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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: 2341; Website: www.ecogreen.com)

(股份代號：2341；網址：www.ecogreen.com)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

**截至二零一七年十二月三十一日止之
全年業績公佈**

HIGHLIGHTS	摘要
<ul style="list-style-type: none">Revenue for the year reached RMB1.57 billion (2016: RMB1.63 billion), decreased by 4% as compared to last year.Profit attributable to shareholders for the year was RMB184 million (2016: RMB145 million), increased by 26% as compared to last year.Basic earnings per share for the year amounted to approximately RMB26.81 cents (2016: RMB22.35 cents).The Board has resolved to pay a final dividend of HK3.3 cents (2016: HK3.4 cent) per share.	<ul style="list-style-type: none">本年度營業額達到人民幣15.7億元(2016：人民幣16.3億元)，較去年下跌4%。本年度股東應佔利潤為人民幣1.84億元(2016年：人民幣1.45億元)，較去年上升26%。本年度每股基本收益約為人民幣26.81分(2016：人民幣22.35分)。董事會議決派付末期股息，每股3.3港仙(2016：3.4港仙)。

CHAIRMAN'S STATEMENT

Review

On behalf of the board of directors (the "Board"), I would like to report the annual results of the Group for the year ended 31 December 2017 (the "Year") to the shareholders. During the Year, the Group's turnover declined by 4% year on year to approximately RMB1,571 million compared to 2016. Profit attributable to shareholders for the Year increased by 26% year on year to RMB184 million compared to 2016. Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased by 12% year on year to RMB366 million compared to 2016. Basic earnings per share and diluted earnings per share for the Year amounted to RMB26.81 cents and RMB26.78 cents respectively (2016: RMB22.35 cents and RMB22.26 cents respectively). In appreciation of the shareholders' support, the Board resolved to declare a final dividend of HK3.3 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 HK1.5 cents, the total dividend per share for the Year would be HK4.8 cents (2016: HK4.8 cents).

In 2017, the global economies recovered concurrently for the first time since the 2008 financial crisis with moderate inflation. In the US, the labor market reached full employment, and the Fed raised the Federal Funds Rate for three times during the year to the range of 1.25% to 1.5%. The economy of Europe experienced strong recovery, as the European Central Bank continued its loose monetary policy. The mild recovery of the Japanese economy was mainly resulted from the net exports recovery. Emerging markets performed robustly as a result of from the global economic recovery as well. Since the geopolitical risks in Europe, the Middle East, and Northeast Asia were remained under control, there were no material impacts on the global economy in 2017.

主席報告

回顧

本人謹代表董事會，向各股東報告本集團截至二零一七年十二月三十一日止年度之業績。期內，集團營業額約為人民幣15.71億元，與二零一六年相比下跌4%；本公司股東應佔利潤為人民幣1.84億元，較去年上升26%。未扣除利息、稅項、折舊和攤銷前盈利（「EBITDA」）為人民幣3.66億元，較二零一六年同比上升12%，而每股基本及攤薄利潤分別為人民幣26.81分及人民幣26.78分（二零一六年：分別為人民幣22.35分及人民幣22.26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3.3仙，惟須待股東於應屆股東周年大會批准。連同中期股息每股港幣1.5仙，本年度的股息分派總額為每股港幣4.8仙（二零一六年：每股港幣4.8仙）。

二零一七年，世界經濟出現了自二零零八年金融危機以來的首次全球同步復蘇，惟通脹仍較溫和。美國方面，勞工市場也已進入充分就業狀態，美聯儲亦在年內三次上調聯邦基金利率至1.25%-1.5%。在歐洲央行持續寬鬆的貨幣政策下，歐洲的經濟復蘇較為強勁。日本經濟的溫和復蘇主要來源於淨出口的回暖。受惠全球經濟復蘇影響，新興市場表現強勁，歐洲、中東和東北亞地區的地緣政治風險仍然可控，在二零一七年並未對全球經濟產生實質影響。

In China, the domestic economy maintained a steady development momentum. The country's GDP increased by around 6.9% over the previous year, which was the first time the growth rate stopped slowing down and resumed uptrend again since 2011. Data from the General Administration of Customs of China indicates that China's import and export of goods increased by 14.2% in 2017 compared to 2016, reversing the previous two consecutive years of declining trend. During the Year, the Chinese government enhanced the environmental protection law enforcement, which put huge pressure on companies engaged in dyeing and finishing business. Some companies had to suspend operations, or even close the business, in order to rectify the practices that did not meet the requirements of the environmental protection law. Under severe pressure from environmental protection requirements, small to medium-sized companies were facing increasingly harsh business environment, while the larger and more standardized enterprises were actually benefited from the situation in the medium to long term. This had a profound impact on the ecosystem of China's chemical industry, and affecting the short term supply chain of many companies at the same time.

The Group has actively implemented the "Smart Production + Supply Chain Services" and "360-degree aroma chemicals industry strategy" and has gradually achieved results in recent years. On one hand, the Group has been focusing on increasing existing large international customers integrated business contribution by providing closer supply chain services to the world large-scale midstream and downstream manufacturers, and thus effectively raising the Group's global market share. On the other hand, the Group has actively adopted strategic sourcing and resource operation measures to achieve better overall cost advantage. Leveraged on the integrated benefits of supply chain operations, the Group has managed the risks resulted from the environmental protection law's impact on the industry supply chain during the year, especially the Group has achieved economies of scale from the aroma chemical integrated platform. However, during the year, due to the strict logistics control in Xiamen and surrounding areas as a result of the BRICS Summit held in Xiamen in September, the Group's two major factories located in Haicang and Changtai had to suspend more than one month production in the third quarter. To cope with this, the Group immediately adopted a number of measures to minimize the impact on operations with its existing inventory and external supply chain deployment. Nevertheless, the restrictions from the BRICS Summit, together with the later incidents of public steam supply delays, caused an accidental shutdown of the Haicang plant for more than a month, which inevitably affected the business and sales of the full year, and led to a decrease in annual sales revenue by 4% compared to the previous year.

中國方面，國內經濟穩中向好，中國國內生產總值較上年增長約6.9%，是中國自二零一一年來首次扭轉經濟增速下行的局面，實現回升。中國海關總署數字顯示，中國二零一七年貨物貿易進出口較二零一六年增長約14.2%，扭轉了此前連續兩年下降的局面。年內，中國政府加大力度執行環保法，對於行業內從事染整業務的企業構成重大壓力，部分企業需要暫停營業以整改其不符合環境保護法例要求的行為，甚至關停結業。在嚴厲的環保壓力下，中小規模的企業要面對日益嚴峻的經營環境，而行業規模較大、並規範經營的企業在中長線上卻反而受惠。這種情況正在對中國化工的行業生態產生深刻影響，同時短期影響著很多企業的供應鏈。

集團積極實施「精準製造+供應鏈服務」策略及「360度全景香原料產業戰略」的佈局已在近年逐步取得成果。一方面，注重提升現有國際大客戶的綜合業務貢獻，通過為全球大型中下游生產商提供更緊密的供應鏈服務，有效地提升本集團在全球市場的份額。另一方面，積極地採取策略性的採購及資源運營的舉措，實現了以較佳的綜合成本優勢，發揮供應鏈業務的集成效益，同時也對行業供應鏈在期內因環保所受衝擊的風險進行了管理。其中香原料產品的集成平臺已為集團帶來規模化效益。惟期內，因受到九月初於廈門舉辦之「金磚峰會」對廈門以及周邊地區的嚴格物流限制，集團於海滄、長泰兩個主要工廠在第三季度內的一個多月裏幾乎陷於半停產的經營狀態。對此，集團已即時採取多種應對措施，依靠僅有的庫存以及外部供應鏈調配等方法去儘量減少運營的影響。儘管如此，「金磚峰會」的限制以及其後公用供氣單位出現的延誤事故，導致海滄廠區意外地停產一個多月，對全年的業務行銷無可避免地會產生一定的影響，致使本年度的銷售收入較去年減少4%。

In respect of the “Scent & Taste” business, the Group’s petroleum-based aroma chemicals attained a rapid growth benefited from the Group’s proactive upgrades in environmental protection and safety over the years, and the downsizing in the domestic manufacturing capacity of chemicals as a result of China’s new environmental protection policy and supply-side reform. In the scent product category, the Group has been actively developing the downstream aroma business and are well-received by key customers. As for the taste product category, the Group has been providing standardized compounded flavoring sauce to catering providers (centralized kitchens), and providing solutions for standardization of Chinese cuisine. The Group will continue to add more new products to the aroma chemicals and scent product categories to enrich its product portfolio. The Group’s pursuit of product quality and customer service has provided guarantee for the steady growth of the Scent & Taste business.

In respect of the “Naturals” business, the growth has been stable. As the facilities at the existing Xinglin production base have been close to full utilization, the Group planned to upgrade and move the related business to the Changtai production base and expand new production lines. The construction of the Changtai production base will comprise production facilities of three major business segments, including natural food additives, natural essential oil, and natural extracts. The upgraded Changtai base will become a brand new natural products industrial park of the group. The production lines for natural food additives will be completed and commence operation in the first half of 2019. The Group also launched a forward-looking strategic plan in relation to its upstream supply chain. The database and sourcing analytic system for natural products have already commenced operation, thereby laying a solid foundation for the operation of the natural essential oil supply chain.

The construction of Project Gulei started at the end of 2017 based on a new plan, and has entered the phase of large-scale construction after several years of comprehensive planning and adjustments. “EcoGreen Gulei” is the first project allowed to kick off in the Gulei Petrochemical Industrial Park since an industrial accident happened in 2010. Part of the plant is expected to complete construction and gradually commence production in the first half of 2019. The Group’s strategic planning in Gulei corresponds to the upcoming changes in global economic trends, and the new environmental protection policy of China. In response to the technology advancement and the changes in industry demand, it has optimized product mix of international and domestic markets, and emphasized its “Aroma chemicals and functional materials industry co-development strategy” based on the balanced supply chain of its natural-based and petroleum-based resources. The Gulei plant will become the core driver of the Group’s future business growth, with the gradual implementation of its resource collaborative multi-industry integration development plan.

在「芳香和味道」業務方面，得益於集團過往多年在環保、安全上的主動升級改造，加上中國的環保新政壓力以及供給側改革對國內化工產能的壓縮，集團在以石油基為原料的香原料產品上獲得了較快的增長。另一方面，香氣產品類別中香料的下游業務也在積極發展中，並獲得了重要客戶的採用。味道產品類別中，集團已在向團餐客戶（中央廚房）供應標準化複合調味醬，以及提供中餐標準化關鍵解決方案。集團將會繼續新增更多的香原料品種、和味道的產品以豐富產品組合。本集團追求產品質素和服務客戶的宗旨對芳香和味道業務的穩定增長提供了保障。

在「天然產物」業務方面，增長穩定。由於杏林現有廠區的生產設備已滿負荷，相關業務正計畫整體升級搬遷到長泰廠區並擴充新生產線。長泰廠區的建設將包括天然食品配料、天然精油、與天然提取物三大板塊業務類別的生產裝置。升級後的長泰將成為集團全新的天然產物工業園，預期天然食品配料新生產線將於2019年上半年建成投產。集團在上游資源產地亦展開了前瞻性的佈局，天然資源資訊資料庫和採集分析共用系統已在運作中，並為天然精油的全產業鏈運營打下良好基礎。

古雷專案，在經過幾年精心的籌劃和調整後，已在二零一七年年尾以全新的規劃和佈局正式動工，並進入大規模建設階段。「中怡古雷」是古雷石化工業園在二零一零年工業事故處理後第一家獲准入區啟動的專案。預期部份廠房將於二零一九年上半年完成建設並開始逐步投產。集團對古雷的佈局，因應了全球未來經濟形勢的變化，以及中國大陸環保新政的要求，針對技術的進步和行業需求的變化，包括優化國際與內銷市場產品結構組合，突出了在天然基與石油基原料的資平衡同供應下-「香原料產業與功能材料產業的協同發展戰略」。資源協同的多產業整合發展計劃將在古雷逐步實施。古雷廠區將會成為集團未來業務倍增的核心基地。

Outlook

The global economy is expected to continue its upswing in 2018, with the support of low unemployment rate and the rebound of consumer confidence. We feel optimistic about the global economic prospect, but remain cautious about geopolitical tensions, trade friction, intensification of protectionism, and risks related to the economic policies of different countries in the “post-quantitative easing” era.

After experiencing the adjustment and the consolidation in the years after the financial crisis, the global chemical industry is expected to enter a cycle of recovery, including the flavor and fragrance market. The flavor and fragrance market is expected to grow at an annual rate of 4% to 5%, with an optimistic overall development prospect, amid varying degrees of expected growth in the fundamental demand in the new economy and the developed countries. The industry expects that the total value of the flavor and fragrance market will exceed US\$30 billion in 2020, with China and India as the fastest growing markets, and the scale of the Asia-Pacific market replacing the number one position of the North American market. Moreover, the new functional and new material chemicals are expected to grow rapidly in coming years at double digit annual growth rate, and China will be one of the fastest growing markets.

The Group’s major business aroma chemicals experienced abnormal conditions (including safety and environmental issues, etc.) between the fourth quarter of 2017 and the first quarter of 2018. There will be expected supply shortage of varying degrees for some of the Group’s key products in the international market in 2018. In response to the changing situation, the priority of the operational focus in the coming year is to fully upgrade and increase the necessary investment of safety and environmental management, to ensure the long-term safety, stability and sustainability of production. Secondly, the Group will increase output through technology upgrade, transformation optimization, scientific scheduling, and adopting the strategy of suboptimal alternatives. The Group will also strengthen the connection with contractors, and adopt decentralized manufacturing to further increase production. To ensure the reliability and cost advantage of the supply chain, the Group will continue to actively develop strategic resources and expand the global integration of its supply chain.

展望

全球經濟在失業率低企、消費者信心回升的支持下，二零一八年預期將有不俗的增長。我們對全球經濟前景感到樂觀，但對國際關係緊張、貿易摩擦和保護主義加劇，以及在「後量寬」時代各國經濟政策的風險抱持警惕。

從行業角度，在經歷金融危機的調整、以及危機後多年的徘徊後，預期未來幾年全球化工行業包括香精香料市場將進入週期回升的階段。香精香料行業估計將會以年均4%-5%的速度增長，整體發展態勢看好，特別是新型經濟體的基礎需求、和發達國家的週期需求預計會有不同程度的增長。行業估計，到2020年的全球香精香料市場總額將超過300億美元，其中以中國和印度市場最快增長，亞太地區的市場規模將取代北美第一的位置。另外，未來幾年新功能和新材料化學品的增長將更為迅猛，每年會有雙位數的成長，中國會是其中發展最快的市場。

香原料作為主營業務，由於二零一七年第四季度到二零一八年第一季度期間外界同業陸續出現一些異常狀況(包括安全問題、環保問題等)，集團的若干主力產品預計在二零一八年全年國際市場會呈現不同程度的供應短缺。因應形勢變化，年內的營運重點，首要一項是從軟硬體全面提升安全管理、環保管理等級並增加必要的投入，以確保長期安全穩定可持續的生產以確保產能。其次是，通過技術升級、優化改造、科學排程、甚至引入次優選項等策略以全力提升產量。並將全面聯結外協工廠的生產單元，採用分散式製造方法以進一步增加產出。同時，集團仍將持續積極拓展戰略資源與供應鏈全球化相融合的深度與廣度，以保障產出增大後的供應鏈可靠性和成本優勢。

The natural extracts (natural essential oil) business has become an independent business segment of the Group. The application and development of products include aroma, food additives, personal care products, aromatherapy and medical ointments, etc. The Group has an advantage in directly managing the origin of resources, and has established a natural resources database and a sourcing analytic system, which can further increase revenue and bring new growth engine for the Group's business.

As living standard improves and consumption structure upgrades, consumers are pursuing more fashionable and new tastes, as they pursue more health, nutrition, and hygiene. More new flavors products are needed to satisfy consumer increasingly sensitive taste buds. This underpins the rapid growth of market demand, and creates a broad market for the food additives and seasoning business. Corresponding to the industrialization of the traditional Chinese cuisine and the increase in chain store operation, the Group will ride on its experiences and resources in the flavor and fragrance business to provide customers with its excellent product series, starting from the fast-growing catering market. And a scaled-up end market sales network of the compounded flavoring sauce will begin to take shape.

In respect of specialty chemicals, as the hazard-free and green trends become more prevalent in the field of agrochemical industry, the market demand for vegetable oil-based solvent, adjuvants, and original drug is growing rapidly. The Group will ride on its experiences in research and development accumulated over the years to cooperate with customers in launching more product portfolios to meet the market demand following the green trends. Non-toxic and fragrant plant-based products are increasingly well-received in the field of electronic chemicals. The Group will also ride on its comprehensive advantages in natural resources, product and aroma development, to provide customer with the best solutions.

EcoGreen is speeding up the construction of the Gulei Industrial Park. The Group's target is to turn the Gulei Industrial Park into a world-class production base of functional chemicals and functional materials. Supported by the new strategic supply chain of natural-based and petroleum-based resources, the Group is actively expanding the supply and applications of the key fine chemical raw materials and enhancing business values. The Gulei base is expected to cover a more enriched product portfolio of functional chemicals and functional materials. Gulei will gradually become the Group's multi-functional chemicals and new materials production base in China in the coming years, to achieve the grand vision of the "New EcoGreen".

天然提取物(天然精油)業務已經成為集團獨立產業板塊，產品的應用開發涵蓋香料、食品配料、個人護理品、芳療和藥油原料等方面。集團擁有在資源產地源頭直接管理的優勢，建立了的天然資源資訊資料庫和採集分析共用系統，在新的年度將進一步提升規模化的營收，以為集團的業務增長提供新動力。

隨著生活水準提高、消費結構升級，消費者在追求健康、營養、衛生的同時，亦會尋求更多時尚和新穎的口味，市場將需要更多新口味來滿足人們愈來愈挑剔的味覺感受，從而呈現快速增長的市場需求發展，這亦為食品配料和調味品業務的快速成長提供廣闊的市場空間。針對中國傳統食品的工業化和中餐的連鎖化，集團將借助在香精香料行業的經驗和資源，從增長迅速的團餐市場入手，致力為客戶提供完善的產品系列其中標準化的「複合調味醬」將開始擁有規模化的終端市場行銷網路。

特殊化學品業務方面，隨著農用化學品「無害化、綠色化」趨勢日趨明顯，市場對植物油基的溶劑、增效劑、原藥等需求顯著增長，集團將借助多年的研發積累，配合客戶陸續推出更多產品組合以支援綠色大趨勢及市場需求。電子化學品領域，也日漸青睞無毒、氣味宜人的植物基產品，集團亦將憑藉天然資源、產品功能開發、香氣等綜合優勢，為客戶提供最佳解決方案。

中怡的古雷產業園已在加速建設中。集團的目標是將古雷中怡產業園打造成為世界級的功能化學品和功能材料主產基地。以天然基和石油基的新型優勢戰略資源供應鏈作為支撐，積極地拓展關鍵精細化工原料的資源供應維度和綜合應用廣度，從中實現價值提升。預期古雷基地未來所涵蓋的功能化學品和功能材料的產品組合將更豐富多彩，古雷在未來幾年將會逐步成為集團在中國的多功能化學品和新材料製造基地，從而全面實現「新中怡」的宏偉事業。

Furthermore, led by the strategy of “New EcoGreen”, and in the face of changing global competitive landscape, the Group is implementing the corporate transformation strategies in full force. These include actively looking for opportunities in merger and acquisition and business partnership in the supply chain, enhancing the integrated competitiveness and profitability of the business, and striving to expand horizontally in potential areas to increase the scale of collaborative operations thus reaching a new horizon in the upstream and downstream supply chain synchronization.

The Group will continue uphold the noble mission of “Commitment to bringing health and well-being to the globe” and pursue the business philosophy “Ecogreen and Ecofriendly”. In accordance with its vision of “making the best use of talents and resources”, and to achieve “Diversity, Synergy, Sharing and Unity”, EcoGreen will make an unrelenting and unswerving effort to foster its newly established businesses.

Lastly, on behalf of the Board, I would like to express my heartfelt gratitude to all our shareholders, customers, suppliers 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 sincere 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, 27 March 2018

此外，在「新中怡」戰略的指引下，面對全球行業競合格局的變化，集團正在大力地推動企業轉型策略的實施，包括：在供應鏈上積極尋求企業並購和業務整合的機會，強化業務的綜合競爭力和盈利水準；同時，努力地橫向拓展有發展潛力的產業領域，以增大協同經營的規模，最終達成一個上下游協同發展的新格局。

本集團將繼續秉承「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, Ecofriendly」為經營理念。堅定實踐「人盡其才，物盡其用」的事業願景，達致「多元融匯，協同共創，共用共好，合眾為一」的境地，為成就新中怡而精進努力。

最後，本人謹代表董事會，對廣大股東、客戶、供應商及全體員工致以衷心謝意。大家對本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，也真誠感謝本公司董事（「董事」）以及本集團顧問給予大力支持和寶貴建議。

主席

楊毅融

香港，二零一八年三月二十七日

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2017, the sales price of major products slightly increased during the year. The “BRICS Summit” held in Xiamen in early September and the subsequent delay in public gas supply units had caused the unexpected halt of the Haichang’s plant for more than a month. As a result, sales for the year will inevitably have a certain impact, resulting in a 4% reduction in the Group’s turnover to approximately RMB1.57 billion.

(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 and its revenue has recorded a 9% decrease 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 4% over the last year.

For the year ended 31 December 2017, the revenue from the “Scent and Taste” sector decreased by 8% to RMB938 million (2016: RMB1,025 million) and accounted for 60% of the Group’s overall revenue (2016: 62%)

管理層討論及分析

財務回顧

收入

截至二零一七年十二月三十一日止年度，儘管主要產品的銷售價格在年內略有提升，惟受到九月初於廈門舉辦「金磚峰會」的限制以及其後公用供氣單位出現的延誤事故，導致海滄廠區意外地停產一個多月，對全年的銷受無可避免地會產生一定的影響，致使本集團的營業額減少4%至約人民幣15.7億元。

(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，收入比去年減少9%，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4%。

截至二零一七年十二月三十一日止年度，「芳香及味道」產品類別的營業額減少8%至人民幣9.38億元(二零一六年：人民幣10.25億元)，佔本集團營業額的60%(二零一六年：62%)。

(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 bioconversion technologies from natural produces. Naturals mainly include seafood, meat and mushroom extracts.

For the year ended 31 December 2017, the total revenue from “Natural” products was RMB436 million (2016: RMB353 million), representing an increase of 24% from last year and accounting for 28% of the Group’s sales volume (2016: 22%).

(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 23% to RMB197 million (2016: RMB255 million) and accounting for 12% (2016: 16%) of the Group’s sales volume.

(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。

截至二零一七年十二月三十一日止年度，「天然產物」的總營業額為人民幣4.36億元（二零一六年：人民幣3.53億元），較去年增長24%，這業務佔集團銷售額的28%（二零一六年：22%）。

(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1.97億元（二零一六年：人民幣2.55億元），較去年減少23%，佔集團銷售額的12%（二零一六年：16%）。

Gross Profit

During the year under review, the Group's gross profit decreased by 17% to RMB334 million. Gross profit margin decreased from 24.5% in 2016 to 21.3% in 2017. By the products category, the gross profit margin of "Scent and Taste" decreased from 26.3% in 2016 to 23.0% in 2017, while "Naturals" decreased from 18.2% in 2016 to 16.8% this year. The profit margin of "Specialties and Others" decreased from 26.4% in 2016 to 23.0% in 2017.

Operating Expense

For the year ended 31 December 2017, selling and marketing expenses accounted for 1.7% of the Group's turnover (2016: 2.0%) whereas the administrative expenses accounted for 4.5% of turnover (2016: 4.4%). Under the Group's effective cost-cutting measures, the operating expenses remained stable in these two years.

Other Gains – Net

During the year, the appreciation of the Renminbi caused the Group to record a net exchange loss of RMB0.35 million (2016: net exchange gain of RMB3.10 million) at operation. For the year ended 31 December 2016, the Group also recorded a gain on disposal of an associate amounting to RMB5.23 million. As a result, the "other gains – net" was RMB4.1 million less than the previous year.

Net finance income/expenses

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 gain of RMB44.31 million (2016: exchange loss of RMB50.05 million) arising from bank borrowings denominated in USD. On the other hand, the higher interest rates in this year have resulted in an increase in finance expense, resulting in a net finance income of RMB5.68 million (2016: net finance expenses of RMB81.13 million).

毛利

回顧年內，本集團的毛利減少17%至人民幣3.34億元。本集團的毛利率由二零一六年的24.5%下降至二零一七年21.3%之水平。按本集團產品類別分析，「芳香及味道」的毛利率由二零一六年的26.3%下調至二零一七年的23.0%，而「天然產物」的毛利便由二零一六年的18.2%下調至本年度的16.8%，「特殊化學品及其他」的產品類別之毛利率由二零一六年26.4%下調至二零一七年的23.0%。

經營開支

二零一七年銷售及市場推廣成本佔銷售百分比1.7%（二零一六年：2.0%）；二零一七年行政費用佔銷售額4.5%（二零一六年：4.4%）。在本集團積極實行成本控制措施下，經營成本基本上保持穩定。

其他收益－淨額

本年度內，人民幣升值導致集團在經營層面錄得人民幣35萬元之淨匯兌虧損（二零一六年：人民幣310萬元之淨匯兌收益）。於二零一六年十二月三十一止年度內，本集團還錄得出售一間聯營之收益共人民幣523萬元，因此，本年度的「其他收益－淨額」比去年減少人民幣410萬元。

財務收益／費用淨額

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收益共人民幣4,431萬元（二零一六年：人民幣5,005萬元之匯兌虧損）。另一方面，本年度較高的借貸成本，令財務費用有所上升。以上的財務收益與費用相互抵消後，本集團錄得淨財務收益人民幣568萬元（二零一六年：人民幣8,113萬元之淨財務費用）。

Taxation

Tax expense of the Group for 2017 was RMB58.88 million (2016: RMB74.23 million). Effective tax rate of the Group is 24.3% (2016: 33.8%).

Profit for the Year

Profit attributable to shareholders in 2017 was RMB184 million, representing an increase of 26% as compared to a profit of RMB145 million in 2016. Basic earnings per share was approximately RMB26.81 cents (2016: 22.35 cents). The EBITDA amounted to RMB366 million as compared to RMB328 million in 2016, representing an increase of 12%.

Liquidity, Financial Resources and Capital Structure

During the year under review, the Group's primary source of funding mainly included the cash generated from operating activities and financing activities. For the year ended 31 December 2017, net cash generated from operating activities amounted to RMB315 million (2016: RMB42.71 million of net cash used). The Group had net cash used in investing activities of RMB112 million (2016: RMB20.39 million). During the year under review, the net cash inflow from financing activities amounted to RMB123 million (2016: RMB197 million).

As at 31 December 2017, the average inventory turnover days, average trade receivable turnover days and average trade payable turnover days were 45 days, 143 days and 55 days (2016: 36 days, 144 days and 60 days), respectively.

The Group's financial position remains very solid and healthy during the year under review. As at 31 December 2017, the total shareholders' equity of the Group was RMB1.91 billion (2016: RMB1.61 billion). The net current assets and the current ratio of the Group as at 31 December 2017 were approximately RMB1,869 million (2016: RMB1,427 million) and 2.8 (2016: 2.1), respectively.

稅項

二零一七年度本集團之稅項開支為人民幣5,888萬元(二零一六年：人民幣7,423萬元)，有效稅率為24.3%(二零一六年：33.8%)。

本年度利潤

二零一七年度股東應佔利潤為人民幣1.84億元，較二零一六年的人民幣1.45億元增長26%，每股基本收益約為人民幣26.81分(二零一六年：人民幣22.35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3.66億元，較二零一六年的人民幣3.28億元上升12%。

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經營業務及融資活動。截至二零一七年十二月三十一日止年度，本集團錄得經營活動所得現金淨額為人民幣3.15億元(二零一六年：所用現金為人民幣4,271萬元)。本集團於投資活動上所用現金淨額為人民幣1.12億元(二零一六年：人民幣2,039萬元)。於回顧年度內，本集團融資活動所得淨現金為人民幣1.23億元(二零一六年：人民幣1.97億元)。

於二零一七年十二月三十一日，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45天、143天及55天(二零一六年：分別為36天、144天及60天)。

本集團於回顧年內之財務狀況仍然保持相當穩健。於二零一七年十二月三十一日，本集團的股東權益總額為人民幣19.1億元(二零一六年：人民幣16.1億元)。本集團之流動資產淨值及流動比率分別約為人民幣18.69億元(二零一六年：人民幣14.27億元)及2.8(二零一六年：2.1)。

As at 31 December 2017, the Group had borrowings and bills payable of approximately RMB1,214 million and RMB144 million (2016: RMB1,212 million and RMB152 million), respectively. Among the Group's borrowing, outstanding short-term borrowings amounted to RMB765 million (2016: RMB990 million). As at 31 December 2017, the Group's ratio of borrowings to total equity, was approximately 64% (2016: 75%) 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 RMB604 million (2016: RMB283 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

Due to the combined factors that the sales and the purchases 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, RMB and HKD, and that the consolidated financial statements are presented in RMB, exchange risks derived from the conversion from USD or HKD 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 2017, the Group's borrowings of approximately RMB406 million, RMB592 million, RMB206 million and RMB10 million (2016: RMB406 million, RMB806 million, RMB nil and RMB nil) were denominated in RMB, USD, HKD and AUD respectively.

Interest is mainly charged on a floating rate basis. It is expected that USD interest rates will continue to 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.

於二零一七年十二月三十一日，本集團之借貸及應付票據分別約為人民幣12.14億元及人民幣1.44億元(二零一六年：人民幣12.12億元及人民幣1.52億元)，於本集團的借貸當中，短期借貸為人民幣7.65億元(二零一六年：人民幣9.90億元)。於二零一七年十二月三十一日，本集團之負債權益比率約為64%(二零一六年：75%)，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6.04億元(二零一六年：人民幣2.83億元)。

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

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、人民幣及港元為主，合併財務報表並以人民幣為列值，故涉及美元或港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。

於二零一七年十二月三十一日，本集團約有人民幣4.06億元、人民幣5.92億元、人民幣2.06億元及人民幣0.10億元(二零一六年：人民幣4.06億元、人民幣8.06億元、人民幣零元及人民幣零元)之貸款分別以人民幣、美元、港幣及澳幣列值。

利息主要以浮動利率計算，預期美元息口於二零一七年內將會持續加息，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。

CONSOLIDATED INCOME STATEMENT
– by Function of Expense

For the year ended 31 December 2017

合併利潤表

按費用的功能列報

截至二零一七年十二月三十一日止年度

		Note	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		附註		
Revenue	收入	2	1,571,382	1,632,779
Cost of sales	銷售成本		(1,236,918)	(1,231,933)
Gross profit	毛利		334,464	400,846
Other gains – net	其他收益 – 淨額		258	4,359
Selling and marketing costs	銷售及市場推廣成本		(26,876)	(32,099)
Administrative expenses	行政費用		(71,187)	(71,855)
Operating profit	經營利潤	3	236,659	301,251
Finance income	財務收益	4	26,095	26,079
Finance expenses	財務費用	4	(20,413)	(107,207)
Net finance income/(expenses)	財務收益/(費用)淨額	4	5,682	(81,128)
Share of profit/(losses) of associates	應佔聯營利潤/(虧損)份額		307	(386)
Profit before taxation	除稅前利潤		242,648	219,737
Taxation	稅項	5	(58,881)	(74,229)
Profit for the year	年度利潤		183,767	145,508
Profit attributable to:	利潤歸屬於：			
Owners of the Company	本公司擁有人		183,767	145,383
Non-controlling interests	非控股性權益		–	125
			183,767	145,508
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)			
– Basic	– 基本	6	26.81 Cents仙	22.35 Cents仙
– Diluted	– 攤薄	6	26.78 Cents仙	22.26 Cents仙

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

For the year ended 31 December 2017

合併綜合收益表

截至二零一七年十二月三十一日止年度

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
Profit for the year	年度利潤	183,767	145,508
Other comprehensive loss: <i>Item that may be reclassified to profit or loss</i>	其他綜合損失： 其後可能被重新分類為 損益項目		
Currency translation differences	外幣折算差額	(227)	(45)
Other comprehensive loss for the year	本年度其他綜合損失 總額	(227)	(45)
Total comprehensive income for the year	本年度綜合收益總額	183,540	145,463
Attributable to:	歸屬於：		
Owners of the Company	本公司擁有人	183,540	145,338
Non-controlling interests	非控股性權益	-	125
Total comprehensive income for the year	本年度綜合收益總額	183,540	145,463

CONSOLIDATED BALANCE SHEET

As at 31 December 2017

合併資產負債表

截至二零一七年十二月三十一日

		2017	2016
		二零一七年	二零一六年
	Note	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Land use rights	土地使用權	40,323	41,276
Property, plant and equipment	物業、廠房及設備	293,103	323,240
Intangible assets	無形資產	122,499	82,620
Investment in an associate	聯營投資	7,730	7,423
Loan to an associate	聯營方借貸	3,000	-
Deferred income tax assets	遞延所得稅資產	5,470	5,470
Available-for-sale financial assets	可供出售金融資產	200	200
Prepayments	預付款	84,653	-
		556,978	460,229
Current assets	流動資產		
Inventories	存貨	183,572	114,157
Trade receivables and bills receivable	應收賬款及應收票據	8 523,152	691,223
Prepayments and other receivables	預付款及其他應收款	207,974	233,599
Amounts due from related companies	應收關聯方款項	2,415	39
Loan to an associate	聯營方借貸	-	3,000
Derivative financial instruments	衍生金融工具	39	1,582
Pledged bank deposits	已抵押之銀行存款	57,254	60,498
Short-term bank deposits	短期銀行存款	16,550	22,650
Cash and cash equivalents	現金及現金等價物	1,888,712	1,563,170
		2,879,668	2,689,918
Total assets	總資產	3,436,646	3,150,147
EQUITY AND LIABILITIES	權益及負債		
Equity attributable to owners of the Company	權益歸屬於本公司擁有人		
Share capital	股本	75,380	65,237
Share premium	股本溢價	341,876	202,474
Other reserves	其他儲備	155,103	158,818
Retained earnings	保留盈利	1,339,043	1,180,406
Total equity	總權益	1,911,402	1,606,935

			2017	2016
		Note	二零一七年	二零一六年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸		449,385	222,152
Deferred income tax liabilities	遞延所得稅負債		65,400	57,900
			514,785	280,052
Current liabilities	流動負債			
Trade payables and bills payable	應付賬款及應付票據	9	190,256	182,231
Current income tax liabilities	即期所得稅負債		16,189	19,879
Borrowings	借貸		764,914	989,556
Derivative financial instruments	衍生金融工具		-	5,533
Amounts due to related companies	應付關聯方款項		687	8,587
Accruals and other payables	應計費用及其他應付款		38,383	57,353
Amount due to a director	應付一董事款項		30	21
			1,010,459	1,263,160
Total liabilities	總負債		1,525,244	1,543,212
Total equity and liabilities	總權益及負債		3,436,646	3,150,147

NOTES:**附註:****1. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES****1. 會計政策和披露的變動**

- (a) The Group has applied the following amendments for the first time for their annual reporting period commencing 1 January 2017:

- (a) 本集團於二零一七年一月一日開始之年度報告內首次採用以下之修訂：

		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) 香港會計準則第7號(修訂本)	Disclosure Initiative 披露主動性	1 January 2017 二零一七年一月一日
HKAS 12 (Amendment) 香港會計準則第12號(修訂本)	Recognition of Deferred Tax Assets for Unrealised Losses 確認未變現虧損之遞延稅項資產	1 January 2017 二零一七年一月一日
HKFRS 12 (Amendment) 香港財務報告準則第12號(修訂本)	Disclosure of Interest in Other Entities 於其他實體權益的披露	1 January 2017 二零一七年一月一日

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

採納上述準則修訂對擬備本集團之合併財務報表並無重大影響。

2. SEGMENT INFORMATION**2. 分部資料**

The segment information for the year ended 31 December 2017 is presented below:

截至二零一七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	Total
		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	未分配 RMB'000 人民幣千元	總額 RMB'000 人民幣千元
Revenue	收入	938,293	436,056	197,033	-	1,571,382
Adjusted EBITDA	經調整EBITDA	195,108	63,323	40,888	-	299,319
Depreciation	折舊	-	-	-	(44,684)	(44,684)
Amortisation	攤銷	-	-	-	(12,799)	(12,799)
Net losses on financial instruments	金融工具虧損淨額	-	-	-	(129)	(129)
Share options granted to directors and employees	授予董事和職工的購股權	-	-	-	(142)	(142)
Net finance income	財務收益淨額	-	-	-	5,682	5,682
Others	其他	-	-	-	(4,906)	(4,906)
Share of profit of an associate	應佔聯營收益	-	-	-	307	307
Taxation	稅項	-	-	-	(58,881)	(58,881)
Profit for the year	年度利潤	195,108	63,323	40,888	(115,552)	183,767

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

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 芳香及味道 RMB'000 人民幣千元	Naturals 天然產物 RMB'000 人民幣千元	Specialties and Others 特殊化學品 及其他 RMB'000 人民幣千元	Unallocated 未分配 RMB'000 人民幣千元	Total 總額 RMB'000 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	
		Mainland China 中國內地 RMB'000 人民幣千元	Europe 歐洲 RMB'000 人民幣千元	Asia (excluding Mainland China) 亞洲 (中國內地 除外) RMB'000 人民幣千元	North America 北美洲 RMB'000 人民幣千元	Others/ Unallocated 其他/ 未分配 RMB'000 人民幣千元	Total 總額 RMB'000 人民幣千元
2017	二零一七年						
Revenue	收入	1,330,532	51,330	90,550	85,042	13,928	1,571,382
Non-current assets	非流動資產	550,955	–	353	–	5,670	556,978
Total assets	資產總值	3,358,726	3,266	68,945	–	5,709	3,436,646
Total liabilities	負債總額	233,528	1,716	10,301	–	1,279,699	1,525,244
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

3. OPERATING PROFIT

Operating profit is stated after charging/(crediting) the following:

3. 經營盈利

經營溢利已扣除/(計入)下列各項：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Amortisation of prepaid operating lease payments	預付經營租賃款項攤銷	953	457
Depreciation	折舊	44,684	42,701
Amortisation of intangible assets	無形資產攤銷	11,846	8,222
Provision for/(reversal of) impairment of inventories	存貨減值撥備計提/ (回撥)	1,781	(168)
(Reversal of)/provision for impairment of trade receivables	應收賬款減值撥備 (回撥)/計提	(1,319)	1,865
Derivative financial instruments	衍生金融工具		
– Net realised losses	– 已變現虧損淨額	4,119	38,954
– Net fair value gains	– 公允淨值收益	(3,990)	(33,803)
Net exchange losses/(gains)	淨匯兌虧損/(收益)	353	(3,100)

4. NET FINANCE INCOME/(EXPENSES)

4. 財務收益/(費用)淨額

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interest expense:	利息費用：		
– Bank borrowings	– 銀行借貸	(65,701)	(58,118)
– Government loans	– 政府貸款	(24)	(36)
Net foreign exchange gains/(losses) on financing activities	融資活動的淨匯兌出益/(虧損)	44,312	(50,053)
Finance expenses	財務費用	(21,413)	(108,207)
Less: amounts capitalised on qualifying assets	減：合資格資產資本化數額	1,000	1,000
Total finance expenses	總財務費用	(20,413)	(107,207)
Finance income	財務收益		
– Interest income on short-term bank deposits	– 短期銀行存款的利息收益	26,095	26,079
Net finance income/(expenses)	淨財務收益/(費用)	5,682	(81,128)

5. TAXATION

5. 稅項

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 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	49,840	66,462
– Under/(over) provision in previous year	– 以前年度少計/(多提)之所得稅	1,541	(1,076)
Total current tax	現有稅項總額	51,381	65,386
Deferred income tax	遞延所得稅項	7,500	8,843
		58,881	74,229

Notes:

附註：

(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.

(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) Mainland China corporate income tax

The subsidiaries established in Mainland China are subject to Mainland China corporate income tax at a rate of 25% (2016: 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%.

(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% (二零一六年：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) 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.

(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) Mainland China value-added tax

The subsidiaries established in Mainland China are subject to Mainland China value-added tax (“VAT”) at 17% (2016: 17%) of revenue from sale of goods in Mainland China and entitled to a VAT export refund at 9% to 13% (2016: 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.

(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% (二零一六年：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% (二零一六年：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) **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.

(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，本集團按照設立在中国的附屬公司及聯營企業所產生利潤確認遞延所得稅負債。

6. 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.

6. 每股收益

基本

每股基本收益乃根據歸屬於本公司擁有者之利潤，除以年內已發行普通股的加權平均數計算。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit attributable to owners of the Company	利潤歸屬於本公司擁有者	183,767	145,383
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數 (千計)	685,368	650,392
Basic earnings per share (RMB per share)	每股基本收益(每股人民幣)	26.81 Cents分	22.35 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.

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。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Profit attributable to owners of the Company	利潤歸屬於本公司擁有人	183,767	145,383
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千計)	685,368	650,392
Adjustments assuming the exercise of share options (thousands)	假設購股權被行使的調整(千計)	951	2,866
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)	686,319	653,258
Diluted earnings per share (RMB per share)	每股攤薄收益(每股人民幣)	26.78 Cents分	22.26 Cents分

7. DIVIDENDS

A final dividend in respect of the year ended 31 December 2017 of HK3.3 cents per share, totalling approximately of RMB20,702,000, is to be proposed at the forthcoming annual general meeting. These consolidated financial statements do not reflect such dividend payable.

7. 股息

於即將舉行之股東週年大會上，有關截至二零一七年十二月三十一日止年度擬派末期股息每股3.3港仙，合共約人民幣20,702,000元。此合併財務報表並無反映此應付股息。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Interim dividend paid of HK1.5 cents (2016: HK1.4 cents) per ordinary share	已派中期股息每股普通股1.5港仙(二零一六年：1.4港仙)	8,589	7,937
Proposed final dividend of HK3.3 cents (2016: HK3.4 cents) per ordinary share	擬派末期股息每股普通股3.3港仙(二零一六年：3.4港仙)	20,702	20,171
		29,291	28,108

8. TRADE RECEIVABLES AND BILLS RECEIVABLE

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:

8. 應收賬款及應收票據

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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
0 to 30 days	0至30天	146,566	171,700
31 to 60 days	31至60天	114,940	147,668
61 to 90 days	61至90天	90,543	113,520
91 to 180 days	91至180天	175,090	262,829
181 to 365 days	181至365天	1,277	2,481
Over 365 days	365天以上	1,477	1,085
		529,893	699,283
Less: Provision for impairment	減：減值撥備	(6,741)	(8,060)
		523,152	691,223

9. TRADE PAYABLES AND BILLS PAYABLE

9. 應付賬款及應付票據

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade payables	應付賬款	46,122	30,722
Bills payable	應付票據	144,134	151,509
		190,256	182,231

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：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
0 to 30 days	0至30天	48,226	29,258
31 to 60 days	31至60天	18,465	31,143
61 to 90 days	61至90天	22,656	44,469
91 to 180 days	91至180天	81,597	58,918
181 to 365 days	181至365天	15,263	16,821
Over 365 days	超過365天	4,049	1,622
		190,256	182,231

FINAL DIVIDEND

The Board has recommended the payment of a final dividend of HK3.3 cents per ordinary share for the year ended 31 December 2017.

Subject to the approval of the shareholders of the Company at the annual general meeting of the Company to be held on 8 June 2018, the proposed final dividend will be paid on or about 10 July 2018 to the shareholders whose names appear on the register of members of the Company on 22 June 2018.

CLOSING OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 6 June 2018 to Friday, 8 June 2018, 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 Hong Kong branch share registrar and transfer office, Tricor Tengis Limited no later than 4:30 p.m. on Tuesday, 5 June 2018.

The register of members of the Company will also be closed from Wednesday, 20 June 2018 to Friday, 22 June 2018, 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 Hong Kong branch share registrar and transfer office, Tricor Tengis Limited no later than 4:30 p.m. on Tuesday, 19 June 2018.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2017, the Company has complied with the code provisions under the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except for code provisions A.2.1 and A.6.7 as explained below.

末期股息

董事會建議派發截至二零一七年十二月三十一日止年度之末期股息每股普通股3.3港仙。

倘獲本公司股東於二零一八年六月八日舉行的本公司股東週年大會上批准，建議末期股息將於二零一八年七月十日或前後向於二零一八年六月二十二日名列本公司股東名冊上之股東派發。

暫停辦理股份過戶登記手續

本公司將於二零一八年六月六日(星期三)至二零一八年六月八日(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，最遲必須於二零一八年六月五日(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。

本公司亦將於二零一八年六月二十日(星期三)至二零一八年六月二十二日(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，最遲必須於二零一八年六月十九日(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。

企業管治

截至二零一七年十二月三十一日止年度內，本公司一直遵守聯交所證券上市規則(「上市規則」)附錄14所載之《企業管治守則》之守則條文，惟下文闡述之守則條文第A.2.1條及A.6.7條則除外。

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer (“CEO”) should be separate and should 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 considered 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.

Under the code provision A.6.7, independent non-executive directors and non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. Mr. Feng Tao was unable to attend the 2017 annual general meeting of the Company due to other important engagements. All other independent non-executive directors and non-executive directors had attended the 2017 annual general meeting to answer questions and collect views of shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SHARES

During the year ended 31 December 2017, 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.

守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由一人同時兼任。主席與行政總裁之間職責之分工應清楚界定並以書面列載。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。

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本公司之二零一七年度股東週年大會。所有其他獨立非執行董事及非執行董事均已出席二零一七年度股東週年大會，回應提問及聽取股東之意見。

購買、出售或贖回本公司之上市股份

截至二零一七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。

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 2017.

REVIEW OF RESULTS

The audit committee has reviewed with management and the Company's external auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the report prepared by the external auditors to the audit committee in respect of the audit of the financial statements of the Group for the year ended 31 December 2017.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

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，彼等於截至二零一七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。

審閱業績

審核委員會已與管理層及本公司的外聘核數師審閱本集團採納的會計原則及慣例，並已討論審核、內部監控及財務申報事宜，包括外聘核數師就審閱本集團截至二零一七年十二月三十一日止年度的財務報表向審核委員會擬備的報告。

羅兵咸永道會計師事務所的工作範圍

本集團的核數師，羅兵咸永道會計師事務所已就本集團截至二零一七年十二月三十一日止年度的初步業績公佈中有關本集團截至二零一七年十二月三十一日止年度的合併資產負債表、合併利潤表、合併綜合收益表及相關附註所列數字與本集團該年度的經審核合併財務報表所列載數額核對一致。羅兵咸永道會計師事務所就此執行的工作不構成根據香港會計師公會頒佈的香港審計準則、香港審閱聘用準則或香港核證聘用準則而進行的核證聘用，因此羅兵咸永道會計師事務所並未對初步業績公佈發出任何核證。

REMUNERATION COMMITTEE

The Remuneration Committee of the Board has reviewed remuneration policy and packages of the Directors and senior management for the year ended 31 December 2017.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the designated website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.ecogreen.com). The 2017 annual report containing all the information required by The Listing Rules will be despatched to shareholders and will be published on the aforementioned websites in due course.

By order of the Board
EcoGreen International Group Limited
Yang Yirong
Chairman & President

Hong Kong, 27 March 2018

As at the date of this announcement, the Board of Directors of the Company comprises of five executive Directors, namely Mr. Yang Yirong (Chairman), Mr. Gong Xionghui, Ms. Lu Jiahua, Mr. Han Huan Guang and Mr. Lin Zhigang, one non-executive Director, namely Mr. Feng Tao and three independent non-executive Directors, namely Dr. Lin David Ying Tsung, Mr. Yau Fook Chuen and Mr. Wong Yik Chung, John.

薪酬委員會

董事會薪酬委員會已審閱董事及高級管理層截至二零一七年十二月三十一日止年度的薪酬政策及組合。

刊登全年業績及年報

本業績公佈於聯交所指定網站(www.hkexnews.hk)及本公司網站(www.ecogreen.com)內刊載。載有上市規則所規定一切資料之二零一七年年報，將於適當時候寄交股東及於上述網站內刊載。

承董事會命
中怡國際集團有限公司
主席及總裁
楊毅融

香港，二零一八年三月二十七日

於本公告日期，本公司之董事會包括五位執行董事，分別為楊毅融先生(主席)、龔雄輝先生、盧家華女士、韓歡光先生及林志剛先生；一位非執行董事為馮濤先生；及三位獨立非執行董事，名字為林英宗博士、丘福全先生及黃翼忠先生。