



EcoGreen International Group Limited
中怡國際集團有限公司

(incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)

Stock code 股份代號: 2341



SCENT
& TASTE
NATURALS
SPECIALTY
CHEMICALS



Annual
Report 年報
2016





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Chairman's Statement

主席報告書



CENT



ASTE



EcoGreen, Eco-Friendly
愛地球、愛眾生





Chairman's Statement 主席報告書

Chairman's Statement REVIEW

On behalf of the board of directors (the "Board") of EcoGreen International Group Limited ("the Company"), I would like to report the annual results of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016 (the "Year") to the shareholders. During the Year, the Group's turnover rose by 6% year on year to approximately RMB1,630 million compared to 2015. Profit attributable to shareholders for the Year increased by 70% year on year to RMB145 million compared to 2015. Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased by 29% year on year to RMB328 million compared to 2015. Basic earnings per share and diluted earnings per share for the Year amounted to RMB22.4 cents and RMB22.3 cents respectively (2015: RMB13.2 cents and 12.9 cents respectively).

In appreciation of the shareholders' support, the Board resolved to declare a final dividend of 3.4 HK cents per share for the Year, which is subject to the approval by the shareholders at the forthcoming annual general meeting (the "AGM") of the Company. Together with the interim dividend of HK1.4 cents, the total dividend per share for the Year would be HK4.8 cents (2015: HK4.8 cents).

In 2016, the global economy experienced high volatility in the midst of China's economic downturn, RMB devaluation, US interest rate hike and a number of "Black Swan" events such as Brexit and US presidential election. Although US consumer sentiment turned optimistic after the US presidential election, overall economy lacks motivation throughout the eurozone and emerging markets. In China, real economy faces transformational pressure driven by "Supply-side Reform", consumer confidence in China was relatively weak while the overall business environment remained challenging.

主席報告 回顧

本人謹代表中怡國際集團有限公司(「本公司」)董事會(「董事會」),向各股東報告本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度(「本年度」)之業績。集團本年度營業額約為人民幣16.3億元,與二零一五年相比上升6%;本公司股東應佔利潤為人民幣1.45億元,較去年上升70%。未扣除利息、稅項、折舊和攤銷前盈利(「EBITDA」)為人民幣3.28億元,較二零一五年同比上升29%,而每股基本及攤薄利潤分別為人民幣22.4分及22.3分(二零一五年:分別為人民幣13.2分及12.9分)。

為了回報廣大股東的支持,董事會建議宣派本年度末期股息每股港幣3.4仙,惟須待股東於應屆股東週年大會(「股東週年大會」)批准。連同中期股息每股港幣1.4仙,本年度的股息分派總額為每股港幣4.8仙(二零一五年:港幣4.8仙)。

2016年,受到中國經濟下滑、人民幣貶值、美元利率調升以及多件國際政治『黑天鵝』事件(包括英國公投退出歐盟以及特朗普先生當選美國總統等)的影響,全球經濟在放緩中加劇了波動。雖然美國總統大選後,美國消費者情緒轉為樂觀,然而,放眼歐元區以及新興國家,經濟仍普遍缺乏動力;在中國,消費者信心較為疲弱,在『供給側』改革的推動下實體經濟正面對轉型壓力,整體經營環境充滿著挑戰。



Chairman's Statement 主席報告書

The year of 2016 marked the third year of the Group's new decade of development, we have implemented strategic practices in various business scopes:

1. The Group continued to implement the strategies of "Smart production and Supply chain management services" and "360-degree aroma chemicals business", which have achieved fruitful results over the past few years. The Group succeeded in collaborating with the world's sizeable midstream and downstream producers in the provision of one-stop supply chain management services, that encompass research and development, procurement, production, storage and logistics, among which our aroma chemicals business integration platform has generated economies of scale for the Group. As a result, our sales revenue of aroma chemicals business rose by 6% compared to 2015.
2. The Group set up its preliminary international supply chain of natural-based and petroleum-based complementary mechanism, to secure the supply and price stability of the Group's natural resources. Meanwhile, our Carbon (C5) molecules petroleum-based resources has established a new and powerful resource basis for its fine chemicals business stream. These measures enabled the Group to better control production cost, resulting an overall gross profit margin increase by 1.3 percentage points to 24.5% compared to 2015.
3. In respect of our "Scent & Taste" business, petroleum-based aroma chemicals attained a rapid growth, while the downstream development of aroma business has been proactive and well-received by the Group's key customers. Seasoning product series served customers from individual to catering providers (centralized kitchens). The Group offered standardized compounded flavoring sauce as a seasoning solution for standardization of Chinese cuisine which has been well received by the Group's end-users. In respect of "Natural Products", the Group launched a strategic plan and established a database and sourcing analytic system for its natural products, thereby laying a solid foundation for the operation of the natural essential oil supply chain. Natural food additives recorded a steady growth, among which special flavoring ingredients increased by over 50%, while the resources control of fresh oysters extracts has further consolidated. Meanwhile, the Group planned to upgrade and relocate its fully utilized Xinglin production facilities to Changtai plant. In respect of "Specialty Chemicals", the Group's pine-based and petroleum-based functional chemical products were well expanded into the industries of electronics, medical intermediates and pesticide agents.

2016年，是集團宣示開啟「新中怡」十年的第三個年頭，我們落實了集團在多個事業領域裡的戰略實踐：

- 一、 集團繼續積極實施「精進製造+供應鏈服務」的策略和「360度全景香原料產業戰略」，這已在幾年間取得豐厚成果。使得本集團成功為全球大型中下游生產商提供更緊密服務產品，包括為客戶提供由研發、採購、生產到倉儲至物流等一站式的供應鏈整體服務方案。其中，香原料集成的事業平臺已為集團帶來規模化效益，使得2016年香原料的銷售收入比較上一年錄得6%的增長。
- 二、 天然基和石油基產品的國際供應鏈初步建構完成。其中，以松節油為主的天然基與國內供應鏈築成一個均衡互補的機制，保障了集團的天然資源供應和價格的穩定性；以五碳分子(C5)為主的石油基資源則為集團的精細化工事業群提供全新的、強大的原料基礎。以上舉措使得集團在生產成本上有更好的管控，2016年全年的綜合毛利率達到24.5%，比2015年同期提升了1.3個百分點。
- 三、 「芳香和味道」業務方面，以石油基為原料的香原料產品獲得了較快的增長；香料產業鏈下游業務正在積極發展中，已經開始獲得重要客戶的採用；面對消費客戶的調味產品系列轉向面對團餐客戶（中央廚房），並從客戶需求出發，提供中餐標準化的解決方案標準化復合調味醬。該產品已經在終端用戶使用，並得到一致好評。天然產物」業務方面，天然精油事業群在上游資源產地展開了前瞻性的佈局，建立了天然資源資訊數據庫和採集分析共用系統，為天然精油全產業鏈的運營打下良好基礎；天然食品配料增長穩定，其中風味配料增長超過50%，而海鮮提取物（鮮蠔）的資源控制得到進一步鞏固，同時正計劃將現已生產飽和的杏林廠區整體升級搬遷到長泰廠區。「特殊化學品」業務方面，集團的松樹基和石油基功能化學品分別在電子行業、醫藥中間體和農藥增效劑等領域均獲得良好的拓展。



Chairman's Statement 主席報告書

4. Project Gulei's first phase of construction officially started in the second half of 2016, and is planned to commence production in 2019. Adhering to its "Industry 4.0" construction concept of informatization and intelligentization, the Group adjusted its plan for Project Gulei in response to the global economy changes and mainland China's supply-side reform. The adjustments include product mix enhancement for both domestic and foreign markets, and synergies achievement with natural-based and petroleum-based resources supply chain. Moreover, the Group developed a new business of "functional materials" to create synergies with "functional chemical products" (aroma chemicals inclusive) business.

2016 was the first year of the development of "functional materials" business, the Group has since coordinated different departments of human resources, marketing, supply chain management, technology to build up a preliminary application platform.

5. In line with the Group's business transformation strategy, the Group continued to proactively seek out synergistic corporate collaboration or business opportunities. The Group expected to accelerate its business growth through prudent cooperation, investment and acquisitions. At present, the Group actively considers appropriate approaches in various business aspects.

四、古雷項目在二零一六年下半年正式動工並將分階段投入建造，預期在二零一九年開始逐步投產。秉持「兩化融合」的產業建設理念，並因應全球經濟形勢變化和中國大陸供給側改革，古雷項目的規劃已作適當調整，包括對內銷與國際市場產品結構的優化、天然基資源與石油基資源供應鏈的協同支援、「功能化學品」事業群（含香原料）與「功能材料」新事業群的協同發展格局已經成形。

2016年是集團發展「功能材料」事業的啟動元年，無論是在人力資源、市場戰略、供應鏈管理、工藝技術、應用平臺項目建設前期都在逐一落實到位。

五、除此之外，根據公司業務轉型的策略，集團繼續在積極地尋找具協同效益的企業或業務機會，期待通過審慎的合作、投資以及收購，以加快自身業務的成長。目前，在不同業務方向上，正在積極地考慮一些適當的建議。



CO-FRIENDLY

Chairman's Statement 主席報告書

OUTLOOK

In 2017, facing new US diplomatic and economic policies and UK's Brexit negotiation, coupled with challenges of eurozone domestic politics and international debt, along with Chinese "new normal" operation economy, the global economy is expected to remain very uncertain. Despite economic data at the beginning of the year showed an improvement of the global economic situation, we maintain a prudent expectation towards the overall business environment under the rise of protectionism, trade and geopolitical friction.

The Group endeavors to continue its corporate transformation strategy "New EcoGreen" despite the uncertain economic outlook. The Group will develop new business to generate synergy with existing businesses upon its solid financial basis. Leveraging excellent customer services, efficient operation, sophisticated cost management, and strong information technology application, the Group aims to foster a rapid business growth and enhance revenue and capital return.

1. As to its core business of aroma chemicals, the Group expects its portfolio of natural-based products and petroleum-based products to have steady growth. The Group will continue to achieve for higher sustainable and reliable supply capacity and product profitability for larger market share, including (1) the Group will continue to increase investment on upgrading its environmental protection and safety technology, as well as on enhancing its capacity, to better secure its own sustainable development, and to take over the demand from other domestic enterprises with discontinued products due to new government environmental policies, which will contribute value creation to the Group's traditional customers; (2) the Group will broaden the scope of its integration of strategic resources and supply chain globalization, to enhance the reliability and cost advantage of the supply chain; (3) the Group will increase the investment on technology transformation to further enhance its production capacity, and reduce the consumption of raw materials and energy, and proportion of air, water and land pollutants which will obtain dual benefits for the corporate and the society and (4) the Group will thoroughly enhance the application value of its by-products.

展望

二零一七年，隨著美國新一屆政府外交和經濟政策的實施、和英國議會開始授權脫歐談判，加上歐洲多國所面對的國內政治和國際債務的多重挑戰以及中國經濟在『新常态』下的運行，預計全球經濟將面臨更大不確定性。雖然，年初的經濟數據顯示環球經濟情況有所改善，惟在保護主義抬頭、貿易及地緣政治磨擦升溫、以至全球化進程放慢的陰影下，我們對全年經營環境抱持審慎的預期。

儘管前景仍不明朗，但集團的「新中怡」戰略將繼續會堅定地貫徹到底。在穩健之財務基礎上，培育新的事業群，並與現有的事業群產生協同發展。透過卓越的客戶服務、高效的營運、精緻的成本管理、強化資訊科技的應用，以期推動集團業務的快速成長，提升收益和資本回報。

- 一、主營業務香原料方面，預計在天然基和石油基的產品組合上都會有穩定增長的表現。在持續努力拓展市場的同時，因應銷售和產能的增長，集團今年的營運重點將放在提升可持續與穩定可靠的供應能力以及產品贏利能力上。主要包括：（一）集團繼續加大在環保、安全的技術升級和能力提升方面的投入，一方面保障集團自身的可持續發展，另一方面也將承接國內其它企業因環保新政而停產的產品，為集團的傳統客戶貢獻更大價值；（二）拓展戰略資源與供應鏈全球化相融合的深度與廣度，提升供應鏈的可靠性和成本優勢；（三）增加技改工藝的投入，通過進一步提升生產得率，降低原料消耗、能源消耗和三廢比例，達到成本降低和排放減少，以獲得企業和社會雙重效益；及（四）深度挖掘及提升副產物的應用價值。



Chairman's Statement 主席報告書



We are committed to bring health and well-being to the globe
成就眾生與地球健康的崇高使命

2. As a new business development of the Group, natural essential oils are used in the production of aroma chemicals, food ingredients, personal care products, aromatherapy, and medical ointments. More than 18 products have been included in the Group's business plan at present. Through the gradual improvement of the Group's natural resources database system, the business segment is expected to scale up revenue contribution next year and become a new drive of the Group's business growth.

The standardized compounded flavoring sauce is an integrated seasoning solution for the rapid-growing catering market, which will also serve to establish a sales network for the Group's end-users and channel-users.
- 二、作為集團刻意打造的新創事業群，天然精油產業其產品應用涵蓋香原料、食品配料、個人護理品、芳療和藥油原料等。目前列入經營計劃的產品多達十八個，通過逐步完善的集團天然資源資訊數據庫和採集分析共用系統，可以期待在新的一年將有規模化的營收貢獻並逐步成為業務增長的新動力。

面向終端廚房的標準化「復合調味醬」將為增長迅速的團餐客戶餐飲市場提供完善的產品系列，並將建立健全終端用戶和管道用戶並舉的營銷網絡。
3. The business of functional materials and the construction of the Gulei production base have been pressed ahead with the support of the Group's international expert teams. The construction of the first application laboratory of functional materials is tailor-made to satisfy the needs of the end-users with aim of value creation and rapid growth. A number of functional resin-related market and customer development projects have been launched successfully, assisting this newly formed business to generate income in the first year.

三、功能材料事業在項目的國際專家組的支持下，當下正在全力衝刺古雷製造基地的建設，集團第一個功能材料應用技術實驗室的建設和使用，特別制定了面對客戶應用端的「價值開創，事業躍升」行動計劃，多項功能樹脂有關的市場與客戶拓展專案已經成功啟動。相信這個新生事業的業務營收在其開局之年就有零的突破。

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4. Project Gulei in the Gulei Chemical Industrial Park is currently under construction. In addition to becoming the pioneer of functional materials provider in the domestic market, the Group will leverage on its new strategic resources supply chain to unprecedentedly expand the chemicals resources, supply and the range of application for its fine chemicals business. In the future, Gulei production base will cover a broader range of product mix of aroma chemicals and functional chemical products. The combination of sophisticated chemicals reaction will enable EcoGreen to become a multi-functional chemical manufacturing base and achieve the ultimate business goal of the Group's new decade of development.
5. Additionally, the Group "New EcoGreen" will proactively and persistently seek strategic M&A opportunities under the strategic guidance of the Group's new decade of development. The Group will endeavor to carry on its business goal of traditional business segment such as flavour and fragrance business, and new business such as functional materials and functional chemicals products.

The Group will continue to uphold the noble mission of "Commitment to bringing health and well-being to the globe" and pursue the business philosophy "EcoGreen and Eco-friendly". In accordance with its vision of "making the best use of talents and resources", EcoGreen will make an unrelenting and unswerving effort to foster its newly established businesses.

Acknowledgement

On behalf of the Board, I would like to express my heartfelt gratitude to all our shareholders, customers, suppliers, bankers and staff members for their consistent trust and support which have been crucial to the Group's success. I would also like to extend my thanks to all the directors of the Company (the "Directors") and the Group's advisors for their great support and valuable advice.

Yang Yirong
Chairman
Hong Kong, 28 March 2017

四、中怡古雷產業園正在動工建設，除了目標成為國內行業先行者的功能材料項目之外，以新型戰略資源供應鏈組合為支撐，集團將前所未有地拓展精細化工事業板塊原料資源的供應維度和應用廣度。未來，古雷製造基地所涵蓋的香原料和功能性化學品的產品組合將更豐富多彩，更加完備的化工反應類型的集合將使得中怡古雷成為多功能化學品製造基地，從而全面實現新中怡的宏偉事業目標。

五、此外，在「新中怡」戰略的指引下，集團將更加積極地、不間斷地在尋求策略併購的機會，無論是在我們傳統的業務領域如香精香料，還是新事業如功能材料以及功能性化學品，我們都在跟進相應的目標，加緊努力。

集團始終秉承「成就眾生與地球健康平安之美」的崇高使命，並以「愛地球，愛眾生」(EcoGreen, Eco-friendly)為經營理念。堅定追求「人盡其才，物盡其用」的事業願景，不忘初心，篤定前行，為成就「新中怡」的事業生命體而精進努力。

致謝

本人謹代表董事會，對廣大股東、客戶、供應商、銀行及全體員工致以衷心謝意。大家對集團一如以往的信任與支持是本集團事業取得成功的根本要素。同時，也感謝集團各位董事（「董事」）以及顧問所給予的大力支持和寶貴建議。

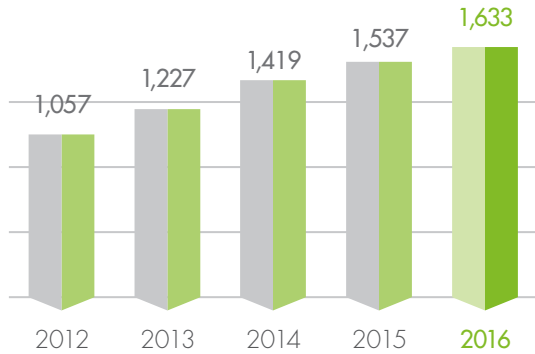
主席
楊毅融
香港，二零一七年三月二十八日



Financial Highlights 財務資料概要

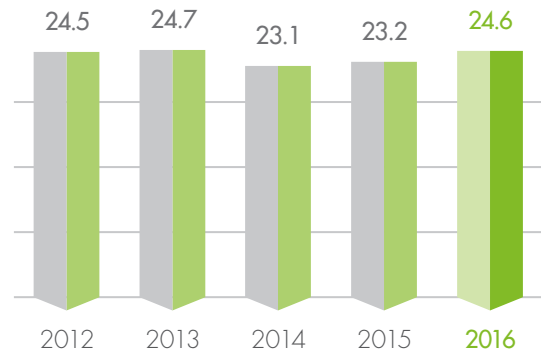
Revenue 收入

in RMB million
人民幣百萬元



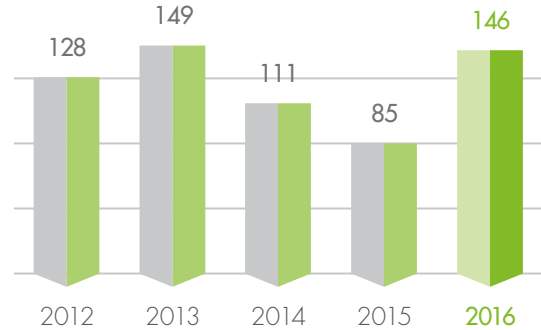
Gross Profit Margin 毛利率

percentage
百分比



Profit Attributable to Shareholders of the Company 本公司股東應佔利潤

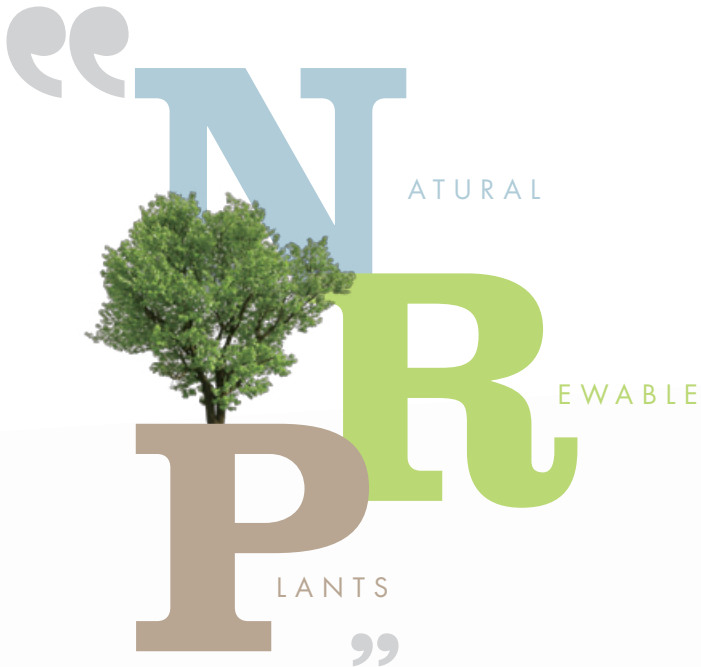
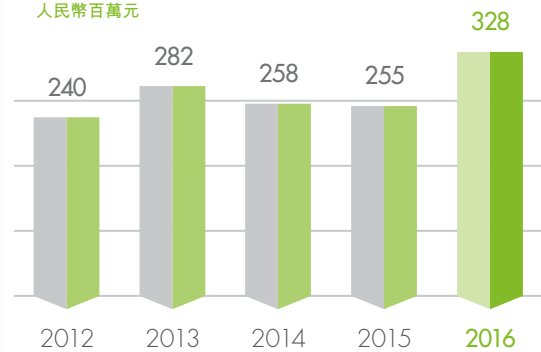
in RMB million
人民幣百萬元



EBITDA

未扣除利息、稅項、折舊和攤銷前盈利

in RMB million
人民幣百萬元



Management Discussion and Analysis 管理層討論及分析

Financial Review

Revenue

For the year ended 31 December 2016, the Group's revenue increased by 6% to approximately RMB1.63 billion. Growth in sales revenue is primarily attributed to the increase in sales volume of the Group's products, albeit the gentle shrink of the main products' selling price during the year.

(i) Scent & Taste

"Scent & Taste" continued to be the Group's core product segment, and constituted a stable and major income source for the Group during the year under review. As key ingredients used in many daily consumer goods, "Scent and Taste" products witnessed rising market demand with a combined positive effect of its diversified applications and the development in the emerging markets.

During the year under review, the Group has launched and sold more than 100 types of "Scent" products to customers around the world, driving a 4% increase of revenue in last year. As the Group further expand its market share in the field of fragrance. Important customers of the industry became more relied on the Company's integrated supply chain. In addition, the revenue of "Taste" products through provision of solutions increased by 7% over the last year.

For the year ended 31 December 2016, the revenue from the "Scent and Taste" sector increased by 5% to RMB1,025 million (2015: RMB975 million) and accounted for 62% of the Group's overall revenue (2015: 64%)

(ii) Naturals

In respect of the "Naturals" products, apart from existing natural pharmaceutical raw materials, the Group has been actively engaged in the development of food additives business for the production of food ingredients, fast food, frozen food and pet nutrition food, which is produced with purification and bio-conversion technologies from natural produces. Naturals mainly include seafood, meat and mushroom extracts.

For the year ended 31 December 2016, the total revenue from "Natural" products was RMB353 million (2015: RMB283 million), representing an increase of 24% from last year and accounting for 22% of the Group's sales volume (2015: 18%).

財務回顧

營業額

截至二零一六年十二月三十一日止年度，本集團營業額增加6%至約人民幣16.3億元。銷售收入的增長主要是由於本集團產品銷售量的增加，儘管主要產品的銷售價格在年內略有下降。

(i) 芳香及味道

「芳香及味道」類別仍是本集團之核心產品類別，為集團提供了穩定的主要收入。作為多種日常必需消費品的關鍵功能組份，本集團的芳香及味道產品因為應用廣泛及新興市場的發展而導致的市場需求仍然增加。

於本回顧年度內，集團已經推出超過100種「芳香」產品銷往全球客戶，收入比去年提升4%，同時，集團繼續擴大在香料領域的市場份額，使本行業的重要客戶更多仰賴本公司整合供應鏈集成供應。以解決方案提供的「味道」產品其收入比去年增長7%。

截至二零一六年十二月三十一日止年度，「芳香及味道」產品類別的營業額上升5%至人民幣10.25億元（二零一五年：人民幣9.75億元），佔本集團營業額的62%（二零一五年：64%）。

(ii) 天然產物

「天然產物」除包涵了原有的天然藥物原料外，本集團已在積極地開發以天然物提純及轉化技術為基礎、應用於生產調味品、快速食品、冷凍調理食品及寵物營養食品的食品配料業務，主要是海鮮、肉類及食用菌等天然產物。

截至二零一六年十二月三十一日止年度，「天然產物」的總營業額為人民幣3.53億元（二零一五年：人民幣2.83億元），較去年增長24%，這業務佔集團銷售額的22%（二零一五年：18%）。



Management Discussion and Analysis 管理層討論及分析

Financial Review (continued)

Revenue (continued)

(iii) Specialties and Others

Besides the chiral pharmaceuticals and specialty chemicals, the Group also applies similar advanced technologies of synthesis to produce agrochemical "Specialties" chemicals, which will be turned into a kind of eco-pesticide later. In terms of functional chemicals in "Others" segment, disinfectant chemicals maintained a steady stream of business; an expansion to include electronic chemicals is also in the works. Following the Group's development in the supply chain of petroleum-based products, it is believed that the functional chemicals business will usher in a period of growth.

During the year under review, revenue of products in this category decreased by 8% to RMB255 million (2015: RMB278 million) and accounting for 16% (2015: 18%) of the Group's sales volume.

Gross Profit

During the year under review, the Group's gross profit increased by 13% to RMB401 million. Gross profit margin increased from 23.2% in 2015 to 24.5% in 2016. By the products category, the gross profit margin of "Scent and Taste" increased from 24.6% in 2015 to 26.3% in 2016, while "Naturals" decreased from 18.6% in 2015 to 18.2% this year. The profit margin of "Specialties and Others" increased from 22.9% in 2015 to 26.4% in 2016.

Operating Income and Expense

For the year ended 31 December 2016, selling and marketing expenses accounted for 2.0% of the Group's turnover (2015: 1.9%) whereas the administrative expenses accounted for 4.4% of turnover (2015: 5.4%). Under the Group's effective cost-cutting measures, the operating expenses remained stable in these two years. The administrative expenses to sales ratio slightly decreased in this year because the Group incurred legal and professional fees of RMB11,730,000 in a proposed cross-border acquisition in 2015.

Other Losses – Net

The Company has entered into certain foreign exchange contracts for the purpose of hedging the RMB against foreign currency income from the export business. Since 2014, currency rate of RMB fluctuated significantly which represented a turnaround from the gradual appreciation of the RMB against the USD over the past few years. The Group recorded net losses on those RMB/USD foreign currency contracts of RMB5.26 million (2015: RMB28.47 million). Nevertheless, the Group has not experienced any material difficulties or effects on its operations or liquidity as a result of fluctuations in currency exchange rates during the year.

財務回顧 (續)

營業額 (續)

(iii) 特殊化學品及其他

「特殊化學品」類別包含了手性藥物原料、醫藥特殊化學品以及運用同類先進的合成技術生產並用於製造生態農藥之農用化學品特殊化學品。在「其他」類別的功能化學品方面，針對洗滌消毒產業的產品已經形成穩定業務，此外，也向電子化學品拓展。隨著集團未來加大在石油基產業鏈的發展，功能化學品業務將步入增長軌道。

於本回顧年度，此產品類別的營業額為人民幣2.55億元（二零一五年：人民幣2.78億元），較去年減少8%，佔集團銷售額的16%（二零一五年：18%）。

毛利

回顧年內，本集團的毛利增加13%至人民幣4.01億元。本集團的毛利率由二零一五年的23.2%上調至二零一六年24.5%之水準。按本集團產品類別分析，「芳香及味道」的毛利率由二零一五年的24.6%上調至二零一六年的26.3%，而「天然產物」的毛利便由二零一五年的18.6%下調至本年度的18.2%，「特殊化學品及其他」的產品類別之毛利率由二零一五年22.9%上調至二零一六年的26.4%。

經營收入及開支

二零一六年銷售及市場推廣成本佔銷售百分比2.0%（二零一五年：1.9%）；二零一六年行政費用佔銷售額4.4%（二零一五年：5.4%）。在本集團積極實行成本控制的措施下，經營成本基本上保持穩定；而本年度行政費用佔營業額比例稍為下跌的主要原因是於二零一五年度內集團參與了一項跨國企業收購項目而產生的法律及專業服務費用共人民幣1,173萬元所致。

其他損失 – 淨額

本集團訂立了若干外幣合約作為出口業務外匯收入對沖人民幣之用途。由於人民幣於二零一四年起出現大幅波動，扭轉以往數年人民幣兌美元逐步升值的局面，本集團於人民幣兌美元的遠期外幣合約錄得淨虧損共人民幣526萬元（二零一五年：人民幣2,847萬元）。儘管如此，本集團於年內並無因外幣匯率波動而於營運或資金流動狀況方面遇上任何重大困難或對其造成任何影響。

Management Discussion and Analysis 管理層討論及分析

Financial Review (continued)

Finance Costs – Net

As a significant portion of the Group's borrowings is denominated in USD, the fluctuation of the RMB during the year has led to the exchange loss of RMB50.05 million (2015: RMB37.51 million) arising from bank borrowings denominated in USD. On the other hand, the higher interest rates for bank loans obtained in China and the higher gearing level in this year have resulted in an increase in finance cost; while at the same time, higher interest income was earned from the bank deposits, resulting in an overall increase of the net finance cost by RMB15.20 million as compared to last year.

Taxation

Tax expense of the Group for 2016 was RMB74.23 million (2015: RMB66.3 million). Effective tax rate of the Group is 33.8% (2015: 43.8%).

Profit for the Year

Profit attributable to shareholders in 2016 was RMB145 million, representing an increase of 70% as compared to a profit of RMB85.52 million in 2015. Basic earnings per share was approximately RMB22.4 cents. The EBITDA amounted to RMB328 million as compared to RMB255 million in 2015, representing an increase of 29%.

Liquidity, Financial Resources and Capital Structure

During the year under review, the Group's primary source of funding mainly included the cash generated from financing activities. For the year ended 31 December 2016, net cash used in operating activities amounted to RMB42.71 million (2015: RMB136 million of net cash generated). The Group had net cash used in investing activities of RMB20.39 million (2015: RMB39.06 million of net cash generated). During the year under review, the net cash inflow from financing activities amounted to RMB197 million (2015: RMB143 million).

As at 31 December 2016, the average inventory turnover days, average trade receivable turnover days and average trade payable turnover days were 36 days, 144 days and 60 days (2015: 44 days, 138 days and 74 days), respectively.

財務回顧(續)

財務成本－淨額

基於本集團的借貸主要以美元計值，人民幣於年內之波動導致美元列值之銀行貸款錄得匯兌虧損共人民幣5,005萬元（二零一五年：人民幣3,751萬元）。另一方面，國內借貸成本較高及本年度的較高的借貸比率，令財務成本有所上調。與此同時，集團獲得較高的財務收益。財務收益與財務成本相互抵消後，淨財務成本較去年增加人民幣1,520萬元。

稅項

二零一六年度本集團之稅項開支為人民幣7,423萬元（二零一五年：人民幣6,630萬元），有效稅率為33.8%（二零一五年：43.8%）。

本年度利潤

二零一六年度股東應佔利潤為人民幣1.45億元，較二零一五年的人民幣8,552萬元增長70%。每股基本收益約為人民幣22.4分。本年度的未扣除利息、稅項、折舊和攤銷前盈利（EBITDA）為人民幣3.28億元，較二零一五年的人民幣2.55億元上升29%。

流動資金、財務資源及資本結構

於回顧年內，本集團之基本資金來源主要來自融資活動。截至二零一六年十二月三十一日止年度，本集團錄得經營活動所用現金淨額為人民幣4,271萬元（二零一五年：所得現金為人民幣1.36億元）。本集團於投資活動上所用現金淨額為人民幣2,039萬元（二零一五年：所得現金為人民幣3,906萬元）。於回顧年度內，本集團融資活動所得淨現金為人民幣1.97億元（二零一五年：人民幣1.43億元）。

於二零一六年十二月三十一日，存貨平均周轉天數、應收交易賬款平均周轉天數及應付交易賬款平均周轉天數分別為36天、144天及60天（二零一五年：分別為44天、138天及74天）。



Management Discussion and Analysis 管理層討論及分析

Financial Review (continued)

Liquidity, Financial Resources and Capital Structure (continued)

The Group's financial position remains very solid and healthy during the year under review. As at 31 December 2016, the total shareholders' equity of the Group was RMB1.61 billion (2015: RMB1.47 billion). The net current assets and the current ratio of the Group as at 31 December 2016 were approximately RMB1,427 million (2015: RMB1,557 million) and 2.1 (2015: 2.8), respectively.

As at 31 December 2016, the Group had borrowings and bills payable of approximately RMB1,212 million and RMB152 million (2015: RMB1,003 million and RMB177 million), respectively. Among the Group's borrowing, outstanding short-term borrowings amounted to RMB990 million (2015: RMB500 million). As at 31 December 2016, the Group's ratio of borrowings to total equity, was approximately 75% (2015: 68%) and the Group's net cash balance, being pledged bank deposits, short-term bank deposits, cash and cash equivalents less borrowings and bills payable amounted to RMB283 million (2015: RMB335 million).

With the positive cash inflow from the Group's operations, its available banking facilities and its existing cash resources, the Group has very strong liquidity and sufficient financial resources to meet its commitments, working capital requirements and future investments for expansion.

Treasury Policies and Exposure to Fluctuations in Exchange Rates

The Group is setting up a risk management committee and will follow stringent and prudent risk management policy to manage operating and capital market. Due to the combined factors that the sales and the purchase of raw materials of the Group are mainly denominated in USD and RMB, that the major production base is in China, that the Group's borrowings are primarily in USD and RMB, and that the consolidated financial statements are presented in RMB, exchange risks derived from the conversion from USD to RMB are involved. The Group will review its current hedging policy for foreign exchange in due course to further reduce foreign exchange risks in the short-to-long-term.

As at 31 December 2016, the Group's borrowings of approximately RMB406 million and RMB806 million (2015: RMB313 million and RMB690 million) were denominated in RMB and USD, respectively. Interest is mainly charged on a floating rate basis. Despite the slow recovery of the global economy in current year, it is expected that US interest rates may rise in 2017. The Group will continue to monitor the interest rates fluctuation in the market and take appropriate actions to minimize the interest rate risk.

財務回顧 (續)

流動資金、財務資源及資本結構 (續)

本集團於回顧年內之財務狀況仍然保持相當穩健。於二零一六年十二月三十一日，本集團的股東權益總額為人民幣16.1億港元（二零一五年：人民幣14.7億元）。本集團之流動資產淨值及流動比率分別約為人民幣14.27億元（二零一五年：人民幣15.57億元）及2.1（二零一五年：2.8）。

於二零一六年十二月三十一日，本集團之借貸及應付票據分別約為人民幣12.12億元及人民幣1.52億元（二零一五年：人民幣10.03億元及人民幣1.77億元），於本集團的借貸當中，短期借貸為人民幣9.90億元（二零一五年：人民幣5.0億元）。於二零一六年十二月三十一日，本集團之負債權益比率約為75%（二零一五年：68%），而本集團之淨現金結餘（即已抵押之銀行存款、短期銀行存款、現金及現金等價物減借貸及應付票據）則為人民幣2.83億元（二零一五年：人民幣3.35億元）。

憑藉經營業務所得正數現金流量、備用銀行融資及現有現金資源，本集團具備充裕流動資金及充足財務資源，應付其承擔、營運資金需求及日後擴展投資。

庫務政策及外匯波動風險

本集團正在計劃成立風險管理委員會，並會依據嚴格及審慎的風險管理政策應對經營及財資市場之風險。集團之銷售及原料採購以美元及人民幣為主，而主要的生產基地於中國，集團之借貸也是以美元及人民幣為主，合併財務報表並以人民幣為列值，故涉及美元兌換人民幣所產生之匯兌風險。集團並會適時審視現行的外匯對沖政策以進一步減低近期、及遠期的外匯風險。

於二零一六年十二月三十一日，本集團約人民幣4.06億元及人民幣8.06億元（二零一五年：人民幣3.13億元及人民幣6.90億元）之貸款分別以人民幣及美元列值。利息主要以浮動利率計算。雖然全球的經濟復甦於本年內仍然緩慢，但預期美國於二零一七年有加息的可能。本集團將繼續留意市場的利率波動，並將於適當時間作出合適的安排以減低利率上升的風險。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷

Directors

Executive Directors

Mr. YANG Yirong

Chairman and President, Chairman of Nomination Committee

Mr. Yang, aged 55, is the founder of the Group. He is responsible for strategic planning and formulation of overall corporate development policy for the Group. Mr. Yang holds a Bachelor's degree in science, majoring in chemistry from Huaqiao University in 1982. Prior to founding the Group in 1994, Mr. Yang has extensive experience in the fine chemical manufacturing and trading and has more than 23 years of experience in natural organic chemistry research.

Mr. GONG Xionghui

Senior Vice President – Engineering Project Management

Mr. Gong, aged 53, is responsible for project construction and strategic investment development. Mr. Gong holds a Master's degree in chemical engineering from Xiamen University and has accumulated over 29 years of experience in fine chemicals industry and qualified as an ISO 9000 auditor in the PRC in 1998. He joined the Group in September 1999.

Ms. LU Jiahua

Senior Vice President – Group Financial Control, Member of Remuneration Committee

Ms. Lu, aged 50, oversees the finance and accounting and human resources functions for the Group in the PRC. She has over 27 years of experience in accounting, financial management, administration management and internal auditing in a number of pharmaceutical and fine chemical manufacturing enterprises. Ms. Lu holds a Bachelor's degree and a Master's degree in economics and corporate management from Xiamen University. She joined the Group in April 2002.

Mr. LIN Zhigang

Senior Vice President – Group's Aroma Chemicals Business

Mr. Lin, aged 46, is responsible for the management of the Group's operation in aroma chemicals business. He holds a Bachelor's degree of economics obtained from Xiamen University. Prior to joining the Group in June 1996, he worked in a foreign investment enterprise and has concrete experience in sales and marketing management, business development and production management.

董事

執行董事

楊毅融先生

主席兼總裁，提名委員會主席

楊先生，55歲，本集團創辦人，負責制定本集團策略規劃及整體企業發展政策。楊先生在華僑大學主修化學，於一九八二年取得理學士學位。於一九九四年創辦本集團之前，已累積豐富精細化學品生產及貿易經驗，具有逾23年天然有機化學研究經驗。

龔雄輝先生

資深副總裁－工程項目管理

龔先生，53歲，負責項目建設及策略投資發展。龔先生持有廈門大學化學工程碩士學位，並累積超過29年之精細化工行業經驗。龔先生於一九九八年成為中國認可ISO 9000審計師。彼於一九九九年九月加入本集團。

盧家華女士

資深副總裁－集團財務管控，薪酬委員會成員

盧女士，50歲，負責監督本集團中國業務之財務與會計及人力資源的工作。盧女士於多間製藥工業及精細化工企業之會計、財務管理、行政管理及內部核數擁有逾27年經驗。盧女士持有廈門大學經濟學學士及企業管理碩士學位。彼於二零零二年四月加入本集團。

林志剛先生

資深副總裁－集團香原料業務

林先生，46歲，分管集團香原料業務。林先生持有廈門大學經濟學士學位。於一九九六年六月加入本集團之前，曾在一家外資企業工作，有堅實之銷售與市場推廣管理、業務開發及生產管理經驗。



Biographical Details of Directors and Senior Management 董事及高級管理人員履歷

Directors (continued)

Executive Directors (continued)

Mr. HAN Huan Guang

Senior Vice President – Group Strategic Investments and Capital Markets, Member of Remuneration Committee, Member of Nomination Committee

Mr. Han, aged 55, responsible for strategic investments, capital markets and investor relations. He graduated from Zhongshan University (中山大學) with a Bachelor's degree in biochemistry in 1982 and obtained his Master's degree in Business Administration from University of Technology, Sydney, Australia in 1993. He has over 28 years' experience in corporate finance, merger and acquisition, infrastructure and new technology developments, management of listed and non-listed companies in the PRC and overseas. Over the years, he has been a Director, and then Managing Director in China Everbright Medicine Co. Ltd. (a subsidiary of China Everbright Holdings Group), Livzon Pharmaceutical Group Inc. and in other senior management positions in Hong Kong, Singapore and Mainland companies. He has been appointed as a Councilor of the China Society of Biotechnology, and also member of some professional associations in the region. Mr. Han joined the Group in September 2005 as a Non-executive Director, and became an Executive Director from May 2006.

Non-executive Director

Mr. FENG Tao

Vice Chairman

Mr. Feng, aged 49, is the Chief Executive Officer of NewMargin Ventures Capital Co. Ltd., which is a leading venture capital management company in China. Commencing from 1999, Mr. Feng has been serving as the vice president officer (副主任) of The Foundation of Science & Technology for Development of the State Planning Committee, State Economic & Trade Commission of the PRC (中華人民共和國國家經濟貿易委員會) and Chinese Academy of Sciences. As one of pioneer of venture-capital of China, Mr. Feng possesses extensive experience and knowledge of both domestic and overseas markets. Mr. Feng was awarded the title of "Top 10 most influential venture capitalists in China" in the "Asia-Pacific Venture Capitalist Summit and Most Influential Venture Capitalists in China Award Ceremony" in April 2005. He obtained a Master's degree in science from the Department of Statistics and Applied Probability of University of Alberta in June 1992. He joined the Group in September 2005.

董事 (續)

執行董事 (續)

韓歡光先生

資深副總裁 – 集團策略投資與資本市場, 薪酬委員會成員, 提名委員會成員

韓先生, 55歲, 負責策略投資、資本市場及投資者關係。韓先生於一九八二年在中山大學畢業, 持有生物化學學士, 並於一九九三年獲取澳大利亞悉尼理工大學工商管理碩士學位。彼於中國及海外企業融資、併購、基建和新技術開發, 以及中國及海外上市及非上市公司管理方面積逾28年豐富經驗, 曾先後於中國光大集團附屬公司China Everbright Medicine Co. Ltd.、麗珠醫藥集團任職董事及董事總經理, 亦曾於香港、星加坡和中國公司擔任其他高級管理職務。並曾獲中國生物工程學會委任為理事。彼亦為區內多個專業組織之會員。彼於二零零五年九月加盟本集團作為非執行董事, 並於二零零六年五月轉任為執行董事。

非執行董事

馮濤先生

副主席

馮先生, 49歲, 為上海聯永宣創業投資管理有限公司之總裁, 該公司是國內首屈一指的風險投資管理公司。自一九九九年, 馮先生出任中華人民共和國國家計劃委員會、國家經濟貿易委員會中國科學院之科技促進經濟基金委員會副主任。作為中國創業資本先鋒之一, 馮先生於中國及國際市場均具備資深經驗及豐富認識。馮先生於二零零五年四月在「亞太風險投資人峰會暨首屆中國最具影響力風險投資人頒獎典禮」中, 榮獲「中國最具影響力風險投資人十佳」。馮先生於一九九二年六月在阿爾伯特大學的統計及應用概率學系取得理學碩士學位。彼於二零零五年九月加入本集團為非執行董事兼董事會副主席。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷

Directors (continued)

Independent Non-executive Directors

Mr. YAU Fook Chuen

Chairman of Audit Committee, Member of Remuneration Committee, Member of Nomination Committee

Mr. Yau, aged 59, is a practising accountant and has over 27 years of experience in public accountancy practice which covers company secretarial service, accountancy, auditing and taxation. He is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Mr. Yau is currently the proprietor of Yau & Wong, Certified Public Accountants in Hong Kong. He was appointed as an Independent Non-executive Director in February 2004.

Mr. WONG Yik Chung, John

Chairman of Remuneration Committee, Member of Audit Committee, Member of Nomination Committee

Mr. Wong, aged 50, among being the Independent Non-executive Director of the Company, was also served as an Independent Non-executive Director of a few companies listed in Hong Kong and oversea stock exchanges. He is a professional accountant by training with more than 25 years of experience in auditing and corporate finance work, with extensive exposure to the business enterprise in the PRC. He was admitted as a member of the Australian Society of Certified Practising Accountants in February 1992 and as an associate member of the Hong Kong Institute of Certified Public Accountants in April 1997. He also obtained a PRC Certificate of Independent Directorship in 2002. He was appointed as an Independent Non-executive Director in February 2004.

Mr. LIN David Ying Tsung

Member of Audit Committee, Member of Remuneration Committee, Member of Nomination Committee

Dr. Lin, aged 64, obtained the Doctor of Chemical Engineering from the University of Illinois, USA. He has accumulated over 35 years of experience in the chemical industry, with extensive experience in management of chemical-related projects and business development. He has been working in Honeywell UOP, Formosa Plastics, Dragon Aromatics and HaiShunde Special Oil Co, and is responsible for large-scale chemical project management and the development and commercialization of petrochemical technology.

董事 (續)

獨立非執行董事

丘福全先生

審核委員會主席，薪酬委員會成員，提名委員會成員

丘先生，59歲，執業會計師，擁有逾27年有關公司秘書服務、會計、審計及稅務之執業會計師經驗。丘先生為英國特許公認會計師公會及香港會計師公會會員，現時經營香港執業會計師丘王會計師事務所。彼於二零零四年二月獲委任為獨立非執行董事。

黃翼忠先生

薪酬委員會主席，審核委員會成員，提名委員會成員

黃先生，50歲，彼為本公司的獨立非執行董事外，同時身兼數間於香港及海外證券交易所上市公司的獨立非執行董事之職務。彼為合資格會計師，擁有逾25年審計及企業融資經驗，對中國商業企業具有資深經驗。彼於一九九二年二月獲接納為澳洲執業會計師公會會員，並於一九九七年四月獲接納為香港會計師公會的會員。彼亦於二零零二年取得中國獨立董事證書。黃先生於二零零四年二月獲委任為獨立非執行董事。

林英宗先生

審核委員會成員，薪酬委員會成員，提名委員會成員

林博士，64歲，林先生為美國伊利諾州大學化學工程博士，累積超過35年之化工行業經驗，具豐富化工相關之項目管理及業務開發經驗。曾先後於霍尼韋爾UOP, Formosa Plastics, 騰龍芳烴及海順德從事大型化工之項目管理以及負責石化工藝技術之開發及商業化之工作。



Biographical Details of Directors and Senior Management 董事及高級管理人員履歷

Senior Management

Mr. LIU Yaoquan, Gary

Innovative Technology Director

Dr. Liu, aged 53, joined the Group in March 2014. He is responsible for the technology and innovation of the Group. Mr. Liu obtained the Master's degree in chemistry from the Chinese Academy of Science, Doctoral degree in chemistry from the University of Alberta, Canada and Postdoctoral research fellow of University of California, United States of America. He has been engaged in research in terpene chemicals and aroma chemicals as well as organic synthesis of natural alkaloids in Guangzhou Chemistry Research Institutes of Chinese Academy of Sciences and University of Hanover, Germany. Mr. Liu was the Senior Scientist of KOSAN Biosciences, Inc. and the Chemistry Director of Evolva, United States of America.

Mr. XIE Rongguo

Vice President – Strategic Resources Management

Mr. Xie, aged 54, Head of Strategic Resources Management Center. Since he joined Ecogreen, Mr. Xie has been the management positions in purchase department, logistic department and commercial department and the general manager of strategic resources management. He has excellent professional knowledge and rich experience in supply chain management and strategic resources management.

Mr. YI Zhixiong

Vice President – Corporate Administration

Mr. Yi, aged 55, Head of Corporate Administration. Mr. Yi majored in fine chemicals in Tianjin University with a Bachelor's degree in engineering. He has been the head of management in a large manufacturing company before he joined Ecogreen in September 1998.

Mr. YAN Da Yi, David

General Manager – Marketing and Sales of Aroma Chemicals

Mr. Yan, aged 56, General Manager of the Marketing and Sales of Aroma Chemicals, Mr. Yan holds a Bachelor's degree in Engineering. Mr. Yan has 34 years work experience in Canada, Hong Kong and China. Before joining the Group in May 2004, he worked for eight years in a well-known software company in Hong Kong, for positions in marketing, sales, servicing and administrative departments.

Mr. XIAO Liyuan

Aroma Chemicals Operations Manager

Mr. Xiao, aged 53, Director of Aroma Chemicals Operations. Before joining the Group in February 2001, he was the deputy manager in a large chemical enterprise. Mr. Xiao has more than 35 years experience of production management.

高級管理人員

劉堯權先生

創新技術總監

劉博士，53歲，二零一四年三月加盟本集團，負責監督本集團之技術及創新。劉先生為中國科學院化學碩士、加拿大阿爾比大學化學博士及美國加利福尼亞大學博士後研究，曾先後於中國科學院廣州化學研究所、德國漢諾威大學從事松節油化學和香料化學的研究及天然產物生物鹼的有機合成工作。劉先生曾為KOSAN生物科學有限公司資深科學家及Evolva美國公司化學主管。

謝榮國先生

副總裁－戰略資源管理

謝先生，54歲，本集團之戰略資源副總裁。謝先生自公司建立入職，歷任採購、物流、商務經理、物流中心總經理及戰略資源總經理等重要職務。在供應鏈管理，戰略資源項目開發、戰略資源運營上具有優秀的專業積累和豐富的運營經驗。

伊志雄先生

副總裁－企業管理

伊先生，55歲，本集團之企業管理副總裁。伊先生畢業於天津大學精細化工工學學士學位。於一九九八年九月加入本集團前，伊先生曾於一家大型製造企業擔任管理部部长，具有優秀的專業積累和豐富的管理經驗。

顏達義先生

香原料市場營銷部總經理

顏先生，56歲，本集團之香原料市場營銷部總經理。顏先生持有工學學士學位，在加拿大、香港和中國沿海有34年工作積累，於二零零四年五月加入本集團前，顏先生曾於香港一家知名軟體公司任職八年及擔任市場、銷售、服務和行政管理職務，對不同文化背景的商業運作模式和溝通交流理解深刻、經驗豐富。

肖利遠先生

香原料營運總監

肖先生，53歲，本集團香原料製造之營運總監。於二零零一年二月加入本集團前，肖先生曾於一家大型化工企業擔任生產管理副廠長，具有35年化工企業生產管理的豐富經驗。

Biographical Details of Directors and Senior Management 董事及高級管理人員履歷

Senior Management (continued)

Mr. TU Hongbin

Aroma Chemicals R&D Manager

Mr. Tu, aged 49, Aroma Chemicals R&D Manager, who received a Ph.D degree in 1995 from Beijing Institute of Technology. After the postdoctoral research experience with Professor Alan.R.Katritzky at University of Florida of USA (2001–2004), he joined Ecogreen in May 2005. He has more than 13 years experience in organic synthesis and methodology including 3 years preparation and production of Heterocyclic compounds.

Mr. LAM Kwok Kin

Financial Controller and Company Secretary

Mr. Lam, aged 43, is the financial controller and company secretary of the Company. He holds a Bachelor's degree in accountancy and is a fellow member of both the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group in October 2003, he worked with an international accounting firm for seven years and was the financial controller and company secretary of a company listed on the Stock Exchange. Mr. Lam has extensive experience in auditing, accounting, budgeting and company secretarial work.

高級管理人員 (續)

塗洪斌先生

香原料研發主管

塗先生，49歲，本集團之香原料研發主管。北京理工大學工學博士，美國佛羅里達大學博士後。於二零零五年五月加入本集團前，塗先生曾於美國佛羅里達大學從事雜環化學研究3年，積累有13年有機化學研究的豐富經驗。

林國健先生

財務總監兼公司秘書

林先生，43歲，本公司之財務總監兼公司秘書。林先生持有會計學士學位，為英國特許公認會計師公會之資深會員及香港會計師公會之資深會員。於二零零三年十月加入本集團前，林先生曾於一家國際會計師行任職七年及擔任一家聯交所上市公司之財務總監兼公司秘書，於核數、會計、預算及公司秘書事務擁有豐富經驗。



Corporate Governance Report 企業管治報告

The Board acknowledges the importance of and benefit from good corporate governance practices and is committed to improving the corporate governance practices in order to enhance better transparency and to ensure that business activities and decision making processes are regulated in a proper manner to safeguard the interests of shareholders.

The Company's corporate governance practices are based on the principles (the "Principles") and code provisions (the "Code Provisions") as set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Throughout the year ended 31 December 2016, the Company has complied with the Code Provisions under and the Corporate Governance Code as set out in Appendix 14 of the Listing Rules except for Code Provisions A.2.1 and A.6.7. The following summarises the Company's corporate governance practices and explains deviations, if any, from the CG Code.

Corporate Governance

The Board is entrusted with the overall responsibility of: (i) developing and reviewing the Company's policies and practices on corporate governance and make recommendations to the Board; (ii) reviewing and monitoring the training and continuous professional development of the Company's Directors and senior management; (iii) reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements; (iv) developing, reviewing and monitoring codes of conduct and compliance manuals (if any) applicable to the Company's employees and Directors; and (v) reviewing the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

During the year under review, the Board reviewed and monitored the training and continuous professional development of the Directors and company secretary of the Company in compliance with the CG Code and the Listing Rules. Further, the Board reviewed and monitored the Group's policies and practices and noted that the Group had complied with the relevant legal and regulatory requirements in all material respects during the year under review. The Board also reviewed the employees' manual applicable to the employees of the Company. Lastly, the Board has reviewed the Company's compliance with the CG Code and the disclosure of this Corporate Governance Report.

董事會深明良好企業管治常規的重要性及好處，並承諾改善企業管治常規，以增加透明度及確保本公司的業務活動及決策過程受到適當之規管以保障股東利益。

本公司之企業管治常規乃建基於香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄14所載企業管治守則（「企業管治守則」）內所列之原則（「原則」）及守則條文（「守則條文」）而釐定。

截至二零一六年十二月三十一日止年度內，本公司一直遵守上市規則附錄14所載之《企業管治守則》之守則條文，惟偏離有關守則條文第A.2.1條及A.6.7條者除外。下文概述本公司企業管治常規及闡釋偏離守則條文之情況（如有）。

企業管治

董事會獲委統籌負責以下事項：(i)建立及檢討本公司企業管治政策及常規並向董事會作出建議；(ii)檢討及監督本公司董事及高級管理人員的培訓及持續專業發展；(iii)檢討及監督本公司符合法律及規管規定的政策及常規；(iv)建立、檢討及監督適用於本公司僱員及董事的行為守則及法規手冊（如有）；及(v)檢討本公司遵守企業管治守則的情況，及企業管治報告內的披露資料。

回顧年度內，董事會已檢討及監督董事及本公司公司秘書的培訓及持續專業發展，以符合企業管治常規及上市規則。此外，董事會已檢討及監督本集團的政策及常規，並發現本集團於回顧年度在各重大方面均已符合相關法律法規的規定。董事會亦已檢討適用於本公司僱員的員工手冊。最後，董事會已檢討本公司遵守企業管治守則的情況，以及本企業管治報告內的披露資料。

Corporate Governance Report 企業管治報告

The Board Responsibilities

The Board is accountable to the shareholders for leading the Group in a responsible and effective manner. The Board provides leadership and formulates strategic policies and plans of the Group with a view to enhancing shareholder interests while the day-to-day operations of the Group are delegated to the management.

The Board reserves for its decisions all major matters of the Group, including: objectives and overall strategies of the Group; annual budgets and financial matters; equity related transactions such as issue of shares/options and repurchase of shares; dividend; raising of capital loan; determination of major business strategy; merger and acquisition; major investment; annual financial budget in turnover, profitability and capital expenditure; review and approval of financial performance and announcement; and matters as required by laws and ordinance.

The management has the obligation to supply the Board and the various Committees with adequate information in a timely manner to enable the members to make informed decisions. Each Director has separate and independent access to the Company's senior management to acquire more information than is volunteered by management and to make further enquiries if necessary. The functions delegated to management are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Composition and role

The Board comprises a total of nine members including five executive Directors, one non-executive Director (the "NED") and three independent non-executive Directors (the "INEDs"), as follows:

Executive Directors

Mr. Yang Yirong (*Chairman & President*)
Ms. Lu Jiahua
Mr. Gong Xionghui
Mr. Han Huan Guang
Mr. Lin Zhigang

NED

Mr. Feng Tao (*Vice Chairman*)

INED

Dr. Lin David Ying Tsung
Mr. Yau Fook Chuen
Mr. Wong Yik Chung, John

董事會 職責

董事會須向股東負責，並以負責任及有成效的方式領導本集團。董事會並負責領導及制定本集團策略性政策及計劃以提高股東利益為宗旨，而本集團日常運作乃管理層負責。

董事會負責本集團所有重要事項之決策，包括制定本集團之業務目標及整體策略；年度預算及財務事宜；股本相關交易，如發行股份／購股權及購回股份；股息；籌集資金貸款；釐定主要業務策略；合併及收購；主要投資；營業額、盈利及資本開支之年度財務預算；檢討及批准財務表現及公佈；以及法例及條例規定之其他事項。

管理層有責任於適當時候向董事會及各委員會提供充足資料，以便成員在知情之情況下作出決定。董事亦可自行及獨自向本公司之管理高層，索取管理層所主動提供以外資料，並在有需要時作出進一步查詢。本公司會定期檢討委派管理層履行之職能。管理層在訂立任何重大交易前必須事先取得董事會批准。

組成及角色

董事會由九名成員組成，包括五名執行董事、一名非執行董事（「非執行董事」）及三名獨立非執行董事（「獨立非執行董事」），如下：

執行董事

楊毅融先生 (*主席兼總裁*)
盧家華女士
龔雄輝先生
韓歡光先生
林志剛先生

非執行董事

馮濤先生 (*副主席*)

獨立非執行董事

林英宗博士
丘福全先生
黃翼忠先生



Corporate Governance Report 企業管治報告

The Board *(continued)*

Composition and role *(continued)*

The three INEDs represent one-third of the Board. In addition, three of the INEDs together have substantial experience in fields of auditing, legal matters, business, accounting, corporate internal control and regulatory affairs. The Board's composition covers a balance of expertise, skills and industry experience so as to bring in valuable contributions and advices for the development of the Group's business. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all NED and INEDs make various contributions to the effective direction of the Group.

The INEDs also serve the important function of ensuring and monitoring the basis for an effective corporate governance framework. During the year, the Board met the requirements of the Listing Rules relating to the appointment of at least three INEDs with at least one INED possessing appropriate professional qualifications, or accounting or related financial management expertise. The INEDs are explicitly identified in all of the Company's corporate communications.

The Board considers that each INED is independent in character and judgment and that they all meet the specific independence criteria as required by the Listing Rules. Though Mr. Yau Fook Chuen ("Mr. Yau") and Mr. Wong Yik Chuen John ("Mr. Wong") have been appointed as the INEDs of the Company for more than nine years, the Company has received from each INED an annual confirmation or confirmation of their independence pursuant to Rule 3.13 of the Listing Rules and they have not engaged in any executive management of the Group. Taking into consideration of their independent scope of work in the past years, the Directors consider they are independent under the Listing Rules despite the fact that they have served the Company for more than nine years. The Board believes that Mr. Yau and Mr. Wong's continued tenure brings considerable stability to the Board and the Board has benefited greatly from the presence of them who has over time gained valuable insight into the Group.

董事會 *(續)*

組成及角色 *(續)*

三位獨立非執行董事佔董事會成員三分之一。此外，三位獨立非執行董事分別於審計、法律事宜、業務、會計、企業內部監控及監管事宜方面具有豐富經驗。董事會之組成具備恰當專業知識、技巧及行業經驗，故可為本集團業務發展提供寶貴貢獻及意見。透過積極參與董事會會議，領導涉及潛在利益衝突及處理各董事委員會事務，全體非執行董事對本集團之有效領導作出不同貢獻。

獨立非執行董事亦在確保及監察有效企業管治之架構中擔當非常重要的角色。於本年度，董事會符合上市規則有關董事會須委任最少三名獨立非執行董事，而最少一位獨立非執行董事具備合適之專業資格或會計或有關財務管理專業知識之規定。而獨立非執行董事均可在本公司所有企業通訊內明確識別。

董事會相信每一位獨立非執行董事均有其獨立性及判斷力，彼等均合乎上市規則規定之特定獨立準則。雖然邱福全先生（「邱先生」）及黃翼忠先生（「黃先生」）已獲委任為本公司之獨立非執行董事九年以上，本公司已接獲各獨立非執行董事根據上市規則第3.13條規定所作出之年度獨立性確認函及彼從未擔任本集團任何行政管理職務，考慮到在過往幾年彼之工作範圍的獨立性，儘管邱先生及黃先生已服務本公司超過九年，董事認為根據上市規則邱先生及黃先生乃是獨立人士。董事會相信，黃先生繼續任職，將對董事會帶來相當的穩定性，而彼不時向集團提供寶貴意見，亦令董事會獲益良多。

Corporate Governance Report 企業管治報告

The Board (continued)

Board meetings

The Board meets regularly throughout the year to discuss the overall strategy as well as the operation and financial performance of the Group. The Chairman is primarily responsible for drawing up and approving the agenda for each board meeting in consultation with all directors. Notices of regular board meetings are served to all Directors at least 14 days before the meetings while reasonable notice is generally given for other Board meetings and the directors can include matters for discussion in the agenda if necessary. Agenda and accompanying board papers in respect of regular board meetings are sent out in full to all directors within reasonable time before the meeting. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and the final version is open for Directors' inspection.

Minutes of board meetings and meetings of board committees are kept by duly appointed secretaries of the respective meetings and all directors have access to board papers and related materials, and are provided with adequate information in a timely manner, which enable the Board to make an informed decision on matters placed before it.

A total of 4 board meetings were held during the year. The individual attendance record of each Director at the meetings of the Board, the Remuneration Committee and the Audit Committee during the year ended 31 December 2016 is set out below:

董事會 (續)

董事會會議

董事會於年內定期會晤商討本集團整體策略、營運及財務表現。主席經徵詢全體董事，首要負責草擬及審批每次董事會會議之議程。定期舉行之董事會會議通告須於會議舉行前最少14日送交全體董事，而其他董事會會議亦通常有合理時間的通知，如需要，董事可要求在議程內加插討論事項。召開常務會議時，一套完整議程連同開會文件會在開會前之合理時間內發送予各董事。會議記錄初稿一般於各會議結束後的合理時間內交予董事傳閱，讓董事提供意見，會議記錄之最終定稿可供董事查閱。

董事會及董事委員會之會議紀錄由相關會議所委任之秘書保存，所有董事均有權查閱董事會文件及相關資料及適時地獲提供足夠資料，使董事會可於決策事項前作出有根據的判斷。

年內合共舉行四次董事會會議。截至二零一六年十二月三十一日止年度，各董事於董事會會議、薪酬委員會會議及審核委員會會議之出席記錄如下：

Name of Director 董事姓名	Number of meetings attended/held 出席/舉行會議次數				
	General meeting 股東大會	Full Board meetings 全體成員例會 之董事會會議	Nomination Committee 提名委員會會議	Remuneration Committee 薪酬委員會會議	Audit Committee 審核委員會會議
EXECUTIVE DIRECTORS 執行董事					
Mr. Yang Yirong (Chairman) 楊毅融先生 (主席)	1/1	4/4	1/1	-	-
Mr. Gong Xionghui 龔雄輝先生	1/1	4/4	-	-	-
Ms. Lu Jiahua 盧家華女士	0/1	4/4	-	1/1	-
Mr. Han Huan Guang 韓歡光先生	1/1	4/4	1/1	1/1	-
Mr. Lin Zhigang 林志剛先生	0/1	4/4	-	-	-
NED 非執行董事					
Mr. Feng Tao (Vice Chairman) 馮濤先生 (副主席)	0/1	0/4	-	-	-
INED 獨立非執行董事					
Dr. Lin David Ying Tsung 林英宗博士	-	2/2	1/1	1/1	2/2
Mr. Yau Fook Chuen 丘福全先生	1/1	4/4	1/1	1/1	3/3
Mr. Wong Yik Chung, John 黃翼忠先生	1/1	4/4	1/1	1/1	3/3
Mr. Lau Wang Yip, Derrick 劉宏業先生	-	1/1	-	-	1/1



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The Board *(continued)*

Board meetings *(continued)*

According to current Board practice, any material transaction which involves a conflict of interest for a substantial shareholder or a Director, will be considered and dealt with by the Board at a duly convened board meeting. The Company's Articles of Association also contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Training for Directors

Each newly appointed Director receives comprehensive, formal and tailored induction on the first occasion of his appointment, so as to ensure that he has appropriate understanding of the business and operations of the Company and that he is fully aware of his responsibilities and obligations under the Listing Rules and relevant regulatory requirements. There are also arrangements in place for providing continuing briefing and professional development to Directors whenever necessary.

The Directors are continually updated with the regulatory requirements, business activities and development of the Company to facilitate the discharge of their responsibilities. Through regular Board meetings and emails all Directors are kept abreast of the conduct, business activities and development of the Company. During the year, the Directors have attended various in-house briefings and internal or external seminars/trainings, and have read internal or external newsletters, updates and other reading materials covering topics such as business of the Company, corporate governance, industry knowledge, regulatory updates, finance and management.

Appointment, rotation and re-election of Directors

Pursuant to the Articles of Association of the Company, all newly appointed Directors of the Company shall hold office until the next general meeting and shall then be eligible for re-election. Every Director, including those appointed for a specific term shall be subject to retirement by rotation at least once every three years at the AGM. The retiring Directors shall be eligible for re-election.

In accordance with article 108(A) of the articles of association of the Company, Mr. Gong Xionghui, Mr. Han Huan Guang and Mr. Lin Zhigang, will retire as Directors by rotation and, being eligible, offer themselves for re-election as Directors at the AGM.

In accordance with article 112 of the Company's articles of association, Dr. Lin David Ying Tsung, who were appointed by the Board to fill casual vacancies during the year, will retire from office and, being eligible, offers himself for re-election at the forthcoming AGM.

董事會 *(續)*

董事會會議 *(續)*

根據現時董事會常規，任何涉及主要股東或董事利益衝突之重大交易將由董事會正式召開董事會會議予以考慮及處理。本公司之公司組織章程細則亦載有條文規定，董事在批准涉及或其連繫人士擁有重大權益之交易時，必須放棄投票及不得計入有關會議之法定人數內。

董事培訓

每名新委任之董事均在其首次接受委任時獲得全面、正式兼特為其而設之就任須知，以確保彼等對本公司之業務及運作均有適當之理解，以及完全知悉其於上市規則及有關監管規定下之職責。需要時，本公司亦安排向董事提供持續介紹及專業發展。

本公司經常向董事提供有關監管規定與本公司業務活動及發展之最新資料，以助彼等履行職責。透過定期參加董事會議或通過電郵，各董事可密切跟進本公司之舉動、業務活動及發展。本年度，董事已出席多個內部會議及內部或外部研討會／培訓，並已閱讀內部或外部實時通訊、快訊及其他閱讀材料，涵蓋主題如本公司業務、企業管治、行業知識、監管更新、財務及管理。

董事委任、輪值退任及重選

根據本公司的章程細則，每名獲董事局委任的新董事，他們的任期將直至下屆股東大會為止，並符合資格膺選連任。每位董事包括有指定任期之董事須最少每三年於股東週年大會上輪值退任一次。退任董事可獲重選連任。

根據本公司之組織章程細則第108(A)條，龔雄輝先生、韓歡光先生及林志剛先生將於股東週年大會輪值退任董事，惟彼等符合資格並願意膺選連任董事。

根據本公司之組織章程細則第112條，由董事會委任以填補本年度臨時空缺的林英宗博士將於應屆股東週年大會退任，惟符合資格並願意膺選連任。

Corporate Governance Report 企業管治報告

The Board *(continued)*

Term of appointment of NED and INEDs

All NED and INEDs were appointed for an initial term of not more than one year and will be renewable automatically for successive term of one year until terminated by not less than three months' notice in writing served by either party or the other. All NED and INEDs are subject to retirement by rotation once every three years and are subject to re-election.

Segregation of Roles of Chairman and Chief Executive Officer ("CEO")

The Company has not yet adopted A.2.1. Under the Code Provision A.2.1 of the CG Code, the roles of Chairman and CEO should be separate and would not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

The Company does not presently have any officer with the title CEO. At present, Mr. Yang Yirong, being the Chairman and the President of the Company, is responsible for the strategic planning, formulation of overall corporate development policy and running the business of the Group as well as the duties of Chairman. The Board considers that, due to the nature and extent of the Group's operations, Mr. Yang is the most appropriate chief executive because he possesses in-depth knowledge and experience in fine chemicals business and is able to ensure the sustainable development of the Group. Besides, he is the founder, the chairman and the controlling shareholder of the Group since its establishment and till now. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make the necessary amendments.

Company Secretary

The company secretary of the Company, Mr. Lam Kwok Kin, is responsible for ensuring that board procedures comply with all applicable laws, rules and regulations and advising the Board on corporate governance matters. He is also responsible for taking and keeping minutes of all Board and board committee meetings. Draft version of minutes is normally circulated to the Directors for comment within a reasonable time after each meeting and the final version of which is open for the Director's inspection. Moreover, the Company Secretary is responsible for keeping all Directors updated on Listing Rules, regulatory requirements and internal codes of conduct of the Company. He has attained no less than 15 hours of relevant professional training during the year.

董事會 (續)

非執行董事及獨立非執行董事之委任年期

本公司全體非執行董事均按不超過一年之初步年期委任，並將於屆滿時自動續約一年，直至其中一名訂約方向另一方發出不少於三個月書面通知予以終止，所有非執行董事均須每三年輪流退任，並須經重選連任。

主席及行政總裁職能之劃分

本公司尚未採納第A.2.1條之規定。根據企業管治守則之守則條文A.2.1，主席及行政總裁之角色應予區分，不應由同一人擔任。主席與行政總裁間之職責分工應清楚界定及以書面列明。

本公司並無高級職員獲授行政總裁職銜。本公司主席兼總裁楊毅融先生現負責策略規劃、整體企業發展政策制定及本集團業務營運以及主席職責。董事會認為，基於本集團之業務性質及範疇，楊先生不但具備精細化工業務之豐富知識及經驗，並有能力推動本集團持續發展，故為最合適的行政總裁人選。此外，彼亦為本集團之創辦人、自成立至今之主席兼控股股東，惟董事會將不時檢討現行架構，並於合適時候及倘本集團自內部或外界物色到具備適當領導才能、知識、技能及經驗之人選，本公司或會作出所需修訂。

公司秘書

本公司的公司秘書林國健先生負責確保董事會程序符合所有適用法律、法例及法規，並就企業管治事宜向董事會提出建議。彼亦負責記錄及存置所有董事會及委員會會議的會議紀錄。會議紀錄草稿一般於各會議舉行後的一段合理時間內供董事傳閱以收集意見，而最終版本將可供董事查閱。此外，公司秘書負責通知全體董事有關上市規則、監管規定及本公司內部操守守則的最新資訊。彼於年內接受不少於15小時的相關專業訓練。



Corporate Governance Report 企業管治報告

The Board (continued) Indemnification

The Company has arranged appropriate insurance cover in respect of legal actions against its Directors and officers. The Board reviews the extent of this insurance annually.

Board Committees

The Board has established three committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the Company's website and are available to shareholders upon request.

The chairmen of the committees will report the findings and recommendations of the committees to the Board after each meeting. The minutes of all meetings of the committees are circulated to the Board for information.

Audit Committee

The Audit Committee was established in 2004 and its current members comprises three INEDs, namely Mr. Yau Fook Chuen (the chairman of the committee), Dr. Lin David Ying Tsung and Mr. Wong Yik Chung, John, in which Mr. Yau Fook Chuen possesses the appropriate professional qualifications or accounting or related financial management expertise.

The Board considers that each Audit Committee member has broad commercial experience and there is a suitable mix of expertise in accounting, business and legal on the Audit Committee. The composition and members of the Audit Committee complies with the requirements under Rule 3.21 of the Listing Rules. The new written terms of reference which describe the authority and duties of the Audit Committee were adopted in March 2017 to conform to the provisions of the New CG Code, a copy of which is posted on the Company's website.

The Audit Committee meets regularly to review the Group's financial reporting and other information to shareholders, the system of internal controls, risk management and the effectiveness and objectiveness of the audit process. The Audit Committee also provides an important link between the Board and the Company's auditors in matters coming within the scope of its terms of reference and keeps under review the independence and objectivity of the auditors.

During the year under review, the Audit Committee held three meetings with the senior management to review, consider and approve the interim and annual financial statements, discuss internal controls matters and the re-appointment of the external auditor. The Audit Committee has also reviewed the Group's accounting principles and practices, Listing Rules and statutory compliance and financial reporting matters.

董事會 (續) 賠償

本公司已就其董事及高級人員可能會面對之法律行動作適當之投保安排，投保範圍乃按年檢討。

董事委員會

董事會設有三個委員會，分別為審核委員會及提名委員會薪酬委員會及以監管本公司各類具體事務。本公司之所有董事會委員會均有明確的書面職權範圍，清晰訂明其權力及職能。董事委員會之職權範圍刊載於本公司網站，如股東有需要時可向公司索取有關資料參閱。

各委員會主席將於各會議完結後向董事會提交各委員會的結論及推薦意見。所有委員會會議記錄會交予董事會傳閱，以提供資訊。

審核委員會

審核委員會於二零零四年成立，其現時成員包括由三名獨立非執行董事組成，即丘福全先生（委員會主席）、林英宗博士及黃翼忠先生。當中，丘福全先生為具有適當專業資格或會計或有關財務管理經驗專業知識之獨立非執行董事。

董事會認為各審核委員會成員均具備廣泛營商經驗，審核委員會當中兼備合適之會計、商業及法律專業。審核委員會之架構及成員符合上市規則第3.21條之規定。為符合新企業管治守則條文，載列審核委員會權限及職責的書面職權範圍已於2017年3月被採納，職權範圍全文已刊載於本公司網頁內。

審核委員會定期開會以檢討本集團之財務匯報及給予股東之其他資料、內部監控系統、風險管理及審核過程之有效性及客觀性。審核委員會並為董事會及公司核數師之間之重要橋樑，在其職權範圍內持續檢討核數師之獨立性及客觀性。

於回顧年內，審核委員會曾與高級管理人員舉行三次會議，審閱、考慮及批准中期及年度財務報表、討論內部監控及外聘核數師續聘等事宜。審核委員會亦完成檢討本集團之會計原則與常規、上市規則及其他法規之遵行，以及財務匯報事宜。

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Board Committees (continued)

Remuneration Committee

The Remuneration Committee was established in 2004 and its current members comprises three INEDs, namely, Mr. Wong Yik Chung, John (the chairman of the committee), Dr. Lin David Ying Tsung and Mr. Yau Fook Chuen and two executive Directors, Mr. Han Huan Guang and Ms. Lu Jiahua.

The majority members are INEDs. The Remuneration Committee advises the Board on the Group's overall policy and structure for the remuneration of directors and senior management. The Remuneration Committee ensures that no director or any of his associate is involved in deciding his own remuneration. The new terms of reference of the Remuneration Committee were adopted in March 2012 to conform to the provisions of the New CG Code, a copy of which is posted on the Company's website.

In determining the emolument payable to directors, the Remuneration Committee takes into consideration factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, employment conditions elsewhere in the Group and the desirability of performance-based remuneration.

During the year under review, the Remuneration Committee held one meetings to review and consider the remuneration policy and packages, including any discretionary management bonus of the Executive Directors and senior management by reference to market conditions, performance of the Group and the individual and corporate goals.

Senior management remuneration by band

The emoluments of the senior management of the Group fell within the following band:

Remuneration bands	酬金範圍	Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Below HK\$500,000	港幣500,000元以下	4	3
HK\$500,001 – HK\$1,000,000	港幣500,001元至港幣1,000,000元	2	3
HK\$1,000,001 – HK\$1,500,000	港幣1,000,001元至港幣1,500,000元	1	1
		7	7

董事委員會 (續)

薪酬委員會

薪酬委員會於二零零四年成立，其現時成員包括三名獨立非執行董事黃翼忠先生（委員會主席）、林英宗博士及丘福全先生，以及兩名執行董事韓歡光先生及盧家華女士。

其大部份成員均為獨立非執行董事。薪酬委員會為本集團董事及高級管理層之薪酬之整體政策及架構向董事會作出建議。薪酬委員會確保概無董事或其任何聯繫人參與釐定其本身之薪酬。為符合新企業管治守則條文，薪酬委員會新訂的職權範圍已於2012年3月被採納，並已刊載於本公司網頁內。

在釐定應付予董事之酬金時，薪酬委員會乃考慮各項因素，包括同業薪金水平，董事所奉獻之時間及其職責，集團內部的僱傭情況及與表現掛鉤之酬金。

於回顧年度，薪酬委員會曾舉行會議一次，經參考市況、本集團及個人表現以及企業目標後，檢討及考慮執行董事及高級管理層之酬金政策及組合，包括任何酌情管理花紅。

高級管理層薪酬 – 按組合範圍呈列

本集團高級管理層的酬金在下列組合範圍內：



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Board Committees (continued) Nomination Committee

The Nomination Committee was established in 2012 and its current members comprises two executive Directors, namely Mr. Yang Yirong (the chairman of the Committee) and Mr. Han Huan Guang and three INEDs, namely, Mr. Yau Fook Chuen, Dr. Lin David Ying Tsung and Mr. Wong Yik Chung, John. The majority members are independent non-executive directors. The Nomination Committee has the duty of reviewing annually the board structure and composition.

The terms of reference of the Nomination Committee were adopted in March 2012 to confirm to the provision of the New CG Code, a copy of which is posted on the Company's website.

The Nomination Committee held one meeting during the year to review the structure, size and composition, and assessing the independence of the INEDs. During the year, the Nomination Committee also recommended the Board for appointment of Dr. Lin David Ying Tsung as the INED.

Responsibilities in Respect of the Consolidated Financial Statements

The management provides such explanation and information to the Board to facilitate an informed assessment of the financial and other information put before the Board for approval. The Directors acknowledge their responsibility for preparing the consolidated financial statements which give a true and fair view and the statement of the independent auditor of the Company about their reporting responsibilities on the consolidated financial statements is set out in the "Independent Auditor's Report" on pages 44 and 50.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. Meanwhile, the Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; and that judgments and estimates made are prudent and reasonable. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern. The Board has prepared the consolidated financial statements on a going concern basis.

Model Code for Securities Transactions

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all Directors and all the Directors have confirmed that they have complied with all the relevant requirements as set out in the Model Code throughout the year ended 31 December 2016.

董事委員會 (續) 提名委員會

提名委員會於二零一二年成立，其現時成員包括兩名執行董事楊毅融先生（委員會主席）及韓歡光先生以及三名獨立非執行董事丘福全先生、林英宗博士及黃翼忠先生。其大部份成員均為獨立非執行董事。提名委員會有責任每年檢討董事會架構及組成。

提名委員會的職權範圍已於2012年3月被採納，並已刊載於本公司網頁內，以符合新企業管治守則的規定。

本年度內，提名委員會舉行一次會議，以討論董事會之架構、人數及組成以及評估董事會之獨立非執行董事之獨立性。年內，提名委員會亦已向董事會推薦委任林英宗博士為非執行董事。

有關合併財務報表之責任

管理層提供一切解釋及資料，以便董事會在知情之下就其提呈予以通過之財務及其他資料加以評定。董事知悉其須編製真實公平的合併財務報表之責任，本公司獨立核數師就彼等對合併財務報表之報告責任聲明載於第44及50頁之「獨立核數師報告書」。

而董事會則須負責對年報及中期報告、股價敏感資料公佈以及根據上市規則及其他監管規定須予披露的其他財務資料提呈平衡、清晰及易於理解的評審。同時亦須負責確保採納恰當之會計政策及貫徹採用，且所作判斷及估計乃審慎合理。董事會並不知悉任何可能會嚴重影響本集團繼續長遠經營之能力的重大不明朗事件或情況。因此，董事會在基於本集團長遠經營之假設下擬備合併編製財務報表。

進行證券交易的標準守則

本公司已採納一套有關董事進行證券交易的行為守則，條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）的規定標準。本公司已向全體董事作出具體查詢，而全體董事亦已確認，彼等於截至二零一六年十二月三十一日止年度一直遵守標準守則所載所有有關規定。

Corporate Governance Report 企業管治報告

Risk Management and Internal Controls

The Board acknowledges that it has overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Group's strategic objectives, and maintaining appropriate and effective risk management and internal control systems. The Board oversees management in the design, implementation and monitoring of the risk management and internal control systems. The systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

The Group has established an on-going process for identifying, evaluating and managing the significant risks of the Group. Business units are responsible for identifying, assessing and monitoring risks associated with their respective units. The results of evaluation will be reported to management through regular internal meetings. Each year, management prepares the risk assessment report listing the risks identified and management's assessment on the impact to the Group. The Board discusses findings in the risk assessment report and evaluates the effectiveness of the risk management and internal control system in Board meeting.

The Group handles and disseminates inside information with due care. Staff is required to comply with the confidentiality terms inside the staff manual. Only personnel at appropriate level can get reach of price sensitive and inside information.

Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements.

The Group does not have an internal audit function due to the size of the Group and for cost effectiveness consideration. During the year under review, the Board conducted reviews of the internal control systems of the Company from time to time and considered that such the internal control systems of the Company had been implemented effectively. The reviews covered all material controls, including financial, operational and compliance controls and risk management functions. The Board also considered the Group's adequacy of resources, qualifications and experience of staff in its accounting and financial reporting functions, and their training programmes and budget. The Group continues to review the need for an internal audit function annually.

風險管理及內部監控

董事會確認其有整體責任評估及釐定本集團為達成策略目標所願承擔的風險性質及程度，並維持穩健及有效的風險管理及內部監控系統。董事會監察管理層在設計、實行和監察風險管理及內部監控系統方面的工作。有關系統及內部監控只能針對重大錯報或損失提供合理但並非絕對的保證，因為有關系統及內部監控旨在管理，而不是消除未能實現業務目標的風險。

本集團已制訂一套持續的程序，以識別、評估及管理本集團的顯著風險。業務部門負責識別、評估及監察與本身單位相關的風險。評價結果將通過定期內部會議向管理層報告。每年，管理層編製風險評估報告，列出所確定的風險，以及管理層對本集團所受影響的評估。董事會討論風險評估報告中的結果，並在董事會會議上評估風險管理及內部監控系統的功效。

本集團審慎處理和發放內幕消息。員工必須遵守員工手冊中的保密條款。僅適當級別的人員才獲准接觸價格敏感資料及內幕消息。

本集團設計並制訂適當的政策和監控措施，以確保資產得到保障，防止不當使用或處置；集團亦恪守和遵從相關規則和規例，並且根據相關會計準則和監管報告規定存置可靠的財務和會計記錄。

基於本集團的規模及本著成本效益，本集團並無設立內部審計職能。於回顧年度內，董事會已經不時對本公司之內部監控系統進行檢討並認為該系統被有效地執行。該檢討包含全部重大監控，包括財務、營運及法規監控及風險管理功能。董事會亦考慮本集團會計及財務匯報職能的資源充裕程度及員工的資質及經驗，以及其培訓課程及預算。本集團每年繼續檢討是否需要設立內部審計職能。



Corporate Governance Report 企業管治報告

External Auditor

During the year, PricewaterhouseCoopers, the external auditor of the Company received approximately RMB2.53 million for audit services provided to the Group.

Communication with Shareholders

The Company has adopted a Shareholders' Communication Policy in March 2012 reflecting mostly the current practices of the Company for communication with its shareholders. Information will be communicated to shareholders through: (i) continuous disclosure to the Stock Exchange of all material information; (ii) periodic disclosure through the annual and interim reports; (iii) notices of meetings and explanatory material; (iv) the annual general meetings and other general meetings; and (v) the Company's website at www.ecogreen.com.

General Meeting

The Board endeavours to maintain an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with shareholders and encourage their participation. The Chairman of the Board attended the AGM held in 2016 ("2016 AGM") to answer questions and collect views of shareholders. The external auditor also attended the annual general meeting to answer questions of shareholders.

Under the Code Provision A.6.7, INEDs and NED should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Feng Tao was unable to attend the 2016 AGM due to other important engagements. All other INEDs and NED had attended the 2016 AGM to answer questions and collect views of shareholders.

Voting by poll

Separate resolutions are proposed at the general meetings on each substantially separate issue, including the election of individual directors. In addition, poll voting procedure is included in the circular to shareholders dispatched together with the annual report and will be explained during the proceedings of meetings. Poll results will be posted on the website of the Stock Exchange and the Company subsequent to the close of the shareholders meeting.

外聘核數師

年內，本公司核數師羅兵咸永道會計師事務所就審計服務收取本集團約人民幣253萬元。

與股東之溝通

於二零一二年三月，本公司採納一項股東溝通政策，其主要反映本公司目前與股東溝通的做法。本公司將透過以下渠道向股東傳達信息：(i) 向聯交所持續披露所有重大信息；(ii) 通過年報及中期報告作定期披露；(iii) 大會通告及說明材料；(iv) 股東週年大會及其他股東大會；及 (v) 本公司網站 www.ecogreen.com。

股東大會

董事會盡力保持與股東之間的持續對話，尤其是以股東週年大會或其他股東大會與股東溝通及鼓勵彼等參與。董事會主席已出席於二零一六年舉行之股東週年大會（「二零一六年股東週年大會」），並已回答股東之提問及收集股東之意見。外聘核數師亦已出席股東週年大會回答股東之提問。

根據守則條文第A.6.7條，獨立非執行董事及非執行董事應出席股東大會，對公司股東的意見有公正的了解。馮濤先生因其他重要公務未能出席二零一六年股東週年大會。所有其他獨立非執行董事及非執行董事均已出席二零一六年度股東週年大會，回應提問及聽取股東之意見。

投票表決

各重大獨立事項（包括個別董事之選任）均會於股東週年大會上單獨提呈決議案。此外，載有投票表決程序之通函會與年報一併寄發予股東，並將於會議進行期間解釋。表決結果將於股東大會後在聯交所及本公司網站刊載。

Corporate Governance Report 企業管治報告

Communication with Shareholders *(continued)*

Investor Relations

The Company continues to enhance communications and relationships with its investors. Designated senior management has maintained close communication with shareholders and investors through email, conference call, one-on-one meetings, attending broker conferences, and non-deal roadshows, to ensure that investors and shareholders have received the Company's updates in a fair and timely manner and to facilitate their investment decision-making. Enquiries from investors are dealt with in an informative and timely manner. To promote effective communication, the Company also maintains website (www.ecogreen.com) where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

Shareholders' Rights

The Company has only one class of shares. All shares have the same voting rights and are entitled to the dividend declared. The rights of the Shareholders are set out in Company's Articles of Association. Shareholders of the Company can: (i) convene an extraordinary general meeting; (ii) put forward enquiries to the board of directors; (iii) put forward proposals at shareholders' meetings; and (iv) propose Directors for election. Details of relevant procedures are available on the Company's website.

Constitutional Documents

There was no change in the memorandum and articles of association of the Company during the year ended 31 December 2016.

與股東之溝通 (續)

投資者關係

本公司持續加強與其投資者之溝通及關係。特定高級管理人員通過電郵、電話會議、一對一會面、出席經紀座談會及非交易路演等形式與股東及投資者保持緊密聯繫，以確保股東及投資者能夠公平、及時地得到本公司最新資訊以協助彼等作出投資決定。本公司會對投資者之查詢作出詳盡及適時之回應。為促進有效溝通，本公司設有網站(www.ecogreen.com)以刊載詳盡資料及更新本公司之業務發展及經營、財務資料、企業管治常規及其他資料。

股東權利

本公司僅擁有一類股份，所有股份均擁有相同的投票權並可獲派已宣派之股息。股東的權利載於本公司細則。本公司股東可以(i)召開股東特別大會；(ii)向董事會提出查詢；及(iii)在股東大會上提出建議；及(iv)建議參選之董事；相關程序詳情可於本公司網站查閱。

組織章程文件

截至二零一六年十二月三十一日止年度，確認本公司之組織章程大綱及細則概無任何變動。



Directors' Report 董事會報告

The directors (the "Directors") of EcoGreen International Group Limited (the "Company") submit their annual report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively the "Group") for the year ended 31 December 2016.

Principal activities, geographical analysis of operations and business review

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 10 to the consolidated financial statements.

An analysis of the Group's performance for the year by operating segment is set out in Note 5 to the consolidated financial statements.

Further discussion and analysis of these activities and an indication of likely future developments in the Group's business, can be found in the Chairman's Statement and Management Discussion and Analysis set out on pages 3 to 13 of this annual report.

Final results

The final results of the Group for the year are set out in the consolidated income statement on page 51.

Dividend

An interim dividend of HK1.4 cents per ordinary share was paid to shareholders of the Company (the "Shareholders") on 18 November 2017. The Board has recommended the payment of a final dividend of HK3.4 cents per ordinary share for the year ended 31 December 2016. Together with the interim dividend, this will bring the total dividend distribution to HK4.8 cents (2015: HK4.8 cents) per share for the year ended 31 December 2016.

Subject to the approval of the shareholders of the Company at the annual general meeting of the Company to be held on 22 June 2017 (the "AGM"), the proposed final dividend will be paid on or about 1 August 2017 to the shareholders whose names appear on the register of members of the Company on 7 July 2017.

Donations

Charitable and other donations made by the Group during the year amounted to RMB50,000.

中怡國際集團有限公司(「本公司」)董事(「董事」)謹將其全年報告連同本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度之經審核合併財務報表呈覽。

主要業務、營運地區分析及業務回顧

本公司之主要業務為投資控股。附屬公司之業務載於合併財務報表附註10。

本集團於本年度之業績表現按營運分部劃分之分析載於合併財務報表附註5。

該等業務的進一步討論、分析以及本集團業務日後可能發展的揭示，可於本年報第3至13頁的主席報告書及管理層討論與分析中查閱。

全年業績

本集團於本年度之全年業績載於第51頁之合併收益表內。

股息

於二零一六年十一月十八日已向本公司股東(「股東」)派付中期股息每股1.4港仙，董事會建議派付截至二零一六年十二月三十一日止年度末期股息每股普通股3.4港仙。連同中期股息，截至二零一六年十二月三十一日止年度股息分派總額為每股4.8港仙(二零一五年：4.8港仙)。

倘獲本公司股東於二零一七年六月二十二日舉行的本公司股東週年大會(「股東週年大會」)上批准，建議末期股息將於二零一七年八月一日或前後向於二零一七年七月七日名列本公司股東名冊上之股東派發。

捐款

本集團在本年度內作出之慈善及其他捐款合共人民幣50,000元。

Directors' Report 董事會報告

Share capital

Details of the movements in share capital of the Company during the year are set out in Note 24(a) to the consolidated financial statements. Shares were issued during the year upon exercise of share options.

Distributable reserves

As at 31 December 2016, the Company had distributable reserves amounting to RMB349,207,000 (2015: RMB337,951,000).

Equity linked agreements – share options granted to directors and selected employees

Details of the share options granted in prior years is set out in Note 24(b) to the consolidated financial statements and "Share options" section contained in this Directors' Report. During the year ended 31 December 2016, the Company issued 7,810,000 shares at a price of HK\$1.29 each pursuant to the exercise of 7,810,000 share options.

Purchase, sale or redemption of the Company's listed securities

During the year ended 31 December 2016, the Company had not redeemed and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

Pre-emptive rights

There is no provision for pre-emptive rights under the Company's articles of association and there was no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a prorata basis to existing shareholders.

Five-year financial summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, restated and reclassified as appropriate, is set out on page 134. This summary does not form part of the audited consolidated financial statements.

股本

本公司於本年度之股本變動詳情載於合併財務報表附註24(a)。於本年度內，因購股權獲行使而發行股份。

可供分派之儲備

於2016年12月31日，本公司可供分派之儲備為人民幣349,207,000元（2015年：人民幣337,951,000元）。

權益掛鉤協議－授予董事及挑選職工的購股權

在往年度授出的購股權詳情載於合併財務報表附註24(b)及此董事會報告「購股權」一節內。截至二零一六年十二月三十一日年底內，共有7,810,000份購股權行使。據此，本公司以加權平均價每股1.29港元發行7,810,000股。

購買、出售或贖回本公司上市證券

截至二零一六年十二月三十一日止年度，本公司並無贖回，而本公司或其任何附屬公司概無購買或出售本公司任何上市證券。

優先購買權

本公司之組織章程細則並無有關優先購買權之規定，而根據開曼群島法例，該等權利並無限制，本公司毋須按比例向現有股東提呈發售新股份。

五年財務概要

本集團於過往五個財政年度經適當重列及重新歸類之業績、資產及負債概要載於第134頁。該概要並不構成經審核合併財務報表之一部分。



Directors' Report 董事會報告

Key Risks and Uncertainties

Apart from those stated in the Chairman's Statement and Management Discussion and Analysis sections, the Company is exposed to the following key risks and uncertainties which are required to be disclosed pursuant to the Companies Ordinance (Cap 622 Laws of Hong Kong).

Raw Material Risk

The Group's business is dependent on the supply and cost of raw materials and any disruption in the supply or fluctuation in the prices of such raw materials could materially and adversely affect the Group's business, results of operations, financial condition and prospects.

Operational Risk

The Group's production facilities emit pollutants and are subject to various environmental protection laws and regulations in China. Any change to, or failure by the Group to comply with, environmental protection laws or regulations may cause the Group to incur additional costs and expenses. In addition, if the production facilities of the Group experience power, steam or water shortages, the Group's business and results of operations may be harmed.

Credit Risks Relating to Customers

Exposure to bad debts attributable to customers usually intensifies in a time of weak economic performance. To minimize credit risks, the management of the Group has appointed dedicated staff members to handle procedures for determining credit limits, credit approval and other monitoring procedures, to ensure follow-up with all receivables in a timely manner. In addition, the Group reviews the collectability of receivables at the end of a reporting period, to ensure that sufficient impairment losses are provided for in respect of uncollectible monies. Details of the credit risks are set out in Note 3.1(a) to the consolidated financial statements.

Liquidity Risks

In managing liquidity risks, the Group monitors and maintains cash and cash equivalents at a level which is considered by the management as sufficient, to satisfy the needs arising from the Group's operations and to mitigate the effect of fluctuations of cash flow. The management closely monitors the use of borrowings to ensure that relevant covenants relating to loans are complied with.

主要風險及不明朗因素

除主席報告書及管理層討論及分析提述事宜以外，本公司根據公司條例（香港法例第622章）須予披露所面對的主要風險及不明朗因素如下。

原材料風險

本集團的業務取決於原材料的供應及成本，供應出現任何中斷或原材料價格出現波動可能會對本集團的業務、經營業績、財務狀況及前景造成重大不利影響。

營運風險

本集團的生產設施排放廢水及其他污染物，並須受中國及本集團生產設施所在地的其他國家的各種環保法例及法規的規限。環保法例或法規的任何變動或本集團未能遵守環保法例或法規可能令本集團產生額外費用及開支。此外，倘本集團的生產設施出現電力、蒸汽或水力不足，本集團的業務及經營業績或會受損。

客戶的信貸風險

隨著經濟疲弱，客戶壞帳風險相對增加。為減低信貸風險，本集團管理層已委派特定人員負責釐定信貸限額、信貸審批及其他監控程序，以確保及時跟進所有應收帳款。此外，本集團會於報告期末已檢討債項之可收回款額，以確保就不可收回款額作出足夠之減值虧損。信貸風險詳情載列於合併財務報表附註3.1(a)。

流動資金風險

管理流動資金風險時，本集團會監察及保持管理層視為足夠水平之現金及現金等值項目，以撥付本集團營運所需及減低現金流量波動之影響。管理層會密切監察借貸之使用情況，確保遵守相關貸款契諾。

Directors' Report 董事會報告

Currency risk

The Group has foreign currency transactions and foreign currency borrowings, which expose the Group to foreign currency risk. The Group manages and monitors foreign exchange exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group has entered into several foreign currency forward contracts to mitigate the risks as deemed appropriate. Details of the currency risk are set out in Note 3.1(d) to the consolidated financial statements.

Interest rate risk

The Group is mainly exposed to cash flow interest rate risk in relation to floating-rate bank balances and bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. Details of the interest rate risk are set out in Note 3.1(c) to the consolidated financial statements.

Environmental policies and performance

The Group emphasizes in environmental protection during its production process and adopts various measures to ensure its duties of protecting the environment. The Group continues to update the requirements of the relevant environmental laws and regulations applicable to it to ensure compliance. The Group does not produce material waste nor emit material quantities of pollutants during its production process. During the year under review, the Group has complied with the relevant environmental laws and regulations applicable to it in all material respects, including waste water emission permit, gas emission permit and others. The Group has also adopted measures in order to achieve efficient use of resources, energy saving and waste reduction. The measures include wastewater and gas emission managements, noise control, greenhouse gas emission and resources management.

Compliance with laws and regulations

The Group continues to update the requirement of the relevant laws and regulations in various countries, particularly in the PRC and Hong Kong, applicable to it to ensure compliance. Substantially a majority of the Group's assets are located in the PRC and the Group's revenue is mainly derived from operations in the PRC. The Group was listed on the Stock Exchange of Hong Kong on 9 March 2004. During the year under review, the Group complied with the relevant laws and regulations in various countries applicable to it in all material respects.

貨幣風險

本集團因有外幣交易以及外幣借貸，以致本集團承受外幣折算風險。本集團管理及監察外匯風險，以確保及時及有效地採取適當措施。本集團已訂立多項外幣遠期合約以降低有關風險。貨幣風險詳情載列於合併財務報表附註3.1(d)。

利率風險

本集團之現金流量利率風險主要與浮息銀行結存及銀行借貸有關。本集團之政策是維持其借貸於浮動利率以減少公平值利率風險。管理層監控利率風險，並將在有需要時考慮對沖重大利率波動。利率風險詳情載列於合併財務報表附註3.1(c)。

環保政策及履行

本集團重視生產過程中的環境保護，並採取多項措施及監控方法履行對保護環境的責任。本集團不斷更新彼適用的相關環保法律法規的規定，確保已經遵從。本集團並無於其生產過程中製造重大廢料，亦無排放重大數量的污染物。回顧年度內，本集團在所有重大方面均已遵守彼適用的相關環保法律法規，包括廢水排放許可、氣體排放許可規定及其他規定。我們亦已採納措施以取得有效利用資源、節能及減少廢品。有關措施包括廢水及氣體管理、噪音控制、溫室氣體排放及資源管理。

遵守法律及法規

本集團不斷更新彼於多個國家（尤其是中國及香港）適用的相關法律法規，確保已經遵從。本集團絕大部分資產位於中國，而本集團收益主要來自於中國營運。本集團於二零零四年三月九日在香港聯交所上市。回顧年度內，本集團在所有重大方面均已遵守彼於多個國家適用的相關法律法規。



Directors' Report 董事會報告

Directors

The Directors of the Company during the year and up to the date of this report were:

Executive Directors

Mr. Yang Yirong (*Chairman & President*)
Mr. Gong Xionghui
Ms. Lu Jiahua
Mr. Han Huan Guang
Mr. Lin Zhigang

Non-executive Director ("NED(s)")

Mr. Feng Tao

Independent Non-executive Directors ("INED(s)")

Dr. Lin David Ying Tsung (appointed on 10 June 2016)
Mr. Yau Fook Chuen
Mr. Wong Yik Chung, John
Mr. Lau Wang Yip, Derrick (resigned on 31 March 2016)

In accordance with article 108(A) of the Company's articles of association, Mr. Gong Xionghui, Mr. Han Huan Guang and Mr. Lin Zhigang, will retire from office by rotation and, being eligible, offers themselves for re-election at the forthcoming annual general meeting.

In accordance with article 112 of the Company's articles of association, Dr. Lin David Ying Tsung, who was appointed by the Board to fill casual vacancies during the year, will retire from office and, being eligible, offers himself for re-election at the forthcoming annual general meeting.

Mr. Lau Wang Yip, Derrick has confirmed to the Board that he has no disagreement with the Board and the Company, and nothing relating to his resignation or the affairs of the Company needed to be brought to the attention of the shareholders of the Company

Directors' Service Contracts

The NEDs and INEDs were appointed for an initial term of not more than one year and will be renewable automatically for successive term of one year until terminated by not less than three months' notice in writing served by either party on the other.

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

董事

於本年度及直至本報告日期之本公司董事如下：

執行董事

楊毅融先生 (主席兼總裁)
龔雄輝先生
盧家華女士
韓歡光先生
林志剛先生

非執行董事

馮濤先生

獨立非執行董事

林英宗博士 (於二零一六年六月十日獲委任)
丘福全先生
黃翼忠先生
劉宏業先生 (於二零一六年三月三十一日辭任)

根據本公司之組織章程細則第108(A)條，龔雄輝先生、韓歡光先生及林志剛先生將於應屆股東週年大會輪值退任，惟符合資格並願意膺選連任。

根據本公司之組織章程細則第112條，由董事會委任以填補本年度臨時空缺的林英宗博士將於應屆股東週年大會退任，惟符合資格並願意膺選連任。

劉宏業先生已各自向董事會確認其與董事會及本公司並無意見分歧，且概無有關其辭任或本公司事務之事宜需提請本公司股東垂注。

董事服務合同

非執行董事及獨立非執行董事之任期初步不多於一年，並將自動續任一年，直至任何一方對方發出不少於三個月之書面通知終止任期為止。

有意於應屆股東週年大會上重選連任之董事均無與本公司訂有本公司不可於一年內免付補償 (法定補償除外) 而終止之服務合同。

Directors' Report 董事會報告

Appointment of INEDs

The Company has received, from each of the INEDs, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the INEDs are independent.

Biographical details of Directors and senior management

Brief biographical details of Directors and senior management are set out on pages 14 to 18.

Directors' material interests in transactions, arrangements and contracts that are significant in relation to the Company's business

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director of the Company and the Director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Employment and remuneration Policy

As at 31 December 2016, the Group had a total of 433 employees (2015: 443 employees). Staff costs including directors' remuneration for the years ended 31 December 2016 and 31 December 2015 were approximately RMB52.66 million and approximately RMB55.46 million, respectively. Details of the emoluments of the Directors and the top five highest paid individuals of the Group are set out in Notes 36 and 9(b) to the consolidated financial statements.

The Group has established its human resources policies and procedures with a view to deploying the incentives and rewards of the remuneration system. The remuneration package offered to the staff is appropriate for the duties and in line with the prevailing market terms. Staff benefits, including medical coverage and provident funds, are provided to employees. The Group has also established effective performance evaluation system in which employees are properly rewarded on a performance-related basis under the Group's salary and bonus system. The Group has adopted a share option scheme for the purpose of providing incentives and rewards to the management, key technician and other eligible participants who contribute to the success of the Group's operations.

Pension schemes

Details of the pension schemes operated by the Group are set out in Note 9(a) to the consolidated financial statements.

獨立非執行董事之委任

本公司已收到各位獨立非執行董事根據上市規則第3.13條發出之年度獨立確認書。本公司認為，所有獨立非執行董事均為獨立人士。

董事及高級管理人員履歷

董事及高級管理人員之個人簡歷載於第14至18頁。

董事在對本公司業務而言屬於重要的交易、安排及合同中的重大權益

本年度內或年結時，本公司及其任何附屬公司概無簽訂任何涉及本集團之業務而本公司之董事及董事的關連人士直接或間接在其中擁有重大權益之重要交易、安排及合同。

僱員及薪酬政策

於二零一六年十二月三十一日，本集團僱用433員工（二零一五年：443名）。截至二零一六年及二零一五年十二月三十一日止年度之員工成本（包括董事酬金）分別約為人民幣5,266萬元及約人民幣5,546萬元。本公司之董事及本集團之五名最高薪酬人士之薪酬詳情載於合併財務報表附註36及9(b)。

本集團制定其人力資源政策及程式，於其薪酬制度中加入花紅及獎勵。向員工發放之酬金待遇乃根據其職責而釐訂，且符合當時當地的市場水準。員工福利包括醫療保險及退休金。本集團亦設立一套有效表現評估制度，據此，本集團設定僱員的薪金及花紅制度，並按僱員表現發放適當的獎勵。本集團亦已採納購股權計劃，以獎勵及獎賞曾對本集團成功經營作出貢獻的管理人員和技術骨幹以及其他合資格參與人士。

退休金計劃

本集團管理的退休金計劃詳情載於合併財務報表附註9(a)。



Directors' Report 董事會報告

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year.

Directors' interest in competing businesses

As at 31 December 2016, none of the Directors was interested in any business apart from the business of the Group, which competes or is likely to compete, either directly or indirectly, with that of the Group.

Permitted indemnity provisions

Pursuant to the Company's Articles of Association, every Director and officer of the Company shall be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he/she may sustain or incur in or about the execution or holding of his/her office or otherwise in relation thereto.

In addition, the Company has taken out and maintained insurance for the Directors against liabilities to third parties that may be incurred in the course of performing their duties as at the date of this report.

Major customers and suppliers

The aggregate sales attributable to the Group's largest and the five largest customers were 13% and 31%, respectively. The aggregate purchases attributable to the Group's largest and the five largest suppliers were 10% and 34%, respectively.

None of the Directors, their associates or any shareholder of the Company, which to the knowledge of the Directors owned more than 5% of the Company's issued share capital, had any interest in the Group's five largest customers and five largest suppliers noted above.

Related party transactions

The related party transactions conducted during the year under review as disclosed in Note 35 to the financial statements did not constitute connected transactions as defined under Chapter 14A of the Listing Rules.

管理合約

年內，本公司並無訂立或訂有任何涉及本集團全部或任何重大部分業務之管理及行政合約。

董事於競爭業務之權益

於二零一六年十二月三十一日，概無董事於本集團業務以外之任何業務中擁有與本集團業務直接或間接構成或可能構成競爭之權益。

獲准許的彌償條文

根據本公司組織章程細則下，本公司各董事及行政人員就其執行或擔任職務或在其他方面與此有關所蒙受或引致的一切費用、收費、支出、損失及責任，均有權從本公司資產中獲得彌償保證。

此外，本公司已為董事就可能於本報告日期履行彼等職責時招致的第三方責任進行投保及續保。

主要客戶及供應商

本集團之最大客戶及五大客戶應佔銷量總額分別為13%及31%。本集團之最大供應商及五大供應商應佔採購總額分別為10%及34%。

董事、彼等之聯繫人士或據董事所知任何擁有本公司已發行股本5%以上之本公司股東，概無擁有上述本集團五大客戶及五大供應商任何權益。

關聯方交易

財務報表附註35所披露於回顧年度進行的關聯方交易並不構成上市規則第14A章所界定之關連交易。

Directors' Report 董事會報告

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or any specified undertaking of the Company or any other associated corporation

As at 31 December 2016, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code adopted by the Company contained in the Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(a) Long positions in ordinary shares of HK\$0.1 each in the Company at 31 December 2016

董事及行政總裁於本公司或公司的任何指明企業或任何其他有聯繫法團之股份、相關股份及債權證之權益及淡倉

於二零一六年十二月三十一日，本公司董事及最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債權證中，擁有根據證券及期貨條例第XV部第7及8分部已知會本公司及聯交所之權益或淡倉（包括根據證券及期貨條例之該等條文彼等被當作或視為擁有之權益或淡倉），或已記入本公司須根據證券及期貨條例第352條存置之登記冊之權益或淡倉，或根據上市規則所載獲本公司採納之標準守則須知會本公司及聯交所之權益或淡倉如下：

(a) 於二零一六年十二月三十一日持有本公司每股面值0.1港元普通股之好倉

Name of Directors 董事姓名	Personal interests 個人權益	Number of shares held 所持股份數目		Total 總計	% of the issued share capital of the Company 佔本公司已發行股本百分比
		Corporate interests 法團權益			
Mr. Yang Yirong 楊毅融先生	528,000	276,931,687 (Note i) (附註i)	277,459,687	42.27%	
Mr. Gong Xionghui 龔雄輝先生	2,706,000	15,006,315 (Note ii) (附註ii)	17,712,315	2.70%	
Ms. Lu Jiahua 盧家華女士	2,046,000	11,254,736 (Note iii) (附註iii)	13,300,736	2.03%	
Mr. Han Huan Guang 韓歡光先生	1,584,000		1,584,000	0.24%	
Mr. Lin Zhigang 林志剛先生	2,376,000		2,376,000	0.36%	
Mr. Feng Tao 馮濤先生	1,584,000		1,584,000	0.24%	
Mr. Yau Fook Chuen 丘福全先生	396,000		396,000	0.06%	
M r. Wong Yik Chung, John 黃翼忠先生	132,000		132,000	0.02%	



Directors' Report 董事會報告

Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company or any specified undertaking of the Company or any other associated corporation (continued)

(a) Long positions in ordinary shares of HK\$0.1 each in the Company at 31 December 2016 (continued)

Notes:

- (i) Mr. Yang Yirong is deemed to be interested in 276,931,687 shares of the Company held by Marietta Limited by virtue of it being controlled by Mr Yang Yirong.
- (ii) Mr. Gong Xionghui is deemed to be interested in 15,006,315 shares of the Company held by Dragon Kingdom Investment Limited by virtue of it being controlled by Mr Yang Yirong.
- (iii) Ms. Lu Jiahua is deemed to be interested in 11,254,736 shares of the Company held by Sunwill Investments Limited by virtue of it being controlled by Ms Lu Jiahua.

(b) Derivative to ordinary shares of HK\$0.1 each in the Company

Share options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Company were granted to Directors, chief executives, employees and certain participants pursuant to the share option schemes approved by shareholders of the Company at the general meetings held on 16 February 2004 and 28 May 2014. Information in relation to these share options during the year ended 31 December 2016 are set out in "Share options" section contained in this Directors' Report.

Saved as disclosed above, at no time during the year, the Directors and chief executives (including their spouse and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares or warrants or debentures of the Company, its specified undertakings and its other associated corporations required to be disclosed pursuant to the SFO and the Hong Kong Companies Ordinance (Cap. 622).

(c) Nominees shares of the Company's subsidiaries held in trust

A Director also hold nominee shares of certain subsidiaries held in trust for the Group solely for the purpose of ensuring that the relevant subsidiary has more than one member.

Other than those interests disclosed above, at no time during the year was the Company, its subsidiaries or its other associated corporations a party to any arrangement to enable the Directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its specified undertakings or other associated corporation.

董事及行政總裁於本公司或公司的任何指明企業或任何其他有聯繫法團之股份、相關股份及債權證之權益及淡倉 (續)

(a) 於二零一六年十二月三十一日持有本公司每股面值0.1港元普通股之好倉 (續)

附註：

- (i) 楊毅融先生因控制Marietta Limited而被視為擁有該公司所持的276,931,687股本公司股份的權益。
- (ii) 龔雄輝先生因控制Dragon Kingdom Investment Limited而被視為擁有該公司所持的15,006,315股本公司股份的權益。
- (iii) 盧家華女士因控制Sunwill Investments Limited而被視為擁有該公司所持的11,254,736股本公司股份的權益。

(b) 於本公司的每股面值HK\$0.1普通股之衍生工具

根據二零零四年二月十六日及二零一四年五月二十八日在股東大會上經本公司股東批准之購股權計劃，授予董事、行政總裁、僱員及若干參與人士之購股權屬於非上市實物交收股本衍生工具以認購本公司之普通股。有關截至二零一六年十二月三十一日止年度內該等購股權之詳情，載於此董事會報告「購股權」一節內。

除上文披露外，根據證券條例及香港《公司條例》(第622章)，本年度內任何時間，各董事及行政總裁(包括彼等之配偶及十八歲以下子女)並無擁有、獲授予或行使任何可認購本公司、其指明企業及其其他有聯繫法團之股份或認股權證或債權證之權利需要披露。

(c) 信託持有本公司附屬公司的代理人股

董事亦以信託方式為本集團持有若干附屬公司之代名人股份，僅為確保有關附屬公司擁有超過一名股東。

除上文披露外，本年度任何時間內，本公司、其附屬公司、其聯繫公司、各同系附屬公司、或控股公司或其其他有聯繫法團沒有成為某些安排的其中一方，且該等安排的目的是使公司的董事及行政總裁(包括其配偶及18歲以下子女)能持有本公司或其指明企業或其其他有聯繫法團之股份、相關股份或債權證的權益或淡倉。

Directors' Report 董事會報告

Share options

Share options are granted to Directors, executives, employees and business partners at the invitation of the Directors under the old share option scheme and the new share option scheme (collectively the "Schemes") approved by shareholders at general meetings held on 16 February 2004 and 28 May 2014, respectively. The Schemes are designed to motivate executives and key employees and other persons who make a contribution to the Group and enable the Group to attract and retain individuals with experience and ability and to reward them for their past contributions.

The share options were granted at nil consideration. An option may be accepted by a participant within 21 days from the date of the offer for the grant of the option and the amount payable on acceptance of the grant of an option is HK\$1.

The exercise price of the granted options is not less than the highest of: (a) the closing price of the shares on the date of the grant; (b) the average closing price of the shares for the five business days immediately preceding the date of the grant; and (c) the nominal value of the Company's shares. Each option gives the holder the right to subscribe for one share of the Company. Unless otherwise determined by the Directors and stated in the offer for the grant of options to a grantee, there is no minimum period required for the holding of an option before it can be exercised; the share options have a contractual option term of 10 years.

The Company can issue share options so that the total number of shares that may be issued upon exercise of all options to be granted under all the share option schemes does not in aggregate exceed 10% of the shares in issue on the date of approval of the new share option scheme. The Company may renew this limit at any time, subject to shareholders' approval and the issue of a circular and in accordance with the Listing Rules provided that the number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under all the share option schemes does not exceed 30% of the shares in issue from time to time.

As at 24 April 2017, share options to subscribe for a total of 29,832,400 option shares were still outstanding under the Schemes which represent approximately 4.5% of the issued ordinary shares of the Company.

The Schemes shall be valid and effective for a period of 10 years commencing from the approval of the respective schemes.

購股權

根據股東分別在二零零四年二月十六日及二零一四年五月二十八日於股東大會上批准的舊購股權計劃及新購股計劃（統稱「購股權計劃」），在董事的邀請下購股權可授予董事、行政人員和職工，以及業務合夥人。購股權計劃是用以激勵行政人員、主要職工和其他對本集團有貢獻的人士，並有助本集團吸引和挽留人才，和報答他們作出的貢獻。

購股權以無償對價授出。參與者可由建議授出購股權當日起計21日內接納購股權，而於接納授予購股權時須支付之金額為1港元。

授出購股權的行使價不低於下列最高者：(a)授出日期股份的收市價；(b)授出日期前五個營業日股份的收市價；(c)本公司股份之面值。每份購股權授予其持有人認購本公司一股股份的權利。除非董事另行決定並於向承授人授出購股權之建議中表明，否則並無有關購股權可行使前必須持有之最短期限：購股權的合同認購期為十年。

本公司可以發行購股權，令致根據所有購股權計劃將授出的所有購股權行使時可能發行的股份總數，總計不超過新購股權計劃批准當日已發行股份的10%。本公司可以隨時在股東批准和發出通函後按照上市規則更新這個限額，惟根據所有購股權計劃已授出但仍未行使的所有購股權在行使後將予發行的股份數目，不得超過當時已發行股份的30%。

於二零一七年四月二十四日，根據購股權計劃仍未行使的購股權可認購股份合共29,832,400股，佔本公司已發行普通股約4.5%。

購股權計劃由個別計劃批准起10年內維持有效。



Directors' Report 董事會報告

Share options (continued)

The following table discloses details of share options outstanding as at 31 December 2016 under the Schemes and the movements during the year.

購股權 (續)

下表載述於二零一六年十二月三十一日根據計劃尚未行使之購股權詳情及其於年內之變動。

Type of Grantee	承授人類別	Adjusted exercise price (Note b) (附註b) 經調整行使價 (HK\$ 港元)	Date of grant 授出日期	Exercisable period 行使期	Adjusted balance as at 1 January 2016 (Note a) 於二零一六年一月一日 經調整之結餘 (附註a) (('000) 千計)	Granted during the year 年內授出 (('000) 千計)	Exercised during the year 年內行使 (('000) 千計)	Lapsed/Cancelled during the year 年內失效/註銷 (('000) 千計)	Balance as at 31 December 2016 於二零一六年十二月三十一日 之結餘 (('000) 千計)
Category 1 – Directors	類別1 – 董事								
Mr. Yang Yirong	楊毅融先生	1.70	1.12.2014	1.12.2014-30.11.2024	647	-	-	-	647
Mr. Gong Xionghui	龔雄輝先生	1.70	1.12.2014	1.12.2014-30.11.2024	3,960	-	-	-	3,960
Ms. Lu Jiahua	盧家華女士	1.70	1.12.2014	1.12.2014-30.11.2024	3,960	-	-	-	3,960
Mr. Han Huan Guang	韓歡光先生	1.70	1.12.2014	1.12.2014-30.11.2024	3,960	-	-	-	3,960
Mr. Lin Zhigang	林志剛先生	1.70	1.12.2014	1.12.2014-30.11.2024	3,960	-	-	-	3,960
Mr. Yau Fook Chuen	丘福全先生	1.70	1.12.2014	1.12.2014-30.11.2024	647	-	-	-	647
Mr. Wong Yik Chung, John	黃翼忠先生	1.70	1.12.2014	1.12.2014-30.11.2024	647	-	-	-	647
Sub-total	小計				17,781	-	-	-	17,781
Category 2 – Employees under continuous employment contract	類別2 – 持續僱傭合約僱員								
		1.29	15.2.2014	15.2.2014-14.2.2024	26,400	-	(7,810)	-	18,590
		1.70	1.12.2014	1.12.2014-30.11.2024	3,036	-	-	-	3,036
Sub-total	小計				29,436	-	(7,810)	-	21,626
Category 3 – Consultants	類別3 – 顧問								
		1.70	1.12.2014	1.12.2014-30.11.2024	3,960	-	-	-	3,960
Total	總計				51,177	-	(7,810)	-	43,367

Notes:

- (a) The number of options outstanding was adjusted immediately after the bonus issue of shares of the Company on the basis of two bonus shares of the Company for every ten existing shares of the Company on 12 July 2016.
- (b) The exercise price of the granted options was adjusted immediately pursuant to Note (a).

附註:

- (a) 緊隨本公司於二零一六年七月十二日發行紅股後(基準為每持有十股本公司現有股份可獲發二股本公司紅股)調整尚未行使之購股權數目。
- (b) 根據附註(a), 調整已授出購股權之行使價。

Directors' Report 董事會報告

Substantial shareholders' interests and short positions in the shares, underlying shares of the Company

So far as is known to any Director or chief executive of the Company, as at 31 December 2016, shareholders (other than Directors or chief executives of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Long positions in ordinary shares of HK\$0.1 each in the Company

主要股東在本公司股份、相關股份之權益及淡倉

就本公司任何董事或最高行政人員所知，於二零一六年十二月三十一日，於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露之權益或淡倉，或已記入本公司須根據證券及期貨條例第336條存置之登記冊之權益或淡倉之股東（本公司董事或最高行政人員除外）如下：

於本公司每股面值0.1港元普通股之好倉

Name 名稱	Number of shares held 所持股份數目			Total 總計	% of the issued share capital of the Company 佔本公司 已發行 股本百分比
	Beneficial owner 實益擁有人	Investment manager 投資經理			
Marietta Limited	276,931,687 (Note) (附註)	–	276,931,687		42.19%
FMR LLC	–	64,864,800	64,864,800		9.88%
Platinum Investment Management Limited	–	48,251,278	48,251,278		7.35%

Note: These shares were registered in the name of and beneficially owned by Marietta Limited, the entire issued share capital of which was directly and beneficially owned by Mr. Yang Yirong.

附註：該等股份以Marietta Limited之名義登記，並由該公司實益擁有，而Marietta Limited全部已發行股本則以楊毅融先生直接實益擁有。

Other than as disclosed above, the Company has not been notified by any persons, other than the Directors and chief executives of the Company, who had interest or short positions in the shares or underlying shares of the Company as at 31 December 2016.

除上文披露者外，本公司並無獲知會，於二零一六年十二月三十一日，除董事及本公司行政總裁以外，有任何人士於本公司之股份或相關股份中擁有權益或淡倉。



Directors' Report 董事會報告

Corporate governance

In the opinion of the Directors, the Company has complied with most of the Corporate Governance Code contained in Appendix 14 of the Listing Rules throughout the year ended 31 December 2016, save for the deviations from Code Provision A.2.1 and A.6.7 of the CG Code. Information on the deviations and further information on the Company's corporate governance Code is set out in the "Corporate Governance Report" as set out on pages 19 to 30.

Sufficiency of public float

Based on the information that is publicly available to and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Company's issued shares at 24 April 2017.

Subsequent event

There are no significant events occurred after the balance sheet date.

Auditor

The accompanying consolidated financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Directors
Yang Yirong
Chairman & President

Hong Kong, 28 March 2017

企業管治

董事認為，除若干偏離企業管治常規守則條文第A.2.1條及A.6.7條外，本公司於截至二零一六年十二月三十一日止年度一直遵守上市規則附錄14所載大部分《企業管治守則》。有關該等偏離及本公司企業管治守則之進一步資料載於第19至30頁「企業管治報告」。

充足公眾持股量

根據公開所得的資料以及就董事所知，在二零一七年四月二十四日，確認本公司有足夠公眾持股量，本公司已發行超過25%的股份。

結算日後事項

本公司於結算日後並無發生任何重大事項。

核數師

本合併財務報表已由羅兵咸永道會計師事務所審核，該核數師任滿告退，但表示願意應聘連任。

代表董事
主席兼總裁
楊毅融

香港，二零一七年三月二十八日

Independent Auditor's Report 獨立核數師報告



To the Shareholders of EcoGreen International Group Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of EcoGreen International Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 51 to 133, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

羅兵咸永道

致中怡國際集團有限公司股東
(於開曼群島註冊成立的有限公司)

意見

我們已審計的內容

中怡國際集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第51至133頁的合併財務報表,包括:

- 於二零一六年十二月三十一日的合併資產負債表;
- 截至該日止年度的合併利潤表;
- 截至該日止年度的合併綜合收益表;
- 截至該日止年度的合併權益變動表;
- 截至該日止年度的合併現金流量表;及
- 合併財務報表附註,包括主要會計政策概要。

我們的意見

我們認為,該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於二零一六年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量,並已遵照香港《公司條例》妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信,我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。



Independent Auditor's Report 獨立核數師報告

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

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

Key audit matters identified in our audit are summarised as follows:

- Net realisable value of inventories
- Impairment of intangible assets

(i) Net realisable value of inventories

Refer to note 22 to the consolidated financial statements

At 31 December 2016, inventories of the Group amounted to RMB114.2 million. As described in the accounting policies in note 2.10 to the consolidated financial statements, inventories are carried at the lower of cost and net realisable value.

Management applied judgement in determining the net realisable value for inventories. Net realisable value is determined based upon a detailed analysis of inventories aging on a product by product basis, with reference to the current marketability and latest invoice prices of the respective finished goods and the current market conditions existing at the end of the reporting period. Inventory has been written down by RMB2.9 million to reduce the carrying value of certain inventories to their estimated net realisable value as at 31 December 2016.

We focused on this area due to the size of the balances and the judgment involved by management in determining the net realisable value of the inventories.

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」),我們獨立於貴集團,並已履行守則中的其他專業道德責任。

關鍵審計事項

關鍵審計事項是根據我們的專業判斷,認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下:

- 存貨的可變現淨值
- 無形資產減值

(i) 存貨的可變現淨值

請參閱合併財務報表附註22

於2016年12月31日,貴集團的存貨達人民幣114.2百萬元。誠如合併財務報表附註2.10會計政策所述,存貨按成本與可變現淨值兩者間的較低者列賬。

管理層於釐定存貨的可變現淨值時運用判斷。可變現淨值是根據各成品當前的可銷售性及其最新的發票價格以及報告期末的現行市況,基於對個別產品的存貨賬齡作詳盡分析而釐定。於2016年12月31日,存貨已撇減人民幣2.9百萬元,以將若干存貨的賬面值減至彼等的估計可變現淨值。

我們集中於此範疇,是基於該等結餘的規模以及管理層在釐定存貨的可變現淨值時作涉及判斷。

Independent Auditor's Report 獨立核數師報告

How our audit addressed the Key Audit Matter:

Our procedures in relation to management's assessment of net realisable value on inventories included:

- Understood and evaluated the appropriateness and consistency of the basis for management used in estimating the level of provision for inventories by comparing the historical accuracy of inventory provisioning, on a sample basis, to the realised amount, and reviewing the level of inventory write-offs during the year in relation to inventories loss.
- Checked, on a sample basis, the accuracy of inventories aging used by management to estimate the appropriate provision for slow moving and obsolete inventories.
- Performed audit analytics on inventories holding and movement data to identify inventories with indication of slow moving or obsolescence.
- Checked the utilisation of inventories by production subsequent to the year, on a sample basis, for the appropriateness of the associated provision made.
- Compared the carrying amounts, on a sample basis, of inventories to their net realisable value through a review of sales subsequent to the year end to check for completeness of the associated provision. Where there are no subsequent sales of the respective products after the year end, we challenged management as to the realisable value of the products, corroborating explanations with the aging, sales orders, historical margins and marketability of the respective inventories, as appropriate.

Based on procedures performed, we found the assumptions of management in relation to the assessment on the net realisable value of inventories to be supportable by available evidence.

(ii) Impairment of intangible assets

Refer to note 17 to the consolidated financial statements

As at 31 December 2016, carrying amount of the Group's intangible assets amounted to RMB82.6 million. As described in the accounting policies in note 2.7 to the consolidated financial statements, intangible assets are carried at cost less accumulated amortisation and impairment.

我們的審計如何處理關鍵審核事項：

我們關於管理層對存貨的可變現淨值作出的評估之程序包括：

- 通過按抽樣方式對比存貨撥備與實現金額的過往準確性，並審閱存貨年內撇銷相對於存貨損失的水平，了解及評估管理層用於估計存貨撥備水平的基準是否適合和貫徹應用。
- 按抽樣方式檢查管理層就估計滯銷及陳舊存貨的適當撥備而使用的存貨賬齡的準確性。
- 對所持存貨及變動數據執行審計分析，以識別具有滯銷及過時跡象的存貨。
- 按抽樣方式檢查年度後生產的存貨之動用情況以評估所作的相關撥備是否適合。
- 通過年結後的銷售回顧，按抽樣方式對比存貨的賬面值及彼等的可變現淨值，從而檢查相關撥備的完成情況。倘各產品在年末後概無後續銷量，我們就產品的可變現價值向管理層提出質疑，並以各存貨的賬齡、銷售訂單、過往利潤率及可銷售性（倘適用）以佐證解釋。

根據所執行的程序，我們發現，管理層就評估存貨的可變現淨值作出的假設有可得的憑證作為支持。

(ii) 無形資產的減值

請參閱合併財務報表附註17

於2016年12月31日，貴集團無形資產的賬面值達人民幣82.6百萬元。誠如合併財務報表附註2.7會計政策所述，無形資產乃按成本減累計攤銷及減值入賬。



Independent Auditor's Report 獨立核數師報告

The Group's intangible assets represent development costs incurred on the designing, constructing and testing for new or improved products and processes of production. Management judgement is required in identifying whether there are indicators that intangible assets are impaired; and in the determination of their recoverable amounts, which is primarily based on the expectation of future sales of the relevant underlying products and the current market conditions. Accumulated impairment charge of RMB24.5 million has been recorded to reduce the carrying amounts of certain intangible assets to their recoverable amounts as at 31 December 2016.

We focused on this area due to the size of the balances and the judgment involved by management in determining the recoverable amounts of the intangible assets.

How our audit addressed the Key Audit Matter:

Our procedures in relation to management's impairment assessment on intangible assets included:

- Checked the accuracy of the carrying amount of each intangible asset against the books and records.
- Understood and evaluated the appropriateness and consistency of the basis for management used in identifying impairment indicator and estimating such impairment provision by comparing the forecasted sales and gross margin prepared by management for the respective products against their historical performance, production plans and confirmed sales orders, where relevant.
- Where historical pattern was not demonstrated by those newer products, we challenge management as to their sales projections including pricing, corroborating explanations with the price of similar products in the market and sales quotations, where available, and the underlying marketability study documentation.

Based on the procedures performed, we found the assumptions of management in relation to impairment assessment on intangible assets to be supportable by available evidence.

貴集團的無形資產指設計、構建及測試新產品或改良產品以及生產過程中產生的開發成本。於確定無形資產是否有減值跡象時，以及於釐定彼等之可回收金額時（主要基於對有關產品的未來銷量的預期以及現行市況），管理層須運用判斷。用於將若干無形資產的賬面值減至彼等的可回收金額之累計減值費用人民幣24.5百萬元已於2016年12月31日入賬。

我們集中於此範疇，是基於該等結餘的規模以及管理層在釐定無形資產的可回收金額時涉及判斷。

我們的審計如何處理關鍵審核事項：

我們關於管理層對無形資產作出的減值評估之程序包括：

- 檢查賬簿及記錄以核對各無形資產賬面值之準確性。
- 通過將管理層根據各產品的過往表現、生產計劃及已確認銷售訂單（倘相關）就其編製的預測銷量及毛利率進行對比，了解及評估管理層用於識別減值跡象及估計有關減值撥備之基準是否適合和貫徹應用。
- 倘過往表現未能體現於新近產品，我們會向管理層就其銷售預測提出質疑，並以市面上同類產品的價格及銷售報價（倘適用），以及有關的可銷售性研究文獻以佐證解釋。

根據所執行的程序，我們發現，管理層就無形資產的減值評估作出的假設有可得的憑證作為支持。

Independent Auditor's Report 獨立核數師報告

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

其他信息

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及審核委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備合併財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督 貴集團的財務報告過程。



Independent Auditor's Report 獨立核數師報告

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下（作為整體）報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負責或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。

Independent Auditor's Report 獨立核數師報告

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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

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

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mak Tze Leung, William.

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是麥子良。

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2017

羅兵咸永道會計師事務所
執業會計師

香港，二零一七年三月二十八日



Consolidated Income Statement – by Function of Expense 合併利潤表 – 按費用的功能列報

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	5	1,632,779	1,536,763
Cost of sales	銷售成本	8	(1,231,933)	(1,180,544)
Gross profit	毛利		400,846	356,219
Other gains/(losses) – net	其他收益/(損失) – 淨額	6	4,359	(22,514)
Selling and marketing costs	銷售及市場推廣成本	8	(32,099)	(29,574)
Administrative expenses	行政費用	8	(71,855)	(82,695)
Operating profit	經營利潤		301,251	221,436
Finance income	財務收益	7	26,079	26,675
Finance expenses	財務費用	7	(107,207)	(92,605)
Net finance expenses	財務費用淨額	7	(81,128)	(65,930)
Share of losses of associates	應佔聯營虧損份額	11	(386)	(1,227)
Provision for impairment of investment in an associate	聯營投資減值撥備計提	11	–	(2,799)
Profit before taxation	除稅前利潤		219,737	151,480
Taxation	稅項	12	(74,229)	(66,296)
Profit for the year	年度利潤		145,508	85,184
Profit/(loss) attributable to: Owners of the Company	利潤/(虧損)歸屬於: 本公司擁有人		145,383	85,515
Non-controlling interests	非控股性權益		125	(331)
			145,508	85,184
Earnings per share attributable to owners of the Company for the year (expressed in RMB per share)	年度每股收益歸屬 於本公司擁有人 (每股以人民幣列示)			(As restated) (經重列)
– Basic	– 基本	13	22.4 Cents仙	13.2 Cents仙
– Diluted	– 攤薄	13	22.3 Cents仙	12.9 Cents仙

The notes on pages 57 to 133 are an integral part of these consolidated financial statements.

第57至133頁附註為該等合併財務報表其中部分。

Consolidated Statement of Comprehensive Income 合併綜合收益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit for the year	年度利潤	145,508	85,184
Other comprehensive (loss)/income: <i>Items that may be reclassified to profit or loss</i>	其他綜合(損失)/收益: 其後可能被重新分類為 損益項目		
Currency translation differences	外幣折算差額	(45)	146
Other comprehensive (loss)/income for the year	本年度其他綜合(損失)/收益 總額	(45)	146
Total comprehensive income for the year	本年度綜合收益總額	145,463	85,330
Attributable to:	歸屬於:		
Owners of the Company	本公司擁有人	145,338	85,661
Non-controlling interests	非控股性權益	125	(331)
Total comprehensive income for the year	本年度綜合收益總額	145,463	85,330

The notes on pages 57 to 133 are an integral part of these consolidated financial statements.

第57至133頁附註為該等合併財務報表其中部分。



Consolidated Balance Sheet

合併資產負債表

As at 31 December 2016 於二零一六年十二月三十一日

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
ASSETS			
Non-current assets			
Land use rights	15	41,276	41,716
Property, plant and equipment	16	323,240	325,384
Intangible assets	17	82,620	75,128
Investments in associates	11	7,423	8,581
Loan to an associate	35	-	3,000
Deferred income tax assets	29	5,470	2,313
Available-for-sale financial assets	18	200	200
Prepayments	21	-	8,356
		460,229	464,678
Current assets			
Inventories	22	114,157	120,795
Trade receivables and bills receivable	20	691,223	588,059
Prepayments and other receivables	21	233,599	178,912
Amount due from a related company	35	39	-
Loan to an associate	35	3,000	-
Derivative financial instruments	19	1,582	296
Pledged bank deposits	23	60,498	69,883
Short-term bank deposits	23	22,650	15,536
Cash and cash equivalents	23	1,563,170	1,429,587
		2,689,918	2,403,068
Total assets		3,150,147	2,867,746
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	24	65,237	55,297
Share premium	24	202,474	203,712
Other reserves	25	158,818	157,348
Retained earnings		1,180,406	1,053,050
		1,606,935	1,469,407
Non-controlling interests		-	2,682
Total equity		1,606,935	1,472,089

Consolidated Balance Sheet
合併資產負債表

As at 31 December 2016 於二零一六年十二月三十一日

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸	28	222,152	503,554
Deferred income tax liabilities	遞延所得稅負債	29	57,900	45,900
			280,052	549,454
Current liabilities	流動負債			
Trade payables and bills payable	應付賬款及應付票據	26	182,231	218,837
Current income tax liabilities	即期所得稅負債		19,879	17,059
Borrowings	借貸	28	989,556	499,649
Derivative financial instruments	衍生金融工具	19	5,533	38,050
Amounts due to related companies	應付關聯方款項	35	8,587	6,577
Accruals and other payables	應計費用及其他應付款	27	57,353	65,283
Amount due to a director	應付一董事款項	35	21	748
			1,263,160	846,203
Total liabilities	總負債		1,543,212	1,395,657
Total equity and liabilities	總權益及負債		3,150,147	2,867,746

The consolidated financial statements on pages 51 to 133 were approved by the Board of Directors on 28 March 2017 and were signed on its behalf:

第51至133頁的合併財務報表已於二零一七年三月二十八日由董事會批核，並由董事會代表簽署：

YANG YIRONG
楊毅融
Chairman
主席

LU JIAHUA
盧家華
Executive director
執行董事

The notes on pages 57 to 133 are an integral part of these consolidated financial statements.

第57至133頁附註為該等合併財務報表其中部分。



Consolidated Statement of Changes in Equity 合併權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Attributable to owners of the Company 歸屬於本公司擁有人					Non- controlling interests 非控制性 權益 RMB'000 人民幣千元	Total equity 總權益 RMB'000 人民幣千元
		Share capital 股本 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Retained earnings 保留盈利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元		
Balance at 1 January 2015	於二零一五年一月一日之結餘	51,420	207,589	131,956	1,014,621	1,405,586	3,013	1,408,599
Comprehensive income	綜合收益							
Profit for the year	年度利潤	-	-	-	85,515	85,515	(331)	85,184
Other comprehensive income	其他綜合收益							
Currency translation differences	外幣折算差額	-	-	146	-	146	-	146
Total comprehensive income for 2015	二零一五年綜合收益總額	-	-	146	85,515	85,661	(331)	85,330
Transactions with owners in their capacity as owners	與權益所有者以其所有者的身份進行的交易							
Issue of bonus shares	發行紅股	3,877	(3,877)	-	-	-	-	-
Employees share option scheme:	僱員購股權計劃:							
- Value of share options granted	- 授出購股權之計劃	-	-	7,329	-	7,329	-	7,329
2014 final dividend	二零一四年之終期股息	-	-	-	(19,786)	(19,786)	-	(19,786)
2015 interim dividend	二零一五年之中期股息	-	-	-	(9,383)	(9,383)	-	(9,383)
Transfer from retained earnings (Note 25)	保留盈利轉撥(附註25)	-	-	17,917	(17,917)	-	-	-
Total transactions with owners in their capacity as owners	與權益所有者以其所有者的身份進行交易的總額	3,877	(3,877)	25,246	(47,086)	(21,840)	-	(21,840)
Balance at 31 December 2015	於二零一六年十二月三十一日之結餘	55,297	203,712	157,348	1,053,050	1,469,407	2,682	1,472,089
Balance at 1 January 2016	於二零一六年一月一日之結餘	55,297	203,712	157,348	1,053,050	1,469,407	2,682	1,472,089
Comprehensive income	綜合收益							
Profit for the year	年度利潤	-	-	-	145,383	145,383	125	145,508
Other comprehensive income	其他綜合收益							
Currency translation differences	外幣折算差額	-	-	(45)	-	(45)	-	(45)
Total comprehensive income for 2016	二零一六年綜合收益總額	-	-	(45)	145,383	145,338	125	145,463
Transactions with owners in their capacity as owners	與權益所有者以其所有者的身份進行的交易							
Issue of shares (Note 24)	發行股份(附註24)	9,940	(1,238)	-	-	8,702	-	8,702
Employees share option scheme:	僱員購股權計劃:							
- Value of share option granted	- 授出購股權之價值	-	-	3,435	-	3,435	-	3,435
- Value of share options exercised	- 行使購股權之價值	-	-	(3,658)	3,658	-	-	-
Change in non-controlling interests in equity:	非控制性權益之變動:							
- Equity acquired by the Group from non-controlling interests (Note 37)	- 本集團向非控制性權益收購之權益(附註37)	-	-	(193)	-	(193)	(2,807)	(3,000)
2015 final dividend	二零一五年之終期股息	-	-	-	(11,817)	(11,817)	-	(11,817)
2016 interim dividend	二零一六年之中期股息	-	-	-	(7,937)	(7,937)	-	(7,937)
Transfer from retained earnings (Note 25)	保留盈利轉撥(附註25)	-	-	1,931	(1,931)	-	-	-
Total transactions with owners in their capacity as owners	與權益所有者以其所有者的身份進行交易的總額	9,940	(1,238)	1,515	(18,027)	(7,810)	(2,807)	(10,617)
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	65,237	202,474	158,818	1,180,406	1,606,935	-	1,606,935

The notes on pages 57 to 133 are an integral part of these consolidated financial statements.

第57至133頁附註為該等合併財務報表其中部分。

Consolidated Statement of Cash Flows

合併現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash flows from operating activities	經營活動的現金流量			
Cash generated from operations	經營業務所得的現金	31	78,067	242,183
Interest paid	已付利息		(58,210)	(56,239)
Income tax paid	已付所得稅		(62,566)	(50,272)
Net cash (used in)/generated from operating activities	經營業務(所用)/所得現金淨額		(42,709)	135,672
Cash flows from investing activities	投資活動的現金流量			
Refund of deposits for the acquisition of land use right	土地使用權訂金歸還		-	16,830
Payments for the acquisition of land use rights	支付購買土地使用權		(17)	(6,881)
Additions to property, plant and equipment	收購物業、廠房及設備		(40,208)	(23,651)
Additions to intangible assets	無形資產增加		(8,514)	(11,906)
Prepayments for product development projects	產品開發項目預付款	21	-	(7,200)
Redemption of available-for-sale financial assets	可供出售金融資產贖回		-	100
(Increase)/decrease in short-term bank deposits	短期銀行存款(增加)/減少		(7,114)	28,374
Decrease in pledged bank deposits	已抵押銀行存款減少		9,385	16,715
Interest received	已收利息		26,079	26,675
Net cash (used in)/generated from investing activities	投資活動(所用)/所得現金淨額		(20,389)	39,056
Cash flows from financing activities	融資活動的現金流量			
Proceeds from borrowings	借貸所得款		704,620	1,258,786
Repayments of borrowings	償還借貸		(496,115)	(1,086,089)
Decrease in amount due to a director	應付一董事款項減少		(727)	(41)
Dividends paid	股息支付		(19,754)	(29,169)
Proceeds from issuance of shares	發行股份所得款		8,702	-
Net cash generated from financing activities	融資活動所得現金淨額		196,726	143,487
Net increase in cash and cash equivalents	現金及現金等價物增加淨額		133,628	318,215
Cash and cash equivalents at beginning of the year	年初之現金及現金等價物		1,429,587	1,111,226
Exchange gains on cash and cash equivalents	現金及現金等價物之匯兌收益		(45)	146
Cash and cash equivalents at end of the year	年終之現金及現金等價物	23	1,563,170	1,429,587

The notes on pages 57 to 133 are an integral part of these consolidated financial statements.

第57至133頁附註為該等合併財務報表其中部分。



Notes to the Consolidated Financial Statements 合併財務報表附註

1. General information

EcoGreen International Group Limited ("Ecogreen" or "the Company") and its subsidiaries (together "the Group") are principally engaged in the production and trading of fine chemicals from natural resources for use in aroma chemicals and pharmaceutical products.

The Company was incorporated in the Cayman Islands on 3 March 2003 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company's head office and principal place of business in Hong Kong is situated at Suite 5301, 53rd Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong.

The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

The consolidated financial statements are presented in Chinese Renminbi ("RMB"), unless otherwise stated.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss, which are carried at fair value.

The preparation of the consolidated financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

1. 一般資料

中怡國際集團有限公司(「中怡」或「本公司」)及其附屬公司(統稱「本集團」)主要從事利用天然資源生產及買賣,以用於芳香化學品及醫藥產品的精細化學品。

本公司於二零零三年三月三日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。其註冊辦事處地址為Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands。

本公司之總辦事處及位於香港的主要營業地點為香港灣仔港灣道十八號中環廣場五十三樓五三零一室。

本公司於香港聯合交易所有限公司(「聯交所」)主板上市。

除另有指明者外,本合併財務報表均以人民幣列值。

2. 主要會計政策概要

擬備本合併財務報表採用的主要會計政策載於下文。除另有說明外,此等政策在所呈報的所有年度內貫徹應用。

2.1 擬備基準

本公司的合併財務報表是根據所有適用的《香港財務報告準則》及香港法例第622章《公司條例》之披露規定。合併財務報表按照歷史成本法擬備,並就可供出售金融資產的重估,以公允價值計量且其變動計入損益的金融資產和金融負債(包括衍生工具)(按公允價值列賬)而作出修訂。

擬備符合《香港財務報告準則》規定之財務報表須使用若干重要會計評估,管理層亦須於應用本集團會計政策時作出判斷,而涉及較高水平判斷或較為複雜之範圍,或假設及評估對合併財務報表攸關重要之範圍於附註4披露。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures

(a) The following new standard and amendments to standards are mandatory for the Group's financial year beginning on or after 1 January 2016 and have been adopted in the preparation of the consolidated financial statements.

HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception
HKFRS 11 (Amendment)	Accounting for Acquisitions of Interests in Joint Operations
HKFRS 14	Regulatory Deferral Accounts
HKAS 1 (Amendment)	Disclosure Initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants
HKAS 27 (Amendment)	Equity Method in Separate Financial Statements
Annual Improvements Project	Annual Improvements 2012-2014 Cycle

The adoption of the above new standard and amendments to standards has had no material effect on the consolidated financial statements of the Group.

(b) The following new standards and amendments to standards have been issued but are not effective for the year ended 31 December 2016 and have not been early adopted by the Group:

		Effective for accounting periods beginning on or after
HKAS 7 (Amendment)	Disclosure Initiative	1 January 2017
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 15 (Amendment)	Clarifications to HKFRS 15	1 January 2018
HKFRS 16	Leases	1 January 2019

2. 主要會計政策概要 (續)

2.1 擬備基準 (續)

2.1.1 會計政策和披露的變動

(a) 以下新準則、準則修訂於本集團二零一六年一月一日開始之財政年度強制應用並已於擬備本合併財務報表時獲採納。

香港財務報告準則第10號、 香港財務報告準則第12號及 香港會計準則第28號 (修改)	關於投資性主體：應用合併的 例外規定
香港財務報告準則第11號 (修改)	收購共同經營權益的會計法
香港財務報告準則第14號	價格監管遞延賬戶
香港會計準則第1號 (修改)	披露計畫
香港會計準則第16號及 第38號 (修改)	折舊和攤銷的可接受方法的澄清
香港會計準則第16號及 第41號 (修改)	結果實的植物
香港會計準則第27號 (修改)	獨立財務報表中使用權益法
2014年度改進	2012-2014年報告週期年度改進

採納上述新準則及準則修訂對擬備本集團之合併財務報表並無重大影響。

(b) 以下新準則及準則修訂已頒佈但於二零一六年十二月三十一日止之財政年度尚未生效，且本集團並無提早採納：

		Effective for accounting periods beginning on or after		適用於以下日期 或之後開始的會計期間	
HKAS 7 (Amendment)	Disclosure Initiative	1 January 2017	香港會計準則第7號	披露主動性	二零一七年一月一日
HKAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017	香港會計準則第12號	確認未變現虧損之 遞延稅項資產	二零一七年一月一日
HKFRS 2 (Amendment)	Classification and Measurement of Share-based Payment Transactions	1 January 2018	香港財務報告準則 第2號 (修訂本)	以股份為基礎之付款 交易之分類及計量	二零一八年一月一日
HKFRS 4 (Amendment)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance contracts	1 January 2018	香港財務報告準則 第4號 (修訂本)	應用香港財務報告準則 第9號財務之工具於香港 財務報告第4號保險合約	二零一八年一月一日
HKFRS 9	Financial Instruments	1 January 2018	香港財務報告準則 第9號	財務工具	二零一八年一月一日
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined	香港財務報告準則 第10號及香港會計 準則第28號 (修訂本)	投資者與其聯營公司 或合營企業之 資產出售或注資	尚待確定
HKFRS 15	Revenue from Contracts with Customers	1 January 2018	香港財務報告準則 第15號	來自客戶合約之收入	二零一八年一月一日
HKFRS 15 (Amendment)	Clarifications to HKFRS 15	1 January 2018	香港財務報告準則 第15號 (修訂本)	香港財務報告準則 第15號之澄清	二零一八年一月一日
HKFRS 16	Leases	1 January 2019	香港財務報告準則 第16號	租賃	二零一九年一月一日



Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.1 Changes in accounting policy and disclosures (continued)

Management is in the process of making an assessment of the likely impact of these changes but is not yet in a position to state whether any substantial changes to the Group's significant accounting policies and/or the presentation of its consolidated financial statements will result.

2.2 Subsidiaries

2.2.1 Consolidation

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such remeasurement are recognised in profit or loss.

2. 主要會計政策概要(續)

2.1 擬備基準(續)

2.1.1 會計政策和披露的變動(續)

管理層現正評估該等變動的可能影響，惟尚未能確定是否會導致本集團的重要會計政策及/或其合併財務報表的列報出現任何重大變動。

2.2 附屬公司

2.2.1 合併賬目

附屬公司指本集團對其具有控制權的所有主體(包括結構性主體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該主體的權力影響此等回報時，本集團即控制該主體。附屬公司在控制權轉移至本集團之日起合併入賬。附屬公司在控制權終止之日起停止合併入賬。

集團內公司之間的交易、結餘及交易的未變現收益予以對銷。未變現損失亦予以對銷。附屬公司報告的數額已按需要作出改變，以確保與本集團採用的政策符合一致。

(a) 業務合併

本集團利用購買法將業務合併入賬。購買一附屬公司所轉讓的對價，為所轉讓資產、对被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的對價包括或有對價安排所產生的任何資產和負債的公允價值。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。本集團按個別收購基準，確認在被購買方的任何非控股性權益。被購買方的非控股性權益為現時的擁有權權益，並賦予持有人一旦清盤時按比例應佔主體的淨資產，可按公允價值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控股性權益的所有其他組成部分按收購日期的公允價值計量，除非香港財務報告準則規定必須以其他計量基準計算。

購買相關成本在產生時支銷。

如業務合併分階段進行，收購方之前在被收購方持有權益於收購日期的賬面值，按收購日期的公允價值重新計量，重新計量產生的任何盈虧在損益中確認。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.2 Subsidiaries (continued)

2.2.1 Consolidation (continued)

(a) Business combinations (continued)

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2. 主要會計政策概要 (續)

2.2 附屬公司 (續)

2.2.1 合併賬目 (續)

(a) 業務合併 (續)

集團將轉讓的任何或有對價按收購日期的公允價值計量。被視為資產或負債的或有對價公允價值的其後變動，根據香港會計準則第39號的規定，在損益中或作為其他綜合收益的變動確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。

所轉讓對價、被收購方的任何非控股性權益數額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨識淨資產公允價值的數額記錄為商譽。如所轉讓對價、確認的任何非控股性權益及之前持有的權益計量，低於購入附屬公司淨資產的公允價值，則將該數額直接在合併利潤表中確認。

(b) 不導致失去控制權的附屬公司權益變動

本集團將其與非控股性權益進行、不導致失去控制權的交易入賬為權益交易—即與附屬公司所有者以其作為所有者身份進行的交易。所支付任何對價的公允價值與相關應佔所收購附屬公司淨資產賬面值的差額記錄為權益。向非控股性權益的處置的盈虧亦記錄在權益中。

(c) 出售附屬公司

當本集團不再持有控制權，在主體的任何保留權益於失去控制權當日重新計量至公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他綜合收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他綜合收益中確認的數額重新分類至損益。



Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.2 Subsidiaries (continued)

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

2. 主要會計政策概要(續)

2.2 附屬公司(續)

2.2.2獨立財務報表

附屬公司投資按成本扣除減值列賬。成本經調整以反映修改或有對價所產生的對價變動。成本亦包括投資的直接歸屬成本。附屬公司的業績由本公司按已收及應收股利入賬。

如股利超過宣派股利期內附屬公司的總綜合收益，或如在獨立財務報表的投資賬面值超過合併財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對附屬公司投資作減值測試。

2.3 聯營

聯營指所有本集團對其有重大影響力而無控制權的主體，通常附帶有20%至50%投票權的股權。聯營投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營的投資包括購買時已辨認的商譽。在購買聯營企業的投資時，購買成本與本集團享有的對聯營企業可辨認資產和負債的公允價值淨額的差額確認為商譽。

如聯營的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他綜合收益中確認的數額重新分類至損益(如適當)。

本集團應佔聯營購買後利潤或虧損於合併利潤表內確認，而應佔其購買後的其他綜合收益變動則於其他綜合收益內確認，並相應調整投資賬面值。如本集團應佔一家聯營的虧損等於或超過其在該聯營的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營已產生法律或推定債務或已代聯營作出付款。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.3 Associates (continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of losses of associates' in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains and losses on dilution of equity interest in associates are recognised in the consolidated income statement.

2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Executive Directors.

2.5 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Chinese Renminbi ("RMB"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

2. 主要會計政策概要 (續)

2.3 聯營 (續)

本集團在每個報告日期釐定是否有客觀證據證明聯營投資已減值。如投資已減值，本集團計算減值，數額為聯營可收回數額與其賬面值的差額，並在合併利潤表中確認於「應佔聯營虧損份額」旁。

本集團與其聯營之間的上流和下流交易的利潤和損失，在集團的合併財務報表中確認，但僅限於無關連投資者在聯營權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在聯營投資中因攤薄股本權益所產生的盈虧於合併利潤表確認。

2.4 分部呈報

營運分部按照與向主要經營決策者提供的內部報告貫徹一致的方式報告。執行董事被認定為主要經營決策者作出策略性決定，負責分配資源和評估營運分部的表現。

2.5 外幣換算

(a) 功能及呈列貨幣

本集團每個主體之財務報表所列項目，均以該主體經營所在的主要經濟環境的貨幣計量（「功能貨幣」）。合併財務報表以中國人民幣（「人民幣」）呈列，人民幣為本公司的功能貨幣及本集團的列報貨幣。

(b) 交易及結餘

外幣交易採用交易日期或以重估當日的匯率換算為功能貨幣。除了符合在其他綜合收益中遞延入賬的現金流量對沖和淨投資對沖外，結算此等交易產生的匯兌盈虧以及將外幣計值的貨幣於資產和負債以年終匯率折算產生的匯兌盈虧在合併利潤表確認。



Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.5 Foreign currency translation (continued)

(b) Transactions and balances (continued)

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within "finance income or cost". All other foreign exchange gains and losses are presented in the consolidated income statement within "other losses – net".

Changes in the fair value of debt securities denominated in a foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security, and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for-sale, are included in other comprehensive income.

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

2. 主要會計政策概要 (續)

2.5 外幣換算 (續)

(b) 交易及結餘 (續)

與借貸和現金及現金等價物有關的匯兌盈虧在合併利潤表內的「財務收益或成本」中呈列報。所有其他匯兌盈虧在合併利潤表內的「其他虧損－淨額」中列報。

以外幣為單位及被分類為可供出售的債務證券的公允價值變動，按照證券的攤銷成本變動與該證券賬面值的其他變動所產生的折算差額進行分析。與攤銷成本變動有關的折算差額確認為利潤或虧損，賬面值的其他變動則於其他綜合收益中確認。

非貨幣性金融資產及負債（例如以公允價值計量且其變動計入損益的權益）的折算差額確認為收益或虧損並列報為公允價值盈虧的一部份。非貨幣性金融資產及負債（例如分類為可供出售的權益）的折算差額包括在其他綜合收益中。

(c) 集團公司

集團內的主體（當中沒有惡性通貨膨脹經濟的貨幣）之功能貨幣有別於本集團的列報貨幣時，則其業績和財務狀況須按如下方法換算為列報貨幣：

- (i) 每份列報的資產負債表內的資產和負債按該資產負債表日期的收市匯率換算；
- (ii) 每份利潤表內的收益和費用按平均匯率換算（除非此匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率換算）；及
- (iii) 所有由此而產生之匯兌差額在其他綜合收益中確認。

收購海外實體時產生之商譽及公允價值調整乃視為該海外實體之資產及負債處理，並按期末匯率換算。產生的匯兌差額在權益中入賬。外幣換算差額在其他綜合收益中確認。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.6 Property, plant and equipment

2.6.1 Construction-in-progress

Construction-in-progress, representing buildings on which construction work has not been completed and machinery pending installation, is stated at historical cost, which includes construction expenditures incurred, cost of machinery, and other direct costs capitalised during the construction and installation period, less accumulated impairment losses, if any. No depreciation is provided in respect of construction-in-progress until the construction and installation work is completed. On completion, the construction-in-progress is transferred to appropriate categories of property, plant and equipment.

2.6.2 Other property, plant and equipment

Other property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the consolidated income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate cost less their residual values, where appropriate over their estimated useful lives, as follows:

Buildings	30 to 40 years
Plant and machinery	5 to 15 years
Leasehold improvements	5 to 10 years
Office furniture and equipment	5 to 10 years
Motor vehicles	5 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.8). Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognised within "other losses – net" in the consolidated income statement.

2. 主要會計政策概要(續)

2.6 物業、廠房及設備

2.6.1 在建工程

在建工程指未完成建築工程之樓宇及未安裝之機器，按成本入賬，包括所產生之建造開支、機器成本及建造與安裝期間其他撥充資本之直接成本，減任何累計減值虧損（如有）。建造及安裝完成前，不會就在建工程作出折舊。於完成時，在建工程轉撥至相關之物業、廠房及設備類別。

2.6.2 其他物業、廠房及設備

其他物業、廠房及設備乃按歷史成本減折舊及減值虧損列賬。歷史成本包括收購項目直接產生之開支。成本亦可包括轉撥自權益之對沖物業、廠房及設備外幣採購項目之合資格現金流量所產生之任何盈虧。

僅在與項目相關之日後經濟效益有可能歸於本公司及能可靠地計算出項目成本之情況下，其後成本方會計入資產賬面值或確認為獨立資產（倘適用）。已更換零件的賬面值已被終止確認。所有其他維修及保養於其產生財政期間在合併利潤表列支銷。

其他物業、廠房及設備以直線法計算折舊，並按估計可使用年期分配成本至餘值（倘適用），估計可使用年期如下：

樓宇	30至40年
廠房及機器	5至15年
租賃物業裝修	5至10年
辦公室傢俬	5至10年
汽車及設備	5至10年

於各結算日檢討及調整（倘適用）資產之餘值及可使用年期。倘資產之賬面值超過其估計可收回金額，則資產之賬面值將即時減至其可收回金額（附註2.8）。出售盈虧經比較所得款項與賬面值而釐定，在合併利潤表內的「其他虧損－淨額」中確認。



Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.7 Intangible assets

2.7.1 Research and development

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (a) it is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (b) management intends to complete the intangible asset and use or sell it;
- (c) there is an ability to use or sell the intangible asset;
- (d) it can be demonstrated how the intangible asset will generate probable future economic benefits;
- (e) adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (f) the expenditure attributable to the intangible asset during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over a period of five years.

2. 主要會計政策概要(續)

2.7 無形資產

2.7.1 研究及開發成本

研究成本於產生時列作開支。有關設計、開發及測試新產品或改良產品之開發項目成本確認為產品開發成本會於以下條件達成後確認為產品開發成本：

- (a) 在技術上可完成有關無形資產，並可供使用或出售；
- (b) 管理層有意完成並使用或出售有關無形資產；
- (c) 可使用或出售有關無形資產；
- (d) 證明有關無形資產可於日後獲得經濟利益；
- (e) 具備合適的技術、財政及其他資源完成開發並使用或出售有關無形資產；及
- (f) 可準確計算開發有關無形資產的所需開支。

且產品在技術上屬可行且有意完成開發，並且具備所需資源，以及成本可資識別及有能力出售或使用相關產品而於日後獲得經濟利益。之前確認為開支的開發成本不會於其後期間確認為資產。

該等開發成本確認為資產，按直線法在五年期間內攤銷，以反映自資產可供銷售或使用日期起相關經濟利益之確認模式。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.8 Impairment of non-financial assets

Assets that have an indefinite useful life or not yet ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.9 Financial assets

2.9.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivable and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. Management determine the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables', 'pledged bank deposits', 'short-term bank deposits' and 'cash and cash equivalents' in the balance sheet (Note 2.11 and Note 2.12).

2. 主要會計政策概要(續)

2.8 非金融資產減值

無既定可使用年期或尚未可供用之資產毋須攤銷，並每年檢討減值一次。當資產出現顯示未必能收回賬面值之事件或情況有變時檢討減值。減值虧損就資產賬面值超過其可收回金額之差額確認。可收回金額為資產公允值減出售成本及使用價值兩者間之較高者。就評估減值而言，資產按可獨立識別現金流量之最低水平（現金產生單位）分類。出現減值之非金融資產（商譽除外）於各申報日期檢討是否可能撥回減值。

2.9 金融資產

2.9.1 分類

本集團將其金融資產分類為以下類別：按公允值透過損益記賬、貸款及應收款，以及可供出售。分類視乎購入金融資產之目的。管理層在初始確認時釐定金融資產的分類。

(a) 以公允價值計量且其變動計入損益的金融資產

以公允價值計量且其變動計入損益的金融資產指交易金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為套期，否則亦分類為持作交易性。在此類別的資產假若預期在12個月內結算，分類為流動資產；否則分類為非流動資產。

(b) 貸款及應收款

貸款及應收款為有固定或可釐定付款且沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但預期將於報告期末超計超過12個月結算的數額，則分類為非流動資產。貸款及應收款列在資產負債表中「應收賬款及其他應收款」，「已抵押之銀行存款」，「短期銀行存款」及「現金及現金等價物」內（附註2.11及附註2.12）。



Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.9 Financial assets (continued)

2.9.1 Classification (continued)

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment mature or management intends to dispose of the investment within 12 months of the end of the reporting period.

2.9.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at fair value through profit or loss” category are presented in the consolidated income statement within “other losses – net”, in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the consolidated income statement as part of other income when the Group’s right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as ‘gains and losses from investment securities’. Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group’s right to receive payment is established.

2. 主要會計政策概要 (續)

2.9 金融資產 (續)

2.9.1 分類 (續)

(c) 可供出售金融資產

可供出售金融資產為被指定作此類別或並無分類為任何其他類別之非衍生工具。除非投資到期或管理層有意在報告期末後12個月內出售該項投資，否則此等資產列在非流動資產內。

2.9.2 確認及計量

日常購買或出售的金融資產於交易日即本集團承諾購買或出售該項資產之日予以確認。並非按公允值計入損益之所有金融資產，投資初步以公允值加交易成本確認。按公允值計入損益之金融資產初步以公允值加交易成本確認，並於合併利潤表支銷。當獲取投資所產生現金流量的權利到期，或本集團將絕大部分擁有權之風險及回報轉讓時，金融資產將被終止確認。可供出售的金融資產及以公允價值計量且其變動計入損益的金融資產其後以公允值入賬。貸款及應收款項以實際利率法按攤薄成本列賬。

來自「按公允值透過損益記賬的財務資產」類別的公允值變動所產生的盈虧，列入產生期間合併利潤表內的「其他損失－淨額」中。來自按公允值透過損益記賬的財務資產的股息，當本集團收取有關款項的權利確定時，在合併利潤表內確認為部份其他收入。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他綜合收益中確認。

於分類為可供出售證券已出售或減值，其於權益確認之累計公允值調整將列入合併利潤表為「投資證券之收益或虧損」。可供出售證券之利息以實際利率法計算，在合併利潤表確認為部份其他收益。有關可供出售股本工具的股息於本集團收取款項的權利確立時於合併利潤表確認為部份其他收益。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.9 Financial assets (continued)

2.9.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.9.4 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2. 主要會計政策概要 (續)

2.9 金融資產 (續)

2.9.3 抵銷金融工具

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在資產負債表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

2.9.4 金融資產減值

(a) 以攤銷成本列賬的資產

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某一金融資產組出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值（「損失事項」），而該宗（或該等）損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關的金融資產或金融資產組才算出現減值及產生減值虧損。

減值虧損的證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

對於貸款及應收款類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量（不包括仍未產生的未來信用損失）的現值兩者的差額計量。資產賬面值予以削減，而損失金額則在合併利潤表確認。如貸款或持有至到期投資有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，集團可利用可觀察的市場價格，按工具的公允價值計量減值。

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件（例如債務人的信用評級有所改善），則之前已確認的減值虧損可在合併利潤表轉回。



Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.9 Financial assets (continued)

2.9.4 Impairment of financial assets (continued)

(b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2.9.5 Derivative financial instruments

Derivative financial instruments are initially measured at fair value on the date the derivative contracts are entered into and are subsequently re-measured at their fair values. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

As at 31 December 2016, the Group had not designated any derivatives as hedging instruments. Changes in fair values of derivatives that do not qualify for hedge accounting are being included in the consolidated income statement as “other losses – net”.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2. 主要會計政策概要 (續)

2.9 金融資產 (續)

2.9.4 金融資產減值 (續)

(b) 可供出售資產

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。

對於債券，如存在此等證據，累計虧損—按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算—自權益中剔除並在損益中記賬。如在較後期間，被分類為債務工具的公允價值增加，而增加可客觀地與減值虧損在損益確認後發生的事件有關，則將減值虧損在合併利潤表轉回。

至於權益投資，證券公允價值的大幅度或長期跌至低於其成本值，亦是證券已經減值的證據。若存在此等證據，累計虧損—按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算—自權益中剔除並在損益中記賬。在合併利潤表中就權益工具確認的減值虧損，不得透過合併利潤表轉回。

2.9.5 衍生金融工具

衍生工具初步按衍生工具合約訂立當日的公允價值計量，其後按其公允價值重新計量。確認所產生的收益或損失的方法取決於該衍生工具是否指定為對沖工具，如指定為對沖工具，則會對沖到期項目。

於二零一六年十二月三十一日，本集團並無指定任何衍生工具作為對沖工具。不合資格作對沖會計法之衍生工具公允價值變動，於綜合利潤表列為「其他損失—淨額」。

2.10 存貨

存貨按成本或可變現淨值兩者間之較低者列賬。成本按加權平均法釐定。產成品及在製品之成本包括原材料、直接勞工、其他直接成本及相關間接生產開支（按正常經營規模計算），惟不包括借款成本。可變現淨值指日常經營活動中之估計銷售價減適用變動銷售開支。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.11 Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.12 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.13 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

2. 主要會計政策概要(續)

2.11 應收賬款及其他應收款

應收賬款為在日常經營活動中就商品銷售或服務執行而應收客戶的款項。如應收賬款及其他應收款的收回預期在一年或以內(如仍在正常經營週期中,則可較長時間),其被分類為流動資產;否則分類為非流動資產。

應收賬款及其他應收款以公允價值為初始確認,其後利用實際利率法按攤銷成本,並扣除減值準備計量。

2.12 現金及等同現金項目

在合併現金流量表中,現金及現金等價物包括手頭現金、銀行通知存款及原到期為三個月或以下的其他短期高流動性投資。

2.13 股本

普通股歸類為權益。

發行新股份或購股權直接所產生之新增成本,於權益中列為所得款項之扣減項目(扣除稅項)。

2.14 應付賬款

應付賬款為在日常經營活動中購買商品或服務而應支付的義務。如應付賬款的支付日期在一年或以內(如仍在正常經營週期中,則可較長時間),其被分類為流動負債;否則分類為非流動負債。

應付賬款初步以公允價值確認,其後利用實際利率法按攤銷成本計量。

2.15 借款

借款初步按公允價值扣除所產生之交易成本為初始確認。借款其後按攤銷成本列賬,所得款項(經扣除交易成本)及贖回價值間之任何差額於借貸期間以實際利率法於合併利潤表內確認。



Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.15 Borrowings (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.17 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in the comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2. 主要會計政策概要(續)

2.15 借款(續)

設立貸款融資時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

除非本集團具可無條件將負債的結算遞延至結算日後最少十二個月，否則借款分類為流動負債。

2.16 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本在產生期內的損益中確認。

2.17 當期及遞延所得稅

本期間的稅項支出包括當期和遞延稅項。稅項在合併利潤表中確認，但與在其他綜合收益中或直接在權益中確認的項目有關者則除外。在該情況下，稅項亦分別在其他綜合收益或直接在權益中確認。

(a) 當期所得稅

當期所得稅支出根據本公司的附屬公司及聯營營運及產生應課稅收入的國家於資產負債表日已頒佈或實質上已頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.17 Current and deferred income tax (continued)

(b) Deferred income tax

(i) Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(ii) Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2. 主要會計政策概要 (續)

2.17 當期及遞延所得稅 (續)

(b) 遞延所得稅

(i) 內在差異

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在合併財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延所得稅負債來自對商譽的初始確認，以及若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。

遞延所得稅採用在資產負債表日前已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產是就很可能有未來應課稅利潤而就此可使用暫時性差異而確認。

(ii) 外在差異

就附屬公司、聯營和合營投資產生的應課稅暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。一般而言，本集團無法控制聯營的暫時性差異的撥回。只有當有協議賦予本集團有能力控制暫時性差異的撥回時才不予確認。

就附屬公司、聯營和合營投資產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

(c) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。



Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.18 Employee benefits

2.18.1 Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognised until the time of the leave.

2.18.2 Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.18.3 Share-based compensation

(a) Equity-settled share-based payment transactions

The Group operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (share options) of the Group. The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the share options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

2. 主要會計政策概要(續)

2.18 僱員福利

2.18.1 僱員假期權益

僱員年假權益在僱員享有時確認。就僱員提供服務而產生的年假估計所須承擔之負債，就截至結算日止作出撥備。病假及產假之僱員權益於享有時方予以確認。

2.18.2 辭退福利

辭退福利在本集團於正常退休日期前終止僱用職工，或當職工接受自願遣散以換取此等福利時支付。本集團在以下較早日期發生時確認辭退福利：(a)當本集團不再能夠撤回此等福利要約時；及(b)當主體確認的重組成本屬於香港會計準則第37號的範圍並涉及支付辭退福利時。在鼓勵職工自動遣散的要約情況下，辭退福利按預期接受要約的職工數目計算。在報告期末後超過12個月支付的福利應貼現為現值。

2.18.3 股份付款酬金

(a) 權益結算以股份為支付基礎的交易

本集團設有一項以權益結算、以股份為基礎的報酬計劃，根據該等計劃，主體收取職工的服務以作為本集團權益工具（購股權）的對價。職工為換取獲授予購股權而提供服務的公允價值確認為費用。將作為費用的總金額參考授予購股權的公允價值釐定：

- 包括任何市場業績條件（例如主體的股價）；
- 不包括任何服務和非市場業績可行權條件（例如盈利能力、銷售增長目標和職工在某特定時期內留任實體）的影響；及
- 包括任何非可行權條件（例如規定職工儲蓄或在一段指定期間內持有股份）的影響。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.18 Employee benefits (continued)

2.18.3 Share-based compensation (continued)

(a) Equity-settled share-based payment transactions (continued)

Non-market performance and service conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date. At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (and share premium).

(b) Share-based payment transactions among group entities

The grant by the Company of share options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

2.18.4 Pension obligations

Group companies operate various defined contribution plans. The plans are generally funded through payments to trustee-administered funds.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2. 主要會計政策概要 (續)

2.18 僱員福利 (續)

2.18.3 股份付款酬金 (續)

(a) 權益結算以股份為支付基礎的交易 (續)
非市場表現和服務條件包括在有關預期可行權的購股權數目的假設中。費用的總金額在等待期間內確認，等待期間指將符合所有特定可行權條件的期間。此外，在某些情況下，職工可能在授出日期之前提供服務，因此授出日期的公允價值就確認服務開始期與授出日期之間期間的開支作出估計。在每個報告期末，集團依據非市場表現和服務條件修訂其對預期可行權的購股權數目的估計。主體在合併利潤表確認對原估算修訂(如有)的影響，並對權益作出相應調整。

在購股權行使時，本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本(和股本溢價)。

(b) 集團內主體以股份為支付基礎的交易

本公司向集團附屬公司的職工授予其權益工具的購股權，被視為資本投入。收取職工服務的公允價值，參考授出日的公允價值計量，並在等待期內確認，作為對附屬公司投資的增加，並相應貸記母公司賬目的權益。

2.18.4 退休金責任

集團公司經營多個定額供款計劃。此等計劃一般透過向受託管理基金付款而注資。

定額供款計劃是一項本集團向一個單獨主體支付供款的退休計劃。若該基金並無持有足夠資產向所有職工就其在當期及以往期間的服務支付福利，本集團亦無法定或推定債務支付進一步供款。對於定額供款計劃，本集團以強制性、合同性或自願性方式向公開或私人管理的退休保險計劃供款。本集團作出供款後，即無進一步付款債務。供款在應付時確認為僱員福利費用。預付供款按照現金退款或可減少未來付款而確認為資產。



Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities. Revenue is recognised as follows:

(a) Sales of goods

Sales of goods are recognised when a group entity has delivered products to the customer, the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(b) Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flows discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(c) Government grants

Grants from the government are recognised at their value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

2. 主要會計政策概要(續)

2.19 撥備

當本集團因已發生的事件而產生現有的法律或推定債務；很可能需要資源的流出以結算債務；及金額已被可靠估計時作出撥備。

重組撥備包括租賃終止罰款和職工辭退付款。但不會就未來經營虧損確認撥備。

如有多項類似債務，其需要在結算中有資源流出的可能性，則可根據債務的類別整體考慮。即使在同一債務類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認撥備。

撥備採用稅前利率按照預期需結算有關債務的支出現值計量，該利率反映當時市場對金錢時間值和有關債務固有風險的評估。隨著時間過去而增加的撥備確認為利息費用。

2.20 收益確認

收入按已收或應收對價的公允價值計量，並相當於供應貨品的應收款項，扣除折扣、退貨和增值稅後列賬。當收入的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時，收益乃於下列情況確認：

(a) 銷售貨品

銷售貨品乃於集團實體向客戶交付產品，而客戶已接納有關產品，並會確保可收回相關應收款項時確認。

(b) 利息收益

利息收益乃採用實際利率法確認。倘貸款和應收款項出現減值，本集團會將賬面值減至其可收回款額，即估計日後現金流按該工具之原定實際利率折現值保留，並繼續將折現計算並確認為利息收益。已減值貸款之利息收益按原定實際利率確認。

(c) 政府補助

當能夠合理地保證政府補助將可收取，而本集團將會符合所有附帶條件時，將政府提供的補助按其公允價值確認入賬。

Notes to the Consolidated Financial Statements 合併財務報表附註

2. Summary of significant accounting policies (continued)

2.21 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, as appropriate.

2.23 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks on behalf of subsidiaries to support banking facilities granted to subsidiaries.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms, and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premium is recognised. Subsequent to initial recognition, the Company's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised in accordance with HKAS 18, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by management's judgement. The fee income earned, if any, is recognised on a straight-line basis over the life of the guarantee. Any increase in the liability relating to guarantees is reported in the consolidated income statement within other operating expenses.

Where guarantees in relation to loans or other payables of subsidiaries are provided for with no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Company.

2. 主要會計政策概要(續)

2.21 租賃

如租賃中之資產擁有權之大部分風險及報酬由出租人折現值保留，一概列為經營租賃。根據經營租賃支付之款項（扣除自出租人收取的任何激勵措施後），於租賃期內以直線法於合併利潤表內支銷。

2.22 股息分派

分派予本公司股東之股息於本公司股東或董事（倘適用）批准期間，在本集團及本公司之財務報表中確認為負債。

2.23 財務擔保合同

財務擔保合同指規定發行人根據債務工具的條款支付指定款項，以償付持有人因為指定債務人未能償還到期欠款而導致損失的合同。此等財務擔保代附屬公司提供予銀行，以擔保附屬公司向他們取得的抵押貸款、透支及其他銀行融資。

財務擔保在財務報表中按提供擔保日期的公允價值初始確認。財務擔保在簽發時的公允價值為零，這是因為所有擔保都是按公平交易原則協定，而協定的溢價價值相應於擔保債務的價值。未來溢價的應收款不作確認。初始確認後，本公司在該等擔保的負債按初始數額減根據國際會計準則／香港會計準則18確認的費用攤銷，與需要結算該擔保數額的最佳估計兩者的較高者計量。此等估計根據類似交易和過往損失的經驗釐定，並附以管理層的判斷。賺取的費用收益（倘有）以直線法按擔保年期確認。有關擔保的任何負債增加在合併利潤表內其他經營費用中列報。

如與附屬公司的貸款或其他應收款有關的擔保是以免償方式提供，公允價值入賬為出資並確認為本公司財務報表的投資成本部份。



Notes to the Consolidated Financial Statements 合併財務報表附註

3. Financial risk management

3.1 Financial risk factors

The Group's financial assets include cash and cash equivalents, bank deposits, trade and other receivables and derivative financial instruments. The Group's financial liabilities include borrowings, trade and other payables, amounts due to related companies, amount due to a director and derivative financial instruments.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposure, The board reviews and agrees policies for managing each of these risks and they are summarised below.

(a) Credit risk

The Group has policies in place to ensure that liquid funds are placed with financial institutions registered with sound credit standing in Mainland China and Hong Kong. Sales of products are made to customers with appropriate credit history. The Group performs credit evaluations on its customers.

Trade receivables are due within three months from the date of billing. For certain customers with good credit history, an extended period up to 180 days is allowed. As at 31 December 2016, 62% of the total trade receivables were due within three months (2015: 65%).

As at 31 December 2016, the five largest customers accounted for approximately 33% of the trade receivable carrying amount (2015: 32%). The Group considers the largest customers are financially healthy with no significant credit risk.

The maximum exposure to credit risk represents the carrying amounts of trade receivables in the balance sheet. Quantitative disclosures in respect of the Group's exposure to credit risk arising from trade receivables are set out in Note 20.

(b) Liquidity risk

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

3. 財務風險管理

3.1 財務風險因素

本集團之金融資產包括現金及現金等價物、銀行存款、應收賬款、其他應收款及衍生金融工具。本集團之金融負債包括借貸、應付賬款、其他應付款、應付關聯方款項、應付一董事款項及衍生金融工具。

本集團業務面對各種財務風險：市場風險（包括外匯風險、公允值利率風險、現金流量利率風險及價格風險）、信貸風險與流動資金風險。本集團整體風險管理策略針對金融市場之不可預測特性，並尋求方法減輕對本集團財務表現造成之潛在不利影響。本集團利用衍生金融工具對沖若干風險。董事會檢討及協定管理各此等風險的政策，茲概述如下。

(a) 信貸風險

本集團制定政策，確保流動資金存於國內及香港註冊之著名金融機構。本集團向擁有合適信貸記錄之客戶銷售產品。本集團會評估客戶信貸狀況。

應收賬款在出具賬單日起計三個月內到期。對於有良好信貸歷史的客戶，集團容許達至180日的信貸期。於二零一六年十二月三十一日，62%的應收賬款總額將於未來三個月內被支付（二零一五年：65%）。

於二零一六年十二月三十一日，應收賬款賬面金額中有約33%來自本集團五個最大之客戶（二零一五年：32%）。本集團認為主要客戶的財務穩健並沒有重大的信貸風險。

信貸風險敞口上限為合併資產負債表中應收賬款的賬面金額。有關本集團的應收賬款的信貸風險敞口的信息已在附註20披露。

(b) 流動資金風險

本集團的政策是定期監察流動資金需求，以及是否符合借款契約的規定，以確保維持充裕的現金儲備，同時獲得主要金融機構承諾提供足夠的備用資金，以滿足短期和較長期的流動資金需求。

Notes to the Consolidated Financial Statements
合併財務報表附註

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Liquidity risk (continued)

The following tables detail the remaining contractual maturities at the balance sheet date of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay.

Where the loan agreement contains a repayable on demand clause which gives the lender the unconditional right to call the loan at any time, the amounts repayable are classified in the earliest time bracket in which the lender could demand repayment.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 流動資金風險 (續)

下表載列了本集團及本公司於結算日以合約未貼現現金流量(包括按照合約利率或(如屬浮動利率)結算日的現行利率計算的利息付款)的金融負債和本集團及本公司可能需要付款的最早日期為準的剩餘合約到期情況。

如果貸款協議載有一項按要求償還之條款，賦予貸款人權利於任何時間無條件地要求還貸，該應付的數額於時間支架分類時，以貸款人可以要求還款之最早時間作為準則。

The Group	本集團	Carrying amount	Total contractual undiscounted cash flow	Repayable on demand	Within 3 months	3 to 6 months	6 to 9 months	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
									已訂約而未貼現的現金流量總額	接獲通知時	三個月內
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2016	於二零一六年十二月三十一日										
Borrowings	借貸	1,211,708	1,243,263	204,507	159,921	134,024	60,981	458,537	225,293	-	-
Trade payables and bills payables	應付賬款及應付票據	182,231	182,231	7,330	104,869	70,032	-	-	-	-	-
Accruals and other payables	應計費用及其他應付款	23,905	23,905	-	23,905	-	-	-	-	-	-
Amounts due to related companies	應付關聯方款項	8,587	8,587	8,587	-	-	-	-	-	-	-
Derivatives settled on gross basis	總額結算衍生金融工具										
Forward foreign exchange contracts	遠期外匯合約										
- inflow	- 現金流入	(57,904)	(57,904)	-	(57,904)	-	-	-	-	-	-
- outflow	- 現金流出	62,463	62,463	-	62,463	-	-	-	-	-	-
Derivatives settled on net basis	淨額結算衍生金融工具										
Forward foreign exchange contracts	遠期外匯合約										
Interest rate swaps	利率互換	(608)	(608)	-	(608)	-	-	-	-	-	-



Notes to the Consolidated Financial Statements 合併財務報表附註

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(b) Liquidity risk (continued)

The Group	本集團	Total contractual undiscounted cash flow		Repayable on demand	Within 3 months	3 to 6 months	6 to 9 months	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
		Carrying amount	未貼現的現金流量總額						接獲通知時	三個月內	三至六個月內
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 31 December 2015	於二零一五年十二月三十一日										
Borrowings	借貸	1,003,203	1,045,401	145,595	194,490	53,263	41,058	91,533	319,158	200,304	-
Trade payables and bills payables	應付賬款及應付票據	218,837	218,837	12,331	135,916	70,590	-	-	-	-	-
Accruals and other payables	應計費用及其他應付款	46,743	46,743	13,207	25,459	8,077	-	-	-	-	-
Amounts due to related companies	應付關聯方款項	6,577	6,577	6,577	-	-	-	-	-	-	-
Derivatives settled on gross basis	總額結算衍生金融工具										
Forward foreign exchange contracts	遠期外匯合約										
- inflow	- 現金流入	(559,287)	(559,287)	-	(154,428)	(145,213)	(145,418)	(57,060)	(57,168)	-	-
- outflow	- 現金流出	595,665	595,665	-	161,255	155,619	156,966	60,803	61,022	-	-
Derivatives settled on net basis	淨額結算衍生金融工具										
Forward foreign exchange contracts	遠期外匯合約	1,268	1,268	-	1,268	-	-	-	-	-	-
Interest rate swaps	利率互換	108	108	-	54	54	-	-	-	-	-

(c) Cash flow and fair value interest-rate risk

The Group's exposure to changes in interest rates is mainly attributable to its bank borrowings. Bank borrowings at variable rates expose the Group to cash flow interest-rate risk which is partially offset by cash held at variable rates. Bank borrowings at fixed rates expose the Group to fair value interest-rate risk. Details of the Group's bank borrowings are disclosed in Note 28 to the consolidated financial statements. The Group analyses its interest rate exposure on a dynamic basis and to hedge its variable rate by fixed rate instruments, when necessary. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(b) 流動資金風險 (續)

(c) 現金流量及公允價值利率風險

本集團之利率風險主要源自銀行借貸。按不同息率提供之銀行借貸使本集團面對現金流量利率風險，部份為按浮動利率持有的現金所抵消。按定息提供之銀行借貸使本集團面對公允價值利率風險。有關本集團銀行借貸之詳情，於合併財務報表附註28披露。本集團以活躍方式分析其利率風險，本集團利用多個模擬方案，以計入再融資、現有持倉的續訂、其他可採用的融資和對沖。

Notes to the Consolidated Financial Statements 合併財務報表附註

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(c) Cash flow and fair value interest-rate risk (continued)

During 2015 and 2016, the Group's borrowings at variable rates were denominated in United States dollars ("USD"), RMB and Hong Kong dollars ("HKD").

It is estimated that an increase/decrease of 50 basis points as at 31 December 2016 in bank borrowing interest rates for bank loans with all other variables held constant would decrease/increase the profit after taxation by approximately RMB5,550,000 (2015: 50 basis points; RMB4,622,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for non derivative financial instruments in existence at that date.

(d) Foreign exchange risk

The Group mainly operates in Mainland China with most of the transactions settled in RMB. Foreign exchange rate risk arises when future commercial transactions or recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The Group's assets and liabilities, and transactions arising from its operations primarily do not expose to material foreign exchange risk, other than certain trade receivables, cash and cash equivalents, borrowings and derivative financial instruments denominated in USD and HKD, details of which have been disclosed in Note 20, Note 23, Note 28 and Note 19, respectively. The Group's assets and liabilities are primarily denominated in RMB. Other than approximately 18% (2015: 16%) of the sales are denominated in USD and certain expenses in HKD, the Group mainly generates RMB from sales in Mainland China to meet its liabilities denominated in RMB.

Further depreciation or appreciation of the USD and the HKD against the RMB will affect the Group's financial position and results of operations.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(c) 現金流量及公允值利率風險 (續)

於二零一五年及二零一六年內，本集團按浮動利率計算的貸款以美元、人民幣和港元為單位。

於二零一六年十二月三十一日，估計銀行貸款的利率每上升／下降50個基準點，如果所有其他變量保持不變，除稅後利潤會減少／增加約人民幣5,550,000元（二零一五年：50個基準點；人民幣4,622,000元）。

上述敏感度分析的釐定已假設利率變動在結算日已經發生，並且應用在該日已存在的非衍生金融工具的利率風險敞口上。

(d) 外匯風險

本集團主要在中國內地經營業務。本集團大部分交易、資產及負債均以中國人民幣結算。當未來商業交易或已確認資產和負債的計值貨幣並非該實體的功能貨幣，外匯風險便會產生。

本集團的資產與負債以及業務過程中的交易基本上並無重大外匯風險，除若干應收賬款、現金及等同現金項目、借貸以及衍生金融工具以美元及港元計值（詳情分別於附註20、附註23、附註28及附註19披露）外，本集團的資產及負債主要以人民幣計值。除約18%（二零一五年：16%）的銷售以美元計值以及若干港元開支外，本集團在中國的銷售主要賺取人民幣，以償付按人民幣計值的負債。

美元及港元兌人民幣進一步貶值或升值均會影響本集團的財務狀況及經營業績。



Notes to the Consolidated Financial Statements 合併財務報表附註

3. Financial risk management (continued)

3.1 Financial risk factors (continued)

(d) Foreign exchange risk (continued)

If the RMB had strengthened/weakened against the USD and the HKD by 100 basis points as at the respective balance sheet dates, profit after taxation would increase/decrease by approximately RMB7,431,000 (2015: RMB6,293,000) and increase/decrease by approximately RMB22,000 (2015: decrease/increase by approximately RMB6,000), respectively, mainly as a result of foreign exchange gain/loss on translation of USD and HKD denominated bank borrowings, trade receivables and cash and cash equivalents.

The above sensitivity analysis has not taken into account the impact of fair value changes in derivative financial instruments. A change in RMB against the USD will be accompanied by a change in the fair value of derivative financial instruments.

(e) Price risk

The Group is exposed to equity securities price risk because certain investments held by the Group are classified as available-for-sale financial assets. As the amount of such financial assets is not material to the Group, the exposure to price risk is considered to be insignificant.

The Group purchases turpentine as one of its major raw materials for its manufacturing process, and is exposed to fluctuation in its market price. The Group does not use any derivative instruments to manage its economic exposure to the change in price of raw materials.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as "equity", as shown in the consolidated balance sheet, plus net debt.

3. 財務風險管理 (續)

3.1 財務風險因素 (續)

(d) 外匯風險 (續)

於各相關結算日，人民幣兌美元及港元升值／貶值100個基點會分別增加／減少除稅後利潤約人民幣7,431,000元（二零一五年：人民幣6,293,000元）及增加／減少約人民幣22,000元（二零一五年：減少／增加人民幣6,000元），主要因為換算以美元及港元為單位的銀行貸款及衍生金融工具所得的匯兌收益／虧損。

上文敏感度分析並無計及衍生金融工具公允價值變動之影響。人民幣兌美元之匯率變動將隨後造成衍生金融工具之公允價值變動。

(e) 價格風險

由於本集團所持若干投資分類作可供出售金融資產，故本集團面對股本證券價格風險。由於該等金融資產之金額對本集團而言並不重大，故價格風險被視為不重大。

本集團採購松節油作為其生產過程的主要原材料，並面對市場價格波動。本集團並無使用任何衍生工具以管理原材料價格波動之經濟風險。

3.2 資金風險管理

本集團的資金管理政策，是保障本集團能繼續營運，以為股東提供回報和為其他權益持有人提供利益，同時維持最佳的資本結構以減低資金成本。

為了維持或調整資本結構，本集團可能會調整支付予股東的股息數額、向股東分派的資本返還、發行新股或出售資產以減低債務。

與業內其他公司一樣，本集團利用負債比率監察其資本。此比率按照債務淨額除以總資本計算。債務淨額為總借貸（包括合併資產負債表所列的即期及非即期貸款）減去現金及現金等價物。總資本為「權益」（如合併資產負債表所列）加債務淨額。

Notes to the Consolidated Financial Statements 合併財務報表附註

3. Financial risk management (continued)

3.2 Capital risk management (continued)

During 2016, the Group's strategy, which was unchanged from 2015, was to maintain the debt equity ratio to be in a net cash position. The net cash amounts at 31 December 2016 and 2015 were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash and cash equivalents (Note 23)	現金及現金等價物(附註23)	1,563,170	1,429,587
Less: Total borrowings (Note 28)	減: 總借貸(附註28)	(1,211,708)	(1,003,203)
Net cash	淨現金	351,462	426,384

The decrease in the net cash position during 2016 resulted primarily from the increase in capital expenditure and prepayments for purchases during the year.

HKFRS 7 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. The Group does not have this type of financial instruments.
- Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). As at 31 December 2016, the Group recognised outstanding foreign currency forward contracts with fair value of RMB5,533,000 as liabilities (2015: RMB37,942,000), RMB1,582,000 as assets (2015: RMB296,000) and no interest rate swap contracts (2015: fair value of RMB108,000) recognised as liabilities.
- Level 3 – Inputs for asset or liability that are not based on observable market data (that is, unobservable inputs). As at 31 December 2016, the Group had available-for-sale financial assets of RMB200,000 (2015: RMB200,000) that are within this category.

There were no transfers between levels 1, 2 and 3 during the year.

3. 財務風險管理 (續)

3.2 資金風險管理 (續)

本集團在二零一六年的策略與二零一五年比較維持不變，為致力將負債比率維持在淨現金水平。在二零一五年及二零一六年十二月三十一日，淨現金之金額如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash and cash equivalents (Note 23)	現金及現金等價物(附註23)	1,563,170	1,429,587
Less: Total borrowings (Note 28)	減: 總借貸(附註28)	(1,211,708)	(1,003,203)
Net cash	淨現金	351,462	426,384

二零一六年淨現金水平減少加主要因為本年度資本支出及採購預付款增加。

香港財務報告準則7規定按下列公允價值計量架構披露公允價值計量：

- 相同資產或負債在活躍市的報價(未經調整)(第1層)。本集團並無此種類的金融工具。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。於二零一六年十二月三十一日，本集團持有仍未結算的遠期外匯合同之公允價值為人民幣5,533,000元(二零一五年：人民幣37,942,000元)確認為負債、人民幣1,582,000元(二零一五年：人民幣296,000元)確認為資產及本集團並持有利率掉期的衍生工具之公允價值為人民幣零元(二零一五年：人民幣108,000元)確認為負債。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)，於二零一六年十二月三十一日，本集團擁有屬此類別的可供出售金融資產人民幣200,000元(二零一五年：人民幣200,000元)。

年內第1、第2與第3層之間並無轉撥。



Notes to the Consolidated Financial Statements 合併財務報表附註

3. Financial risk management (continued)

3.3 Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The fair value of interest rate swaps was calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

3.4 Offsetting financial assets and financial liabilities

The Group does not have any financial assets and liabilities that are subject to offsetting, enforceable master netting arrangements and similar agreements for the year.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3. 財務風險管理(續)

3.3 公允值估計

沒有在活躍市場買賣的金融工具的公允價值利用估值技術釐定。估值技術儘量利用可觀察市場數據(如有),儘量少依賴主體的特定估計。如計算一金融工具的公允價值所需的所有重大輸入為可觀察數據,則該金融工具列入第2層。如一項或多項重大輸入並非根據可觀察市場數據,則該金融工具列入第3層。

用以估值金融工具的特定估值技術包括:

- 利率互換的公允價值根據可觀察收益率曲線,按估計未來現金流量的現值計算。
- 遠期外匯合同的公允價值利用資產負債表日期的遠期匯率釐定,而所得價值折算至現值。
- 其他技術,例如折算現金流量分析,用以釐定其餘金融工具的公允價值。

3.4 抵銷金融資產和負債

本集團並無金融資產及負債受抵銷、可執行總互抵安排和類似協議的規限。

4. 重大會計估計及判斷

本集團根據過往經驗及其他因素不斷對估計及判斷作出評估,包括根據該等情況相信為合理之未來事項預測。

本集團就未來發展作出估計及判斷。所得會計估值故名思義甚少等同於相關實際結果。以下所論述之估計及假設存有對下一個財政年度資產及負債賬面值造成重大調整之重大風險。

Notes to the Consolidated Financial Statements 合併財務報表附註

4. Critical accounting estimates and judgements (continued)

(a) Net realisable value of inventories

Net realisable value of inventories is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses. These estimates are based on current market conditions and the historical experience of manufacturing and selling products of similar nature. It could change significantly as a result of changes in customer taste and competitor actions in response to changes in market conditions. Management reassesses these estimates at each balance sheet date. During the year ended 31 December 2016, a reversal of provision for impairment of inventories of RMB168,000 (2015: RMB951,000) was recognised in the consolidated income statement within cost of goods sold.

(b) Estimated impairment of intangible assets and trade receivables

The Group makes provision for impairment of intangible assets and trade receivables based on an assessment of the recoverability of intangible assets and trade receivables. Provisions are applied to intangible assets and trade receivables where events or changes in circumstances indicate that the balances may not be recoverable. The identification of impairment requires the use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of intangible assets and trade receivables and provision for impairment in the period in which such estimate has been changed.

(c) Estimated useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to market conditions. Management will increase the depreciation charge where useful lives are less than previously estimated lives or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

4. 重大會計估計及判斷 (續)

(a) 存貨可變現淨值

存貨可變現淨值為日常業務中的估計售價減估計完成成本及銷售開支。該等估計建基現行市場狀況，加上製造及銷售類似性質產品的過去經驗。客戶口味的轉變及競爭對手因應市場狀況變化的行動可導致存貨可變現淨值出現重大改變。管理層於各結算日再評估該等估計。截至二零一六年十二月三十一日年度，有貨減值撥備回撥人民幣168,000元（二零一五年：人民幣951,000元）已在合併利潤表「售出貨品成本」內。

(b) 無形資產及應收賬款之估計減值

本集團根據無形資產及應收賬款之可收回情況作出之評估，就無形資產及應收賬款作出減值撥備。倘出現事項或情況有變而顯示不一定可收回餘款時，撥備應用於無形資產及應收賬款。識別減值須運用判斷及估計。倘預算金額有別於原訂估值，有關差額將影響估值出現變動期間無形資產及應收賬款之賬面以及期內減值撥備。

(c) 物業、廠房及設備之估計可用年期

本集團管理層釐定其物業、廠房及設備之估計可用年期及相關折舊開支。有關估值按類似性質及功能之物業、廠房及設備之實際可用年期的過往經驗計算，或會基於科技革新及競爭對手因應市場狀況作出回應而出現重大變動。當可用年期少於先前估計年期，管理層將增加折舊開支，或撇銷或撇減技術陳舊之存貨或遭廢棄或出售之非策略資產。



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4. Critical accounting estimates and judgements (continued)

(d) Income taxes

The Group is subject to income taxes in Hong Kong and Mainland China. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and income tax expense in the periods in which such estimate is changed.

Provision for withholding tax that would be payable on the unremitted earnings of certain subsidiaries is subject to management's estimates that the Company controls the dividend policies of these subsidiaries.

(e) Research and development costs

Critical judgement by the Group's management is applied when deciding whether the recognition requirements for development costs have been met. This is necessary as the economic success of any product development is uncertain and may be subject to future technical problems at the time of recognition. Judgements are based on the best information available at each balance sheet date. In addition, all internal activities related to the research and development of new products is continuously monitored by the Group's management.

(f) Fair value of derivative financial instruments

The Group determines the fair value of derivatives with reference to bank valuations which in turn are determined using valuation techniques, including discounted cash flow models and option pricing models. Judgment is required in the calculation of such valuations. Changes in the underlying assumptions could materially impact profit and loss or equity.

4. 重大會計估計及判斷(續)

(d) 所得稅

本集團需要在香港和中國大陸繳納所得稅。在釐定所得稅撥備時，需要作出重大判斷。在一般業務過程中，有許多交易和計算所涉及的最終稅務釐定都是不確定的。本集團根據對是否需要繳付額外稅款的估計，就預期稅務審計項目確認負債。如此等事件的最終稅務後果與最初記錄的金額不同，此等差額將影響作出此等釐定期間的所得稅和遞延稅項撥備。

與某些暫時性差異和稅務虧損相關的遞延所得稅資產，在管理層認為很可能獲得未來應納稅所得額用以抵扣暫時性差異或稅務虧損時予以確認。如果預期與原估計不同，這種差異將影響遞延所得稅資產和所得稅費用在該估計變更期間的確認。

附屬公司的未匯返利潤的代扣所得稅取決於本集團管理層認為本公司能夠推測附屬公司的派息策略。

(e) 研究及開發成本

本集團管理層於決定開發成本是否已達到確認要求時作出重大判斷。由於任何產品開發能否取得經濟效益尚屬未知數，且或會受確認時的未來技術問題所影響，故此乃屬必要之舉。判斷以各結算日所得的最齊備資料作為基礎。此外，一切與研究及開發新產品有關的內部活動乃由本集團管理層持續監察。

(f) 衍生金融工具公允值

集團根據銀行評估釐定衍生金融工具公平價值，而評估則採用多種評估方法(包括已折扣現金流模式及期權定價模式)作出。計算上述評估需要作出判斷；若假設出現變動，可能對盈虧或權益產生重大影響。

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5. Segment information

The chief operating decision-maker has been identified as the Executive Directors. The Executive Directors review the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on the internal reports provided for review by the Executive Directors.

The Executive Directors consider the performance of the Group from a product perspective. The Executive Directors assesses the performance of the operating segments based on a measure of adjusted EBITDA. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as legal expenses and the impairment resulted from an isolated, non-recurring event. The measure also excludes the effects of share-based payments and gains/losses on financial instruments. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The segment information for the year ended 31 December 2016 is presented below:

5. 分部資料

首席經營決策者被認為執行董事。執行董事審視本集團內部報告以評估表現和分配資源。管理層已決定根據此呈執行董事內部報告釐定營運分部。

執行董事從產品角度審視集團業績。執行董事根據「已扣除利息、稅項、折舊和攤銷的經調整盈利」(「EBITDA」)的一項計量措施評估經營分部的表現。此項計量基準不包括經營分部非經常性開支的影響，例如法律費用及因為非經常性的獨立事項而產生的減值。該項計量措施亦不包括以股份為基礎的支付和金融工具收益／虧損的影響。利息收入和支出並無分配至分部，因為此類型活動是由負責管理本集團現金狀況的中央財務部所推動。

截至二零一六年十二月三十一日止年度之分部資料呈列如下：

		Scent and Taste	Naturals	Specialties and Others	Unallocated	Total
		芳香及味道	天然產物	特殊化學品及其他	未分配	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	1,024,907	352,575	255,297	-	1,632,779
Adjusted EBITDA	經調整EBITDA	241,740	54,664	60,600	-	357,004
Depreciation	折舊	-	-	-	(42,701)	(42,701)
Amortisation	攤銷	-	-	-	(8,679)	(8,679)
Net losses on financial instruments	金融工具虧損淨額	-	-	-	(5,151)	(5,151)
Share options granted to directors and employees	授予董事和職工的購股權	-	-	-	(3,435)	(3,435)
Gain on disposal of an associate	出售一間聯營之收益	-	-	-	5,228	5,228
Net finance expenses	財務費用淨額	-	-	-	(81,128)	(81,128)
Others	其他	-	-	-	(1,015)	(1,015)
Share of losses of associates	應佔聯營虧損	-	-	-	(386)	(386)
Taxation	稅項	-	-	-	(74,229)	(74,229)
Profit for the year	年度利潤	241,740	54,664	60,600	(211,496)	145,508



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5. Segment information (continued)

The segment information for the year ended 31 December 2015 is presented below:

5. 分部資料 (續)

截至二零一五年十二月三十一日止年度之分部資料呈列如下：

		Scent and Taste	Naturals	Specialties and Others 特殊化學品 及其他	Unallocated 未分配	Total 總額
		芳香及味道 RMB'000 人民幣千元	天然產物 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	收入	974,901	283,379	278,483	-	1,536,763
Adjusted EBITDA	經調整EBITDA	211,397	44,433	55,800	-	311,630
Depreciation	折舊	-	-	-	(40,258)	(40,258)
Amortisation	攤銷	-	-	-	(6,703)	(6,703)
Legal and professional fees paid for a proposed acquisition (Note)	擬收購項目的法律及 專業費用 (附註)	-	-	-	(11,733)	(11,733)
Net losses on financial instruments	金融工具虧損淨額	-	-	-	(27,714)	(27,714)
Share options granted to directors and employees	授予董事和職工的購股權	-	-	-	(7,329)	(7,329)
Net finance expenses	財務費用淨額	-	-	-	(65,930)	(65,930)
Others	其他	-	-	-	3,543	3,543
Share of losses of associates	應佔聯營虧損	-	-	-	(1,227)	(1,227)
Impairment of investment in an associate	聯營投資之減值撥備	-	-	-	(2,799)	(2,799)
Taxation	稅項	-	-	-	(66,296)	(66,296)
Profit for the year	年度利潤	211,397	44,433	55,800	(226,446)	85,184

Note: The Company intended to acquire a third party supplier during the year ended 31 December 2015, the proposed acquisition did not proceed ultimately. Legal and professional fees in relation to the acquisition amounting to approximately RMB11,773,000 were incurred for due diligence, legal and financial advisory services which have been included in administrative expenses.

附註：本公司擬於截至二零一五年十二月三十一日止年度收購一間第三方供應商，惟建議收購最終並無進行。為數約人民幣11,773,000元有關收購之法律及專業費用因盡職審查、法律及財務諮詢服務產生，並已計入行政費用。

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5. Segment information (continued)

In presenting information of geographical segments, segment revenue from external customers by continent is based on the destination of the customer. The Group's available-for-sale financial assets and deferred tax assets are not considered to be segment non-current assets for reporting. The Group's derivative financial instruments are not considered to be segment total assets for reporting. Other total assets are allocated based on where the assets are located. The Group's deferred income tax, borrowings and derivative financial instruments are not considered to be segment liabilities for reporting as they are managed by the Group's central treasury.

5. 分部資料(續)

於呈列地域資料時，外部客戶分部收入乃根據客戶所在地，按洲份劃分進行計算。本集團的可供出售金融資產和遞延所得稅資產不被視為分部非流動資產。本集團的衍生金融工具不被視為分部資產總值。其他資產總值乃按資產所在地分配。由於集團的遞延所得稅、借款及衍生金融工具由中央資金部管理，故此不被視為分部負債。

		Mainland China	Europe	Asia (excluding Mainland China) 亞洲 (中國內地 除外)	North America	Others/ Unallocated 其他/ 未分配	Total
		中國內地 RMB'000 人民幣千元	歐洲 RMB'000 人民幣千元	亞洲 (中國內地 除外) RMB'000 人民幣千元	北美洲 RMB'000 人民幣千元	其他/ 未分配 RMB'000 人民幣千元	總額 RMB'000 人民幣千元
2016	二零一六年						
Revenue	收入	1,488,331	35,140	46,662	46,308	16,338	1,632,779
Non-current assets	非流動資產	454,044	-	515	-	5,670	460,229
Total assets	資產總值	3,063,513	1,985	77,397	-	7,252	3,150,147
Total liabilities	負債總額	257,609	65	10,397	-	1,275,141	1,543,212
2015	二零一五年						
Revenue	收入	1,288,204	50,579	88,460	77,191	32,329	1,536,763
Non-current assets	非流動資產	461,495	-	670	-	2,513	464,678
Total assets	資產總值	2,776,420	4,105	84,411	-	2,810	2,867,746
Total liabilities	負債總額	280,623	51	27,830	-	1,087,153	1,395,657

Capital expenditure comprises additions to land use rights (Note 15), property, plant and equipment (Note 16) and intangible assets (Note 17). No geographical analysis of capital expenditure is presented as substantially all of the Group's capital expenditure was incurred in respect of assets located in Mainland China.

資本開支包括土地使用權(附註15)、物業、廠房及設備(附註16)以及無形資產(附註17)。由於本集團絕大部分資本開支就位於中國內地之資產產生，因此並無呈報資本開支之地區分析。

Revenues of RMB217,250,000 (2015: RMB217,788,000) and RMB133,689,000 (2015: RMB90,679,000), respectively, are derived from two major customers. These revenues are mainly attributable to the Scent and Taste segment.

來自兩個主要客戶的收益分別為人民幣217,250,000元(二零一五年:人民幣217,788,000元)及人民幣133,689,000元(二零一五年:人民幣90,679,000元)。此等收益主要來自芳香及味道分部。



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6 Other gains/(losses) – net

6. 其他收益／（損失）－淨額

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Derivative financial instruments (Note) :	衍生金融工具（附註）：		
– Net realised losses	– 已變現虧損淨額	(38,954)	(28,802)
– Net fair value gains	– 公允淨值收益	33,803	1,088
Net exchange gains (Note 14)	淨匯兌收益（附註14）	3,100	5,312
Gain on disposal of an associate	出售一間聯營之收益	5,228	–
Income on government grants	政府撥款之收益	630	330
Others	其他	552	(442)
		4,359	(22,514)

Note: Net realised losses on foreign exchange contracts amounting to RMB38,954,000 (2015: RMB28,802,000) and the net fair value gains on foreign exchange contracts and interest rate swap contracts amounting to RMB33,694,000 (2015: net fair value gains of RMB334,000) and RMB109,000 (2015: RMB754,000) had been recognised, respectively, which amounts are included in the respective year end balances of derivative financial instruments as set out in Note 19.

附註：已確認外匯合同之已變現虧損淨額為人民幣38,954,000元（二零一五年：人民幣28,802,000元）。已被確認之外匯合同及利率掉期合同之公允淨值收益分別為人民幣33,694,000元（二零一五年：公允淨值收益為人民幣334,000元）及人民幣109,000元（二零一五年：人民幣754,000元），已計入附註19所載衍生金融工具相關年結日結餘內。

7. Finance income and expenses

7. 財務收益及成本

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest expense :	利息費用：		
– Bank borrowings	– 銀行借貸	(58,118)	(56,192)
– Government loans	– 政府貸款	(36)	(47)
Net foreign exchange losses on financing activities (Note 14)	融資活動的淨匯兌虧損（附註14）	(50,053)	(37,506)
Finance expenses	財務費用	(108,207)	(93,745)
Less: amounts capitalised on qualifying assets	減：合資格資產資本化數額	1,000	1,140
Total finance expenses	總財務費用	(107,207)	(92,605)
Finance income	財務收益		
– Interest income on short-term bank deposits	– 短期銀行存款的利息收益	26,079	26,675
Net finance expenses	淨財務費用	(81,128)	(65,930)

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8. Expenses by nature

8. 按性質劃分之開支

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amortisation of prepaid operating lease payments (Note 15)	預付經營租金款項攤銷(附註15)	457	196
Depreciation (Note 16)	折舊(附註16)	42,701	40,258
Amortisation of intangible assets (Note 17)	無形資產攤銷(附註17)	8,222	6,507
Reversal of provision for impairment of inventories (Note 22)	存貨減值撥備回撥(附註22)	(168)	(951)
Provision for/(reversal of) impairment of trade receivables (Note 20)	應收賬款減值撥備計提/(回撥)(附註20)	1,865	(405)
Employee benefit expense (Note 9)	僱員福利開支(附註9)	49,229	48,133
Share-based payment expenses (Note 9)	以股份為支付基礎的費用(附註9)	3,435	7,329
Cost of inventories (Note 22)	存貨成本(附註22)	1,087,501	1,052,179
Transportation cost	運輸成本	19,618	16,817
Operating lease payments	營運租賃租金	4,968	5,988
Auditors' remuneration	核數師酬金		
– Audit services	– 核數服務	2,533	1,776
– Non-audit services	– 非核數服務	–	3,504
Utilities and electricity charges	燃料動力及水電費用	36,685	32,093
Subcontracting expenses	加工費用	21,144	16,333
Other PRC taxes	其他中國稅項	21,460	17,856
Consumables and supplies	物料消耗	2,955	3,848
Bank charges	銀行費用	2,254	3,036
Other expenses	其他費用	31,028	38,316
Total cost of sales, selling and marketing costs and administrative expenses	銷售成本、銷售及市場推廣成本及行政費用	1,335,887	1,292,813



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9. Employee benefit expense

9. 僱員福利開支

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Wages, salaries, other allowances and benefits in kind	工資、薪金、其他津貼及實物利益	44,117	42,923
Share options granted to directors and employees	授予董事及職工的購股權	3,435	7,329
Pension costs – defined contribution plans (Note a)	退休金成本—定額供款計劃 (附註a)	5,112	5,210
		52,664	55,462

(a) Pensions – defined contribution plans

As stipulated by rules and regulations in Mainland China, the Group contributes to a state-sponsored retirement plan for its employees in Mainland China, which is a defined contribution plan. The Group and its employees contribute approximately 12% to 14% and 0% to 8%, respectively, of the employees' salary as specified by the local government, and the Group has no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement plan is responsible for the entire pension obligations payable to retired employees.

The Group has arranged for its Hong Kong employees to join the Mandatory Provident Fund Scheme (the "MPF Scheme"), a defined contribution scheme managed by an independent trustee. Under the MPF Scheme, each of the Group and its Hong Kong employees makes monthly contributions to the scheme at 5% of the employees' earnings as defined under the Mandatory Provident Fund legislation. Both the Group's and the employees' contributions are subject to a cap of HK\$1,500 per month.

During the year, the aggregate amount of the Group's contributions to the aforementioned retirement schemes was approximately RMB5,112,000 (2015: RMB5,210,000). As at 31 December 2016, the Group was not entitled to any forfeited contributions to reduce the Group's future contributions.

(a) 退休金成本—定額供款計劃

根據中國內地法規，本集團為其中國內地僱員向國家認可之定額供款退休計劃供款。本集團及其僱員分別按地方政府所指定之僱員薪金約12%至14%及0%至8%供款，除作出年度供款外，本集團毋須再承擔實際支付退休金或退休後福利之責任。國家認可之退休金計劃承擔應付予退休僱員之一切退休福利責任。

本集團已安排其香港僱員參與由獨立信託人管理之定額供款計劃強制性公積金計劃（「強積金計劃」）。根據強積金計劃，本集團及其香港僱員須每月按照強制性公積金條例所釐定之僱員收入5%各自向計劃供款，而本集團及僱員每月供款上限為1,500港元。

本年度，本集團有關上述退休金計劃之供款總額約為人民幣5,112,000元（二零一五年：人民幣5,210,000元）。於二零一六年十二月三十一日，本集團並無已沒收供款可用作減少其日後供款。

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9. Employee benefit expense (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2015 exclusively comprise the five highest paid directors whose emoluments are reflected in the analysis shown in Note 36.

For the year ended 2016, the five individuals whose emoluments were the highest in the Group include four directors whose emoluments are reflected in the analysis shown in Note 36. The emoluments payable to the remaining one individual during 2016 are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Basic salaries, other allowances and benefits in kind	基本薪金、其他津貼及實物利益	907	-
Retirement benefit – defined contribution plans	退休福利 – 定額供款計劃	15	-
Share-based payments	以股份為基礎的支付	217	-
		1,139	-

The emoluments fell within the following band:

		Number of individuals 人數	
		2016 二零一六年	2015 二零一五年
Emolument band HK\$1,000,001 – HK\$1,500,000	薪酬範圍 港幣1,000,001元至 港幣1,500,000元	1	-

During the years ended 31 December 2016 and 2015, no emoluments were paid to the directors or the five highest paid individuals as an inducement to join or as compensation for loss of office.

9. 僱員福利開支 (續)

(b) 五名最高薪人士

本集團截至二零一五年十二月三十一日止年度內，最高薪酬的五位人士包括五名最高薪董事，其薪酬已反映於本列報的附註36。

二零一六年本集團最高薪酬的五位人士包括四位董事，他們的薪酬在本列報的附註36反映。二零一六年支付於其餘一位人士的薪酬如下：

此等薪酬在下列組合範圍內：

截至二零一五年及二零一六年十二月三十一日止年度，並無向本公司董事或該五名最高薪人士支付任何酬金，作為吸引彼加盟之獎金或作為離職之補償。



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10. Subsidiaries

The following is a list of the principal subsidiaries at 31 December 2016:

10. 附屬公司

以下為於二零一六年十二月三十一日主要附屬公司的名單：

Name 名稱	Place of incorporation and kind of legal entity 註冊成立地點及 法定立體類別	Particular of issued share capital 已發行股本詳情	Proportion of ordinary shares directly held by parent (%) 由母公司直接持有的 普通股比例	Proportion of ordinary shares held by the Group (%) 由本集團持有的 普通股比例	Proportion of ordinary shares held by non- controlling interests (%) 由非控股性權益 持有的普通股比例	Principal activities and place of operation 主要業務及經營地點
EcoGreen Fine Chemicals Limited	British Virgin Islands 英屬處女群島	US\$95,000 95,000美元	100%	100%	-	Investment holding, in Hong Kong 投資控股, 香港
Doingcom International Limited 中坤國際有限公司	Hong Kong 香港	HK\$20,000,000 港幣20,000,000元	-	100%	-	Trading of fine chemicals, in Hong Kong 買賣精細化學品, 香港
Xiamen Doingcom Chemical Co., Ltd. 廈門中坤化學有限公司	Mainland China (Note b) 中國內地 (附註b)	RMB190,000,000 人民幣190,000,000元	-	100%	-	Manufacturing and sale of fine chemicals in Mainland China 生產及銷售精細化學品, 中國內地
Xiamen Doingcom Biotechnology Co., Ltd. 廈門中坤生物科技有限公司	Mainland China (Note c) 中國內地 (附註c)	RMB50,000,000 人民幣50,000,000元	-	100%	-	Manufacturing of fine chemicals in Mainland China 生產精細化學品, 中國內地
廈門中坤貿易有限公司 (附註a) Xiamen Doingcom Enterprise Limited (Note a)	Mainland China (Note d) 中國內地 (附註d)	RMB20,000,000 人民幣20,000,000元	-	100%	-	Sale of fine chemicals in Mainland China 銷售精細化學品, 中國內地
廈門中坤食品有限公司 (附註a) Xiamen Doingcom Food Co., Ltd. (Note a)	Mainland China (Note e) 中國內地 (附註e)	RMB10,000,000 人民幣10,000,000元	-	100%	-	Manufacturing and sale of food additives and seasoning 生產及銷售食品添加劑及調味料, 中國內地
Xiamen Sinotek Enterprise Development Co., Ltd. 廈門中技實業發展有限公司	Mainland China (Note f) 中國內地 (附註f)	RMB20,000,000 人民幣20,000,000元	-	100%	-	Manufacturing and sale of fine chemicals in Mainland China 生產及銷售精細化學品, 中國內地
漳州中怡精細化工有限公司 (附註a) Zhangzhou EcoGreen Fine Chemicals Co., Ltd. (Note a)	Mainland China (Note g) 中國內地 (附註g)	US\$10,000,000 10,000,000美元	-	100%	-	Manufacturing and sale of fine chemicals in Mainland China 生產及銷售精細化學品, 中國內地
楚雄中怡林產貿易有限公司 (附註a) Chuxiong EcoGreen Forestry Trading Co., Ltd. (Note a)	Mainland China (Note h) 中國內地 (附註h)	RMB10,000,000 人民幣10,000,000元	-	100%	-	Sale of forestry products in Mainland China 銷售林業產品, 中國內地

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10. Subsidiaries (continued)

Notes:

- (a) The English names are for identification purpose only.
- (b) Xiamen Doingcom Chemical Co., Ltd. is sino-foreign owned enterprise established in Xinmen, Fujian Province, Mainland China for a term of 20 years up to October 2017. The renewal of business licence is in progress.
- (c) Xiamen Doingcom Biotechnology Co., Ltd. is sino-foreign owned enterprise established in Xiamen, Fujian Province, Mainland China for a term of 20 years up to July 2024.
- (d) Xiamen Doingcom Enterprise Limited is a limited liability enterprise established in Xiamen, Fujian Province, Mainland China for a term of 20 years up to June 2024.
- (e) Xiamen Doingcom Food Co., Ltd. is a limited liability enterprise established in Xiamen, Fujian Province, Mainland China for a term of 20 years up to October 2031.
- (f) Xiamen Sinotek Enterprise Development Co., Ltd. are wholly foreign owned enterprises established in Xiamen, Fujian Province, Mainland China for a term of 30 years up to July 2026.
- (g) Zhangzhou EcoGreen Fine Chemicals Co., Ltd. is wholly foreign owned enterprise established in Changtai Xian, Zhangzhou City, Fujian Province, Mainland China for a term of 50 years up to April 2057.
- (h) Chuxiong EcoGreen Forestry Trading Co., Ltd. is a limited liability enterprise established in Chuxiong, Yunnan Province, Mainland China for a term of 30 years up to March 2037.

11. Investments in associates

10. 附屬公司 (續)

附註:

- (a) 英名名稱僅供識別。
- (b) 廈門中坤化學有限公司為在中國內地福建省廈門市成立之中外合資企業，經營期為二十年，直至二零一七年十月止，其營業執照的更新正在進行中。
- (c) 廈門中坤生物科技有限公司為在中國內地福建省廈門市成立之中外合資企業，經營期為二十年，至二零二四年七月止。
- (d) 廈門中坤貿易有限公司為於中國內地福建省廈門市成立之有限公司，經營期為二十年，至二零二四年六月止。
- (e) 廈門中坤食品有限公司為於中國內地福建省廈門市成立之有限公司，經營期為二十年，至二零三一年十月止。
- (f) 廈門中技實業發展有限公司為外商獨資企業，在中國內地福建省廈門市成立，經營期為三十年，至二零二六年七月止。
- (g) 漳州中怡精細化工有限公司為一間全外資企業，在中國內地福建省漳州市長泰縣成立，經營期為五十年，至二零五七年四月止。
- (h) 楚雄中怡林產貿易有限公司於中國內地雲南省楚雄市成立之有限公司，經營期為三十年，至二零三七年三月止。

11. 聯營投資

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	8,581	12,607
Share of losses of associates	應佔聯營虧損份額	(386)	(1,227)
Disposal of an associate	出售一間聯營	(772)	-
Provision for impairment	減值撥備	-	(2,799)
At 31 December	於十二月三十一日	7,423	8,581



Notes to the Consolidated Financial Statements 合併財務報表附註

11. Investments in associates (continued)

The associates as listed below have share capital consisting solely of ordinary shares, which are held directly by the Group; the country of incorporation or registration is also their principal place of business.

Nature of investment in associates as at 31 December 2016 and 2015 are as follows:

Name of entity 名稱	Place of business/ country of incorporation 註冊成立國家/ 業務地址	Percentage of ownership interest 所有權權益		Measurement Method 計量法	Principal activities 主要業務
		2016	2015		
		二零一六年	二零一五年		
廈門派金投資有限公司(附註a) Xiamen Pineking Investment Co., Ltd. (Note a)	Mainland China 中國內地	–	30%	Equity 權益法	Operating the e-commerce platform of Turpeutine trading 電子商貿平台
武漢格源精細化工有限公司(附註b) Wuhan Geyuan Fine Chemicals Co., Ltd. (Note b)	Mainland China 中國內地	25%	25%	Equity 權益法	Manufacturing of fine chemicals 生產精細化學品

Notes:

- a) Xiamen Pineking Investment Co., Ltd. is a private company and there is no quoted market price available for its shares. During the year ended 31 December 2016, the Group disposed of its interest in this associate resulting in a gain on disposal of an associate of RMB5,228,000 recognised in the consolidated income statement within 'Other gains/(losses) – net'.
- (b) Wuhan Geyuan Fine Chemicals Co., Ltd. is a private company and there is no quoted market price available for its shares.

Set out above are the associates of the Group as at 31 December 2015 and 2016 which, in the opinion of the directors, are immaterial to the Group, no summarised financial information of associates have been disclosed.

There are no contingent liabilities relating to Group's interest in associates and there are no contingent liabilities of the ventures themselves.

Details of loan to an associate and amounts due to associates are disclosed in Note 35(b) and Note 35(c), respectively.

11. 聯營投資(續)

以下列載之聯營的股本全部為普通股並由集團直接持有；註冊成立或登記國家亦為其主要業務地點。

在二零一六年及二零一五年十二月三十一日聯營投資的性質如下：

附註：

- a) 廈門派金投資有限公司為私人公司，其股份並沒有市場報價。於截至二零一六年十二月三十一日止年度，本集團出售該聯營之權益，出售該聯營所產生人民幣5,228,000元之收益於合併利潤表中「其他收益/(損失) – 淨額」內確認。
- (b) 武漢格源精細化工有限公司為私人公司，其股份沒有市場報價。

以上為集團在二零一五年十二月三十一日及二零一六年十二月三十一日的聯營，董事認為集團對聯營的投資並不重大，沒有對聯營公司的摘要財務資料作出披露。

關於聯營投資，本集團概無任何或然負債及聯營本身也無任何或然負債。

聯營借貸及應付聯營的詳情分別於附註35(b)及附註35(c)披露。

Notes to the Consolidated Financial Statements
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12. Taxation

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current tax	現有稅項		
– Mainland China corporate income tax for the year	– 本年度中國內地企業所得稅	66,462	53,822
– (Over)/under provision in previous year	– 以前年度(多提)/少計之所得稅	(1,076)	373
Total current tax	現有稅項總額	65,386	54,195
Deferred income tax (Note 29)	遞延所得稅項(附註29)	8,843	12,101
		74,229	66,296

Notes:

(a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group had no assessable profit arising in or derived from Hong Kong.

(b) Mainland China corporate income tax

The subsidiaries established in Mainland China are subject to Mainland China corporate income tax at a rate of 25% (2015: 25%). Xiamen Doingcom Chemicals Co. Ltd. was granted the High and New Technology Enterprise ("HNTE") status in October 2015 being valid for 3 years and Xiamen Doingcom Chemicals Co. Ltd. is entitled to a preferential tax rate of 15%.

(c) Overseas income taxes

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income tax.

(d) Mainland China value-added tax

The subsidiaries established in Mainland China are subject to Mainland China value-added tax ("VAT") at 17% (2015: 17%) of revenue from sale of goods in Mainland China and entitled to a VAT export refund at 9% to 13% (2015: 9% to 13%) from sale of goods outside Mainland China. Input VAT paid on purchases can be used to offset output VAT levied on sales to determine the net VAT recoverable/payable.

(e) Withholding tax

Pursuant to the New Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. Withholding taxes are payable on dividends distributed/to be distributed by those subsidiaries and an associate established in Mainland China in respect of earnings generated from 1 January 2008.

12. 稅項

附註：

(a) 香港利得稅

由於本集團並無在香港獲得或賺取應課稅利潤，因此並無就香港利得稅作出撥備。

(b) 中國內地企業所得稅

於中國內地成立之附屬公司須按25% (二零一五年：25%) 之稅率繳納中國內地企業所得稅。於二零一五年十月，廈門中坤化學有限公司獲授予高新技術企業的地位，為期三年，而廈門中坤化學有限公司可按優惠稅率15%繳稅。

(c) 海外所得稅

本公司根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得稅。本公司在英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法註冊成立，因此獲豁免繳納英屬處女群島所得稅。

(d) 中國內地增值稅

於中國內地成立之附屬公司在中國內地及境外銷售貨品之收入須分別按17% (二零一五年：17%)，繳納中國內地增值稅(「增值稅」)，但其出口銷售可享受增值稅出口退稅的待退稅率為9%至13% (二零一五年：9%至13%)。計算可收回/應付增值稅淨額時，採購時支付之進項增值稅可用作抵銷出售時徵收之銷項增值稅。

(e) 代扣所得稅

根據新稅法，自二零零八年一月一日起，自中國分配給外商投資者的股息應按10%的稅率代扣所得稅。該法令從二零零八年一月一日起生效，並適用於二零零七年十二月三十一日之後所產生利潤的分配。如果中國與外商投資者所在地區已達成稅收協定，則可採用更低的代扣所得稅稅率。本集團使用的稅率為10%。因此，自二零零八年一月一日起，本集團按照設立於中國的附屬公司及聯營企業所產生利潤確認遞延所得稅負債。



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12. Taxation (continued)

The tax on the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities and the reconciliation is as follows:

12. 稅項 (續)

以本集團就除稅前利潤計算之稅項，與採用合併主體利潤適用的加權平均稅率計算而產生的理論稅項存在差異，對賬如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before taxation	除稅前利潤	219,737	151,480
Tax calculated at domestic tax rates applicable to profits in the respective countries	按相關國家利潤適用之當地稅率計算之稅項	63,183	50,806
Income not subject to tax	無須課稅的收益	(1,307)	-
Expense not deductible for tax purposes	不可扣稅的費用	993	2,952
(Over)/under provision in previous year	以前年度(多提)/少計之所得稅	(1,076)	373
Withholding tax on dividends of the PRC subsidiaries	中國附屬公司之股息須予支付之代扣所得稅	12,000	12,000
Tax losses for which no deferred tax asset was recognised	沒有確認遞延稅項資產的稅損	1,230	1,435
Utilisation of previously unrecognised tax losses	使用早前未確認的稅損	(794)	(1,270)
Tax charge	稅項支出	74,229	66,296

The weighted average applicable tax rate was 28.8% (2015: 33.5%).

適用加權平均稅率為28.8% (二零一五年：33.5%)。

Included in the tax losses as at 31 December 2016 was a loss of RMB17,276,000 (2015: RMB18,721,000) that will expire during the period from 2016 to 2020 (2015: 2015 to 2019), while other losses of RMB10,850,000 (2015: RMB10,266,000) can be carried forward indefinitely. The deferred tax benefit of such tax losses has not been recognised as it is not probable that future taxable profit will be available against which the unutilised tax losses can be utilised, or the amounts attributable to specific subsidiaries are insignificant.

於二零一六年十二月三十一日之稅務虧損包括虧損人民幣17,276,000元(二零一五年：人民幣18,721,000元)，結轉期將於二零一六年至二零二零年(二零一五年：二零一五年至二零一九年)間屆滿，其他虧損人民幣10,850,000(二零一五年：人民幣10,266,000)則可無限期結轉。由於並不肯定未來有應課稅利潤可以未動用之稅務虧損抵銷，或該金額對個別附屬公司微不足道，因此上述稅務虧損之遞延稅項利益並無確認入賬。

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13. Earnings per share

Basic

Basic earnings per share is calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (As restated) (經重列) (Note) (附註)
Profit attributable to owners of the Company	利潤歸屬於本公司擁有人	145,383	85,515
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千計)	650,392	648,659
Basic earnings per share (RMB per share)	每股基本收益(每股人民幣)	22.4 Cents分	13.2 Cents分

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company mainly comprise the share options. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

13. 每股收益

基本

每股基本收益乃根據歸屬於本公司擁有人之利潤，除以年內已發行普通股的加權平均數計算。

攤薄

攤薄每股收益假設所有可攤薄的潛在普通股被兌換後，根據已發行普通股的加權平均股數計算。本公司可攤薄的潛在普通股主要包括購股權。零代價發行的股份數目是基於假設行使了購股權後應該發行的股份數目減去假設按照公允價值(按照全年平均市場價格而定)發行並獲得相同股票發行收入的情況下，可能需要發行的股份數目後得到的。這一零代價發行的股份數目將構成加權平均普通股數目的一部分，將作為計算攤薄每股收益時所用的分母。



Notes to the Consolidated Financial Statements 合併財務報表附註

13. Earnings per share (continued) Diluted (continued)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元 (As restated) (經重列) (Note) (附註)
Profit attributable to owners of the Company	利潤歸屬於本公司擁有人	145,383	85,515
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千計)	650,392	648,659
Adjustments assuming the exercise of share options (thousands)	假設購股權被行使的調整(千計)	2,866	13,361
Weighted average number of ordinary shares for diluted earnings per share (thousands)	計算每股攤薄盈利的普通股的加權平均數(千計)	653,258	662,020
Diluted earnings per share (RMB per share)	每股攤薄收益(每股人民幣)	22.3 Cents分	12.9 Cents分

Note: The issue of bonus shares was completed on 12 July 2016, the calculations of basic and diluted earnings per share for the year ended 31 December 2015 have been adjusted retrospectively according to HKAS 33.

13. 每股收益(續) 攤薄(續)

附註：發行紅股於2016年7月12日完成，因此截至2015年12月31日止之年度，計算每股基本及攤薄盈利乃按照香港會計準則第33號追溯調整。

14. Net foreign exchange losses

The exchange differences (charged)/credited in the consolidated income statement are included as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other gains—net (Note 6)	其他收益—淨額(附註6)	3,100	5,312
Net finance expenses—(Note 7)	財務費用淨額(附註7)	(50,053)	(37,506)
		(46,953)	(32,194)

14. 匯兌損失淨額

在合併利潤表中(借記)/貸記的匯兌差額包括在下列項目內：

Notes to the Consolidated Financial Statements
合併財務報表附註

15. Land use rights

The Group's interests in land use rights represent prepaid operating lease payments and their net book values are analysed as follows:

15. 土地使用權

本集團於土地使用權之權益指預付經營租賃款項，按其賬面淨值分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	一月一日	41,716	35,031
Additions	添置	17	6,881
Amortisation of prepaid operating lease payments (Note 8)	預付經營租賃款項的攤銷(附註8)	(457)	(196)
At 31 December	十二月三十一日	41,276	41,716



Notes to the Consolidated Financial Statements 合併財務報表附註

16. Property, plant and equipment

16. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Leasehold improvements, office furniture and equipment 租賃物業裝 修、傢俬及 設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in- progress 在建工程 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	118,501	190,554	3,268	251	29,806	342,380
Additions	添置	-	680	2,280	-	20,302	23,262
Transfers	轉撥	1,136	201	6,346	-	(7,683)	-
Depreciation (Note 8)	折舊(附註8)	(5,268)	(33,275)	(1,582)	(133)	-	(40,258)
Closing net book amount	年終賬面淨值	114,369	158,160	10,312	118	42,425	325,384
At 31 December 2015	於二零一五年 十二月三十一日						
Cost	成本	155,927	406,124	21,663	4,300	42,425	630,439
Accumulated depreciation	累計折舊	(41,558)	(247,964)	(11,351)	(4,182)	-	(305,055)
Net book amount	賬面淨值	114,369	158,160	10,312	118	42,425	325,384
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	114,369	158,160	10,312	118	42,425	325,384
Additions	添置	-	1,101	784	670	38,002	40,557
Transfers	轉撥	-	21,848	1,627	-	(23,475)	-
Depreciation (Note 8)	折舊(附註8)	(5,275)	(34,402)	(2,858)	(166)	-	(42,701)
Closing net book amount	年終賬面淨值	109,094	146,707	9,865	622	56,952	323,240
At 31 December 2016	於二零一六年 十二月三十一日						
Cost	成本	155,927	429,073	24,074	4,970	56,952	670,996
Accumulated depreciation	累計折舊	(46,833)	(282,366)	(14,209)	(4,348)	-	(347,756)
Net book amount	賬面淨值	109,094	146,707	9,865	622	56,952	323,240

Notes to the Consolidated Financial Statements 合併財務報表附註

16. Property, plant and equipment (continued)

The Group's buildings and buildings under construction, totalling RMB124,392,000 (2015: RMB127,999,000) are situated in Mainland China with lease terms of 50 years up to December 2047, December 2048, May 2053, April 2054 and December 2064, respectively.

Depreciation expense of RMB37,014,000 (2015: RMB35,859,000) has been charged in 'cost of sales' and RMB5,670,000 (2015: RMB4,338,000) in 'administrative expenses'.

An analysis of construction-in-progress is as follows:

16. 物業、廠房及設備 (續)

本集團之樓宇及在建樓宇合共人民幣124,392,000元(二零一五年:人民幣127,999,000元),建於中國內地多幅土地上,租賃為期50年,分別於二零四七年十二月、二零四八年十二月、二零五三年五月、二零五四年四月及二零六四年十二月屆滿。

折舊費用其中人民幣37,014,000元(二零一五年:人民幣35,859,000元)在「銷售成本」中支銷,而人民幣5,670,000元(二零一五年:人民幣4,338,000元)則計入「行政費用」中。

在建工程分析如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Construction costs of buildings	樓宇建築成本	15,298	13,631
Cost of leasehold improvements and plant and machinery	租賃物業裝修、廠房及機器成本	41,654	28,794
		56,952	42,425



Notes to the Consolidated Financial Statements 合併財務報表附註

17. Intangible assets

17. 無形資產

		Product development costs 產品 開發成本 RMB'000 人民幣千元
Year ended 31 December 2015	截至二零一五年十二月三十一日止年度	
Opening net book amount	期初賬面淨值	60,729
Additions	添置	20,906
Amortisation (Note 8)	攤銷(附註8)	(6,507)
Closing net book amount	期終賬面淨值	75,128
At 31 December 2015	於二零一五年十二月三十一日	
Cost	成本	169,740
Accumulated amortisation	累計攤銷	(70,090)
Accumulated impairment	累計減值	(24,522)
Net book amount	賬面淨值	75,128
Year ended 31 December 2016	截至二零一六年十二月三十一日止年度	
Opening net book amount	期初賬面淨值	75,128
Additions	添置	15,714
Amortisation (Note 8)	攤銷(附註8)	(8,222)
Closing net book amount	期終賬面淨值	82,620
At 31 December 2016	於二零一六年十二月三十一日	
Cost	成本	185,454
Accumulated amortisation	累計攤銷	(78,312)
Accumulated impairment	累計減值	(24,522)
Net book amount	賬面淨值	82,620

Notes:

(a) Amortisation of RMB8,222,000 (2015: RMB6,507,000) is included in 'cost of sales' in the consolidated income statement.

附註:

(a) 人民幣8,222,000元之攤銷(二零一五年:人民幣6,507,000元)在合併利潤表中計入「銷售成本」內。

Notes to the Consolidated Financial Statements
合併財務報表附註

18. Available-for-sale financial assets

18. 可供出售金融資產

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日及十二月三十一日	200	300
Disposal	出售	-	(100)
At 31 December	於十二月三十一日	200	200
Less: non-current portion	減：非流動部份	(200)	(200)
Current portion	流動部份	-	-

Available-for-sale financial assets are unlisted equity securities.

可供出售金融資產為非上市股本證券。

19. Derivative financial instruments

19. 衍生金融工具

		2016 二零一六年		2015 二零一五年	
		Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元	Assets 資產 RMB'000 人民幣千元	Liabilities 負債 RMB'000 人民幣千元
Current portion:	流動部份：				
Interest rate swaps	利率互換	-	-	-	108
Forward foreign exchange contracts - held-for-trading	遠期外匯合同 - 為交易目的所持有	1,582	5,533	296	37,942
Total	總計	1,582	5,533	296	38,050



Notes to the Consolidated Financial Statements 合併財務報表附註

19. Derivative financial instruments (continued)

(a) Forward foreign exchange contracts

The Group entered into foreign exchange contracts to buy RMB/USD during the year ended 31 December 2014. These contracts were intended to minimise the Group's exposure to foreign exchange risk. As at 31 December 2016, the remaining outstanding contracts have a maximum notional amount of RMB41,622,000 (2015: RMB458,448,000).

In the second half of 2014 and during the year ended 31 December 2015, foreign exchange contracts to buy USD/ RMB were entered into to minimise the currency exposure of the Group suffered from the fluctuations in RMB. As at 31 December 2016, all these contracts expired (2015: the remaining outstanding contracts have a maximum notional amount of RMB144,158,000).

The Group entered into some simple forward contracts on 8 January 2016 and 13 January 2016, intending to stabilise the exposure of the outstanding RMB/USD structured forward foreign exchange contracts. The total notional amount of these simple contracts remained outstanding as at 31 December 2016 is RMB41,622,000.

(b) Interest rate swap contracts

The Group entered into interest rate swap contracts to mitigate the exposure to the interest rate risk associated with the Group's borrowings. These contracts expired in May 2016.

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2016 were nil (2015: RMB107,144,000).

At 31 December 2015, the fixed interest rate is 0.71% and the main floating rate is LIBOR.

19. 衍生金融工具 (續)

(a) 遠期外匯合約

本集團於截至二零一四年十二月三十一日止年度內訂立外匯合同，以購入人民幣／美元。訂立此等合同之目的為盡量減低本集團承受之外匯風險。於二零一六年十二月三十一日，餘下未完成合同之最高名義金額為人民幣41,622,000元（二零一五年：人民幣458,448,000）。

於二零一四年下半年及截至二零一五年十二月三十一日止的年度內，本集團訂立購入美元／人民幣之外匯合同，以盡量減低本集團因人民幣匯率波動而承受之貨幣風險。於二零一六年十二月三十一日，該些合同已經全部結束（二零一五年：餘下未完成合同之最高名義金額為人民幣144,158,000）。

本集團已於二零一六年一月八日及二零一六年一月十三日訂立多份簡單遠期合同，計劃穩定其未償還人民幣／美元結構性遠期外匯合同之風險。該等簡單合同於二零一六年十二月三十一日餘下未完成之名義金額合共為人民幣41,622,000元。

(b) 利率掉期合約

本集團訂立利率掉期合約以減低本集團借貸所承受的利率風險，此等合約將於二零一六年五月屆滿。

於二零一六年十二月三十一日，仍未結算的利率互換合同的設定金額為人民幣零元（二零一五年：人民幣107,144,000元）。

於二零一五年十二月三十一日，定息利率為0.71厘，而主要的浮息利率為倫敦銀行同業拆息。

Notes to the Consolidated Financial Statements
合併財務報表附註

20. Trade receivables and bills receivable

20. 應收賬款及應收票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	應收賬款	698,493	593,472
Bills receivable	應收票據	790	782
		699,283	594,254
Less: Provision for impairment	減：減值撥備	(8,060)	(6,195)
		691,223	588,059

The carrying amounts of trade receivables and bills receivable approximate their fair values.

應收賬款及應收票據賬面值與其公允值相若。

The credit period granted by the Group to its customers is between 60 and 90 days. For certain customers with good credit history, an extended period up to 180 days is allowed. The aging analysis of trade receivables and bills receivable is as follows:

本集團給予其客戶之信貸期一般60至90天。對於有良好信貸歷史的客戶，集團容許達至180日的信貸期。應收賬款及應收票據之賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0 to 30 days	0至30天	171,700	141,222
31 to 60 days	31至60天	147,668	128,638
61 to 90 days	61至90天	113,520	118,837
91 to 180 days	91至180天	262,829	200,917
181 to 365 days	181至365天	2,481	4,377
Over 365 days	365天以上	1,085	263
		699,283	594,254
Less: Provision for impairment	減：減值撥備	(8,060)	(6,195)
		691,223	588,059



Notes to the Consolidated Financial Statements 合併財務報表附註

20. Trade receivables and bills receivable (continued)

The credit quality of trade receivables that are neither past due nor impaired can be assessed by reference to the historical information about counter party default rates. The existing counterparties do not have significant default in the past. There is no concentration of credit risk with respect to trade receivables, as the Group has a large number of customers. The Group does not hold any collateral as security.

As of 31 December 2016, trade receivables of RMB509,143,000 (2015: RMB447,363,000) were not yet past due.

As of 31 December 2016, trade receivables of RMB182,080,000 (2015: RMB140,696,000) were past due but not impaired. These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
91 to 180 days	91至180天	182,080	140,696
		182,080	140,696

As of 31 December 2016, trade receivables of RMB8,060,000 (2015: RMB6,195,000) were impaired which have been fully provided for. The individually impaired receivables mainly relate to a few independent customers which are in unexpectedly difficult economic situations. The ageing of these receivables is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
91 to 180 days	91至180天	4,494	1,555
181 to 365 days	181至365天	2,481	4,377
Over 365 days	365天以上	1,085	263
		8,060	6,195

20. 應收賬款及應收票據 (續)

沒有逾期或減值需要之應收賬款，其信貸質素是按以往的收款記錄及客戶的壞賬率而定。現有的客戶並無重大的拖欠。由於本集團客戶數目龐大，故有關應收賬款之信貸風險並無過份集中。本集團並沒有持有任何的抵押品作擔保。

於二零一六年十二月三十一日，未逾期之應收賬款人民幣合共509,143,000元（二零一五年：人民幣447,363,000元）。

於二零一六年十二月三十一日，應收賬款人民幣182,080,000元（二零一五年：人民幣140,696,000元）經已逾期但並無減值。此等款項涉及多個並無重大財政困難的獨立客戶，而根據過往經驗，逾期款項可以收回。此等應收賬款的賬齡分析如下：

於二零一六年十二月三十一日，應收賬款內共有人民幣8,060,000元（二零一五年：人民幣6,195,000元）經已減值，並已全部作出撥備。個別減值的應收款主要來自少數處於預料以外的經濟困難中的獨立客戶。此等應收款的賬齡如下：

Notes to the Consolidated Financial Statements
合併財務報表附註

20. Trade receivables and bills receivable (continued)

The carrying amounts of the Group's trade receivables and bills receivable are denominated in the following currencies:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Renminbi	人民幣	627,306	518,627
US dollar	美元	63,917	69,432
		691,223	588,059

Movements in the provision for impairment of trade receivables are as follows:

20. 應收賬款及應收票據(續)

本集團的應收賬款及應收票據的賬面值以下列貨幣為單位：

應收賬款減值撥備的變動如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	一月一日	6,195	6,600
Provision for/(reversal of) impairment of trade receivables	應收賬款減值撥備計提/(回撥)	1,865	(405)
At 31 December	十二月三十一日	8,060	6,195

The provision for impaired receivables have been included in 'administrative expenses' in the consolidated income statement. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash.

對已減值應收款的撥備已包括在合併利潤表中的「行政費用」內。在撥備賬戶中扣除的數額一般會在預期無法收回額外現金時撇銷。



Notes to the Consolidated Financial Statements 合併財務報表附註

21. Prepayments and other receivables

21. 預付款及其他應收款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Prepayments for purchases of raw materials	購買原料預付款	218,620	168,059
Prepayments for product development projects	產品開發成本預付款	-	7,200
Prepayments for construction-in-progress	在建工程預付款	-	1,156
Input value-added tax recoverable	可收回進項增值稅	4,887	1,776
Others	其他	10,092	9,077
		233,599	187,268
Less: non-current portion	減：非流動部份		
Prepayments	預付款	-	(8,356)
		233,599	178,912
Prepayments and other receivables	預付款及其他應收款		
- current portion	- 流動部份	233,599	178,912

The carrying amounts of other receivables approximate their fair values and are mainly denominated in RMB.

其他應收款賬面值與其公允值相若且主要以人民幣列值。

22. Inventories

22. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原料	74,791	78,934
Work-in-progress	在製品	867	393
Finished goods	產成品	41,429	44,566
		117,087	123,893
Less: Provision for impairment	減：減值撥備	(2,930)	(3,098)
		114,157	120,795

The cost of inventories recognised as expense and included in 'cost of sales' amounted to RMB1,087,501,000 (2015: RMB1,052,179,000).

確認為開支及計入「銷售成本」之存貨成本為人民幣1,087,501,000元（二零一五年：人民幣1,052,179,000元）。

During the year ended 31 December 2016, a reversal of provision for impairment of inventories of RMB168,000 (2015: a reversal of provision for impairment of inventories of RMB951,000) has been included in 'cost of sales' in the consolidated income statement.

於二零一六年十二月三十一日止年度內，人民幣168,000元之存貨減值撥備回撥（二零一五年：人民幣951,000元之存貨減值撥備回撥）已在合併利潤表「銷售成本」內。

Notes to the Consolidated Financial Statements
合併財務報表附註23. Pledged bank deposits, short-term bank deposits,
cash and cash equivalents

23. 已抵押之銀行存款、短期銀行存款、現金及現金等價物

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Pledged bank deposits	已抵押之銀行存款	60,498	69,883
Short-term bank deposits	短期銀行存款	22,650	15,536
Cash and cash equivalents – cash at bank and on hand	現金及現金等價物 – 銀行及庫存現金	1,563,170	1,429,587
		1,646,318	1,515,006

The carrying amounts of pledged bank deposits, short-term bank deposits, cash and cash equivalents are denominated in the following currencies:

於已抵押之銀行存款、短期銀行存款、現金及現金等價物的賬面值結算貨幣的金額如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Renminbi	人民幣	1,629,293	1,494,504
Hong Kong dollar	港元	3,845	4,341
US dollar	美元	13,017	15,068
Euro	歐羅	147	1,076
Others	其他	16	17
		1,646,318	1,515,006

As at 31 December 2016, the effective interest rate on short-term bank deposits was 2.3% (2015: 2.9%) per annum. The short-term bank deposits of the Group have an average maturity of 365 days (2015: 365 days).

於二零一六年十二月三十一日，短期銀行存款之實際利率為每年2.3%（二零一五年：2.9%）。本集團之短期銀行存款之平均到期日為365天（二零一五年：三百六十五天）。

As at 31 December 2016, the Group has pledged bank deposits, short-term bank deposits, cash and cash equivalents of approximately RMB1,629,293,000 (2015: RMB1,494,504,000) denominated in RMB. RMB is not a freely convertible currency in international markets and its exchange rate is determined by the People's Bank of China.

於二零一六年十二月三十一日，本集團共有已抵押銀行存款、短期銀行存款、現金及現金等價物約人民幣1,629,293,000元（二零一五年：人民幣1,494,504,000元）均以人民幣計算。人民幣不能於國際市場自由轉換貨幣，其匯率由中國人民銀行釐定。



Notes to the Consolidated Financial Statements 合併財務報表附註

23. Pledged bank deposits, short-term bank deposits, cash and cash equivalents (continued)

At 31 December 2016, bank balances of RMB60,498,000 (2015: RMB69,883,000) have been pledged to banks to secure credit facilities granted to certain of the Group's subsidiaries.

The cash and cash equivalents are not exposed to material credit risk.

24. Share capital, premium and share options

(a) Share capital – Ordinary shares of HK\$0.1 each

23. 已抵押之銀行存款、短期銀行存款、現金及現金等價物 (續)

於二零一六年十二月三十一日，人民幣60,498,000元（二零一五年：人民幣69,883,000元）之銀行存款已予以抵押作為本集團某些附屬公司向銀行取得借貸額度之抵押。

現金及現金等價物並沒有重大的信貸風險。

24. 股本、溢價及購股權

(a) 股本 – 每股面值0.1港元之普通股

Authorised:	法定：	Number of shares 股份數目 '000 千計	Nominal value of ordinary shares 普通股面值 RMB'000 人民幣千元		
At 1 January 2015, 31 December 2015 and 31 December 2016	於二零一五年一月一日、 二零一五年十二月三十一日及 二零一六年十二月三十一日	2,000,000	212,000		
Authorised:	法定：	Fully paid shares 已繳股款 股份數目 '000 千計	Value of ordinary shares 普通股面值 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	491,408	51,420	207,589	259,009
Issue of bonus shares (Note i)	發行紅股 (附註i)	49,141	3,877	(3,877)	–
At 31 December 2015	於二零一五年 十二月三十一日	540,549	55,297	203,712	259,009
At 1 January 2016	於二零一六年一月一日	540,549	55,297	203,712	259,009
Issue of bonus shares (Note ii)	發行紅股 (附註ii)	108,110	9,265	(9,265)	–
Issue of shares (Note iii)	發行股份 (附註iii)	7,810	675	8,027	8,702
At 31 December 2016	於二零一六年 十二月三十一日	656,469	65,237	202,474	267,711

Notes to the Consolidated Financial Statements 合併財務報表附註

24. Share capital, premium and share options (continued)

(a) Share capital – Ordinary shares of HK\$0.1 each (continued)

Note:

- (i) On 13 August 2015, the Company issued 1 bonus share for every 10 shares held on 17 July 2015.
- (ii) On 12 July 2016, the Company issued 2 bonus shares for every 10 shares held on 17 June 2016.
- (iii) During the year ended 31 December 2016, the Company issued 7,810,000 shares at a price of HK\$1.29 each pursuant to the exercise of 7,810,000 share options.

(b) Share options

Share options are granted to directors and to selected employees. The exercise price of the granted options is equal to the market price of the shares on the date of the grant or the average closing prices of the shares for the five trading days immediately preceding the date of the offer of grant, whichever is higher. The share options would vest progressively from the grant date to the third year after the grant (the vesting period) provided that the relevant employee remained employed by the Group. Share options are exercisable up to 10 years after the grant date. The Group has no legal or constructive obligation to repurchase or settle the share options in cash.

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

24. 股本、溢價及購股權 (續)

(a) 股本—每股面值0.1港元之普通股 (續)

附註：

- (i) 於二零一五年八月十三日，本公司按於二零一五年七月十七日每持有10股股份發行1股紅股。
- (ii) 於二零一六年七月十二日，本公司按於二零一六年六月十七日每持有10股股份發行2股紅股。
- (iii) 截至二零一六年十二月三十一日年底內，共有7,810,000份購股權行使。據此，本公司以加權平均價每股1.29港元發行7,810,000股。

(b) 購股權

董事和經挑選的職工可獲授購股權。所授予的購股權的行使價相等於授予日期股份市價或緊接授出日期前五個交易日股份之平均收市價，以較高者為準。有關購股權在授出當日至第三年期間（給予期）漸次授予，但期間有關僱員必須一直為集團的僱員。購股權可於授出日期起計10年內行使。本集團並無法定或推定債務，以現金購回或償付購股權。

未行使的購股權數目及有關的加權平均行使價的變動如下：

		2016 二零一六年		2015 二零一五年	
		Average exercise price per share option 每股購股權 行使價 HK\$ 港元	Number of share options 購股權 數目 '000 千計	Average exercise price per share option 每股購股權 行使價 HK\$ 港元	Number of share options 購股權 數目 '000 千計
At 1 January	於一月一日	1.78	42,647	1.96	38,770
Adjustment on issue of bonus shares	因發行紅股而作出調整	–	8,530	–	3,877
Exercised	行使	1.29	(7,810)	–	–
At 31 December	於十二月三十一日	1.52	43,367	1.78	42,647



Notes to the Consolidated Financial Statements 合併財務報表附註

24. Share capital, premium and share options (continued) (b) Share options (continued)

Out of the total 43,367,000 (2015: 42,647,000) outstanding share options as at 31 December 2016, 32,807,000 (2015: 18,988,000) share options were fully vested and exercisable.

10,560,000 share options granted on 15 February 2014 have vesting periods of 3 years and are only exercisable on 15 February 2017.

Share options exercised in 2016 resulted in 7,810,000 shares being issued at a price of HK\$1.29 each. The related share price at the time of exercise was HK\$1.66 per share.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Expiry date	到期日	Original exercise price per share option 原始行使價 HK\$ 港元	Adjusted exercise price per share option 經調整行使價 HK\$ 港元 (Note) (附註)	2016 二零一六年 Number of share options (thousands) (千計) (Note) (附註)	2015 二零一五年 Number of share options (thousands) (千計) (Note) (附註)
14 February 2024	二零二四年二月十四日	1.70	1.29	18,590	22,000
30 November 2024	二零二四年十一月三十日	2.24	1.70	24,777	20,647
				43,367	42,647

Note: The issue of bonus shares was completed on 13 August 2015 and 12 July 2016. Pursuant to the respective terms of the share option schemes, adjustments were made to the exercise price of the share and the number of shares entitled to be subscribed for under the outstanding share options as a result of the completion of the bonus issue.

24. 股本、溢價及購股權 (續) (b) 購股權 (續)

於二零一六年十二月三十一日，尚未行使的購股權總數為43,367,000（二零一五年：42,647,000）份，其中共有32,807,000（二零一五年：18,988,000）份之購股權已完全歸屬並可予行使。

於二零一四年二月十五日授出之10,560,000份購股權設有三年歸屬期，可於二零一七年二月十五日起行使。

在二零一四年，行使購股權導致發行7,810,000股份，按加權平均行使價為每股港幣1.29元，在行使時有關的加權平均股價為每股港幣1.66元。

在年終時未行使購股權的到期日和行使價如下：

附註：紅股發行於二零一五年八月十三日及二零一六年七月十二日完成，根據購股權計劃之條款，尚未行使購股權之股份行使價及數目須要在完成紅股發行後分別作出調整。

Notes to the Consolidated Financial Statements 合併財務報表附註

25. Other reserves

25. 其他儲備

		Capital reserve (Note a) 股本儲備 (附註a) RMB'000 人民幣千元	Contributed surplus (Note b) 實繳盈餘 (附註b) RMB'000 人民幣千元	Statutory reserves (Note c) 法定公積金 (附註c) RMB'000 人民幣千元	Capital redemption reserve (Note d) 股本贖回 儲備 (附註d) RMB'000 人民幣千元	Share options equity reserve 購股權 股本儲備 RMB'000 人民幣千元	Currency translation reserve 匯兌儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	685	9,500	113,362	711	7,497	201	131,956
Employees share option scheme:	僱員購股權計劃:							
- Value of share options granted	- 授出購股權之價值	-	-	-	-	7,329	-	7,329
Transfer from retained earnings	保留盈利轉撥	-	-	17,917	-	-	-	17,917
Currency translation differences	匯兌差額	-	-	-	-	-	146	146
Balance at 31 December 2015	於二零一五年十二月三十一日之結餘	685	9,500	131,279	711	14,826	347	157,348
At 1 January 2016	於二零一六年一月一日	685	9,500	131,279	711	14,826	347	157,348
Employees share option scheme:	僱員購股權計劃:							
- Value of share options granted	- 授出購股權之價值	-	-	-	-	3,435	-	3,435
- Value of share options exercised	- 行使購股權之價值	-	-	-	-	(3,658)	-	(3,658)
Change in non-controlling interests in Group's equity:	本集團權益內非控股性權益之變動:							
- Equity acquired by the Group from non-controlling interests (Note 37)	本集團向非控股性權益收購之權益 (附註37)	(193)	-	-	-	-	-	(193)
Transfer from retained earnings	保留盈利轉撥	-	-	1,931	-	-	-	1,931
Currency translation differences	匯兌差額	-	-	-	-	-	(45)	(45)
Balance at 31 December 2016	於二零一六年十二月三十一日之結餘	492	9,500	133,210	711	14,603	302	158,818



Notes to the Consolidated Financial Statements 合併財務報表附註

25. Other reserves (continued)

Notes:

- (a) Capital reserve of the Group mainly represents the difference between the nominal value of the shares of the subsidiaries acquired pursuant to the share exchange on 16 February 2004 over the nominal value of the share capital of the Company issued in exchange therefor.
- (b) Contributed surplus represents the capital contribution from an executive director and an indirect substantial shareholder of the Company, as part of a reorganisation exercise of the Group.
- (c) According to the articles of association of the relevant subsidiaries established in Mainland China and the Mainland China rules and regulations, Mainland China subsidiaries are required to transfer not less than 10% of their net profit as stated in their annual financial statements prepared under Mainland China accounting regulations to statutory reserves before the corresponding Mainland China subsidiaries can distribute any dividend. Such a transfer is not required when the amount of statutory reserves reaches 50% of the corresponding subsidiaries' registered capital. The statutory reserves shall only be used to make up losses of the corresponding subsidiaries, to expand the corresponding subsidiaries' production operations, or to increase the capital of the corresponding subsidiaries. Upon approval by resolutions of the corresponding subsidiaries' shareholders in general meetings, the corresponding subsidiaries may convert their statutory reserves into registered capital and issue bonus capital to existing owners in proportion to their existing ownership structure. As at 31 December 2016, the amount of statutory reserves of Xiamen Sinotek Enterprise Development Co., Ltd and Xiamen Doingcom Biotechnology Co. Ltd. had reached 50% of its registered capital and accordingly, no further transfer to its statutory reserves has been made.
- (d) The capital redemption reserve relates to the cancellation of the Company's own shares.

25. 其他儲備 (續)

附註:

- (a) 本集團資本儲備指根據二零零四年二月十六日重組所收購附屬公司股份的面值超過本公司發行以換取上述股份之股本面值的差額。
- (b) 實繳盈餘指本公司一名執行董事兼間接主要股東就集團重組作出之出資額。
- (c) 根據於中國內地成立之有關附屬公司之組織章程細則及相關中國內地規則及規例，中國內地附屬公司須先行將根據中國內地會計準則擬備之年度財務報表所列純利其中不少於10%，撥入法定公積金，方可派付股息。當法定公積金達到有關附屬公司註冊資本50%時，則毋須再作轉撥。法定公積金僅可用於抵銷有關附屬公司虧損、擴大有關附屬公司生產規模或增加有關附屬公司股本。當獲得有關附屬公司之股東在股東大會通過決議案批准，則有關附屬公司可將法定公積金轉為註冊資本，並且按現有股東之現有擁有權結構比例發行紅股。於二零一六年十二月三十一日，廈門中技實業發展有限公司及廈門中坤生物科技有限公司的法定公積金已達到註冊資本50%，因此並無再作轉撥。
- (d) 股本贖回儲備與註銷本公司之股份有關。

Notes to the Consolidated Financial Statements
合併財務報表附註

26. Trade payables and bills payable

26. 應付賬款及應付票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	應付賬款	30,722	41,458
Bills payable	應付票據	151,509	177,379
		182,231	218,837

The aging analysis of trade payables and bills payable based on invoice date were as follows:

應付賬款及應付票據跟據發票日期之賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0 to 30 days	0至30天	29,258	40,704
31 to 60 days	31至60天	31,143	41,706
61 to 90 days	61至90天	44,469	53,505
91 to 180 days	91至180天	58,918	76,596
181 to 365 days	181至365天	16,821	4,446
Over 365 days	超過365天	1,622	1,880
		182,231	218,837

The carrying amounts of the Group's trade payables and bills payable are denominated in the following currencies:

本集團的應付賬款及應付票據的賬面值以下列貨幣為單位：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Renminbi	人民幣	179,154	215,884
US dollar	美元	3,077	2,953
		182,231	218,837

The carrying amounts of trade payables and bills payable approximate their fair values.

應付賬款及應付票據賬面值與其公允值相若。

Bills payable are secured by pledged bank deposits of the Company.

應付票據以本公司之銀行存款作抵押。



Notes to the Consolidated Financial Statements 合併財務報表附註

27. Accruals and other payables

27. 應計費用及其他應付款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Payable for construction costs and property, plant and equipment	應付建造成本及購買物業、廠房及設備應付之開支	1,763	3,570
Payable for the acquisition of land use rights	應付收購土地使用權之開支	-	13,207
Payable for the termination of forward foreign exchange contracts	應付終止遠期外匯合約之開支	-	13,461
Receipts in advance	預收賬款	21,185	4,885
Output value-added tax payable	應付銷項增值	11,051	12,419
Accruals for administrative, selling and marketing expenses	應計行政、銷售及市場推廣費用	23,354	17,741
		57,353	65,283

The carrying amounts of the Group's accruals and other payables are denominated in the following currencies:

本集團的應計費用及其他應付款的賬面金額以下列貨幣為單位：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Renminbi	人民幣	49,507	46,781
US dollar	美元	645	13,461
Hong Kong dollar	港元	7,201	5,041
		57,353	65,283

The carrying amounts of other payables approximate their fair values.

其他應付款賬面值與其公允值相若，且主要以人民幣計算值。

Notes to the Consolidated Financial Statements
合併財務報表附註

28. Borrowings

28. 借貸

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Non-current	非流動		
Government loans	政府貸款	500	950
Bank borrowings	銀行借貸	221,652	502,604
		222,152	503,554
Current	即期流動		
Government loans	政府貸款	1,120	1,120
Bank borrowings	銀行借貸	988,436	498,529
		989,556	499,649
Total borrowings	借貸總額	1,211,708	1,003,203

Terms and maturity of the government loans are as follows:

政府貸款的條款及還款期如下:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Repayable in 2017 to 2018, (2015: 2016 to 2018) interest-bearing at 2.6% (2015: 2.6%) per annum	須於二零一七年至二零一八年間償還(二零一五年:二零一六年至二零一八年),以2.6厘(二零一五年:2.6厘)年利率計息	950	1,400
Repayable on demand, non-interest bearing	即期償還,免息	670	670
		1,620	2,070



Notes to the Consolidated Financial Statements 合併財務報表附註

28. Borrowings (continued)

At 31 December 2016, the Group's borrowings were repayable as follows:

28. 借貸(續)

於二零一六年十二月三十一日，本集團借貸的還款期如下：

		Bank borrowings 銀行借貸		Government loans 政府貸款	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	一年以內	988,436	498,529	1,120	1,120
Between 1 and 2 years	一年至兩年	221,652	305,299	500	450
Between 2 and 5 years	兩年至五年	-	197,305	-	500
		1,210,088	1,001,133	1,620	2,070

The effective annual interest rates at the balance sheet date were as follows: 於結算日之實際年利率如下：

		2016 二零一六年	2015 二零一五年
Government loans	政府貸款	1.5%	1.8%
Bank borrowings	銀行借貸	5.1%	4.8%

The carrying amounts of borrowings approximate their fair values.

貸款的賬面值與其公允值相近。

The carrying amounts of the borrowings are denominated in the following currencies:

貸款的賬面金額以下列貨幣為單位：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Renminbi	人民幣	405,628	313,499
US dollar	美元	806,080	689,704
		1,211,708	1,003,203

Notes to the Consolidated Financial Statements 合併財務報表附註

28. Borrowings (continued)

The Group has the following undrawn borrowing facilities:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Floating rate	浮息		
- expiring within one year	- 一年內到期	221,003	327,848
- expiring beyond one year	- 一年以上到期	-	55,892
Fixed rate	定息		
- expiring within one year	- 一年內到期	36,752	93,466
- expiring beyond one year	- 一年以上到期	47,400	-
		305,155	477,206

As at 31 December 2016, the Company has provided corporate guarantees to support banking facilities granted to certain subsidiaries amounting to RMB967,711,000 (2015: RMB526,376,000).

Bank borrowings and bills payable of RMB231,028,000 (2015: RMB339,284,000) are supported by corporate guarantees provided by the Company and bank borrowings and bills payable of RMB1,130,569,000 (2015: RMB839,227,000) are supported by cross guarantees between subsidiaries.

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates at the balance sheet dates are as follows:

28. 借貸(續)

本集團有下列未提取貸款融資：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Floating rate	浮息		
- expiring within one year	- 一年內到期	221,003	327,848
- expiring beyond one year	- 一年以上到期	-	55,892
Fixed rate	定息		
- expiring within one year	- 一年內到期	36,752	93,466
- expiring beyond one year	- 一年以上到期	47,400	-
		305,155	477,206

於二零一六年十二月三十一日，本公司就授予某些附屬公司人民幣967,711,000元（二零一五年：人民幣526,376,000元）的銀行融資額度作出公司擔保。

銀行貸款及應付票據人民幣231,028,000元（二零一五年：人民幣339,284,000元）以公司企業支持，銀行貸款及應付票據人民幣1,130,569,000元（二零一五年：人民幣839,227,000元）以附屬公司企業擔保。

於結算日，本集團的貸款在利率變動及合約重新定價日期所承擔的風險如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
0 months or less	0個月或以下	955,840	891,912
0-12 months	0-12個月	255,368	110,341
1-5 years	1-5年	500	950
		1,211,708	1,003,203



Notes to the Consolidated Financial Statements 合併財務報表附註

29. Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following balances, determined after appropriate offsetting, are shown in the consolidated balance sheet:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Deferred income tax assets to be recovered after more than 12 months	超過12個月後收回的遞延所得稅資產	5,470	2,313
Deferred income tax liabilities to be settled after more than 12 months	超過12個月後收回的遞延所得稅負債	(57,900)	(45,900)

The gross movements in the deferred income tax assets and liabilities are as follows:

29. 遞延所得稅項

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及同一稅務機關，則可將遞延所得稅資產和負債互相抵銷。考慮結餘可在同一徵稅區內抵銷的遞延所得稅資產與負債的分析如下：

遞延所得稅賬的總變動如下：

		Tax loss 可抵扣虧損	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	於一月一日	(43,587)	(31,486)
Charged to the consolidated income statement (Note 12)	在合併利潤表內 借記(附註12)	(8,843)	(12,101)
At 31 December	於十二月三十一日	(52,430)	(43,587)

Notes to the Consolidated Financial Statements
合併財務報表附註29. Deferred income tax (continued)
Deferred income tax assets

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	一月一日	2,313	2,414
Credited/(charged) to the consolidated income statement (Note 12)	在合併利潤表內貸記/(借記) (附註12)	3,157	(101)
At 31 December	十二月三十一日	5,470	2,313

At 31 December 2016, the Group has unused tax losses of RMB61,277,000 (2015: RMB43,005,000) available for offsetting against future profits, and a deferred income tax asset of RMB5,470,000 (2015: RMB2,313,000) has been recognised in respect of such losses. No deferred income tax asset has been recognised in respect of a total of RMB6,230,000 (2015: RMB6,475,000) due to the unpredictability of future profit streams.

At 31 December 2016, deferred income tax liabilities of RMB95,260,000 (2015: RMB81,798,000) has not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries as the Company controls the dividend policies of these subsidiaries and it is not probable that these subsidiaries would distribute these earnings in the foreseeable future. As at 31 December 2016, unremitted earnings amounted to RMB952,599,000 (2015: RMB817,979,000).

Deferred income tax liabilities

		Withholding tax 代扣所得稅	
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At 1 January	一月一日	45,900	33,900
Charged to the consolidated income statement (Note 12)	在合併利潤表內 借記(附註12)	12,000	12,000
At 31 December	十二月三十一日	57,900	45,900

29. 遞延所得稅項(續)
遞延所得稅資產

對可抵扣虧損確認為遞延所得稅資產的數額人民幣61,277,000元(二零一五年:人民幣43,005,000元),是按透過可能產生的未來應課稅利潤實現的相關稅務利益而確認,已確認遞延所得稅資產為人民幣5,470,000元(二零一五年:人民幣2,313,000元)。本集團並無就可結轉以抵銷未來應課人民幣6,230,000元(二零一五年:人民幣6,475,000元)。

因集團能夠控制各附屬公司的派息策略及各附屬公司在可見的未來不會就未匯返利潤作出分配,本集團並未就若干附屬公司的未匯返利潤須予支付的代扣所得稅和其他稅項確認遞延所得稅負債人民幣95,260,000元(二零一五年:人民幣81,798,000元)。此等未匯返收益會再作長期地投資。於二零一五年十二月三十一日的未匯返收益合共人民幣952,599,000元(二零一五年:人民幣817,979,000元)。

遞延所得稅負債—集團



Notes to the Consolidated Financial Statements 合併財務報表附註

30. Financial instruments by category

30. 金融工具 (按類別)

		Assets at fair value through the profit & loss 以公允價值計量且其變動計入損益的資產 RMB'000 人民幣千元	Available-for-sale 可供出售金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2016	於二零一六年十二月三十一日			
Assets as per balance sheet	根據資產負債表的資產			
Available-for-sale financial assets (Note 18)	可供出售金融資產 (附註18)	-	200	200
Derivative financial instruments (Note 19)	衍生金融工具 (附註19)	-	-	1,582
Trade and other receivables excluding non-financial assets	應收賬款及其他應收款 (不包括非金融資產)	698,628	-	698,628
Pledged bank deposits (Note 23)	已抵押之銀行存款(附註23)	60,498	-	60,498
Short-term bank deposits (Note 23)	短期銀行存款(附註23)	22,650	-	22,650
Cash and cash equivalents (Note 23)	現金及現金等價物 (附註23)	1,563,170	-	1,563,170
Total	總計	2,344,946	200	2,346,728

		Liabilities at fair value through the profit & loss 以公允價值計量且其變動計入損益的負債 RMB'000 人民幣千元	Other financial liabilities at amortised cost 其他金融負債，按攤銷成本 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2016	於二零一六年十二月三十一日			
Liabilities as per balance sheet	根據資產負債表的負債			
Borrowings (Note 28)	借款(附註28)	-	1,211,708	1,211,708
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	5,533	-	5,533
Trade and other payables excluding non-financial liabilities	應付賬款及其他應付款 (不包括非金融負債)	-	206,136	206,136
Total	總計	5,533	1,417,844	1,423,377

Notes to the Consolidated Financial Statements
合併財務報表附註

30. Financial instruments by category (continued)

30. 金融工具(按類別)(續)

		Loans and receivables 貸款及應收款 RMB'000 人民幣千元	Assets at fair value through the profit & loss 以公允價值 計量且其變動 計入損益的 資產 RMB'000 人民幣千元	Available- for-sale 可供出售 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2015	於二零一五年十二月三十一日				
Assets as per balance sheet	根據資產負債表的資產				
Available-for-sale financial assets (Note 18)	可供出售金融資產 (附註18)	-	-	200	200
Derivative financial instruments (Note 19)	衍生金融工具 (附註19)	-	296	-	296
Trade and other receivables excluding non-financial assets	應收賬款及其他應收款 (不包括非金融資產)	592,840	-	-	592,840
Pledged bank deposits (Note 23)	已抵押之銀行存款(附註23)	69,883	-	-	69,883
Short-term bank deposits (Note 23)	短期銀行存款(附註23)	15,536	-	-	15,536
Cash and cash equivalents (Note 23)	現金及現金等價物 (附註23)	1,429,587	-	-	1,429,587
Total	總計	2,107,846	296	200	2,108,342

			Liabilities at fair value through the profit & loss 以公允價值 計量且其變動 計入損益的 負債 RMB'000 人民幣千元	Other financial liabilities at amortised cost 其他 金融負債· 按攤銷成本 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2015	於二零一五年十二月三十一日				
Liabilities as per balance sheet	根據資產負債表的負債				
Borrowings (Note 28)	借款(附註28)	-	-	1,003,203	1,003,203
Derivative financial instruments (Note 19)	衍生金融工具(附註19)	-	38,050	-	38,050
Trade and other payables excluding non-financial liabilities	應付賬款及其他應付款 (不包括非金融負債)	-	-	265,580	265,580
Total	總計	38,050	38,050	1,268,783	1,306,833



Notes to the Consolidated Financial Statements 合併財務報表附註

31. Cash generated from operations

31. 經營業務產生之現金

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit for the year	年度利潤	145,508	85,184
Adjustments for:	調整項目：		
– Taxation (Note 12)	– 稅項 (附註12)	74,229	66,296
– Depreciation (Note 16)	– 折舊 (附註16)	42,701	40,258
– Amortisation of:	– 攤銷以下各項：		
– Land use rights (Note 15)	– 土地使用權 (附註15)	457	196
– Intangible assets (Note 17)	– 無形資產 (附註17)	8,222	6,507
– Interest income (Note 7)	– 利息收入 (附註7)	(26,079)	(26,675)
– Interest expense on bank borrowings and government loans (Note 7)	– 銀行借貸及政府貸款之利息開支 (附註7)	57,154	55,099
– Share of losses of associates (Note 11)	– 享有聯營虧損份額 (附註11)	386	1,227
– Gain on disposal of an associate (Note 6)	– 出售一間聯營之收益 (附註6)	(5,228)	–
– Provision for impairment of investment in an associate (Note 11)	– 聯營投資減值撥備計提 (附註11)	–	2,799
– Net fair value gains on derivative financial instruments (Note 6)	– 衍生金融工具的公允價值收益淨額 (附註6)	(33,803)	(1,088)
– Share-based payment expenses (Note 8)	– 以股份為支付基礎的費用 (附註8)	3,435	7,329
Operating profit before working capital changes	營運資金變動前之經營利潤	266,982	237,132
Changes in working capital:	營運資金變動：		
– Inventories	– 存貨	6,638	37,039
– Trade and bills receivables	– 應收賬款	(103,164)	(30,205)
– Prepayments and other receivables	– 預付款及其他應收款	(51,687)	2,390
– Amounts due from related companies	– 應收關聯方款項	(39)	1,253
– Amounts due to related parties	– 應付關聯方款項	2,010	5,383
– Trade payables and bills payable	– 應付賬款及應付票據	(36,606)	(40,090)
– Accruals and other payables	– 應計費用及其他應付款	(6,067)	29,281
Cash generated from operations	經營業務產生之現金	78,067	242,183

Notes to the Consolidated Financial Statements
合併財務報表附註**32. Dividends**

A final dividend in respect of the year ended 31 December 2016 of HK3.4 cents per share, totalling approximately of RMB20,171,000, is to be proposed at the forthcoming annual general meeting. These consolidated financial statements do not reflect such dividend payable.

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interim dividend paid of HK1.4 cents (2015: HK2.2 cents) per ordinary share	已派中期股息每股普通股1.4港仙 (二零一五年: 2.2港仙)	7,937	9,383
Proposed final dividend of HK3.4 cents (2015: HK2.6 cents) per ordinary share	擬派末期股息每股普通股3.4港仙 (二零一五年: 2.6港仙)	20,171	11,817
		28,108	21,200

33. Contingent liabilities

As at 31 December 2016, the Group had no significant contingent liabilities.

34. Commitments**(a) Capital commitments**

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Capital commitments contracted but not provided for at end of the reporting period are as follows:	於報告期末已授權及已訂約 的資本開支如下:		
- Construction-in-progress and property, plant and equipment	- 在建工程以及物業、廠房 及設備	16,291	12,997
- Product development projects	- 產品開發計劃	22,520	25,860
		38,811	38,857

(b) Operating lease commitments

The Group leases certain premises under non-cancellable operating lease agreements in respect of property, plant and equipment. The lease have varying terms, escalation clauses and renewal rights. The lease expenditure expensed in the consolidated income statement during the year is disclosed in Note 8.

32. 股息

於即將舉行之股東週年大會上，有關截至二零一六年十二月三十一日止年度擬派末期股息每股3.4港仙，合共約人民幣20,171,000元。此合併財務報表並無反映此應付股息。

33. 或然負債

於二零一六年十二月三十一日，本集團概無任何重大之或然負債。

34. 承擔**(a) 資本承擔****(b) 經營租約承擔**

本集團根據多份不可撤銷的經營租賃協議租用若干物業、廠房及設備。該等租約之條款、租金調整條款及續約權利不一。年內於合併利潤表支銷之租賃開支在附註8披露。



Notes to the Consolidated Financial Statements 合併財務報表附註

34. Commitments (continued)

(b) Operating lease commitments (continued)

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Not later than 1 year	不超過一年	2,925	2,433
Later than 1 year and not later than 5 years	超過一年但不超過五年	2,243	2,024
		5,168	4,457

35. Related party transactions

The Company is 41% owned by Marietta Limited (incorporated in the British Virgin Islands) which is owned by Mr. Yang Yirong.

(a) Sales and purchases of goods and services

The following transactions were carried out with related parties:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of goods to an associate	貨品銷售予一間聯營	2,905	704
Purchases of goods from related companies	貨品採購自關聯方	2,160	563
Subcontracting fee payable to an associate	應付一間聯營之加工費	9,596	6,809

In the opinion of the Directors, the above transactions were carried out in the normal course of the Group's business, and conducted at terms mutually agreed by the respective parties.

(b) Loan to an associate

Loan to an associate

聯營借貸

As at 31 December 2016, the loan to an associate is unsecured, bearing interest at the rate of 6% per annum and is repayable on 14 April 2017.

34. 承擔 (續)

(b) 經營租約承擔 (續)

根據不可撤銷經營租賃，未來最低租賃付款總額如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Not later than 1 year	不超過一年	2,925	2,433
Later than 1 year and not later than 5 years	超過一年但不超過五年	2,243	2,024
		5,168	4,457

35. 關聯方交易

本公司之41%權益由一間楊毅融先生持有之英屬處女群島註冊成立之公司—Marietta Limited擁有。

(a) 貨品及服務之銷售及購買

與關聯方進行的交易如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Sales of goods to an associate	貨品銷售予一間聯營	2,905	704
Purchases of goods from related companies	貨品採購自關聯方	2,160	563
Subcontracting fee payable to an associate	應付一間聯營之加工費	9,596	6,809

董事認為，上述交易乃於本集團正常業務過程中產生，並按雙方同意之條款進行。

(b) 聯營借貸

Loan to an associate

聯營借貸

於二零一六年十二月三十一日，該聯營方貸款為無抵押，年利率為6%，並須於二零一七年四月十四日償還。

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合併財務報表附註

35. Related party transactions (continued)
(c) Amounts due from/to related companies

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Amount due from a related company	應收關聯方款項	39	-
Amounts due to related companies	應付關聯方款項		
- associates	- 聯營	1,714	6,297
- related parties	- 關聯方	6,873	280
		8,587	6,577

As at 31 December 2016, the balances are unsecured, interest-free and are repayable on demand.

(d) Key management compensation

Key management includes directors (executive and non-executive) and the senior management with their details as set out in the "Biographical details of directors and senior management" section of the annual report. The compensation paid or payable to key management for employee services is shown below:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries and other short-term employee benefits	薪金及其他短期僱員福利	9,895	10,086
Retirement benefit	退休福利		
- defined contribution plans	- 定額供款計劃	198	195
Share-based payments	以股份為基礎的支付	1,953	4,585
Total	總計	12,046	14,866

35. 關聯方交易 (續)
(c) 應收/應付關聯方款項

於二零一六年十二月三十一日，款項為無抵押、免息及須應要求償還。

(d) 關鍵管理人員酬金

關鍵管理人員包括董事(執行董事與非執行董事)及高級管理人員，有關人仕的詳情已附載於年報「董事及高級人員履歷」一節內。向關鍵管理人員支付作為僱員服務的已付或應付酬金如下：



Notes to the Consolidated Financial Statements 合併財務報表附註

35. Related party transactions (continued)

(e) Amount due to a director

The details of the amount due to a director are as follows:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Mr. Yang Yirong 楊毅融先生	21	748

The amount due to a director is unsecured, non-interest bearing and is repayable on demand.

35. 關聯方交易 (續)

(e) 應付一位董事款項

應付一位董事款項的詳情如下:

應付一位董事之款項為無抵押、免息及須應要求償還。

36. Benefits and interests of directors

(a) Directors' and chief executive's emoluments

During the year ended 31 December 2016, the remuneration of every director and the chief executive is set out below:

36. 董事的利益和權益

(a) 董事及行政總裁酬金

截至二零一六年十二月三十一日止年度，每名董事及行政總裁的薪酬如下:

Name of Director 董事姓名	2016 二零一六年					2015 二零一五年				
	Director's fees 董事袍金 RMB'000 人民幣千元	Salaries and allowance 薪金及津貼 RMB'000 人民幣千元	Share-based compensation (Note) 以股份為基礎之補償 (附註) RMB'000 人民幣千元	Retirement benefit scheme 退休福利計劃 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Director's fees 董事袍金 RMB'000 人民幣千元	Salaries and allowance 薪金及津貼 RMB'000 人民幣千元	Share-based compensation (Note) 以股份為基礎之補償 (附註) RMB'000 人民幣千元	Retirement benefit scheme 退休福利計劃 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Mr. Yang Yirong (Chairman and President) 楊毅融先生 (主席兼總裁)	629	1,749	56	29	2,463	591	1,694	135	28	2,448
Ms. Lu Jiahua 盧家華女士	374	662	345	26	1,407	351	854	828	26	2,059
Mr. Han Huan Guang 韓歡光先生	-	1,212	345	15	1,572	-	1,221	828	14	2,063
Mr. Lin Zhigang 林志剛先生	374	406	345	26	1,151	351	585	828	26	1,790
Mr. Gong Xionghui 龔雄輝先生	374	371	345	26	1,116	351	393	828	26	1,598
Mr. Feng Tao 馮濤先生	-	-	-	-	-	-	-	-	-	-
Mr. Yau Fook Chuen 丘福全先生	184	11	57	-	252	173	11	135	-	319
Mr. Wong Yik Chung, John 黃翼忠先生	184	8	57	-	249	173	8	135	-	316
Mr. Lau Wang Yip, Derrick 劉宏業先生	104	6	-	-	110	173	11	-	-	184
Mr. Lin David Ying Tsung 林英宗先生	35	-	-	-	35	-	-	-	-	-

Note: Share-based compensation represents the fair value of share options granted by the Group recognised during the year.

附註：以股份為基礎之補償代表本集團授出認股權於年內確認之公允值。

During the year, no discretionary bonuses, remunerations paid or receivable in respect of accepting office as director and emoluments paid or receivable in respect of director's other service in connection with the affairs of the Company or its subsidiary undertaking were paid or made, directly or indirectly, to the directors; nor are any payable (2015: nil).

本年度，概無直接或間接向董事提供獎金、就接納擔任董事一職而支付或應收的酬金及就管理本公司或其附屬公司企業的事務提供其他董事服務而支付或應收的酬金或任何應付款(二零一五年：無)。

None of the directors waived any emoluments during the year ended 31 December 2016 (2015: nil).

截至二零一六年十二月三十一日止年度，並無董事放棄任何酬金(二零一五年：無)。

Notes to the Consolidated Financial Statements
合併財務報表附註**36. Benefits and interests of directors (continued)****(b) Directors' retirement benefits and termination benefits**

During the year, no retirement benefits, payments or benefits in respect of termination of directors' services were paid or made, directly or indirectly, to the directors; nor are any payable (2015: nil).

(c) Consideration provided to third parties for making available directors' services

No consideration was provided to or receivable by third parties for making available directors' services (2015: nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2016, there are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2015: None).

(e) Directors' material interests in transactions, arrangements or contracts

None of the directors of the Company and their connected entities had a material interest, directly or indirectly, in any significant transactions, arrangements and contracts in relation to the Company's business to which the Company was or is a party that subsisted at the end of the year or at any time during the year (2015: None).

37 Business combinations and transaction with non-controlling interests

Prior to 25 October 2016, the Group held 70% equity interest in Chuxiong EcoGreen Forestry Trading Co., Ltd.. On 25 October 2016, the Group acquired the remaining 30% equity interest for a total consideration of RMB3,000,000. The carrying amount of the non-controlling interests in Chuxiong EcoGreen Forestry Trading Co., Ltd. at the date of acquisition was RMB2,807,000.

The following table summarises the non-cash consideration at the acquisition date and the calculation of change in capital reserve:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Purchase consideration	收購對價		
– Prepayments for purchase of raw materials	– 購買原材料的預付款項	3,000	–
Total consideration	總對價	3,000	–
Carrying amount of non-controlling interests acquired	購入非控性權益的賬面價值	(2,807)	–
Excess of carrying amount over consideration paid recognised within equity	賬面價值超過支付的對價部份於儲備中確認	193	–

36. 董事的利益和權益 (續)**(b) 董事退休福利及離職福利**

本年度，概無直接或間接向董事提供退休福利、就終止董事服務支付款項或提供福利或任何應付款(二零一五年：無)。

(c) 就獲提供董事服務向第三方支付之代價

概無就獲提供董事服務而給予第三者的代價或第三者可就提供董事服務而收取的代價(二零一五年：無)。

(d) 有關以董事、受董事控制之法團及與董事有關連之實體為受益人之貸款、準貸款及其他交易之資料

於二零一六年十二月三十一日，概無向董事、彼等之受控制法人團體及有關連實體作出的貸款、類似貸款或以該等人士為受益人的其他交易(二零一五年：無)。

(e) 董事於交易、安排或合約之重大利益

本年度內或年結時，本公司並無簽訂任何涉及本集團之業務而本公司之董事或其關連實體直接或間接在其中擁有重大權益之重要交易、安排或合同(二零一五年：無)。

37 業務合併及與非控股性權益的交易

於二零一六年十月二十五日前，本集團持有楚雄中怡林產貿易有限公司70%之股權。本集團於二零一六年十月二十五日以總代價為人民幣300萬元收購其餘30%股權。集團於楚雄中怡林產貿易有限公司之非控性權益之賬面價值為人民幣280.7萬元。

下表摘要在購買日期以非現金支付的對價，以及股本儲備變動之計算：



Notes to the Consolidated Financial Statements 合併財務報表附註

38. Events after the balance sheet date

There are no significant events occurred after the balance sheet date.

38. 結算日後事項

本公司於結算日後並無發生任何重大事項。

39. Balance sheet and reserve movement of the Company

(a) Balance sheet of the Company as at 31 December 2016

39. 本公司的資產負債表及儲備變動

(a) 截至二零一六年十二月三十一日止本公司的資產負債表

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
ASSETS			
Non-current assets			
Investments in and amounts due from subsidiaries		401,833	399,973
Current assets			
Amounts due from subsidiaries		702,554	574,529
Prepayments		47	-
Derivative financial instruments		974	292
Cash and cash equivalents		3,710	2,367
		707,285	577,188
Total assets		1,109,118	977,161
EQUITY			
Equity attributable to owners of the Company			
Share capital		65,237	55,297
Share premium		202,474	203,712
Other reserves	(b)	106,255	106,478
Retained earnings	(c)	40,478	27,761
Total equity		414,444	393,248

Notes to the Consolidated Financial Statements
合併財務報表附註

39. Balance sheet and reserve movement of the Company
(continued)

(a) Balance sheet of the Company as at 31 December 2016
(continued)

39. 本公司的資產負債表及儲備變動
(續)

(a) 截至二零一六年十二月三十一日止
本公司的資產負債表

	Note 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
LIABILITIES			
Non-current liabilities			
Borrowings		221,652	502,604
Current liabilities			
Borrowings		380,799	32,468
Derivative financial instruments		5,533	19,266
Amount due to a subsidiary		84,521	27,345
Accruals and other payables		2,169	2,230
		473,022	81,309
Total liabilities		694,674	583,913
Total equity and liabilities		1,109,118	977,161

The balance sheet of the Company was approved by the Board of Directors on 28 March 2017 and were signed on its behalf:

本公司的資產負債表已由董事會於二零一七年三月二十八日批核，並由董事會代表簽署：

YANG YIRONG
楊毅融
Chairman
主席

LU JIAHUA
盧家華
Executive Director
執行董事



Notes to the Consolidated Financial Statements
合併財務報表附註

39. Balance sheet and reserve movement of the Company (continued) 39. 本公司的資產負債表及儲備變動 (續)

(b) Other reserve movement of the Company

(b) 公司其他儲備變動

		Capital reserve 股本儲備 RMB'000 人民幣千元	Capital redemption reserve 股本贖回儲備 RMB'000 人民幣千元	Share options equity 購股權 股本儲備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	90,941	711	7,497	99,149
Employees share option scheme:	僱員購股權計劃:				
- Value of share options granted	- 授出購股權之價值	-	-	7,329	7,329
Balance at 31 December 2015	於二零一五年 十二月三十一日之結餘	90,941	711	14,826	106,478
At 1 January 2016	於二零一六年一月一日	90,941	711	14,826	106,478
Employees share option scheme:	僱員購股權計劃:				
- Value of share options granted	- 授出購股權之價值	-	-	3,435	3,435
- Value of share options exercised	- 行使購股權之價值	-	-	(3,658)	(3,658)
Balance at 31 December 2016	於二零一六年 十二月三十一日之結餘	90,941	711	14,603	106,255

(c) Retained earnings movement of the Company

(c) 公司保留盈利變動

		RMB'000 人民幣千元
At 1 January 2015	二零一五年一月一日	35,144
Profit for the year	年度利潤	21,786
2014 final dividend	二零一四年之終期股息	(19,786)
2015 interim dividend	二零一五年之中期股息	(9,383)
At 31 December 2015	二零一五年十二月三十一日	27,761
At 1 January 2016	二零一六年一月一日	27,761
Profit for the year	年度利潤	28,813
2015 final dividend	二零一五年之終期股息	(11,817)
2016 interim dividend	二零一六年之中期股息	(7,937)
Employees share option scheme:	僱員購股權計劃:	
- Value of share option exercised	- 行使購股權之價值	3,658
At 31 December 2016	二零一六年十二月三十一日	40,478

Five-Year Financial Summary 五年財務概要

Results

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Revenue	收入	1,057,371	1,227,295	1,418,802	1,536,763	1,632,779
Operating profit	經營利潤	187,496	219,186	203,643	221,436	301,251
Finance costs	財務成本	(23,493)	(20,548)	(33,857)	(65,930)	(81,128)
Share of losses of associates and provision for impairment of investment in an associate	應佔聯營虧損份額及聯營投資減值撥備	(267)	(474)	(505)	(4,026)	(386)
Profit before taxation	除稅前利潤	163,736	198,164	169,281	151,480	219,737
Taxation	稅項	(35,914)	(48,716)	(58,448)	(66,296)	(74,229)
Profit for the year	年度利潤	127,822	149,448	110,833	85,184	145,508
Profit attributable to: Owners of the Company	利潤歸屬於： 本公司擁有人	127,942	149,425	110,868	85,515	145,383
Non-controlling interests	非控股性權益	(120)	23	(35)	(331)	125
		127,822	149,448	110,833	85,184	145,508
Dividends	股息	19,964	32,903	27,608	21,200	28,108
Earnings per share (RMB cents)	每股盈利(分人民幣)					
Basic	基本	26.5	30.9	22.7	15.8	22.4
Diluted	攤薄	26.4	30.8	22.6	15.7	22.3

Financial Positions

財務狀況

		As at 31 December 截至十二月三十一日				
		2012 二零一二年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Non-current assets	非流動資產	454,915	466,062	468,984	464,678	460,229
Current assets	流動資產	1,556,115	1,761,607	2,147,856	2,403,068	2,689,918
Total assets	資產總值	2,011,030	2,227,669	2,616,840	2,867,746	3,150,147
Non-current liabilities	非流動負債	20,500	325,784	137,051	549,454	280,052
Current liabilities	流動負債	801,363	585,070	1,071,190	846,203	1,263,160
Total liabilities	負債總額	821,863	910,854	1,208,241	1,395,657	1,543,212
Net assets	資產淨值	1,189,167	1,316,815	1,408,599	1,472,089	1,606,935



Corporate Information 公司資料

Board of Directors

Executive Directors

Mr. Yang Yirong (*Chairman & President*)
Ms. Lu Jiahua
Mr. Gong Xionghui
Mr. Han Huan Guang
Mr. Lin Zhigang

Non-executive Director

Mr. Feng Tao (*Vice Chairman*)

Independent Non-executive Directors

Mr. Yau Fook Chuen
Mr. Wong Yik Chung, John
Dr. Lin David Ying Tsung

Board Committees

Audit Committee

Mr. Yau Fook Chuen (*Chairman*)
Mr. Wong Yik Chung, John
Dr. Lin David Ying Tsung

Remuneration Committee

Mr. Wong Yik Chung, John (*Chairman*)
Mr. Yau Fook Chuen
Ms. Lu Jiahua
Mr. Han Huan Guang
Dr. Lin David Ying Tsung

Nomination Committee

Mr. Yang Yirong (*Chairman*)
Mr. Yau Fook Chuen
Mr. Wong Yik Chung, John
Mr. Han Huan Guang
Dr. Lin David Ying Tsung

Company secretary

Mr. Lam Kwok Kin *FCCA, FCPA*

Auditor

PricewaterhouseCoopers
Certified Public Accountants

Registered office

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

董事會

執行董事

楊毅融先生 (*主席兼總裁*)
盧家華女士
龔雄輝先生
韓歡光先生
林志剛先生

非執行董事

馮濤先生 (*副主席*)

獨立非執行董事

丘福全先生
黃翼忠先生
林英宗博士

董事委員會

審核委員會

丘福全先生 (*主席*)
黃翼忠先生
林英宗博士

薪酬委員會

黃翼忠先生 (*主席*)
丘福全先生
盧家華女士
韓歡光先生
林英宗博士

提名委員會

楊毅融先生 (*主席*)
邱福全先生
黃翼忠先生
韓歡光先生
林英宗博士

公司秘書

林國健先生 *FCCA, FCPA*

核數師

羅兵咸永道會計師事務所
執業會計師

註冊辦事處

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

Corporate Information 公司資料

Head office and principal place of business in Hong Kong

Suite 5301, 53rd Floor
Central Plaza
18 Harbour Road
Wanchai, Hong Kong

總辦事處兼香港主要營業地點

香港灣仔
港灣道18號
中環廣場
53樓5301室

Principal share registrar and transfer office

Maples Fund Services (Cayman) Limited
P. O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman KY1-1102
Cayman Islands

股份過戶登記總處

Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall, Cricket Square
Grand Cayman KY1-1102
Cayman Islands

Hong Kong branch share registrar and transfer office

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

股份過戶登記處香港分處

卓佳登捷時有限公司
香港灣仔
皇后大道東183號
合和中心22樓

Principal bankers

Agricultural Bank of China Limited
Australia and New Zealand Banking Group Limited
Bank of China Limited
China Citic Bank Corporation Limited
China Citic Bank International Limited
Hang Seng Bank, Limited
Hongkong and Shanghai Banking Corporation Limited
KBC Bank N.V.
Standard Chartered Bank (Hong Kong) Limited

主要往來銀行

中國農業銀行股份有限公司
澳新銀行集團有限公司
中國銀行股份有限公司
中信銀行股份有限公司
中信銀行(國際)有限公司
恒生銀行有限公司
香港上海滙豐銀行有限公司
比利時聯合銀行
渣打銀行(香港)有限公司



Shareholder Information 股東資料

Listing: Listed on the Main Board of The Stock Exchange of Hong Kong Limited since 9 March 2004
Stock Code: 2341
Board Lot: 2,000
Par Value: HK\$0.1
Trading Currency: HK\$

上市：由二零零四年三月九日起於香港聯合交易所有限公司主板上市
股份代號：2341
買賣單位：2,000
面值：0.1港元
交易貨幣：港元

Financial calendar 2017

Financial year ended	31 December 2016
Full year results announced	28 March 2017
Register of members closed (for ascertaining shareholders' rights to attend and vote at annual general meeting)	19-22 June 2017
Annual general meeting	22 June 2017
Ex-entitlement date for final dividend	3 July 2017
Register of members closed (for determining entitlement to final dividend)	5-7 July 2017
Record date for final dividend	7 July 2017
Despatch of dividend warrants	on or about 1 August 2017
Interim results to be announced	end of August 2017

二零一七年財務行事曆

財政年度結算日	二零一六年十二月三十一日
全年業績公佈	二零一七年三月二十八日
暫停辦理股份過戶登記手續 (以釐定股東出席及於股東週年大會上投票之權利)	二零一七年六月十九日至二十二日
股東週年大會	二零一七年六月二十二日
末期股息除權日期	二零一七年七月三日
暫停辦理股份過戶登記手續 (以釐定獲派末期股息之權利)	二零一七年七月五日至七日
末期股息記錄日期	二零一七年七月七日
寄發股息單	二零一七年八月一日或該日前後
中期業績公佈	二零一七年八月下旬

Final dividend

The Board has proposed a final dividend of HK3.4 cents per share for the year ended 31 December 2016 payable to shareholders on the register of members of the Company on 7 July 2017.

Subject to approval of the proposed final dividend by the shareholders at the forthcoming annual general meeting of the Company to be held on 22 June 2017, the final dividend warrants will be despatched to the shareholders of the Company on or about 1 August 2017.

股息

董事會建議派發截至二零一六年十二月三十一日止年度之末期股息每股3.4港仙，予於二零一七年七月七日名列本公司股東名冊之股東。

建議之末期股息，須待於本公司即將在二零一七年六月二十二日舉行之應屆股東週年大會上獲股東批准後，方可作實。末期股息單將於二零一七年八月一日左右寄發予本公司股東。

Closing of register of members

The register of members of the Company will be closed from Monday, 19 June 2017 to Thursday, 22 June 2017, both days inclusive, during which no transfer of shares will be effected. In order to qualify for attendance of annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited no later than 4:30 p.m. on Friday, 16 June 2017.

暫停辦理股份過戶登記手續

本公司將於二零一七年六月十九日(星期一)至二零一七年六月二十二日(星期四)(包括首尾兩天)暫停辦理股東登記手續，期間概不會辦理任何股份過戶登記。為符合出席股東週年大會的資格，所有填妥之股份過戶表格連同有關股票，最遲必須於二零一七年六月十六日(星期五)下午四時三十分之前，交回本公司之股份過戶登記處香港分處卓佳登捷時有限公司辦理登記。

The register of members of the Company will also be closed from Wednesday, 5 July 2017 to Friday, 7 July 2017, both days inclusive, during which no transfer of shares will be effected. To rank for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited no later than 4:30 p.m. on Tuesday, 4 July 2017.

本公司亦將於二零一七年七月五日(星期三)至二零一七年七月七日(星期五)(包括首尾兩天)暫停辦理股東登記手續，期間概不會辦理任何股份過戶登記。為符合收取建議之末期股息的資格，所有填妥之股份過戶表格連同有關股票，最遲必須於二零一七年七月四日(星期二)下午四時三十分之前，交回本公司之股份過戶登記處香港分處卓佳登捷時有限公司辦理登記。

Shareholder services

For enquiries about share transfer and registration, please contact the Company's branch share registrar and transfer office in Hong Kong:

Tricor Tengis Limited
Level 22, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Telephone : (852) 2980 1333
Facsimile : (852) 2810 8185
Email : is-enquiries@hk.tricorglobal.com

股東服務

任何有關股份過戶及登記之查詢，請聯絡本公司之股份過戶登記處香港分處：

卓佳登捷時有限公司
香港灣仔
皇后大道東183號
合和中心22樓
電話：(852) 2980 1333
傳真：(852) 2810 8185
電郵：is-enquiries@hk.tricorglobal.com

Holders of the Company's shares should notify the Company's branch share registrar and transfer office in Hong Kong promptly of any change of addresses.

持有本公司股票之人士，若更改地址，請盡快通知本公司之股份過戶登記處香港分處。

Investor relations

For enquiries relating to investor relations, please contact:

EcoGreen International Group Limited
Suite 5301, 53rd Floor, Central Plaza
18 Harbour Road, Wanchai, Hong Kong
Telephone : (852) 2530 0609
Facsimile : (852) 2530 0619
Email : ir-contact@ecogreen.com

投資者關係

任何有關投資者關係之查詢，請聯絡：

中怡國際集團有限公司
香港灣仔港灣道18號
中環廣場53樓5301室
電話：(852) 2530 0609
傳真：(852) 2530 0619
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