: "Zhejiang Hailiang Co., Ltd. on the company's first phase of employee stock ownership plan Announcement on Planned Completion of Stock Purchase "(2018-061), please see www.cninfo.com (Www.cninfo.com.cn).

20. Major matters of the company's subsidiaries

□ Applicable √ Not applicable

Section 6 Changes in Shares and Shareholders

1. Changes in shares

1. Changes in shares

Unit: shares

	Before this change		Increase and decrease of this change (+,-)			After this change	
	Quantity	proportion	Issuing new shares	Stock giving	Subtotal	Quantity	proportion
1. Shares with restricted sales				Provident Fund Stock swap			
Portion	218,472,142	12.88%	256,860,319		-156,712,094	100,148,225	318,620,367
				other			16.32%
3. Other domestic holdings	218,472,142	12.88%	256,860,319		-156,712,094	100,148,225	318,620,367
							16.32%
Among them: domestic legal person holding share	123,364,487	7.28%	256,860,319		-123,364,487	133,495,832	256,860,319
							13.16%
Within nature							
Shareholding	95,107,655	5.61%			-33,347,607	-33,347,607	61,760,048
							3.16%
2. Unrestricted shares							
Portion	1,477,125,971	87.12%			156,712,094	156,712,094	1,633,838,065
							83.68%
1. RMB ordinary shares	1,477,125,971	87.12%			156,712,094	156,712,094	1,633,838,065
							83.68%
3. Total number of shares	1,695,598,113	100.00%	256,860,319		256,860,319	1,952,458,432	100.00%

Reasons for changes in shares

√ Applicable Not applicable

1. Changes in the company's directors, supervisors, and senior management personnel lead to changes in the restricted shares of executives

1) The company's general election on August 25, 2016, according to the relevant laws and regulations, the departure information of the self-resigning personnel

On the first trading day six months after the date of declaration, the twelve months after the person leaves the office six months after the declaration

The amount that can be sold through the stock exchange within the month, and the unlimited sale of the person within the above amount

Conditional outstanding shares are unlocked. As of the reporting period, all the restricted sales shares of the retired executives were lifted. Therefore

The restricted shares of senior executives of the company changed accordingly.

2) The company convened the 18th meeting of the sixth session of the board of directors on April 25, 2018 and hired a deputy general manager.

Laws and regulations stipulate that new directors, supervisors and senior management personnel shall hold 75% of the company 's unlimited shares. Therefore

The restricted shares of senior executives of the company changed accordingly.

2. The company's non-public offering of shares has led to changes in restricted shares

63

1) Issuing shares to purchase asset shares Restricted shares Removal of restricted shares:

China Securities Regulatory Commission "On Approval of Issuance of Zhejiang Hailiang Co., Ltd. to Hailiang Group Co., Ltd."

Approval of the Purchase of Assets by Shares (Shenzhen Supervisory License (2015) No. 408), approved by the company to issue to Hailiang Group Co., Ltd.

111,028,038 shares, issued 12,336,449 shares to Zhejiang Zhengmao Venture Capital Co., Ltd. to purchase Zhejiang Hailiang Environmental Materials

Limited company. The total of 123,364,487 newly-added shares issued by the above-mentioned issued shares to purchase assets were listed on the Shenzhen Stock Exchange on June 29, 2015.

Listed on the SME Board of the Shenzhen Stock Exchange.

According to the "Company Law", "Administrative Measures for Major Asset Restructuring of Listed Companies" and "Shenzhen Stock Exchange Stock Listing Rules"

And other relevant laws, regulations, and rules, the above-mentioned restricted shares have been lifted from the restricted sales listing on June 29, 2018 through. The number of restricted shares lifted this time was 123,364,487 shares, accounting for 7.28% of the company's current total share capital.

2) New restricted shares for non-public offerings:

Approved by the China Securities Regulatory Commission on "Approval of Zhejiang Hailiang Co.

Approval "(Zhenjian License (2018) No. 616), the company issued 61,804,697 shares to Hailiang Group Co., Ltd.

Huarong Ruitong Equity Investment Management Co., Ltd. issued 28,430,160 shares to Huaan Caibao Asset Management Co., Ltd. (Hua

Ancaibao Asset Management Stable Increase Profit No. 3 Collective Asset Management Product) issued 30,902,348 shares, Xianghua Ancai Asset Management Co., Ltd.

The responsible company (Hua'an Caibao Asset Management Stable Increase Profit No. 2 Collective Asset Management Product) issued 59,332,509 shares to

The management limited liability company issued 76,390,605 shares, a total of 256,860,319 new shares were issued. The newly restricted shares were added in 2018

Listed on the Shenzhen Stock Exchange on November 9, 2016. Among them, the controlling shareholder Hailiang Group subscribes for a 36-month sales limit for shares,

From the first day of listing, it is estimated that the available time for listing and circulation is November 9, 2021 (in case of non-trading day postponement); other subscriptions

The sale period of the shares subscribed by the target is 12 months, starting from the first day of listing, and the expected circulation time is November 9, 2019

Day (in case of non-trading day postponement).

3. The first phase of the first restricted stock incentive plan grants the second part of the lifting of the restricted sales period (reserved to grant the first solution to the stock Except for the restricted period) lift the restricted sale

The twenty-fifth meeting of the sixth board of directors of the company reviewed and approved the

The stock incentive plan grants the first part of the second lift restriction period (reserved to grant the first release of the stock restriction period) to lift the limit

Sales Proposal. " The number of restricted shares released this time was 7,859,200 shares, accounting for 0.4025% of the company's total share capital. its

The number of shares granted for the first time during the second lifting of the restricted sales period for the first release of shares was 5,974,200 shares, accounting for 0.3060% of the company's total share capital

1,885,000 shares were reserved for the first lifting of the restricted sales period, which accounted for 0.0965% of the company's total share capital. this

The incentive objects for the application for lifting the sale restriction include company directors and senior management personnel. According to the relevant laws and regulations,

After the restricted stocks held by the directors and senior management personnel are lifted, the restrictions will be based on the "Company Law" and "Shenzhen Stock Exchange

64

Relevant laws and regulations on the management of shares of the company held by directors, supervisors and senior management of listed companies

Regulations. The date of listing and circulation of the restricted stock for which the restriction on sales was lifted was November 16, 2018.

Approval of share changes

Applicable Not applicable

Approved by the China Securities Regulatory Commission on "Approval of Zhejiang Hailiang Co.

Approval "(Zhenjian License (2018) No. 616), the company issued 61,804,697 shares to Hailiang Group Co., Ltd.

Huarong Ruitong Equity Investment Management Co., Ltd. issued 28,430,160 shares to Huaan Caibao Asset Management Co., Ltd. (Hua

Ancaibao Asset Management Stable Increase Profit No. 3 Collective Asset Management Product) issued 30,902,348 shares, Xianghua Ancai Asset Management Co., Ltd.

The responsible company (Hua'an Caibao Asset Management Stable Increase Profit No. 2 Collective Asset Management Product) issued 59,332,509 shares to

The management limited liability company issued 76,390,605 shares, a total of 256,860,319 new shares were issued. The newly restricted shares were added in 2018 Listed on the Shenzhen Stock Exchange on November 9, 2016.

Transfer of share changes

Applicable Not applicable

Approved by the China Securities Regulatory Commission on "Approval of Zhejiang Hailiang Co.

Approval "(Zhenjian License (2018) No. 616), the company issued 61,804,697 shares to Hailiang Group Co., Ltd.

Huarong Ruitong Equity Investment Management Co., Ltd. issued 28,430,160 shares to Huaan Caibao Asset Management Co., Ltd. (Hua

Ancaibao Asset Management Stable Increase Profit No. 3 Collective Asset Management Product) issued 30,902,348 shares, Xianghua Ancai Asset Management Co., Ltd.

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The management limited liability company issued 76,390,605 shares, a total of 256,860,319 new shares were issued. The newly restricted shares were added in 2018

Listed on the Shenzhen Stock Exchange on November 9, 2016.

Implementation progress of share repurchase

Applicable Not applicable

The company held the twenty-sixth meeting of the sixth board of directors on November 16, 2018 and the call on December 6, 2018.

The fourth extraordinary general meeting of shareholders in 2018 reviewed and approved the "Plan on the Repurchase of Some Social Public Shares", and agreed to the

The company uses its own funds to repurchase the company's shares in a centralized auction transaction, and the total repurchase funds are not less than RMB 500 million (inclusive)

And no more than RMB 1 billion (inclusive), the price of repurchased shares is not more than RMB 10.60 per share (inclusive). Repurchase

The upper limit of the amount is 1 billion yuan, and the upper limit of the repurchase price is 10.60 yuan per share. It is estimated that the total number of shares repurchased is 94,339,622 shares.

65

About 4.83% of the company's total share capital. The specific number of shares repurchased and the proportion of the total share capital are based on the actual number of repurchases when the repurchase period expires

The amount shall prevail. The repurchase period shall not exceed 6 months from the date when the shareholders' meeting considers and approves the share repurchase plan. details

For details, see the company published in the Securities Times on November 17, 2018, December 7, 2018, and December 19, 2018.

"Shanghai Securities News", "Securities Daily", "China Securities News" and related information on www.cninfo.com.cn announcement.

On December 20, 2018, the company implemented the share repurchase for the first time. For details, please refer to the company's December 21, 2018

Daily published in "Securities Times", "Shanghai Securities News", "Securities Daily", "China Securities News" and Juchao Information Network

"Announcement on the First Repurchase of Company Shares" (Announcement Number: 2018-090) on (www.cninfo.com.cn)

According to the "Administrative Measures on the Repurchase of Public Shares by Listed Companies (Trial)" and "About

Supplementary Provisions on Municipal Companies Repurchasing Shares by Centralized Auction Trading "," The Shenzhen Stock Exchange Listed Companies

"Repurchase of Share Repurchase Business Guidelines" and other relevant regulations stipulate that the company should announce the end of the previous three trading days of each month

The progress of the repurchase at the end. The progress of the company's share repurchase is now announced as follows:

As of December 31, 2018, the company has repurchased 10,171,200 shares of the company through centralized auction transactions, accounting for the total share capital is 0.5209%, the highest transaction price is 8.05 yuan / share, the lowest transaction price is 7.614 yuan / share, and the total transaction amount is RMB 79,723,434.17 (including transaction fees).

As of the disclosure date of this report, the company has repurchased 36,218,344 shares of the company in a centralized auction transaction, accounting for total shares The price is 1.8553%, the highest transaction price is 8.737 yuan / share, the lowest transaction price is 7.599 yuan / share, and the total transaction amount is 290,001,080.97 (including transaction fees).

Progress in the implementation of centralized bidding to reduce holdings of repurchased shares

Applicable Not applicable

The changes in shares to the basic earnings per share and diluted earnings per share in the latest year and the latest period are attributable to the company's common shareholders

The impact of financial indicators such as net assets per share

Applicable Not applicable

project	2018	
	After the change	Before change
Shares (shares)	1,952,458,432	1,695,598,113
Basic earnings per share	0.5216	0.5417
Diluted earnings per share	0.4600	0.4778
Net assets per share attributable to company shareholders (yuan / share)	4.11	3.53

66

Other content deemed necessary by the company or required by the securities regulatory agency

Applicable Not applicable

2. Changes in restricted shares

Applicable Not applicable

Unit: shares

Name of shareholder	Restricted shares released at the beginning of the period		Restricted shares in this period		Cause date
	Number of shares at the beginning of the period	Number of shares released	Number of restricted shares at the end of the period	Change in the number of restricted shares	
Hailiang Group	111,028,038	111,028,038	61,804,697	61,804,697	Issuing share purchase capital Non-public offering June 29, 2018 day Shares
Zhengmao Ventures	12,336,449	12,336,449	0	0	Issuing share purchase capital Produce January 29, 2018 day
Cao Jianguo	13,632,274	13,632,274	0	0	Executive departure February 26, 2018 day February 26, 2018

Wang Ming	8,211,608	8,211,608	0	0 Executive departure	day
Zhao Xuelong	4,563,650	4,563,650		0 Executive departure	February 26, 2018 day
Wang Sheng	0	0	129,125	129,125 new executives	-
The first grant of stock					
Two lifting restrictions	13,939,800	5,974,200	0	7,965,600 Equity incentive	November 16, 2018 day
177 incentive objects					
Reserve the first					
A lifting period					
159 incentive objects					
(Of which 6 are motivated	3,770,000	1,885,000	0	1,885,000 equity incentives	November 16, 2018 day
Subject holds the first					
Second and reserved grant shares					
ticket)					
Huarong Ruitong Equity Investment					
Capital Management Co., Ltd.	0		28,430,160	28,430,160 non-public offering of shares	November 2021 9 day
issued					
Huaan P & C Asset Management					
Management limited liability company					
(Hua'an Financial Insurance Asset Management			30,902,348	30,902,348 Non-public offering of shares	November 9, 2019 day
Stable increase in profit No. 3 set					
Joint asset management					

67

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Goods)

Huaan P & C Asset Management

Management limited liability company

(Hua'an Financial Insurance Asset Management

Stable increase in profit No. 2 set

Joint asset management

Goods)

Huaan Fund Management

Limited liability company

total

167,481,819

157,631,219

256,989,444

266,840,044

-

-

2. Securities issuance and listing

1. During the reporting period, the issuance of securities (excluding preferred shares)

 Applicable Not applicable

2. Description of changes in the company's total shares and shareholder structure, changes in the company's assets and liability structure

 Applicable Not applicable

Approved by the China Securities Regulatory Commission on "Approval of Zhejiang Hailiang Co. Approval "(Zhenjian License (2018) No. 616), the company issued 61,804,697 shares to Hailiang Group Co., Ltd.

Huarong Ruitong Equity Investment Management Co., Ltd. issued 28,430,160 shares to Huanan Caibao Asset Management Co., Ltd. (Huanan Caibao Asset Management Stable Increase Profit No. 3 Collective Asset Management Product) issued 30,902,348 shares, Xianghua Ancai Asset Management Co., Ltd.

The responsible company (Huanan Caibao Asset Management Stable Increase Profit No. 2 Collective Asset Management Product) issued 59,332,509 shares to

The management limited liability company issued 76,390,605 shares, a total of 256,860,319 new shares were issued. The new shares were added in 2018

Listed on the Shenzhen Stock Exchange on November 9. The company's registered capital was changed from RMB 1,695,598,113 to RMB 1,952,458,432,

Other matters remained unchanged.

3. Existing internal employee shares

Applicable Not applicable

3. Shareholders and actual controllers

1. Number of shareholders and shareholdings of the company

Unit: shares

68

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

	Annual report disclosure		Voting at the end of the reporting period		Annual report disclosure	
	The day before the end of the previous month	the day before the end of the previous month	Right restoration priority	Shareholders	The day before the end of the previous month	Voting rights restored
Shareholders	27,454	27,835	0	0	0	0
	Common shareholders	(If any) (see Note 8)	Preferred shareholders	Number (if any) (see Note 8)		
	number					

Shareholders holding more than 5% of the shares or the top 10 shareholders

Name of shareholder	Proportion of shareholders	At the end of the reporting period		Hold a limited sale		Pledge or freeze situation	
		Number of shares	Percentage changes	Quantity	Quantity	Share certificate state	Quantity
Hailiang Group Co., Ltd.	Domestic non-state	45.12%	881,026,875	61,804,697	819,222,178	pledged	321,000,000
	Legal person		618,046,97				
Z & P ENTERPRISES LLC	Foreign legal person	14.79%	288,723,974		288,723,974		
Huanan Fund-Guotai Junan Securities-Hui An Fund-Hui Xin 22 Asset Management Plan	Domestic non-state	3.17%	61,804,697	61,804,697			0
	Legal person						
Feng Hailiang	Natural person	3.06%	59,840,466		59,840,466		
Huanan Finance Insurance Asset Management-Industry and Commerce Bank-Huanan Wealth Management	Domestic non-state	3.04%	59,332,509	59,332,509			0
	Legal person						
Manage products							
Chen Dong	Natural person	1.75%	34,090,938		8,522,735		

Huaan Finance Insurance Asset Management-Industry and Commerce

Bank-Hua'an Wealth Management Domestic non-state
Stable increase of No. 3 collective legal person 1.58% 30,902,348 30,902,348 30,902,348 0

Manage products

Huarong Ruitong Equity Investment Management
Management Co., Ltd. State-owned legal person 1.46% 28,430,160 28,430,160 28,430,160 0

Yang Lin Natural person 1.30% 25,472,216 0 25,472,216

Zhu Zhangquan Natural person 1.13% 22,148,160 16,611,120 5,537,040

Strategic investors or general legal persons due to placing new shares

Status of becoming the top 10 shareholders (if any) (see

See note 3)

The above-mentioned shareholders' relationship Mr. Feng Hailiang is the actual controller of the company, Hailiang Group is the company's controlling shareholder, and Mr. Zhu Zhangquan is Mr. Feng Hailiang

Bright His wife and brother, Mr. Yang Lin is the nephew of Mr. Feng Hailiang. Other shareholders have no associated relationship.

Shareholdings of the top 10 shareholders with unlimited sales

Name of shareholder	Number of shares with unlimited sales held at the end of the reporting period	Types of shares	
		Types of shares	Quantity

69

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Hailiang Group Co., Ltd.	819,222,178 RMB ordinary shares	819,222,178
Z & P ENTERPRISES LLC	288,723,974 RMB ordinary shares	288,723,974
Feng Hailiang	59,840,466 RMB ordinary shares	59,840,466
Yang Lin	25,472,216 RMB ordinary shares	25,472,216
BOCI Securities-Bank of China-BOC Securities		
Bond China Red-Huizhong No. 1 Collective Asset Management plan	18,737,275 RMB ordinary shares	18,737,275
Cao Jianguo	13,664,548 RMB ordinary shares	13,664,548
Xu Meijuan	13,600,000 RMB ordinary shares	13,600,000
Zhejiang Hailiang Co., Ltd.-Phase I Workers' shareholding plan	12,519,688 RMB ordinary shares	12,519,688
Zhejiang Zhengmao Venture Capital Co., Ltd.	12,336,449 RMB ordinary shares	12,336,449
Sun Changyu	11,812,782 RMB ordinary shares	11,812,782

Among the top 10 shareholders with unlimited sales of tradable shares.

Mr. Feng Hailiang is the actual controller of the company, Hailiang Group is the company's controlling shareholder, and Mr. Zhu Zhangquan is Mr. Feng Hailiang
And the top 10 shareholders with unlimited outstanding shares and the top 10

Wife and brother, director of Hailiang Group, Mr. Yang Lin is the nephew of Mr. Feng Hailiang; Mr. Cao Jianguo is the legal representative of Hailiang Group
The relationship between shareholders or acting in concert

Person; Zhejiang Zhengmao Venture Capital Co., Ltd. is a holding subsidiary of Hailiang Group. Other shareholders have no associated relationship.

Explanation

In addition to holding 613,626,875 shares through ordinary securities accounts, Hailiang Group Co., Ltd.

Securities Co., Ltd. holds 267,400,000 shares in the customer's credit transaction guarantee securities account

Top 10 common stock shareholders participate in margin trading

881,026,875 shares of the company, accounting for 45.12% of the company's total shares; company shareholder Sun Changyu through Huaxin Securities has

Description of business situation (if any) (see Note 4)

Limited liability company customer credit transaction guarantee securities account holds 11,812,782 shares, actually holding the company's total shares

11,812,782 shares, accounting for 0.61% of the company's total shares;

Whether the top 10 ordinary shareholders of the company and the top 10 ordinary shareholders of unrestricted shares made an agreed buyback during the reporting period

transaction

Yes No

The top 10 ordinary shareholders of the company and the top 10 ordinary shareholders of unrestricted shares did not make agreed repurchase during the reporting period easy.

2. The company's controlling shareholder

Nature of controlling shareholder: natural person holding

Type of controlling shareholder: legal person

Name of controlling shareholder	Legal representative / single Person in charge	Date of establishment	Organization Code	Main business
Hailiang Group Co., Ltd. Cao Jianguo		August 9, 1996	913306811462584935	Real estate development (operating with valid qualification certificate); Wholesale and retail: pre-packaged food and bulk food.

70

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Alcohol and dairy products (excluding infant formula milk powder)
 (Specific business projects are based on permits or approval documents
 Approved shall prevail); wholesale and retail: metal materials and
 Products, construction and decoration materials (except bamboo and wood), chemical industry
 Raw materials (except dangerous chemicals, easy-made drugs, monitoring
 Chemicals), daily necessities, cultural and sports supplies, gold
 Jewelry, jewelry; gold processing; planting,
 Livestock industry (the above two items except animal husbandry and pre-trial
 Approval); property management; engaged in the advancement of goods and technology
 Export business; foreign investment.

The controlling shareholder controlled during the reporting period
 1. Fabon Investment Co., Ltd., a wholly-owned subsidiary of Hailiang Group, holds Hailiang International Holdings Limited (stock code: HK02336)
 Shares and other domestic shares
 Ownership of foreign listed companies
 66.48% of the shares; 2. Hongliang International Investment Co., Ltd., a wholly-owned subsidiary of Hailiang Group, passes Brilliant One
 Development Ltd. holds 24.44% of Hailiang Education Group Inc. (NASDAQ: HLG).
 condition

Controlling shareholder changes during the reporting period

Applicable Not applicable

The controlling shareholder of the company has not changed during the reporting period.

3. The actual controller of the company and its persons acting in concert

Nature of actual controller: domestic natural person

Type of actual controller: natural person

Name of actual controller	Relationship with actual controller	Country of Citizenship	Whether to obtain residence in other countries or regions
Feng Hailiang	Me	China	no
Main occupations and positions	Former Chairman of Hailiang Co., Ltd. and Chairman of Hailiang Group; Chairman of Ningbo Zhetao Investment Holdings Co., Ltd.; Hailiang Chairman of Real Estate Holdings Group Co., Ltd.; Chairman of Hailiang Education Management Group Co., Ltd.; Hailiang Mineral Holdings Group Co., Ltd. Chairman of the company.		

At the end of the reporting period, Mr. Feng Hailiang could actually control or influence 93.20% equity of Hailiang Group. 1. All subordinates of Hailiang Group Fubon Investment Co., Ltd. holds 66.48% of Hailiang International Holdings Limited (stock code: HK02336)

Over the past 10 years, holding domestic companies: Mr. Feng Hailiang passed Jet Victory International Limited, Fame Best International Limited.

City company situation Gain Success Group Limited. Holds Hailiang Education Group Inc. (NASDAQ: HLG) 62.84% of the shares; Hongliang International Investment Co., Ltd., a wholly-owned subsidiary of Hailiang Group, through its holding of Hailiang Education Group Inc. (NASDAQ: HLG) 24.44% of the shares.

Change of actual controller during the reporting period

Applicable Not applicable

During the reporting period, the actual controller has not changed.

71

Block diagram of the property rights and control relationship between the company and the actual controller

The actual controller controls the company through trust or other asset management methods

Applicable Not applicable

4. Other legal person shareholders holding more than 10% of the shares

Applicable Not applicable

Name of legal shareholder	Legal representative / unit responsible people	Date of establishment	Registered capital	Main business or management activities
---------------------------	--	-----------------------	--------------------	--

According to Wyoming law
Fixed, engaged in a limited liability company may

Z & P ENTERPRISES LLC

YI-MIN CHANG

February 27, 2007
day

USD 50,000

With all legal business activities
Actions, including current and future laws
All powers and objectives permitted by law
, Except for the banking and insurance industries.

5. Restriction and reduction of shares of controlling shareholders, actual controllers, restructuring parties and other undertaking entities

Applicable Not applicable

72

Section VII Preference Shares

Applicable Not applicable

During the reporting period, the company did not have preferred shares.

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Section VIII Directors, Supervisors, Senior Management and Employees

1. Changes in shareholding of directors, supervisors and senior management

Name	Job status	gender	age	Beginning of the period date	Termination of term date	Number of shares (share)	Overweight (share)		Other change Change (share)	Shareholding at the end of the period Number (shares)
							Number of shares (share)	Number of shares (share)		
Zhu Zhangquan	Chairman, General manager	Current	male	2016	2019	22,148,16	0	0	0	22,148,16
				52 August 25 day	August 25 day	0			0	0
Chen Dong	Director, Finance Director	Current	male	Year 2014	2019	34,090,93	0	0	0	34,090,93
				51 May 20 day	August 25 day	8			0	8
Director Jiang Shaojun	Current	male		year 2013	2019	350,000	0	0	0	350,000
				52 September 25 day	August 25 day				0	350,000
Director Feng Luming	Current	male		2016	2019	13,000,00	0	0	0	13,000,00
				33 August 25 day	August 25 day	0			0	0
King Kong	director	Current	male	2016	2019	350,000	0	0	0	350,000
				41 August 25 day	August 25 day				0	350,000
Qian Ziqiang	Director, Director Secretary	Current	male	2016	2019	100,000	0	0	0	100,000
				34 August 25 day	August 25 day				0	100,000
Ye Xuefang's independent director leaves	Female			2012	2019	0	0	0	0	0
				53 May 18 day	August 25 day				0	0
Zhang Jingzhong Independent Director	imminent			2015	2019	0	0	0	0	0
				56 December 03 day	August 25 day				0	0
The current independent director of Fan Shaleke				2016	2019	0	0	0	0	0
				56 August 25 day	August 25 day				0	0
Deng Chuan	Current Independent Director	male		2018	2019	0	0	0	0	0
				46 December 07 day	August 25 day				0	0

day	day				
Wang Sheng Deputy General Manager	male	50	2018	2019	400,000
					14,500
					385,500

74

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

			April 25	August 25					
			day	day					
			2018	2019					
Dong Zhiqiang Deputy General Manager	male	50	April 25	August 25					0
			day	day					
			year 2013	2019					
Fu Huaquan	Supervisory Board seat	Current	male	51	September 25	August 25	0	0	0
				day	day				0
				2016	2019				
Supervisor Wang Yefei	Current	Female	42	August 25	August 25	0	0	0	0
				day	day				
				2016	2019				
Lin ZHU	Staff representatives	Current	Female	39	August 25	August 25	0	0	0
	Supervisor			day	day				0
total							70,439,098	0	14,500
								0	70,424,598

Second, the company's directors, supervisors, senior management personnel changes

Applicable Not applicable

Name	Position held	Types of	date	the reason
Wang Sheng	Deputy General Manager	Appointment	April 25, 2018 day	Hire
Dong Zhiqiang	Deputy General Manager	Appointment	April 25, 2018 day	Hire
Ye Xuefang	Independent Director	Resign after expiry of term	06 December 2018 day	Resign after expiry of term
Deng Chuan	Independent Director	Appointment	06 December 2018 day	Supplement

Third, the position

The current background of the company's current directors, supervisors, and senior management personnel, major work experience, and current major positions in the company responsibility

1. Zhu Zhangquan, male, Chinese nationality, born in October 1967, member of the Communist Party of China. Successive purchase of Hailiang Group Co., Ltd. Manager, Assistant to the President, Deputy General Manager of Zhejiang Hailiang Co., Ltd., Chairman and General Manager of Zhejiang Hailiang Copper Pipeline Co., Ltd. Manager, director and general manager of Zhejiang Hailiang Co., Ltd. Current Zhejiang Haibo Microfinance Co., Ltd. (share Ticket code: 831199) Chairman of the Board, Director of Hailiang Group Co., Ltd. From August 2016 to present, he has served as Chairman and General Manager of the company.

2. Chen Dong, male, Chinese nationality, born in November 1968, bachelor degree, senior accountant. Formerly offered by Mae Chi, Zhuji Accountant sponsored by the Marketing Cooperative, Chief Accountant, Director and Chief Financial Officer of Zhejiang Hailiang Co., Ltd. Executive Director of the company, head of finance and manager of the financial planning department of Hailiang Group Finance Co., Ltd. Director of Loan Co., Ltd. (stock code: 831199) and chairman of the board of supervisors of Hailiang Group Finance Co., Ltd. year 2013. From September to present, he has served as the company's chief financial officer, and from May 2014 to the present, he has served as a director of the company.

3. Jiang Shaojun, male, Chinese nationality, born in September 1967, master of business administration, engineer. Mainly engaged in copper rods Production and research of new brass alloy materials, won the third prize of the Science and Technology Award of China Nonferrous Metals Industry Association, the provincial 1 second prize for scientific and technological progress and 1 first prize for scientific and technological progress in Shaoxing. Former Chief of Lanxi Construction Machinery Factory, Zhejiang Qicheng Deputy director and director of the branch of Mechanical and Electrical Industry Corporation, deputy general manager of Lanxi Construction Machinery Co., Ltd. and other positions. Zhejiang Branch Executive Director of Yu Metal Materials Co., Ltd. Director of the company since September 2013.

4. Feng Luming, male, Chinese nationality, born in December 1986, master's degree. Former general manager of Zhejiang Hailiang Co., Ltd. Assistant, currently director and vice president of Hailiang Group Co., Ltd., executive director and chief executive of Hailiang International Holdings Co., Ltd., Chairman of Mingkanghui Healthy Food Group Co., Ltd., chairman and general manager of Zhejiang Mingkanghui Electronic Commerce Co., Ltd. 2016 Director of the company since August.

5. King Kong, male, Chinese nationality, born in March 1978, bachelor degree. Former Secretary of Party Office of Wuhan Ferry Company, Ningbo Jianlong Iron and Steel Co., Ltd., Chengde Jianlong Special Steel Co., Ltd., Jilin Jianlong Steel Director of Human Resources Department of Iron Co., Ltd., Director of Human Resources of Sichuan Chuanguo Boiler Co., Ltd., Chongqing Zongshen Power Group Co., Ltd. Ticket code: 001696) Minister of Human Resources Department, Director of Human Resources of Wuhan Xinkang Chemical Group, etc. Director of Human Resources of Co., Ltd. From August 2016 to present, he has been a director of the company.

6. Qian Ziqiang, male, Chinese nationality, born in December 1985, bachelor degree. Joined Zhejiang Hailiang in June 2008. Worked as a limited company, served as the company's securities affairs representative, deputy general manager of the strategic development department of Mingkanghui Ecological Agriculture Group Co. Worked in Hailiang Group Co., Ltd. Since 2016, he has been the company's director and secretary to the board of directors.

7. Deng Chuan, male, member of the Communist Party of China, born in May 1973. He started teaching at Zhejiang University of Finance and Economics in March 1998. accounting Doctor of Science, professor, supervisor of master student of Zhejiang University of Finance and Economics, cooperative doctoral supervisor of Zhongnan University of Economics and Law. Now Zhejiang Deputy Dean of the School of Accounting, University of Finance and Economics, and the person in charge of the specialty of auditing in the 13th Five-Year Plan of Zhejiang Province. National Accounting Leader of the Ministry of Finance Talent (academic), the training target of Zhejiang New Century 151 Talent Project. Executive director of the Financial Cost Branch of the Chinese Accounting Society, Vice President of Zhejiang Province Internal Audit Association, member of the Internal Governance Steering Committee of Zhejiang Institute of Certified Public Accountants. Main Research Leader The field is accounting and auditing theory and practice. Served as Sime Media Co., Ltd., Hangzhou Yuanfang Optoelectronic Information Co., Ltd., Independent director of Polaiya Cosmetics Co., Ltd. and Zhejiang Zhengyuan Wisdom Technology Co., Ltd. Current Eastcompeace Technology

Independent director of Co., Ltd. and Shaoxing Xingxin New Materials Co., Ltd. From December 6, 2018 to the present company independent director.

8. Zhang Jingzhong, male, born in March 1963, Chinese nationality, senior MBA, senior lawyer, CPC member. From August 1984 to September 1988, worked in the Research Office of the Political and Law Committee of the Zhejiang Provincial Party Committee; from October 1988 to the present, He works in Zhejiang Tianquan Law Firm and is currently the director of the law firm. The current independent director of the company, Zhejiang Jingong Technology Co., Ltd. has Limited company (stock code: 002006), independent director, Guizhou Moutai Liquor Co., Ltd. (stock code: 600519) Director, Lily Group Co., Ltd. (stock code: 603823) Independent Director, Shanghai Chenguang Stationery Co., Ltd. Independent director of the company (stock code: 603899); Honorary President of Zhejiang Provincial Lawyers Association since June 2015, 2016 From April to present, he has been the vice chairman of the All China Lawyers Association. He has been an independent director of the company since December 2015.

9. Fan Shunke, male, born in July 1963, Chinese nationality, MBA, professor level senior engineer, Chinese Communist Party member. Former engineer of Nonferrous Metal Technology and Economic Research Institute, senior engineer of China Nonferrous Metals Industry Corporation, Minfa Independent Director of Aluminum Industry Co., Ltd. (stock code: 002578); Zhejiang Huayou Cobalt Co., Ltd. (stock code: 603799) Independent director; won the special allowance of the State Council in 2006; won the "National Model Worker in Nonferrous Metal Industry" in 2008. Incumbent Deputy Secretary of the Party Committee and Secretary of the Commission for Discipline Inspection of the State-owned Nonferrous Metals Industry Association, Secretary of the Party Committee of the Nonferrous Metal Technology and Economic Research Institute, National Development And reform industry committee and industry experts of the Ministry of Industry and Information Technology, chairman of China Nonferrous Metal Processing Industry Association, August 25, 2016 to This is the company's independent director.

10. Fu Huaquan, male, Chinese nationality, born in March 1968, master's degree, certified public accountant and senior accountant. Once Director of Lianyungang Surui Certified Public Accountants, Director of Audit Office of Suning Appliance Group, Jiangsu GCL Group (Holdings) Auditor of the company, currently serving as a director of the board of directors of Hailiang Group Co., Ltd. Chairman.

11. Wang Yefei, female, Chinese nationality, born in December 1977, bachelor degree, accountant. Former Hailiang Group Co., Ltd. Director of the company's foreign exchange management center, director of the accounting center of Hailiang Group Co., Ltd., currently the accountant of Hailiang Group Co., Ltd. Head of the Accounting Department, he has been the company's supervisor since August 25, 2016.

12. Zhu Lin, female, Chinese nationality, born in December 1980, bachelor degree. Entered Zhejiang Hailiang Co., Ltd. in July 2003 Worked as a limited company, and currently serves as the company's securities affairs representative. From August 25, 2016 to present, he has served as the company's employee representative supervisor.

Position in shareholder units

Applicable Not applicable

Name of staff	Name of shareholder unit	Positions held in shareholder units			In the shareholder unit	
		Business	Term start date	Term end date	Receive compensation allowance	

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Zhu Zhangquan	Hailiang Group Co., Ltd.	director	no
Feng Luming	Hailiang Group Co., Ltd.	Director and Vice President	Yes
Fu Huaiquan	Hailiang Group Co., Ltd.	Board of Directors	Yes
Wang Yefei	Hailiang Group Co., Ltd.	Deputy Director of Financial Management Center	Yes

In the shareholder unit the directors and supervisors of the company work in the shareholder unit in compliance with the "Guidelines for the Standard Operation of Listed Companies on the SME Board of Shenzhen Stock Exchange (2015 Revision)" Description of job status and the independence requirements of listed companies.

Position in other units

Applicable Not applicable

Name of staff	Name of other organization	In other units		In other units
		Job title	Term start date Term end date	
Zhu Zhangquan	Chairman of Zhejiang Haibo Microfinance Co., Ltd.			no
Zhu Zhangquan	Guangdong Hailiang Copper Co., Ltd.	Executive Director, Manager		no
Zhu Zhangquan	Zhejiang Hailiang Investment Co., Ltd.	Chairman		no
Zhu Zhangquan	Zhejiang Copper Processing Research Institute	Executive director		no
Zhu Zhangquan	Jiangsu Canghuan Copper Pipe Sales Co., Ltd.	Executive Director and General Manager		no
Zhu Zhangquan	Hailiang Mineral Holdings Group Co., Ltd.	director		no
Zhu Zhangquan	Hailiang Group Co., Ltd.	director		no
Zhu Zhangquan	Hailiang Group Finance Co., Ltd.	director		no
Chen Dong	Shanghai Hailiang Copper Co., Ltd.	Chairman		no
Chen Dong	Hailiang (Anhui) Copper Co., Ltd.	Executive Director and General Manager		no
Chen Dong	Chongqing Hailiang Copper Co., Ltd.	executive director		no
Chen Dong	Zhejiang Hailiang Environmental Material Co., Ltd.	Executive Director and Manager		no
Chen Dong	Ningbo Hailiang Copper Co., Ltd.	Executive Director and Manager		no
Chen Dong	Hailiang Group Finance Co., Ltd.	Chairman of the board of supervisors		no
Chen Dong	Director of Zhejiang Haibo Microfinance Co., Ltd.			no
Chen Dong	Hailiang Otto Copper Pipe (Guangdong) Co., Ltd.	Chairman		no
Chen Dong	Zhejiang Hailiang New Material Co., Ltd.	Supervisor		no
Chen Dong	LOYAL HAILIANG COPPER (THAILAND) CO., LTD.	director		no
Chen Dong	Singapore Hailiang Metal Materials Co., Ltd.	director		no
Chen Dong	Zhejiang Hailiang International Trade Co., Ltd.	Supervisor		no
Chen Dong	Zhejiang Hailiang New Material Co., Ltd.	Supervisor		no
Chen Dong	Moral Top Enterprise Limited	director		no
Chen Dong	Hong Kong Hailiang Holdings Limited	director		no

78

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Chen Dong	HME Copper Germany Gmbh	director	no
Chen Dong	Director of Hailiang Netherlands Holding BV		no
Feng Luming	Hailiang Group Co., Ltd.	director	Yes
Feng Luming	Mingkanghui Healthy Food Group Co., Ltd.	Chairman	no
Feng Luming	Hailiang International Holdings Limited	Executive Director, Chief Executive Officer	no
Feng Luming	Zhejiang Mingkanghui Electronic Commerce Co., Ltd.	Chairman	no
Feng Luming	Director of Hangzhou Hailiang Preschool Education Group Co., Ltd.		no
Feng Luming	Hangzhou Puying Trading Co., Ltd.	executive director	no
Qian Ziqiang	Hailiang Otto Copper Pipe (Guangdong) Co., Ltd.	director	no
Fu Huaiquan	Hailiang Group Co., Ltd.	Board of Directors	Yes
Fu Huaiquan	Hailiang Group Finance Co., Ltd.	director	no
Wang Yefei	Hailiang Group Co., Ltd.	Deputy General Manager of Financial Management Center Jail	Yes
Jiang Shaojun	Zhejiang Keyu Metal Materials Co., Ltd.	Executive Director	Yes
Deng Chuan	School of Accounting, Zhejiang University of Finance and Economics	Associate Professor	Yes
Deng Chuan	Shaoxing Xingxin New Material Co., Ltd.	Independent Director	Yes
Deng Chuan	Eastcompeace Technology Co., Ltd.	Independent Director	Yes
Zhang Jingzhong	Zhejiang Tianquan Law Firm	director	Yes
Zhang Jingzhong	Zhejiang Jinggong Technology Co., Ltd.	Independent Director	Yes
Zhang Jingzhong	Lily Group Co., Ltd.	Independent Director	Yes
Zhang Jingzhong	Guizhou Moutai Wine Co., Ltd.	Independent Director	Yes
Zhang Jingzhong	Shanghai Chenguang Stationery Co., Ltd.	Independent Director	Yes
Zhang Jingzhong	All China Lawyers Association	Vice president	no
Zhang Jingzhong	Zhejiang Bar Association	Honorary President	no
Fan Shunke	China Nonferrous Metals Industry Association	Deputy Secretary of the Party Committee and Commission for Discipline Inspection secretary	Yes
Fan Shunke	Nonferrous Metals Technology and Economic Research Institute	Secretary	no
Fan Shunke	China Nonferrous Metal Processing Industry Association	Secretary	no
Lin ZHU	Hailiang Otto Copper Pipe (Guangdong) Co., Ltd.	Supervisor	no
In other units			no
Description of job status			

Penalties of the company's current and current directors, supervisors and senior managers who have left the company for the past three years

Applicable Not applicable

Decision-making procedures, basis for determination, and actual payment of directors, supervisors, and senior managers
Decision-making procedures, basis for determination, and actual payment of directors, supervisors, and senior managers

Decision-making procedures for the remuneration of directors, supervisors and senior executives: According to the "Company Law", "Articles of Association", Name, Remuneration and Appraisal Committee Working Rules "and" Directors, Supervisors, Senior Management Remuneration System "relevant regulations.

It is submitted to the board of directors for review after being nominated, remunerated and evaluated by the board of directors.

The basis for determining the remuneration of directors, supervisors and senior management personnel: the remuneration of directors, supervisors and senior management personnel
The Nomination, Remuneration and Appraisal Committee of the Council, based on job responsibilities, in accordance with performance evaluation standards and procedures,
After completing the comprehensive performance evaluation and assessment of the annual performance indicators, the annual reports of the company's directors, supervisors and senior management personnel are proposed.
Pay.

The remuneration of directors, supervisors and senior management during the reporting period

Unit: ten thousand yuan

Name	Job title	gender	age	Tenure status	Taxes obtained from company related to the company	
					Total previous remuneration	Equity gets paid
Zhu Zhangquan	Chairman, General Manager	Male	52	Current	130.13	No
Wang Sheng	Deputy General Manager	Male	50	current	70.58	No
Dong Zhiqiang	Deputy General Manager	Male	50	current	74.27	No
Chen Dong	Director, Chief Financial Officer		51	Current	57.67	No
Feng Luming	director	male	33	Current		Yes
Jiang Shaojun	director	male	52	Current	55.88	No
Qian Ziqiang	director	male	34	Current	45	No
King Kong	director	male	41	Current	57.63	No
Zhang Jingzhong	Independent Director	male	56	Current	10.74	No
Ye Xuefang	Independent Director	Female	53	Outgoing	10.74	No
Fan Shunke	Independent Director	male	56	Current		no
Deng Chuan	Independent Director	male	46	Current		no
Fu Huaiquan	Chairman of the Supervisory Board	male	51	Current		Yes
Wang Yefei	Supervisor	Female	42	Current		Yes
Lin ZHU	Employee representative supervisor	male	39	Current	15	No
total					527.64	

Directors and senior executives of the company granted equity incentives during the reporting period

Applicable Not applicable

80

V. Company employees

I. Number of employees, professional composition and education level

Number of employees in the parent company (person)

2,429

Number of employees in major subsidiaries (person)	4,703
Total number of active employees (person)	7,132
Total number of employees receiving salary in the current period (person)	7,132
Number of retired employees who need to bear the expenses of the parent company and major subsidiaries (person)	0

Professional composition

Professional composition category	Professional composition number (person)
Production staff	5,691
salesperson	430
Technical staff	439
Financial officer	194
administration staff	159
Other service personnel	219
total	7,132

education level

Education category	Quantity (person)
PhD	1
master's degree	55
Undergraduate	751
College	670
Technical secondary school	1,130
High school	1,162
Below high school	3,363
total	7,132

2. Remuneration policy

The company formulates in accordance with the relevant national laws and regulations, combined with the actual situation of the company, based on the objective, fair and standardized concept. The salary and performance appraisal system are established, and the employee's income is composed of monthly income and year-end awards. Capital, assessment salary, overtime salary, monthly meal stickers, working age subsidies, etc. The basic salary is determined according to the level of job evaluation, and the performance salary is determined according to the performance assessment. At the same time, the company pays social insurance and provident fund for it in accordance with national laws.

81

3. Training plan

In 2018, under the background of 2025 planning, the company bases on corporate strategy and serves the company's current and future management practical needs, while comprehensively and in-depth advancement of the talent training system, focus on promoting the construction of blue-collar post ecosystems. Collect and organize points and skill items, compile teaching materials, blue-collar teacher training, blue-collar training, blue-collar certification exams, etc. The professional qualities and skills of blue-collar workers provide blue-collar talent support for the company to create an international master of non-ferrous metal materials manufacturing.

In 2019, the company will upgrade the required courses for production management positions, upgrade the required courses for safety training systems, and increase internal lecturer training. Raise efforts, increase the compilation of textbooks for compulsory courses, select outstanding college students from key material institutions, and enter into star young talent training.

Project training, strive to cultivate a group of middle and senior management talents and middle and senior professional and technical personnel in three to five years.

4. Labor outsourcing

Applicable Not applicable

Section 9 Corporate Governance

1. The basic situation of corporate governance

During the reporting period, the company strictly followed the "Company Law", "Securities Law", "Government Standards for Listed Companies" and "Shenzhen Securities Exchange"

Relevant laws and regulations such as the Exchange Listing Rules of the Stock Exchange, and the "Guidelines for the Standard Operation of Listed Companies on the SME Board of the Shenzhen Stock Exchange"

Requirements, constantly improve the corporate governance structure of the company, improve the internal control system, and improve the company's standard operation level. The company believes:

During the reporting period, the actual status of corporate governance was basically in line with the regulatory documents issued by the China Securities Regulatory Commission on the governance of listed companies

It is required that the company has not received the documents of the administrative supervision measures taken by the supervised department.

Since the company's listing to the end of this reporting period, the company has established or revised various system names and public information disclosure

The following table:

Serial number	System name	Disclosure time	Disclosure carrier
1	Rules of Procedure for Shareholders' Meetings	2014-4-28	Juchao Information Network
2	Rules of Procedure for Board Meetings	2014-4-28	Juchao Information Network
3	Rules of Procedure of the Supervisory Board	2008-3-27	Juchao Information Network
4	General Manager Working Rules	2009-8-29	Juchao Information Network
5	Working Rules of Independent Directors	2008-3-27	Juchao Information Network
6	Board Secretary Working Rules	2008-3-27	Juchao Information Network
7	Implementation Rules of the Audit Committee of the Board of Directors	2008-3-27	Juchao Information Network
8	Board of Directors Nomination, Remuneration and Evaluation Committee Working Rules	2008-3-27	Juchao Information Network
9	Board of Directors Strategy Committee Working Rules	2008-3-27	Juchao Information Network
10	Cumulative voting system implementation rules	2008-8-25	Juchao Information Network
11	Board of Audit Committee Annual Report Working Rules	2008-3-27	Juchao Information Network
12	Independent Director Annual Report Work System	2008-3-27	Juchao Information Network
13	Information Disclosure Management System	2009-5-15	Juchao Information Network
14	Insider information insider registration management system	2012-4-25	Juchao Information Network
15	Internal reporting system for major matters	2008-3-27	Juchao Information Network
16	Internal information confidentiality system	2008-3-27	Juchao Information Network
17	Investor Relations Management System	2009-5-15	Juchao Information Network
18	Investor reception and promotion system	2008-3-27	Juchao Information Network
19	Raised funds management measures	2018-9-28	Juchao Information Network
20	Operating Rules for Use of Raised Funds	2008-3-27	Juchao Information Network
twenty	Internal Audit Department System	2008-2-4	Juchao Information Network
twenty	Measures for the Administration of the Guarantee of Funds Provided to Foreign Companies	2009-1-29	Juchao Information Network

83

twenty	Related party transaction management measures	2006-5-11	—
twenty	Management system to prevent capital occupation by controlling shareholders and related parties	2008-10-29	Juchao Information Network
25	Financial accounting internal control management system	2008-10-29	—
26	Management Measures for Holding Subsidiaries	2009-5-15	Juchao Information Network
27	Raw material procurement and net inventory risk control management system	2016-10-28	—
28	Foreign Exchange Management Measures	2009-8-29	—
29	Foreign Investment Management System	2013-9-26	Juchao Information Network
30	Accountability system for major errors in information disclosure in annual reports	2010-4-27	Juchao Information Network
31	Shares of the company held by directors, supervisors and senior management of the company and their changes Management Measures	2010-9-29	Juchao Information Network
32	Environmental Information Disclosure System	2010-9-15	Juchao Information Network
33	Emergency handling system	2010-9-15	Juchao Information Network
34	Remuneration system for directors, supervisors and senior managers	2013-2-26	Juchao Information Network

35	company policy	2018-11-20	Juchao Information Network
36	Financial derivatives trading business management system	2012-5-19	Juchao Information Network
37	Debt financing instrument information disclosure affairs management system		Juchao Information Network

Whether the actual status of corporate governance and the regulatory documents issued by the China Securities Regulatory Commission on listed company governance are significant difference

Yes No

There is no significant difference between the actual status of corporate governance and the regulatory documents issued by the China Securities Regulatory Commission on the governance of listed companies different.

Second, the company's independence relative to the controlling shareholder in terms of business, personnel, assets, institutions, finance, etc.

The company strictly follows the "Company Law", "Securities Law" and "Regulations on the Standard Operation of Listed Companies on the SME Board of the Shenzhen Stock Exchange" "Guide" and other laws and regulations govern governance, the company and the controlling shareholder are in the business, assets, personnel, organization, finance, etc. The shareholders are completely separated and have independent and complete business and the ability to operate independently for the market.

1. Business independence

The company's business is independent of the controlling shareholder and its subsidiaries, and has an independent and complete supply, production and sales system. Conducting business does not depend on shareholders or any other related parties. The controlling shareholder and actual controller of the company issued a Letter of Commitment to Exempt Competition from the Same Industry.

2. Independence of personnel

The company's personnel, labor, personnel and wages are completely independent. The company's general manager, financial manager and board secretary are holding

84

None of the shareholder units hold any positions other than directors.

3. Asset independence

The company has tangible land, houses, machinery and equipment, vehicles, office facilities, test facilities, etc. related to the main business. Assets and intangible assets such as trademarks, patents, and proprietary technologies. The relevant assets are independent and complete, the ownership is clear, and there is no controlled share Occupied or dominated by Dong and its affiliates.

4. Institutional independence

The company's board of directors, board of supervisors and other internal institutions shall operate independently, independently exercise management and management rights, and Its affiliates do not exist in a situation where the mixing of institutions affects the independent operation of the company.

5. Financial independence

The company has an independent financial department, has a sound and independent financial accounting system, and can independently make financial decisions. There are standardized financial accounting systems and financial management systems for branches and subsidiaries. The company opens a bank account independently, independent

Pay taxes.

3. Competition in the industry

Applicable Not applicable

4. Relevant information about the annual general meeting and the extraordinary general meeting held during the reporting period

I. The general meeting of shareholders during the reporting period

Session	Conference type	Investor participation proportion	Date	Disclosure date	Disclosure index
2017 Annual General Meeting of Shareholders		51.77%	May 17, 2018	May 18, 2018	2017 Annual General Meeting Resolution Announcement (Announcement Number: 2018-028)
First temporary in 2018 General meeting of shareholders	EGM	53.00%	May 31, 2018	June 01, 2018	First temporary shareholder in 2018 General Assembly Resolution Announcement (Announcement Series No.: 2018-030)
2018 second interim General meeting of shareholders	EGM	52.78%	August 31, 2018	September 01, 2018	2018 second temporary shareholder General Assembly Resolution Announcement (Announcement Series No.: 2018-039)
2018 third interim General meeting of shareholders	EGM	69.70%	October 15, 2018	October 16, 2018	The third temporary shareholder in 2018 General Assembly Resolution Announcement (Announcement Series No.: 2018-051)

85

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

2018 fourth interim General meeting of shareholders	EGM	63.93%	December 06, 2018	December 07, 2018	Fourth temporary shareholder in 2018 General Assembly Resolution Announcement (Announcement Series No.: 2018-081)
2018 fifth interim General meeting of shareholders	EGM	61.99%	December 17, 2018	December 18, 2018	Fifth temporary shareholder in 2018 General Assembly Resolution Announcement (Announcement Series No.: 2018-088)
Sixth interim in 2018 General meeting of shareholders	EGM	63.71%	December 24, 2018	December 25, 2018	Sixth temporary shareholder in 2018 General Assembly Resolution Announcement (Announcement Series No.: 2018-091)

2. The preference shareholders who restored their voting rights request the convening of an extraordinary general meeting

Applicable Not applicable

V. The performance of independent directors in the reporting period

I. The status of independent directors attending the board of directors and shareholders' meeting

Independent directors' attendance at the board of directors and shareholders' meeting

Whether twice in a row

Name of Independent Director	Participate in this reporting period		Participate in committee		Attend general meeting of shareholders	
	Plus board times	Meeting times	Plus board times	Meeting times	number	Did not attend Dong in person frequency
Ye Xuefang	11	1	10	0	0 no	4
Zhang Jingzhong	14	1	13	0	0 no	7
Fan Shunke	14	1	13	0	0 no	7
Deng Chuan	3	0	3	0	0 no	3

Instructions for not attending the board in person for two consecutive times

no

2. The status of independent directors' objections to related matters of the company

Whether the independent director disputes the company's related matters

Yes No

During the reporting period, the independent directors did not raise any objections to the company's related matters.

3. Other instructions for independent directors to perform their duties

Whether the independent director's recommendations on the company have been adopted

86

Yes No

The independent director's explanation of whether the company's recommendations have been adopted or not

During the reporting period, the independent directors of the company were able to strictly follow the "Articles of Association" and "Working System of Independent Directors", etc.

The rules and regulations stipulate that in a responsible attitude to the company and investors, they perform their duties independently and impartially, and actively participate in relevant

The meeting provided suggestions for the company from many aspects such as corporate governance, internal control construction, product research and development, development planning and strategic decision-making,

Based on the actual situation, the company adopted the rationalization proposals put forward by independent directors; at the same time, the company's financial and production

The effective supervision of business activities and information disclosure work plays an important role in safeguarding the legitimate rights and interests of the company and all shareholders.

Sixth, the special committee under the board of directors performed its duties during the reporting period

(1) The performance of the audit committee of the board of directors

1. The meeting of the audit committee of the company's board of directors

During the reporting period, the Audit Committee of the Board of Directors of the company held a total of 5 meetings and listened to the work report of the Audit Department

And review the company's financial report and the "Internal Audit Report" submitted by the internal audit department, "the company's controlling shareholder and its related parties

"Special Report on Capital Occupation" and other internal audit special reports to understand the company's financial and operating conditions and review the company's internal

Control system and implementation.

In 2018, the audit committee also related to the company's first quarter report, semi-annual report, and third quarter report in 2018.

The content and the company's merger and acquisition of Chengdu Baide Copper Co., Ltd. 100% equity and other matters were reviewed. Guaranteed company related matters

The legal compliance of this decision, safeguard the interests of the company and its shareholders.

In 2018, the audit committee listened to the internal audit department's 2018 work summary and 2019 work plan arrangement

The Audit Department carries out various tasks, focuses on the auditing of annual reports and assists in the implementation of internal control standards.

2. The status of the annual report

According to the relevant laws and regulations and the "Articles of Association", "Rules of Procedure of the Audit Committee of the Board of Directors" and other relevant regulations,

The Audit Committee of the Board of Directors has conscientiously implemented the audit procedures for the company's annual report and fully utilized its audit and supervision functions.

(1) During the audit of the annual report, the audit committee of the company's board of directors prepared the accounting statements (balance sheet, Cash flow statement, profit statement, owner's equity change statement) were reviewed and audited accountants, general managers, financial

The director's written report, review the financial report prepared by the company, and form a written opinion:

The accounting statements prepared by the company have been prepared in accordance with the provisions of the Accounting Standards for Business Enterprises.

It fully reflects the company's financial position as of December 31, 2018, as well as the 2018 operating results and cash flow.

The company's accounting policies are properly selected, accounting estimates are reasonable, no major misstatements or omissions are found, and no major shareholders are occupied

87

The company's financial situation, the company's financial violations and abnormal related transactions have not been found, the company's financial statements can be provided

Submit to a certified public accountant firm for annual audit.

After the preliminary audit opinion issued by the annual audit accountant, the audit committee of the board of directors of the company reviewed the audit by the annual audit accountant again.

The company's financial report and form a written opinion: the annual review of the CPA's audit of the company's 2018 financial report

Strictly carried out in accordance with the relevant norms of the audit business; in the process of preparing the annual report, the annual audit of certified public accountants and the audit committee conducted

Effective communication, fully listened to the opinions of the audit committee, and reached consensus on all major aspects of the annual review; registered

The annual financial report issued by the accountant with the preliminary audit opinion is relatively complete, without any major omissions, and is fair to all major aspects.

It reflects the company's financial situation on December 31, 2018, as well as the production and operation results and cash flow in 2018.

(2) During the audit of the annual report, the audit committee of the company's board of directors and the accounting firm negotiated to determine

Schedule of financial report audit work, and continuously strengthen the communication with the annual audit of certified public accountants, urging them within the agreed time limit

Submit an audit report.

(3) The audit committee of the company's board of directors made a review of the company's audit work in 2018

Seriously evaluated and reviewed the standard unqualified opinion submitted by the company's finance and issued by the annual audit accountant

Report, special opinions on the audit of this annual report:

The audit committee carefully listened to the company's audit plan and audit report, and carefully reviewed the company's 2018

Of the company's financial reports, checked the company's accounting policies, financial status, financial reporting procedures, and

The auditors of Daxin Certified Public Accountants (Special General Partnership) conducted full communication. The Committee believes that:

The company has complied with relevant laws, regulations and the company's articles of association. The financial report information disclosed by the company is objective, comprehensive, true and

The internal audit system of the company has been effectively implemented, and the internal auditors can be diligent in performing their duties. Daxin Accounting

The audit opinions issued by the firm (special general partnership) for the company are objective and truly reflect the company's financial status

Status and operating results.

3. The situation of renewing the accounting firm next year

After careful verification and objective evaluation by the audit committee of the company's board of directors, it is believed that: Daxin Certified Public Accountants

Partner) is an auditing institution with rich experience and good reputation, able to strictly follow independence, objectivity, fairness and public

Allowed practice standards. Daxin Certified Public Accountants (special general partnership) audited the company's assets and operating results

Seeking truth from facts, the 2018 annual audit report issued objectively and truly reflected the company's financial status and operating results. we

It is recommended to continue appointing Daxin as the company's financial statement auditing agency for 2019.

(2) Duty performance of the Nomination, Remuneration and Evaluation Committee of the Board of Directors

During the reporting period, the Nomination, Remuneration and Evaluation Committee held a total of 6 meetings to review the nomination of directors and independent directors

88

According to the company's "Articles of Association" and "Nomination, Remuneration and Appraisal Committee Rules of Procedure", the 2018 directors, supervisors and senior management were reviewed

Remuneration of management personnel, appointment of senior management personnel, election of Mr. Deng Chuan as a member of the sixth board of directors of the company, restricted stock incentives

Plan to lift restrictions on sales, buy back and cancel some restricted stocks, etc.

(3) Duty performance of the Strategy Committee of the Board of Directors

During the reporting period, the Strategy Committee held a total of 7 meetings to discuss the merger and acquisition of 100% equity in Chengdu Bede

Qingtong, using the raised funds to increase the capital of subsidiaries, public offering of A-share convertible bonds, employee stock ownership plan, repurchase

The social public stocks, the purchase of American land and plant projects, and the election of members of the Strategy Committee, etc.

Matters such as reporting on production and operation. Through the strategy committee meeting, the company's production and operation, major investment projects, company assets

This operation, investment and financing decision-making research and make recommendations to help the company improve the scientific and rational decision-making

High company performance.

7. Work of the Supervisory Committee

The board of supervisors discovered whether the company is at risk during the monitoring activities during the reporting period

Yes No

The Supervisory Board has no objection to the supervision matters during the reporting period.

8. Evaluation and incentives of senior managers

The company has established a complete performance evaluation standard and remuneration system for senior management personnel, according to the completion of annual operating indicators

Evaluation and reward the performance of senior management personnel. The senior management of the company is responsible to the board of directors and undertakes

Business objectives, the nomination, remuneration and appraisal committee of the board of directors and the board of directors' assessment of the working ability and performance of senior management personnel

The year-end assessment will be conducted on the status of the job and the completion of the responsibility goal.

In 2018, the company's senior management staff seriously performed various work responsibilities, and the work performance was good.

Work tasks formulated.

Nine, internal control evaluation report

1. The specific situation of major deficiencies in internal control discovered during the reporting period

Yes No

2. Self-evaluation report of internal control

Date of full disclosure of internal control evaluation report: April 29, 2019

Internal Control Evaluation Report Full Text Disclosure: The full text of the "2018 Internal Control Assurance Report" is published on the Juchao Information Network (<http://www.cninfo.com.cn>)

The total assets of the unit included in the evaluation range accounted for the company's merger

100.00%

Ratio of total assets in financial statements

The operating income of the unit included in the evaluation scope accounts for the company merger

100.00%

Financial statement operating income ratio

Defect identification standard

category

financial report

Non-financial report

If there are problems including but not limited to the following

, Consider whether there may be non-financial reporting internal

The following signs indicate that the financial report may have major deficiencies: 1) The company has not established an effective

Internal control system; 2) Lack of "three majors and one big" decision-making process

Including: 1) Company directors, supervisors and senior management; 2) the company corrects the annual financial statements

Reports, CPAs discovered but not within the company Punishment by the national administrative department

Control the identification of major misstatements in the financial reports that the company has disclosed cause significant negative

Impact; 4) Major defects identified in the previous year were not obtained

The internal control supervision of reports and financial reports is not in place; 5) Failure to provide a reasonable explanation for the rectification. If there is included

Signs of reporting important defects include: 1) Failure to complete the following problems, consider whether there is

Qualitative standards

Accounting standard selection and application of accounting standards: 1) The company violates national laws

Fraud procedures and control measures; 2) For unconventional business operations, regulations are subject to the

There is no corresponding control machine for the accounting process; 3) The company's management personnel are subject to the state

System or not implemented and there is no corresponding administrative department at the level; 3) middle-level employees

3) There is a control over the financial reporting process. If there are important deficiencies identified last year

Or a number of defects and financial reports that cannot be rectified and there is no reasonable explanation. in case

Express to a true and accurate goal. General defects refer to: there are problems including but not limited to the following, the consideration is

In addition to the above major defects, important defects: Whether there are general defects of internal control: 1) The company or

Manufacturing defects.

The company's senior management personnel received provincial level (including provincial level)

The following government departments punished but failed to report regularly to the company

The disclosure of the report caused a negative impact;

Major defects refer to consideration of compensatory control measures and actual deviations
 After the difference, the overall impact level of the defect is higher than the importance level less than 1 million yuan,
 Level, which meets one of the following conditions, can be regarded as an important defect. Defect impact: Potential misstatement of total profit is less than 10% of total profit, potential total profit loss amount >= 5 million yuan, subject to
 Major flaws. Defect impact: Potential misstatement of total profit disclosure of the company's periodic reports has caused a negative impact. Important deficiency
 Greater than or equal to 20% of total profit, potential total profit loss amount <= 5 million yuan, subject to
 Quantitative standard
 Misreported greater than or equal to 5% of total assets, potential total asset loss amount <= 5 million yuan, subject to
 The misstatement is greater than or equal to 10% of operating income, the potential operating income loss amount <= 5 million yuan, subject to
 Potential misstatement of equity is greater than or equal to 10% of total equity, direct property loss amount <= 5 million yuan
 The loss is greater than or equal to 20 million yuan. Important deficiencies are not disclosed regularly
 After compensating control measures and actual deviations, the overall impact level is lower than the importance level, in line with the following

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

One of the conditions can be regarded as an important defect. defect
 Impact: Potential misstatement of total profit is less than total profit
 20% and greater than 5% of total profits, potentially wrong total assets
 Reported less than 5% of total assets and greater than 3% of total assets,
 Potential misstatement of operating income is less than 10% of operating income and large
 At 5% of operating income, the potential misstatement of owner's equity is less than
 Owner's equity 5% and greater than owner's equity 3%, straight
 Receive property loss less than 20 million yuan and more than 5 million
 yuan. General defects refer to consideration of compensatory control measures and practical
 After the international deviation rate, the overall impact level of the defect is less than one
 The general level, which meets one of the following conditions, can be recognized
 Defined as a general defect. Defect impact: total profit potential
 Misreport is less than or equal to 5% of total profit, potential
 Misreported less than or equal to 3% of total assets, operating income
 Potential misstatement is less than or equal to 5% of operating income, the owner
 Potential misstatement of equity is less than or equal to 3%, direct property damage
 Loss is less than or equal to 5 million yuan.

Number of major defects in financial reports (pieces)	0
Number of major defects in non-financial reports (pieces)	0
Number of important defects in financial reports (pieces)	0
Number of important defects in non-financial reports (pieces)	0

X. Internal control audit report or assurance report

Internal control assurance report

The review opinion section in the internal control assurance report

We believe that your company has maintained an effective financial report in all major aspects on December 31, 2018 in accordance with the "Basic Standards for Corporate Internal Control" and related regulations
 Report internal control.

Disclosure of internal control assurance report Disclosure

Date of full disclosure of internal control assurance report April 29, 2019

The full text of the internal control assurance report disclosure index "2018 Internal Control Assurance Report" is published on the <http://www.cninfo.com.cn>

Types of opinions on internal control assurance report Standard: unqualified opinion

Whether non-financial reports have major deficiencies

Whether the accounting firm issued a non-standard opinion internal control assurance report

Yes No

Whether the internal control assurance report issued by the accounting firm is consistent with the board's self-evaluation report

Yes No

91

Section 10 Corporate Bonds

Whether the company has a public offering and is listed on the stock exchange, and it has not expired or has not expired on the date of approval of the annual report

Corporate bonds that can be fully redeemed

no

Section 11 Financial Report

1. Audit report

Types of audit opinions	Standard unqualified opinion
Audit report signing date	April 25, 2019
Audit institution name	Daxin Certified Public Accountants (Special General Partnership)
Audit report symbol	Daxin Shizi [2019] No. 4-00166
CPA name	Guo Jingli Li Yunxin
	Audit report body

All shareholders of Zhejiang Hailiang Co., Ltd.:

1. Audit opinion

We audited the financial statements of Zhejiang Hailiang Co., Ltd. (hereinafter referred to as "your company"), including the merger and Parent company balance sheet, 2018 merger and parent company profit statement, merger and parent company cash flow statement, merger and parent company equity Statement of changes, and notes to the financial statements.

We believe that the attached financial statements have been prepared in accordance with the Accounting Standards for Business Enterprises in all material respects, which fairly reflects your company's 2018 The financial situation of the merger and parent company on December 31, as well as the financial results and cash flow of the merger and parent company in 2018.

2. Form the basis for the audit opinion

We carried out the audit work in accordance with the provisions of the Auditing Standards for Chinese Certified Public Accountants. Audit report "CPAs audit the financial statements "Responsibilities" further clarifies our responsibilities under these guidelines. In accordance with the Code of Professional Ethics of Chinese Certified Public Accountants, we are independent of your The company also fulfilled other ethical responsibilities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

3. Key audit matters

The key audit matters are the matters that we believe are the most important for the audit of the financial statements of the current period based on professional judgment. Response to these matters The financial statements are audited as a whole and the audit opinion is formed as a background. We do not express separate opinions on these matters.

(1) Bad debt provision for accounts receivable

1. Description

As mentioned in Note III. (X) and Note V. (III) of the financial statements, as of December 31, 2018, the book balance of your company's accounts receivable

The book value after deducting bad debt provision of RMB 75.621 million was RMB 3.7572833 billion, and the book value was RMB 367.71629 million, accounting for 19.13% of the total assets. Due to accounts receivable The recoverability of the payment has a significant impact on the financial statements, and the provision and reversal of bad debt provision for receivables involve management's use of significant accounting estimates and Judgment, we confirmed the bad debt preparation of accounts receivable as a key audit matter.

2. Audit response

The audit response procedures we perform mainly include:

(1) The design and operation effectiveness of key internal controls related to the impairment test of accounts receivable were evaluated and tested.

- (2) Evaluate the rationality of the accounting estimates of bad debt provision for accounts receivable and whether they meet the requirements of the enterprise accounting standards.
 (3) Check the relevant supporting documents on the selected samples to verify the accuracy of the aging of accounts receivable prepared by management.

93

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

- (4) Evaluate whether there is a situation that has a significant adverse effect on the recoverability of the accounts receivable.

(2) Revenue recognition

1. Description

As mentioned in Note 3 (23) and Note 5 (36) of the financial statements, in 2018, your company's operating income was 4,069,833.96

Ten thousand yuan, an increase of 36.05% over the previous year. Due to the significant impact of operating income on operating performance and rapid growth, we regard revenue recognition as a key audit matter item.

2. Audit response

The audit response procedures we perform mainly include:

- (1) Evaluate and test the design and operation effectiveness of key internal controls related to revenue recognition.
 (2) Check the sales contracts of all major types of customers, analyze the major risks related to sales revenue confirmation and the timing of remuneration transfer, and evaluate revenue

Confirm the rationality of accounting policies.

- (3) Analysis of income, cost and gross profit, including sales price fluctuation analysis, cost fluctuation analysis, and gross profit margin fluctuation analysis

Etc., comprehensively analyze the rationality of the changes in the macroeconomic environment and changes in the industry environment, and purchase the product sales price and main raw materials

The price is compared with the public online quotation.

- (4) Confirmation of the sales volume of important customers in 2018.

(5) Check the supporting documents related to revenue confirmation, including sales contracts (or orders), sales invoices, invoices, transportation documents, Customs declaration, customer receipt, etc.

- (6) Check the income before and after the balance sheet date and confirm whether the income is recorded in the correct accounting period.

4. Other information

The management of your company (hereinafter referred to as the management) is responsible for other information. Other information includes letters covered by your company's 2018 annual report interest, but not including the financial statements and our audit report.

Our audit opinions on the financial statements do not cover other information, and we do not express any form of assurance conclusions on other information.

In conjunction with our audit of the financial statements, our responsibility is to read other information, and in the process, consider whether the other information is related to the financial report. There is a material inconsistency in the form or what we learned during the audit or there appears to be a material misstatement.

Based on the work we have performed, if we determine that there is a material misstatement of other information, we should report that fact. In this regard, I have nothing to report.

V. Management and governance responsibilities for financial statements

The management is responsible for preparing the financial statements in accordance with the accounting standards of the enterprise, so that it can achieve a fair reflection, and design, implement and maintain the necessary internal control so that there are no major misstatements in the financial statements due to fraud or errors.

When preparing financial statements, management is responsible for assessing your company's ability to continue operations, and disclosing matters related to continuing operations (if applicable), and use the assumption of continuing operations unless management plans to liquidate your company, terminate operations, or have no other realistic options.

The governance layer is responsible for overseeing your company's financial reporting process.

6. Certified Public Accountants' Responsibility for Auditing Financial Statements

Our goal is to obtain reasonable assurance on whether the financial statements as a whole are free from major misstatements due to fraud or errors, and to include

audit report of audit opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that the audit performed in accordance with the auditing standards will be reported in a major misstatement.

Can always be found when it exists. Misreporting may be caused by fraud or error. If it is reasonably expected that the misreporting alone or together may affect the financial statements.

Economic decisions made by users based on the financial statements usually consider the misstatement to be significant.

In the process of performing audit work in accordance with auditing standards, we use professional judgment and maintain professional suspicion. At the same time, we also implement work below:

- (1) Identify and assess the risk of major misstatement of financial statements due to fraud or errors, and design and implement audit procedures to deal with these risks

Risk, and obtain sufficient and appropriate audit evidence as the basis for expressing audit opinions. Because fraud may involve collusion, forgery, intentional omissions,

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Misrepresentation or overriding internal control, the risk of failing to detect major misstatements due to fraud is higher than failure to detect Risk of major misstatement.

(2) Understand the internal control related to auditing in order to design appropriate auditing procedures.

(3) Evaluate the appropriateness of management's selection of accounting policies and the rationality of accounting estimates and related disclosures.

(4) To draw conclusions on the appropriateness of the management's use of continuous operation assumptions. At the same time, based on the audit evidence obtained,

It is concluded whether there are significant uncertainties in the matters or circumstances in which the company's continuous operating capacity has significant doubts. If we conclude that

In the case of significant uncertainties, the auditing standards require us to draw the attention of the statement users to the relevant disclosures in the financial statements in the audit report; if disclosed

Insufficient, we should express non-unqualified opinions. Our conclusion is based on the information available as of the date of the audit report. However, future matters

Or circumstances may prevent your company from continuing operations.

(V) Evaluate the overall presentation, structure and content of the financial statements (including disclosure), and evaluate whether the financial statements fairly reflect related transactions And matters.

(6) Obtain sufficient and appropriate audit evidence on the financial information of the entities or business activities in your company to express audit opinions on the financial statements see. We are responsible for guiding, supervising and executing group audits, and assume full responsibility for audit opinions.

We communicate with the management on the planned audit scope, schedule and major audit findings, including communication with us in the audit Identified internal control defects that deserve attention.

We also provide a statement to the governance regarding compliance with professional ethics requirements related to independence, and communication with the governance may be reasonably believed to affect All relationships and other matters of our independence, and related precautions (if applicable).

From the matters communicated with the governance layer, we determine which matters are most important for the audit of the financial statements of the current period, thus constituting a key audit matter item. We describe these matters in our audit report unless laws and regulations prohibit public disclosure of these matters

It is expected that the negative consequences of communicating something in the audit report will exceed the benefits in the public interest.

Communicate the matter in the report.

Daxin Certified Public Accountants (Special General Partnership)

Chinese Certified Public Accountant: Guo Jingjing
(Project partner)

Beijing China

Chinese Certified Public Accountant: Li Yunxin

April 25th, 2019

2. Financial Statements

The unit of the statement in the financial notes is: RMB

I. Consolidated balance sheet

Prepared by: Zhejiang Hailiang Co., Ltd.

December 31, 2018

unit: yuan

project	Ending balance	Opening Balance
Current assets:		

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Money funds	3,371,183,597.58	688,383,667.58
Settlement provisions		
Dismantling funds		
Measured at fair value and changes are included in the current		
Profit and loss financial assets	101,919,873.37	19,093,938.60
Derivative financial assets		
Bills and accounts receivable	5,071,019,534.49	5,168,353,987.46
Among them: notes receivable	1,393,856,619.52	1,767,290,771.48
accounts receivable	3,677,162,914.97	3,401,063,215.98
Prepayments	641,521,783.54	763,457,801.73
Premium receivable		
Receivables receivable		
Provision for reinsurance contract receivable		
Other receivables	90,728,065.01	65,475,340.83
Among them: interest receivable	6,953,254.72	21,366,183.11
Dividend receivable		
Buy back resale financial assets		
stock	2,918,432,300.83	2,553,521,186.18
Holding assets for sale		
Non-current assets due within one year		
Other current assets	89,329,665.29	130,595,037.18
Total current assets	12,284,134,820.11	9,388,880,959.56
Non-current assets:		
Loans and advances	819,751,636.80	958,566,764.28
Available for sale financial assets	815,999,997.86	815,999,997.86
Held to maturity investments		
Long-term receivables		
Long-term equity investment	1,560,813,363.15	1,491,746,038.48
Investment real estate	335,689,602.36	43,371,404.71
Fixed assets	1,600,174,242.66	1,526,981,307.77
Construction in progress	562,878,423.78	253,529,989.18
Productive biological assets		
oil and gas asset		
Intangible assets	523,236,150.46	330,062,946.24

Development expenditure		
Goodwill	267,372,596.64	231,465,889.82
Long-term prepaid expenses		
Deferred tax assets	148,128,352.43	118,429,010.24
Other non-current assets	299,984,348.02	120,931,658.26
Total non-current assets	6,934,028,714.16	5,891,085,006.84
total assets	19,218,163,534.27	15,279,965,966.40
Current liabilities:		
short-term loan	4,108,790,798.52	4,619,783,073.46
Borrowing from the Central Bank		
Deposits and deposits		
Borrowed funds		
Measured at fair value and changes are included in the current		
Profit and loss financial liabilities	5,411,864.54	64,587,001.37
Derivative financial liabilities		
Bills payable and accounts payable	4,402,247,145.85	2,456,802,575.13
Advance payment	196,711,415.20	216,260,015.36
Selling back financial assets		
Fees and commissions		
Staff payable	192,113,524.58	135,544,323.11
Taxes payable	119,617,505.42	82,418,761.39
Other payables	190,779,691.37	317,892,305.92
Of which: interest payable	15,452,746.22	8,093,322.16
Dividend payable		
Reinsurance accounts payable		
Insurance contract reserve		
Agent trading securities		
Agent underwriting securities		
Holding liabilities for sale		
Non-current liabilities due within one year	968,786,229.77	294,125,102.51
Other current liabilities	124,829.25	27,629,542.33
Total current liabilities	10,184,583,004.50	8,215,042,700.58
Non-current liabilities:		
Long term loan	525,769,100.00	1,445,344,399.99

97

Of which: preferred stock		
Perpetual debt		
Long-term payables	59,216.30	142,175.13
Long-term payable employee compensation	7,382,647.95	6,440,555.68
Estimated liabilities		
Deferred income	36,883,358.33	37,508,500.00
Deferred income tax liabilities	72,501,585.34	53,838,781.43
Other non-current liabilities		
Total non-current liabilities	642,595,907.92	1,543,274,412.23
Total Liabilities	10,827,178,912.42	9,758,317,112.81
Owners' equity:		
Share capital	1,952,458,432.00	1,695,598,113.00
Other equity instruments		
Of which: preferred stock		
Perpetual debt		
Capital reserve	2,309,674,999.78	525,563,219.87
Less: treasury shares	118,663,642.17	70,192,592.00
Other comprehensive income	-66,780,810.55	-118,801,887.98
Special reserves		
Surplus reserve	247,084,375.67	234,495,509.44
general risk preparation		
undistributed profit	3,705,600,495.89	2,911,097,028.02
Total equity attributable to owners of parent company	8,029,373,850.62	5,177,759,390.35
Minority interest	361,610,771.23	343,889,463.24
Total owner's equity	8,390,984,621.85	5,521,648,853.59
Total Liabilities and Owner's Equity	19,218,163,534.27	15,279,965,966.40

Legal representative: Zhu Zhangquan Person in charge of accounting work: Chen Dong Person in charge of accounting institution: Chen Dong

2. Parent company balance sheet

		unit: yuan
project	Ending balance	Opening Balance
Current assets:		
Money funds	2,080,209,613.46	270,281,943.88

98

Measured at fair value and its changes are included in current loss	46,817,090.12
Financial assets	
Derivative financial assets	

Bills and accounts receivable	1,355,362,350.58	1,352,972,075.13
Among them: notes receivable	732,975,801.26	708,112,659.78
accounts receivable	622,386,549.32	44,859,415.35
Prepayments	533,135,051.29	1,652,021,867.79
Other receivables	59,731,197.94	307,881,858.01
Among them: interest receivable		
Dividend receivable		
stock	770,864,405.67	463,207,751.19
Holding assets for sale		
Non-current assets due within one year		
Other current assets	16,078,414.67	17,886,852.79
Total current assets	4,862,198,123.73	4,064,252,348.79
Non-current assets:		
Available for sale financial assets	815,999,997.86	815,999,997.86
Held to maturity investments		
Long-term receivables		
Long-term equity investment	6,135,767,492.91	4,769,534,592.25
Investment real estate		
Fixed assets	403,874,957.70	313,528,318.07
Construction in progress	69,402,473.38	97,680,694.58
Productive biological assets		
oil and gas asset		
Intangible assets	131,972,273.37	43,883,241.99
Development expenditure		
Goodwill		
Long-term prepaid expenses		
Deferred tax assets	53,166,062.69	23,758,545.59
Other non-current assets	39,650,889.26	
Total non-current assets	7,649,834,147.17	6,064,385,390.34
total assets	12,512,032,270.90	10,128,637,739.13
Current liabilities:		

99

short-term loan	1,889,323,873.17	2,497,957,431.58
Measured at fair value and its changes are included in current loss	1,273,531.44	36,336,850.04
Financial liabilities		
Derivative financial liabilities		
Bills payable and accounts payable	2,873,505,292.92	1,651,782,644.47
Advance payment	374,360,714.19	58,227,714.77

Staff payable	97,540,474.76	54,224,659.22
Taxes payable	2,705,055.41	934,975.72
Other payables	83,769,109.56	725,522,562.28
Of which: interest payable	7,001,217.23	5,443,870.30
Dividend payable		
Holding liabilities for sale		
Non-current liabilities due within one year	968,695,300.00	
Other current liabilities		9,190,000.00
Total current liabilities	6,291,173,351.45	5,034,176,838.08
Non-current liabilities:		
Long term loan	525,769,100.00	1,445,344,399.99
Bonds payable		
Of which: preferred stock		
Perpetual debt		
Long-term payables		
Long-term payable employee compensation		
Estimated liabilities		
Deferred income		
Deferred income tax liabilities	14,726,024.58	
Other non-current liabilities		
Total non-current liabilities	540,495,124.58	1,445,344,399.99
Total Liabilities	6,831,668,476.03	6,479,521,238.07
Owners' equity:		
Share capital	1,952,458,432.00	1,695,598,113.00
Other equity instruments		
Of which: preferred stock		
Perpetual debt		
Capital reserve	2,482,829,924.48	698,718,144.57

100

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Less: treasury shares	118,663,642.17	70,192,592.00
Other comprehensive income	2,368,123.84	-12,190,425.70
Special reserves		
Surplus reserve	242,281,535.45	229,692,669.22
undistributed profit	1,119,089,421.27	1,107,490,591.97
Total owner's equity	5,680,363,794.87	3,649,116,501.06
Total Liabilities and Owner's Equity	12,512,032,270.90	10,128,637,739.13

3. Consolidated income statement

project	unit: yuan	
	Current amount	Amount in the previous period
I. Total operating income	40,698,339,575.21	29,913,395,727.94
Of which: operating income	40,596,624,275.45	29,816,268,253.96
Interest income	101,715,299.76	97,127,473.98
Premiums earned		
Fee and commission income		
2. Total operating cost	39,871,649,170.33	29,267,877,393.27
Of which: Operating costs	38,324,116,143.32	28,106,537,982.09
Interest expense	302,355.77	640,010.84
Handling fees and commission expenses		
Surrender		
Net claims expenses		
Withdrawal of net insurance contract reserves		
dividend payment policy		
Reinsurance costs		
Taxes and surcharges	59,686,897.33	40,077,461.50
sales expense	408,271,582.82	391,944,380.11
Management fees	387,624,498.13	371,057,145.04
R & D expenses	174,803,265.86	116,740,157.57
Financial expenses	488,304,251.64	203,120,700.60
Among them: interest expenses	383,373,256.56	242,237,632.57
Interest income	14,613,617.48	22,244,495.61
Asset impairment loss	28,540,175.46	37,759,555.52
Plus: other income	42,160,829.32	23,080,539.91

101

Investment income (losses are filled with "-")	14,151,335.10	132,066,799.17
Column)		
Of which: for associates and joint ventures		
Investment income	93,469,805.42	121,019,688.01
Fair value change gains (losses are		
"-" Fill in the column)	141,014,669.38	-41,377,112.75
Exchange gains (losses are filled with "-")		
Column)		
Asset disposal gains (losses are marked with "-")		
Fill in)	-4,213,191.14	-8,750,486.56
3. Operating profit (losses are listed with "-")	1,019,804,047.54	750,538,074.44
Plus: non-operating income		

	56,148,176.31	31,903,663.18
Less: Non-operating expenses	3,685,479.52	4,115,718.35
4. Total profit (total loss is filled with "-" Column)	1,072,266,744.33	778,326,019.27
Deduct: income tax expense	145,752,135.46	57,964,371.93
5. Net profit (net loss is listed with "-")	926,514,608.87	720,361,647.34
(1) Net profit from continuous operations (net loss Fill in with "-")	926,514,608.87	720,361,647.34
(2) Net profit from termination of operations (net loss Fill in with "-")		
the retained profits belong to the parent company's owner	908,793,300.88	705,332,026.60
Minority shareholders' gains and losses	17,721,307.99	15,029,620.74
6. Net after-tax of other comprehensive income	52,021,077.43	-65,915,760.15
Other comprehensive income attributable to the owner of the parent company Net after tax	52,021,077.43	-65,915,760.15
(1) Others that cannot be reclassified into profit or loss Comprehensive income		-1,275,293.22
1. Re-measure the defined benefit plan Change amount		-1,275,293.22
2. Under the equity method that cannot be transferred to profit or loss Other comprehensive income		
(2) Other comprehensive reclassifications into profit and loss Combined income	52,021,077.43	-64,640,466.93
1. Under the equity method, it can be transferred to profit or loss Comprehensive income	11,992,454.25	-9,637,082.77
2. Fair financial assets available for sale Value change gains and losses		

102

3. Reclassification of held-to-maturity investments Profit and loss for available-for-sale financial assets		
4. Cash flow hedge profit and loss Effective part	11,820,656.63	-2,288,041.84
5. Foreign currency financial statement translation difference	28,207,966.55	-52,715,342.32
6. Other Other comprehensive income attributable to minority shareholders Net after tax		
7. Total Comprehensive Income	978,535,686.30	654,445,887.19
Comprehensive income attributable to the owner of the parent company lump sum	960,814,378.31	639,416,266.45
Total comprehensive income attributable to minority shareholders	17,721,307.99	15,029,620.74
8. Earnings per share:		
(1) Basic earnings per share	0.5216	0.4217

(2) Diluted earnings per share 0.5164 0.4187

If a business combination under the same control occurs in this period, the net profit realized by the merged party before the merger is: yuan, and the net profit realized by the merged party in the previous period is: yuan.

Legal representative: Zhu Zhangquan Person in charge of accounting work: Chen Dong Person in charge of accounting institution: Chen Dong

4. Profit statement of the parent company

project	unit: yuan	
	Current amount	Amount in the previous period
I. Operating income	16,128,583,345.99	11,847,104,346.74
Less: operating costs	15,537,633,841.63	11,434,037,983.38
Taxes and surcharges	17,124,052.06	13,426,072.27
sales expense	89,252,691.39	102,746,208.83
Management fees	141,212,386.70	175,729,356.01
R & D expenses	6,991,508.43	8,995,633.21
Financial expenses	407,514,533.39	55,921,612.87
Among them: interest expenses	193,197,224.41	138,090,430.34
Interest income	5,054,291.03	7,876,421.07
Asset impairment loss	1,410,994.14	2,273,279.35
Plus: other income	3,442,513.30	
Investment income (losses are filled with "-"		
Column)	104,697,881.07	81,700,197.11
Of which: for associates and joint ventures	73,613,340.48	97,597,446.79

103

Investment income		
Fair value change gains (losses are		
"-" Fill in the column)	81,880,408.72	-121,642,580.38
Asset disposal gains (losses are marked with "-"		
Fill in)	-9,710.86	2,764.63
2. Operating profit (losses are listed with "-")	117,454,430.48	14,034,582.18
Plus: non-operating income	3,070,300.25	16,604,533.61
Less: Non-operating expenses	2,781,767.25	4,691,075.20
3. Total profit (total loss is filled with "-"		
Column)	117,742,963.48	25,948,040.59
Deduct: income tax expense	-8,145,698.83	-9,733,139.41
4. Net profit (net loss is listed with "-")	125,888,662.31	35,681,180.00
(1) Net profit from continuous operations (net loss		
Fill in with "-")	125,888,662.31	35,681,180.00
(2) Net profit from termination of operations (net loss		
Fill in with "-")		

5. Net after-tax of other comprehensive income	14,558,549.54	-17,848,301.84
(1) Others that cannot be reclassified into profit or loss		
Comprehensive income		
1. Re-measure the defined benefit plan		
Change amount		
2. Under the equity method that cannot be transferred to profit or loss		
Other comprehensive income		
(2) Other comprehensive reclassifications into profit and loss	14,558,549.54	-17,848,301.84
Combined income		
1. Under the equity method, it can be transferred to profit or loss	11,992,454.25	-9,637,082.77
Comprehensive income		
2. Fair financial assets available for sale		
Value change gains and losses		
3. Reclassification of held-to-maturity investments		
Profit and loss for available-for-sale financial assets		
4. Cash flow hedge profit and loss	2,566,095.29	-8,211,219.07
Effective part		
5. Foreign currency financial statement translation difference		
6. Other		
6. Total comprehensive income	140,447,211.85	17,832,878.16
7. Earnings per share:		

104

(1) Basic earnings per share

(2) Diluted earnings per share

5. Consolidated cash flow statement

project	unit: yuan	
	Current amount	Amount in the previous period
1. Cash flow from operating activities:		
Cash received from sales of goods and services	45,444,051,695.42	32,303,590,746.65
Net increase in customer deposits and interbank deposits		
amount		
Net increase in borrowings from the central bank		
Net increase in funds borrowed from other financial institutions		
amount		
Cash received from the original insurance contract premium		
Net cash received from reinsurance business		
Net increase in policyholder deposits and investment funds		
Disposal is measured at fair value and its change is calculated		
Net increase in financial assets included in the current profit and loss		

Cash for interest, handling fee and commission	117,785,825.49	101,781,560.96
Net increase in borrowed funds		
Net increase in repurchase funds		
Tax Refund	69,014,091.72	48,477,871.01
Receive other cash related to operating activities	505,368,902.47	582,507,546.45
Subtotal of cash inflow from operating activities	46,136,220,515.10	33,036,357,725.07
Cash for purchasing goods and receiving labor services	40,833,892,897.96	34,605,930,526.17
Net increase in customer loans and advances	-118,516,733.42	107,000,901.03
Net increase in deposits with central banks and banks amount		
Cash payment for original insurance contract compensation		
Cash to pay interest, handling fee and commission		
Cash payment for policy dividends		
Cash paid to and for employees	676,393,856.32	514,582,984.16
gold		
Various taxes paid	387,483,752.89	298,362,536.09
Payment of other cash related to operating activities	1,750,420,038.49	624,027,624.20

105

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Subtotal of cash outflow from operating activities	43,529,673,812.24	36,149,904,571.65
Net cash flow from operating activities	2,606,546,702.86	-3,113,546,846.58
2. Cash flow from investment activities:		
Cash received from investment	47,500,000.00	905,200,000.00
Cash received from investment income	12,213,356.17	12,502,155.06
Disposal of fixed assets, intangible assets and other	11,789,508.28	14,280,544.21
Net cash recovered from long-term assets		
Disposal of subsidiaries and other business units received		3,116,059.92
Net cash		
Other cash received relating to investing activities	69,289,444.44	438,673,177.85
Subtotal of cash inflow from investment activities	140,792,308.89	1,373,771,937.04
Purchase and construction of fixed assets, intangible assets and other	1,278,049,959.75	409,454,479.98
Cash paid for long-term assets		
Cash Investment	47,500,000.00	914,200,000.00
Net increase in pledged loans		
Obtain payment from subsidiaries and other business units	58,628,028.51	571,741,078.96
Net cash		
Other cash paid relating to investing activities	190,860,731.65	349,681,552.73
Subtotal of cash outflows from investment activities	1,575,038,719.91	2,245,077,111.67
Net cash flows from investing activities	-1,434,246,411.02	-871,305,174.63
3. Cash flow from financing activities:		

Absorb cash received from investment	2,049,585,713.01	289,639,600.00
Among them: subsidiaries absorb minority shareholders' investments		
Cash received		
Obtain the cash received from the loan	11,525,353,257.25	12,365,227,167.42
Cash received from issuing bonds		
Receive other cash related to financing activities	6,637,613.00	80,726,010.00
Subtotal of cash inflows from financing activities	13,581,576,583.26	12,735,592,777.42
Cash paid for debt repayment	12,402,578,456.99	9,171,713,283.78
Distribute dividends, profits or pay interest payments		
Cash	473,401,270.26	317,605,968.21
Among them: those paid by subsidiaries to minority shareholders		
Dividends, profits		
Payment of other cash related to financing activities	1,306,512,268.02	275,148.51
Subtotal of cash outflows from financing activities	14,182,491,995.27	9,489,594,400.50
Net cash flow from financing activities	-600,915,412.01	3,245,998,376.92

106

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

4. Changes in exchange rate for cash and cash equivalents influences	85,435,991.99	-41,974,798.39
5. Net increase in cash and cash equivalents	656,820,871.82	-780,828,442.68
Plus: balance of cash and cash equivalents at the beginning of the period	533,239,850.57	1,314,068,293.25
6. Balance of cash and cash equivalents at the end of the period	1,190,060,722.39	533,239,850.57

6. Cash flow statement of parent company

unit: yuan

project	Current amount	Amount in the previous period
1. Cash flow from operating activities:		
Cash received from sales of goods and services	18,251,072,627.22	12,831,655,987.97
Tax Refund	11,478,806.65	19,655,224.62
Receive other cash related to operating activities	317,787,287.00	925,282,046.13
Subtotal of cash inflow from operating activities	18,580,338,720.87	13,776,593,258.72
Cash for purchasing goods and receiving labor services	15,120,548,544.32	15,594,266,231.78
Cash paid to and for employees	201,579,690.11	164,840,801.78
gold		
Various taxes paid	63,145,540.98	36,775,422.36
Payment of other cash related to operating activities	517,093,032.48	148,872,393.59
Subtotal of cash outflow from operating activities	15,902,366,807.89	15,944,754,849.51
Net cash flow from operating activities	2,677,971,912.98	-2,168,161,590.79
2. Cash flow from investment activities:		
Cash received from investment		

Cash received from investment income	96,882,040.59	103,491,904.31
Disposal of fixed assets, intangible assets and other		
Net cash recovered from long-term assets	3,953,948.12	31,969,018.28
Disposal of subsidiaries and other business units received		
Net cash		
Other cash received relating to investing activities	21,857,078.20	60,627,893.40
Subtotal of cash inflow from investment activities	122,693,066.91	196,088,815.99
Purchase and construction of fixed assets, intangible assets and other		
Cash paid for long-term assets	311,493,093.64	53,177,551.99
Cash Investment	1,856,649,752.76	39,000,000.00
Obtain payment from subsidiaries and other business units		
Net cash	59,068,000.00	

107

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Other cash paid relating to investing activities	120,728,800.66	160,942,901.44
Subtotal of cash outflows from investment activities	2,347,939,647.06	253,120,453.43
Net cash flows from investing activities	-2,225,246,580.15	-57,031,637.44
3. Cash flow from financing activities:		
Absorb cash received from investment	2,049,585,713.01	289,639,600.00
Obtain the cash received from the loan	5,254,135,197.02	8,693,607,205.17
Cash received from issuing bonds		
Receive other cash related to financing activities	6,637,613.00	43,217,510.00
Subtotal of cash inflows from financing activities	7,310,358,523.03	9,026,464,315.17
Cash paid for debt repayment	5,911,962,680.24	6,628,030,844.14
Distribute dividends, profits or pay interest payments		
Cash	293,340,844.26	237,493,626.25
Payment of other cash related to financing activities	1,306,434,136.45	
Subtotal of cash outflows from financing activities	7,511,737,660.95	6,865,524,470.39
Net cash flow from financing activities	-201,379,137.92	2,160,939,844.78
4. Changes in exchange rate for cash and cash equivalents influences	3,796,201.70	-15,202,411.11
5. Net increase in cash and cash equivalents	255,142,396.61	-79,455,794.56
Plus: balance of cash and cash equivalents at the beginning of the period	169,655,263.88	249,111,058.44
6. Balance of cash and cash equivalents at the end of the period	424,797,660.49	169,655,263.88

7. Consolidated changes in owner's equity

Current Amount

unit: yuan

This period

project	Equity attributable to equity holders										owner Minority shares Equity meter	
	Share capital priority share	Other equity instruments Perpetual debt	Capital product	Reserve Deposit	Other Combined income	Other comprehensive income	Special reserve	Surplus product	General reserve	Unassigned profit		East rights
	1,695,		525,563	70,192,		-118,80		234,495		2,911.0	343,889	5,521.6
1. Balance at the end of the previous year			,219.87	592.00		1,887.9		,509.44		97,028.	,463.24	48,853.
	3.00					8				02		59
Plus: accounting policy change												
Error correction												
Early difference												
Error correction												
												108

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Same control Business combination other	Equity attributable to equity holders										owner Minority shares Equity meter	
	Share capital priority share	Other equity instruments Perpetual debt	Capital product	Reserve Deposit	Other Combined income	Other comprehensive income	Special reserve	Surplus product	General reserve	Unassigned profit		East rights
	1,695,		525,563	70,192,		-118,80		234,495		2,911.0	343,889	5,521.6
2. Balance at the beginning of the year			,219.87	592.00		1,887.9		,509.44		97,028.	,463.24	48,853.
	3.00					8				02		59
3. Changes in the current year			1,784.1			48,471,	52,021,	12,588,		794,503	17,721,	2,869.3
Amount (decrease by "-" 0,319, Number)	00		11,779.	050.17	077.43			866.23		,467.87	307.99	35,768.
(1) Total comprehensive income amount						52,021,	077.43			908,793	17,721,	978,535
										,300.88	307.99	,686.30
(2) Owner input	256,86		1,808.3			-31,252,						2,096.4
And reduce capital	0,319.		06,714.			384.00						19,417.
	00		91									91
1. Invested by the owner	256,86		1,792.7									2,049.5
Common stock	0,319.		25,394.									85,713.
	00		01									01
2. Other equity instruments Holders invest capital												
3. Share payment included Owner's equity amount			15,581,			-31,252,						46,833,
			320.90			384.00						704.90
4. other												
(3) Profit distribution								12,588,		-114.28		-101.70
								866.23		9,833.0		0,966.7
										1		8
1. Surplus reserve								12,588,		-12,588,		
								866.23		866.23		
2. Extract general risks ready												
										-101.70		-101.70

3. To the owner (or Shareholders' distribution)	0,966.7	0,966.7
	8	8
4. other		
(4) Owner's equity		
Internal carryover		
1. Capital reserve conversion		
Capital (or share capital)		
2. Surplus reserve turned		

109

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Capital (or share capital)							
3. Surplus reserve							
Loss							
4. Define a benefit plan							
Change carry forward							
income							
5. other							
(5) Special reserve							
1. Withdraw							
2. Use in this issue							-103.91
(6) Other	-24,194,	79,723,					8,369.1
	935.00	434.17					7
	1,952,	2,309.6				3,705.6	8,390.9
4. The ending balance of the current period	74,999,	118,663	-66,780,	247,084		00,495,	361,610
	2.00	, 642.17	810.55	, 375.67		, 771.23	84,621.
		78				89	85

Amount in the previous period
unit: yuan

	Previous period									
	Equity attributable to equity holders									
project	Other equity instruments					owner			Minority shares	
	Share capital	Reserve	Capital	Surplus	Other	Capital	Surplus	Minority	Equity	
	share	debt	product	Deposit	Combined income	product	Risk preparation	East rights	meter	
	1,692,		209,805	78,720,	-52,886,	230,927	2,310.8	336,779	4,648.8	
1. Balance at the end of the previous year			, 992.96	800.00	127.83	, 391.44	35,606.	, 842.50	59,018.	
	3.00						20		27	

Plus: accounting policy

change

Early difference

Error correction

Same control

Business combination

other

	1,692,				2,310.8	336,779	4,648.8
2. Balance at the beginning of the year	209,805	78,720,	-52,886,	230,927	35,606,	,842.50	59,018,
	3.00	,992.96	800.00	127.83	,391.44	20	27
3. Changes in the current period	315,757	-8,528.2	-65,915,	3,568,1	600,261	7,109,6	872,789
Amount (decrease by "-"000.00	,226.91	08.00	760.15	18.00	,421.82	20.74	,835.32

110

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Number)

(1) Total comprehensive income amount			-65,915,		705,332	15,029,	654,445
			760.15		,026.60	620.74	,887.19
(2) Owner input	3,481,	315,757	-8,528,2				327,766
And reduce capital	000.00	,226.91	08.00				,434.91
1. Invested by the owner	3,900,	287,338	17,238,				274,000
Common stock	000.00	,000.00	000.00				,000.00
2. Other equity instruments							
Holders invest capital							
3. Share payment included							
Owner's equity	-419,0	28,419,	-25,766,				53,766,
amount	00.00	226.91	208.00				434.91
4. other							
(3) Profit distribution				3,568,1	-105,07	-7,920,	-109,42
				18.00	0,604.7	000.00	2,486.7
					8	8	8
1. Surplus reserve				3,568,1	-3,568,1		
				18.00	18.00		
2. Extract general risks ready							
3. To the owner (or Shareholders' distribution					-101,50	-7,920,	-109,42
					2,486.7	000.00	2,486.7
					8	8	8
4. other							
(4) Owner's equity							
Internal carryover							
1. Capital reserve conversion Capital (or share capital)							
2. Surplus reserve turned Capital (or share capital)							
3. Surplus reserve Loss							
4. Define a benefit plan Change carry forward income							
5. other							

(5) Special reserve

1. Withdraw

111

Page 112

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

2. Use in this issue

(6) Other

	1,695,	525,563	70,192,	-118,80	234,495	2,911.0	343,889	5,521.6
4. The ending balance of the current period		,219.87	592.00	1,887.9	,509.44	97,028.	,463.24	48,853.
	3.00			8		02		59

8. Changes in parent company owner's equity

Current Amount

unit: yuan

project	This period							Unassigned profit	Ownership Total benefit
	Share capital	Other equity instruments Preferred stock perpetual bonds other	Capital reserve	Less: inventory share	Other comprehensive income	Special reserve	surplus reserve		
1. Balance at the end of the previous year	1,695.59 8,113.00		698,718.1 44.57	70,192.59 2.00	-12,190.4 25.70		229,692.6 69.22	1,107.4 90,591.	3,649,116 ,501.06
Plus: accounting policy change									
Early difference									
Error correction									
other									
2. Balance at the beginning of the year	1,695.59 8,113.00		698,718.1 44.57	70,192.59 2.00	-12,190.4 25.70		229,692.6 69.22	1,107.4 90,591.	3,649,116 ,501.06
3. Changes in the current period									
Amount (decrease by "-" Number)	256,860, 319.00		1,784,111 ,779.91	48,471.05 0.17	14,558.54 9.54		12,588.86 6.23	11,598, 829.30	2,031,247 ,293.81
(1) Total comprehensive income amount					14,558.54 9.54		125,888 ,662.31	140,447.2 11.85	
(2) Owner input	256,860,		1,808,306	48,471.05				2,016,695	
And reduce capital	319.00		,714.91	0.17				,983.74	
1. Invested by the owner	256,860,		1,792,725	79,723.43				1,969,862	
Common stock	319.00		,394.01	4.17				,278.84	
2. Other equity instruments									
Holders invest capital									
3. Share payment included									
Owner's equity amount			15,581.32 0.90	-31,252.3 84.00				46,833.70 4.90	
4. other									

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

(3) Profit distribution	12,588.86	-114.28	-101,700.				
	6.23	9,833.0				966.78	
				1			
1. Surplus reserve	12,588.86	-12,588.					
	6.23	866.23					
2. To the owner (or Shareholders' distribution		-101,70	-101,700.				
		0,966.7				966.78	
				8			
3. other							
(4) Owner's equity							
Internal carryover							
1. Capital reserve conversion							
Capital (or share capital)							
2. Surplus reserve turned							
Capital (or share capital)							
3. Surplus reserve							
Loss							
4. Define a benefit plan							
Change carry forward							
income							
5. other							
(5) Special reserve							
1. Withdraw							
2. Use in this issue							
(6) Other	-24,194.9		-24,194.9				
	35.00		35.00				
4. The ending balance of the current period	1,952.45	2,482,829	118,663.6	2,368,123	242,281.5	1,119.0	5,680,363
	8,432.00	, 924.48	42.17	.84	35.45	89,421.	, 794.87
						27	

Amount in the previous period

unit: yuan

project	Previous period						
	Share capital	Other equity instruments Preferred stock perpetual bonds other	Capital reserve	Less: inventory share	Other comprehensive income	Special reserve	Unassigned Ownership surplus reserve profit Total benefit
1. Balance at the end of the previous year	1,692.11	279,948.9	78,720.80	5,657.876	226,124.5	1,176.8	3,302,007
	7,113.00	79.42	0.00	.14	51.22	80,016.	, 736.53
						75	

Plus: accounting policy

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

change							
Early difference							
Error correction							
other							
2. Balance at the beginning of the year	1,692.11 7,113.00	279,948.9 79.42	78,720.80 0.00	5,657.876 .14	226,124.5 51.22	1,176.8 80,016.	3,302,007 , 736.53
3. Changes in the current period							
Amount (decrease by "-", Number)	3,481.00 0.00	418,769.1 65.15	-8,528.20 8.00	-17,848.3 01.84	3,568,118 .00	-69,389, 424.78	347,108.7 64.53
(1) Total comprehensive income amount				-17,848.3 01.84		35,681, 180.00	17,832.87 8.16
(2) Owner input	3,481.00	315,757.2	-8,528.20				327,766.4
And reduce capital	0.00	26.91	8.00				34.91
1. Invested by the owner	3,900.00	287,338.0	17,238.00				274,000.0
Common stock	0.00	00.00	0.00				00.00
2. Other equity instruments							
Holders invest capital							
3. Share payment included							
Owner's equity amount	-419.00 0.00	28,419.22 6.91	-25,766.2 08.00				53,766.43 4.91
4. other							
(3) Profit distribution					3,568,118 .00	-105.07 0,604.7	-101,502, 486.78
1. Surplus reserve					3,568,118 .00	-3,568.1 18.00	
2. To the owner (or Shareholders' distribution)						-101,50 2,486.7	-101,502, 486.78
3. other							
(4) Owner's equity							
Internal carryover							
1. Capital reserve conversion							
Capital (or share capital)							
2. Surplus reserve turned							
Capital (or share capital)							
3. Surplus reserve							
Loss							

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

4. Define a benefit plan							
Change carry forward							
income							
5. other							
(5) Special reserve							
1. Withdraw							
2. Use in this issue							
(6) Other	103,011.9					103,011.9	
	38.24					38.24	
4. The ending balance of							
the current period	1,695.59	698,718.1	70,192.59	-12,190.4	229,692.6	1,107.4	3,649,116
	8,113.00	44.57	2.00	25.70	69.22	90,591.	
						97	,501.06

3. The basic situation of the company

Zhejiang Hailiang Co., Ltd. (hereinafter referred to as the "Company") is listed in Zhejiang by the People's Government of Zhejiang Provincial Government Leading Group for Listing [2001] Approved by Circular 77, a joint stock limited company established on October 29, 2001. Its registered place is Diankou Town Industrial Zone, Zhuji City, Zhejiang Province. The address of the Ministry is 386 Jiefang Road, Diankou Town, Zhuji City, Zhejiang Province. The company was listed on the Shenzhen Stock Exchange on January 16, 2008, stock code: 002203.

The company is a comprehensive enterprise, and its business mainly includes the copper processing industry and the environmental protection material industry. The main business is copper pipes, copper rods and others R & D, production and sales of copper products and environmental protection materials. The main customers are air-conditioning and other production enterprises.

This financial report was approved by the board of directors of the company on April 25, 2018.

The scope of the consolidated financial statements for this year was 30 subsidiaries, namely: Zhejiang Copper Processing Research Institute Co., Ltd. and Zhejiang Keyu Metal Materials Co., Ltd., Zhejiang Hailiang International Trading Co., Ltd., Shanghai Hailiang Copper Co., Ltd., Hong Kong Hailiang Copper Trading Co., Ltd., Bright Metal Products Co., Ltd., Hailiang (Vietnam) Copper Co., Ltd., Hailiang America, Hailiang (Anhui) Copper Co., Ltd., Zhou Mining Investment Co., Ltd., Congo Hailiang Mining Co., Ltd., Hong Kong Hailiang Metal Materials Co., Ltd., Guangdong Hailiang Copper Division, Zhejiang Hailiang Environmental Materials Co., Ltd., Zhejiang Haibo Microfinance Co., Ltd., Jiangsu Canghuan Copper Pipe Sales Co., Ltd., JMF Company, Ningbo Hailiang Copper Co., Ltd., Zhejiang Hailiang New Materials Co., Ltd., Singapore Hailiang Metal Materials Co., Ltd., Hailiang Distribution Inc, Moral Top Enterprise Limited, Hailiang Otto Copper Pipe (Guangdong) Co., Ltd., LOYAL HAILIANG COPPER (THAILAND) CO., LTD., Chongqing Hailiang Copper Co., Ltd., Chongqing Hailiang International Trade Co., Ltd., Division, Hong Kong Hailiang Holdings Co., Ltd., Hailiang Copper Texas Co., Ltd. and Chengdu Bede Copper Co., Ltd. For details, please refer to "Changes in scope of consolidation" and "This Note 7. Disclosure of interests in other entities"

Fourth, the basis for the preparation of financial statements

I. Preparation basis

The company's financial statements are based on continuous operations, based on actual transactions and events, and in accordance with the "Enterprise Accounting Standards-Basic Standards and specific accounting standards (hereinafter collectively referred to as "Enterprise Accounting Standards"), and based on the important accounting policies and accounting estimates described below Plan.

2. Continuous operation

As of December 31, 2018, the Japanese company's total assets were RMB 19,218.1635 million, liabilities were RMB 1,082,717,890, and net profit for 2018 RMB 92,651,460. Based on the above considerations, the company has sufficient capacity to meet the needs of normal business activities. Therefore, the company's 2018 financial report The table is still compiled on the basis of continued operations.

V. Important accounting policies and accounting estimates

Does the company need to comply with the disclosure requirements of special industries

no

Specific accounting policies and accounting estimation tips:

Not applicable.

1. Statement on compliance with corporate accounting standards

The financial statements prepared by the company meet the requirements of the "Accounting Standards for Business Enterprises", which truly and completely reflect Relevant information such as financial status, 2018 operating results and cash flow.

2. Accounting period

The company's fiscal year is the Gregorian calendar year, that is, from January 1 to December 31 each year.

3. Business cycle

The company takes 12 months a year as the normal business cycle, and uses the business cycle as the standard for dividing the liquidity of assets and liabilities.

4. Bookkeeping standard currency

The company uses Renminbi as its accounting currency.

5. Accounting treatment method for business combination under the same control and not under the same control

1. Business combination under the same control

The long-term equity investment merger formed by a business combination under the same control uses cash payment, transfer of non-cash assets or debt

In case of consideration, the company takes the share of the book value of the net assets of the merged party in the final controller 's consolidated financial statements on the merger date.

The amount is used as the initial investment cost of a long-term equity investment. If the merger party issues equity instruments as the consideration for the merger, the total face value of the issued shares

As equity. The difference between the initial investment cost of the long-term equity investment and the book value of the combined consideration (or the total face value of the issued shares) should be adjusted

Capital reserve; if the capital reserve is insufficient to offset, adjust the retained earnings.

2. Business combinations not under the same control

For a business combination not under the same control, the combination cost is the capital paid by the purchaser to obtain control of the purchased party on the purchase date

The sum of the assets, liabilities incurred or assumed, and the fair value of the equity securities issued. Purchased in a business combination not under the same control

If the acquired party's identifiable fair value share of net assets is obtained, after review, the merger cost is still less than the acquired party's identifiable net assets acquired during the merger. The difference in the fair value share of the assets is included in the current non-operating income.

6. Preparation method of consolidated financial statements

1. Scope of consolidated financial statements

The company includes all subsidiaries (including separate entities controlled by the company) in the scope of the consolidated financial statements, including the company's control Enterprises, the divisible part of the invested unit, and the structured subject.

2. Unify the parent company's accounting policies, unify the parent company's balance sheet date and accounting period

If the accounting policies or accounting periods adopted by the subsidiary and the company are inconsistent, when preparing the consolidated financial statements, the accounting policies of the company shall be followed. Make necessary adjustments to the subsidiary's financial statements during the policy or accounting period.

3. Offset of consolidated financial statements

The consolidated financial statements are based on the balance sheets of the company and its subsidiaries, which have offset the company's Raw internal transactions. The share of the subsidiary's owner's equity that does not belong to the company, as a minority shareholder's equity, shareholders in the consolidated balance sheet Under the equity items, they are listed as "minority shareholders' equity" items. Subsidiaries holding the company's long-term equity investment are regarded as the company's treasury shares, as The reduction of shareholders' equity is listed in the consolidated balance sheet under the item of "shareholders' equity" under the item of "decrease: treasury shares".

4. Accounting treatment of merged subsidiary

For a subsidiary acquired through a business combination under the same control, it is deemed that the business combination has occurred since the real-time control by the ultimate controller, From the beginning of the current period of the merger, its assets, liabilities, operating results and cash flows are included in the consolidated financial statements; for corporate mergers that are not under the same control And the acquired subsidiary, when preparing the consolidated financial statements, conducts its individual financial statements based on the fair value of the identifiable net assets on the date of purchase Adjustment.

7. Standards for determining cash and cash equivalents

The cash determined by the company when preparing the cash flow statement refers to the cash in stock of the company and the deposits that can be used for payment at any time. Editing The cash equivalents determined when preparing the cash flow statement refer to short-term holdings, strong liquidity, easy conversion to known amounts of cash, and value changes Investment with very low dynamic risk.

8. Foreign currency business and translation of foreign currency statements

1. Foreign currency business conversion

The company's foreign currency transactions are recorded at the exchange rate equivalent to the standard currency at the spot exchange rate on the date of the transaction. Foreign currency monetary items on the balance sheet date are The translation of the spot exchange rate on the balance sheet date occurs because the spot exchange rate on that day is different from the spot exchange rate at the time of initial recognition or on the previous balance sheet date The exchange difference of the foreign exchange, except for the foreign currency special borrowing that meets the capitalization conditions, is capitalized during the capitalization period and is included in the cost of the relevant assets In addition, all are included in the current profit and loss. Non-monetary items in foreign currencies measured at historical cost are still converted at the spot exchange rate on the transaction date and will not change The amount of the accounting currency. Foreign currency non-monetary items measured at fair value are translated at the spot exchange rate on the date when the fair value is determined. The difference between the amount of the bookkeeping standard currency and the amount of the original bookkeeping standard currency is treated as a change in fair value (including changes in exchange rates) and included in the current profit or loss Think of other comprehensive income.

2. Translation of foreign currency financial statements

If the company's holding subsidiaries, joint ventures, associates, etc., use a different recording currency than the company's, they need to report their foreign currency financial statements After the conversion, the accounting calculation and consolidated financial statements are compiled. The assets and liabilities items in the balance sheet shall be the At the spot exchange rate, the owner's equity items except for the "undistributed profit" items are converted at the spot exchange rate when they occur. In the income statement

The income and expense items are translated at the spot exchange rate on the transaction date. The translation difference of the foreign currency financial statements arising from the conversion is shown in the balance sheet The other comprehensive income of the owner's equity items is shown below. The foreign currency cash flow is determined in accordance with a systematic and reasonable method, using the spot date of the transaction Exchange rate conversion. The impact of exchange rate changes on cash is shown separately in the cash flow statement. When disposing of overseas operations, those related to the overseas operations The foreign currency statement translation difference shall be transferred to the current profit or loss in full or in proportion to the disposal of the overseas operation.

9. Financial instruments

1. Classification and confirmation of financial instruments

Financial instruments are classified as financial assets or financial liabilities and equity instruments. When the company becomes a party to a financial instrument contract, it is recognized as a financial financing assets or financial liabilities, or equity instruments.

Financial assets are classified as: financial assets measured at fair value through profit or loss, held-to-maturity investments, Receivables, available-for-sale financial assets. The classification of financial assets other than receivables depends on the financial assets of the company and its subsidiaries Holding intention and holding capacity etc. Financial liabilities are classified as: financial liabilities measured at fair value and their changes included in the current profit and loss Debt and other financial liabilities.

Financial assets measured at fair value and whose changes are included in the current profit and loss include trading financial assets held for short-term purposes and Designated as financial assets measured at fair value at the initial recognition and their changes are included in the current profit and loss; receivables are those that are not reported in an active market Non-derivative financial assets with fixed or determinable prices and recoverable amounts; available-for-sale financial assets include those designated as available for sale at initial recognition Non-derivative financial assets and financial assets not classified into other categories; held-to-maturity investments refer to fixed maturity dates, fixed or recoverable amounts And the management has a clear intention and ability to hold non-derivative financial assets to maturity.

2. Measurement of financial instruments

The initial recognition of the company's financial instruments is measured at fair value. Subsequent measurement is classified as: measured at fair value and its changes are included in the current profit and loss Financial assets, available-for-sale financial assets, and financial liabilities measured at fair value through profit or loss are measured at fair value; Investment, loans and receivables due and other financial liabilities are measured at amortized cost; there is no quoted price in an active market and their fair value is not Equity instrument investment that can be reliably measured, and derivative financial assets or derivatives that are linked to the equity instrument and must be settled by delivery of the equity instrument Financial liabilities are measured at cost. Gains or losses arising from changes in fair value in the subsequent measurement of the company's financial assets or financial liabilities, except Except for hedging, it is handled as follows: ① Financial assets or financial liabilities measured at fair value and whose changes are included in current profit or loss Gains or losses resulting from changes in fair value are included in changes in fair value. ② Changes in fair value of available-for-sale financial assets are included in other Comprehensive income.

3. The company's method of confirming the fair value of financial instruments

If there is an active market financial instrument, the fair value is determined by the quotation in the active market; if there is no active market financial instrument, Use valuation techniques to determine its fair value. Valuation techniques mainly include market method, income method and cost method.

4. Confirmation basis and measurement method of transfer of financial assets and liabilities

When almost all risks and rewards of financial asset ownership are transferred, or neither transfer nor retention of financial asset ownership is achieved There are risks and rewards, but if you give up control of the financial asset, you should terminate the recognition of the financial asset. Financial assets meet termination confirmation In the case of transfer, the book value of the transferred financial assets and the consideration received due to the transfer and the fair value changes originally included in other comprehensive income are accumulated The balance of the sum of the amounts is included in the current profit and loss. If the partial transfer meets the conditions for termination confirmation, the overall book value of the transferred financial assets, Between the derecognized part and the underecognized part, the relative fair value is allocated.

If all or part of the current obligations of a financial liability have been discharged, the financial liability or part of it shall be derecognized.

5. Impairment of financial assets

When financial assets measured at amortized cost are impaired, the present value of the expected future cash flow (excluding future credit losses that have not yet occurred) If the difference is lower than the book value, the provision for impairment is made. If there is objective evidence that the value of the financial asset has been restored, and the loss is objectively confirmed For the matters that occurred after the loss, the originally recognized impairment loss is reversed and included in the current profit and loss.

When a financial asset measured at cost is impaired, an impairment provision is made based on the difference between the present value of expected future cash flows and the book value. Once an impairment loss occurs, it shall not be reversed once confirmed.

118

When there is objective evidence indicating that the available-for-sale financial assets are impaired, the accumulation due to the decline in fair value that was originally directly included in shareholders' equity Losses are transferred out and included in impairment losses. For investments in available-for-sale debt instruments that have confirmed impairment losses, the fair value increases after the period and is objective If the above is related to the events that occurred after the confirmation of the original impairment loss, the originally recognized impairment loss is reversed and included in the current profit and loss. For confirmed impairment losses The loss of available-for-sale equity instrument investment will be directly included in shareholders' equity after the period.

For investment in equity instruments, the company judges the specific quantitative standards and cost calculations of the "serious" or "non-temporary" decline in its fair value The calculation method, the method for determining the fair value at the end of the period, and the basis for determining the period of continuous decline are:

Specific quantitative standards for "serious" declines in fair value At the end of the period, the decrease in fair value relative to cost has reached or exceeded 50%.

The specific quantification standard of "non-temporary" decline in fair value is: fallen for 12 consecutive months.

Cost calculation method	At the time of acquisition, according to the payment consideration (after deducting the declared but not yet paid cash dividend or The bond interest that has not been received until the interest payment period) and the related transaction costs are taken as cost of investment.
Method for determining the fair value at the end of the period	For financial instruments in active markets, determine their fairness based on quotes in active markets Value; if there is no financial instrument in an active market, use valuation techniques to determine its value Fair value.
Basis for determining the period of continued decline	Continuous declines or rebounds and rises below 20% during the duration of the downward trend. The duration of the bomb did not exceed 6 months as a continuous decline period.

10. Bills receivable and accounts receivable

(1) Receivables with significant single amount and separate provision for bad debts

Judgment basis or amount standard for significant single amount	The accounts receivable account balance is more than 5%; Amounts of over 50 million (subsidiary Hailiang Environmental Materials is applicable to a single amount of heavy Large judgment basis or amount standard 2.)
Withdrawal method for single amount of significant amount and single provision for bad debt provision	If there is objective evidence that an impairment occurs, the present value of its future cash flow is lower than The difference between its book value and bad debt provision

(2) Receivables withdrawing bad debt provision according to the combination of credit risk characteristics

Combination name	Bad debt provision method	
Aging combination 1 For a single non-significant amount and not impaired after a separate test Receivables with significant amounts are based on the same age combination	Aging analysis	
Aging combination 2 For single non-significant amounts and not impaired after separate testing Receivables with significant amounts are based on the same age combination	Aging analysis	
In the combination, using the aging analysis method to accrue bad debt provision:		
<input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not applicable		
Aging	Account receivable accrual ratio	Provision ratio of other receivables
Within 3 months	0.00%	0.00%
4 to 6 months	5.00%	5.00%

119

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

7 months to 1 year	50.00%	50.00%
1-2 years	80.00%	80.00%
2-3 years	100.00%	100.00%

In the combination, using the balance percentage method to accrue bad debt provision:

Applicable Not applicable

In the combination, the provision for bad debts by other methods:

Applicable Not applicable

Combination name	Account receivable accrual ratio	Provision ratio of other receivables
Subsidiary Hailiang Ring Material adopts the aging analysis method for accrual Accounts receivable for bad debt preparation		

Within 1 year	1.00%	1.00%
1 to 2 years	5.00%	5.00%
2 to 3 years	10.00%	10.00%
3 to 4 years	30.00%	30.00%
4 to 5 years	50.00%	50.00%
More than 5 years	100.00%	100.00%

(3) Receivables with a single amount that is not significant but withdraw bad debt provision separately

Reasons for single provision for bad debts	The present value of future cash flow of receivables and the application of aging as credit risk characteristics There is a significant difference in the present value of the future cash flow of the collection
Withdrawal method of bad debt preparation	Impairment test separately, based on its present value of future cash flow is lower than its book value The difference between the value and the provision for bad debts

II. Inventory

Does the company need to comply with the disclosure requirements of special industries

no

1. Classification of inventory

Inventory refers to the finished products or commodities held by the company in daily activities for sale, in-process products in the production process, in the production process

Or the materials and materials consumed in the process of providing labor services. Mainly include raw materials, turnover materials, commissioned processing materials, work-in-progress, and self-made semi-finished products
Products, finished products.

2. The valuation method of the issued inventory

When the inventory is issued, the weighted average method is used to determine the actual cost of the inventory.

3. Withdrawal method of inventory depreciation reserve

On the balance sheet date, inventory is measured according to the lower of cost and net realizable value, and the provision for inventory depreciation is made according to a single inventory item, but for
For a large number of inventories with low unit prices, the provision for falling prices of inventories shall be made according to the type of inventory.

4. Inventory inventory system

The company's inventory inventory system is a perpetual inventory system.

120

5. Amortization method of low-value consumables and packaging

Low-value consumables and packaging materials are amortized using the one-off write-off method .

12. Issuing loans and advances

1. Classification of loans

According to the lender's guarantee methods: credit loans, guaranteed loans, mortgage loans, pledge loans.

2. Determination of loan cost

According to the actual loan principal and related transaction costs as the initial confirmation amount, the interest income during the loan holding period is calculated at the actual interest rate.

3. Loan loss provision

The provision scope of loan loss provision is assets that bear risks and losses, including various types of loans (including mortgage, pledge, guarantee, credit)
loan).

At the end of the year, the company classified each individual loan into five categories: normal, concerned, subordinate, suspicious and loss according to the quality of its credit assets, and the loan impairment was accrued.

The preparation ratio is as follows:

Loan risk classification	Withdrawal ratio (%)
Normal class	1.50
Attention class	3.00
Subclass	30.00
Suspicious	60.00
Loss category	100.00

The risk classification criteria are as follows:

Normal: The borrower can perform the contract without sufficient reason to suspect that the loan principal and interest cannot be repaid on time and in full.

Concern: Although the borrower is currently able to repay the principal and interest of the loan, there are some factors that may adversely affect the repayment.

Subordinate: The borrower's repayment ability has obvious problems. It is entirely dependent on its normal operating income that it cannot fully repay the principal and interest of the loan

It may also cause a certain loss.

Suspicious: The borrower cannot fully repay the principal and interest of the loan. Even if the guarantee is executed, it will definitely cause greater losses.

Loss: After taking all possible measures or all necessary legal procedures, principal and interest cannot be recovered or only a small part can be recovered.

13. Holding assets for sale

The company shall classify non-current assets that meet the following conditions as held for sale: First, the enterprise

The resolution is issued; second, the enterprise has signed an irrevocable transfer agreement with the transferee; third, the transfer will be completed within one year.

14. Long-term equity investment

1. Determination of initial investment cost

For a long-term equity investment obtained by a business combination, if it is a business combination under the same control, it shall be merged according to the acquired

The party's share of the net asset's book value in the final controlling party's consolidated financial statements is used as the initial investment cost of a long-term equity investment;

For the business combination under the system, the combination cost determined on the date of purchase is used as the initial investment cost of long-term equity investment;

For equity investments, the initial investment cost is the actual purchase price paid; for long-term equity investments obtained by issuing equity securities, the initial investment cost

For the fair value of equity securities issued; for long-term equity investments acquired through debt restructuring, the initial investment cost is in accordance with the Accounting Standards for Enterprises

The relevant provisions of No. 12-Debt Restructuring are determined; for long-term equity investments acquired through non-monetary asset exchange, the initial investment cost

The relevant provisions of Accounting Standards No. 7-Exchange of Non-Monetary Assets are determined.

121

2. Subsequent measurement and profit and loss confirmation method

The long-term equity investment that the company can exercise control over the invested unit should be accounted for using the cost method. For long-term equity investments of associates and joint ventures,

The equity investment is accounted for using the equity method. The company's equity investment in associates, part of which is through venture capital institutions, mutual funds,

Trust companies or similar entities including investment-linked insurance funds hold indirectly, regardless of whether the above entities have a significant impact on this part of the investment,

The company shall, in accordance with the relevant provisions of "Accounting Standards for Enterprises No. 22-Recognition and Measurement of Financial Instruments", invest

Choose to measure at fair value and its changes are included in profit or loss, and use the equity method to account for the rest.

3. Determine the basis for joint control and significant influence on the invested unit

Having joint control over the investee means that activities that have a significant impact on the return of an arrangement must go through shared control

The decision can only be made after the parties agree, including the sale and purchase of goods or services, the management of financial assets, the purchase and disposal of assets, research and development

Development activities and financing activities, etc.; having a significant impact on the invested unit, which means when holding more than 20% to 50% of the voting rights of the invested unit

At this time, it has a significant impact. Or although less than 20%, but it meets one of the following conditions, it has a significant impact:

Representatives from similar authorities; participating in the policy-making process of the investee; sending management personnel to the investee; investee

Depends on the investment company's technology or technical information; significant transactions with the investee.

15. Investment real estate

Investment real estate measurement model

Cost method measurement

Depreciation or amortization method

The company's investment real estate category includes rental buildings. Investment real estate is initially measured at cost, using the cost model Perform subsequent measurement.

The leased buildings of the company's investment real estate are depreciated using the average method of years. The specific accounting policy is the same as that of fixed assets.

16. Fixed assets**(1) Confirmation conditions**

Fixed assets refer to tangible assets held for the purpose of producing commodities, providing labor services, leasing or operating management, and whose service life exceeds one fiscal year. Also meet the following conditions Confirmed at the time: The economic benefits related to the fixed asset are likely to flow into the enterprise; the cost of the fixed asset can be measured reliably.

(2) Depreciation method

category	Depreciation method	Depreciation period	Residual rate	Annual depreciation rate
building	Average method of years	20	4	4.8
mechanical equipment	Average method of years	10	4	9.6
Transportation Equipment	Average method of years	5	4	19.2
other devices	Average method of years	5	4	19.2

no.

(3) Identification basis, valuation and depreciation methods of fixed assets leased by financing

Financing leased fixed assets is a lease that substantially transfers all risks and rewards related to asset ownership. Financing leased fixed assets are initially valued at the start of the lease period

The lower of the fair value of the leased asset and the current value of the minimum lease payment is taken as the book value; the subsequent valuation of the fixed asset leased in finance is a discount consistent with its own fixed asset

122

The old policy makes provision for depreciation and impairment.

17. Construction in progress

Does the company need to comply with the disclosure requirements of special industries

no

The company's construction projects are divided into two types: self-operated construction and outsourcing construction. Construction in progress reaches expected availability after completion Time, carry forward fixed assets. The judgment standard of the predetermined usable state shall meet one of the following conditions: physical construction of fixed assets (including installation) The work has been completely completed or substantially completed; the trial production or trial operation has been completed, and the results indicate that the assets can operate normally or can Qualified products are produced stably enough, or the trial operation results show that they can operate or operate normally; the expenditure on the fixed assets of the construction The amount is small or almost no longer occurs; the fixed assets purchased or constructed have met the design or contract requirements, or are basically consistent with the design or contract requirements.

18. Borrowing costs**1. Confirmation principle of capitalization of borrowing costs**

The borrowing costs incurred by the company that can be directly attributed to the acquisition, construction or production of assets that meet the capitalization conditions are capitalized and included in Related asset costs; other borrowing costs are recognized as expenses based on the amount incurred when incurred, and are included in the current profit and loss. Capital eligible for capitalization Production refers to fixed assets and investments that require a long period of time to purchase, construct or produce in order to reach their intended use or sale. Assets such as real estate and inventory.

2. Calculation method of capitalization amount

The capitalization period refers to the period from the time when the borrowing costs start capitalization to the time when the capitalization stops. Period during which capitalization of borrowing costs is suspended did not include. If an abnormal interruption occurs during the purchase, construction or production, and the interruption period exceeds 3 months in a row, the borrowing costs shall be suspended

Capitalization.

Borrowing special loans, according to the actual interest expenses incurred in the current period of special loans, minus the amount obtained by depositing unused loan funds into the bank
The amount of interest income or the investment income obtained from the temporary investment is determined; the occupied general borrowings exceed the special borrowings according to the accumulated asset expenditures
The weighted average number of partial asset expenditures is multiplied by the capitalization rate of the general loans occupied, and the capitalization rate is the weighted average profit of the general loans
Rate; if there is a discount or premium on the loan, the amount of discount or premium that should be amortized in each accounting period is determined according to the actual interest rate method, and the interest in each period is adjusted
Amount.

The effective interest rate method is a method of calculating its amortized discount or premium or interest expense based on the actual interest rate of the borrowing. Among them, the actual interest rate is
The future cash flow during the period is discounted to the interest rate used for the current book value of the borrowing.

19. Intangible assets

(1) Pricing method, service life, impairment test

The company's intangible assets are initially measured at cost. Purchased intangible assets, according to the actual price paid and related expenses as actual cost
this. Intangible assets invested by investors, the actual cost is determined according to the value agreed in the investment contract or agreement, but the value agreed in the contract or agreement is not fair
, The actual cost is determined based on fair value. The cost of self-developed intangible assets is the total expenditure incurred before reaching the intended use.

The follow-up measurement methods of the company's intangible assets are as follows: the intangible assets with limited useful life are amortized by the straight-line method, and at the end of the year, the
The service life and amortization method of the tangible assets are reviewed. If there is a difference from the original estimate, the corresponding adjustment is made; the service life is uncertain
Of intangible assets are not amortized, but at the end of the year, the service life is reviewed, and when there is solid evidence that the service life is limited, the estimated
Calculate its service life, amortize according to the straight-line method.

The company will not be able to foresee the period when the asset will bring economic benefits to the company, or the intangible assets such as uncertain use period are determined as the useful life

123

Uncertain intangible assets. The judgment basis for the uncertain service life is: it comes from contractual rights or other legal rights, but the contract provisions or laws
The law does not have a clear service life; it is still impossible to judge whether the intangible assets bring economic benefits to the company based on the situation in the same industry or related experts 'discussions
the term.

At the end of each year, the service life of intangible assets with uncertain service life is reviewed, mainly in a bottom-up manner.
Carry out basic review with relevant departments, evaluate whether the service life is uncertain, and judge whether there is any change.

(2) Internal research and development expenditure accounting policy

Expenditure of the internal research and development project at the research stage is included in the current profit and loss when it occurs; expenditure at the development stage meets the recognition of intangible assets
Conditional transfer to intangible assets accounting.

20. Long-term asset impairment

Long-term equity investments, investment real estate measured using the cost model, fixed assets, construction in progress, intangible assets, goodwill, etc.
If there is any sign of impairment on the balance sheet date, an impairment test shall be conducted. Impairment test results indicate that the asset's recoverable amount is lower than its book value
If the difference is calculated, the impairment provision shall be accrued and included in the impairment loss.

The recoverable amount is the comparison between the net value of the asset 's fair value less disposal costs and the present value of the asset 's expected future cash flow
The higher. The asset impairment provision is calculated and confirmed on the basis of individual assets. If it is difficult to estimate the recoverable amount of an individual asset, the
The asset group to which the asset belongs determines the recoverable amount of the asset group. An asset group is the smallest asset portfolio that can independently generate cash inflows.

Goodwill listed separately in the financial statements, regardless of whether there is any sign of impairment, at least annual impairment test. Goodwill during the impairment test
The book value is allocated to the asset group or combination of asset groups expected to benefit from the synergies of the business combination. Test results show that the quotient containing the allocation
If the recoverable amount of the reputation asset group or asset group combination is lower than its book value, the corresponding impairment loss is recognized. The amount of the impairment loss will be offset first
The book value of the goodwill allocated to the asset group or combination of asset groups, and then based on other assets in the asset group or combination of asset groups other than goodwill

The proportion of the book value of the book is proportionally offset against the book value of other assets.

Once the above asset impairment loss is confirmed, it will not be reversed in the future period where the value is recovered.

21. Long-term deferred expenses

The company's long-term deferred expenses refer to various expenses that have been paid, but the benefit period is more than one year (excluding one year). Long-term prepaid expenses

is amortized in installments according to the benefit period of the expense item. If the long-term deferred expense item cannot benefit the future accounting period, the item that has not been amortized

The target amortized value is all transferred to the current profit and loss.

22. Employee compensation

(1) Accounting treatment method of short-term salary

During the accounting period in which employees provide services to the company, the actual short-term remuneration is recognized as a liability and included in the current profit and loss.

Except where accounting standards require or allow to be included in the cost of assets. The employee welfare expenses incurred by the company shall be included in the current

Period profit or loss or related asset cost. If employee benefits are non-monetary benefits, they shall be measured at fair value. Medical insurance paid by the enterprise for employees

Social insurance and housing provident funds, labor insurance premiums, maternity insurance premiums, and labor union funds and employee education funds drawn according to regulations,

During the accounting period in which the employees provide services, the corresponding employee compensation amount is calculated and determined according to the prescribed basis for accrual and accrual ratio, and the corresponding

Liabilities are included in the current profit and loss or related asset costs.

124

(2) Accounting treatment of post-employment benefits

During the accounting period in which the company provides services to employees, the amount of deposit payable calculated according to the set withdrawal plan is recognized as a liability and included in the current loss

Benefit or related asset costs. According to the formula determined by the expected cumulative welfare unit law, the welfare obligations arising from the defined benefit plan are attributed to the employees.

The service period is included in the current profit and loss or related asset costs.

(3) Accounting treatment of dismissal benefits

When the company provides termination benefits to employees, the employee compensation liabilities arising from the termination benefits are recognized at the earliest of the following two and are included in the current

Benefits: The company cannot unilaterally withdraw the termination benefits provided by the labor relationship cancellation plan or the reduction proposal; the company confirms and involves payment

When dismissing benefits-related costs or expenses.

(4) Accounting treatment of other long-term employee benefits

If the other long-term employee benefits provided by the company to the employees meet the conditions for setting a withdrawal plan, they shall follow

It is scheduled to be processed; in addition, in accordance with the relevant provisions of the defined benefit plan, other long-term employee benefits net liabilities or net assets are recognized and measured.

23. Estimated liabilities

When the obligation related to contingent matters is the current obligation undertaken by the company, and the performance of this obligation is likely to result in the outflow of economic benefits, and

When the amount can be measured reliably, the obligation is recognized as an estimated liability. The company conducts preliminary assessments in accordance with the best estimate of the expenditure required to perform relevant current obligations

At the beginning of measurement, if there is a continuous range of required expenditure, and the probability of various results within the range is the same, the best estimate is based on this range

The intermediate value within is determined; if multiple projects are involved, the best estimate is determined according to various possible results and related probability calculations.

The book value of the estimated liabilities should be reviewed on the balance sheet date, and there is strong evidence that the book value cannot truly reflect the current best

For the estimated amount, the book value should be adjusted according to the current best estimate.

24. Share payment

The company's share-based payment includes equity-settled share-based payment and cash-settled share-based payment. Equity-settled share-based payment for jobs Where workers provide services, they are measured at the fair value of the equity instruments granted to employees. If there is an active market, it shall be determined according to the quotation in the active market; no If there is an active market, it shall be determined using valuation techniques, including those used in recent market transactions conducted by parties who are familiar with the situation and willingly trade Price, reference to the current fair value of other financial instruments that are substantially the same, discounted cash flow method, option pricing model, etc.

On each balance sheet date, according to the latest information such as changes in the number of available powers and the completion of performance indicators, the estimated The number of exercised stock options, and on this basis, confirm the expenses that should be apportioned in each period. For option costs that span multiple accounting periods, generally The option is allocated according to the proportion of the length of the waiting period of the option in a certain accounting period to the length of the entire waiting period.

25. Revenue

Does the company need to comply with the disclosure requirements of special industries

no

Revenue is recognized when the sale of goods meets the following conditions: the enterprise has transferred the main risks and rewards of the ownership of the goods to the buyer; the enterprise The industry neither retains the continuing management rights normally associated with ownership, nor does it effectively control the commodities sold; the amount of revenue can

125

Reliable measurement; related economic benefits are likely to flow into the enterprise; related costs that have occurred or will occur can be measured reliably.

The company's revenue is mainly the sales of copper processing products and catalyst products. According to the contract or agreement with the customer, if the contract or agreement has If the timing of the main risk transfer of commodity ownership is clearly agreed, the revenue shall be confirmed at the agreed timing; the contract or agreement does not clearly stipulate the owner of commodity If the timing of risk transfer is required, revenue is recognized at the following timing.

(1) Domestic sales meet the following conditions at the same time: 1) Send the goods to the customer or the customer to pick up according to the delivery method agreed in the sales contract and obtain The customer's receipt or verification of the receipt; 2) The amount of sales revenue has been determined, the sales invoice has been issued, the money has been received or is expected to be recovered; 3) The sales The cost of selling products can be calculated reasonably.

(2) The timing of the recognition of foreign sales revenue is: when the main risks of various trading methods are transferred according to the "General Rules for the Explanation of International Trade Terms" Confirm the requirements of the point. The company mainly exports in the form of FOB, CIF, etc., and the risks and rewards of the goods are transferred after shipment. Company at the same time Revenue is recognized after the following conditions are met: 1) The product has been declared for export, and the customs declaration form and bill of lading are obtained; 2) The amount of product export revenue has been determined, and the payment It has been received or expected to be recovered, and an export sales invoice is issued; 3) The cost of exported products can be calculated reasonably.

2. Interest income and expenses

For financial instruments measured at amortized cost and interest-bearing financial instruments in available-for-sale financial assets, interest income and expenses are accrued The principle is confirmed in the income statement according to the actual interest rate method.

The actual interest rate method is a method of calculating the amortized cost of a financial asset or liability and apportioning interest income and interest expenditure in the relevant period method. The actual interest rate is the discounted future cash flow of a financial instrument to the net book amount on the expected maturity date or a suitably short period The interest rate used. The company will consider all contractual terms of financial instruments when estimating future cash flows, but will not consider future credit losses. The calculation of the actual interest rate takes into account transaction costs, discounts and premiums, and all fees related to the actual interest rate received and paid between the parties to the contract.

If the financial asset is impaired, the actual interest rate of the recognized interest income is determined according to the discounted future cash flow interest rate for measuring loss.

26. Government subsidies**1. Types of government subsidies and accounting treatment**

Government subsidies refer to the monetary or non-monetary assets that the company obtains from the government for free (but does not include the government input as the owner capital). It is mainly divided into two types: government subsidies related to assets and government subsidies related to income.

Government subsidies related to daily activities are included in other income in accordance with the substance of economic business. Government subsidies not related to daily activities, included in Non-operating income and expenses.

Government documents clearly stipulate that government subsidies used to purchase or construct or otherwise form long-term assets are recognized as government subsidies related to assets. If the government document does not clearly specify the subsidy target and can form a long-term asset, the part of the government subsidy corresponding to the value of the asset shall be regarded as related to the asset. Relevant government subsidies, the rest is regarded as government subsidies related to income; if it is difficult to distinguish, the whole government subsidies are regarded as government

Government subsidies. Government subsidies related to assets are recognized as deferred income. The amount recognized as deferred income shall be a reasonable and systematic method is included in the current profit and loss in installments.

Government grants other than those related to assets are recognized as government grants related to income. For government subsidies related to income

If the related expenses or losses of the enterprise are compensated in the later period, it is recognized as deferred income, and it is included in the current profit and loss during the period of confirming the related expenses;

Those used to compensate the related expenses or losses incurred by the enterprise shall be directly included in the current profit and loss.

The company obtains a policy discount loan discount, and the finance allocates the discount fund to the loan bank, and the loan bank

If the company provides a loan, the actual amount of the loan received is taken as the book value of the loan, and it is calculated according to the loan principal and the preferential policy rate

Relevant borrowing costs; if the finance directly allocates discount funds to the company, the company will offset the corresponding borrowing costs with the corresponding discount.

2. Government subsidy confirmation time

Government grants are confirmed when they meet the conditions attached to government grants and can be received. The government subsidies measured in accordance with the receivable amount are confirmed at the end of the period

Evidence shows that it can meet the relevant conditions stipulated in the financial support policy and is expected to be confirmed when it can receive financial support funds. Except for receivables

Government subsidies other than government subsidies measured in amount shall be recognized when the subsidy is actually received.

126

27. Deferred income tax assets / deferred income tax liabilities

1. Based on the difference between the book value of assets and liabilities and their tax base

If the taxation basis can be determined, the taxation basis is determined as the difference), according to the expected tax rate during the period when the asset is recovered or the liability is paid off

Calculate and confirm deferred income tax assets or deferred income tax liabilities.

2. The recognition of deferred income tax assets is limited to the amount of taxable income that is likely to be used to offset the deductible temporary differences. Balance sheet

On the day that there is solid evidence that it is likely that sufficient taxable income will be obtained in the future to offset the deductible temporary difference, the previous

Unrecognized deferred income tax assets during the accounting period. If it is likely that sufficient taxable income will not be available to deduct deferred tax

If it is produced, the book value of deferred income tax assets will be written down.

3. For taxable temporary differences related to investments in subsidiaries and associates, confirm deferred income tax liabilities unless the company can control

The time when the temporary difference is reversed and the temporary difference is likely not to be reversed in the foreseeable future. For investment related to subsidiaries and affiliates

Deductible temporary difference, when the temporary difference is likely to be reversed in the foreseeable future and is likely to be used to deduct the deductible temporary

Sexual difference of taxable income is recognized as deferred income tax assets.

28. Lease

(1) Accounting treatment method of operating lease

The rental expenses of operating leases are included in the cost of relevant assets or current profit and loss according to the straight-line method during the lease period.

(2) Accounting treatment method of finance lease

The lower of the fair value of the leased asset and the present value of the minimum lease payment is used as the booked value of the leased asset.

The difference between the booked value and the minimum lease payment is regarded as unrecognized financing expenses and is amortized using the effective interest method during the lease period. Minimum lease payment

The balance after deducting unrecognized financing expenses is presented as long-term payables.

29. Other important accounting policies and accounting estimates

Hedge accounting

(1) Hedged items

Refers to the following items that expose the enterprise to the risk of changes in fair value or cash flow and are designated as hedged objects: ○

Assets, liabilities, confirmed commitments, expected transactions that are likely to occur, or net investment in overseas operations; ② a group of confirmed assets with similar risk characteristics
 Assets, liabilities, commitments, expected transactions that are likely to occur, or net investment in overseas operations; ③ financial financing that shares the same hedged interest rate risk
 Part of a portfolio of assets or financial liabilities (applicable only to hedges of fair value portfolios of interest rate risk). Confirmation of commitment refers to a specific date in the future
 Or during a legally binding agreement to exchange a certain amount of resources at an agreed price. Expected transaction means that it has not been promised but is expected to happen
 Transaction.

(2) Hedging tools

The company's hedging instruments are futures contracts.

(3) Specify the accounting period of the hedging relationship

In the same accounting period, the company included the offset result of the hedging instrument and the fair value change of the hedged item into the current profit and loss.

(4) Hedging effectiveness evaluation method

The company uses the ratio analysis method to evaluate the effectiveness of hedging.

30. Changes in important accounting policies and accounting estimates

(1) Changes in important accounting policies

Applicable Not applicable

Contents and reasons for changes in accounting policies	approval procedure	Remarks
On June 15, 2018, the Ministry of Finance The Ministry of Political Affairs revised and issued the general corporate finance for 2018 Notice on the Format of Business Reports (Caihui [2018] No. 15) Accounting policy change was approved by the company's board meeting Enterprises implementing enterprise accounting standards should follow the The accounting standards and the notice require the preparation of 2018 and the following Financial statements for the later period.	no	

The main effects of the company's implementation of Cai Cai [2018] No. 15 are as follows:

Accounting policy changes and other factors affected statements in this financial statement amount of the last period
 because Table item name Item Amount

1. The combination of bills receivable and accounts receivable	534.49	5,168,353,987.46	Bills receivable: 1,767,290,771.48 Accounts receivable: 3,401,063,215.98
2. Interest receivable and dividend receivables	90,728,065.01	65,475,340.83	Interest receivable: 21,366,183.11 Other receivables: 44,109,157.72
3. Liquidation of fixed assets merged into fixed assets	1,600,174,242.66	1,526,981,307.77	Fixed assets: 1,526,981,307.77
4. Engineering materials merged into construction progress	423.78	253,529,989.18	Construction in progress: 253,529,989.18
5. The combination of bills payable and accounts payable	2,442,247,145.85	2,456,802,575.13	Bills payable: 286,000,000.00 Accounts payable: 2,170,802,575.13
6. Interest payable and dividend payable	190,779,691.37	317,892,305.92	Interest payable: 8,093,322.16 Other payables: 309,798,983.76
7. Management expense report administrative fees	387,624,498.13	371,057,145.04	Administrative expenses: 487,797,302.61
8. R & D expenses are listed separately	174,803,265.86	116,740,157.57	—

(2) Changes in important accounting estimates

Applicable Not applicable

6. Taxation

1. Main tax types and tax rates

Tax type	Tax basis	tax rate
		128
VAT	Taxable income	<p>16% for domestic sales (according to January-April 2018 17%) tax rate to calculate the output tax, deductible To be paid after the input tax; the export goods enjoy "exempt, Tax policy of "receipt, refund". Subsidiary Congo Hailiang Mining Limited liability company calculates output tax at a rate of 16% Amount, deduct deductible input tax and pay, this LOYAL HAILIANG, a subsidiary of the company COPPER (THAILAND) LTD. 7% tax Calculate output tax rate, deduct deductible input tax After payment. Subsidiary Hong Kong Hailiang Copper Trading Co., Ltd. Company, Hong Kong Hailiang Metal Materials Co., Ltd. Gang Hailiang Holdings Co., Ltd., Vietnam Hailiang Metal Co., Ltd., Hailiang (Vietnam) Copper Co., Ltd. Division, Hailiang US and Hailiang (Africa) Mining Investment companies are not subject to VAT.</p> <p>The company and Zhejiang Copper Processing Research Institute Co., Ltd., Zhejiang Keyu Metal Materials Co., Ltd., Zhejiang Hailiang International Trade Co., Ltd., Zhejiang Hailiang Environmental Materials Co., Ltd., Zhejiang Haibo Microfinance Co., Ltd. Company, Jiangsu Canghuan Copper Pipe Sales Co., Ltd., Hai The tax rate of Liang Otto Copper Pipe (Guangdong) Co., Ltd. is 5%; Subsidiary Shanghai Hailiang Copper Co., Ltd. tax rate 1%; subsidiary Hailiang (Anhui) Copper Co., Ltd., Ningbo Hailiang Copper Co., Ltd., Chengdu Bede Copper Co., Ltd., Chongqing Hailiang Copper Co., Ltd. Qinghailiang Metal Material Co., Ltd., Chongqing Hailiangguo International Trade Co., Ltd. tax rate is 7%. The company is in Subsidiaries registered outside the country are not subject to urban maintenance and construction Set up taxes.</p> <p>Income of the company and its subsidiaries registered in China The applicable tax rate is 25%. The company's subsidiary incense Hong Kong Hailiang Copper Trading Co., Ltd., Hong Kong Hailiang Metal Materials Co., Ltd. and Hong Kong Hailiang Holdings Limited The applicable income tax rate is 16.5%. Son of the company Division Vietnam Hailiang Metal Products Co., Ltd., Hailiang (Vietnam South) Copper Industry Co., Ltd. income tax rate is 20%.</p>
Urban maintenance and construction tax	Turnover tax payable	<p>The company's subsidiary Hailiang (Africa) mining investment Limited company withholding of interest income from savings deposits The tax rate is 15%. The company's subsidiary has just</p>
corporate income tax	Taxable income	

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Guohailiang Mining Co., Ltd. income tax rate
 30%. LOYAL, a subsidiary of the company
 HAILIANG COPPER (THAILAND) LTD.
 The income tax rate is 20%. New subsidiary of the company

129

Page 130

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

The income tax rate of Singapore Hailiang Metal Materials Co., Ltd.
 17%. The subsidiary of the company, Hailiang United States Federation
 Corporate income tax rate is 21%, state corporate income tax
 The tax rate is 7.75%. JMF's subsidiary company
 Company and Hailiang Distribution Inc.
 State company income tax rate is 21%, state company income
 The tax rate is 4.71%. Subsidiary of the company
 Hailiang Copper Texas Inc federal company income
 The tax rate is 21%.

If there are taxpayers with different corporate income tax rates, the disclosure will be explained

Name of taxpayer	Income tax rate
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2. Tax incentives

Important tax incentives and approvals

(1) Zhejiang Keyu Metal Materials Co., Ltd., a subsidiary of the company, is a welfare enterprise.

The Notice on Issues Concerning Preferential Policies on Corporate Income Tax for Employment of Disabled Persons (Caishui [2009] No. 70) stipulates,

Based on the deduction of wages paid to employees with disabilities, 100% of the wages paid to employees with disabilities can be calculated when calculating the taxable income Additional deduction.

According to the regulations issued by the Ministry of Finance and the State Administration of Taxation on "Notice on Preferential Tax Policies for Promoting Employment of Disabled Persons" (Caishui [2007] No. 92) The VAT refund income obtained by certain welfare enterprises is exempt from corporate income tax.

(2) The subsidiary Hailiang (Vietnam) Copper Co., Ltd.

10%, after the expiration of the above period, the annual income tax rate is 25%. Since the profit-making year, enjoy the preferential tax policy of "four exemptions, nine halves" (Vietnam) Copper Co., Ltd. is subject to a tax cut in half, with an income tax rate of 5%.

(3) According to the revision and issuance of the "Administrative Measures on the Identification of High-tech Enterprises" (Guokefahuo [2016] No. 32) and the Management Guidelines (Guo Ke Fa Huo [2016] No. 195), Zhejiang Zhejiang Copper Processing Research Institute Co., Ltd., Zhejiang Hailiang Environmental Materials The company passed the high-tech enterprise review in 2017 and Guangdong Hailiang Copper Co., Ltd. passed the high-tech enterprise qualification certification in 2017. The qualification is valid for 3 years, and the corporate income tax preferential period is from January 1, 2017 to December 31, 2019, and enjoy a reduction of 15% tax rate Tax incentives.

(4) According to the "Notice of the General Administration of Customs of the State Administration of Taxation of the Ministry of Finance on Issues Relevant to Tax Policies for Deeply Implementing the Western Development Strategy" (Cai Shui [2011] No. 58), from January 1, 2011 to December 31, 2020, the "Western Encouragement

The industrial projects specified in the "Industrial Catalog" are the main business, and the enterprises whose main business income accounted for more than 70% of the total corporate income in the current year may The corporate income tax is paid at a reduced rate of 15%.

7. Notes to the consolidated financial statements

I. Monetary funds

project	unit: yuan	
	Ending balance	Opening Balance
cash in stock	4,569,958.85	472,328.21

Bank savings	1,172,617,001.07	436,101,213.98
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130

Page 131

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Other monetary fund	2,193,996,637.66	251,810,125.39
total	3,371,183,597.58	688,383,667.58
Of which: the total amount deposited abroad	284,526,288.54	100,173,946.25

other instructions

The company's deposit for issuing letters of credit, issuing guarantees and issuing bank acceptance bills is 2,181,122,875.10 yuan.

2. Financial assets measured at fair value and whose changes are included in the current profit and loss

unit: yuan

project	Ending balance	Opening Balance
Trading financial assets	101,919,873.37	19,093,938.60
Derivative financial assets	101,919,873.37	19,093,938.60
total	101,919,873.37	19,093,938.60

other instructions:

no.

3. Bills receivable and accounts receivable

unit: yuan

project	Ending balance	Opening Balance
bill receivable	1,393,856,619.52	1,767,290,771.48
accounts receivable	3,677,162,914.97	3,401,063,215.98
total	5,071,019,534.49	5,168,353,987.46

(1) Bills receivable

1) List of notes receivable

unit: yuan

project	Ending balance	Opening Balance
Bank acceptance note	1,298,468,494.66	1,691,042,452.31
Commercial acceptance note	95,388,124.86	76,248,319.17
total	1,393,856,619.52	1,767,290,771.48

2) Notes receivable pledged by the company at the end of the period

unit: yuan

project	Pledged deposit at the end of the period
Bank acceptance note	411,495,676.70
total	411,495,676.70

3) At the end of the period, the company has endorsed or discounted notes receivable that have not yet expired on the balance sheet date

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

unit: yuan

project	Termination confirmation amount at the end of the period	amount not confirmed at the end of the period
Bank acceptance note	2,478,479,782.34	
total	2,478,479,782.34	

(2) Accounts receivable

1) Classified disclosure of accounts receivable

unit: yuan

category	Ending balance				Opening Balance			
	Book balance		Bad debt provision		Book balance		Bad debt provision	
	Amount	proportion	Amount	Counting ratio Book value example	Amount	proportion	Amount	Withdrawal ratio Book value
By credit risk characteristic group								
Total provision for bad debts	3,725.06	99.26%	47,899.9	1.29%	3,439.6	99.02%	38,555.80	1.12%
accounts receivable	2,842.51		27.54		19,025.		9.49	
					47			15.98
The single amount is not significant but								
Separate provision for bad debts	27,720.1	0.74%	27,720.1	100.00%	34,108.	0.98%	34,108.53	100.00%
Of accounts receivable	57.90		57.90		535.87		5.87	
total	3,752.78	100.00%	75,620.0	2.02%	3,473.7	100.00%	72,664.34	2.09%
	3,000.41		85.44		27,561.		5.36	15.98
					34			

Accounts receivable with significant single amount at the end of the period and single provision for bad debt provision:

 Applicable Not applicable

In the combination, the accounts receivable withdrawing bad debt provision according to the aging analysis method:

 Applicable Not applicable

unit: yuan

Aging	Ending balance		
	accounts receivable	Bad debt provision	Withdrawal ratio
Item within 1 year			
Within 3 months	3,381,870,415.85		0.00%
4 to 6 months	113,515,262.41	5,675,763.11	5.00%
7 months to 1 year	31,101,393.95	15,550,697.00	50.00%
Subtotal within 1 year	3,526,487,072.21	21,226,460.11	
1 to 2 years	6,389,137.03	5,111,309.66	80.00%
2 to 3 years	7,123,708.73	7,123,708.73	100.00%
total	3,539,999,917.97	33,461,478.50	

Instructions for determining the basis of the combination:

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

no.

In the combination, the balance receivable method is used to accrue bad debt provision receivables:

 Applicable Not applicable

In the combination, the accounts receivable withdrawing bad debt provision by other methods:

The subsidiary Hailiang Huanhua uses this aging analysis method to accrue the accounts receivable for bad debt preparation

Aging	End of period		
	Book balance	Withdrawal ratio (%)	Bad debt provision
Within 1 year	122,589,811.07	1.00	1,225,898.11
1 to 2 years	24,855,005.20	5.00	1,242,750.26
2 to 3 years	3,122,873.18	10.00	312,287.32
3-4 years	27,950,520.99	30.00	8,385,156.30
4-5 years	6,544,714.10	50.00	3,272,357.05
total	185,062,924.54		14,438,449.04

2) The bad debt provision in the current period

The amount of bad debt provision accrued in the current period was RMB 2,955,740.08; the amount of bad debt provision recovered or transferred back in the period was RMB 0.00.

Among them, the amount of bad debts to be recovered or transferred back in this period is important:

unit: yuan

company name	Amount recovered or transferred back	Recovery method
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no

3) The top five accounts receivable by the ending balance collected by the arrears

company name	Ending balance	Proportion of total accounts receivable (%)	Bad debt reserve balance
First place	137,631,121.75	3.67	918,590.77
Second place	99,909,410.56	2.66	3,664.00
Third place	70,489,989.53	1.88	
fourth place	67,567,186.48	1.80	
the fifth place	66,844,268.84	1.78	
total	442,441,977.16	11.79	922,254.77

4. Prepayment

(1) Prepayments are listed by age

unit: yuan

Aging	Ending balance		Opening Balance	
	Amount	proportion	Amount	proportion
Within 1 year	608,822,383.66	94.91%	728,543,615.79	95.43%
1 to 2 years	1,359,136.74	0.21%	1,738,776.88	0.23%

133

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

2 to 3 years	44,862.44	0.10%	32,107,306.11	4.20%
over 3 years	30,695,400.70	4.78%	1,068,102.95	0.14%
total	641,521,783.54	-	763,457,801.73	-

Explanation of the reason why prepayments with aging over 1 year and important amounts are not settled in time:

no.

(2) The prepayments of the top five in the ending balance collected by the prepaid objects

company name	Ending balance	Proportion of total prepayments (%)
First place	83,005,839.30	12.94
Second place	52,549,222.40	8.19
Third place	50,000,000.04	7.79
fourth place	34,683,552.60	5.41
the fifth place	29,946,817.00	4.67
total	250,185,431.34	39.00

other instructions:

no.

5. Other receivables

unit: yuan

project	Ending balance	Opening Balance
Interest receivable	6,953,254.72	21,366,183.11
Other receivables	83,774,810.29	44,109,157.72
total	90,728,065.01	65,475,340.83

(1) Interest receivable

1) Classification of interest receivable

unit: yuan

project	Ending balance	Opening Balance
Time deposit	160,125.00	6,288,333.35
Loan interest receivable	6,793,129.72	15,077,849.76
total	6,953,254.72	21,366,183.11

(2) Other receivables

1) Classified disclosure of other receivables

unit: yuan

134

category	Book balance		Bad debt provision		Book balance		Bad debt provision		Book value
	Amount	proportion	Amount	Counting rate example	Amount	proportion	Amount	Withdrawal ratio	
Single amount is significant and single Provision for bad debts alone	19,733.3	16.68%	19,733.3	100.00%	19,373.	26.70%	19,373.32	100.00%	
Other receivables	26.50		26.50		326.50		6.50		
By credit risk characteristic group									
Total provision for bad debts	98,593.2	83.32%	14,818.4	15.03%	83,774.81	53.185%	9,076,044	17.06%	44,109,157.
Other receivables	50.96		40.67		0.29	202.57	.85		72
total	118,326.	100.00%	34,551.7	29.20%	83,774.81	72.558%	28,449.37	39.21%	44,109,157.
	577.46		67.17		0.29	529.07	1.35		72

Other receivables with significant single amount at the end of the period and single provision for bad debt provision:

Applicable Not applicable

unit: yuan

Other receivables (by unit)	Ending balance			Reason for accrual
	Other receivables	Bad debt provision	Withdrawal ratio	
Guangzhou Jinchuangli Economic and Trade Co., Ltd.				
Division	19,373,326.50	19,373,326.50	100.00%	is not expected to be recovered
Wuxi Xinhuahong Machinery Manufacturing Limited company	360,000.00	360,000.00	100.00%	is not expected to be recovered
total	19,733,326.50	19,733,326.50	-	-

In the combination, other receivables withdrawing bad debt provision according to the aging analysis method:

Applicable Not applicable

unit: yuan

Aging	Ending balance			Withdrawal ratio
	Other receivables	Bad debt provision	Withdrawal ratio	
Item within 1 year				
Within 3 months	77,081,429.67			0.00%
4 to 6 months	2,423,147.20	121,070.63		5.00%
7 months to 1 year	4,614,119.35	2,307,059.73		50.00%
Subtotal within 1 year	84,118,696.22	2,428,130.36		
1 to 2 years	6,616,698.67	5,293,358.94		80.00%
2 to 3 years	6,618,349.97	6,618,349.97		100.00%
total	97,353,744.86	14,339,839.27		

Instructions for determining the basis of the combination:

no.

In the portfolio, other receivables for bad debt provision are calculated using the balance percentage method:

Applicable Not applicable

In the portfolio, other receivables for accruing bad debt provision by other methods:

Applicable Not applicable

Subsidiary Hailiang Ring Material uses the aging analysis method to accrue other receivables for bad debt provision

Aging	End of period		
	Book balance	Withdrawal ratio (%)	Bad debt provision
Within 1 year	139,484.51	1.00	1,394.85
1 to 2 years	1,787.21	5.00	89.36
2 to 3 years	180,000.00	10.00	18,000.00
3 to 4 years			
4 to 5 years	918,234.38	50.00	459,117.19
total	1,239,506.10		478,601.40

2) The bad debt provision in the current period

The amount of provision for bad debts in the current period was RMB 5,326,041.32; the amount of reserves for bad debts recovered or transferred back in the current period was RMB.

Among them, it is important that the amount of bad debts to be transferred back or recovered in this period:

company name	Reversing or recovering the amount	Recovery method	unit: yuan

3) Other receivables are classified according to the nature of the money

Nature of payment	unit: yuan	
	Book balance at the end of the period	Opening balance
Reserve fund	3,449,742.08	1,941,973.88
Margin	61,240,931.60	38,477,180.26
Current payment	37,166,316.52	22,168,132.79
Land refundable	4,654,649.40	4,654,649.40
Tax refund	6,680,092.76	2,509,396.14
other	5,134,845.10	2,807,196.60
total	118,326,577.46	72,558,529.07

4) Other receivables in the top five of the ending balance collected by the debtor

company name	Nature of payment	Ending balance	Aging	unit: yuan	
				At the end of other receivable The proportion of the total balance	Bad debt preparation period ending balance
Minmetals Economic and Trading Futures Limited the company	Futures margin	26,857,195.00 within 3 months		22.70%	
CCB Futures Limited Liability the company	Futures margin	20,669,087.00 within 3 months		17.47%	
Guangzhou Jinchuangli Economic and Trade has funds		19,373,326.50 over 2 years		16.37%	19,373,326.50

136

Limited company

Jinrui Futures Co., Ltd. Futures Margin		7,998,593.50 within 3 months		6.76%	
Five Star properties sealy, llc	Current payment	5,998,608.38 within 3 months		5.07%	
total		80,896,810.38		68.37%	19,373,326.50

6. Inventory

Whether the company needs to comply with the disclosure requirements of the real estate industry

no

(1) Inventory classification

unit: yuan

project	Ending balance			Opening Balance		
	Book balance	Falling price reserve	Book value	Book balance	Falling price reserve	Book value
Raw materials	955,083,952.70		955,083,952.70	499,849,617.34		499,849,617.34
In product	224,177,036.76		224,177,036.76	132,346,662.91		132,346,662.91
Stock Goods	1,056,867,659.86		1,056,867,659.86	1,033,900,486.04		1,033,900,486.04
Reusable materials	110,668,299.43	377,084.74	110,291,214.69	108,171,943.10	377,084.74	107,794,858.36
Commission processing materials	178,928,215.95		178,928,215.95	347,664,778.04		347,664,778.04
Semi-finished	393,084,220.87		393,084,220.87	431,964,783.49		431,964,783.49
total	2,918,809,385.57	377,084.74	2,918,432,300.83	2,553,898,270.92	377,084.74	2,553,521,186.18

Does the company need to comply with the disclosure requirements of the Shenzhen Stock Exchange Industry Information Disclosure Guideline No. 4-Listed Companies Engaged in Seed Industry and Planting Business?

no

The company must comply with the disclosure requirements of the Shenzhen Stock Exchange Industry Information Disclosure Guideline No. 11-Listed Companies Engaged in Jewelry-related Businesses

no

(2) Reserve for falling prices of inventories

unit: yuan

project	Opening Balance	Increase in the current period		Amount reduced in this period		Ending balance
		Accrual	other	Swap back or resell	other	
Reusable materials	377,084.74					377,084.74
total	377,084.74					377,084.74

no.

137

(3) Explanation of the ending balance of inventory including the capitalized amount of borrowing costs

Not applicable.

(4) The completed and unsettled assets formed by the construction contract at the end of the period

unit: yuan

project	Amount
other instructions:	
no.	

7. Other current assets

	unit: yuan	
project	Ending balance	Opening Balance
Undelivered funds of hedging instruments	1,101,001.41	8,973,278.01
Changes in fair value of hedging instruments	31,342,513.82	
Advance tax	50,694,082.83	88,706,207.39
Foreign exchange contract undelivered funds	4,480,000.00	31,738,308.55
other	1,712,067.23	1,177,243.23
total	89,329,665.29	130,595,037.18
other instructions:		
no.		

8. Issuing loans and advances

1. Details

project	Ending balance	Opening Balance
Loans and advances	888,276,916.18	1,024,632,677.58
Less: loan loss provision	68,525,279.38	66,065,913.30
Net loans and advances	819,751,636.80	958,566,764.28

2. The classification of loans and advances by guarantee method

category	Ending balance	Opening Balance
Credit Loans	20,000.00	
Guaranteed loan	190,246,467.13	301,339,946.58
Mortgage	677,910,449.05	698,042,731.00
Pledge loan	20,100,000.00	25,250,000.00
total	888,276,916.18	1,024,632,677.58

3. Five-level classification of loans and advances

138

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

category	Ending balance	Opening Balance
Normal class	782,455,225.18	946,196,028.30
Attention class	23,292,000.00	1,400,000.00
Subclass	22,000,000.00	8,430,000.00
Suspicious	27,600,000.00	48,261,691.00
Loss category	32,929,691.00	20,344,958.28
total	888,276,916.18	1,024,632,677.58

4. Bad debt preparations for loans, advances, withdrawals, withdrawals or reversals

The amount of bad debt provision for loans and advances issued during the period is 20,258,394.06 yuan;

17,839,027.98 yuan (including the written off amount of 18,688,227.98 yuan, deducting management compensation of 849,200.00 yuan).

9. Available-for-sale financial assets

(1) Financial assets available for sale

unit: yuan

project	Ending balance		Opening Balance	
	Book balance	Provision for impairment Book value	Book balance	Provision for impairment Book value
Available-for-sale equity instruments	815,999,997.86	815,999,997.86	815,999,997.86	815,999,997.86
Measured by cost	815,999,997.86	815,999,997.86	815,999,997.86	815,999,997.86
total	815,999,997.86	815,999,997.86	815,999,997.86	815,999,997.86

(2) Available-for-sale financial assets measured at cost at the end of the period

unit: yuan

Invested order	Book balance			Provision for impairment			Being invested Unit holdings proportion	Current cash dividend
	Beginning	Increase in this period	Decrease in this period	Beginning	Increase in this period	Decrease in this period		
Jinchuan Group								
Limited shares	815,999.99						1.12%	
the company	7.86							
total	815,999.99						-	
	7.86							

10. Long-term equity investment

unit: yuan

Invested order	Changes in the current period							Ending balance
	Opening Balance	Additional investment	Under the equity method reduces investment	Other adjustments	Other rights	Announcement of cash dividend	Provision for impairment other	
Bit			Confirmed volume	change	ready			Ending balance

139

	Capital gains and losses	Or profit				
1. Joint venture						
2. Associated enterprises						
Bank of Ningxia						
Limited shares	704,792.9	33,900.41	11,992.45	-24,194.9	12,200.00	714,290.9
the company	98.69	0.60	4.25	35.00	0.00	28.54
Hailiang Group						
Limited financial	786,953.0	59,569.39				846,522.4
Responsible company	39.79	4.82				34.61
Subtotal	1,491,746,038.48	93,469.80	11,992.45	-24,194.9	12,200.00	1,560,813,363.15
total	1,491,746,038.48	93,469.80	11,992.45	-24,194.9	12,200.00	1,560,813,363.15

other instructions

no.

II. Investment real estate**(1) Investment real estate adopting cost measurement model**

√ Applicable □ Not applicable

unit: yuan

project	building	Land use rights	Construction in progress	total
1. Original book value				
1. Opening balance	49,967,509.76			49,967,509.76
2. Increased amount in the current period	294,716,638.13			294,716,638.13
(1) Outsourcing	294,716,638.13			294,716,638.13
(2) Inventory \ Fixed assets				
\ Construction in progress				
(3) Increase in business combinations				
3. Reduction in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance at the end of the period	344,684,147.89			344,684,147.89
2. Accumulated depreciation and accumulated amortization				
pin				

140

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

1. Opening balance	6,596,105.05			6,596,105.05
2. Increased amount in the current period	2,398,440.48			2,398,440.48
(1) Accrual or amortization	2,398,440.48			2,398,440.48
3. Reduction in the current period				
(1) Disposal				
(2) Other transfer-out				
4. Balance at the end of the period	8,994,545.53			8,994,545.53
3. Provision for impairment				
1. Opening balance				
2. Increased amount in the current period				
(1) Accrual				
3. Decrease amount in the current period				

(1) Disposal

(2) Other transfer-out

4. Balance at the end of the period

4. Book value

1. Book value at the end of the period	335,689,602.36	335,689,602.36
2. Beginning book value	43,371,404.71	43,371,404.71

12. Fixed assets

unit: yuan

project	Ending balance	Opening Balance
Fixed assets	1,600,174,242.66	1,526,981,307.77
total	1,600,174,242.66	1,526,981,307.77

(1) Fixed assets

unit: yuan

project	houses and buildings	mechanical equipment	Transportation Equipment	other devices	total
1. Original book value:					
1. Opening balance	771,798,542.61	1,568,701,449.97	8,998,325.50	30,555,676.86	2,380,053,994.94

141

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

2. Increased amount in the current period	2,212,998.35	273,931,856.17	3,257,346.49	8,600,054.05	364,993,255.06
(1) Purchase	73,342,820.05	255,288,994.15	3,084,692.53	8,271,635.85	339,988,142.58
(2) Construction in progress					
Transfer into					
(3) Business combination increase	660,164.28	5,909,200.15	118,388.48	182,092.12	6,869,845.03
(4) Foreign currency newspaper Table conversion	5,201,014.02	12,733,661.87	54,265.48	146,326.08	18,135,267.45
3. Reduction in the current period	9,889,382.03	112,571,777.41	336,421.85	1,598,968.40	134,396,549.69
(1) Disposal or reporting Waste	19,889,382.03	112,571,777.41	336,421.85	1,598,968.40	134,396,549.69
4. Balance at the end of the period	1,113,158.93	1,730,061,528.73	11,919,250.14	37,556,762.51	2,610,650,700.31
2. Accumulated depreciation					
1. Opening balance	186,312,071.20	640,674,711.92	5,100,945.84	16,332,697.16	848,420,426.12
2. Increased amount in the current period	1,976,949.51	161,076,127.20	1,618,638.21	9,779,531.72	216,411,246.64
(1) Accrual	42,777,756.59	155,945,703.07	1,552,773.39	9,677,226.54	209,953,459.59
(2) Foreign currency newspaper Table conversion	1,159,192.92	5,130,424.13	65,864.82	102,305.18	6,457,787.05

3. Reduction in the current period	1,139,463.37	56,612,270.90	315,759.66	939,982.23	59,007,476.16
(1) Disposal or reporting					
Waste	1,139,463.37	56,612,270.90	315,759.66	939,982.23	59,007,476.16

4. Balance at the end of the period					
3. Provision for impairment					

1. Opening balance		4,652,261.05			4,652,261.05
2. Increased amount in the current period					
(1) Accrual					

3. Reduction in the current period					
(1) Disposal or reporting					
Waste					

4. Balance at the end of the period		4,652,261.05			4,652,261.05
4. Book value					

1. Book value at the end of the period	605,603,601.59	980,270,699.46	5,515,425.75	12,384,515.86	1,600,174,242.66
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142

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

2. Beginning book value	585,486,471.41	923,374,477.00	3,897,379.66	14,222,979.70	1,526,981,307.77
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(2) Temporary idle fixed assets

unit: yuan

project	Original book value	Accumulated depreciation	Provision for impairment	Book value	Remarks
mechanical equipment	4,124,239.24	2,245,878.56	1,774,852.12	103,508.56	

(3) Fixed assets leased through financial leasing

unit: yuan

project	Original book value	Accumulated depreciation	Provision for impairment	Book value
Means of transportation	388,281.73	191,744.08		196,537.65

(4) The situation of fixed assets that have not completed the property rights certificate

unit: yuan

project	Book value	Reasons for failure to complete the title certificate
Hailiang (Anhui) Copper Industry Co., Ltd. New Rolling Line Factory room	21,651,650.52	planning permission is under review
Office Building of Hailiang (Anhui) Copper Co., Ltd.	11,932,964.01	planning permission is under review
Dormitory Building of Hailiang (Anhui) Copper Co., Ltd.	10,051,717.28	planning permission is being approved
Steel Structure Factory of Hailiang (Vietnam) Copper Co., Ltd.		

	7,671,865.98	Incomplete settlement procedures have not been completed
Office Building of Hailiang (Vietnam) Copper Co., Ltd.	6,953,271.70	Incomplete settlement procedures have not been completed
Dormitory Building of Hailiang (Vietnam) Copper Co., Ltd.	12,511,469.41	Incomplete settlement procedures have not been completed
Steel Structure Factory of Vietnam Hailiang Metal Products Co., Ltd.	5,949,858.64	Incomplete settlement procedures have not been completed
other instructions		
no.		

13. Construction in progress

		unit: yuan
	Ending balance	Opening Balance
project		
Construction in progress	562,878,423.78	253,529,989.18
total	562,878,423.78	253,529,989.18

(1) Construction in progress

unit: yuan

143

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

project	Ending balance		Opening Balance	
	Book balance	Provision for impairment Book value	Book balance	Provision for impairment Book value
Expansion with an annual output of 50,000 tons				
Efficient energy saving and environmental protection				
Information technology of dense copper tube	82,846,877.66			
Production line project				
With an annual output of 170,000 tons of copper and				
Copper alloy bar construction	9,920,636.89	9,920,636.89		
Project (Phase I project)				
With an annual output of 30,000 tons				
Energy saving and environmental protection precision copper	28,000,528.81			
Smart Manufacturing Project				
Non-ferrous metal material deep				
(Fine) Processing Project	35,121,077.40	35,121,077.40		
(Phase I)				
Annual output of 90,000 tons				
Energy saving and environmental protection precision copper	73,358,468.31	73,358,468.31	114,400,551.81	114,400,551.81
Tube information production line				
project				
Copper and copper alloy pipes	16,574,304.65	16,574,304.65	13,642,996.30	13,642,996.30
Smart Manufacturing Project				
Guangdong Hailiang Annual Production				
75,000 tons high efficiency festival				
Can be environmentally friendly precision copper tube	157,232,342.03	157,232,342.03	28,735,665.96	28,735,665.96
Information production line item				
Mesh				

Other (sporadic engineering)	159,824,188.03	159,824,188.03	96,750,775.11	96,750,775.11
total	562,878,423.78	562,878,423.78	253,529,989.18	253,529,989.18

(2) Changes in important construction projects in the current period

unit: yuan

Item name	Budget	Current period		In this issue He reduced Amount	Ending balance amount	Engineering tired Plan input Account for budget proportion	Engineering progress Localization Amount	Among them: this Period interest Capitalization Amount	Current profit Interest capital Conversion rate	Funds come source
		Early beginning amount	Increase in this period Add amount							
Copper and copper										
Alloy tube	118,100,000.00	13,642.9	16,574.3	13,642.9	16,574.3	25.64%	25.64%			Fundraising gold
Material Intelligence	96.30	04.65	96.30	04.65						
Manufacturing items										

144

Mesh											
Annual output of 90,000											
Tons efficient											
Energy-saving ring											
Bao Precision	500,000,000.00	114,400,000.00	83,228,800.00	124,270,000.00	73,358,400.00	44.53%	44.53%	2,025,680.00	2,025,680.00	45.05%	Fundraising gold
Brass letter	000.00	551.81	91.24	974.74	68.31			6.13	6.13		
Metabolic											
Production line item											
Mesh											
Guangdong Sea											
Annual output											
75,000 tons											
Efficient festival											
Can be environmentally friendly	400,000,000.00	28,735,600.00	175,405,000.00	46,909,100.00	157,232,000.00	14.37%	14.37%	1,961,130.00	1,961,130.00	32.66%	Fundraising gold
Precision copper	000.00	65.96	861.37	85.30	342.03			8.96	8.96		
Management Information											
Chemical production											
Line item											
Year of expansion											
50,000 tons											
Efficient festival											
Can be environmentally friendly	200,000,000.00	112,546,000.00	29,699,100.00		82,846,800.00	11.00%	11.00%	534,152.00	534,152.00	35.61%	other
Precision copper	000.00	072.81	95.15		77.66			38	38		
Management Information											
Chemical production											
Line item											
Annual output 17											
10,000 tons of copper											
And copper											
Gold bar	572,000,000.00	9,920,630.00		9,920,630.00		1.73%	1.73%				other
Construction item	000.00	6.89		6.89							

Project (Phase I project)						
Annual output of 30,000 Tons efficient						
Energy-saving ring						
Bao Precision	210,130,33,086.1	5,085.57	28,000.5	15.75%	15.75	other
Copper pipe wisdom	000.00	07.82	9.01	28.81		
Can make project						
Nonferrous metal	600,000,35,121.0		35,121.0	7.02%	7.02	other
Material	000.00	77.40	77.40			

145

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Deep (fine) Processing items							
Mesh							
period)							
total	2,570.23	156,779.0	465,882.2	219,607.0	403,054.0	4,520.97	4,520.97
	0,000.00	214.07	952.18	930.50	235.75	7.47	7.47

14. Intangible assets

(1) Intangible assets

	project	Land use rights	patent	Unpatented technology	computer software	total
unit: yuan						
1. Original book value						
1. Opening balance		391,158,652.07			7,087,803.44	398,246,455.51
2. Increase in this period amount		204,568,662.21			70,553.90	204,639,216.11
(1) Purchase		202,643,628.17			19,992.21	202,663,620.38
(2) Internal research						
(3) Corporate cooperation						
And increase						
(4) Outside		1,925,034.04			50,561.69	1,975,595.73
Currency conversion impact						
3. Reduction in the current period						
(1) Disposal						
4. Balance at the end of the period		595,727,314.28			7,158,357.34	602,885,671.62
2. Cumulative amortization						
1. Opening balance		63,235,705.79			4,947,803.48	68,183,509.27

2. Increase in this period amount	10,575,264.63	890,747.26	11,466,011.89
(1) Accrual	10,417,062.19	880,124.68	11,297,186.87
(2) Outside			
Currency conversion impact	158,202.44	10,622.58	168,825.02
3. Current reduction amount			
(1) Disposal			

146

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

4. Balance at the end of the period	79,649,521.16	5,838,550.74	85,488,071.90
3. Provision for impairment			
1. Opening balance			
2. Increase in this period amount			
(1) Accrual			
3. Current reduction amount			
(1) Disposal			
4. Balance at the end of the period			
4. Book value			
1. Book value at the end of the period value	521,916,343.86	1,319,806.60	523,236,150.46
2. Book value at the beginning of the period value	327,922,946.28	2,139,999.96	330,062,946.24

At the end of the period, the intangible assets formed through internal research and development of the company accounted for 0.79% of the balance of intangible assets.

15. Goodwill

(1) Original book value of goodwill

unit: yuan

Name of investee Or the formation of goodwill item	Opening Balance	Increase in this period	Decrease in this period	Ending balance
Zhejiang Haibo Microfinance Co., Ltd.	150,785,361.15			150,785,361.15
JMF Company	63,905,540.10			63,905,540.10
LOYAL				
HAILIANG				

COPPER	3,954,870.84	3,954,870.84
(THAILAND)		
CO., LTD.		
Hailiang Otto Copper Tube		
(Guangdong) Limited Company	12,820,117.73	12,820,117.73
Division		

147

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Chengdu Bader Copper	35,906,706.82	35,906,706.82
Limited company		
total	231,465,889.82	267,372,596.64

(2) Provision for impairment of goodwill

unit: yuan

Name of investee	Opening Balance	Increase in this period	Decrease in this period	Ending balance
Or the formation of goodwill item				

Information about the asset group or combination of asset groups where goodwill is located

Explain the goodwill impairment test process and key parameters (such as the forecast period growth rate, stable period growth rate, profit rate, discount rate, forecast period when the current value of future cash flows are expected Etc.) and the method of confirming the impairment loss of goodwill:

Zhejiang Haibo Microfinance Co., Ltd. : The company recognized Zhejiang Haibo Microloan Co., Ltd. as an asset group at the end of the period.

Use the method of estimating the present value of future cash flows to calculate its recoverable amount. Based on the financial budget approved by the management, the company estimates that the next 5 years and For the cash flow during the perpetual period, the management based on the operating conditions in the historical year, market competition, and the expected revenue in 2019

Comprehensive analysis of factors such as the situation and preparation of the above financial budget. Select the financial data of companies in the same industry to calculate the β coefficient without financial leverage, according to the public The risk-free interest rate of the market data, the market risk premium, the company's capital structure, and the company's risk adjustments, etc., calculate the company's pre-tax discount rate.

JMF Company: The company identified JMF Company as an asset group at the end of the period.

Calculate its recoverable amount. The company estimates the cash flow in the next 5 years and subsequent periods based on the financial budget approved by the management.

Comprehensive analysis of factors such as annual operating conditions, market competition, and expected realizable income in the years after 2019

Count. Select the financial data of companies in the same industry to calculate the β coefficient without financial leverage. According to the risk-free interest rate of open market data, market risk overflow Price, the company 's capital structure, and company risk adjustments, etc., to calculate the company 's pre-tax discount rate.

LOYAL HAILIANG COPPER (THAILAND) CO., LTD: The company will end LOYAL HAILIANG COPPER

(THAILAND) CO., LTD is recognized as an asset group, and its recoverable amount is calculated by the method of predicting the present value of future cash flows. Our company According to the financial budget approved by the management, the cash flow in the next 5 years and subsequent periods is estimated

The financial budget and the comprehensive analysis of factors such as competition and expected realizable income in the years after 2019. Select the financial assets of companies in the same industry Business data to calculate the beta coefficient without financial leverage, the risk-free interest rate based on open market data, the market risk premium, the company's capital structure,

The company's risk adjustments, etc., calculate the company's pre-tax discount rate.

Hailiang Otto Copper Pipe (Guangdong) Co., Ltd.: The company identified Hailiang Otto Copper Pipe (Guangdong) Co., Ltd. as an asset group

148

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Use the method of estimating the present value of future cash flows to calculate its recoverable amount. Based on the financial budget approved by the management, the company estimates that the next 5 years and in the subsequent period, the cash flow will be managed by the management according to the operating conditions in the historical year, market competition, and the expected achievable income in the years after 2019

Comprehensive analysis of factors such as the situation and preparation of the above financial budget. Select the financial data of companies in the same industry to calculate the β coefficient without financial leverage, according to the public The risk-free interest rate of the market data, the market risk premium, the company's capital structure, and the company's risk adjustments, etc., calculate the company's pre-tax discount rate.

Chengdu Bede Copper Co., Ltd.: The company identified Chengdu Bede Copper Co., Ltd. as an asset group at the end of the period, using the estimated future cash

The method of measuring the present value of the flow rate can calculate its recoverable amount. The company estimates the cash flow in the next 5 years and subsequent periods based on the financial budget approved by the management Volume, management based on a combination of factors such as operating conditions in the historical year, market competition and expected realizable income in the years after 2019

Analyze and prepare the above financial budget. Select the financial data of companies in the same industry to calculate the β coefficient without financial leverage.

Risk rates, market risk premiums, the company's capital structure, and company risk adjustments calculate the company's pre-tax discount rate.

Impact of goodwill impairment test

After impairment testing, Zhejiang Haibo Microfinance Co., Ltd., JMF Company, LOYAL HAILIANG COPPER (THAILAND)

There is no impairment of the goodwill of CO., LTD., Hailiang Otto Copper Pipe (Guangdong) Co., Ltd. and Chengdu Beide Copper Co., Ltd.

other instructions

no.

16. Deferred income tax assets / deferred income tax liabilities

(1) Deferred income tax assets without offset

project	Ending balance		Opening Balance	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
	unit: yuan			
Impairment of assets	170,253,527.02	39,715,578.75	158,803,126.44	37,315,550.48
Unrealized profits from internal transactions	185,988,722.28	46,497,180.57	73,416,218.56	18,354,054.64
Deductible loss	150,860,368.75	37,236,210.40	126,252,202.29	31,162,283.42
Foreign exchange contract floating loss	1,273,531.44	318,382.86	64,587,001.37	16,146,750.34
Equity incentive	20,070,914.96	5,017,728.74	23,385,987.80	5,846,496.95
Define a benefit plan	7,382,647.93	1,476,529.59	6,440,555.68	1,288,111.14
Futures contract floating loss	55,950,816.08	13,987,704.02		
Other tax time differences	15,516,150.00	3,879,037.50	33,263,053.08	8,315,763.27
total	607,296,678.46	148,128,352.43	486,148,145.22	118,429,010.24

(2) Deferred income tax liabilities without offset

project	Ending balance		Opening Balance	
	Taxable temporary difference	Deferred income tax liabilities	Taxable temporary difference	Deferred income tax liabilities
	unit: yuan			
Consolidated capital of enterprises not under the same control				
Value added	198,646,584.68	49,661,646.17	207,411,864.68	51,852,966.17

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Tax time difference (period Revenue)	12,087,008.20	3,021,752.05		
Tax time difference (external Foreign exchange earnings)	70,929,540.56	17,732,385.14	7,943,261.04	1,985,815.26
Other tax time differences	8,343,207.92	2,085,801.98		
total	290,006,341.36	72,501,585.34	215,355,125.72	53,838,781.43

(3) Deferred income tax assets or liabilities listed in net amount after offset

unit: yuan

project	Deferred income tax assets and liabilities		Deferred income tax assets and liabilities	
	Ending balance	Or end of liability balance	Opening balance	Or the beginning balance of the liability
Deferred tax assets		148,128,352.43		118,429,010.24
Deferred income tax liabilities		72,501,585.34		53,838,781.43

17. Other non-current assets

unit: yuan

project	Ending balance	Opening Balance
Congo (Gold) SEMHKAT Copper and Cobalt Exploration	102,252,614.19	96,201,537.78
Prepaid engineering and equipment	186,179,693.83	12,524,580.48
Debt assets	11,552,040.00	10,361,000.00
other		1,844,540.00
total	299,984,348.02	120,931,658.26

other instructions:

no.

18. Short-term loans

(1) Classification of short-term loans

unit: yuan

project	Ending balance	Opening Balance
Pledged loan	246,930,930.02	810,000,000.00
credit guaranteed	2,861,912,985.48	3,254,585,256.17
Credit loan	418,020,754.40	222,108,288.04
Letter of credit discount	294,291,198.93	225,510,691.99
Factoring loan	72,634,929.69	107,578,837.26

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Discounted bills	215,000,000.00	
total	4,108,790,798.52	4,619,783,073.46

Explanation of the classification of short-term loans:

no.

19. Financial liabilities measured at fair value and whose changes are included in the current profit and loss

project	Ending balance	Opening Balance
Transactional financial liabilities	5,411,864.54	64,587,001.37
Derivative financial liabilities	5,411,864.54	64,587,001.37
total	5,411,864.54	64,587,001.37

other instructions:

no.

20. Bills payable and accounts payable

project	Ending balance	Opening Balance
Bills payable	919,000,000.00	286,000,000.00
accounts payable	3,483,247,145.85	2,170,802,575.13
total	4,402,247,145.85	2,456,802,575.13

(1) List of notes payable

kind	Ending balance	Opening Balance
Bank acceptance bill	919,000,000.00	286,000,000.00
total	919,000,000.00	286,000,000.00

At the end of the current period, the total amount of unpaid bills payable due was RMB 0.00.

(2) List of accounts payable

project	Ending balance	Opening Balance
Within 1 year (including 1 year)	3,443,134,461.19	2,160,022,493.08
More than 1 year	40,112,684.66	10,780,082.05
total	3,483,247,145.85	2,170,802,575.13

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

21. Advance receipts**(1) List of advance receipts**

project	unit: yuan	
	Ending balance	Opening Balance
Within 1 year (including 1 year)	169,117,686.31	203,032,105.26
More than 1 year	27,593,728.89	13,227,910.10
total	196,711,415.20	216,260,015.36

22. Staff compensation payable**(1) List of employee payable**

project	unit: yuan			
	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Short-term salary	130,112,650.07	690,301,569.61	634,498,956.12	185,915,263.56
Second, post-employment benefits-set mention				
Deposit plan	5,431,673.04	41,912,558.22	41,145,970.24	6,198,261.02
total	135,544,323.11	732,214,127.83	675,644,926.36	192,113,524.58

(2) List of short-term salary

project	unit: yuan			
	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Wages, bonuses, allowances and subsidy	126,779,668.19	628,125,786.35	574,894,168.87	180,011,285.67
2. Employee benefits		21,544,852.83	21,544,852.83	
3. Social insurance premium	1,825,855.56	21,714,682.93	22,132,237.32	1,408,301.17
Of which: medical insurance premium	1,126,940.30	16,277,250.48	16,317,401.08	1,086,789.70
Industrial injury insurance	588,352.56	3,630,543.58	4,014,426.79	204,469.35
Maternity insurance premium	110,562.70	1,806,888.87	1,800,409.45	117,042.12
4. Housing provident fund	729,747.04	11,775,253.29	11,564,204.29	940,796.04
5. Trade union funds and employee education				
Funding	777,379.28	7,140,994.21	4,363,492.81	3,554,880.68
total	130,112,650.07	690,301,569.61	634,498,956.12	185,915,263.56

152

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

(3) List of set withdrawal plans

unit: yuan				
project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
1. Basic pension insurance	5,306,971.82	40,471,940.23	39,792,975.37	5,985,936.68
2. Unemployment insurance premium	124,701.22	1,440,617.99	1,352,994.87	212,324.34
total	5,431,673.04	41,912,558.22	41,145,970.24	6,198,261.02

other instructions:

no.

23. Taxes and fees payable

unit: yuan		
project	Ending balance	Opening Balance
VAT	37,587,118.32	14,477,185.82
corporate income tax	74,138,286.98	58,124,478.61
Urban maintenance and construction tax	1,291,258.08	746,444.66
property tax	1,501,080.70	3,526,204.82
land holding tax	526,561.33	2,076,089.03
Personal Income Tax	730,235.00	1,479,164.96
Stamp duty	984,342.97	1,043,277.59
Educational surcharge	1,904,048.46	945,915.90
Other taxes	954,573.58	
total	119,617,505.42	82,418,761.39

other instructions:

no.

24. Other payables

unit: yuan		
project	Ending balance	Opening Balance
Interest payable	15,452,746.22	8,093,322.16
Other payables	175,326,945.15	309,798,983.76
total	190,779,691.37	317,892,305.92

(1) Interest payable

unit: yuan

153

project	Ending balance	Opening Balance
Interest on long-term borrowings due in installments	2,306,192.55	474,629.19

Interest payable on short-term loans	13,146,553.67	7,618,692.97
total	15,452,746.22	8,093,322.16

Important interest overdue and unpaid:

unit: yuan

Borrower	Overdue amount	Reasons for overdue
other instructions:		
no.		

(2) Other payables

1) List other payables according to the nature of the payment

unit: yuan

project	Ending balance	Opening Balance
Current payment	52,721,856.99	114,023,990.26
cost	74,940,403.09	116,429,167.70
other	8,724,477.07	9,153,233.80
Restricted stock repurchase obligations	38,940,208.00	70,192,592.00
total	175,326,945.15	309,798,983.76

25. Non-current liabilities due within one year

unit: yuan

project	Ending balance	Opening Balance
Long-term loans due within one year	968,695,300.00	294,039,000.00
Long-term payables due within one year	90,929.77	86,102.51
total	968,786,229.77	294,125,102.51

other instructions:

no.

26. Other current liabilities

unit: yuan

project	Ending balance	Opening Balance
Foreign exchange contract undelivered funds	124,829.25	27,629,542.33
total	124,829.25	27,629,542.33

Changes in short-term bonds payable:

154

unit: yuan

Bond name	Par value	Issuance date	Bond maturity	issuance amount	Opening balance	Current issuance	By face value	Premium discount	Current repayment	Ending balance
							Withdraw interest			

other instructions:

no.

27. Long-term loans**(1) Classification of long-term loans**

	unit: yuan	
project	Ending balance	Opening Balance
credit guaranteed	525,769,100.00	1,445,344,399.99
total	525,769,100.00	1,445,344,399.99

Description of long-term loan classification:

no.

Other notes, including interest rate ranges:

The interest rate range is between 1.61-4.5%.

28. Long-term payables

	unit: yuan	
project	Ending balance	Opening Balance
Long-term payables	59,216.30	142,175.13
total	59,216.30	142,175.13

(1) List long-term payables according to the nature of the payment

	unit: yuan	
project	Ending balance	Opening Balance
Lease payment	59,216.30	142,175.13

other instructions:

no.

29. Long-term payable employee compensation**(1) Long-term payable employee salary table**

	unit: yuan	
project	Ending balance	Opening Balance

155

1. Post-employment benefits-set net benefits of benefit plan	7,382,647.95	6,440,555.68
total	7,382,647.95	6,440,555.68

(2) Changes in the defined benefit plan

Set the present value of the benefit plan obligations:

	unit: yuan	
project	Current amount	Amount in the previous period

1. Opening balance	6,440,555.68	
2. The set benefit cost included in the current profit and loss	565,159.47	411,644.05
1. Current service cost	417,114.37	305,271.65
4. Net interest	148,045.10	106,372.40
3. The set cost of income included in other comprehensive income		391,054.89
1. Actuarial gains (losses are indicated by "-")		391,054.89
4. Other changes	376,932.80	5,637,856.74
2. Benefits paid	376,932.80	5,637,856.74
V. The ending balance	7,382,647.95	6,440,555.68

Planned assets:

unit: yuan

project	Current amount	Amount in the previous period
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Defined benefit plan net liabilities (net assets)

unit: yuan

project	Current amount	Amount in the previous period
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Description of the contents of the defined benefit plan and the risks associated with it, the impact on the company's future cash flow, time and uncertainty:

no.

Explanation of major actuarial assumptions and sensitivity analysis results of the defined benefit plan:

no.

other instructions:

no.

30. Deferred income

unit: yuan

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance	Cause of formation
government subsidy	37,508,500.00		625,141.67	36,883,358.33	Purchase of machinery and equipment Subsidy
total	37,508,500.00		625,141.67	36,883,358.33	-

156

Projects involving government subsidies:

unit: yuan

Liabilities	Opening Balance	This period is included in the current period		Other changes	Ending balance	Related to assets / Related to earnings
		New supplement in this issue Amount of assistance amount	Included in the current period offset Amount of other income amount of this fee			
Anhui Hailianggu	37,508,500.0					
Fixed asset subsidies paragraph	0		625,141.67			Asset-related

other instructions:

no.

31. Share capital

	unit: yuan				
	Opening Balance	Increase and decrease of this change (+,-)			Ending balance
	Issuing new shares	Stock giving	Provident Fund Conversion	other	Subtotal
Total shares	1,695,598,113.00	256,860,319.00			256,860,319.00
					1,952,458,432.00

other instructions:

The increase in share capital was due to the company's completion of non-public offering of shares during the reporting period.

32. Capital reserve

project	unit: yuan			
	Opening Balance	Increase in this period	Decrease in this period	Ending balance
Capital premium (equity premium)	521,446,348.11	1,817,873,267.75		2,339,319,615.86
Other capital reserves	4,116,871.76	15,581,320.90	49,342,808.74	-29,644,616.08
Of which: invested unit and others change	-16,030,026.82		24,194,935.00	-40,224,961.82
Equity incentive	20,146,898.58	15,581,320.90	25,147,873.74	10,580,345.74
total	525,563,219.87	1,833,454,588.65	49,342,808.74	2,309,674,999.78

Other explanations, including the changes in the current period and explanations for the reasons

The increase in capital premium in the current period was a capital premium of RMB 1,792,725,394.01 invested by shareholders. Unlocked restricted stocks were carried forward from other capital reserves 25,147,873.74 yuan.

33. Treasury shares

unit: yuan

157

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
Restricted equity incentive plan	70,192,592.00		31,252,384.00	38,940,208.00
Repurchase social public shares		79,723,434.17		79,723,434.17
total	70,192,592.00	79,723,434.17	31,252,384.00	118,663,642.17

Other explanations, including the changes in the current period and explanations for the reasons

The increase in this period was caused by the company's repurchase of social public shares in the current period, and the decrease in this period was caused by the unlocking of restricted stocks and the distribution of cash dividends.

34. Other comprehensive income

unit: yuan

Current amount
Current income less: included in the previous period Attribution after tax

project	Opening Balance	Occurs before Other comprehensive income		Less: Income tax Attribution after the year		Ending balance
		amount	Current profit and loss	cost	Parent company	
1. Other comprehensive items that cannot be reclassified into profit or loss						-1,275.29
income	-1,275,293.22					3.22
Among them: re-measurement of changes in defined benefit plans						-1,275.29
amount	-1,275,293.22					3.22
2. Other comprehensive income that will be reclassified into profit or loss						-65,505.5
beneficial	76	31	3,940,218.8	52,021,077.	8 43	17.33
Among them: other comprehensive		11,992,454.		11,992,454.		4,939,980
Combined income	-7,052,474.04	25		25		.twenty one
Effective portion of cash flow hedge profit and loss	15,760,875.		3,940,218.8	11,820,656.		16,579,19
Minute	4,758,536.26	51		8 63		2.89
Foreign currency financial statement translation difference	-115,232,656.	28,207,966.		28,207,966.		-87,024.6
	98	55		55		90.43
Total other comprehensive income	-118,801,887.	55,961,296.	3,940,218.8	52,021,077.	8 43	-66,780.8
	98	31				10.55

Other explanations, including the adjustment of the effective part of the cash flow hedge profit and loss into the initial confirmation of the hedged item:

no.

35. Surplus reserve

unit: yuan

project	Opening Balance	Increase in this period	Decrease in this period	Ending balance
Statutory surplus reserve	234,495,509.44	12,588,866.23		247,084,375.67
total	234,495,509.44	12,588,866.23		247,084,375.67

Explanation of the surplus reserve, including the increase and decrease of the current period and the explanation of the reason for the change:

158

According to the company law and the company's articles of association, the company will accrue 10% of the parent company's net profit as a statutory surplus reserve.

36. Undistributed profit

unit: yuan

project	This period	Previous period
Undistributed profit at the end of the previous period before adjustment	2,911,097,028.02	2,310,835,606.20
Adjust the undistributed profits at the beginning of the later period	2,911,097,028.02	2,310,835,606.20
Plus: Net profit attributable to the owner of the parent company in the current period	908,793,300.88	705,332,026.60
Less: Withdraw legal surplus reserve	12,588,866.23	3,568,118.00
Common stock dividend payable	101,700,966.78	101,502,486.78
Undistributed profit at the end of the period	3,705,600,495.89	2,911,097,028.02

Adjust the details of undistributed profits at the beginning of the period:

1) Due to the retrospective adjustment of the "Accounting Standards for Enterprises" and its related new regulations, the undistributed profit at the beginning of the period will be affected by RMB 0.00.

2) Due to changes in accounting policies, the undistributed profit at the beginning of the period will be affected by RMB 0.00.

- 3) Due to the correction of major accounting errors, the undistributed profit at the beginning of the period is affected by RMB 0.00.
- 4) The change in the scope of consolidation caused by the same control affects the undistributed profit of RMB 0.00 at the beginning of the period.
- 5) Other adjustments affect the total undistributed profit at the beginning of the period by 0.00 yuan.

37. Operating income and operating costs

unit: yuan

project	Current amount		Amount in the previous period	
	income	cost	income	cost
Main business	33,227,824,120.74	30,891,175,937.07	24,884,015,342.16	23,092,992,163.69
Other business	7,470,515,454.47	7,433,242,562.02	5,029,380,385.78	5,014,185,829.24
total	40,698,339,575.21	38,324,418,499.09	29,913,395,727.94	28,107,177,992.93

38. Taxes and surcharges

unit: yuan

project	Current amount		Amount in the previous period	
	income	cost	income	cost
Urban maintenance and construction tax		10,098,565.50		7,355,117.24
Educational surcharge		11,307,652.38		7,593,843.66
property tax		5,018,882.63		5,481,120.90
land holding tax		6,891,246.47		8,122,613.89
vehicle usage tax		951.30		762.00
Stamp duty		12,878,096.55		11,344,192.05

159

tariff	10,680,951.88	
Other taxes	2,810,550.62	179,811.76
total	59,686,897.33	40,077,461.50

other instructions:

no.

39. Selling expenses

unit: yuan

project	Current amount		Amount in the previous period	
	income	cost	income	cost
employee's salary	51,941,813.65		41,882,442.39	
depreciation	711,414.46		525,223.43	
Office expenses	20,849,652.99		21,826,956.96	
Shipping fee	226,165,009.78		194,436,366.10	
insurance	1,776,843.38		1,790,811.56	
Sales business expenses	55,284,550.18		51,859,359.69	
Product quality loss	35,283,924.41		53,464,523.79	

other	16,258,373.97	26,158,696.19
total	408,271,582.82	391,944,380.11

other instructions:

no.

40. Management expenses

project	unit: yuan	
	Current amount	Amount in the previous period
employee's salary	243,368,279.02	220,097,569.60
depreciation	33,358,217.59	23,235,000.18
Office expenses	40,838,740.42	35,178,479.15
Travel expenses	6,841,497.66	6,549,718.55
Business Hospitality	3,446,730.04	2,911,873.76
Labour protection fee	2,000,710.63	457,606.84
Amortization of intangible assets	10,430,984.58	7,677,800.81
Maintenance testing fee	7,019,894.53	4,340,293.29
Intermediary fees	15,197,932.91	41,909,172.28
other	25,121,510.75	28,699,630.58

160

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

total	387,624,498.13	371,057,145.04
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other instructions:

no.

41. R & D expenses

project	unit: yuan	
	Current amount	Amount in the previous period
employee's salary	35,157,416.01	20,738,056.77
material	111,897,193.22	75,566,590.90
power	17,828,585.65	13,461,405.07
depreciation	8,470,508.00	6,714,457.73
design fee	772,783.26	102,515.59
Test fee	266,524.66	
other fee	410,255.06	157,131.51
total	174,803,265.86	116,740,157.57

other instructions:

no.

42. Financial expenses

unit: yuan

project	Current amount	Amount in the previous period
Interest expense	383,373,256.56	242,237,632.57
Less: interest income	14,613,617.48	22,244,495.61
Exchange losses	715,757,907.72	251,472,536.17
Less: exchange gains	623,948,898.14	294,364,564.85
Handling expenses	27,735,602.98	26,019,592.32
total	488,304,251.64	203,120,700.60

other instructions:

no.

43. Asset impairment losses

unit: yuan

project	Current amount	Amount in the previous period
1. Bad debt loss	8,281,781.40	14,081,913.69

161

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Second, the inventory price loss		377,084.74
14. Others	20,258,394.06	23,300,557.09
total	28,540,175.46	37,759,555.52

other instructions:

Other items are loan impairment losses accrued by Haibo Small Loan.

44. Other income

unit: yuan

Sources generating other income	Current amount	Amount in the previous period
Employment VAT refund for disabled persons	13,715,299.73	19,818,216.93
Subsidies for photovoltaic power generation	8,923,224.97	1,033,870.21
VAT refund	6,260,000.00	
2017 city revitalization of the real economy (traditional industry reform Manufacturing) policy subsidies	6,146,300.00	
Land ambassador of "the hero of mu production" Tax refund	3,321,181.80	
Land tax refund in the first half	1,508,800.00	987,000.00
Other government subsidies related to daily activities	2,286,022.82	1,241,452.77
total	42,160,829.32	23,080,539.91

45. Investment income

project	Current amount	Amount in the previous period
Long-term equity investment income calculated by equity method	93,469,805.42	121,019,688.01
Investment income from disposal of long-term equity investment		2,757,973.60
Disposal is measured at fair value and its changes are included in the current loss		
Investment income from profitable financial assets	-79,331,826.49	7,786,982.50
other	13,356.17	502,155.06
total	14,151,335.10	132,066,799.17
other instructions:		
no.		

46. Income from changes in fair value

unit: yuan

162

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Sources of income from changes in fair value	Current amount	Amount in the previous period
Measured at fair value and its changes are included in the current loss		
Financial assets	141,014,669.38	-41,377,112.75
Including: Fair price from derivative financial instruments		
Value change return	141,014,669.38	-41,377,112.75
total	141,014,669.38	-41,377,112.75
other instructions:		
no.		

47. Asset disposal income

unit: yuan

Sources of income from asset disposal	Current amount	Amount in the previous period
Disposal of fixed assets not classified as held for sale		
Gain or loss of disposal	-4,213,191.14	-8,750,486.56

48. Non-operating income

unit: yuan

project	Current amount	Amount in the previous period	Gold included in current non-recurring gains and losses amount
government subsidy	39,207,284.48	25,840,587.89	39,207,284.48
other	17,331,168.12	6,063,075.29	17,331,168.12
total	56,148,176.31	31,903,663.18	56,538,452.60
Government subsidies included in the current profit and loss:			

unit: yuan

Subsidy project	Issuer	Reason for issue	Nature type	Does the subsidy affect the profit and loss of the year	Whether special subsidies	Amount	Previous period amount	Related to assets / Related to earnings
Financial subsidy				no	no	39,207,284.4	25,840,587.8	Related to earnings
							8	9

other instructions:

project	Current amount	Amount in the previous period	Relevant
Special funds for economic development in 2018	12,100,000.00		Related to earnings
Tongling City Modern Service Industry Support Project in 2017	3,000,000.00		Related to earnings
Management committee appropriation of enterprise industrial development	4,644,000.00		Related to earnings
2017 Triple One Innovation Subsidy Fund	2,497,300.00		Related to earnings
Chengdu Shuangliu District Science and Technology and Economic Development Bureau "1443366" steady growth" Industrial Support Fund	1,443,300.00		Related to earnings

163

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Zhongsan City Special Fund for Industrial Development in 2018-Special Project on Merger and Reorganization Funding			Related to earnings
Financial awards for Zhujj's industrial technological transformation projects in 2016		7,818,000.00	related to earnings
Received subsidies for industrial strong foundation technological transformation projects		2,400,000.00	related to earnings
2017 Zhejiang Province Industrial and Information Development Financial Special Fund		1,800,000.00	related to earnings
2017 Zhejiang Province Resource Conservation Recycling Key Project Funding Subsidy		1,700,000.00	related to earnings
Receive 17 years of subsidies for new construction purchase R & D equipment		1,366,000.00	related to earnings
Financial Subsidies for Equipment Investment of Zhujj Industrial Enterprises in 2015		1,364,000.00	related to earnings
Received 17 years of industrial transformation subsidies for enterprise technological transformation		1,355,500.00	related to earnings
Other government subsidies not related to daily activities	14,523,784.48	8,037,087.89	related to earnings
total	39,207,284.48	25,840,587.89	

49. Non- operating expenses

unit: yuan

project	Current amount	Amount in the previous period	Gold included in current non-recurring gains and losses amount
External donation	311,917.77	93,161.21	311,917.77
Non-current assets scrapped	252,160.17		252,160.17
other	3,121,401.58	4,022,557.14	3,121,401.58
total	3,685,479.52	4,115,718.35	3,685,479.52

other instructions:

no.

50. Income tax expense

(1) Income tax expense table

unit: yuan

project	Current amount	Amount in the previous period
Current income tax expense	157,428,646.29	134,781,157.70
Deferred income tax expenses	-11,676,510.83	-76,816,785.77
total	145,752,135.46	57,964,371.93

(2) Accounting profit and income tax expense adjustment process

unit: yuan

project	Current amount
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164

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Total profit	1,072,266,744.33
Income tax expense at statutory / applicable tax rate	268,066,686.09
The impact of applying different tax rates to subsidiaries	-80,272,054.59
Adjust the impact of previous income taxes	1,278,635.94
The impact of non-taxable income	-26,796,276.30
The impact of non-deductible costs, expenses and losses	9,083,000.94
Impact of deductible losses on deferred income tax assets not recognized in the previous period	-4,408,879.59
Additional deduction impact	-21,198,977.03
Income tax expense	145,752,135.46

other instructions

no.

51. Other comprehensive income

See note 34 for details.

52. Cash flow statement items

(1) Other cash received related to operating activities

unit: yuan

project	Current amount	Amount in the previous period
Interest income	14,613,617.48	24,933,328.93
Government subsidy income	81,368,113.80	47,294,031.03
Other income	16,940,891.83	6,853,596.12
Provisional payment	81,314,729.68	124,328,620.37
Guarantee deposit	1,095,807.88	15,225,000.00
Letter of credit deposit	262,433,720.00	131,753,110.00
Acceptance deposit	45,739,400.00	229,977,860.00
Rent income	1,862,621.80	2,142,000.00
total	505,368,902.47	582,507,546.45

Other cash instructions related to operating activities received:

no.

(2) Other cash paid related to operating activities

project	Current amount	Amount in the previous period
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unit: yuan

165

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Management and R & D expenses	128,215,673.57	90,678,431.32
sales expense	355,618,354.71	345,434,540.22
Handling expenses	25,640,703.50	26,019,592.32
other fee	3,433,319.35	4,115,718.35
Provisional payment	122,337,090.57	110,023,206.27
Letter of credit deposit	669,281,026.14	
Guarantee deposit	139,019,270.65	2,016,735.72
Acceptance deposit	306,874,600.00	45,739,400.00
total	1,750,420,038.49	624,027,624.20

Other cash instructions related to operating activities paid:

no.

(3) Other cash received related to investment activities

project	Current amount	Amount in the previous period
---------	----------------	-------------------------------

unit: yuan

Futures margin		22,900,351.50
Forward foreign exchange trading income	47,432,366.24	333,836,772.30
Trust investment		
Forward foreign exchange margin	21,857,078.20	81,936,054.05
total	69,289,444.44	438,673,177.85

Other cash instructions related to investment activities received:

no.

(4) Other cash paid related to investment activities

project	Current amount	Amount in the previous period
---------	----------------	-------------------------------

unit: yuan

Futures close losses	4,565,305.63	
Futures margin	34,330,418.50	6,244,473.00
Forward foreign exchange losses	137,647,369.73	343,437,079.73
Foreign Contract Margin	14,317,637.79	
total	190,860,731.65	349,681,552.73

Other cash instructions related to investment activities paid:

no.

166

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

(5) Other cash received related to financing activities

project	Current amount	Amount in the previous period
Financing margin	6,637,613.00	
Pledged loan deposit		43,217,510.00
Fixed asset subsidies		37,508,500.00
total	6,637,613.00	80,726,010.00

Other cash instructions related to fundraising activities received:

no.

(6) Other cash paid related to financing activities

project	Current amount	Amount in the previous period
Financing margin	1,306,434,136.45	
Pledged loan deposit		53,550.33
Finance lease payment	78,131.57	221,598.18
total	1,306,512,268.02	275,148.51

Other cash instructions related to fund-raising activities paid:

no.

53. Supplementary information on the cash flow statement

(1) Supplementary information on the cash flow statement

additional materials	Current Amount	Amount in the previous period
1. Adjust net profit to cash flow from operating activities:	-	-
Net profit	926,514,608.87	720,361,647.34
Plus: asset impairment provision	28,540,175.46	37,759,555.52
Depreciation of fixed assets, depletion of oil and gas assets, productive production		
Asset depreciation	212,351,900.07	199,746,270.72
Amortization of intangible assets	11,297,186.87	18,034,940.12
Disposal of fixed assets, intangible assets and other long-term assets (Losses are listed with "-")	4,213,191.14	8,750,486.56
Loss of scrapping fixed assets (gains are listed with "-")		

	252,160.17	
Loss from changes in fair value (gains are listed with "-")	-141,014,669.38	41,377,112.75

167

Page 168

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Financial expenses (revenues are listed with "-")	475,182,266.14	222,140,986.91
Investment loss (gains are listed with "-")	-14,151,335.10	-132,066,799.17
Decrease in deferred income tax assets (increase is indicated by "-")	-27,317,562.69	-63,665,080.89
Increase in deferred income tax liabilities (decrease is listed with "-")	15,641,051.86	-40,846,996.37
Decrease in inventory (additions are listed with "-")	-364,911,114.65	-359,597,255.90
Decrease of business receivable items (increase is filled with "-" Column)	164,535,150.74	-2,107,637,268.06
Increase in operational payable items (decrease is filled with "-" Column)	1,299,832,372.46	-1,657,904,446.11
other	15,581,320.90	
Net cash flow from operating activities	2,606,546,702.86	-3,113,546,846.58
2. Major investment and financing activities that do not involve cash receipts and expenditures move:	-	-
3. Net changes in cash and cash equivalents:	-	-
Cash ending balance	1,190,060,722.39	533,239,850.57
Less: opening balance of cash	533,239,850.57	1,314,068,293.25
Net increase in cash and cash equivalents	656,820,871.82	-780,828,442.68

(2) Net cash paid for subsidiaries acquired in the current period

		unit: yuan
	Amount	
Cash or cash equivalents paid during the current business combination	59,068,000.00	
among them:	-	
Chengdu Bede Copper Co., Ltd.	59,068,000.00	
Less: cash and cash equivalents held by the company	439,971.49	
among them:	-	
Chengdu Bede Copper Co., Ltd.	439,971.49	
among them:	-	
Obtain the net cash paid by the subsidiary	58,628,028.51	
other instructions:		
no.		

(3) Composition of cash and cash equivalents

		unit: yuan
project	Ending balance	Opening Balance

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

1. Cash	1,190,060,722.39	533,239,850.57
Of which: cash in stock	4,569,958.85	472,328.21
Bank deposit that can be used for payment at any time	1,172,617,001.07	436,101,213.98
Other monetary funds that can be used for payment at any time	12,873,762.47	96,666,308.38
3. Balance of cash and cash equivalents at the end of the period	1,190,060,722.39	533,239,850.57

other instructions:

no.

54. Assets with restricted ownership or use rights

unit: yuan

project	Book value at the end of the period	Restricted cause
Money funds	2,181,122,875.19	Used for letter of credit issuance, financing guarantee and bank Acceptance draft
bill receivable	411,495,676.70	used for bank loan pledge
accounts receivable	326,104,769.14	for factoring loan pledge
total	2,918,723,321.03	-

other instructions:

no.

55. Foreign currency monetary items

(1) Foreign currency monetary items

unit: yuan

project	Foreign currency balance at the end of the period	Converted exchange rate	Converted RMB balance at the end of the period
Money funds	-	-	333,999,028.31
Of which: USD	40,522,210.03	6.8632	278,112,031.88
EUR	266,094.90	7.8473	2,088,126.48
Hong Kong dollar			
Vietnamese Dong	2,868,694,710.14	0.0003	849,371.24
Goro	515,427,038.64	0.0044	2,267,878.97
Thai Baht	195,927,840.76	0.2110	41,340,774.40
JPY	151,146,364.72	6.8632	9,340,845.34
accounts receivable	-	-	1,396,176,363.50
Of which: USD	187,523,441.57	6.8632	1,287,010,884.19
EUR	45,159.59	7.8473	354,380.85

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Hong Kong dollar		
Vietnamese Dong	14,196,371,354.29 0.0003	4,203,301.77
JPY	495,771,548.30 0.2110	104,607,796.69
Long term loan	-	525,769,100.00
Of which: USD		
EUR	67,000,000.00 7.8473	525,769,100.00
Hong Kong dollar		
Other receivables		15,063,354.27
Of which: USD		
	2,131,689.19 6.8632	14,630,209.26
Vietnamese Dong	905,889,145.15 0.0003	268,218.22
JPY	781,643.53 0.2110	164,926.79
accounts payable		1,723,428,395.42
Of which: USD		
	184,932,648.14 6.8632	1,269,229,750.70
Vietnamese Dong	20,810,312,387.61 0.0003	6,161,576.13
JPY	2,123,398,429.36 0.2110	448,037,068.59
Other payables		60,374,401.14
Of which: USD		
	6,751,689.46 6.8632	46,338,195.12
Vietnamese Dong	38,948,004,519.44 0.0003	11,531,835.29
JPY	11,869,055.57 0.2110	2,504,370.73
short-term loan		2,200,870,739.90
Of which: USD		
	301,003,681.43 6.8632	2,065,848,466.41
Vietnamese Dong	277,867,744,315.86 0.0003	82,271,867.31
JPY	250,001,925.02 0.2110	52,750,406.18
other instructions:		
no.		

(2) Description of overseas operating entities, including important overseas operating entities, should disclose their main overseas operating locations, bookkeeping currency and selection According to the basis, the reason for the change in the recording currency should also be disclosed.

√ Applicable □ Not applicable

56. Government subsidies

(1) Basic situation of government subsidies

unit: yuan			
kind	Amount	List items	Amount included in current profit and loss
Employment VAT refund for disabled persons	13,715,299.73	Other income	13,715,299.73
Subsidies for photovoltaic power generation	8,923,224.97	Other income	8,923,224.97
VAT refund	6,260,000.00	Other income	6,260,000.00
In 2017, the city revitalized the real economy (Industrial restructuring) policy subsidies	6,146,300.00	Other income	6,146,300.00
2017 annual industrial enterprise "Male" land use tax refund	3,321,181.80	Other income	3,321,181.80
Land tax refund	1,508,800.00	Other income	1,508,800.00
Other governments related to daily activities Subsidy	1,660,881.15	Other income	2,286,022.82
Special funds for promoting economic development in 2018 gold	12,100,000.00	Non-operating income	12,100,000.00
Modern service industry support in Tongling in 2017 Support project	3,000,000.00	Non-operating income	3,000,000.00
The management committee appropriation of industrial development funds gold	4,644,000.00	Non-operating income	4,644,000.00
2017 Triple One Innovation Subsidy Fund	2,497,300.00	Non-operating income	2,497,300.00
Technology and New Economy in Shuangliu District, Chengdu Development Bureau's "Stable Growth" in 2016	1,442,200.00	Non-operating income	1,442,200.00

171

Special Industrial Development Project of Zhongshan City in 2018
 Funding-Special Project Funding for Mergers and Reorganizations 1,000,000.00 Non-operating income 1,000,000.00

8. Changes in the scope of consolidation

1. Business combination not under the same control

(1) The business combination under different control occurred in this period

unit: yuan

Purchased party name	When equity is acquired	Acquisition of equity this time	Equity acquisition example	Acquirer formula	Purchase date	The purchase date is indeed Basis	Date of purchase is indeed Purchaser Of income	Date of purchase Purchaser Net profit
Chengdu Bader Copper Industry Co., Ltd.01 day	2018	59,068,000.00	0	100.00% cash purchase	April 2018 01 day	Delivery completed	494,205,742.94	1,724,379.40

other instructions:

no.

(2) Merger cost and goodwill

unit: yuan

Merger cost	Chengdu Bede Copper Co., Ltd.
--cash	59,068,000.00
Total combined cost	59,068,000.00
Less: fair value share of identifiable net assets obtained	23,161,293.18
Goodwill / consolidation cost is less than the fair value share of identifiable net assets amount	35,906,706.82

Explanation of the method for determining the fair value of the combined cost, contingent consideration and its changes:

The fair value of the combined cost is the cash consideration paid.

The main reasons for the formation of large amount of goodwill:

The merger cost of RMB 59,068,000.00 is greater than the fair value of the identifiable net assets of Chengdu Beide Copper Co., Ltd. obtained in the merger

The difference between RMB 23,161,293.18 and RMB 35,906,706.82 was recognized as goodwill.

other instructions:

no.

(3) The identifiable assets and liabilities of the purchased party on the purchase date

unit: yuan

172

	Fair value at purchase date	Book value on day of purchase
assets:	72,837,863.63	72,837,863.63

Money funds	439,971.49	439,971.49
Accounts receivable	28,154,459.03	28,154,459.03
stock	36,558,764.72	36,558,764.72
Fixed assets	6,869,845.03	6,869,845.03
Other current assets	749,000.86	749,000.86
Long-term prepaid expenses	33,083.90	33,083.90
Deferred tax assets	32,738.60	32,738.60
Liabilities:	49,676,570.45	49,676,570.45
loan	23,000,000.00	23,000,000.00
Payable	23,977,106.13	23,977,106.13
Staff payable	554,140.71	554,140.71
Taxes payable	2,108,638.61	2,108,638.61
Interest payable	36,685.00	36,685.00
Net assets	23,161,293.18	23,161,293.18
Net assets acquired	23,161,293.18	23,161,293.18

The method for determining the fair value of identifiable assets and liabilities:

Determined by the book value of the invested unit.

Contingent liabilities of the purchased party undertaken in the business combination

no.

other instructions:

no.

2. Changes in consolidation scope for other reasons

Explain the changes in the scope of consolidation caused by other reasons (for example, newly established subsidiaries, liquidation subsidiaries, etc.) and related conditions:

During the reporting period, the company set up five wholly-owned subsidiaries: Chongqing Hailiang Copper Co., Ltd., Chongqing Hailiang Metal Materials Co., Ltd., Chongqing Hailiang International Trade Co., Ltd., Hong Kong Hailiang Holdings Limited and Hailiang Copper Texas Co.

9. Rights and interests in other entities

I. Equity in subsidiaries

(1) Composition of enterprise group

Subsidiary name	Principal place of business	Registration	Nature of business	direct	indirect	How to get it
Shanghai Hailiang Copper Limited company	Shanghai, China	China	manufacturing	74.95%	25.05%	investment
Hong Kong Hailiang Copper Trading Limited company	China Hong Kong	China Hong Kong	Commodity circulation	100.00%		investment
Vietnam Hailiang Metal Products Co., Ltd.	Xining, Vietnam	Xining, Vietnam	manufacturing	100.00%		investment
Research on Zhejiang Copper Processing Institute Co., Ltd.	Zhejiang, China	China	technology R & D	51.00%	49.00%	investment
Zhejiang Keyu Metal Materials Co., Ltd.	Zhejiang, China	China	manufacturing	100.00%		investment
Zhejiang Hailiang International Trade Easy Co., Ltd.	Zhejiang, China	China	Commodity circulation	100.00%		investment
Hailiang (Vietnam) Copper Industry Co., Ltd.	Qianjiang, Vietnam	Qianjiang, Vietnam	manufacturing	100.00%		investment
Hailiang America	United States	United States	Commodity circulation	100.00%		investment
Hailiang (Anhui) Copper Industry Co., Ltd.	Anhui, China	China	manufacturing	100.00%		investment
Hailiang (Africa) Mine Industry Investment Co., Ltd.	The Virgin Islands	Africa	Mining investment	100.00%		investment
Congo Hailiang Mining has Limited liability company	Katanga, Congo	Katanga, Congo	Mining exploration and development		100.00%	investment
Hong Kong Hailiang Metal Materials Co., Ltd.	China Hong Kong	China Hong Kong	Commodity circulation		100.00%	investment
Zhejiang Hailiang Environmental Materials Materials Co., Ltd.	Zhejiang, China	China	manufacturing	100.00%		buy
Zhejiang Haibo Microfinance Co., Ltd.	Zhejiang, China	China	Financial Services		60.00%	purchase
Jiangsu Canghuan Copper Pipe Sales Sales Co., Ltd.	Jiangsu, China	China	Commodity circulation	90.00%	10.00%	purchase
Guangdong Hailiang Copper Limited company	Guangdong, China	China	manufacturing	100.00%		investment

174

JMF Company	United States	United States	Commodity circulation	100.00%		buy
Ningbo Hailiang Copper Limited company	Zhejiang, China	China	Commodity circulation		100.00%	investment
Zhejiang Hailiang New Materials Limited company	Zhejiang, China	China	manufacturing	100.00%		investment
Singapore Hailiang Metal Materials Co., Ltd.	Singapore	Singapore	Commodity circulation	100.00%		investment
Hailiang Distribution Inc.	United States	United States	Commodity circulation		100.00%	investment

Moral Top Enterprise Limited	China Hong Kong	China Hong Kong	Investment management	100.00%	purchase
Hailiang Otto Copper Tube (Guangdong) Limited	Guangzhou, China	Guangzhou, China	manufacturing	100.00%	buy
LOYAL HAILIANG COPPER (THAILAND) CO., LTD.	Thailand	Thailand	manufacturing	100.00%	purchase
Chongqing Hailiang Copper has Limited company	China	China	manufacturing	100.00%	investment
Chongqing Hailiang International Trade Easy Co., Ltd.	China	China	Commodity circulation	100.00%	investment
Chongqing Hailiang Metal Materials Co., Ltd.	China	China	Commodity circulation	100.00%	investment
Chengdu Bader Copper Limited company	China	China	manufacturing	100.00%	buy
Hong Kong Hailiang Holdings has Limited company	China	China	Investment management	100.00%	investment
Hailiang Copper Texas Co., Ltd.	United States	United States	manufacturing	100.00%	investment

Explanation of the shareholding ratio in the subsidiary is different from the voting right ratio:

Not applicable.

Basis for holding half or less of the voting rights but still controlling the invested entity, and holding more than half of the voting rights but not controlling the invested entity:

Not applicable.

For important structured entities included in the scope of consolidation, the basis for control:

Not applicable.

The basis for determining whether the company is an agent or a client:

175

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Not applicable.

other instructions:

no.

(2) Important non-wholly-owned subsidiary

unit: yuan

Subsidiary name	Minority shareholding ratio	Attributable to minority shareholders in their respective profit and loss	Dividends	Balance of minority shareholders' equity at the end of the period
Zhejiang Haibo Small Loan Shares Limited company	40.00%	17,721,307.99		361,610,771.23

Explanation of the minority shareholder's shareholding ratio of the subsidiary is different from the voting right ratio:

Not applicable.

other instructions:

no.

(3) Main financial information of important non-wholly-owned subsidiaries

unit: yuan

Subsidiary name	Ending balance					Opening Balance						
	Liquidity	Non-current Assets	Negative flo	Non-current	Combined debt	Liquidity	Non-current Assets	Negative flo	Non-current	Combined debt		
	Produce	assets	meter	debt	Debt	meter	Produce	assets	meter	debt	Debt	meter
Zhejiang Sea												
Bo Xiao												
Loan stock	33,714.6	887,271.	920,986.	16,959.0		16,959.0	36,567.1	1,046.37	1,082.93	223,214.		223,214.
Limited copies	46.40	365.98	012.38	84.31		84.31	77.38	0,707.50	7,884.88	226.79		226.79

the company

unit: yuan

Subsidiary name	Current amount				Amount in the previous period			
	Operating income	Net profit	Total comprehensive income	Operating activities	Operating income	Net profit	Total comprehensive income	Operating activities
			amount	Gold flow			amount	Gold flow
Zhejiang Haibo Primary School								
Loan shares	93,380,488.0	44,303,269.9	44,303,269.9	197,459,981.	99,290,572.4	37,574,051.8	37,574,051.8	37,451,792.3
Limited company	1	8	8	59	5	4	4	2

other instructions:

no.

176

2. Interests in joint arrangements or joint ventures

(1) Important joint venture or associate

Joint venture or joint venture Company Name	Principal place of business	Registration	Nature of business	Shareholding ratio		For joint ventures or joint ventures
				direct	indirect	Business investment meeting
						Processing method
Hailiang Group Finance Limited liability company	Zhejiang	Zhejiang	Financial Services	26.33%	13.67%	equity method

Explanation of the shareholding ratio in the joint venture or associate is different from the voting right:

Not applicable.

Basis for holding less than 20% of the voting rights but having significant influence, or holding 20% or more of the voting rights but not having significant influence

Not applicable.

(2) Main financial information of important associates

	unit: yuan	
	Balance at the end of the period	Opening balance / previous period's balance
	Hailiang Finance Company	Hailiang Finance Company
Current assets	1,688,000,840.61	2,765,645,414.56
Non-current assets	8,095,740,419.25	5,684,275,409.41
Total assets	9,783,741,259.86	8,449,920,823.97
Current liabilities	7,667,326,813.34	6,482,311,124.49
Non-current liabilities	108,360.00	227,100.00
Total Liabilities	7,667,435,173.34	6,482,538,224.49
Attributable to shareholders of parent company	2,116,306,086.52	1,967,382,599.48
Net asset share calculated as shareholding ratio	846,522,434.61	786,953,039.79
Book value of equity investment in associates	846,522,434.61	786,953,039.79
Operating income	228,926,569.96	255,965,494.34
Net profit	148,923,487.04	175,666,809.18
Total comprehensive income	148,923,487.04	175,666,809.18
other instructions		
no.		

(3) Summary financial information of unimportant joint venture and associate

	unit: yuan	
	Balance at the end of the period	Opening balance / previous period's balance

177

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Joint ventures:	-	-
The following items are calculated according to the proportion	-	-
Associated enterprises:	-	-
Total investment book value	714,290,928.54	704,792,998.69
The following items are calculated according to the proportion	-	-
--Net profit	33,900,410.60	50,752,964.34
--Other comprehensive income	11,992,454.25	-9,637,082.77
--Total comprehensive income	45,892,864.85	41,115,881.57
other instructions		
no.		

10. Risks related to financial instruments

The risks of financial instruments that the company faces in daily activities mainly include: foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The company's goal in risk management is to achieve an appropriate balance between risk and return, and strive to reduce financial risks to the company's financial industry Adverse effects on performance. Based on this risk management objective, the company has formulated a risk management policy to identify and analyze the risks faced by the company. Set appropriate risk acceptance levels and design corresponding internal control procedures to monitor the company's risk levels. The company will regularly review these

Risk management policies and related internal control systems to adapt to changes in market conditions or the company's operating activities.

(1) Foreign exchange risk

The company carries out various economic activities such as manufacturing, sales, investment and financing in mainland China, the United States, and Southeast Asia. The company's foreign currency assets and liabilities and future foreign currency transactions are subject to exchange rate fluctuation risks. The financial department of the company is responsible for managing the risk of exchange rate fluctuations.

Measures such as natural hedging of settlement currencies, signing of forward foreign exchange hedging contracts, and control of the scale of foreign currency assets and liabilities minimize the foreign exchange facing Risk, reduce the impact of exchange rate fluctuations on operating performance. The company has formulated the "Zhejiang Hailiang Co., Ltd. Exchange Rate Risk Management Measures".

The law clarifies management requirements such as exchange rate risk management responsibilities, risk types, risk levels, business operations, and risk control, and determines the approval process.

The exchange rate risk faced by the company mainly comes from foreign currency-denominated financial assets and liabilities, and foreign currency financial assets and foreign currency financial liabilities

The ending amount in RMB is listed as follows:

project	US dollar	EUR	Vietnamese Dong	Goro	Thai Baht	JPY	total
Money funds	278,112,031.88	2,088,126.48	849,371.24	2,267,878.97	41,340,774.40	9,340,845.34	333,999,028.31
Measured at fair value and its changes are included	927,933.50						51,927,933.50
Financial assets for the current period							
accounts receivable	1,287,010,884.19	354,380.85	4,203,301.77		104,607,796.69	2,735,873.94	1,398,912,237.43
Other receivables	14,630,209.25		268,218.22		164,926.79		15,063,354.25
Measured at fair value and its changes are included	4,138,333.10						4,138,333.10
Current financial liabilities							
accounts payable	1,269,229,750.70		6,161,576.13		448,037,068.59	11,554.32	1,723,439,949.74
Other payables	46,338,195.12		11,531,835.29		2,504,370.73		60,374,401.14
short-term loan	2,065,848,466.41		82,271,867.31		52,750,406.18		2,200,870,739.90
Long term loan		525,769,100.00					525,769,100.00

On December 31, 2018, while all other variables remained unchanged, if the RMB appreciated or depreciated by 5% against the above foreign currencies

Then the company will increase or decrease the net profit by 135,734,498.52 yuan.

178

(2) Interest rate risk

The company's interest rate risk mainly arises from interest-bearing debt such as short-term loans and long-term loans. Floating interest rate financial liabilities make the company face Gold flow interest rate risk and fixed-rate financial liabilities expose the company to fair value interest rate risk. The company decided according to the market environment at the time

The fixed proportion of fixed rate and floating rate contracts.

The financial department of the company's headquarters continuously monitors the group's interest rate. Rising interest rates will increase the cost of new interest-bearing debt and the company has not paid

Clear interest payments on interest-bearing debt with floating interest rates, which in turn affects the company's operating performance, and management will base on the latest market conditions

Make adjustments in a timely manner. These adjustments may be through signing interest rate swap contracts to reduce hedging interest rate risks.

As of December 31, 2018, if the borrowing rate calculated at floating

The company's pre-tax profit will decrease or increase by RMB 26,694,700.

(3) Credit risk

The company manages credit risk by portfolio. Credit risk mainly arises from bank deposits, bills receivable, accounts receivable, receivables Interest, other receivables, loans and advances, etc.

The company's bank deposits are mainly deposited in state-owned banks and other large and medium-sized listed banks. The company believes that there is no significant credit risk.

There will not be any significant losses caused by the breach of the contract of the other party.

In addition, for bills receivable, accounts receivable, interest receivable, other receivables, loans and advances, the company sets relevant policies

Control credit risk exposure. The company is based on the financial situation of customers, the possibility of obtaining guarantees from third parties, credit records and other factors.

Such as the current market conditions, etc., to assess the customer's credit qualification and set the corresponding credit period. The company will regularly monitor customer credit records, for

For customers with poor credit history, the company will use written dunning, shorten the credit period or cancel the credit period to ensure the overall trust of the company.

Use risk is within controllable range.

(4) Liquidity risk

Each subsidiary within the company is responsible for its own cash flow forecast. The headquarter finance department summarizes the basis of each subsidiary's cash flow forecast

On the company level, continuously monitor the short-term and long-term capital needs at the company level to ensure that sufficient cash reserves are maintained;

According to the provisions of the financial agreement, major financial institutions are required to provide sufficient reserve funds to meet short-term and long-term funding needs.
As of the balance sheet date, the financial liabilities of the company are listed as follows based on the undiscounted contractual cash flow:

Unit: ten thousand yuan

project	Within a year	One to two years	Two to three years	More than three years	total
short-term loan	410,879.08				410,879.08
Measured at fair value and its changes	541.19				541.19
Financial liabilities included in the current profit and loss					
Bills payable	91,900.00				91,900.00
accounts payable	348,324.72				348,324.72
Interest payable	1,545.27				1,545.27
Other payables	17,532.69				17,532.69
Non-current liabilities due within one year		96,878.62			96,878.62
Long-term payables	5.92				5.92
Other current liabilities	12.48				12.48
Long term loan	52,576.91				52,576.91

179

11. Disclosure of fair value

I. The ending fair value of assets and liabilities measured at fair value

project	Fair value at the end of the period			total
	Level 1 fair value calculation the amount	Level 2 fair value measurement	Level 3 fair value measurement	
1. Continuous fair value measurement	-	-	-	-
(1) Measured at fair value and Changes included in the current profit and loss	101,919,873.37			101,919,873.37
Financing				
1. Trading financial assets	101,919,873.37			101,919,873.37
(3) Derivative financial assets	101,919,873.37			101,919,873.37
Continuously measured at fair value	101,919,873.37			101,919,873.37
Total assets				
(5) Transactional financial liabilities	5,411,864.54			5,411,864.54
Derivative financial liabilities	5,411,864.54			5,411,864.54
Continuously measured at fair value	5,411,864.54			5,411,864.54
Total liabilities				
2. Non-sustainable fair value calculation the amount	-	-	-	-

2. The basis for determining the market value of continuous and non-continuous first-level fair value measurement projects

The input value of the first level is the unadjusted quotation of relevant assets or liabilities that can be obtained on the measurement date in an active market.

3. Continuous and non-continuous second-level fair value measurement projects, using valuation techniques and qualitative and quantitative information of important parameters

The input value of the second level is the input value of the related assets or liabilities that is directly or indirectly observable except the input value of the first level.

4. Continuous and non-continuous third-level fair value measurement projects, using valuation techniques and qualitative and quantitative information of important parameters

The third level of input value is the unobservable input value of related assets or liabilities.

180

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

12. Related parties and related transactions

1. The parent company of the company

Parent company name	Registration	Nature of business	Registered capital	Parent company's Shareholding ratio	Parent company's Voting rights
Hailiang Group Co., Ltd. Zhuji, Zhejiang		Investment management, property management And real estate development and operation Export business	100 million	45.12%	45.12%

Description of the parent company of the company

The actual controller of the company is Mr. Feng Hailiang. As of the end of 2018, Mr. Feng Hailiang directly held 3.06% shares of the issuer; Mr. Feng Hailiang Holds 93.20% equity of Hailiang Group, Hailiang Group directly holds 45.12% of the shares of the issuer
The capital limited company holds 0.63% of the issuer's shares; Mr. Feng Hailiang's son Mr. Feng Luming holds 0.67% of the company's shares. Mr. Feng Hailiang and Its concerted parties control 49.48% of the issuer's shares.

The ultimate controlling party of this enterprise is Feng Hailiang.

other instructions:

no.

2. The company's subsidiaries

For details of the subsidiaries of this enterprise, please refer to the notes' equity in other entities. .

3. The company's joint ventures and associated enterprises

For details of the important joint ventures or associated enterprises of this enterprise, please refer to the note's equity in other entities. .

The related party transactions with the company in the current period, or other joint ventures or associated enterprises that formed balances with the company in the previous period are as follows:

Name of joint venture or joint venture	Relationship with the company
Hailiang Group Finance Co., Ltd.	Associate
other instructions	
no.	

4. The situation of other related parties

Name of other related parties	Relationship between other related parties and the company
Mingkanghui Ecological Agriculture Group Co., Ltd.	Same actual controller
Hailiang Group Co., Ltd. Ningbo Branch	Same actual controller
Hailiang Group Co., Ltd. Hangzhou Branch	Same actual controller
Hailiang Metal Trading Group Co., Ltd.	Same actual controller
Shanghai Haoliang Metal Material Co., Ltd.	Same actual controller

181

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Ningbo Hairao Material Co., Ltd.	Same actual controller
Hailiang Education Management Group Co., Ltd.	Same actual controller
Xiantao Tiancheng Education Investment Co., Ltd.	Same actual controller
Xinchang County Nanrui Experimental School	Same actual controller
Zhuji Tianma Boya Quality Art Training Center	Same actual controller
Xinyu Baishu Technical Service Co., Ltd.	Same actual controller
Zhejiang Hailiang Capital Investment Management Co., Ltd.	Same actual controller
Zhuji Hailiang Garden Hotel Co., Ltd.	Same actual controller
Zhejiang Hailiang Solid Waste Treatment Technology Co., Ltd.	Same actual controller
Zhuji East China Auto Parts Plumbing City Property Co., Ltd.	Same actual controller
Zhuji Hailiang Business Hotel Co., Ltd.	Same actual controller
Tibet Huaapu Investment Co., Ltd.	Same actual controller
Zhejiang Hailiang Investment Co., Ltd.	Same actual controller
Hailiang Mineral Holdings Group Co., Ltd.	Same actual controller
Zhuji Hailiang Nursing Home	Same actual controller
Hangzhou Mingxin Information Technology Co., Ltd.	Same actual controller
Hangzhou Hailiang Catering Co., Ltd.	Same actual controller
Zhejiang Zhengmao Venture Capital Co., Ltd.	Same actual controller
Zhejiang Hailiang Zhengmao Equity Investment Partnership (Limited Partnership)	Same actual controller
Zhejiang Haiyuan Environmental Technology Co., Ltd.	Same actual controller
Zhejiang Hailiang Energy Management Co., Ltd.	Same actual controller
Beipiao Beita Oil Shale Comprehensive Development and Utilization Co., Ltd.	Same actual controller
Beipiao Tower Building Materials Co., Ltd.	Same actual controller
Beipiao Xinyuan Catering Co., Ltd.	Same actual controller

Hailiang Group Finance Co., Ltd.	Same actual controller
Hangzhou Hailiang Real Estate Co., Ltd.	Same actual controller
Fubon Investment Co., Ltd.	Same actual controller
Hailiang International Holdings Limited	Same actual controller
Zhejiang Mingkanghui Animal Husbandry Industry Development Co., Ltd.	Same actual controller
Zhuji Hailiang Hospital	Same actual controller
Hong Kong International Agricultural Investment Co., Ltd.	Same actual controller
Zhejiang Hailiang Organic Feed Technology Co., Ltd.	Same actual controller
Hailiang Australian Agriculture Land Trust	Same actual controller
Hailiang Australian Agriculture Development Pty Ltd	Same actual controller

182

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Hailiang Australian Land Investment Company Pty Ltd	Same actual controller
Hong Kong Hailiang International Investment Co., Ltd.	Same actual controller
Brilliant One Development Limited	Same actual controller
China Hailiang Financial Group Co., Ltd.	Same actual controller
Ningbo Hairao Investment Co., Ltd.	Same actual controller
Hailiang Real Estate Holdings Group Co., Ltd.	Same actual controller
Shanghai Zhepu Real Estate Co., Ltd.	Same actual controller
Zhu Zhangquan, Chen Dong, Jiang Shaojun, Feng Luming, King Kong, Qian Ziqiang, Ye Xuefang, Zhang Jingzhong, Fan Shunke	Directors and executives
Fu Huaquan, Wang Yefei, Zhu Lin	Supervisor
other instructions	
no.	

5. Related party transactions

(1) Related transactions in the purchase and sale of goods, provision and acceptance of labor services

Procurement of goods / acceptance of labor services

unit: yuan

Related party	Related transaction content	Current amount	Approved transaction quota	Whether the transaction limit is exceeded	Whether the transaction limit is exceeded in the previous period
Hailiang Group Co., Ltd.	office supplies, etc.	107,532.28	500,000.00	No	44,305.53
Zhejiang Hailiang Energy Management Limited company	Procurement of materials, etc.		500,000.00	No	40,693.73
Zhejiang Haiyuan Environmental Technology Limited company	Purchase equipment	1,125,433.12	3,000,000.00	No	307,692.31
Hailiang Business Hotel Zhuji Limited company	Catering Services	879,428.15	2,000,000.00	No	822,197.16
Physical examination service of Zhuliang Hailiang Sanatorium		99,184.00	2,000,000.00	No	1,029,018.00
Hangzhou Mingxin Information Technology Limited company	Information Service	180,528.30	200,000.00	No	194,265.10

Mingkanghui Group	Purchase materials	3,369,343.20	3,000,000.00 is	1,597,253.21
Zhuji Hailiang Hospital	Medical examination service	148,897.00	1,000,000.00 No	668,202.00

Sales of goods / provision of services

unit: yuan

Related party	Related transaction content	Current amount	Amount in the previous period
Hailiang Group Co., Ltd.	Sales of copper pipes, etc.		1,057.50
Zhuji Hailiang Business Hotel Co., Ltd.	Information Service	2,830.19	

183

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Hailiang Group Finance Co., Ltd.	Information Service	18,867.92	
Inner Mongolia Hailiang Real Estate Development Co., Ltd. Division	Selling supplies	611,130.95	
Hailiang Experimental Middle School	Selling supplies	276,956.89	
Tianma Experimental School, Zhuji City, Zhejiang Province		649,956.04	
Zhejiang Haiyuan Environmental Technology Co., Ltd.	sells goods		2,527,436.74
Hangzhou Mingxin Information Technology Co., Ltd.	Information Service		8,450.00
Hailiang Group Co., Ltd.	Information Service	33,962.26	33,962.26

Description of related party transactions for the purchase and sale of goods, provision and acceptance of labor services

no.

(2) Related lease

The company as the lessor:

unit: yuan

Tenant name	Types of leased assets	Rental income recognized in the current period	Income recognized in the previous period
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The company as the lessee:

unit: yuan

Lessor name	Types of leased assets	The lease fee confirmed in this period	The lease fee confirmed in the previous period
Hailiang Group Co., Ltd.	houses	1,110,220.03	828,333.27

Related lease description

no.

(3) Related guarantees

The company as the guarantor

unit: yuan

Secured party	Guarantee amount	Guarantee start date	Guarantee maturity date	Whether the guarantee has been fulfilled
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The company as the guaranteed party

unit: yuan

guarantor	Guarantee amount	Guarantee start date	Guarantee maturity date	Whether the guarantee has been fulfilled
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Description of related guarantee

guarantor	Secured party	Guarantee amount	Guarantee start date	Guarantee maturity date	Whether the guarantee has been Fulfilled
Zhejiang Hailiang Co., Ltd.	Hailiang Group Co., Ltd.	330 million yuan	July 3, 2018	July 3, 2019	no
Zhejiang Hailiang Co., Ltd.	Hailiang Group Co., Ltd.	400 million yuan	October 17, 2018	October 16, 2019	no

184

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Zhejiang Hailiang Co., Ltd.	Hailiang Group Co., Ltd.	100 million yuan	December 27, 2018	December 26, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Environmental Protection Limited company	100 million yuan	November 9, 2018	December 31, 2019	no
Hailiang Group Co., Ltd.	Hong Kong Hailiang Copper Trading the company	400 million yuan	July 22, 2016	December 31, 2020	no
Hailiang Group Co., Ltd.	Hong Kong Hailiang Copper Trading the company	400 million yuan	May 22, 2018	January 15, 2021	no
Hailiang Group Co., Ltd.	Hong Kong Hailiang Copper Trading the company	400 million yuan	December 25, 2018	December 24, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Keyu Metal Materials Limited company	50 million yuan	October 17, 2017	October 17, 2018	no
Hailiang Group Co., Ltd.	Zhejiang Keyu Metal Materials Limited company	23.23 million yuan	November 9, 2018	December 31, 2019	no
Hailiang Group Co., Ltd.	Shanghai Hailiang Copper Co., Ltd. Division	150 million yuan	January 9, 2018	January 9, 2019	no
Hailiang Group Co., Ltd.	Hailiang Otto Copper Pipe (Guangdong) Limited company	40 million yuan	September 19, 2018	September 18, 2020	no
Hailiang Group Co., Ltd.	Hailiang (Vietnam) Copper Limited company	\$ 12 million	June 25, 2018	June 19, 2020	no
Hailiang Group Co., Ltd.	Hailiang (Vietnam) Copper Limited company	\$ 35 million	May 31, 2018	May 30, 2021	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	\$ 56 million	November 16, 2016	The date of credit change	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	800 million yuan	September 13, 2018	September 13, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	400 million yuan	March 27, 2018	March 27, 2020	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	770 million yuan	January 11, 2018	January 11, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	220 million yuan	January 11, 2018	January 11, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	\$ 14.5 million	July 13, 2018	January 9, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	\$ 11.4 million	October 24, 2018	April 19, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	50 million yuan	October 31, 2018	April 26, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	\$ 10 million	November 14, 2018	May 10, 2019	no

Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	\$ 6.6 million	November 14, 2018	February 18, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd.	850 million yuan	October 25, 2018	October 25, 2019	no

185

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

	Division				
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	281.12 million	November 9, 2018	December 31, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	300 million yuan	November 20, 2018	November 20, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	150 million yuan	January 9, 2018	December 17, 2018	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	300 million yuan	September 4, 2018	September 3, 2019	no
Hailiang Group Co., Ltd. Feng Hailiang	Zhejiang Hailiang Co., Ltd. Division	308 million yuan	July 1, 2017	July 1, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	1.44 billion yuan	June 26, 2017	December 31, 2019	no
Hailiang Group Co., Ltd. Feng Hailiang	Zhejiang Hailiang Co., Ltd. Division Shanghai Hailiang Copper Co., Ltd. Division Hong Kong Hailiang Copper Trading Limited the company	\$ 84.7 million	February 9, 2018	Until the credit changes	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	\$ 26.65 million	January 1, 2017	July 4, 2021	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	68 million euros	April 21, 2017	April 20, 2020	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	\$ 30 million	April 16, 2018	April 15, 2019	no
Hailiang Group Co., Ltd.	Zhejiang Hailiang Co., Ltd. Division	\$ 38 million	September 6, 2018	September 5, 2019	no
Hailiang Real Estate Holding Group Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. Division	20 million yuan	August 31, 2018	February 14, 2019	no
Hailiang Real Estate Holding Group Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. Division	\$ 7.5 million	August 10, 2018	February 1, 2019	no
Hailiang Real Estate Holding Group Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. Division	USD 6 million	December 27, 2018	June 25, 2019	no
Hailiang Real Estate Holding Group Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. Division	\$ 2.8858 million	December 17, 2018	February 8, 2021	no
Hailiang Real Estate Holding Group Co., Ltd. the company	Zhejiang Hailiang Co., Ltd. Division	\$ 309.75 million	December 25, 2018	March 29, 2019	no

(4) Fund borrowing of related parties

unit: yuan

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Related party	Borrowing amount	Start date	expiry date	Explanation
Break in				
Hailiang Group Finance Co., Ltd. the company	100,000,000.00	July 25, 2018	July 25, 2019	Is a short loan from a finance company Loan at the end of the reporting period also.
Hailiang Group Finance Co., Ltd. the company	100,000,000.00	July 23, 2018	July 23, 2019	Is a short loan from a finance company Loan at the end of the reporting period also.
Hailiang Group Finance Co., Ltd. the company	99,000,000.00	March 23, 2017	March 23, 2018	Is a short loan from a finance company Loan at the end of the reporting period also.
Hailiang Group Finance Co., Ltd. the company	100,000,000.00	August 22, 2018	August 22, 2019	Is a short loan from a finance company Loan at the end of the reporting period also.
Hailiang Group Finance Co., Ltd. the company	100,000,000.00	September 25, 2018	September 25, 2019	Is a short loan from a finance company Loan at the end of the reporting period also.
Tear out				

(5) Remuneration of key management personnel

project	unit: yuan	
	Current amount	Amount in the previous period
Executive compensation	5,276,398.00	3,375,857.00

(6) Other related transactions

The company signed a "Financial Service Agreement" with Hailiang Group Finance Co., Ltd. According to the content of the agreement, Hailiang Group Finance Co., Ltd. The company will handle related financial business for the company within the scope permitted by its business scope, including but not limited to deposits, loans, income Pay settlement, handle financial and financing consultants, credit verification and related consulting, agency services, etc.

Deposit monetary funds of related parties	Ending balance		Beginning amount	
	Amount	proportion%	Amount	proportion%
Hailiang Group Finance Co., Ltd.	1,659,086,686.67	49.28	199,147,096.76	28.93

6. Receivables due from related parties

(1) Items receivable

		unit: yuan	
project name	Related party	Ending balance	Opening Balance

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

		Book balance	Bad debt provision	Book balance	Bad debt provision
accounts receivable	Zhejiang Haiyuan Environmental Technology Limited company	278,024.10	4,316.75	2,580,460.20	25,804.60
	Zhejiang Haiyuan Environmental Technology Limited company			135,000.00	
Prepayments	Mingkanghui Eco-Agriculture Collection Group co., Ltd.			77,896.00	
Prepayments	Hailiang Group Co., Ltd.			10,802.00	

(2) Items payable

		unit: yuan	
project name	Related party	Book balance at the end of the period	Opening balance
accounts payable	Zhejiang Mingkanghui Food Co., Ltd.	1,140.00	
accounts payable	Hailiang Group Co., Ltd.		24,696.00

13. Share-based payment

1. Overall situation of share-based payment

√ Applicable □ Not applicable

	unit: yuan
The total amount of various equity instruments granted by the company in this period	0.00
Total equity instruments of the company's current exercise	7,859,200.00
The total amount of various equity instruments that the company lapsed during the current period	0.00

The scope of the exercise price of stock options issued by the company at the end of the period applicable remaining term of the contract

According to the "Zhejiang Hailiang Co. Announcement", the company grants incentives to targeted parties by issuing new shares 25 million restricted shares, of which 20.716 million shares were granted for the first time, Reserve 4 million shares. The incentive plan is valid for 60 months, self-limiting From the date of the first grant of six stock Restricted shares granted for the first time since After 12 months from the first grant date of the incentive plan, in the next 48 months

The scope of the exercise price of other equity instruments issued outside the company at the end of the period and the remaining contract period

The exercise is divided into three phases within 30%, 30% and 40% respectively. The company's first grant date on September 1, 2016 actually granted restricted shares There were 20.716 million tickets, and the grant price was 3.8 yuan per copy. According to the "Zhejiang Hailiang Co., Ltd. Announcement Retaining Restricted Stocks, the company will issue new shares in a targeted manner 3.9 million restricted shares were granted to the incentive objects. Incentive plan works The period is 60 months, counting from the date of the first grant of restricted stock. first Restricted stocks granted twice have expired since the first grant date of the incentive plan

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Months later, in the next 48 months, the exercise will be divided into three phases.

It is 30%, 30%, 40%. The company reserved restricted stock grants

On July 24, 2017, 3.9 million restricted shares were actually granted

The grant price is 4.42 yuan / piece.

other instructions

no.

2. Equity-settled share-based payment

√ Applicable □ Not applicable

unit: yuan

Determination method of fair value of equity instruments on grant date BS option pricing model
 The company refers to the historical turnover rate, based on the equity instruments,
 Basis for determining the number of available equity instruments And the assessment of the company 's performance, the assessment of the individual 's organization and the individual
 Performance assessment to determine.

Reasons for the significant difference between the current estimate and the previous estimate

Accumulated amount of equity-settled share-based payment included in capital reserve 56,042,116.33

The total amount of expenses confirmed by equity-settled share-based payment in this period 15,581,320.90

other instructions

no.

14. Commitments and contingencies**1. Important commitments**

Important commitments that exist on the balance sheet date

The company has no major commitments that need to be disclosed.

2. Contingent matters

(1) Important contingencies that exist on the balance sheet date

1. External guarantee

guarantor	Secured party	Guarantee amount	Guarantee start date	Guarantee maturity date	Whether the guarantee has been fulfilled Finished
Zhejiang Hailiang Co., Ltd. Hailiang Group Co., Ltd.		330 million yuan	July 3, 2018	July 3, 2019	no
Zhejiang Hailiang Co., Ltd. Hailiang Group Co., Ltd.		400 million yuan	October 17, 2018	October 16, 2019	no
Zhejiang Hailiang Co., Ltd. Hailiang Group Co., Ltd.		100 million yuan	December 27, 2018	December 26, 2019	no

189

2. The guarantee provided by the parent company to the subsidiary

guarantor	Secured party	Guarantee amount	Guarantee start date	Guarantee maturity date	the guarantee
					Already fulfilled
					Finished
Zhejiang Hailiang Co., Ltd.	Hailiang (Anhui) Copper Industry Co., Ltd.	100 million yuan	June 13, 2018	June 13, 2019	no
Zhejiang Hailiang Co., Ltd.	Hailiang (Anhui) Copper Industry Co., Ltd.	101.4 million	September 29, 2018	September 29, 2019	no
Zhejiang Hailiang Co., Ltd.	Hailiang (Anhui) Copper Industry Co., Ltd.	100 million yuan	November 13, 2018	October 15, 2019	no
Zhejiang Hailiang Co., Ltd.	Hailiang (Anhui) Copper Industry Co., Ltd.	40 million yuan	December 3, 2018	December 2, 2019	no
Zhejiang Hailiang Co., Ltd.	Shanghai Hailiang Copper Co., Ltd.	\$ 81.65 million	January 1, 2017	February 28, 2021	no
Zhejiang Hailiang Co., Ltd.	Shanghai Hailiang Copper Co., Ltd.	\$ 35 million	November 15, 2018	November 14, 2019	no
Zhejiang Hailiang Co., Ltd.	Guangdong Hailiang Copper Co., Ltd.	220 million yuan	May 30, 2018	May 30, 2019	no
Zhejiang Hailiang Co., Ltd.	Guangdong Hailiang Copper Co., Ltd.	210 million yuan	December 21, 2018	December 20, 2019	no
Zhejiang Hailiang Co., Ltd.	Hong Kong Hailiang Copper Trading Co., Ltd.	\$ 40 million	June 15, 2018	June 15, 2019	no
Zhejiang Hailiang Co., Ltd.	Hong Kong Hailiang Copper Trading Co., Ltd.	8 million euros	June 15, 2018	June 15, 2019	no
Zhejiang Hailiang Co., Ltd.	Hong Kong Hailiang Copper Trading Co., Ltd.	\$ 28 million	June 18, 2018	September 18, 2020	no
Zhejiang Hailiang Co., Ltd.	Hong Kong Hailiang Copper Trading Co., Ltd.	\$ 25 million	June 28, 2018	November 16, 2022	no
Zhejiang Hailiang Co., Ltd.	Hong Kong Hailiang Copper Trading Co., Ltd.	\$ 10 million	June 25, 2018	November 16, 2022	no
Zhejiang Hailiang Co., Ltd.	Hong Kong Hailiang Copper Trading Co., Ltd.	\$ 30 million	June 28, 2018	February 8, 2021	no
Zhejiang Hailiang Co., Ltd.	Hong Kong Hailiang Copper Trading Co., Ltd.	300 million yuan	December 25, 2018	December 24, 2019	no

3. The company and Dongda Water Industry Group Co., Ltd. caused disputes on the "sales contract" signed by the two parties. The company as the plaintiff in 2015

In December, he filed a lawsuit in Zhuji City People's Court, requesting Dongda Water to pay a total contract price of RMB 40,231.9 million. November 30, 2017

The company applied to Zhuji Municipal People's Court for compulsory execution. On December 23, 2017, Zhuji Municipal People's Court made (2017) Zhejiang 0681 Executive No. 10885

One of the execution rulings, ruling: Freeze 36% of Zhuji Haidong Water Treatment Co., Ltd. held by Dongda Water Group

Rights (investment of 32.04 million); the freeze period is three years. As the two parties are currently negotiating on repayment matters, the suspension of

Limited company enforcement measures. The plaintiff Zhejiang Hailiang Co., Ltd. has the right to pledge the defendant Dongda Water Group Co., Ltd. in Zhejiang Hai

The equity and derived equity of Bo Micro Loan Co., Ltd. enjoy the priority right of repayment after being disposed of according to law, and no bad debt losses are expected.

15. Events after the balance sheet date

1. Profit distribution

	unit: yuan
Profit or dividend to be distributed	136,647,520.24
Profits or dividends declared to be issued upon review and approval	136,647,520.24

2. Description of matters after the balance sheet date

The company signed "ShareAssetPurchaseAgreement" with KME on January 28, 2019 to acquire the Kabelmetal it holds

Messing Beteiligungsges mbH, KME Brass Germany GmbH, KME Brass Italy SpA, KME Brass France SAS,

Ibertubos SAU and other five companies have 100% equity and acquired the copper tube business and copper tube business of the Menden factory in Germany through asset transactions

Related assets. As of the reporting date, all parties to the transaction signed legal documents such as the "Delivery Memo", confirming that all delivery conditions have been fulfilled

It was concluded that the company paid all the payment including the transaction consideration according to the "Equity Asset Purchase Agreement", and the transaction has been completed.

Verified by Daxin Yanzi [2018] No. 4-00034 "Capital Verification Report", the company repurchased and cancelled the original incentive target in January 2019.

There are 351,000 shares of restricted stock that have not been lifted, and the registered capital is reduced by RMB 351,000.00.

16. Other important matters

I. Branch information

(1) Basis for determining the reporting segment and accounting policies

The company determines the operating segment based on the internal organizational structure, management requirements, and internal reporting system, and determines the report based on the operating segment Division. Operating segment refers to a component that simultaneously satisfies the following conditions:

- (1) This component can generate income and expenses in daily activities;
- (2) The management can periodically evaluate the operating results of this component to decide to allocate resources to it and evaluate its performance;
- (3) Be able to obtain relevant accounting information such as the financial status, operating results and cash flow of this component.

If two or more operating segments have similar economic characteristics and have the same or similarity in the following aspects, they can be combined into one

Operating Division:

- (1) The nature of each individual product or service;
- (2) The nature of the production process;
- (3) Types of customers for products or services;
- (4) Ways of selling products or providing labor services;
- (5) The production of products and the provision of labor services are affected by laws and administrative regulations

(2) Report the financial information of the segment

unit: yuan

project	Copper Pipe Processing Business	Special Equipment Manufacturing Business	Inter-segment elimination	total
1. Operating income	38,482,260,812.14	1,787,313,676.50	1,419,904,317.04 -8,461,654,684.94	33,227,824,120.74
2. Operating cost	36,464,098,712.93	1,700,600,610.42	1,180,299,082.85 -8,453,822,469.13	30,891,175,937.07
3. For affiliates and joint ventures Investment	73,613,340.48		19,856,464.94	93,469,805.42
4. Asset impairment losses	6,868,132.43	53,680.10	21,618,362.93	28,540,175.46
5. Depreciation and amortization charges	1,195,996.78	2,932,920.06	14,290,782.17	230,275,699.01
6. Total profit	848,009,760.25	54,682,713.31	169,574,270.77	1,072,266,744.33
7. Income tax expense	119,518,756.98	1,686,326.47	24,547,052.01	145,752,135.46
8. Net profit	728,491,003.27	52,996,386.84	145,027,218.76	926,514,608.87
9. Total assets	16,341,247,929.92	57,324,922.49	2,213,590,681.86	19,218,163,534.27
10. Total Liabilities	10,373,471,070.51	131,224,110.44	322,483,731.47	10,827,178,912.42

191

17. Notes on the main items of the parent company's financial statements

I. Bills receivable and accounts receivable

unit: yuan

project	Ending balance	Opening Balance
bill receivable	732,975,801.26	708,112,659.78
accounts receivable	622,386,549.32	44,859,415.35
total	1,355,362,350.58	1,352,972,075.13

(1) Bills receivable

1) List of notes receivable

unit: yuan

project	Ending balance	Opening Balance
Bank acceptance note	456,967,679.06	541,719,683.95
Commercial acceptance note	276,008,122.20	166,392,975.83
total	732,975,801.26	708,112,659.78

2) Notes receivable pledged by the company at the end of the period

unit: yuan

project	Pledged deposit at the end of the period
Bank acceptance note	168,821,019.43
total	168,821,019.43

3) At the end of the period, the company has endorsed or discounted notes receivable that have not yet expired on the balance sheet date

unit: yuan

project	Termination confirmation amount at the end of the period	Amount not confirmed at the end of the period
Bank acceptance note	807,715,066.62	
total	807,715,066.62	

(2) Accounts receivable

1) Classified disclosure of accounts receivable

unit: yuan

category	Ending balance				Opening Balance				
	Book balance		Bad debt provision		Book balance		Bad debt provision		
	Amount	proportion	Amount	Counting ratio	Amount	proportion	Amount	Withdrawal ratio	
By credit risk characteristic	648,207,046.24	97.30%	25,820.496.92	1.32%	622,386,549.32	97.39%	8,631,988.81	1.32%	644,859,415.35

192

Total provision for bad debts accounts receivable	158.05		8.73		49,32,404.16		.81		5.35
The single amount is not significant but Separate provision for bad debts Of accounts receivable	17,507.8	2.70%	17,507.8	100.00%	17,507.8	2.61%	17,507.88	100.00%	
total	648,207,046.24	100.00%	25,820.496.92	3.98%	622,386,549.32	100.00%	26,139,877.00	3.90%	44,859,415.35

Accounts receivable with significant single amount at the end of the period and single provision for bad debt provision:
 Applicable Not applicable

In the combination, the accounts receivable withdrawing bad debt provision according to the aging analysis method:

Applicable Not applicable

unit: yuan

Aging	accounts receivable	Ending balance	
		Bad debt provision	Withdrawal ratio
Item within 1 year			
Within 3 months	603,088,335.14		
4 to 6 months	18,423,924.54	921,196.20	5.00%
7 months to 1 year	3,067,944.06	1,533,972.04	50.00%
Subtotal within 1 year	624,580,203.74	2,455,168.24	
1 to 2 years	1,307,569.09	1,046,055.27	80.00%
2 to 3 years	4,811,385.22	4,811,385.22	100.00%
total	630,699,158.05	8,312,608.73	

Instructions for determining the basis of the combination:

no.

In the combination, the balance receivable method is used to accrue bad debt provision receivables:

Applicable Not applicable

In the combination, the accounts receivable withdrawing bad debt provision by other methods:

no.

2) The bad debt provision in the current period

The amount of bad debt provision for this period is -319,380.08 yuan; the amount of bad debt provision recovered or transferred back in this period is 0.00 yuan.

Among them, the amount of bad debts to be recovered or transferred back in this period is important:

unit: yuan

company name	Amount recovered or transferred back	Recovery method
no.		

3) The top five accounts receivable by the ending balance collected by the arrears

company name	Ending balance	Proportion of total accounts receivable (%)	Bad debt reserve balance
First place	66,844,268.84	10.31	
Second place	51,247,943.55	7.91	

193

Third place	50,317,198.80	7.76
fourth place	47,928,996.05	7.39
the fifth place	36,503,443.30	5.63
total	252,841,850.54	39.00

2. Other receivables

unit: yuan

project	Ending balance	Opening Balance
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Other receivables	59,731,197.94	307,881,858.01
total	59,731,197.94	307,881,858.01

(1) Other receivables

1) Classified disclosure of other receivables

unit: yuan

category	Ending balance				Opening Balance				
	Book balance		Bad debt provision		Book balance		Bad debt provision		
	Amount	proportion	Amount	Counting ratio Book value example	Amount	proportion	Amount	Withdrawal ratio Book value	
By credit risk characteristic group	62,840.0		3,108.81	59,731.19	309,271		1,389,767	307,881.85	
Total provision for bad debts	16.83	100.00%	8.89	4.95%	7.94	.625.17	100.00%	.16	0.45%
Other receivables									
total	62,840.0	100.00%	3,108.81	4.95%	59,731.19	309,271	1,389,767	307,881.85	
	16.83		8.89		7.94	.625.17	100.00%	.16	0.45%

Other receivables with significant single amount at the end of the period and single provision for bad debt provision:

 Applicable Not applicable

In the combination, other receivables withdrawing bad debt provision according to the aging analysis method:

 Applicable Not applicable

unit: yuan

Aging	Ending balance		
	Other receivables	Bad debt provision	Withdrawal ratio
Item within 1 year			
Within 3 months	58,343,469.44		
4 to 6 months	458,808.50	22,940.42	5.00%
7 months to 1 year	722,815.49	361,407.75	50.00%
Subtotal within 1 year	59,525,093.43	384,348.17	

194

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

1 to 2 years	2,952,263.40	2,361,810.72	80.00%
2 to 3 years	362,660.00	362,660.00	100.00%
total	62,840,016.83	3,108,818.89	

Instructions for determining the basis of the combination:

no.

In the portfolio, other receivables for bad debt provision are calculated using the balance percentage method:

 Applicable Not applicable

In the portfolio, other receivables for accruing bad debt provision by other methods:

 Applicable Not applicable

2) The bad debt provision in the current period

In the current period, the provision for bad debts was RMB 1,730,374.22; the amount of bad debts recovered or transferred back in the period was RMB 0.00.

Among them, it is important that the amount of bad debts to be transferred back or recovered in this period:

unit: yuan

company name Reversing or recovering the amount Recovery method

no.

3) Other receivables are classified according to the nature of the money

unit: yuan

Nature of payment	Book balance at the end of the period	Opening balance
Reserve fund	2,354,765.32	543,598.54
Margin	55,525,475.50	33,394,297.40
Current payment	4,700,205.15	274,957,316.06
other	259,570.86	376,413.17
total	62,840,016.83	309,271,625.17

4) Other receivables in the top five of the ending balance collected by the debtor

unit: yuan

company name	Nature of payment	Ending balance	Aging	At the end of other receivable Bad debt preparation period ending balance The proportion of the total balance
Minmetals Jingyi Futures Co., Ltd. Division	Futures margin	26,857,195.00	within 3 months	42.74%
CCB Futures Co., Ltd. Division	Futures margin	20,669,087.00	within 3 months	32.89%
Jinrui Futures Co., Ltd.	Futures Margin	7,998,593.50	within 3 months	12.73%
Jiangsu East China Geological Engineering Limited company	Current payment	2,550,000.00	1-2 years	4.06% 2,040,000.00
Congo Hailiang Mining Co., Ltd. Any company	Current payment	1,357,177.44	7-12 months	2.16%
total	-	59,432,052.94	-	2,040,000.00

195

3. Long-term equity investment

unit: yuan

project	Ending balance		Opening Balance	
	Book balance	Provision for impairment	Book balance	Provision for impairment
Investment in subsidiaries	847,794,941.30	4,847,794,941.30	3,530,772,900.37	3,530,772,900.37
For joint ventures and joint ventures Investment	1,287,972,551.61	1,287,972,551.61	1,238,761,691.88	1,238,761,691.88
total	6,135,767,492.91	6,135,767,492.91	4,769,534,592.25	4,769,534,592.25

(1) Investment in subsidiaries

unit: yuan

Invested unit	Opening Balance	Increase in this period	Decrease in this period	Ending balance	Provision for impairment	
					Prepare	amount

Materials Co., Ltd.	366,877,363.44	366,877,363.44
Zhejiang Hailiang International Trade Easy Co., Ltd.	10,000,230.81	10,000,230.81
Hong Kong Hailiang Copper Trading Limited company	206,536,240.00 401,487,640.93	608,023,880.93
Research on Zhejiang Copper Processing Institute Co., Ltd.	10,716,298.03	10,716,298.03
Shanghai Hailiang Copper Limited company	249,531,986.84	249,531,986.84
Hailiang America	6,832,500.00	6,832,500.00
Vietnam Hailiang Metal Products Co., Ltd.	60,696,700.00	60,696,700.00
Hailiang (Vietnam) Copper Limited company	322,894,901.99	322,894,901.99
Hailiang (Anhui) Copper Limited company	160,000,000.00 370,000,000.00	530,000,000.00
Hailiang (Africa) Mining Investment Co., Ltd	103,113,215.00	103,113,215.00
Guangdong Hailiang Copper Limited company	200,000,000.00 300,000,000.00	500,000,000.00
Zhejiang Hailiang Environmental Materials Materials Co., Ltd.	924,853,569.62	924,853,569.62
Jiangsu Canghuan Copper Pipe	948,452.17	948,452.17

196

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

Sales Co., Ltd.		
JMF Company	170,117,333.51	170,117,333.51
Zhejiang Hailiang New Materials Limited company	30,000,000.00 60,000,000.00	90,000,000.00
Hailiang Otto Copper Pipe (Guangzhou East) Co., Ltd.	707,654,108.96	707,654,108.96
SINGAPORE HAILIANG METAL MATERIALS	26,466,400.00	26,466,400.00
Chengdu Bader Copper Limited company	59,068,000.00	59,068,000.00
Chongqing Hailiang Copper has Limited company	100,000,000.00	100,000,000.00
total	3,530,772,900.37 1,317,022,040.93	4,847,794,941.30

(2) Investment in associates and joint ventures

unit: yuan

Investment unit opening balance	Changes in the current period					Ending balance
	Under the equity method	Other comprehensive income	Other adjustments	Announcement	Provision for impairment	
	Additional investment reduction	Capital gains and losses	Income adjustment	Cash dividend	Provision for impairment	
	Capital gains and losses	Income adjustment	Or profit	ready	other	Ending balance
1. Joint venture						
2. Associated enterprises						
Bank of Ningxia						
Limited shares	704,792.9	33,900.41	11,992.45	-24,194.9	12,200.00	714,290.9
the company	98.69	0.60	4.25	35.00	0.00	28.54
Hailiang Group						
Limited financial	533,968.6	39,712.92				573,681.6
Responsible company	93.19	9.88				23.07
Subtotal	1,238,761	73,613.34	11,992.45	-24,194.9	12,200.00	1,287,972
	,691.88	0.48	4.25	35.00	0.00	,551.61
total	1,238,761	73,613.34	11,992.45	-24,194.9	12,200.00	1,287,972
	,691.88	0.48	4.25	35.00	0.00	,551.61

4. Operating income and operating costs

unit: yuan

197

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

project	Current amount		Amount in the previous period	
	income	cost	income	cost
Main business	8,423,936,493.75	7,849,701,329.27	7,046,891,602.73	6,649,073,297.52
Other business	7,704,646,852.24	7,687,932,512.36	4,800,212,744.01	4,784,964,685.86
total	16,128,583,345.99	15,537,633,841.63	11,847,104,346.74	11,434,037,983.38

other instructions:

no.

5. Investment income

unit: yuan

project	Current amount	Amount in the previous period
Cost method of long-term equity investment income	84,682,040.59	88,672,394.08
Long-term equity investment income calculated by equity method	73,613,340.48	97,597,446.79
Investment income from disposal of long-term equity investment		1,314,702.26
Disposal is measured at fair value and its changes are included in the current loss	-53,597,500.00	-105,884,346.02
Investment income from profitable financial assets		
total	104,697,881.07	81,700,197.11

18. Supplementary Information

I. The current non-recurring profit and loss statement√ Applicable Not applicable

unit: yuan

project	Amount	Explanation
Non-current asset disposal gains and losses	-4,465,351.31	
Government subsidies included in the current profit and loss (close to the business of the enterprise Relevant, according to the national unified standard quota or quantitative enjoyment Except for government subsidies received)	58,729,589.10	
Except for effective hedging related to the company's normal business operations		
In addition to value-added services, holding transactional financial assets, transactional		
Profit and loss from changes in fair value of financial liabilities, and	61,682,842.89	
Disposal of transactional financial assets, transactional financial liabilities and		
Investment income from available-for-sale financial assets		
Other non-operating income and expenses other than the above	13,507,572.48	
Less: the amount of income tax impact	23,154,404.86	
Minority shareholders' equity impact	-1,008,735.58	

198

Zhejiang Hailiang Co., Ltd. 2018 Annual Report

total 107,308,983.88 -

For the company's non-recurring profit and loss items defined in accordance with the definition of "Announcement of Information Disclosure by Companies Offering Securities to the Public No. 1-Non-recurring Profit and Loss", and the Explanatory Announcement No. 1 of Company Information Disclosure of Development Bank Securities-Non-recurring P & L Items listed in the Non-recurring P & L Items are defined as recurring P & L items and should be Explain the reason.

 Applicable Not applicable**2. Return on net assets and earnings per share**

Profit during the reporting period	Weighted average return on net assets	Earnings per share	
		Basic earnings per share (yuan / share)	Diluted earnings per share (yuan / share)
Net profit attributable to common shareholders of the company	14.87%	0.5216	0.5164
After deducting non-recurring gains and losses attributable to the company	13.11%	0.4600	0.4554
Common shareholders' net profit			

Section XII Documents for Reference

1. It bears the signature of the person in charge of the company, the person in charge of accounting work and the person in charge of the accounting organization (person in charge of accounting) and Sealed financial statements.

2. The original and public documents of all company documents publicly disclosed on the information disclosure carrier designated by the China Securities Regulatory Commission Report manuscript.

3. The 2018 annual report bearing the signature of the company's legal representative.

4. Other documents for reference.

The above documents are kept in the company's securities investment department for reference.

Zhejiang Hailiang Co., Ltd.

Chairman: Zhu Zhangquan

April 29, 2019

