



TSAKER CHEMICAL GROUP LIMITED
彩客化學集團有限公司*

(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 : 1986



2017
Annual Report
年度報告

* For identification purpose only 僅供識別



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Company Overview

公司概覽

Tsaker Chemical Group Limited, together with its subsidiaries, is the world's leading producer of a number of fine chemicals that functions as dye, pigment and agricultural chemicals intermediates, and in 2017, the Company entered the field of lithium battery materials and the field of environmental protection consulting.

DSD Acid, a dye intermediate, can produce dyes and optical brightening agents ("OBA") after being processed. It is widely used in downstream products, mainly paper, textile, detergents and cosmetics. To further expand downstream in the industry chain, the Group entered into the OBA assets leasing agreement with Xiajin Zhenhua in December 2016, and in January 2017, the Group started the production of OBA for textile printing and dyeing and OBA for detergent. Another major product of the Group is pigment intermediate such as DMSS and DMAS, which are important raw materials for the production of pigments. It is mainly used downstream as foundation materials for producing high-end paint pigments, photosensitive polymer, light color stabilizers, pesticides, bactericide, plastics, pharmaceuticals and food additives. The main product of agricultural chemical intermediates of the Group is mononitrotoluene, which produces PNT, ONT and MNT simultaneously through chemical processes. PNT is the major raw material for producing DSD Acid; ONT and OT are mainly used to produce herbicides. By producing mononitrotoluene, we successfully secured the upstream raw material supplies for DSD Acid and stabilized its price, and further expanded our product portfolio to include agricultural chemical intermediates, so as to increase our market share.

Leveraging the Group's advantages in technology research and development as well as ample production experience accrued in the fine chemical industry, the Group invested in the construction of the production line for iron phosphate, the precursor of lithium battery cathode materials, in Cangzhou, Hebei in February 2017, which will have a production capacity of 15,000 tonnes. The production line was completed and pilot production began in late-October 2017. In addition, the Group has launched a new production line for carbon nanotube paste, used as cathode material conductive agent for lithium battery, in Dongying, Shandong Province. The production line was also completed and put into pilot operation in October 2017. In November 2017, the Group entered into a framework cooperation agreement with a top university in China to jointly research and develop precursors for binary and ternary battery cathode materials. Through this cooperation, the Group accelerated its research progress in the field of ternary materials and continued to enrich product categories in the field of battery materials, thereby enhancing our market position in the field of battery materials.

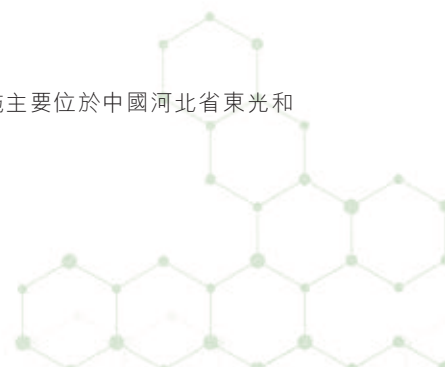
Production facilities owned by the Group are mainly located at Dongguang, Hebei Province and Dongying, Shandong Province of the PRC.

彩客化學集團有限公司與其附屬公司是世界領先的染料、顏料、農藥中間體等多種精細化學品的生產商，並於二零一七年開始進入鋰電池材料領域及環保諮詢領域。

染料中間體產品主要為DSD酸，經加工後可生產成染料及熒光增白劑OBA。其下游用途廣泛，主要包括紙張、紡織物、洗滌劑及化妝品。為進一步向下游產業鏈延伸，本集團與夏津振華於二零一六年十二月訂立OBA資產租賃協議，並從二零一七年一月開始生產印染OBA及洗滌OBA。本集團另一重點產品顏料中間體，DMSS、DMAS，是生產顏料的重要原材料，下游主要用於生產樓宇及汽車所用的高檔油漆顏料、光敏聚合物、光色穩定劑、殺蟲劑及殺菌劑、塑膠、藥品及食品添加劑的基礎材料。本集團農藥中間體產品主要為一硝基甲苯，甲苯經化學過程同時生成PNT、ONT及MNT。而PNT是生產DSD酸的重要原材料，ONT及OT主要用作生產除草劑。透過生產一硝基甲苯，我們成功保障DSD酸的上游原材料供應，穩定其價格，並進一步延伸產品組合至農藥中間體，以擴大市場佔有率。

利用自身的研發技術優勢以及精細化工領域的豐富經驗，二零一七年二月本集團在河北滄州投資建設產能1.5萬噸鋰電池正極材料前驅體磷酸鐵產品生產線，該生產線於二零一七年十月完工並開始試生產。另外，本集團於山東省東營新建用於鋰電池正負極材料導電劑的碳納米管導電漿料產品，該生產線亦於二零一七年十月完工並投入試運營。二零一七年十一月，本集團亦與中國一間頂尖高校簽訂框架合作協議，共同研究開發二元及三元鋰電池正極材料前驅體。通過該合作，本集團加速在三元材料領域的研究進展，繼續豐富電池材料領域的產品品類，增強我們在電池材料領域的市場地位。

本集團擁有的生產設施主要位於中國河北省東光和山東省東營。



BOARD OF DIRECTORS

Executive Directors

Mr. GE Yi
Ms. DUAN Weihua
Mr. BAI Kun
Ms. JIN Ping

Non-executive Directors

Mr. XIAO Yongzheng
Mr. FONTAINE Alain Vincent

Independent non-executive Directors

Mr. HO Kenneth Kai Chung
Mr. ZHU Lin
Mr. YU Miao

JOINT COMPANY SECRETARIES

Mr. LU Yi
Ms. LEUNG Suet Lun

AUTHORIZED REPRESENTATIVES

Mr. GE Yi
Ms. LEUNG Suet Lun

AUDIT COMMITTEE

Mr. ZHU Lin (*Chairman*)
Mr. XIAO Yongzheng
Mr. YU Miao

REMUNERATION COMMITTEE

Mr. YU Miao (*Chairman*)
Mr. XIAO Yongzheng
Mr. HO Kenneth Kai Chung

NOMINATION COMMITTEE

Mr. GE Yi (*Chairman*)
Mr. HO Kenneth Kai Chung
Mr. ZHU Lin

董事會

執行董事

戈弋先生
段衛華女士
白崑先生
晉平女士

非執行董事

肖勇政先生
FONTAINE Alain Vincent先生

獨立非執行董事

何啟忠先生
朱霖先生
于淼先生

聯席公司秘書

陸毅先生
梁雪綸女士

授權代表

戈弋先生
梁雪綸女士

審核委員會

朱霖先生 (*主席*)
肖勇政先生
于淼先生

薪酬委員會

于淼先生 (*主席*)
肖勇政先生
何啟忠先生

提名委員會

戈弋先生 (*主席*)
何啟忠先生
朱霖先生



Corporate Information

公司資料

REGISTERED OFFICE

P.O. Box 472
2nd Floor, Harbour Place
103 South Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

HEAD OFFICE IN THE PRC

No. 3301
Lvdi Center China Jin
Hongtai East Street
Chaoyang District
Beijing
the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

36th Floor
Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

International Corporation Services Ltd.
Harbour Place, 2nd Floor
103 South Church Street
P.O. Box 472, George Town
Grand Cayman KY1-1106
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 22, Hopewell Centre
183 Queen's Road East
Hong Kong

註冊辦事處

P.O. Box 472
2nd Floor, Harbour Place
103 South Church Street
George Town
Grand Cayman KY1-1106
Cayman Islands

中國總辦事處

中國
北京
朝陽區
宏泰東街
望京綠地中國錦
3301室

香港主要營業地點

香港
銅鑼灣
勿地臣街1號
時代廣場
二座
36樓

股份過戶及登記總處

International Corporation Services Ltd.
Harbour Place, 2nd Floor
103 South Church Street
P.O. Box 472, George Town
Grand Cayman KY1-1106
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

LEGAL ADVISER

As to Hong Kong law:
Woo Kwan Lee & Lo
26th Floor, Jardine House
1 Connaught Place
Central, Hong Kong

AUDITOR

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central
Hong Kong

STOCK CODE

1986

PRINCIPAL BANKERS

Hang Seng Bank
Tai Fung Bank
China Construction Bank (Dongguang branch)
Bank of China (Dongguang branch)

INVESTOR ENQUIRIES

Website: www.tsaker.com

法律顧問

香港法律：
胡關李羅律師行
香港中環
康樂廣場1號
怡和大廈26樓

核數師

安永會計師事務所
執業會計師
香港
中環
添美道1號
中信大廈22樓

股份代號

1986

主要往來銀行

恒生銀行
大豐銀行
中國建設銀行（東光支行）
中國銀行（東光支行）

投資者查詢

網站：www.tsaker.com



Financial Highlights

財務摘要

For the year ended 31 December		2017 二零一七年 RMB'000 人民幣千元 (Audited) (經審核)	2016 二零一六年 RMB'000 人民幣千元 (Audited) (經審核)
截至十二月三十一日止年度			
REVENUE	收益	1,247,392	1,041,142
GROSS PROFIT	毛利	362,989	293,605
PROFIT FOR THE YEAR	年內溢利	136,106	120,921
Profit attributable to:	應佔溢利：		
Owners of the parent	母公司擁有人	136,131	120,921
Earnings per share attributable to ordinary equity holders of the parent:	母公司普通權益擁有人 應佔每股盈利：		
		人民幣(RMB)	人民幣(RMB)
- Basic and diluted	- 基本及攤薄	0.13元	0.12元*

For the year ended 31 December 2017, revenue of the Group amounted to approximately RMB1,247.4 million, representing an increase of approximately RMB206.3 million or 19.8% comparing with that in the same period of 2016.

截至二零一七年十二月三十一日止年度，本集團收益約為人民幣1,247.4百萬元，較二零一六年同期增加約人民幣206.3百萬元或19.8%。

For the year ended 31 December 2017, gross profit of the Group amounted to approximately RMB363.0 million, representing an increase of approximately RMB69.4 million or 23.6% comparing with that in the same period of 2016.

截至二零一七年十二月三十一日止年度，本集團毛利約為人民幣363.0百萬元，較二零一六年同期增加約人民幣69.4百萬元或23.6%。

For the year ended 31 December 2017, net profit of the Group amounted to approximately RMB136.1 million, representing an increase of approximately RMB15.2 million or 12.6% comparing with that in the same period of 2016.

截至二零一七年十二月三十一日止年度，本集團純利約為人民幣136.1百萬元，較二零一六年同期增加約人民幣15.2百萬元或12.6%。

For the year ended 31 December 2017, basic and diluted earnings per share of the Group amounted to approximately RMB0.13, representing an increase of approximately RMB0.01 or 8.3% comparing with that in the same period of 2016.*

截至二零一七年十二月三十一日止年度，本集團每股基本及攤薄盈利約為人民幣0.13元，較二零一六年同期增加約人民幣0.01元或8.3%*。

The Board recommended the declaration of a final dividend of RMB0.039 per share, subject to the shareholders' approval at the AGM.

董事會建議宣派末期股息每股人民幣0.039元，惟須於股東週年大會上獲股東批准。

* The earnings per share of the Group for the year ended 31 December 2016 was adjusted for the bonus share issued in 2017.

* 本集團截至二零一六年十二月三十一日止年度之每股盈利已就二零一七年發行之紅股作出調整。

Five-Year Financial Summary

五年財務概要

		For the year ended 31 December 截至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	2015 二零一五年 RMB'000 人民幣千元 (Restated) (重列)*	2014 二零一四年 RMB'000 人民幣千元 (Restated) (重列)*	2013 二零一三年 RMB'000 人民幣千元
Operating results – Summary	經營業績一概要					
Revenue	收益	1,247,392	1,041,142	880,270	920,817	863,969
Gross profit	毛利	362,989	293,605	267,331	341,659	257,033
Profit for the year	年內溢利	136,106	120,921	97,470	169,736	132,988
Profit attributable to:	應佔溢利：					
Owners of the parent	母公司擁有人	136,131	120,921	97,470	144,089	109,440
Balance sheet – Summary	資產負債表一概要					
Non-current assets	非流動資產	1,278,371	1,013,486	849,555	592,984	267,029
Current assets	流動資產	977,883	926,247	891,027	348,870	483,577
Total assets	資產總值	2,256,254	1,939,733	1,740,582	941,854	750,606
Current liabilities	流動負債	705,342	716,947	869,674	571,920	396,187
Non-current liabilities	非流動負債	408,976	261,801	8,356	37,836	28,931
Net assets	資產淨值	1,141,936	960,985	862,552	332,098	325,488
Financial ratio	財務比率					
Gross profit margin	毛利率	29.1%	28.2%	30.4%	37.1%	29.8%
Net profit margin	純利率	10.9%	11.6%	11.1%	18.4%	15.4%
Return on equity ⁽¹⁾	股本回報率 ⁽¹⁾	12.9%	13.3%	16.3%	51.6%	37.3%
Current ratio ⁽²⁾	流動比率 ⁽²⁾	1.39	1.29	1.02	0.61	1.22
Net debt to equity ratio ⁽³⁾	資產負債比率 ⁽³⁾	51.0%	43.9%	36.8%	33.6%	40.9%
Inventory turnover days ⁽⁴⁾	存貨周轉天數 ⁽⁴⁾	41	39	46	52	51
Trade receivables turnover days ⁽⁵⁾	貿易應收款項周轉天數 ⁽⁵⁾	71	65	59	44	47
Trade payables turnover days ⁽⁶⁾	貿易應付款項周轉天數 ⁽⁶⁾	129	124	139	109	58

* Certain items in the consolidated financial statements have been restated due to business combination under common control of Tsaker Dongao.

* 由於彩客東奧之共同控制下的業務合併，綜合財務報表的若干項目已經重列。



Five-Year Financial Summary

五年財務概要

Notes:

- (1) Return on equity is derived by dividing net profit by total equity, where total equity is the average beginning and ending balances of total equity for the given period.
- (2) Current ratio is derived by dividing current assets by current liabilities at the end of a given period.
- (3) Net debt to equity ratio is calculated at interest-bearing loans and other financial liabilities at the end of the period divided by the total equity.
- (4) Inventory turnover days for a certain period is derived by dividing the average inventory (the arithmetic mean of the opening and closing balance of inventory of a given period) by cost of sales and multiplied by the number of days in the relevant period.
- (5) Trade receivables turnover days for a certain period is derived by dividing the average trade receivables (the arithmetic mean of the opening and closing balance of trade receivables of a given period) by revenue and multiplied by the number of days in the relevant period.
- (6) Trade payables turnover days for a certain period is derived by dividing the average trade payables (the arithmetic mean of the opening and closing balance of trade payables of a given period) by cost of sales and multiplied by the number of days in the relevant period.

附註：

- (1) 股本回報率按純利除以總權益計算，而總權益為指定期間總權益期初及期末結餘的平均數。
- (2) 流動比率乃按指定期末的流動資產除以流動負債計算。
- (3) 資產負債比率乃按指定期末的計息貸款及其他金融負債除以總權益計算。
- (4) 某一期間的存貨周轉天數乃按平均存貨（指定期間期初與期末存貨結餘的算術平均數）除以銷售成本再乘以有關期間的天數計算。
- (5) 某一期間的貿易應收款項周轉天數乃按平均貿易應收款項（指定期間期初與期末貿易應收款項結餘的算術平均數）除以收益再乘以有關期間的天數計算。
- (6) 某一期間的貿易應付款項周轉天數乃按平均貿易應付款項（指定期間期初與期末貿易應付款項結餘的算術平均數）除以銷售成本再乘以有關期間的天數計算。

Chairman's Report

主席報告

Dear Shareholders:

On behalf of the Board, I am pleased to report the results of the Group for the year ended 31 December 2017.

2017 has been an extraordinary year for Tsaker Chemical, and a critical year for China's economic transformation. The state increased the intensity of supply side reform and phased out outdated production capacity, resulting in a rise in the prices of raw materials and energy, which in turn caused price rise of chemical products. In addition, as environmental regulation became increasingly stringent, enterprises that failed to meet the standards of environmental protection were shut down, greatly affecting the chemical industry, leading to a higher degree of industry concentration.

In 2017, Tsaker Chemical continued its intensive and diligent efforts in the field of fine chemicals. The existing main businesses remained stable and their performance improved steadily. With the gradual recovery of petrol prices and the rising price of raw materials for chemicals, the prices of raw materials for our main products also gradually climbed, leading to a rise in the volume and prices of the Group's main products. The overall revenue increased by approximately 19.8% to RMB1,247.4 million (2016: approximately RMB1,041.1 million). Newly-added businesses in 2017 such as the lithium battery materials business and the environmental technology consultancy service business were carried out smoothly and achieved initial success.

BUSINESS REVIEW

The Group began to construct a production line for iron phosphate, the precursor of lithium battery cathode materials, in February 2017 and completed the construction and put the line into trial operation in October 2017. In October 2017, we began the trial production of carbon nanotube paste product and sent them to downstream customers for testing, on which we received positive feedback.

As a leading enterprise in the fine chemicals industry, the Group endeavoured to expand into upstream and downstream businesses as well as peripheral businesses on top of its existing core products and businesses, and actively developed in the new energy industry to constantly exploiting new sources of income. In 2017, the main product, DSD acid, remained the

致各位尊貴股東：

本人欣然代表彩客化學集團有限公司董事會呈報本集團截至二零一七年十二月三十一日止年度的業績。

二零一七年，對彩客化學來說是不平凡的一年，也是中國經濟轉型關鍵的一年。國家加大對供給側改革的力度，陸續淘汰落後產能，造成能源及化工原材料價格持續上漲，從而導致化工產品價格的上漲。另外，隨着環保監管越來越嚴格，環保不達標的企業也陸續被關停，給化工行業造成很大的影響，行業集中度越來越高。

二零一七年，彩客化學繼續在精細化工領域精耕細作，現有主營業務保持穩定，業績穩步增長。隨着石油價格的逐步回升以及化工原材料價格的不斷攀升，主要產品的原材料價格也逐漸提升，導致本集團主要產品量價齊升，整體收益同比增長約19.8%至人民幣1,247.4百萬元（二零一六年：約人民幣1,041.1百萬元）。二零一七年新增的鋰電池材料業務及環保技術諮詢業務也順利開展，並初見成效。

業務回顧

於二零一七年二月，本集團開始自建鋰電池正極材料前驅體磷酸鐵生產線，並於二零一七年十月完工並開始試生產。二零一七年十月，開始試生產碳納米管導電漿料產品，並把產品送到下游客戶去測試，收到客戶的積極反饋。

作為精細化工行業的領先企業，本集團致力於圍繞現有核心產品及業務進行上下游及周邊業務的延伸，並積極布局新能源產業領域，不斷為集團增加新的收入來源。二零一七年，主要產品即DSD酸仍為最大的銷售貢獻板塊，來自銷售DSD酸的總收益佔比較二零一六年約46.3%上升至約52.9%，貢獻



Chairman's Report

主席報告

largest contributor to revenue. The percentage of total revenue of the sales of DSD acid increased from approximately 46.3% in 2016 to approximately 52.9%, contributing RMB660.0 million. During the Review Year, affected by the increase in prices of raw materials such as toluene, coal, and iron powder, cost of the DSD acid went up. However, as the sales price of the product also increased substantially, the gross profit margin of this sector rose by approximately 4.2 percentage points to about 30.1%.

In 2017, agricultural chemical intermediates accounted for approximately 28.0% of the total revenue of the year, contributing approximately RMB349.9 million. With the rise in raw material prices and the increase in downstream demand, the sales price of agricultural chemical intermediates increased by about 13.0% to RMB10,794 per ton compared with the same period last year. Due to the increased cost in 2017, the gross profit margin decreased by 1.9 percentage points year-on-year to about 24.2%.

The revenue from pigment intermediates accounted for 18.9% of total revenue in general, contributing approximately RMB236.2 million. To continue to expand our presence in the pigment intermediates market and enlarge our global market share, the Group has successfully increased the capacity for DMAS from 1,500 tons to 4,500 tons, and the capacity for DATA from 1,000 tons to 1,400 tons. During the Review Year, the sales volume of pigment intermediates increased to approximately 8,102 tons, and the gross profit margin declined by 6.7 percentage points to about 33.7%.

In 2017, revenue of the battery material sector accounted for 0.1% of the total sales, contributing approximately RMB0.8 million. The new capacity production line started trial production at the end of October 2017. The environmental technology consultancy segment, a new business of the Company, achieved a breakthrough in 2017, winning the bidding of "Cangzhou City Township Small-Scale Air Station" project in November 2017 with a total amount of RMB25.0 million for the winning bid, achieving the first success for the Group's environmental technology consultancy business.

收益約人民幣660.0百萬元。回顧年內DSD酸受原材料甲苯、煤炭及鐵粉等價格上升影響，成本上漲。但是產品銷售價格也大幅上調，該板塊毛利率上升約4.2個百分點至約30.1%。

二零一七年，農藥中間體板塊，佔全年總收益的佔比約28.0%，貢獻收益約人民幣349.9百萬元。隨着原材料價格的上漲，以及下游需求量的上升，農藥中間體的銷售價格同比上升約13.0%至約人民幣10,794元／噸，由於2017年成本上升較多，毛利率同比下降約1.9個百分點至約24.2%。

顏料中間體的整體總收益佔比為18.9%，貢獻收益約人民幣約236.2百萬元。為持續擴大顏料中間體市場的話語權，擴大全球市場份額，本集團已經成功將DMAS產能由1,500噸增至4,500噸、DATA的產能由1,000噸增至1,400噸。回顧年內顏料中間體銷量上升至約8,102噸，毛利率降低6.7個百分點至約33.7%。

二零一七年，電池材料板塊的整體銷售佔比為0.1%，貢獻收益約人民幣0.8百萬元。新建產能生產線，於二零一七年十月底開始試生產。環保技術諮詢服務板塊作為本公司的新業務，而二零一七年也實現了零的突破，於二零一七年十一月，成功中標《滄州市鄉鎮小型空氣站》項目，中標總金額為人民幣25.0百萬元，為本集團之環保技術諮詢業務打響了第一槍。

By continuously strengthening its market position in existing industries, the Group expanded the capacity and upgraded technologies for existing products, and increasingly diversified into related industries, which greatly helped the Group maintain steady growth in business revenue and profit. Enhanced diversity is beneficial for the Group to maintain stable income and profit margin in the long run. During the Review Year, profit attributable to owners of the parent for the period increased by 12.6% to approximately RMB136.1 million (2016: approximately RMB120.9 million), as compared with 2016, whereas basic and diluted earnings per share was approximately RMB0.13 (2016: approximately RMB0.12*).

CONTINUOUS RESEARCH AND DEVELOPMENT AND PRODUCT OPTIMIZATION

The Group has always attached great importance to investment in research and development. We constantly upgrade existing technologies and products, actively develop more environmentally friendly and advanced production technologies, and produce more competitive products, to maintain our leading position in the industry. At the same time, we also actively develop new products and constantly enrich product categories to meet the diverse needs of customers and enhance customer adhesiveness.

GOOD CORPORATE GOVERNANCE AND MULTICHANNEL COMMUNICATION

We have endeavoured to maximize our Shareholders' value. Since our Listing, we implemented our corporate governance policies and sought to comply with the relevant provisions of the corporate governance code and corporate governance report as set out in Appendix 14 to the Listing Rules strictly to ensure all decisions were made on the principles of trust and fairness and in an open and transparent manner, so as to protect the interests of all Shareholders. We value the importance of corporate governance and will continue reviewing and monitoring our corporate governance practices to ensure the compliance with the Corporate Governance Code.

本集團通過不斷地鞏固在現有行業的市場地位，對現有產品進行產能擴充和技術升級，並越來越多元化發展，將業務觸角深入到周邊的相關領域，對本集團維持穩定的業務收入及利潤增長，有很大的幫助，越趨多元化，有利本集團長遠維持穩定的收入和利潤率。回顧年度的母公司擁有人應佔本期間溢利較二零一六年上升12.6%至約人民幣136.1百萬元（二零一六年：約人民幣120.9百萬元），每股基本及攤薄盈利則約為人民幣0.13元（二零一六年：約人民幣0.12元*）。

持續研發及優化產品

本集團一直非常注重對研發的投入，不斷對現有的技術和產品進行升級，積極研發更環保更先進的生產技術，生產出更具競爭力的產品藉此以持續保持在行業內的領先地位。同時，我們也積極研發新的產品，不斷豐富產品的品類，滿足客戶的多樣需求，增強客戶黏性。

良好企業管治及多渠道溝通

本集團一直致力使其股東價值最大化，自上市之日起，本集團執行其企業管治政策，並務求遵守《上市規則》附錄十四所載之企業管治守則及《企業管治報告》的相關規定，嚴格確保所有決定均以公開及透明的方式並根據信任及公平的原則作出，從而保護全體股東的利益。本集團重視企業管治的重要性，本集團將繼續檢討並監察其企業管治常規，以確保遵守企業管治守則。

* The earnings per share of the Group for the year ended 31 December 2016 was adjusted for the bonus share issued in 2017.

* 本集團截至二零一六年十二月三十一日止年度之每股盈利已就二零一七年發行之紅股作出調整。



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We have proactive policies to receive the valuable opinions and suggestions from Shareholders and investors. Through our capital market department, we maintain our investor relations by regular and irregular interactions with investment institutions to ensure prompt communication and understanding. We also published our significant business progress and events through press releases and announcements in accordance with the relevant laws and regulations on our website to ensure our latest information, messages and reports are available for inspection and perusal for the Shareholders and investors in time.

TO ASSUME CORPORATE SOCIAL RESPONSIBILITY

We put emphasis on corporate social responsibilities and have been, and intended to, remain committed to environmental, health and safety protection in all of our business activities and gratefully embraced our social responsibilities. We have all relevant permits, licenses and approvals relating to environmental and safety production in all material respects. In addition, we have obtained and maintained Quality Management System ISO9001:2008, Environmental Management System ISO14001:2004 and Occupational Health Safety Management System GB/T28001-2011 for our management systems.

We have consistently concerned with staff growth and development. We secure talents to satisfy the middle to long-term strategic development of our personnel structure and hierarchy through continuous nurturing mechanisms. In addition, we are also concerned with staff' families. By establishing good corporate culture and a system designated for the well-being of staff members which are conducive to their sense of belonging, we make continuous optimization and innovations to offer a variety of benefits to every member of the staff.

OUTLOOK AND STRATEGY

Looking into 2018, for existing traditional business sectors, we will continue to improve production technologies as well as enhance production efficiency and environmental protection level in a bid to lower production costs and seize larger market share with superior competitiveness to our peers. For new business sectors, we will ramp up our efforts in product development and adopt a more flexible market strategy to enhance our market competitiveness in these new business areas.

我們採取積極政策歡迎股東及投資者的寶貴意見及建議。我們設置資本市場部對接投資者關係維護，採取定期與不定期與投資機構進行溝通協調，及時增進溝通與瞭解。我們亦會根據相關法律及法規通過新聞發布、公告及本集團網站公布其重大業務進展及活動，以確保本集團的最新信息及信息、報告及時被股東及投資者查閱和了解。

履行企業社會責任

我們重視企業社會責任，一向並擬繼續致力於所有業務活動中的環境、健康及安全保護，把履行社會責任視為自己義不容辭的義務。我們在所有重大方面均擁有與環境及安全生產有關的所有相關許可證、牌照及批文。此外，於往績記錄期，我們已就管理體系取得並保持質量管理體系ISO9001:2008、環境管理體系ISO14001:2004及職業健康安全管理体系GB/T28001-2011。

我們始終關注員工的成長與發展，通過持續培養的機制來滿足本集團人才結構和層次匹配中長期的戰略發展需求。我們不僅關注員工，同時也關愛員工的家庭。本集團以營造良好企業氛圍、建立員工整體關懷體系、增強員工在企業的歸屬感為導向，不斷優化、創新，為每位員工提供多樣的福利。

展望及策略

展望二零一八年，對現有傳統業務板塊，我們會持續改良生產技術，提升生產效率、環保水平，以優於同業的競爭力，爭取更低生產成本，更大市場份額。對新的業務板塊，我們會加大產品開發力度，採取更加靈活的市場策略，提升我們在新的業務領域的市場競爭力。

Dye intermediates, pigment intermediates and agricultural chemical intermediates are our traditional advantageous business sectors; we expect them to continue the rapid growth momentum in the second half of 2017 and transfer the impact of the rise in prices of raw materials downstream in a timely and effective manner. At the same time, as the Chinese economy transforms and upgrades, the supply side reform continues, and outdated production capacity is eliminated, the regulation on environmental protection will be increasingly stringent. We will leverage our advantages in production processes, environmental protection treatment, and other aspects to further expand our lead over competitors. We expect our traditional advantageous business sectors to achieve further breakthroughs while providing stable revenue, profits, and operating cash flows.

We started to develop and produce new energy materials at the beginning of 2017. At present, we focus on iron phosphate product, the precursor of lithium battery cathode materials. Currently, the pilot production of ionic phosphate product and carbon nanotube paste, which is used as a conductor of anode and cathode materials of lithium batteries, have begun. Together with our existing NMP products, we have launched three products in the battery materials market. With the continuous enrichment of our products, we are sure to improve our competitiveness in the field of battery materials.

We have been working with one of the top universities in the PRC on the research and development in the field of lithium battery materials to jointly develop new production technologies for existing battery materials products and the new ternary material products. The application of new technologies can further enhance the efficiency of product production, improve product quality, meet the rising procurement standards of downstream customers, and gain advantages in competition. The research and development of ternary materials allow us to complete the overall layout in the fields of binary and ternary materials and lay a solid foundation for subsequent development of the Group.

作為我們傳統優勢業務板塊的染料中間體、顏料中間體以及農藥中間體產品，我們期望二零一八年能夠延續二零一七年下半年快速上升的態勢，將原材料價格上漲的影響及時、有效地向下游傳導。同時，隨着中國經濟轉型升級，供給側改革繼續，淘汰落後產能、對環保的監管將會日益嚴格，我們會充分利用自身在生產工藝、環保處理等方面的優勢，進一步擴大與同行競爭對手的差距。我們期望，傳統優勢業務板塊在為集團提供穩定收入、利潤及經營現金流的基礎上，實現進一步突破。

我們已經於二零一七年初開始布局新能源材料的研發及生產，目前主要集中在鋰電池正極材料前驅體磷酸鐵產品。截止目前，磷酸鐵產品及作為鋰電池正負極材料導電劑的碳納米管導電漿料產品已經開始試生產。連同我們現有的NMP產品，我們已經在電池材料領域推出了三款產品。隨着我們產品種類的不斷豐富，必將在電池材料領域提升我們的競爭力。

我們已經與一間中國頂級院校進行鋰電池材料領域的研發合作，共同研發現有電池材料產品新生產技術以及新三元材料產品。新技術的應用，可以進一步提高產品生產效率，提升產品品質，滿足下游客戶不斷提高的採購標準，在競爭中取得優勢。三元材料的研發，讓我們能夠完成在二元及三元材料領域的整體布局，為集團後續發展奠定堅實基礎。





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We have made breakthroughs in our new business in the environmental technology consultancy service. In November 2017, we won a bid and was awarded the "Atmosphere Monitoring Construction and Post-Construction Operation and Maintenance Project of Major Enterprises in Cangzhou City". As our first breakthrough in the field of the environmental technology consultancy service, the project showcases our technical strength in the field of environmental protection, especially of air, water and solid waste monitoring and treatment. Our environmental technology consultancy service is being rolled out in an orderly manner and is bound to become an important business sector of the Group and assist in the future development of the Group.

We are still actively seeking potential acquisitions and mergers projects to consolidate our industry position in the existing product fields and expand into new business sectors that synergize with our existing businesses, thereby creating greater value for all shareholders.

ACKNOWLEDGEMENTS

On behalf of the Board, I would like to extend my heartfelt gratitude to our shareholders, customers and business partners for their support and trust in the management of the Company, and to the management team and all staff members for their dedication and efforts to achieve better results for the Group and create value for shareholders.

Chairman and Chief Executive Officer
Ge Yi
28 March 2018

我們在環保技術諮詢服務的新業務已經取得突破，於二零一七年十一月我們成功中標並取得了滄州市重點企業大氣監測施工及後期運營維護項目。作為我們在環保領域取得的第一個突破，該項目充分顯示了我們在環保領域，尤其是大氣、水及固廢監測治理領域的技術實力。我們的環保技術諮詢服務正在有序展開，未來必將成為集團重要業務板塊，助力集團未來發展。

我們依然在繼續尋找具潛力的收購、兼併項目，鞏固現有產品領域的行業地位，拓展與現有業務具協同效應的新業務板塊，為全體股東創造更大的價值。

致謝

本人謹代表董事會向我們的股東、客戶、合作夥伴，感謝你們對公司管理層的信任。由衷感激管理團隊及全體員工，在過去的一年同心協力、堅持不懈為本集團創造業績，為股東創造價值！

主席及行政總裁
戈弋
二零一八年三月二十八日

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group produced fine chemicals such as dye, pigment and agricultural chemical intermediates, and ventured into the new energy material market during the Review Year, producing the high-performance ironic phosphate product (precursor of lithium-ion cathode materials), which is mainly used in the production of lithium battery for electric vehicles, as well as carbon nanotube conductor paste product, which is mainly used as an additive of lithium batteries. At the end of 2017, the Group entered into a framework cooperation agreement with one of the top universities in the PRC to jointly develop precursor products for binary and ternary anode materials, so as to further expand the Group's product mix in the new energy materials sector.

The existing main businesses of Group are characterized by high stability, taking a prominent position in the market. Due to the irreplaceability of the products, the Group has maintained good business relations with its main customers which span over eleven years. In 2017, the top five largest customers of the Group accounted for a total of approximately 31.3% of the revenue (2016: approximately 28.9%).

The Group has a well-established sales network, which covers areas including Asia, Europe, North and South Americas. For the Review Year, revenue derived from the Group's sales in China accounted for approximately 63.8%; India accounted for approximately 10.9%; Germany accounted for approximately 5.2%; the United States of America, Indonesia and other regions accounted for approximately 5.0%, 3.7% and 11.4% respectively, by regional distribution.

PERFORMANCE REVIEW

During the Review Year, revenue of the Group increased by 19.8% to approximately RMB1,247.4 million (2016: RMB1,041.1 million). The increase in revenue was mainly due to the increase in sales price and sales volume.

業務回顧

本集團生產染料、顏料及農藥中間體等多種精細化學品，並於回顧年進入新能源材料市場，生產高性能的鋰電池正極材料前驅體磷酸鐵產品，該產品主要用於電動汽車的鋰電池的生產，並同時生產碳納米管導電漿料產品，主要用於鋰電池的添加劑。二零一七年底，本集團與一間中國頂級院校簽訂框架合作協議，共同研究開發二元及三元鋰電池正極材料前驅體產品，以進一步豐富本集團在新能源材料板塊的產品組合。

本集團的現有主營業務，具有穩定性強，佔據主要市場地位的特點，而且由於產品具有不可替代性，本集團與主要客戶一直維持良好的業務關係，合作關係長達十一年以上。二零一七年，五大客戶佔本年度收益達約31.3%（二零一六年：約28.9%）。

本集團的產品亦銷售至亞洲、歐洲和南北美洲等區域，銷售網絡完善。於回顧年內，收益按地區分佈而言，中國地區之收益約佔63.8%；印度約佔10.9%；德國約佔5.2%；美國、印度尼西亞和其他地區分別約佔5.0%、3.7%及11.4%。

業績回顧

回顧年內，本集團整體收益上升19.8%至約人民幣1,247.4百萬元（二零一六年：人民幣1,041.1百萬元）。收益上升主要由於產品售價及銷量上漲所致。





Management Discussion and Analysis

管理層討論及分析

As for gross profit, since the increase in product prices was greater than that of raw materials and the sales volume increased, the gross profit of the Group increased by approximately 23.6% to RMB363.0 million (2016: approximately RMB293.6 million). The overall gross profit margin of the Group increased to approximately 29.1% from approximately 28.2% for the same period last year. On the other hand, the net profit of the Group for the whole year increased by approximately 12.6% to approximately RMB136.1 million (2016: approximately RMB120.9 million); net profit margin was approximately 10.9% (2016: approximately 11.6%); basic earnings per share was approximately RMB0.13 (2016: approximately RMB0.12*).

Dye intermediates – accounting for approximately 52.9% of total revenue (2016: approximately 46.3%)

During the Review Year, the price of raw materials of dye intermediates increased along with the oil price. As the Group adopted a pricing model of cost markup, it was able to transfer the impact of rising raw material price to downstream customers, to ensure the stable revenue and profit of dye intermediates sector.

In light of the above factors, revenue derived from the dye intermediates sector increased by approximately 36.9% to approximately RMB660.0 million as compared to the same period in 2016, accounting for approximately 52.9% of total revenue. Due to the rise in product prices, gross profit margin of the sector increased to approximately 30.1% (2016: 25.9%). During the Review Year, sales volume of the sector increased by 11.3% compared with the same period in 2016 to approximately 36,763 tons (2016: 33,018 tons).

* The earnings per share of the Group for the year ended 31 December 2016 was adjusted for the bonus share issued in 2017.

毛利方面，由於產品價格上漲幅度大於原材料上漲幅度，以及銷量增加，故本集團之毛利上升幅度約23.6%，達約人民幣363.0百萬元（二零一六年：約人民幣293.6百萬元），本集團整體毛利率較去年同期由28.2%上升至今年約29.1%。另一方面，本集團全年純利錄得上升12.6%至約人民幣136.1百萬元（二零一六年：約人民幣120.9百萬元）；純利率約為10.9%（二零一六年：約為11.6%）；每股基本盈利約為人民幣0.13元（二零一六年：約人民幣0.12元*）。

染料中間體 – 佔整體收益約52.9%（二零一六年：約46.3%）

回顧年內，由於石油價格上漲，導致染料中間體原材料價格上漲，而本集團採用成本加成的定價模式，成功將原材料價格上漲的影響傳導至下游客戶，保證染料中間體板塊的穩定收益及利潤。

綜合以上因素，染料中間體板塊收益較二零一六年同期上升36.9%至約人民幣660.0百萬元，佔整體收入約52.9%。由於產品價格提升，板塊毛利率上升至約30.1%（二零一六年：25.9%）。回顧年內，板塊的銷量較二零一六年同期增加約11.3%至約36,763噸（二零一六年：33,018噸）。

* 本集團截至二零一六年十二月三十一日止年度之每股盈利已就二零一七年發行之紅股作出調整。

Pigment intermediates – accounting for approximately 18.9% of total revenue (2016: approximately 19.0%)

During the Review Year, as the competition with main competitors intensified and the proportion of low-profit margin products increased, the average unit prices of the products dropped. The average price of pigment intermediates decreased by approximately 4.3% from RMB30,460 per ton in 2016 to approximately RMB29,150 per ton. The increased market share of the Group resulted in an increase in the sales volume to approximately 8,102 tons (2016: approximately 6,482 tons) during the Review Year. Revenue of the sector in 2017 was approximately RMB236.2 million, representing an increase of approximately 19.6% compared with the same period. Also, the reduction in selling price outweighed that in cost, leading to a decrease of the average gross profit margin by approximately 6.7 percentage points to 33.7 % (2016: approximately 40.4%).

Agricultural chemical intermediates – accounting for approximately 28.0% of total revenue (2016: approximately 34.7%)

To achieve the upstream and downstream product integration, the Group began to produce mononitrotoluene in 2015, and quickly secured an important position in the agricultural chemical intermediates market. The Group increased the production capacity of mononitrotoluene to 80,000 tons in March 2016. With smooth production and operation, the profitability of the product met the expectation of the Group. During the Review Year, due to production restriction by the government and other reasons, sales volume decreased by 5,437 tons to 32,414 tons (2016: 37,851 tons).

As the largest PNT purchaser in the world, the Group began to produce mononitrotoluene on its own. The external purchase of PNT by the Group decreased by approximately 85%, which led to an oversupply of PNT in the market. Thus, some enterprises were forced to reduce or cease their production or withdraw from the business, which speeded up the process of integration of the industry, and at the same time expanded the Group's market share, enhanced its status in the industry as well as increased its bargaining power. Benefitted from industry integration, the Group raised the average selling price of ONT, OT and other products during the Review Year by approximately 13.0% from approximately RMB9,550 per ton in 2016 to approximately RMB10,794 per ton in 2017.

顏料中間體 – 佔整體收益約18.9% (二零一六年：約19.0%)

回顧年內，由於與主要競爭對手之市場競爭激烈且利潤率較低的產品佔比增加，導致產品平均單價有所下降，顏料中間體單位平均售價由二零一六年的每噸人民幣30,460元下跌約4.3%至每噸約人民幣29,150元。由於本集團相關產品市場份額增大，令回顧年內銷量上升至約8,102噸（二零一六年：約6,482噸）。板塊二零一七年收益約為人民幣236.2百萬元，較去年同期增加約19.6%。同時，板塊的售價上升幅度比成本的上升幅度小，使平均毛利率下降約6.7個百分點至33.7%（二零一六年：約40.4%）。

農藥中間體 – 佔整體收益約28.0% (二零一六年：約34.7%)

為了實現上下游產品整合，本集團於二零一五年開始自行生產一硝基甲苯，並迅速於農藥中間體市場佔據重要地位。本集團於二零一六年三月增加一硝基甲苯產能至80,000噸，其生產和經營狀況良好，產品利潤能力符合本集團預期。於回顧年內，由於政府限產等原因，銷量下降約5,437噸至32,414噸（二零一六年：37,851噸）。

本集團為全球PNT的最大採購商，在自行生產一硝基甲苯後，本集團減少對外採購PNT約85%，導致市場上的PNT供應過剩。部分企業因而被迫減產、停產或退出，加速了行業的整合，同時令本集團於市場上獲得更高的市場份額，提升自身的話語權和議價能力。受惠於行業整合，本集團於回顧年對ONT、OT及其他產品進行提價，平均售價由二零一六年每噸約人民幣9,550元增加約13.0%至二零一七年每噸約人民幣10,794元。



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During the Review Year, there was a slight drop in revenue generated from the productions due to the decline in sales volume and revenue generated from the sector dropped by approximately 3.2% to approximately RMB349.9 million. As the decrease in production volume led to the increase of the production cost, the gross profit margin of the sector decreased by approximately 1.9 percentage points to approximately 24.2%.

Lithium battery materials – accounting for approximately 0.1% of total revenue (2016: Nil)

During the Review Year, the Group fully capitalized on the opportunities presented by the fast-growing new energy market. To quickly seize market shares, the Group began to invest in the development and manufacture of new energy materials in early 2017. During the Review Year, the production line of 15,000 tons of iron phosphate has commenced pilot production. During the Review Year, the Group launched its iron phosphate lab scale products which were recognized by the market.

Environmental technology consultancy service – accounting for approximately 0.04% of total revenue (2016: Nil)

With mounting pressure from environmental protection in China and increasing demands from the environmental protection treatment market, we leverage our long-established advantages in environmental protection treatment and proactively cooperate with third parties to conduct environmental protection consulting business, focusing on consultation on environmental protection regarding the atmosphere, sewage, and solid waste treatment. During the Review Year, the environmental technology consultancy business generated revenue of approximately RMB0.53 million, with a gross profit margin of approximately 12.5%.

回顧年內，產品收益由於銷量降低原因較去年略有下降，板塊收益下降約3.2%至約人民幣349.9百萬元。由於產量降低導致生產成本升高，板塊毛利率較二零一六年下降約1.9個百分點至約24.2%。

電池材料 – 佔整體收益約0.1% (二零一六年：無)

回顧年內，本集團充分把握新能源市場迅猛發展的機遇，為快速佔領市場份額，已經於二零一七年初開始佈局新能源材料的研發及生產。回顧年內，本集團1.5萬噸磷酸鐵生產線已經試生產。本集團磷酸鐵小試產品於回顧年內投放市場並獲認可。

環保技術諮詢服務 – 佔整體收益約0.04% (二零一六年：無)

隨著中國環保壓力日趨增大，現有越來越多的環保處理市場需求，我們利用長期積累的環保處理優勢，積極與第三方進行合作，開展環保諮詢業務，重點在大氣、污水及固廢處理領域進行環保技術諮詢服務。回顧年內，環保業務實現收益約人民幣0.53百萬元，毛利率約為12.5%。

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EXPORT

In 2017, the export revenue of the Group amounted to approximately RMB451.0 million, representing an increase of approximately RMB116.5 million or 34.8% as compared to the export revenue of approximately RMB334.5 million in 2016. The increase in export revenue of the Group was mainly due to the increase in average sales price and sales volume of dye intermediates.

In 2017, the export revenue attributed approximately 36.2% to the total revenue of the Group (2016: approximately 32.1%).

RESEARCH AND DEVELOPMENT

To proactively respond to the government's call for developing new energies, the Group employed key talents, completed the research and development of battery materials and the construction of characterization platform, completed the process development for ionic phosphate (precursor of LFP anode materials) and optimization and enhancement of three-waste treatment process, and cooperated with one of the top universities in the PRC to carry our research on high-grade-nickel ternary anode materials, thereby proactively engaging in new technologies for the development of the new energy industry, laying a solid foundation for venturing into the new energy industry.

On top of technology improvement on existing products, we continue to optimize the processes and improve the quality of the products, increase investment in the three-waste treatment process, and replace treatment with recycling with respect to VOC treatment, thereby reducing the overall operating costs; to address the rise in environmental protection standards, we upgraded and renovated existing facilities and successfully accomplished the task assigned by the government.

Upholding the belief that technology is the core competitiveness, the Group will continue to maintain its investment and efforts in research and development to retain the advantages enjoyed by its products and identify new growth drivers.

出口

於二零一七年，本集團實現出口收益約為人民幣451.0百萬元，較二零一六年出口收益約為人民幣334.5百萬元，增加約人民幣116.5百萬元或34.8%。本集團出口收益增加，主要是由於染料中間體平均銷售價格及銷量上升所致。

於二零一七年，本集團出口收益佔收益總額約36.2%（二零一六年：約32.1%）。

研究及開發

本集團積極響應中國政府新能源產業發展號召，引入關鍵性人才，完成電池材料研發及表徵平台建設，完成磷酸鐵鋰正極材料前驅體磷酸鐵的工藝開發及三廢處理工藝的優化提升，並與一間中國頂級院校合作開展高鎳三元正極材料的研究，積極佈局新能源產業發展的新技術，為進入新能源產業打下堅實的基礎。

在現有產品的技術提升上，繼續完善各產品的工藝優化和品質提升，加大對三廢處理工藝的投入，在VOC處理方式上以回收代替處理，降低了整體運行費用；針對環保標準的提升，對現有處理設施進行升級改造，圓滿完成政府下達的任務。

本集團將秉承技術是核心競爭力的觀念，繼續維持對研發的投入和不懈努力，保持產品的市場優勢，開拓新的增長點。



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OUTLOOK

During the Review Year, the Group continued to seek different development opportunities by actively expanding both along the industry chain and horizontally. The Group constantly opened new business areas while consolidating and developing existing business of dyes, pigments and agricultural chemical intermediates. Looking ahead to 2018, with the recovery of the global economy, the gradual rise of global oil price and the continued scale-up of China's economy transformation, the Group will take full advantage of these market opportunities in 2018 and continue to improve the efficiency of our production technology and enhance environmental protection, striving for greater market share with superior competitiveness to our peers.

The Group started to invest in the development and manufacture of new energy materials since early 2017. Currently, the pilot production of ionic phosphate product and carbon nanotube paste, which is used as a conductor of anode and cathode materials of lithium batteries, have begun. Together with our existing NMP product, we have launched three products in the battery materials market. We have been cooperating with one of the top universities in the PRC to jointly develop ternary anode materials, which allows us to achieve a full presence in binary and ternary materials markets, laying a solid foundation for the subsequent development of the Group.

In early 2018, we have made breakthroughs in new business of environmental technology consultancy service. We believe that there will be an increasing demand in the environmental protection treatment market as environmental protection pressure increases in China. We believe that the environmental technology consultancy segment will assist the Group in its future development.

In the future, we will continue to look for potential acquisitions and mergers and actively explore the overseas markets. In addition to consolidating existing businesses, we will also explore new areas that have synergies with existing businesses and create more value for shareholders.

展望

於回顧年內，本集團不斷尋求發展機遇，積極實行產業鏈上下游及橫向發展的策略。在繼續鞏固發展現有染料、顏料及農藥中間體業務的基礎上，不斷開拓新的業務領域。展望二零一八年，隨着全球經濟持續復蘇、國際油價的逐步回升及中國經濟轉型持續加碼，本集團將充分把握此市場機遇，二零一八年我們將會持續改良生產技術，提升生產技術效率、環保水平，以優於同業的競爭力，爭取更大市場份額。

本集團已經於二零一七年初開始佈局新能源材料的研發及生產，截止目前，磷酸鐵產品以及作為鋰電池正負極材料導電劑的碳納米管導電漿料產品已經開始試生產。連同現有的NMP產品，我們已經在電池材料領域推出了三款產品。我們已經與一間中國頂級院校進行合作，共同研發三元正極材料讓我們能夠完成在二元及三元材料領域的整體佈局，為本集團後續發展奠定堅實基礎。

二零一八年初，我們的環保新技術諮詢業務已經取得突破，相信隨着中國環保壓力日趨增大，預計會有越來越多的環保處理市場需求。我們相信，環保技術諮詢服務領域將會有本集團未來發展。

未來，我們將會繼續尋找具潛力的收購、兼併計劃，並積極開拓海外市場；在鞏固現有業務的同時，開拓與現有業務具協同效應的新領域，為股東創造更大的價值。

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FINANCIAL REVIEW

Revenue and gross profit

In 2017, the revenue and gross profit amounted to approximately RMB1,247.4 million and approximately RMB363.0 million, respectively, representing an increase of approximately RMB206.3 million and approximately RMB69.4 million or 19.8% and 23.6% from approximately RMB1,041.1 million and approximately RMB293.6 million, respectively, in 2016. In 2017, the gross profit margin of the Group was approximately 29.1%, as compared to approximately 28.2% in 2016. The increase in gross profit margin was due to the Group's overall increase in sales prices of products in the second half of 2017, which transferred the adverse impact of higher raw material prices to customers for stable revenue and gross profit margin.

Net profit and net profit margin

In 2017, the net profit of the Group was approximately RMB136.1 million, representing an increase of approximately RMB15.2 million or 12.6%, as compared to approximately RMB120.9 million for 2016. In 2017, the net profit margin of the Group was approximately 10.9%, as compared to approximately 11.6% in 2016.

Selling and distribution expenses

In 2017, selling and distribution expenses amounted to approximately RMB42.7 million, representing an increase of approximately RMB3.8 million, as compared to approximately RMB38.9 million in 2016. The increase in selling and distribution expenses was mainly attributable to the increase in the sales volume.

In 2017, selling expenses represented approximately 3.4% of the Group's revenue (2016: approximately 3.7%).

財務回顧

收益及毛利

於二零一七年，本集團取得收益及毛利分別約為人民幣1,247.4百萬元及約人民幣363.0百萬元，較二零一六年約為人民幣1,041.1百萬元及約人民幣293.6百萬元分別增加約人民幣206.3百萬元及約人民幣69.4百萬元，或19.8%及23.6%。於二零一七年，本集團毛利率約為29.1%，二零一六年毛利率約為28.2%。毛利率上升的原因為本集團於二零一七年下半年全面提升產品銷售價格，將原材料價格上漲的不利影響傳導至客戶，以取得穩定的收益及毛利水平。

純利及純利率

於二零一七年，本集團錄得純利約為人民幣136.1百萬元，較二零一六年約為人民幣120.9百萬元，增加約人民幣15.2百萬元或12.6%。於二零一七年，本集團純利率約為10.9%，二零一六年純利率約為11.6%。

銷售及分銷開支

於二零一七年，銷售及分銷開支約為人民幣42.7百萬元，較二零一六年約為人民幣38.9百萬元，增加約人民幣3.8百萬元。銷售及分銷開支上升的主要原因是銷量增加所致。

於二零一七年，銷售開支約佔本集團收益的3.4%（二零一六年：約3.7%）。





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Administrative expenses

In 2017, administrative expenses amounted to approximately RMB121.8 million, representing an increase of approximately RMB31.2 million, as compared to approximately RMB90.6 million in 2016. The increase in administrative expenses was mainly due to the production cost incurred during the suspension of agricultural chemical intermediates accounted for administrative expense, increase in staff cost and research and development expenses as well as the service fees payable to intermediaries recognised for the proposed acquisition of Ynnovate Sanzheng (Yingkou) Fine Chemicals Co., Ltd.

In 2017, administrative expenses represented approximately 9.8% of the Group's revenue (2016: approximately 8.7%).

Finance costs

In 2017, finance costs amounted to approximately RMB15.6 million, representing an increase of approximately RMB5.3 million, as compared to approximately RMB10.3 million in 2016, mainly attributable to the increase in the interests of bank loans.

Exchange loss

In 2017, exchange loss amounted to approximately RMB5.9 million, representing a decrease of approximately RMB9.5 million, as compared to approximately RMB15.4 million in 2016, mainly due to the conversion of overseas deposits from Renminbi to US dollars and the appreciation of Renminbi against US dollar in 2017.

Income tax expenses

The PRC subsidiaries of the Company are generally subject to the enterprise income tax at a rate of 25.0%. In 2017, income tax amounted to approximately RMB45.0 million, representing an increase of approximately RMB11.5 million, as compared to approximately RMB33.5 million in 2016. The increase in income tax expense was mainly attributable to the increase in profit before tax during the Review Year as compared with 2016.

行政開支

於二零一七年，行政開支約為人民幣121.8百萬元，較二零一六年約為人民幣90.6百萬元，增加約人民幣31.2百萬元。行政開支上升的主要因為農藥中間體停工期間的製造費用列為行政開支，人工成本及研發費用增加，以及確認營創三徵（營口）精細化工有限公司建議收購之中介服務費所致。

於二零一七年，行政開支約佔本集團收益的9.8%（二零一六年：約8.7%）。

財務成本

於二零一七年，財務成本約為人民幣15.6百萬元，較二零一六年約為人民幣10.3百萬元，增加約人民幣5.3百萬元。主要原因是銀行貸款利息增加所致。

匯兌損失

於二零一七年，匯兌損失為約人民幣5.9百萬元，較二零一六年約為人民幣15.4百萬元，減少約人民幣9.5百萬元。主要原因是二零一七年將境外人民幣存款轉為美元存款，及二零一七年人民幣對美元升值所致。

所得稅開支

本公司於中國大陸的附屬公司通常須按25.0%的稅率繳納中國企業所得稅。於二零一七年，所得稅費用約為人民幣45.0百萬元，較二零一六年約為人民幣33.5百萬元，增加約人民幣11.5百萬元。所得稅開支增加主要是由於回顧年內，稅前利潤較二零一六年增加所致。

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Cash flows

In 2017, net cash flows from operating activities of the Group amounted to approximately RMB191.6 million, as compared with approximately RMB171.3 million in 2016, representing an increase of approximately RMB20.3 million, mainly due to the prepayment of the income tax for the year 2016 in 2015.

In 2017, net cash flows used in investing activities of the Group amounted to approximately RMB257.3 million, as compared with approximately RMB248.1 million in 2016, representing an increase of approximately RMB9.2 million, mainly due to the expenses on the new production plant built by Tsaker Dongying and battery materials as well as the purchase of machinery and equipment.

In 2017, net cash flows generated from financing activities of the Group amounted to approximately RMB27.6 million, as compared with approximately RMB270.3 million in 2016, representing a decrease of approximately RMB242.7 million, mainly due to (i) the amount of proceeds from issue of shares increased by approximately RMB93.9 million in 2017, as compared with 2016; (ii) the net amount from bank borrowings and other borrowings decreased by approximately RMB328.9 million in 2017, as compared with 2016; and (iii) payment of dividend, service fee and funds paid to related parties increased by approximately RMB7.7 million in 2017, as compared with 2016.

現金流量

於二零一七年，本集團經營活動所得現金流量淨額約為人民幣191.6百萬元，較二零一六年約為人民幣171.3百萬元，增加約人民幣20.3百萬元，主要是因為二零一六年所得稅於二零一五年預繳所致。

於二零一七年，本集團投資活動所用現金流量淨額約為人民幣257.3百萬元，較二零一六年約為人民幣248.1百萬元，增加約人民幣9.2百萬元，主要是因為於二零一七年彩客東營及電池材料新建生產廠房、購置機器設備支出所致。

於二零一七年，本集團籌資活動現金流入淨額約為人民幣27.6百萬元，較二零一六年籌資活動現金流入淨額約為人民幣270.3百萬元，減少約人民幣242.7百萬元，主要是因為(i)於二零一七年發行股份所得款項較二零一六年增加約人民幣93.9百萬元；(ii)於二零一七年，銀行借款及其他借款較二零一六年減少約人民幣328.9百萬元；及(iii)於二零一七年支付股息、服務費、向關聯方清償資金等較二零一六年增加約人民幣7.7百萬元所致。





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Liquidity and capital structure

In 2017, the daily working capital of the Group was primarily derived from internally generated cash flow from operations and bank borrowings. As at 31 December 2017, the Group had (i) cash and cash equivalents of approximately RMB359.8 million, in which approximately RMB89.8 million was denominated in RMB and approximately RMB270.0 million in other currencies (USD, HKD and Singapore dollar) (as at 31 December 2016: approximately RMB396.7 million, in which approximately RMB191.8 million was denominated in RMB and approximately RMB204.9 million in other currencies (USD and HKD)); (ii) restricted cash approximately of RMB17.9 million (as at 31 December 2016: approximately RMB72.5 million); and (iii) interest-bearing bank borrowings of approximately RMB582.0 million with interest rate of 3.92%-10.84% per annum, in which approximately RMB194.6 million shall be repayable within one year (as at 31 December 2016: approximately RMB241.6 million, shall be repayable within one year with interest rate of 3.92%-7.6% per annum one year). As at 31 December 2017, no banking facilities were unutilised by the Group.

In 2017, the Group did not use any risk hedging instrument or have any borrowing or hedge in its foreign currency investment.

Gearing ratio

As at 31 December 2017, the Group's gearing ratio was approximately 51.0% as compared to approximately 43.9% as at 31 December 2016, which is calculated at interest-bearing bank loans and other borrowings at the end of the period divided by the total equity.

流動資金及資本結構

於二零一七年，本集團日常營運資金的來源主要為內部經營產生的現金流量及銀行借款。於二零一七年十二月三十一日，本集團持有(i)現金及現金等價物為約人民幣359.8百萬元，其中，以人民幣計值為人民幣89.8百萬元，以其他貨幣(美元、港幣和新幣)計值約為人民幣270.0百萬元(二零一六年十二月三十一日：約為人民幣396.7百萬元，其中，以人民幣計值約為人民幣191.8百萬元，以其他貨幣(美元和港幣)計值約為人民幣204.9百萬元)；(ii)受限制現金約為人民幣17.9百萬元(二零一六年十二月三十一日：約為人民幣72.5百萬元)；及(iii)計息銀行借款約為人民幣582.0百萬元，年利率為3.92%-10.84%，其中約人民幣194.6百萬元須於一年內償還(二零一六年十二月三十一日：約人民幣241.6百萬元須於一年內償還，年利率為3.92%-7.6%)。截止二零一七年十二月三十一日，本集團無銀行授信額度未使用。

於二零一七年，本集團無任何風險對沖工具或外幣投資中無任何借貸或對沖。

資產負債比率

於二零一七年十二月三十一日，本集團的資產負債比率(期末的計息銀行貸款及其他借款除以總權益計算)約為51.0%，於二零一六年十二月三十一日約為43.9%。

Management Discussion and Analysis

管理層討論及分析

Current assets

As at 31 December 2017, total current assets of the Group amounted to approximately RMB977.9 million (as at 31 December 2016: approximately RMB926.2 million), primarily consisting of inventories of approximately RMB115.0 million (as at 31 December 2016: approximately RMB81.8 million), trade receivables and notes receivable of approximately RMB328.2 million (as at 31 December 2016: approximately RMB281.0 million), prepayments and other receivables of approximately RMB157.0 million (as at 31 December 2016: approximately RMB94.2 million), cash and cash equivalents of approximately RMB359.8 million (as at 31 December 2016: approximately RMB396.7 million) and restricted cash of approximately RMB17.9 million (as at 31 December 2016: approximately RMB72.5 million).

Inventories

Inventories of the Group mainly consisted of raw materials, work-in-progress and finished products. The turnover days for inventories increased from 39 days for 2016 to 41 days for 2017, the stability of turnover days is mainly due to the Group's enhanced ordinary management of inventory levels and proper arrangements for procurement, production, and sales.

Trade receivables and notes receivable

Trade receivables	貿易應收款項
Notes receivable	應收票據

As at 31 December 2017, trade receivables and notes receivable of the Group increased by approximately RMB47.2 million as compared to those of last year, mainly due to the increase in revenue compared with the same period last year.

The turnover days for trade receivables increased from 65 days for 2016 to 71 days for 2017.

流動資產

於二零一七年十二月三十一日，本集團的流動資產總額約為人民幣977.9百萬元（二零一六年十二月三十一日：約為人民幣926.2百萬元），其主要包括存貨約為人民幣115.0百萬元（二零一六年十二月三十一日：約為人民幣81.8百萬元）、貿易應收款項及應收票據約為人民幣328.2百萬元（二零一六年十二月三十一日：約為人民幣281.0百萬元）、預付款項及其他應收款項約為人民幣157.0百萬元（二零一六年十二月三十一日：約為人民幣94.2百萬元）、現金及現金等價物約為人民幣359.8百萬元（二零一六年十二月三十一日：約為人民幣396.7百萬元），以及受限制現金約為人民幣17.9百萬元（二零一六年十二月三十一日：約為人民幣72.5百萬元）。

存貨

本集團的存貨主要包括原料、在產品及成品。存貨的周轉天數由二零一六年的39天升至二零一七年的41天，周轉天數穩定，主要是因為本集團加強日常存貨管理水平，合理安排採購、生產及銷售等業務環節。

貿易應收款項及應收票據

		2017 二零一七年度 RMB'000 人民幣千元	2016 二零一六年度 RMB'000 人民幣千元
Trade receivables	貿易應收款項	276,438	206,623
Notes receivable	應收票據	51,800	74,406
		328,238	281,029

於二零一七年十二月三十一日，本集團貿易應收款項及應收票據較去年增加約人民幣47.2百萬元，主要是因為於二零一七年較同期收入增加所致。

貿易應收款項的周轉天數由二零一六年的65天，增加至二零一七年的71天。



Management Discussion and Analysis

管理層討論及分析

Prepayments and other receivables

As at 31 December 2017, prepayments and other receivables of the Group increased by approximately RMB62.8 million from approximately RMB94.2 million in aggregate as at 31 December 2016 to approximately RMB157.0 million in aggregate, which was mainly due to an increase in the prepaid equipment and construction costs.

Current liabilities

As at 31 December 2017, total current liabilities of the Group amounted to approximately RMB705.3 million (as at 31 December 2016: approximately RMB716.9 million), primarily consisting of trade payables of approximately RMB369.8 million (as at 31 December 2016: approximately RMB256.5 million), other payables and accruals of approximately RMB126.0 million (as at 31 December 2016: approximately RMB199.2 million) and interest-bearing bank borrowings of approximately RMB194.6 million (as at 31 December 2016: approximately RMB241.6 million).

Trade payables

The turnover days for trade payables increased from 124 days in 2016 to 129 days in 2017. The turnover days remains stable mainly due to the long-term and good relationship with the main suppliers.

Other payables and accruals

As at 31 December 2017, other payables and accruals of the Group decreased by approximately RMB73.2 million from approximately RMB199.2 million in aggregate as at 31 December 2016 to approximately RMB126.0 million in aggregate, mainly due to the payment of arrears to the related parties during the Review Year.

預付款項及其他應收款項

於二零一七年十二月三十一日，本集團預付款項及其他應收款項合計約為人民幣157.0百萬元，較二零一六年十二月三十一日預付款項及其他應收款項合計約為人民幣94.2百萬元增加了約人民幣62.8百萬元，主要由於預付設備及工程款項增加所致。

流動負債

於二零一七年十二月三十一日，本集團的流動負債總額約為人民幣705.3百萬元（二零一六年十二月三十一日：約為人民幣716.9百萬元），其主要包括貿易應付款項約人民幣369.8百萬元（二零一六年十二月三十一日：約為人民幣256.5百萬元）、其他應付款項及應計費用約為人民幣126.0百萬元（二零一六年十二月三十一日：約為人民幣199.2百萬元），以及計息銀行借款約為人民幣194.6百萬元（二零一六年十二月三十一日：約為人民幣241.6百萬元）。

貿易應付款項

貿易應付款項的周轉天數由二零一六年的124天增加至二零一七年的129天，周轉天數穩定，主要是本集團與主要供應商保持長期友好的合作所致。

其他應付款項及應計費用

於二零一七年十二月三十一日，本集團其他應付款項及應計費用合計約為人民幣126.0百萬元，較二零一六年十二月三十一日其他應付款項及應計費用合計約為人民幣199.2百萬元減少約人民幣73.2百萬元，主要是因為本集團於回顧年內向關聯方歸還欠款所致。

Management Discussion and Analysis

管理層討論及分析

PLEDGE OF ASSETS

As at 31 December 2017, certain of the Group's property, plant and equipment, and prepaid land lease payments with a net carrying amount of approximately RMB257.5 million (as at 31 December 2016: approximately RMB118.7 million) were pledged to secure bank loans and other borrowings granted to the Group.

MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

There were no material acquisitions, disposals or significant investment of the Group for the period ended 31 December 2017.

CONTINGENT LIABILITIES

As at 31 December 2017, the Group did not have any significant contingent liabilities.

FOREIGN EXCHANGE RISK

The foreign exchange risk refers to the risk of loss caused by fluctuation in exchange rate. The foreign exchange risk of the Group mainly related to its operating activities. Along with the continuous expansion of the export business scale, the operation of the Group may be affected by the future fluctuation in exchange rate. The Group is closely monitoring the impact of fluctuation in currency exchange rates on the foreign exchange risk of the Group.

The Group currently does not have any hedging policy for foreign currency in place. However, the Board will remain alert to any relevant risk and, if necessary, consider to hedge any material potential foreign exchange risk.

EMPLOYEES AND REMUNERATION POLICIES

The Group has established human resources policies and systems with a view to achieving effective management in all aspects and building a learning-oriented organization by providing motivational rewards through proper reward system and offering employees various training programs including internal/external training and public courses.

資產抵押

於二零一七年十二月三十一日，本集團抵押若干賬面淨額約為人民幣257.5百萬元（於二零一六年十二月三十一日：約人民幣118.7百萬元）之物業、廠房及設備、以及預付土地租賃款項以擔保本集團獲授之銀行貸款及其他借款。

重大收購、出售及重大投資

截至二零一七年十二月三十一日止期間，本集團無重大收購、出售及重大投資。

或有負債

於二零一七年十二月三十一日，本集團並無重大或有負債。

外匯風險

外匯風險指因匯率變動產生損失的風險。本集團承受外匯風險主要與本集團的經營活動有關。隨著公司出口業務規模不斷擴大，未來匯率波動可能對本集團經營造成影響。本集團密切關注匯率變動對本集團外匯風險的影響。

目前本集團並無進行外幣對沖政策。董事會監控有關風險，如有需要將考慮對可能產生的重大外幣風險予以對沖。

僱員及薪酬政策

本集團完成人力資源政策及制度體系搭建，務求從各方面進行有效管理，並通過合理的獎勵制度進行激勵性獎勵，以及為僱員提供各類內、外訓與公開課等培訓計劃，打造學習型集團組織。



Management Discussion and Analysis

管理層討論及分析

In support of the Group's talent development strategy, we built a talent information system and a succession system in 2017, and completed the preliminary drawing of a talent map using the Competency Model.

The remuneration package offered to the employees was in line with their duties and the prevailing market terms. Staff benefits, including pension fund, medical coverage, provident funds, etc., were also provided to the employees of the Group.

As at 31 December 2017, the Group had 1,716 employees (2016: 1,613).

For the year ended 31 December 2017, the total staff costs of the Group (including salaries, bonuses, social insurances and provident funds) amounted to approximately RMB118.8 million (2016: approximately RMB101.6 million).

APPLICATION OF PROCEEDS FROM THE LISTING

Trading of the shares of the Company on the Main Board of The Stock Exchange commenced on 3 July 2015. The net proceeds from the Listing amounted to approximately RMB378.8 million. The proceeds are used as the purposes disclosed in the prospectus of the Company dated 23 June 2015.

For the year ended 31 December 2017, the proceeds of approximately RMB37.9 million, RMB189.4 million, RMB34.1 million, RMB18.9 million and RMB17.4 million have been used as the supplemental working capital, for the expansion of production capacity, for the development of the new products, for the rental payment of Phase I and Phase II of Tsaker Dongao, and for the purchase of the entire equity interest of Tsaker Dongao, respectively.

為配合本集團人才發展戰略，本集團於二零一七年進行人才信息體系搭建與人才梯隊建設，通過組織勝任力模型，完成人才地圖之初步建設。

本集團向僱員提供之酬金待遇乃按其職務及當時市場趨勢釐定，亦同時向僱員提供僱員福利，包括養老金、醫療保障及公積金等。

於二零一七年十二月三十一日，本集團共有員工1,716名（二零一六年：1,613名）。

截至二零一七年十二月三十一日止年度，本集團的員工成本總額（包括工資、花紅、社會保險及公積金）約為人民幣118.8百萬元（二零一六年：約人民幣101.6百萬元）。

上市所得款項用途

本公司股份於二零一五年七月三日開始在聯交所主板買賣，本集團上市所得款項淨額約為人民幣378.8百萬元，該等款項已按本公司日期為二零一五年六月二十三日的招股說明書中披露的所得款項用途使用。

截至二零一七年十二月三十一日止年度，該等款項中的約人民幣37.9百萬元已用於補充營運資金，約人民幣189.4百萬元已用於擴大產能，約人民幣34.1百萬元開發新產品，約人民幣18.9百萬元已用於支付租賃彩客東奧一期和二期的租金，以及約人民幣17.4百萬元已用於收購彩客東奧全部股權。

Management Discussion and Analysis

管理層討論及分析

APPLICATION OF PROCEEDS FROM PLACING

On 28 April 2017, the Group entered into a placing agreement with Guotai Junan Securities (Hong Kong) Limited and China Investment Securities International Brokerage Limited (the “**Joint Placing Agents**”), pursuant to which the Joint Placing Agents have conditionally agreed to procure the subscription of up to 21,000,000 New Shares to any professional, institutional or other investor(s) (the “**Placee(s)**”) at the placing price of HK\$5.15 per Placing Share (the “**Placing**”). The condition set out in the placing agreement has been fulfilled and the Placing was completed on 18 May 2017. An aggregate of 21,000,000 Placing Shares have been allotted and issued to not less than six Placees at the placing price of HK\$5.15 per Placing Share. The net proceeds from the Placing were approximately HK\$107 million, of which 50% was used for construction and operation of cathode materials for lithium ion batteries – iron phosphate project, and 50% for providing additional working capital for the Group as at 31 December 2017. The proceeds were used for the purposes as disclosed in the announcement of the Company dated 18 May 2017.

EVENTS AFTER THE REPORTING PERIOD

Details of events after the reporting period are set out in note 37 to the consolidated financial statements.

配售所得款項用途

於二零一七年四月二十八日，本集團與國泰君安證券（香港）有限公司及中投證券國際經紀有限公司（「**聯席配售代理**」）訂立配售協議，據此，聯席配售代理有條件同意按配售價每股配售股份5.15港元配售最多21,000,000股本公司新股份予專業、機構或其他投資者（「**承配人**」）（「**配售**」）。配售協議所載條件已獲達成，而配售已於二零一七年五月十八日完成。合共21,000,000股配售股份已按配售價每股配售股份5.15港元配發及發行予不少於六名承配人。配售所得款項淨額約為107百萬港元。於二零一七年十二月三十一日，其中50%用作鋰電池正極材料磷酸鐵項目建設及營運，另外50%用作補充本集團營運資金。本公司已按照其日期為二零一七年五月十八日的公告所披露的用途動用所得款項。

報告期後事項

有關報告期後事項之詳情載於綜合財務報表附註37。





Environment, Social and Governance Report

環境、社會及管治報告

About This Report

Tsaker Chemical Group Limited (the “**Company**” or “**Tsaker Chemical**”, together with its subsidiaries, the “**Group**”) is publishing its second Environment, Social and Governance (ESG) Report. This year we have disclosed our data to provide the readers with a pragmatic view of our sustainability performance. The content of this report is formulated to highlight the Group’s milestones in its journey to integrate sustainable development in its operations through high productivity and innovation.

REPORTING STANDARD AND SCOPE

This report has been prepared in accordance with the Environment, Social and Governance Reporting Guide set out in Appendix 27 of the Listing Rules prescribed by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The report covers Tsaker Chemical’s activities from 1 January 2017 to 31 December 2017 (the “**Reporting Period**”). The scope of the report includes the Group’s environmental and social performance in its (1) Beijing headquarter, (2) Tsaker Technology, (3) the Dongao production plant, as well as the two production plants in Dongguang, hereinafter respectively referred to as (4) Tsaker Dongguang and (5) Tsaker Cangzhou. Information on corporate governance will be separately presented in the annual report in accordance with Appendix 14 of the Listing Rules.

CONTACT INFORMATION

If you have any comments or suggestions upon reading this report, please contact the investor relations department at the following address:

No. 3301,
Lvdi Center China Jin,
Hong Tai East Street,
Chaoyang District, Beijing, the PRC

Telephone:
086-10-56532886

關於本報告

彩客化學集團有限公司（「**本公司**」或「**彩客化學**」，連同其附屬公司，下稱「**本集團**」）在此發表第二份環境、社會及管治報告（ESG 報告）並於本年為讀者披露其可持續發展的實際數據及表現。本報告內容是為突出本集團在融入可持續發展過程的里程碑。報告環繞著本集團如何透過高效操作和創造力，推動可持續發展。

報告準則及範圍

本報告乃根據香港聯合交易所有限公司（「**聯交所**」）上市規則附錄二十七《環境、社會及管治報告指引》所編製。本報告涵蓋了從二零一七年一月一日起至二零一七年十二月三十一日止（「**報告期**」）彩客化學的活動。報告的範圍包括北京總辦事處、彩客科技、東奧生產廠房、東光生產廠房（彩客東光及彩客滄州）的環境和社會表現。企業管治的資料將根據上市規則附錄十四於年報中單獨列出。

聯絡資料

若閣下對本報告有任何意見或建議，請以下文所載的地址聯絡資本市場部：

中國北京朝陽區
宏泰東街
望京綠地中國錦
3301 室

電話：
086-10-56532886

Business Discussion

企業討論

COMPANY PROFILE AND CORE VALUE

Founded in 1997, the Group's headquarter in the PRC is situated in Beijing and has been a listed company on the Stock Exchange since 2015. As one of the leaders in the production of dyes, pigments and agricultural chemical intermediates, the Group has the largest production base of DSD acid and DMSS in the world; it is one of the world's three largest producer of mononitrotoluene. Even with our blossoming success, Tsaker Chemical has never ceased its plan for further improvement. The Group has set up its R&D center in Beijing and is continuously developing innovative technologies to improve product quality in order to provide customers with the foremost products and services.

公司概況和核心理念

成立於一九九七年，本集團的中國總辦事處位於北京，並於二零一五年在聯交所上市。作為染料、顏料及農藥中間體生產的領導者之一，本集團擁有全球最大的DSD酸、DMSS的生產廠房，及全球三大一硝基甲苯之一的生產廠房。彩客化學從沒因此佳績而停步，在北京設立集團研發中心，力求不斷創新及優化現有產品，為客戶提供更優質的產品和服務。

TSAKER CHEMICAL'S MISSION

Tsaker Chemical intends to uphold its corporate mission "to build a better world with green technology" through its pursuance of excellence, innovation, integrity, leadership, synergy and social responsibility. The Group's sustainability approach focuses on creating opportunities to maximize values for the stakeholders and contribute to a sustainable future.

彩客化學的願景

彩客化學將持續以追求卓越、創新、誠信、領導力、協作和社會責任的精神，秉承其企業使命：讓綠色科技為世界添彩。本集團的可持續發展方針著重於創造機會，將利益相關者的價值最大化，同時能為未來的可持續發展作出貢獻。

COMMUNICATING WITH THE STAKEHOLDERS

The Group values all feedbacks from the various stakeholders in regards to our operations and believes that these valuable opinions are crucial in our continuous effort to improve product and service quality as well as optimizing corporate governance. Through the different communication channels, the Group hopes to promote the concept of sustainable development and show its commitment for its social and environmental responsibility.

與持份者的溝通

本集團重視各方持份者對我們在營運上的寶貴意見，深信其有助於本集團不斷改良其產品和服務質素，以及優化企業管理。透過不同的溝通管道，本集團希望能藉此宣揚可持續發展的理念，並表達對社會及環境責任的奉獻精神。



Environment, Social and Governance Report

環境、社會及管治報告

During the reporting year, the Group's engagement with various stakeholders are as follows:

本報告年度，本集團與各方持份者的互動方式如下：



Environment, Social and Governance Report

環境、社會及管治報告

Report Theme

報告主題

The theme of this report echoes Tsaker's corporate mission and emphasizes the idea of drawing a greener future through the development of environmentally friendly production and a harmonious society.

本報告主題為「建立環保生產，營造和諧社會，繪出綠色未來」，與彩客化學的企業使命相呼應。



Establishing Environmentally Friendly Production

Achieving economic efficiency by promoting management of natural resources usage, adopting green technology for cleaner production and reducing operation expenses.

建立環保生產

推動自然資源使用管理，投產適用的綠色科技進行清潔生產，減低營運成本達至經濟效益。

Building a Harmonious Society

Fulfilling social responsibility through collective effort of our synergic team.

營造和諧社會

建立團隊，共同努力履行社會責任。

Establishing Environmentally Friendly Production

The Group understands that in the production process, it is likely to cause ecological and environmental pollution. For this very reason, the Group has continued to invest in the research and development of eco-friendly manufacturing technology while engaging in green procurement practices. The objective is to produce high quality eco-friendly products in line with our sustainability goal.

GREEN PROCUREMENT

In the selection of raw materials, the Group has already taken the potential environmental impacts into consideration. In this regard, the Group's Environmental Management System has adopted the green procurement guidelines under ISO 14001:2004 and established its own supplier management system in its procurement department to enable a more comprehensive assessment of the suppliers. In addition to considering the suppliers' stability in product quality, ethical standards and services, the raw materials' chemical composition is another item that we scrutinize. Through regular engagement with the suppliers, we express our requirements on raw materials to reduce pollution and assist them in further developing environmentally friendly materials. We strive to be a partner of success in the journey towards sustainable production.

To ensure suppliers can excel in their environmental and social performance while maintaining the Group's impartiality in making its procurement decisions, the Group conducts annual review of each supplier to prioritize on material quality.

The Group is fully aware of the pollution that material transportation can have on air quality as large amounts of carbon is produced. We therefore opt for local suppliers in order to minimize carbon footprint while supporting the local economic development.

建立環保生產

本集團了解在生產過程中，容易引致對生態和環境的污染，故此持續實行綠色採購，並研究可應用且嶄新的綠色科技，以不影響品質及減低對自然環境影響為前提，生產出能符合可持續發展方向的優良環保產品。

綠色採購

本集團從選購原材料開始，便已考慮其潛在對環境影響的因素。有見及此，本集團不只應用 ISO14001:2004 環境管理體系內的綠色採購指引，並於採購部設立供應鏈管理體系，對供應商進行全面的評估。除了考慮其品質的穩定性、道德標準及服務外，原材料化學含量及成份亦納入供應商選擇因素之一。配合與供應商緊密的溝通，除了可表達對原材料的環保要求減少污染外，還可幫助供應商進一步研發環保物料，共同邁向可持續發展的環保生產目標。

為確保持續合作的供應商能在環境及社會責任上有良好的表現，本集團會於每年對每個供應商進行實地考察，在採購上保持理性決定，以品質為先。

本集團了解在運輸材料上能排放出大量的碳，對空氣造成污染。因此，本集團選擇與本地供應商合作，推動本地經濟發展並同時減少對環境所產生的碳足跡。

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Tsaker Chemical is also meticulous when it comes to selecting packaging materials. We consider using sustainable packaging materials including biodegradable plastics and FSC certified materials to minimize the environmental pollution caused by our final products.

彩客化學在選擇包裝材料上也精挑細選，會考慮選用由環保原材料生產出的包裝材料，其中包括含有可分解塑膠、通過森林管理委員會認證的物料等，減少彩客化學的成品對環境的污染。



* Intensity calculation: divided by RMB million revenue

* 密度運算：除以百萬人民幣收入



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QUALITY ASSURANCE

Apart from our commitment to product quality, our customers' health and safety while using our products is another issue of great concern. We ensure the products meet our quality and safety standards which are developed based on the ISO 9001:2208 Quality Management System. To further assure the product quality, the Group assigns a senior quality inspector to conduct inspections and comprehensive tests on each batch of products to prevent any defective products from being distributed in the market.

After the products being delivered, the Group maintains close contact with the customers for after-sales support. The customer service team follows up to ensure that customers are satisfied. If the product fails to meet the customers' expectation, Tsaker Chemical will undertake sample analysis. If it is confirmed to be the Group's fault, it will recall the products and produce a new batch of up-to-standard products for the customers. These incidents are also used as case study for the Group to learn from its mistakes and to improve its production examination process and remedial procedures.

The Group respects intellectual property and we are committed to be in strict compliance with the "Patent Management System" and "Intellectual Property Operative Management Regulations" to ensure patents, proprietary technology, confidential business information of the Group and related parties are properly protected and managed.

品質保證

本集團除了注重產品的品質，更關心客戶在使用產品時的健康和安全。因此，為確保產品的品質及健康達到安全標準，本集團以 ISO9001:2008 質量管制體系為產品生產的基準。為更進一步確定產品的質量，本集團對每次的生產均由資深的質檢員進行抽檢和全面的檢測，以防不良品出廠。

產品交付後，本集團會與客戶保持聯繫提供售後服務。客戶服務人員會與客戶跟進產品表現，確保客戶滿意。如發現產品未達客戶預期表現，彩客化學將抽取貨品進行化驗，如屬本集團的過失，將為客戶安排產品回收，為客戶製造令其滿意的產品。另外，事件也會用為作案例分享，共同商討如何改進生產驗測工序及應對措施，令服務流程和產品質量更上一層樓。

本集團尊重知識產權，承諾嚴謹按照《專利管理制度》及《知識產權工作管理規定》，確保妥善處理及保護本集團及相關方在專利權、專有技術和商業機密。

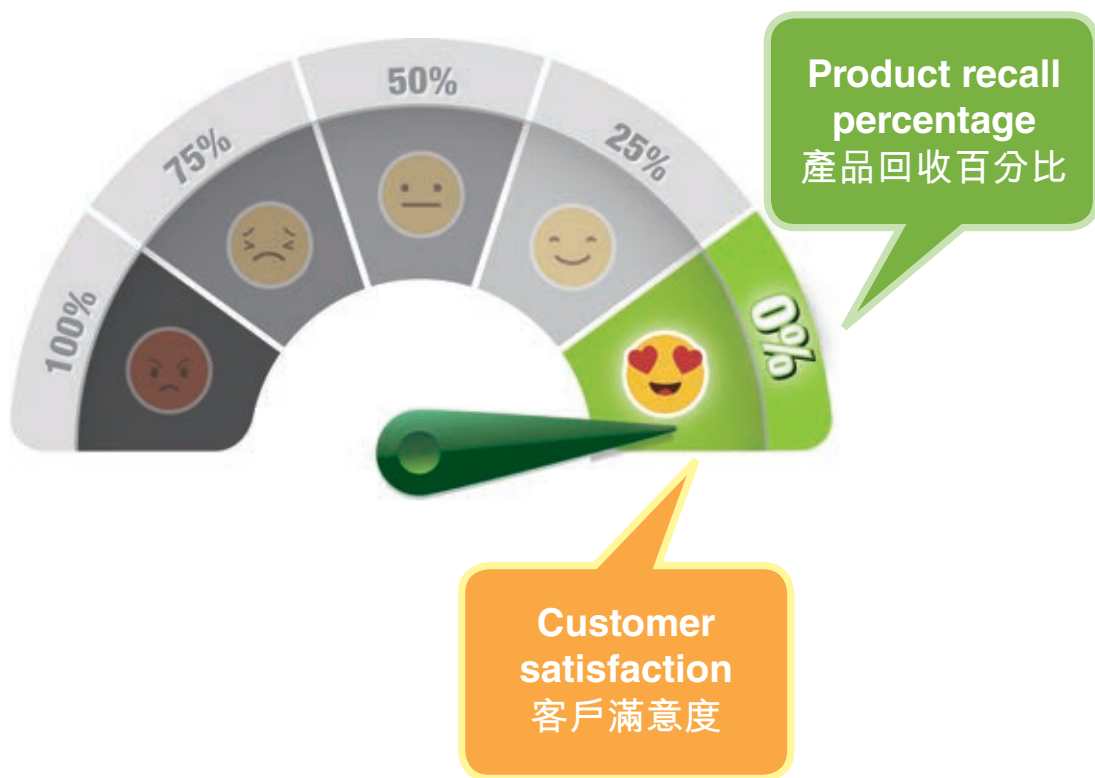
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Furthermore, the Group is also vigilant of stakeholders' privacy. Prior to engaging the suppliers, customers or other business partners in negotiations, involved parties are required to sign a confidentiality agreement to protect the interests and privacy of all parties.

此外，本集團對持份者私隱的安全性也十分關注，每次與供應商、客戶或合作夥伴協商皆需簽訂保密協議，保障客戶利益與私隱。

During the Reporting Period, the Group's operations have been carried out in compliance with all relevant laws and regulations in regards to product responsibility, including health and safety, advertising, labeling and privacy matters.

報告期內，本集團的營運符合有關產品責任如顧客及公眾的健康與安全、廣告、標籤及私隱事宜的相關法律法規。





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ENVIRONMENTAL POLICY

During production, the Group strictly abides with all the relevant environmental laws and regulations such as the “People’s Republic of China Environmental Protection Law”, “People’s Republic of China Water Pollution Prevention Law” and “People’s Republic of China Clean Production Law”. Concurrently, the Group has formulated environmental policies such as energy monitoring system, environment management system, and equipment management system at its production base to ensure the pollution caused as a result of the production process is reduced to a minimum. The Group’s environmental policy encompasses the following principles:

- Using the international standard ISO 14001: 2004 as the guideline for environmental management;
- Arrange the production department to regularly monitor emission data;
- All employees are required to uphold their environmental responsibility and carry out their daily work activities in accordance with the environmental protection procedures;
- Ensure that sulphur content in coal and the emissions from the boiler during combustion have met regulatory standard; and
- All wastewater is treated prior to discharge in compliance with the local wastewater emission standard.

The above highlights for policy help to minimize Tsaker Chemical’s environmental impact. The Group’s good performance on environmental protection also ensured its engagement in green production and maintained its high productivity.

In addition to implementing the environmental policy in our operational process, the Group also educates internal stakeholders on environmental protection to reinforce and cultivate the employees’ awareness of environmental conservation. Through our collective effort, we are advancing towards our goal of green production.

環境政策

本集團在生產過程中，嚴格遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》、《中華人民共和國清潔生產法》等各項法律法規。同時，集團對內在各廠房制定的環境政策包括生產廠房能源監測制度、生產廠房環境制度以及設備管理制度，確保在進行生產所造成的環境污染能減至最低。以下是本集團的環境政策的要點：

- 以符合國際標準組織 ISO14001：2004 作為環境管理指引；
- 安排各生產部門定期監控排放物數據；
- 要求所有員工在日常營運程序中履行環保責任並按照環保程序開展日常工作；
- 確保所購入煤的硫含量以及鍋爐燃燒時的排放達標；及
- 在排放污水前進行處理，確保符合當地污水排放標準。

以上所提的環境政策要點，有助彩客化學大幅度減低對環境的污染。持續良好的環境表現，也能確保本集團能環保生產並保持高效生產力。

除了在運行中執行環境的相關政策外，本集團也對內部持份者提供環保教育，加強和培養員工自身對保護環境的意識，共同向環保生產的目標進發。

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RESOURCES OPTIMIZATION

The Group directs its effort to optimize resource usage and has used the "People's Republic of China Energy Conservation Law" as a framework for the following resource optimization policy:

- Prohibits wastage of lighting electricity and water through promoting good habits among employees;
- Every person using the lights and water faucet has a personal obligation to ensure the maintenance of these apparatuses.

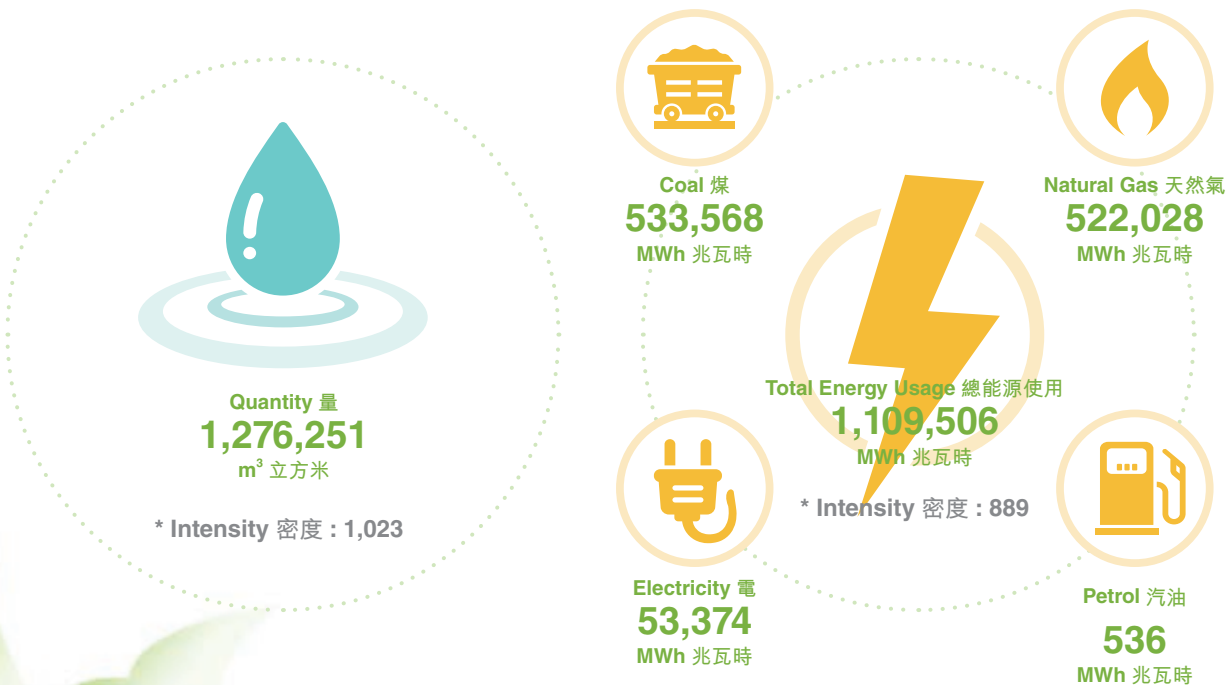
In order to manage natural resource usage, Tsaker Chemical has implemented an Energy Management System at each of its production plants. Furthermore, an environmental audit team has been formed to conduct audit on water, electricity, coal, gas, and other sources. The assessments mainly conducted to evaluate the performance of respective resources. The aforementioned initiatives are conducive in monitoring operating cost and usage of resources.

資源優化

本集團注重高效資源使用，以根據《中華人民共和國節約能源法》制定以下優化資源使用政策：

- 杜絕長明燈、長流水現象。做到人走燈滅，人去水停；
- 照明燈、水龍頭按誰使用誰負責的原則管理。

為能管理天然資源使用，彩客化學針對自身業務在各廠房訂立能源制度，並設下環境審計小組，對水、電、煤、汽等資源進行審核，重點考核其能效實績。以上舉動有助於監測營運成本和資源使用。



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Water Usage

In daily production process and business operation, the Group consumes large quantity of water which is part of its production cost. Environmental guidelines, developed by our environmental audit team, to efficiently utilize water resources were developed for two aspects, i.e. production and domestic. In the production line, all maintenance staff are required to conduct regular inspections on the machines to prevent water leakage. In terms of domestic water use, the Group requires employees to comply with the environmental management system, which encourages employees to engage in water conservation and relevant activities to raise their awareness. In the dormitory, employees are also required to conduct regular inspections on the water faucet and pipelines. If any damage is found, they should promptly notify the maintenance department to repair.

Energy Consumption

Our Group uses a large amount of electricity and coal in daily operations. Therefore, the environmental audit team had formulated respective management policies for these energy sources to help monitor resources consumption and production costs.

用水

本集團在生產過程和日常運行中，需使用大量水資源，佔生產成本的一部分。因此，我們在生產和生活兩方面均有由環境審計小組制訂的用水管理方針，有助本集團有效地盡用水資源。在車間內，維修技工須定期巡視，確保機械並無溢水現象。在生活用水上，本集團要求員工配合環境制度中的用水管理制度，其中包括節約用水，並鼓勵員工積極參加相關活動，增強節約用水自覺性。在宿舍內，也會要求員工定期驗查管道、水龍頭，如發現有損壞漏水的情況，應及時通知維修部進行維修。

能源使用

本集團在日常運行中需使用大量電和煤。因此，本集團的環境審計小組也為這兩項能源使用分別制訂出管理政策，以助監察資源消耗量以及生產成本。

– Electricity

Our Group mainly used electricity on manufacturing and daily operations purposes. In order to manage its energy use, we require employees to follow electricity usage guidelines under the energy management system in daily life and in operations, which has helped save energy and fulfill the purposes of resources utilization, while achieving cost reduction. The electricity management guidelines include:

- Adopt a centralized production approach on major power-consuming equipment and strictly control the number of shifts to maximize the carrying load as much as possible, and reduce the per unit power consumption;
- Gradually switch to high efficiency and energy-saving facilities in operation areas;
- Fill in electricity consumption form and report monthly;
- Welcome all departments to provide suggestions on energy saving initiatives and cooperate with environmental audit team to implement strategies; and
- Turn off idling machines.

– 電

本集團主要電力用途為生產線營運和作員工日常生活用途。本集團為做好能源使用管理，要求員工在日常生活及營運中能配合能源制度內的用電管理，節約能源，以達致資源化、節成本的效果。用電管理指引包括：

- 對重大耗電設備集中生產，並嚴格控制開動班次，儘量提高負載率，降低其單位電耗；
- 車間作業區逐步改用高效節能設備；
- 需填寫用電報表，月末匯總報表；
- 歡迎各用電部門提出節電新建議，並積極配合環境審計小組做好節電工作；及
- 禁止設備空轉現象。



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– Fuels

The Group mainly used coal in its operation while petroleum gas was mainly used in the vehicles. The implementation of distinctive energy saving policies has aided the Group in reducing its energy consumption, operation costs and greenhouse gas emissions.

Coal is a key natural resource used for production. Therefore, the Group purchases high quality coal to maximize the combustion efficiency. To avoid wastage, stale coals are used first and stored in separate piles. The environmental auditing team collects coal consumption data on a weekly basis to monitor the usage.

Petroleum gas is used as a means of transportation for workers which are supplied to business and private cars. The operation area coordinates with the Group's energy system and submits the respective data to Environmental Audit Department weekly for consumption monitoring purpose. In order to reduce the amount of petroleum used, old vehicles are replaced with relatively fuel-efficient models to save fuel.

Hazardous Chemical Management

As an industrial manufacturer, different hazardous liquid chemicals are used throughout production. In order to ensure safe handling of hazardous materials to avoid endangering the employees and environment, the Group strictly monitors and stipulates a safety management system for overlooking the procurement, storage, handling, transportation and manufacturing processes. For example, in the procurement of hazardous chemicals, manufacturers are required to obtain a valid production and operation permit to ensure that the quality and source of raw materials have met product requirements as well as relevant laws and regulations. In terms of storage, hazardous chemicals are also categorized and stored separately to prevent contamination.

In addition, employees regularly conduct training exercises on handling hazardous chemicals to reduce the risk of employees being injured due to misuse. This helps the Group to safely use and handle dangerous goods in production, with minimal impact on the environment caused by issues such as misuse and leakage.

– 燃料

本集團主要燃燒煤供熱進行生產，以及石油為運輸工具作能源使用。利用針對個別燃料而訂立的節能政策進行監管，除了能減低資源消耗，減低營運成本，也能減低廢氣排放。

煤乃是生產時所用到的重點天然資源之一。因此，各廠房在採購煤的時候，選擇最適合鍋爐燃燒的煤種，保持燒煤的效率。為免浪費煤和影響其表現，新購入和現有的煤會分堆存放，有序使用。各廠房的環境審計小組皆會每週收集用煤數據，進行統計，監察用量。

石油是用作車輛能源為工作人員代步，而車輛類別主要為商務車以及轎車。車間配合集團的能源制度，每週把用汽油數據呈交給環境審計小組，以作能源審核作汽用量管理。為能減低石油用量，均用相對地較節油的型號取替舊車輛，達到節能效果。

危險化學物管理

彩客化學作為工業生產商，於生產過程中會用到不同的液體危險化學物品。為有效地防止危險物被誤用、危害員工安全及健康和因洩漏而對環境造成污染，本集團從採購、儲存、裝卸、運輸、及使用等環節嚴格監管，並針對每個程序制定安全管理制度。例如，在採購危險化學品時強制規定其生產商必須獲得有效的生產及經營許可證，以確保原材料品質及來源符合產品要求及法律法規。在儲存的方面，也會對危險化學物進行分類和分區獨立存放，以防造成危險。

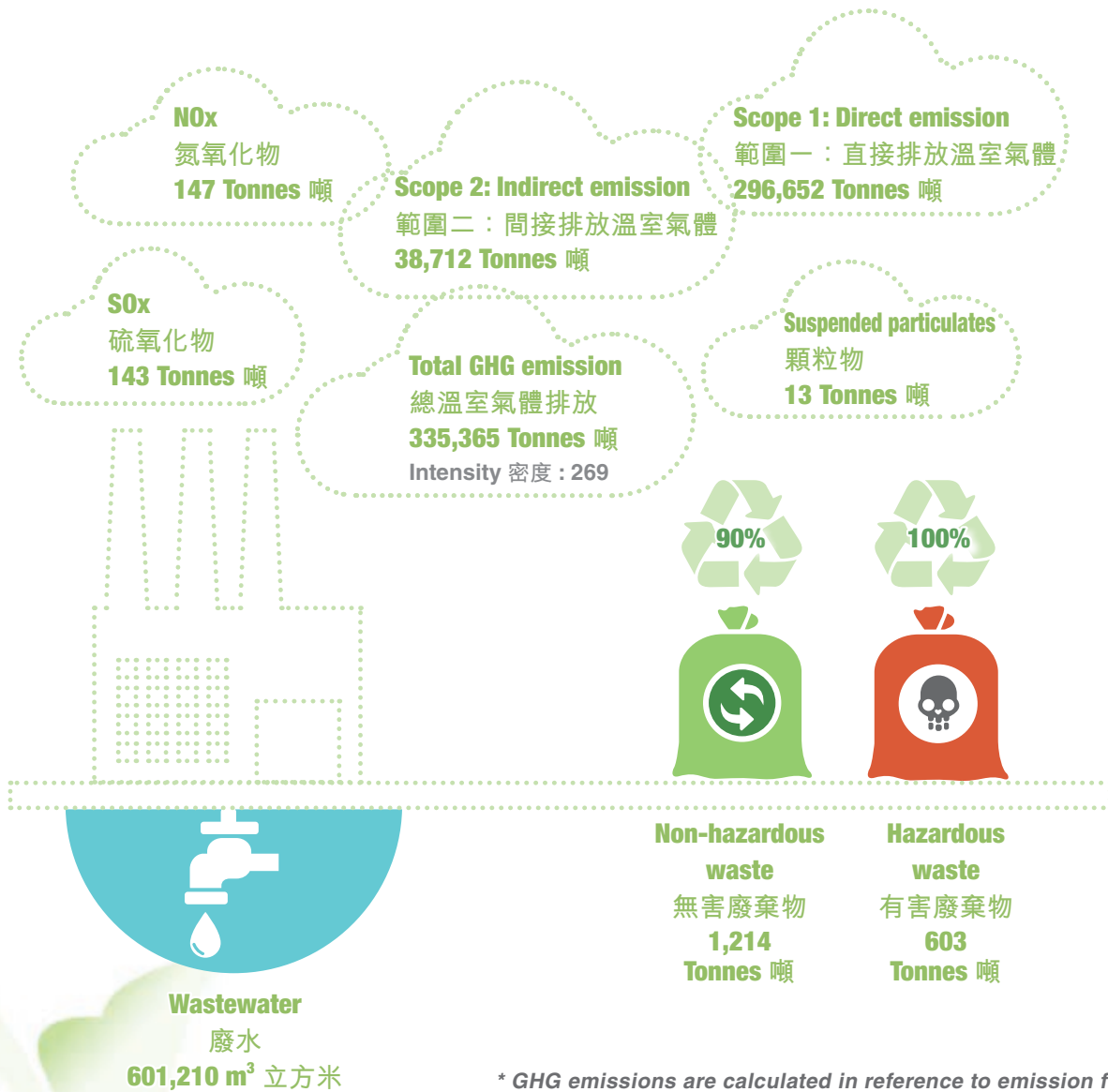
另外，對員工定期進行有關危險化學物的培訓演練，降低員工因誤用而受傷的風險。以上有助本集團在生產時能安全地使用及處理危險品，減低因誤用和洩漏等問題對環境所產生的影響。

EMISSIONS CONTROL

The Group is fully aware that electricity, water, and raw materials used during the manufacturing process emits greenhouse gases, air pollutants, industrial wastewater, and wastes, which affects the environment. In order to optimize the resource usage and avoid the impacts of gas emission on employees and neighboring communities, Tsaker Chemical conducts audits and supervision on the use of electricity, coal, and gas emissions regularly. Such an initiative not only decreases operating costs, but also reduces the environmental burden.

控制排放

本集團意識在生產過程中所使用到的電、燃料、水和原材料，會排放出溫室氣體、大氣污染物、工業廢水和廢物，對環境造成影響。為了能盡用資源作出生產，避免所排放氣體對員工、鄰近社區造成影響，彩客化學對電和煤使用以及氣體排放都進行審核及監管。除了能減低營運成本，也能降低環境負擔。



* GHG emissions are calculated in reference to emission factors
《 2016 China Regional Grid Baseline Emission Factors 》

* 溫室氣體排放乃根據《2016 中國區域電網基準線排放因子》中排放因子運算



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Wastewater

Direct discharge of industrial wastewater and domestic sewage could pollute the environment. Therefore, based on the standard of GB8978-96 Table 4 Level 3 and the water quality requirements of local sewage treatment plants, the Group has set up on-site sewage treatment plants at each production base. Treated wastewater is monitored and tested by responsible staff to ensure that it reaches the standard before discharge.

Air Emissions

The Group recognizes that the use of power, such as electricity, coal, and vehicle fuel, results in air pollutants and greenhouse gas emissions. The pollutants generated by coal burning could cause chronic respiratory diseases.

While procuring coal, Tsaker Chemical strictly complies with the Sulphur content relevant standards, to reduce the gas emissions. On the other hand, the air emission is monitored according to Emission Standards GB14554-1993 (Table 2 standard 60000) and Integrated Emission Standards of Air Pollutants GB16297-1996 (Table 2 second level standard), to ensure it complies with emission standards and minimize environmental impacts.

Waste Management

In order to reduce waste generation, the Group utilizes the resource and properly handles and recycles various waste.

In accordance with the technical indicators, Tsaker Chemical takes corresponding measures to handle hazardous wastes, including various industrial oil waste and sludge. In order to prevent accidental spillage or leakage of hazardous waste, designated storage warehouses are set up at each production base, and qualified contractors and waste handling companies are assigned for hazardous waste handling. The Group also established contingency plans for environmental and safety accidents and provides relevant training, to reduce the risks of such accidents.

污水

直接排放工業廢水及其他生活污水將污染環境。因此，我們根據 GB8978-96 表 4 三級標準及當地污水處理廠進水水質要求，在各生產廠房設立污水處理廠。處理后的污水經過相關人員的檢測，保證水質達標後方可排出。

氣體排放

本集團意識到用電、煤及汽車燃料會產生大氣污染物及溫室氣體。其中，在燃煤的過程會排放出的大氣污染物會引致慢性呼吸道疾病。

彩客化學在採購煤時，嚴格按照含硫量標準，以減少相關氣體排放。同時，根據惡臭污染物排放標準 GB14554-1993（表 2 標準 60000）和大氣污染物綜合排放標準 GB16297-1996（表 2 二級標準），對排放廢氣進行監測，確保其符合有關排放標準，減少對環境的影響。

廢棄物管理

為減少廢棄物產生，本集團物盡其用並妥善處理及盡可能回收各種不同的廢棄物。

彩客化學根據工藝指標，對危險廢棄物，包括不同的工業廢油及污泥採取相應措施。為防止意外濺出或洩漏危險廢物，在生產廠房均設有危險廢棄物儲存倉庫，並委派合資格協力廠商承包商和危廢處理公司對其進行處理。本集團亦制定其環境安全專項應急預案，對員工作出培訓，減低相關事故發生風險。

EMISSIONS REDUCTION MITIGATIONS

Apart from managing internal use of resources, the Group is also committed to managing its emissions. Therefore, a number of emission control measures targeted at the usage of various resources have been put in place to reduce pollution and operating cost in order to promote sustainable development. In the future, new green technologies will be introduced in succession. The Group is devoted to environmentally friendly production so as to produce products that can draw a green future together with the public.

Water Conservation

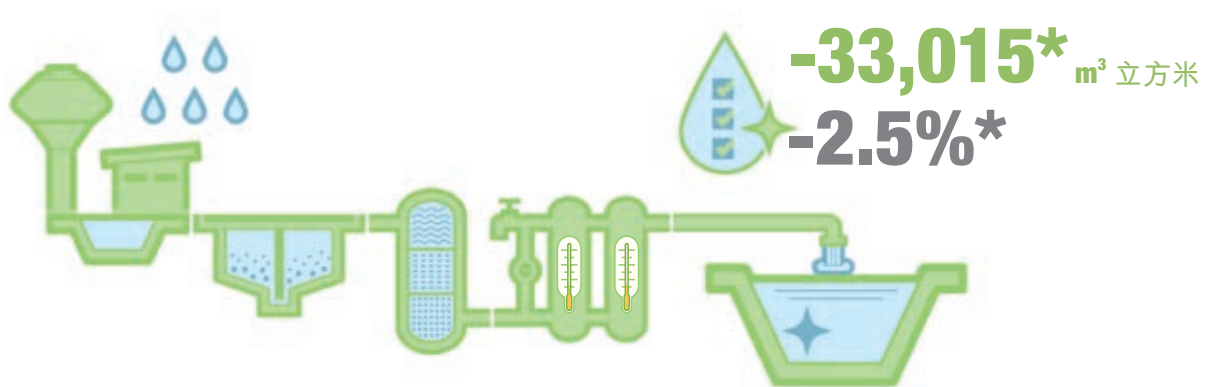
The Group understands that water is a precious resource. To use it efficiently, rainwater harvesting plants are set up at production sites. Rainwater collected is treated by the water treatment plant and reused for cleaning and industrial cooling.

減污減排措施

本集團除了做好內部對各資源使用的管理外，也致力實行環保生產。因此，已投產多項針對各資源使用而設立的減污減排措施，實現其對減低環境污染和營運成本的可持續發展目標。而未來將陸續帶來更多嶄新綠色科技，全力投身環保生產，生產出能與大眾共同繪出綠色未來的產品。

節水

本集團了解水乃珍貴的資源，為能充分使用天然資源，在各車間設立雨水收集措施。收集回來的雨水，會先經水處理車間進行處理，供作重用車間洗水及作工藝水為工業冷卻之用。



***Note: Reduction quantity and percentage of expected water consumption in 2017**

* 註：比預期 2017 年的總用水所減少的水量和佔比

In addition, the Group has upgraded the shower nozzles in the staff quarters to more water-efficient models with new ones that can save 40% of water. In Dongguang factory, 1,496 m³ water was saved. The Group will constantly seek for water conservation measures in all plants to continuously reduce water usage.

除此之外，集團改造在員工宿舍內的淋洗器噴頭為更節水的型號，更換了能比原來節省 40% 水的新噴頭。就東光生產廠房，已節省 1,496 立方米水。本集團將陸續為各廠房尋求節水措施，持續減低用水量。

Air emissions reduction

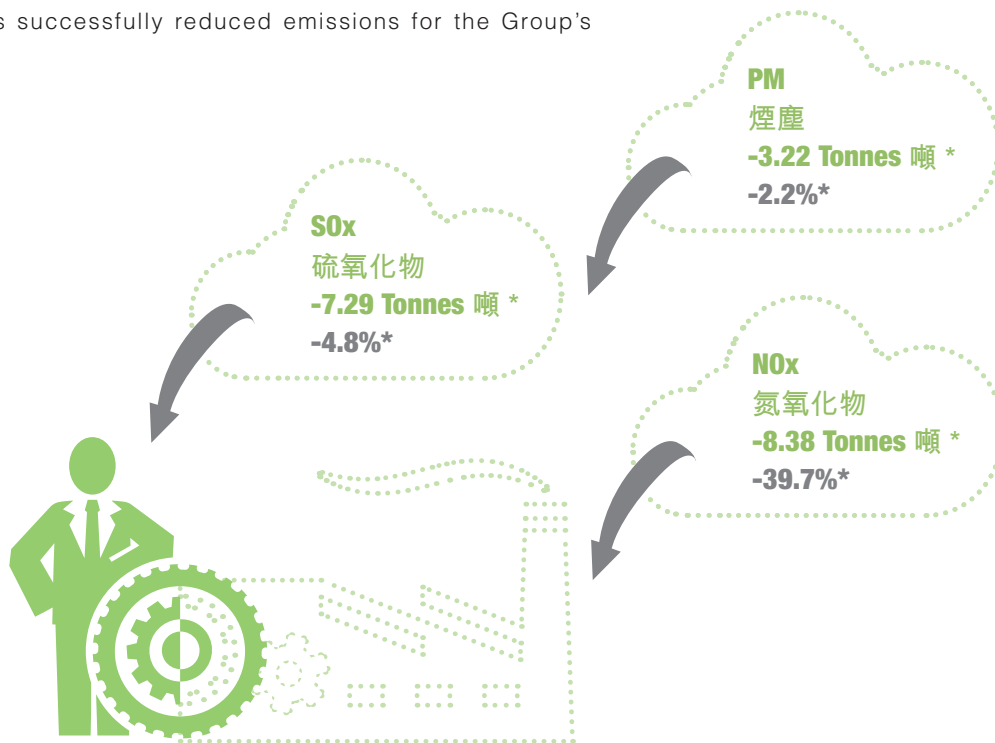
Production machinery transformation

In order to reduce the environmental impact of air emissions generated from coal combustion, the Group configured the heat-conducting oil furnace and used steam plus electric heating technology to replace three heat-conducting oil furnaces. This project has successfully reduced emissions for the Group's operations.

減低廢氣排放

生產機械改造

為減低因燃煤而產生的廢氣對環境造成的影響，本集團已對生產機械進行改造。其中採用蒸汽加上電加熱工藝以取替三台導熱油爐，此工程已成功為本集團的營運減排。



***Note: Reduction quantity and percentage of expected respective total gas emissions in 2017**

*註：比預期 2017 年相應的氣體總排放所減少的排放量和佔比

Apart from this, the Dongao production base has adopted natural gas boilers and purchased steam instead of coal-fired boilers, in order to use cleaner fuel in its production, which significantly lowered the environmental emissions. It is hoped that in the near future, its effect can be demonstrated to the public.

此外，東奧生產廠房已改用天然氣鍋爐以及外購蒸汽取代燃煤鍋爐，以潔淨能源進行生產，大幅度減少環境污染。希望在不久將來，能向大眾展示其成效。

Environment, Social and Governance Report

環境、社會及管治報告

Waste reduction

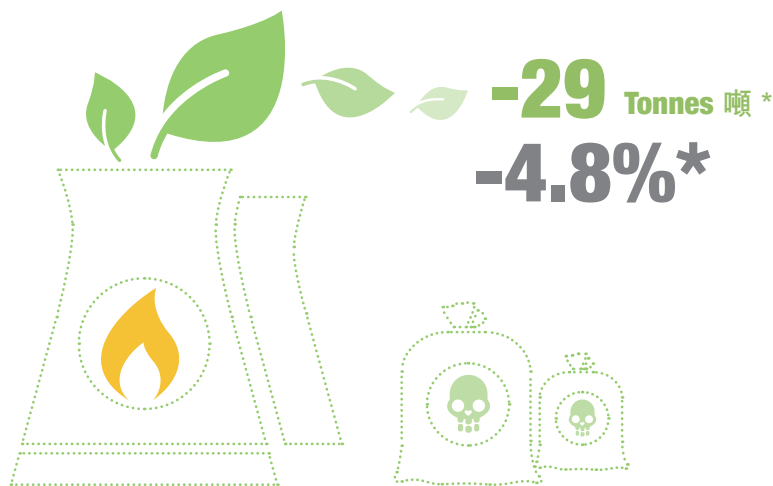
If hazardous waste is disposed of at will without proper precaution, it will cause water and soil pollution, and it will also produce harmful gases during the decomposition process. Therefore, the Group has always conducted strict supervision and implement emission reduction plans.

In November 2017, the Group has set up an incinerator in its Dongao production plant, which currently has a capacity to process 60 tonnes of hazardous waste per day. Since its commencement, the Group has eliminated the need for third party to collect and process the waste. This has given the Group greater control over its waste management.

節廢棄物

因業務而生產危險廢棄物如不妥善處理而隨意棄置在外，將會對環境造成水和土壤污染，且分解過程中亦會產出有害氣體。因此，本集團對其一向進行嚴格監管和實行減排方案。

在本年度十一月，東奧生產廠房處理危險廢棄物的焚燒爐正式投產，該焚燒爐一天能處理 60 噸危險廢棄物。自運行以來，本集團不須再經第三方處理危險廢棄物，此舉有助本集團更有效地管理廢棄物。



***Note: Reduction quantity and percentage of expected total hazardous waste in 2017**

*註：比預期 2017 年的總有害廢棄物所減少的數量和佔比

In addition, Tsaker Chemical's Dongguang factory has increased the inspection frequency and quality to reduce the destruction rate of the operating equipment. Thereby, reducing the frequency of oil changes and the amount of hazardous mineral waste oil produced. The Group also categorizes general waste, including paper and wood waste at its Dongguang production plant, and its staff from logistics department are responsible for daily recycling. The single-sided paper will also be collected for reuse at offices.

除此之外，彩客化學在東光生產廠房的車間加強運轉設備的巡檢頻次及品質，減少運轉設備的損壞率，從而減少更換機油的次數和危險廢棄物廢礦物油的產生量。本集團在東光生產廠房也有為一般垃圾包括紙、木材等進行分類，由物流部同事負責每天進行回收。在辦公室內也會收集單面廢紙重用。

Environment, Social and Governance Report

環境、社會及管治報告

Building a Harmonious Society

In order to create a harmonious community, apart from sound environmental management and good employment practices, the Group has inspired employees to adopt a sustainable mindset. We work together to inspire the community to embrace conservation.

EMPLOYEES

Tsaker Chemical is people-oriented and has regarded employees as valuable assets that are the key to sustainable development. Our Group has setup a recruitment standard that values talents, personal growth, and occupational health and safety, and strive to create a concordant work environment.

Employment and Labor Standard

Our Group deeply understands employees are fundamental to the operation and development of the company. Therefore, we put a lot of emphasis on the acquisition of talents. In the recruitment process, the Group focuses on attracting diversified talents on the basis of equality and fairness. Moreover, we respect employees' personal development needs and has an internal transfer program to encourage and support employees to discover their potentials and apply their talents.

營造和諧社區

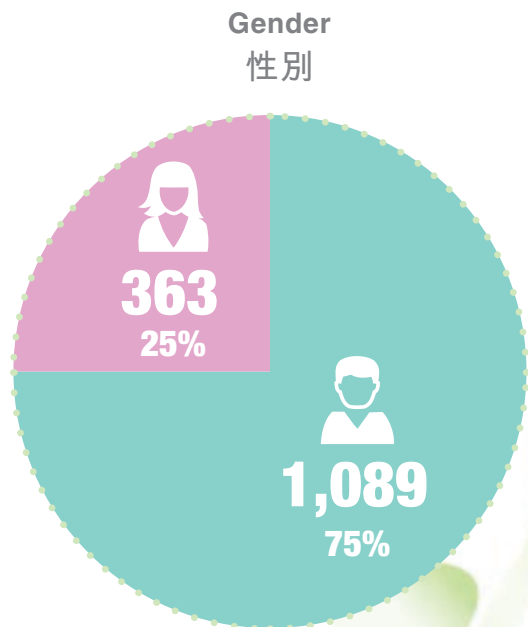
為營造和諧社區，在做好環境管理的同時，配合內部員工管理慣例，並對員工灌輸可持續發展的概念。務求群策群力，喚起社區對保育的意識。

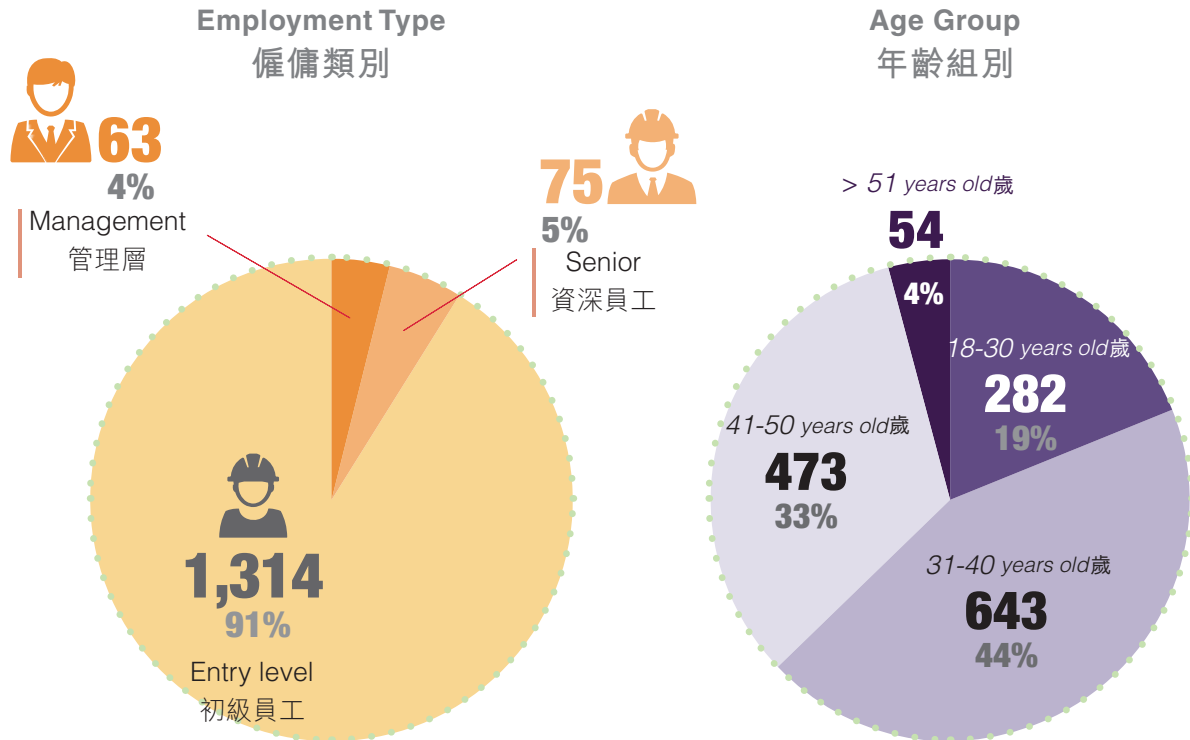
員工

彩客化學以人為本，將員工視為寶貴的財富以及可持續發展的關鍵。本集團設有招聘制度，聘用合適人才之餘，關注員工個人發展及健康安全，努力為他們創造良好的工作環境。

僱傭和勞工標準

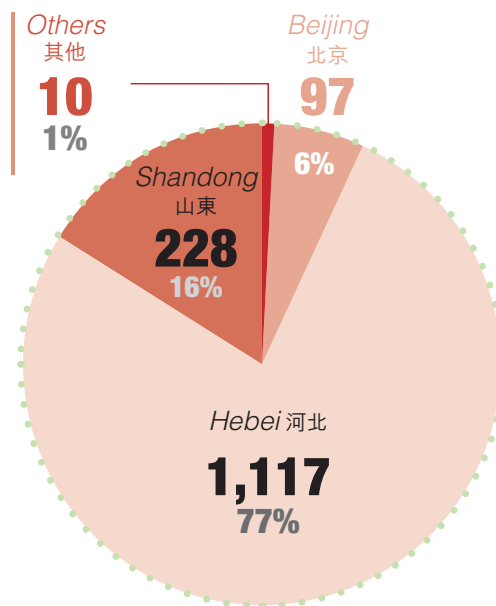
本集團深知員工為企業營運及發展的根本，因此，十分重視人才引進。在招聘過程中，本集團以平等、公正為基準，重在吸引多樣化的優秀人才。同時，本集團尊重員工個人發展意向，設有內部招聘，鼓勵並支持員工發現自身潛力，人盡其才，在更適合的崗位上發光發熱。





Geographical Distribution

地區分佈





Environment, Social and Governance Report

環境、社會及管治報告

The Group strictly abides to all related laws and regulations of the People's Republic of China that forbids forced and child labour, and do not support suppliers or business partners who engage in such practices. Our Group has established the "Avoidance of Forced Labour Policies" and "Child Labour Prevention Policy".

To respect human rights, the "Avoidance of Forced Labour Policies" stipulated that all employees must work overtime on a voluntary basis. If any forced labour is discovered, the Management Department would intervene to stop the infringement actions, and make mental compensation.

The Human Resources Department must verify whether the employees meet the working age requirements in accordance with the "Child Labour Prevention Policy". If the misuse of child labour is due to the authenticity of the verification material, the Company will not only immediately terminate its labour contract, it will also help the individual to reenrol in school. The Company accepts other qualified family members as a replacement to work until the employee is qualified in age, in order to lower the impact brought on its household income.

In addition, if the child labour was confirmed to be sick or injured during the employment period, the company would arrange it to undertake treatment at qualified medical institutions, and all fees associated during the medical treatment period would be covered.

In the Reporting Period, our Group has complied with all relevant law and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination and other benefits and welfare, and paid attention to the employees' health and future development.

Training and Development

Looking at the employees' personal growth and the Group's long-term development prospect, our Group is committed to apply "demand-based training" model to nurture talents. We develop diverse training plans in accordance to the employment type and needs, including professional technological knowledge, environmental protection and safety knowledge, self-exploration and more.

本集團嚴格遵守中華人民共和國勞動法和相關法律法規要求，不強迫勞工以及不僱傭童工，也不支持供應商和或合作夥伴有其行為。本集團因此已訂立《避免強制勞工政策》及《避免使用童工政策》。

根據《避免強制勞工政策》，員工必須在自願的情況下進行加班工作，以尊重人權。如有發現強迫勞工的行為發生，公司管理部門立即停止其侵權行為，並對受傷員工作出精神賠償。

人力資源部須按照《避免使用童工政策》核查員工是否符合工作年齡要求。如因核查材料真實性問題而誤用童工，公司除立即終止與其勞工合約外，將努力幫助其繼續就學。公司可接納其家庭內其他成年人頂替入司參加工作直至該員工進入成年，以減低給其家庭經濟的影響。

另外，如在解除勞動關係時如確認該童工患病或負傷，公司將安排其到合格的醫療機構治療，並負擔所有的醫療費和就醫期間的生活費。

報告期內，本集團遵守所有有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的法律法規，並與關注員工健康及未來發展。

培訓和發展

放眼員工的個人成長以及集團的長期發展，本集團致力造就人才，運用「以需定培」的模式，按照員工的僱傭類型、不同需求制定培訓計劃，內容多樣，包括專業技術、環保及安全知識、自我探索等。

Environment, Social and Governance Report 環境、社會及管治報告

Staff skills are closely related to product quality, the professional training of employees not only lays a solid foundation for their own development, but also enhances product quality and production efficiency. Therefore, our Group has provided job specific training to enhance their skills and encourage employees to apply their skills on their roles for quality assurance. Apart from the above, our Group has also conducted regular environmental safety training to ensure employees' safety and environmental protection awareness. We are dedicated to implement environmental protection in all aspects including production and daily life.

The Group cares about employees' personal growth and wish they can apply their talents at work. In order to enhance human resource allocation, the Group has conducted Enneagram Training to assist itself and employees in further understanding their own personalities and talents, and apply their strengths to achieve long-term growth.

員工技能與產品質量息息相關，所提供的專業培訓不僅能夠為員工自身發展打下堅實基礎，更能提升產品質量以及生產效率。本集團為員工提供崗位能手培訓，提升員工技能之餘，亦鼓勵員工將所學技能運用到崗位中，為品質把關。此外，本集團亦有常規的環保安全培訓，確保員工安全和提升員工環保意識，將環境保護貫徹到生產及生活的各個方面。

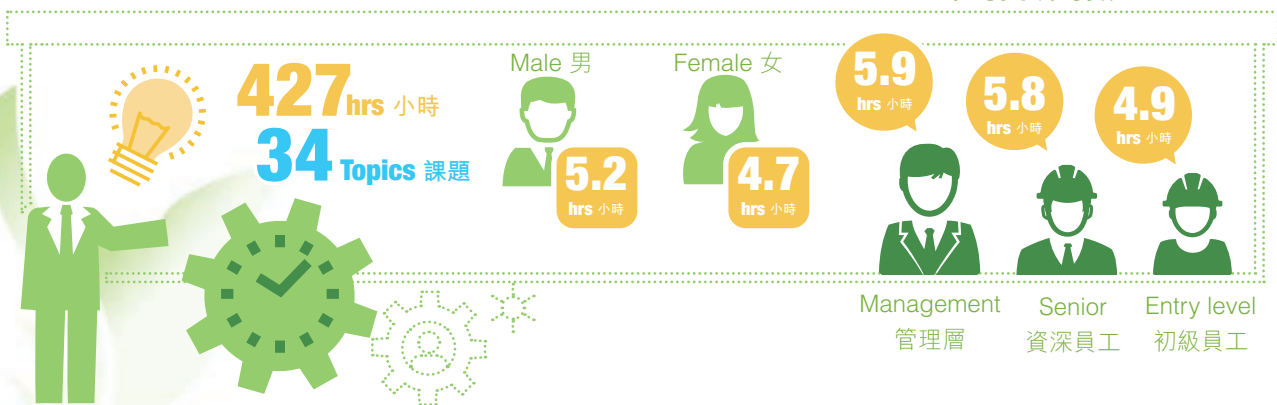
本集團心繫員工個人發展和希望員工能應用自身優點於工作上。為更有效地分配人資，本集團於本年度開設九型人格培訓，幫助集團及員工了解其性格及優點，在工作中揚長避短，實現長期發展。



Enneagram Training, June 2017
2017年6月，九型人格培訓

Manufacturing Department
holding regular trainings
生產部進行定期培訓

Average training hours 平均受訓時數



Environment, Social and Governance Report

環境、社會及管治報告

Health and Safety

Our Group cares about operational safety. We have established various safety measures in accordance to Occupational Health and Safety Management System GB/T28001-2011. We also adhere to the principle of "Safety and prevention first" on every aspect in the production process.

Our Group has adopted a series of protective measures including anti-virus poison, dust-proof, anti-noise and heat-stroke cooling in its operation. We also have established operational regulations including regular inspection and warranty for equipment, hazardous chemicals management and operating in compliance with fire safety standards. Tsaker Chemical has also conducted major incident drills periodically to strengthen employees' safety awareness and ability to respond to emergencies, in order to prevent occupational injury through protection and operations.

To prompt our employees to pay attention to safety, prominent safety warning signs and occupational hazard warning slogans were listed at the manufacturing sites.

In addition to taking care of employees' work safety during production operations, our Group also cares about employees' health and well-being, and provides employees with an annual physical examination to ensure their physical health during service period. The staff canteen has been providing nutritional meals. Fresh and quarantined food ingredients are sourced on a regular basis to guard employees' dietary health. Furthermore, we have encouraged employees to use the provided bicycles in all sites for travelling and exercising. This could lower the motor vehicles' carbon emissions and promote wellness through exercises.

健康和安全

本集團注重營運中的安全，根據職業健康及安全管理體系 GB/T28001-2011 設有多項安全措施，亦奉行「安全第一，預防為主」的原則，囊括生產過程中的每一個環節。

本集團在營運採取了一系列防毒、防塵、防噪聲、防暑降溫的防護措施；同時，亦制定了操作規程，包括為設備均定期進行檢查及保修、把化學品皆嚴格管理分類、符合消防安全下進行操作。彩客化學亦定期舉行重大事故演習，加強員工的安全意識及應對突發事件的能力，從防護及操作方面預防職業傷害。

為提示員工時刻注意安全，在營運場地的當眼位置均設有安全提示標識，以及職業危害的警示標語。

除了關心員工在生產營運上的安全外，本集團也重視員工的身心健康。因此，本集團為員工提供一年一次的體檢，保障員工在職健康。食堂供應的營養餐飲，定期採購新鮮及通過檢疫的食材，為員工的飲食健康把關。另外，在各廠房有為員工提供單車，鼓勵員工多使用單車代步及運動，除了能減低汽車碳排放外，也能鍛鍊身體，從而活得更健康。

Employees riding on-site bicycles
員工使用單車運動

Staff Canteen
員工食堂



Environment, Social and Governance Report 環境、社會及管治報告

Any work-related injury or incidents are comprehensively taken care of including first aid procedures and appropriate treatment in hospital. The incident would also be applied as case study of occupational health and safety training to strengthen production supervision and raise safety awareness. In the Reporting Period, the Group has complied with all relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards.

在工作現場發生的工傷事故，均就事故進行全面的處理包括做好急救程式，及時送院治理，並用意外作為案件對員工增加安全培訓，加強生產監察和提高安全防範意識。報告期內，本集團符合所有工作環境及保障僱員避免職業性危害方面的法律法規。

Case study 個案分享

Toluene leakage and fire drills on 22 March, 2017

2017年3月22日重大危險源甲苯泄漏、火災應急預案演練



Throughout the rehearsal, the staff went through the steps including environmental monitoring, internal fire extinguishing, on-site rescue and sewage collection, to learn about the emergency response measure and gain practical experience.

員工通過演練過程中的集結、監測環境、內部消防組滅火、消防隊現場救援、污水收集，學習緊急事件發生的應對措施並獲得實戰經驗。



Environment, Social and Governance Report

環境、社會及管治報告

Anti-Corruption

The Group abides by ethical standards of integrity to regulate its business behaviour. We appointed the Internal Audit Department to include anti-corruption codes into the employee handbook and company policies. Through different communication channels, the Group ensures that employees receive training in relation to the relevant laws and regulations and abide by our professional standard.

The Group has adopted a zero-tolerance policy towards corruption acts including bribery, fraudulent, extortion and money laundering. To ensure internal stakeholders have the discreet mean to report any suspected case of violation, Tsaker Chemical has established a whistle-blowing mechanism with various reporting channels including hotline, e-mail and post. The Internal Audit Department and Human Resources Department are then in charge of evaluating the authenticity of the reported case. If any suspected case was confirmed, the Group would investigate the parties involved and undertake necessary disciplinary and legal actions. Also, all reported cases which have reference value, would be taken into consideration of relevant policy enhancement to reduce associated operational risk.

In the Reporting Period, the Group strictly complied with relevant laws and regulations relating to bribery, extortion, fraud and money laundering and no corruption cases occurred.

反腐敗

本集團遵守廉潔道德標準，規範經營行為。本集團指派內審部將反貪污守則納入員工手冊和公司規章，通過不同的溝通管道，確保員工接受有關法律法規和職業道德規範的培訓。

本集團對賄賂、欺詐、勒索及洗黑錢等貪污行為零容忍。為確保內部持分者能謹慎報告任何可疑違規行為，彩客化學設立完善的舉報機制，設有電話熱線、電子郵件信箱、信函等的舉報管道，並由內審部跟人力資源部共同就舞弊案件進行評估，確定真偽。如案件屬實，本集團將對相關涉案人士追究其責任，並依公司的處罰規定和移送司法機關處理。此外，所有舉報案件不論真偽，如有參考價值，將被納入作為改進建議，讓彩客化學能減低運營風險。

報告期內，本集團嚴格遵守防止賄賂、勒索、欺詐及洗黑錢的相關法律法規，未發生任何貪污腐敗案件。

COMMUNITY

Our Group is devoted to make contribution to the community through our collective effort. Thus, we emphasis on the interaction and cooperation with employees to create positive impact on the community.

Staff Activities

Harmonious corporate culture along with plentiful entertainment and sport activities could enhance communication and cohesion among employees. The Group has organised various employee activities including sports day, literary show, New Year Meeting and more during the year.

社區

本集團期望能與員工群策群力，投身社區作出貢獻。因此，著重與員工之間的互動與配合，對社區產生良性影響。

員工活動

和諧的企業文化以及豐富的文體活動，能夠加強員工之間的溝通交流以及提升凝聚力。本集團於年內安排多樣的員工活動，包括運動會、文藝匯演以及新年年會等。

Case study 個案分享

New Year Meeting in January 2017 2017年1月新年年會



Our Group organised the New Year Meeting where numerous departments directed a list of activities and programmes adopting the theme “green health, safety and environmental protection”. This activity provided entertainment and raised employees’ awareness of production safety.

本集團所舉辦的新年年會，各部門以「綠色健康，安全環保」為主題，自編自導自演各項表演，寓教於樂，提醒員工注意生產安全。

Case study
個案分享

12th Annual Sports Day
第十二屆運動會



The Group continued to hold Sports Day to promote healthy lifestyle through sport activities and increased employees' interaction.

本集團持續舉辦員工運動會，提倡運動健康，增進員工互動。

Through plentiful staff activities, the Group provided a platform for our employees to show themselves and build team spirit. These forms of activities encouraged interaction between employees and the Group and promoted mutual development.

通過豐富多彩的員工活動，本集團不僅為員工提供了展示自己的舞臺，建立團隊精神。此類活動鼓勵員工與集團的交流，促進雙方共同發展。

Our Group cares about contributing to the community and enthusiastically participate in various social caring events. In safe production month 2017, the Group applied the theme "fully implement the responsibility of corporate safety production" and conducted a series of activities and training in reference to *Safe Production Month Programme, Hekou District 2017*. We obtained the outstanding organizational award. We wish to be the role model to influence the society and bring positive impact to the community.

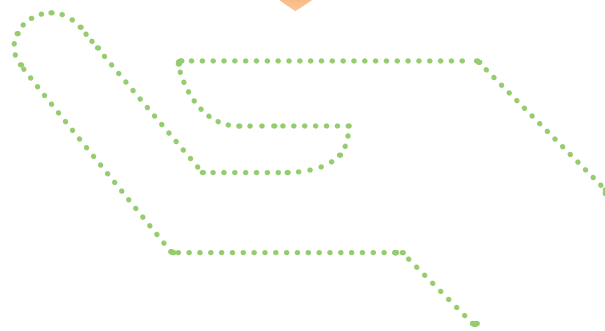
本集團抱著取之社會，回饋社會的理念，積極舉辦及參與社會活動，關懷社區。於2017年安全生產月期間，本集團按照《河口區2017年「安全生產月」活動方案》，圍繞「全面落實企業安全生產主體責任」主題，開展一系列的活動及培訓，並獲得「優秀組織單位」的稱號。本集團希望以身作則，通過實踐影響社區，為社區帶來正面的影響。

Community Investment

Our Group treats future generations as talents that could make a difference in our community. We have continuously provided funding to strengthen the infrastructure and R&D technology for higher educations. Our Group cares for the marginalized people and has a joint effort with the local government to provide financial support.

社區投資

本集團視下一代為社區未來的棟樑，持續為高等院校提供教學研究資金，擴充教育資源，提升科研技術。本集團亦關懷困難戶，並與政府携手對其進行捐助，期望能緩解他們的經濟壓力。



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Drawing a Greener Future

繪出綠色未來

Our Group believes that, through integrating environmental protection elements in procurement, production technology and energy management; fostering our employees with professional skills, work safety and sharing our direction for sustainable development; serving our community with passions; we will be able to inspire the public and fulfill its commitment to portrait a greener future with the public.

本集團相信，隨著我們從採購、生產科技、能源管理融入環保元素，加上對員工在各方面包括專業知識、職業安全、以及分享我們可持續發展方向，悉心培育，上行下效，繼續踴躍參與社區，關愛社群，定能令公眾得到啟發，帶來新景象，履行其與公眾繪出綠色未來之承諾。

Tsaker Chemical will continue with its commitment of research for green technology application in the production line, cultivate employees and allow them to apply their knowledge to lead the society into a greener future.

彩客化學將繼續致力研究和應用綠色科技於生產，持續栽培員工，令其學以致用，成為能帶領公眾走進綠色未來的一員。



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Type 類別	Turnover % 流失比率																																
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B6.2	Number of products and service related complaints received and how they are dealt with 接獲關於產品及服務的投訴數目以及應對方法	There were no product and service complaints received during the Reporting Period 本年度本集團並沒有任何關於產品及服務投訴的個案	37, 61
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Directors and Senior Management

董事及高級管理層

DIRECTORS

Executive Directors

Mr. GE Yi, aged 36, is an executive Director, the Chief Executive Officer and the Chairman of our Company, responsible for overall business strategy and major business decisions of our Group. Mr. Ge joined us in February 2007 and was promoted to the vice-president and president in December 2011 and August 2012 respectively. Mr. Ge is also a director of Tsaker Cangzhou.

Mr. Ge has a thorough understanding of our business, development, management, customers and products. Mr. Ge has been substantially involved in our operation, general management and administrative affairs since he has joined our Group in 2007 and has accumulated extensive experience in the chemicals production business. He was principally responsible for strategies planning, corporate development and concluding business decisions, together with our senior management, during his tenure as the vice-president of our Group. One of the business decisions that Mr. Ge concluded includes the development of DATA, a downstream product of DMSS that has become one of our principal products and enhanced our profitability as a whole. In 2012, he further assumed the responsibility for our overall business strategy and major business decision as president of our Group. Our Board believes that the continuation of the existing practice of Mr. Ge's dual role leadership is beneficial to our Group taking into account our current scope of business and development.

Mr. Ge obtained a master's degree in International Business Management from Middlesex University in the United Kingdom in February 2007 and completed studies in chemical engineering from Tianjin University in the PRC in July 2004.

Ms. DUAN Weihua, aged 49, has served as the chief development officer of the Group since June 2016. Ms. Duan is responsible for industry research, development planning and investment project research. She joined the Group in 1995 and has over 20 years of experience in the chemical industry. Ms. Duan has been appointed as an executive Director by the Board with effect from 25 August 2016.

董事

執行董事

戈弋先生，36歲，為本公司的執行董事、行政總裁兼主席，負責本集團的整體業務策略及主要業務決策。戈先生於二零零七年二月加入本公司，並分別於二零一一年十二月及二零一二年八月獲晉升為副總裁及總裁。戈先生亦為彩客滄州的一名董事。

戈先生透徹理解本公司的業務、發展、管理、客戶及產品。戈先生自其於二零零七年加入本集團起全情投入本公司的營運、整體管理及行政事宜，並於化學品生產業務累計豐富經驗。彼主要負責本公司的戰略規劃、企業發展，並於彼擔任本集團副總裁任期時與高級管理層進行業務決策。戈先生定下的其中一項業務決策包括DATA發展，此乃成為本公司其中一種主要產品並提升本公司的整體盈利能力的一種DMSS下游產品。於二零一二年，彼進一步承擔作為本集團總裁的整體業務戰略及主要業務決策的責任。考慮到董事會相信戈先生雙重角色領導的現有慣例持續有利於本集團。

戈先生於二零零七年二月自英國密德薩斯大學獲得國際工商管理碩士學位，並於二零零四年七月完成中國天津大學化學工程的學業。

段衛華女士，49歲，自二零一六年六月起出任本集團的首席發展官。段女士負責行業研究、發展規劃及投資項目研究。彼於一九九五年加入本集團，於化工行業積逾20年經驗。段女士已獲董事會委任，於二零一六年八月二十五日起擔任本公司執行董事。



Directors and Senior Management

董事及高級管理層

Mr. BAI Kun, aged 41, is the chief financial officer of the Company, being responsible for the financial operations of the Group. Mr. Bai has been appointed as an executive Director by the Board with effect from 25 August 2016. Mr. Bai joined the Group in September 2014 as the Chief Financial Officer. Mr. Bai is also the sole director of Tsaker Hong Kong. His work experience includes acting as manager for the Tianjin branch of PricewaterhouseCoopers (普華永道中天會計師事務所有限公司天津分所) from September 2002 to February 2010 and the financial controller of Tianjin Walkman Biomaterial Co., Ltd, which is principally engaged in the development, manufacture and marketing of medical devices in the PRC, from February 2010 to August 2014. Mr. Bai is a Certified Public Accountant of China. Mr. Bai obtained a master's degree in Technoeconomics and Management in March 2002 and a bachelor's degree in Technoeconomics in July 1999 from Tianjin University.

Ms. JIN Ping, aged 41, is an executive Director and the vice president (Research & Development in Technology) of our Company, being responsible for the overall technological research and development of our Group. Ms. Jin is also a director of Tsaker Beijing since its incorporation. Prior to joining our Group in April 2006, Ms. Jin worked at Chengdu Municipal Pharmaceutical Factory IV Division II (成都市製藥四廠二分廠) (currently known as Chengdu Beite Pharmaceutical Co., Ltd. (成都倍特藥業有限公司)), which is principally engaged in research and development, production and sale of pharmaceutical and healthcare products, from July 1996 to August 2003, including serving as a team leader of the research and development centre (中心實驗室合成組長). Ms. Jin joined our Group in April 2006 and has served various positions in our Group. Ms. Jin obtained a master's degree in Biomedical Engineering from Tianjin University in the PRC in March 2006 and completed a three-year diploma course in Industrial Analysis from Southwest China Institute of Technology (currently known as Southwest University of Science and Technology) in the PRC in July 1998. In addition, Ms. Jin was awarded the title of "Petrochemical Engineer" (石油化工工程師) in May 2011.

白崑先生，41歲，為本公司首席財務官，負責本集團的財務營運業務。白先生已獲董事會委任，於二零一六年八月二十五日起擔任本公司執行董事。白先生於二零一四年九月加入本集團，擔任首席財務官。白先生亦為彩客香港的唯一董事。其工作經歷包括二零零二年九月至二零一零年二月擔任普華永道中天會計師事務所有限公司天津分所經理及於二零一零年二月至二零一四年八月擔任天津市威曼生物材料有限公司（主要在中國從事醫療器械的開發、製造及營銷）的財務總監。白先生為中國註冊會計師。白先生於二零零二年三月取得技術經濟及管理碩士學位，並於一九九九年七月自天津大學取得技術經濟學士學位。

晉平女士，41歲，為本公司的執行董事兼副總裁（技術研發），負責本集團的整體技術研發。晉女士亦自彩客北京註冊成立起擔任其董事。於二零零六年四月加入本集團之前，晉女士於一九九六年七月至二零零三年八月任職於成都市製藥四廠二分廠（現稱成都倍特藥業有限公司，主要從事藥品及保健品的研發、生產及銷售），包括擔任中心實驗室合成組長。晉女士於二零零六年四月加入本集團，歷任本集團多個職位。晉女士於二零零六年三月自中國天津大學取得生物醫學工程的碩士學位，並於一九九八年七月在中國完成為期三年的西南工學院（現稱西南科技大學）的工業分析文憑課程。此外，晉女士於二零一一年五月榮獲「石油化工工程師」職稱。

Directors and Senior Management 董事及高級管理層

Non-executive Directors

Mr. XIAO Yongzheng, aged 45, is a non-executive Director. He is responsible for providing advice on corporate governance and internal control matters. Mr. Xiao is also a director of Transfar and a general vice-president of Transfar Holding Group Co., Ltd. (傳化控股集團有限公司) (“**Transfar Holding**”) (being the indirect holding company of Transfar). Prior to joining our Group in March 2015, Mr. Xiao was responsible for valuation work in China Construction Bank from July 1995 to February 2000, and subsequently worked in the Investment Management Department of D’Long International Strategic Investment Company from June 2000 to June 2004. Mr. Xiao joined Shanghai Wanye Enterprises Co., Ltd. In November 2006, being responsible for operation management and subsequently became a departmental director at Shanghai Wanye Enterprises Co., Ltd. until July 2009.

Mr. Xiao obtained a degree in Master of Business Administration (International) from The University of Hong Kong in October 2002, and a bachelor’s degree in Mining Engineering (採礦工程) from Central South Institute of Technology (中南工學院) in the PRC in June 1995.

Mr. FONTAINE Alain Vincent, aged 63, is a non-executive Director. He is responsible for providing advice on corporate governance and internal control matters. He has been a member of the advisory board of Ocean Equity Partners Fund L.P. (the entity which controls Wider Pacific) since September 2012. Mr. Fontaine serves as an executive director and vice-chairman of the of Hong Kong Venture Capital and Private Equity Association. In 2000, he founded Investel Asia, a venture capital and private equity firm and served as its managing director from January 2004 to December 2006. He was the chief executive officer of Newcom LLC from January 2007 to September 2008. Prior to joining our Group in April 2015, Mr. Fontaine served various positions within the BCE Inc. group, the largest communications company in Canada, including Bell Canada, Bell Ardis and Tata Cellular, for approximately 16 years of his career. Mr. Fontaine has also been acting as a non-executive director of D&G Technology Holding Company Limited, a company listed on on the Stock Exchange of Hong Kong (stock code: 1301) since August 2016 and as an independent director of China Lending Corporation, a company listed on NASDAQ (ticker: CLDC) from July 2016 to December 2017.

非執行董事

肖勇政先生，45歲，為非執行董事，負責就企業管治及內部控制事宜提供意見。肖先生亦為傳化控股集團有限公司（「傳化控股」，即傳化的直接控股公司）的副總裁和董事。於二零一五年三月加入本集團前，肖先生於一九九五年七月至二零零零年二月在中國建設銀行負責估值工作，其後於二零零零年六月至二零零四年六月任職德隆國際戰略投資有限公司的投資管理部。肖先生於二零零六年十一月加入上海萬業企業股份有限公司，負責營運管理，其後在上海萬業企業股份有限公司擔任部門主管直至二零零九年七月。

肖先生於二零零二年十月獲得香港大學的工商管理（國際）碩士學位及於一九九五年六月在中國獲得中南工學院的採礦工程學士學位。

FONTAINE Alain Vincent先生，63歲，為非執行董事，負責就企業管治及內部控制事宜提供意見。彼自二零一二年九月起為Ocean Equity Partners Fund L.P.（控制Wider Pacific的實體）顧問委員會成員。Fontaine先生為香港創業及私募投資協會有限公司的執行董事及副主席。彼於二零零零年創立Investel Asia（創業及私募投資公司）並自二零零四年一月至二零零六年十二月擔任董事總經理。彼於二零零七年一月至二零零八年九月任Newcom LLC行政總裁。於二零一五年四月加入本集團前，Fontaine先生於其事業生涯中約16年在加拿大最大的通訊公司BCE Inc.集團（包括Bell Canada、Bell Ardis及Tata Cellular）擔任多個職位。於二零一六年八月起，Fontaine先生擔任德基科技控股有限公司的非執行董事，該公司在香港聯交所上市（股份代號：1301），且自二零一六年七月至二零一七年十二月，Fontaine先生擔任中國貸款集團的獨立董事，該公司在納斯達克上市（交易代碼：CLDC）。



Directors and Senior Management

董事及高級管理層

Mr. Fontaine obtained a bachelor's degree in Electrical Engineering from the University of Sherbrooke in Canada in June 1979. He has been a member of the Order of Engineers of Québec since January 1980.

Independent non-executive Directors

Mr. HO Kenneth Kai Chung, aged 52, is an independent non-executive Director, being responsible for overseeing the management of our Group independently. Between January 2014 and March 2015, Mr. Ho served as a managing director of Munsun Asset Management (Asia) Ltd. Since November 2013, Mr. Ho became an independent non-executive director of TK Group (Holdings) Limited (stock code: 2283) and an independent non-executive director of BBI Life Sciences Corporation (stock code: 1035) from October 2014 onwards. From August 2015, Mr. Ho became the CFO and joint company secretary for Greentown Service Group Co. Ltd. Mr. Ho previously worked in various international financial institutions, such as a senior research analyst of Credit Lyonnais Securities (Asia) Limited from September 1996 to February 1999, and a vice president in the Research Department of Institutional Equities, Asia Pacific Department of JP Morgan from February 1999 to October 2004. Mr. Ho served various positions in HSBC, such as the Head of China Value and Growth Research in CIBM Research Asia of HSBC Markets (Asia) Limited in September 2004, Head of China Research of HSBC (Securities Business) Beijing Representative Office in June 2008, and Hong Kong China equity sales director of HSBC in January 2011. He was also an independent non-executive director of Evershine Group Holdings Limited (formerly known as TLT Lottotainment Group Limited) (stock code: 8022) from November 2013 to April 2014.

Fontaine先生於一九七九年六月獲得加拿大 University of Sherbrooke 電器工程學士學位。彼自一九八零年一月起為魁北克工程師協會(Order of Engineers)會員。

獨立非執行董事

何啟忠先生，52歲，為獨立非執行董事，負責獨立監管本集團的管理工作。於二零一四年一月至二零一五年三月，何先生擔任麥盛資產管理(亞洲)有限公司董事總經理。何先生自二零一三年十一月起擔任東江集團(控股)有限公司(股份代號：2283)的獨立非執行董事，並自二零一四年十月起擔任BBI生命科學有限公司(股份代號：1035)的獨立非執行董事。於二零一五年八月起，何先生擔任綠城服務集團有限公司的首席財務官和聯席公司秘書。何先生曾於多家國際金融機構任職，例如彼於一九九六年九月至一九九九年二月曾為Credit Lyonnais Securities (Asia) Limited的高級研究分析師，其後於一九九九年二月至二零零四年十月出任摩根大通亞太分部機構證券研究部副總裁。何先生曾於HSBC擔任多個職位，例如彼於二零零四年九月擔任HSBC Markets (Asia) Limited的CIBM Research Asia中國價值增長研究(China Value and Growth Research)主管、於二零零八年六月擔任HSBC(證券業務)北京代表辦事處中國研究主管及於二零一一年一月擔任HSBC香港中國股票銷售總監。彼亦於二零一三年十一月至二零一四年四月擔任永耀集團控股有限公司(前稱彩娛集團有限公司)(股份代號：8022)獨立非執行董事。

Directors and Senior Management 董事及高級管理層

Mr. Ho received a Master of Commerce degree, specialising in Finance from the University of New South Wales in Australia in April 1991, and a bachelor's degree in Economics from the University of Sydney in Australia in May 1988. He was awarded as Chartered Financial Analyst by the Institute of Chartered Financial Analysts in September 1998, and has been a CFA charter holder and a member of the Association for Investment Management and Research since January 1999.

Mr. ZHU Lin, aged 44, is an independent non-executive Director, being responsible for overseeing the management of our Group independently. Mr. Zhu is also a partner of Beijing Legendhouse CPAs (北京潤衡會計師事務所) and a director of Beijing Run Qin Consulting Co. Ltd. (北京潤勤諮詢有限公司). Mr. Zhu has been a non-executive director of Beijing Chexun Internet Company Limited (北京車訊互聯網股份有限公司), a company whose shares are listed on the Over the Counter Bulletin in the PRC (新三板), since July 2016. Prior to joining our Group in March 2015, Mr. Zhu was a senior manager at the mergers and acquisitions department of PricewaterhouseCoopers Consulting (Shenzhen) Co., Ltd. (Beijing Branch) (普華永道諮詢(深圳)有限公司北京分公司) from October 2003 to November 2005. Mr. Zhu obtained a bachelor's degree in Overseas Financial Accounting (會計系外國財務會計專門化) from Central Institute of Finance and Banking (currently known as Central University of Finance and Economics) in the PRC in June 1995. Mr. Zhu has been a member of the Chinese Institute of Certified Public Accountants since February 2000.

何先生於一九九一年四月取得澳大利亞新南威爾士大學商學碩士學位，專攻金融學，及於一九八八年五月取得澳大利亞悉尼大學經濟學學士學位。於一九九八年九月，彼獲特許財務分析師協會授予特許金融分析師資格，並自一九九九年一月以來一直為特許財務分析師特許持有人及投資管理研究聯會會員。

朱霖先生，44歲，為獨立非執行董事，負責獨立監管本集團的管理工作。朱先生亦為北京潤衡會計師事務所合夥人及北京潤勤諮詢有限公司董事。於二零一六年七月起，朱先生擔任北京車訊互聯網股份有限公司（其股份於中國新三板上市）的非執行董事。於二零一五年三月加入本集團之前，朱先生於二零零三年十月至二零零五年十一月擔任普華永道諮詢(深圳)有限公司北京分公司併購部高級經理。朱先生於一九九五年六月取得中國中央財政金融學院（現稱中央財經大學）會計系外國財務會計專門化學士學位。自二零零零年二月起，朱先生為中國註冊會計師協會會員。





Directors and Senior Management

董事及高級管理層

Mr. YU Miao, aged 41, is an independent non-executive Director, being responsible for overseeing the management of our Group independently. Mr. Yu is also a partner of Global Law Office. Mr. Yu has been a non-executive director of Beijing Chexun Internet Company Limited (北京車訊互聯網股份有限公司), a company whose shares are listed on the Over the Counter Bulletin in the PRC (新三板), since July 2016. Prior to joining our Group in March 2015, Mr. Yu was a partner of Global Law Office from March 2006 to June 2010, and subsequently a partner of Norton Rose (Asia) LLP from June 2010 to June 2011. Mr. Yu returned to Global Law Office as a partner in July 2011 and has been a partner there since then. Mr. Yu obtained a postgraduate diploma in International Law from The University of Nottingham in the United Kingdom in December 2001, and a bachelor's degree in Economic Law from Heilongjiang University in the PRC in July 1999. Mr. Yu was qualified as a lawyer in the PRC in March 2000.

SENIOR MANAGEMENT

Mr. GE Yi is an executive Director, the Chief Executive Officer and the Chairman of our Company. For details about Mr. Ge's background, see "Directors" under this section.

Ms. DUAN Weihua is an executive Director, the chief development officer of our Company. For details about Ms. Duan's background, see "Directors" under this section.

Mr. BAI Kun is an executive Director, is the chief financial officer of our Company. For details about Mr. Bai's background, see "Directors" under this section.

Ms. JIN Ping is an executive Director and the vice-president (Research & Development in Technology) of our Company. For details about Ms. Jin's background, see "Directors" under this section.

于淼先生，41歲，為獨立非執行董事，負責獨立監管本集團的管理工作。于先生亦為環球律師事務所合夥人。於二零一六年七月起，于先生擔任北京車訊互聯網股份有限公司（其股份於中國新三板上市）的非執行董事。於二零一五年三月加入本集團之前，于先生於二零零六年三月至二零一零年六月為環球律師事務所合夥人，其後於二零一零年六月至二零一一年六月為諾頓羅氏（亞洲）有限責任公司合夥人。于先生於二零一一年七月以合夥人身份重返環球律師事務所，並自此一直為該事務所合夥人。于先生於二零零一年十二月取得英國諾丁漢大學國際法碩士學位，並於一九九九年七月取得中國黑龍江大學經濟法學士學位。于先生於二零零零年三月取得中國律師資格。

高級管理層

戈戈先生，本公司執行董事、行政總裁兼主席。有關戈先生背景的詳情，請參閱本節「董事」。

段衛華女士，本公司執行董事、首席發展官。有關段女士背景的詳情，請參閱本節「董事」。

白崑先生，本公司執行董事、首席財務官。有關白先生背景的詳情，請參閱本節「董事」。

晉平女士，本公司執行董事兼副總裁（技術研發）。有關晉女士背景的詳情，請參閱本節「董事」。

Directors and Senior Management 董事及高級管理層

Mr. SHI Qiang, aged 62, is the chief engineer of our Company, being responsible for the strategic development of our Group. Prior to joining our Group in April 2004, Mr. Shi worked in the Chemical Research Institute of Inner Mongolia Autonomous Region (內蒙古自治區化工研究院) (the “**Research Institute**”) from January 1986 to March 2004 and served various positions, including the director of the design office of the Research Institute. Before that, Mr. Shi worked at the Inner Mongolia Yellow River Construction Bureau Share Limited Corporation (內蒙古黃河工程局股份有限公司) (formerly known as Inner Mongolia Yellow River Construction Bureau (內蒙古黃河工程局) prior to its reform in 2000), a provider of hydropower engineering services in Inner Mongolia, the PRC, from January 1982 to December 1985. Mr. Shi has approximately 30 years of experience in the chemical industry. Mr. Shi joined our Group in April 2004 and has served various positions in our Group. Mr. Shi obtained a bachelor's degree in chemical engineering from Tianjin University in May 1982. In August 1994, Mr. Shi was awarded the title of “Senior Engineer” (高級工程師) by the Office of Leading Group for Professional Title Reform of the Inner Mongolia Autonomous Region (內蒙古自治區職稱改革領導小組辦公室), and in October 2012, Mr. Shi was awarded the title of “Energy Manager” (能源管理師) by the Development and Reform Commission of Hebei Province.

JOINT COMPANY SECRETARIES

Mr. LU Yi, aged 38, graduated from Donghua University with a bachelor's degree in Management in 2002. He joined the Company in November 2014 as a financial director of the Finance Department of the Company. Mr. LU has over 15 years of experience in finance-related work. Prior to joining the Group, Mr. LU acted as a finance manager of Fufeng Group Limited (stock code: 546) from January 2011 to October 2014, an internal audit supervisor of CITIC Pacific Limited (now known as CITIC Limited) (stock code: 267) from March 2009 to December 2010, and a senior auditor of Ernst & Young Hua Ming LLP, Shanghai Branch between November 2005 and August 2008.

石強先生，62歲，為本公司的總工程師，負責本集團的策略開發。於二零零四年四月加入本集團前，石先生自一九八六年一月至二零零四年三月任職於內蒙古自治區化工研究院（「研究院」）並擔任多個職位，包括研究院的設計辦公室主任。此前，石先生自一九八二年一月至一九八五年十二月任職於內蒙古黃河工程局股份有限公司（二零零零年改革前稱「內蒙古黃河工程局」，一家位於中國內蒙古的水電工程服務供貨商）。石先生於化工行業擁有約30年經驗。石先生於二零零四年四月加入本集團，歷任本集團多個職位。石先生於一九八二年五月取得天津大學化學工程學士學位。於一九九四年八月，石先生榮獲內蒙古自治區職稱改革領導小組辦公室頒發的「高級工程師」職稱，於二零一二年十月，石先生榮獲河北省發改委頒發的「能源管理師」職稱。

聯席公司秘書

陸毅先生，三十八歲，二零零二年畢業於東華大學，並獲得管理學士學位。他於二零一四年十一月加入本公司並擔任本公司財務部之財務總監。陸先生有超過十五年與財務相關的工作經驗。在加入本集團之前，陸先生於二零一一年一月至二零一四年十月擔任卓豐集團有限公司（股份代號：546）的財務經理，二零零九年三月至二零一零年十二月擔任中信泰富有限公司（現稱：中國中信股份有限公司）（股份代號：267）內部審計主管及二零零五年十一月至二零零八年八月擔任安永華明會計師事務所上海分行的高級審計師。



Directors' Report

董事會報告

The Board is pleased to announce the Directors' Report and the audited consolidated financial statements of the Group for the year ended 31 December 2017.

CORPORATE INFORMATION AND LISTING

The Company is a limited liability company incorporated in the Cayman Islands on 29 October 2014. The Shares have been listed on the Stock Exchange since 3 July 2015.

PRINCIPAL BUSINESS

The Group is primarily engaged in the manufacturing and sale of dye intermediates, pigment intermediates, agricultural chemical intermediates and battery materials, and the provision of environmental technology consultancy services. Analysis on the principal business of the Group for the year ended 31 December 2017 is set out in note 4 to the consolidated financial statements.

RESULTS

Results of the Group for the year ended 31 December 2017 are set out in the consolidated statement of profit or loss and other comprehensive income on page 131 of this annual report.

FINAL DIVIDEND

The Board recommends a final dividend of RMB0.039 per ordinary share for the year ended 31 December 2017. Such final dividend is subject to the approval by the Shareholders at the AGM which will be held on 15 June 2018. The dividend will be paid on or about 13 July 2018 to the Shareholders whose names appear on the register of members of the Company on 29 June 2018.

董事會欣然提呈本集團截至二零一七年十二月三十一日止年度之董事會報告及經審核綜合財務報表。

公司資料及上市

本公司於二零一四年十月二十九日在開曼群島註冊成立的有限公司。本公司的股份自二零一五年七月三日起在聯交所主板上市。

主要業務

本集團的主要業務為染料中間體、顏料中間體、農藥中間體及電池材料的生產和銷售，以及環保技術諮詢。有關本集團於截至二零一七年十二月三十一日止年度的主要業務的分析載列於綜合財務報表附註4。

業績

本集團截至二零一七年十二月三十一日止年度的業績載於本年報第131頁之綜合損益及其他全面收益表。

末期股息

董事會建議就截至二零一七年十二月三十一日止年度派發末期股息每股普通股人民幣0.039元。此末期股息須經股東於二零一八年六月十五日舉行之股東週年大會（「股東週年大會」）上批准方可作實，並將於二零一八年七月十三日或前後派付予於二零一八年六月二十九日名列本公司股東名冊的股東。

BUSINESS REVIEW

Please see the section headed "Management Discussion and Analysis" on pages 15 to 19 of this annual report for details.

Environment Policy and Performance

We focus on environmental, health and safety protection. As a producer of dye intermediates, pigment intermediates, agricultural chemicals intermediates and battery materials, and as a provider of environmental technology, we have developed production processes that comply with all applicable national and local standards in environmental, health and safety protection in all material respects. We also believe that implementing and maintaining advanced development on our environmental, health and safety protection measures serve as a competitive strength. Producers that do not meet the local environmental, health and safety protection standards may incur losses and fines imposed by the local government.

For the year ended 31 December 2017, we were subject to inspections organized by the local government from time to time and we had not received any notifications or warnings and had not been subject to any fines or penalties in relation to any breach of any applicable environmental, health and safety laws or regulations that could have a material adverse effect on our operation. For the year ended 31 December 2017, we had not lost any order from our customers due to environmental, health and safety concerns. We believe that our awareness of the environmental, health and safety issues and dedication to their protection makes us a leader in this area from an early stage.

Integrating environmental protection is a part of our operating philosophy. Our technology improvements were made with a view towards complying or strengthening our environmental, health and safety protection measures. Producers that are unable to meet the environmental, health and safety standards of the local government and the downstream customers would incur a higher cost for fines and remediation and might not be competitive in the industry in the long run.

業務回顧

詳情載於本年報之「管理層討論及分析」中第15頁至第19頁。

公司的環境政策和表現

我們關注環境、健康及安全保護。作為染料中間體、顏料中間體、農藥中間體及電池材料生產商，以及環保技術提供商，我們已在所有重大方面開發出符合環境、健康及安全保護方面的所有適用國家及地方標準的生產流程。我們亦認為實行及保持我們於環境、健康及安全保護措施的先進開發是一項競爭優勢。不符合地方環境、健康及安全保護標準的生產商可遭致損失及被地方政府處以罰款。

截至二零一七年十二月三十一日止年度，我們受到地方政府不時組織的檢查，且並無收到任何通知或警告，亦無因違反任何適用的環境、健康及安全法律或法規被處以可能對我們的業務構成重大不利影響的任何罰款或處罰。截至二零一七年十二月三十一日止年度，我們不曾因環境、健康及安全問題而失去任何客戶訂單。我們相信，我們對環境、健康及安全問題的意識以及我們對其保護事項的投入在早期令我們成為這一方面的領導者。

整合環保乃我們經營理念的一部分。我們的技術改進的目的在於遵守或加強我們的環境、健康及安全保護措施。無法達到地方政府以及下游客戶的環境、健康及安全標準的生產商將會產生更高額的罰款及補救成本，並可能無法在行業內具備長遠的競爭力。





Directors' Report

董事會報告

The Company has set up the “Environmental Protection Administrative System” to implement the discharge of the duties of the person in charge and staff of every level and every department, and confirm the disposal treatment and standard of sewage, waste gas and solid waste. We have also set up the “Accountability system for Tsaker Chemical” to enhance the safety and environment awareness of all our employees and mitigate and root out any negligent acts, leading employees to fulfill their responsibility with lofty professionalism and to ensure the quality of work, so that a standardised management can be implemented.

The Company puts a lot of emphasis on corporate social responsibilities, focusing on environmental protection, safety and health, and continues to be committed to ensuring that the business activities of the Group are in line with the relevant environmental and safety supervisory requirements. We have already obtained Quality Management System ISO9001, Environmental Management System ISO14001 and Occupational Health Safety Management System GB/T 28001-2011 for our management system.

Compliance with related laws and regulations

The Company always places focus on strict compliance with applicable laws and regulations in all material aspects, including the non-compliance incidents as disclosed in the Prospectus, setting up and improving the existing administrative system, enhancing the daily operation and supervision, adopting effective measures to avoid and reduce risks and violation of rules. The following are some of the primary laws and regulations applicable to the Group in the PRC.

Laws on Work Safety

The Group has a comprehensive safety production management system and detailed operation procedures in place. In addition to the daily production safety inspection, routine comprehensive safety production inspection on Dongguang Production Plants, Dongao Production Plants and Dongying Production Plant are conducted weekly to thoroughly investigate any safety loopholes. Control on safety production are strengthened by adopting feasible preventive measures. We ensure to put in place various safety production systems, measures and responsibilities as well as the effectiveness of relevant contingency plans.

本公司制定了《環境保護管理制度》，落實了各級負責人、部門及員工的崗位職責、明確了廢水、廢氣及廢物的處理方法和標準。我們亦制定了《彩客化學問責制度》，以強化全體員工的安全環保意識，減少和杜絕各類工作失職行為，引導員工恪盡職守，確保工作質量，實行規範和標準化管理。

本公司十分重視企業社會責任，關注環保、安全與健康，並將繼續致力確保業務活動符合環保及安全監管規定。我們已就管理體系取得質量管理體系ISO9001、環境管理體系ISO14001認證及職業健康安全體系GB/T 28001-2011。

公司對有關法律和法規的遵守

本公司始終重視在所有重大方面嚴格遵循所適用的法律和法規，包括在招股說明書中披露的不合規事項，制定和完善公司現行管理制度，加強日常管理與監督，採用有效措施以防範和減少風險和違規事項發生。以下為一些本集團於中國所適用的主要法律和法規。

安全生產法

本集團制定了完善的安全生產管理制度和具體的安全生產業務操作流程。除日常安全生產檢查外，東光生產廠房、東奧生產廠房，以及東營生產廠房每周都會開展例行的全面安全生產檢查，對安全隱患進行徹底排查，採取切實可行的措施，全面加強安全生產防控力度。確保安全生產各項制度落實到位、安全生產措施落實到位、安全生產責任落實到位，以及應急預案的實用性落實到位。

The Environmental Protection Law, the Law on the Prevention and Treatment of Water Pollution and the Law on the Prevention and Treatment of Solid Waste Pollution

The latest communique of the Fifth Plenary Session of the 18th Communist Party of China Central Committee proposed to enhance the effort on environmental protection as to increase the environmental quality as the core, implementing the strictest environmental protection system to thoroughly realise the plan of prevention and treatment of air, water and soil contamination and the vertical administrative system of monitoring the executability of environmental institutions below the provincial level.

To effectively monitor the measures we have adopted for impact reduction by our operation to the environment, we have already installed pollution control equipment such as monitoring equipment on generators at our production facilities to control and record the gas pollutants and the emission level of sewage and solid waste. We have also set up a series of internal policies and plans for environmental risks avoidance to ensure our compliance with the applicable state, industrial and local standard laws, regulations and policy requirements, including reports on the gas pollutants, the emission level of sewage and solid waste and regular assessment on such emission level issued by the local safety and environmental department (Environmental Protection Bureau of Dongguang County, Work Safety Supervisory Bureau of Dongguang County, Environmental Protection Bureau of Hehou district, Dongying City, Work Safety Supervisory Bureau of Hehou district, Dongying City and Administrative Committee of Hehou Blue Economic Development Zone). We constantly strengthen the research and development of clean production technologies to satisfy the increasing environmental protection standard. When there is deviation from any applicable emission standards, we will investigate the cause and adopt corresponding remedial measures. Furthermore, our emission of sewage and solid waste and air pollutants is subject to the monitor by the above-mentioned safety and environmental departments.

環境保護法、水污染防治法，及固體廢物污染環境防治法

中國共產黨十八屆中央委員會第五次全體會議提出：加大環境治理力度，以提高環境質量為核心，實行最嚴格的環境保護制度，深入實施大氣、水、土壤污染防治行動計劃，實行省以下環保機構監測執法垂直管理制度。

為有效監控我們所採納的措施以盡量減少我們的經營運作對環境的影響，我們的生產設施已安裝污染控制設備例如於發電機組的監控設備以控制及記錄氣體污染物、廢水及固體廢棄物的排放水平。我們亦制定一系列規避環境風險的內部政策及計劃以確保遵守適用國家、行業及地方標準法律、法規及政策的規定，包括向地方安全及環境部門（東光縣環保局、東光縣安全生產監督局、東營市河口區環保局、東營市河口區安全生產監督局、河口藍色經濟開發區管理委員會）匯報氣體污染物、廢水及固體廢棄物的排放水平及定期評估該等排放水平。我們不斷加強清潔生產工藝研發，以滿足日益提高的環保標準。倘我們發現任何偏離適用排放標準的情況，我們將調查原因及將採取相應的糾正措施。此外，我們排放廢水及固體廢棄物及排放氣體污染物亦受上述地方安全及環境部門的監控。





Directors' Report

董事會報告

The Regulations on the Control of Foreign Exchange

Gain generated from the exporting business of the Company represents a relatively large proportion of the total revenue for the year and is denominated and settled in USD. Along with the constant promotion of internationalizing RMB, we do not only closely monitor the fluctuation of foreign currency, but also strictly comply with the regulations on the control of foreign exchange in foreign exchange filing registration, foreign exchange settlement, foreign exchange operating activities and foreign exchange investing activities.

The Foreign Trade Law

The Company has corresponding internal export business management system and operation procedures in place, and promptly conducts filing registration to export department. We engage in trade activities that are in compliance with law and abide by the trade order. In order to maintain fair market competition, we do not engage in improper competition behaviors, such as selling at an improperly low price, bid-rigging, issuing false advertisement, involving in bribery. For exporting, the Company also seriously studies and strictly complies with the laws and regulations of the export destination countries, such as the anti-dumping law in India, product liability laws and regulations in Germany and product safety and liability laws and regulations in the United States of America.

The Labor Law

The Company developed and improved its existing internal management system to safeguard the rights of its employees, including labour safety and health system. The Company stringently implemented national protocols and standards on labor safety and health, conducted labor safety and health education for employees, to prevent labor accidents and reduce occupational hazards.

外匯管理條例

本公司出口業務所取得的收益佔全年總收益比例較大，均以美元定價和結算。隨着人民幣國際化進程的不斷推進，我們不僅密切監督匯率波動以防範外匯風險，也嚴格遵循外匯管理條例的規定進行外匯備案登記、外匯收支結算、外匯經營活動，以及外匯投資活動等。

對外貿易法

本公司制定了相應的內部出口業務管理制度和業務流程，並及時向對外貿易主管部門辦理備案登記，從事符合法律要求的貿易活動，遵守貿易秩序，維護市場公平競爭，不實施以不正當的低價銷售商品、串通投標、發布虛假廣告及進行商業賄賂等不正當競爭行為。在對外貿易中，本公司亦認真研究和嚴格遵守出口目的地國家有關的法律及法規，如印度的反傾銷法、德國產品責任法及法規、美國產品安全及責任法律及法規等。

勞動法

本公司制訂和完善了內部保障勞動者權利的現行內部管理制度，包括勞動安全和衛生制度等方面。本公司嚴格實施國家勞動安全和衛生的條例和標準，為勞動者提供勞動安全和健康教育，防範勞動事故和減少職業危害。

Social Insurance and Housing Provident Funds

The Company complied with the PRC laws, rules and regulations, including the Social Insurance Law, the Regulations on Unemployment Insurance, the Regulations on Work Injury Insurance and the Regulations on the Administration of Housing Provident Fund. We make contributions to social insurance in full and on time including pension insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance as well as housing provident fund. For the year ended 31 December 2017, the Company did not receive any penalty from relevant administrative department.

In light of, including but not limited to, the above-mentioned primary laws and regulations, our internal control department is responsible for monitoring from time to time our compliance with and abidance by the applicable laws and regulations and other relevant PRC laws and regulations as well as supervising the implementation of necessary measures. In addition, we plan to provide our Directors, senior management and employees with continuing training development programs and updates regarding the relevant PRC laws and regulations on a regular basis to proactively identify any concerns and issues relating to potential non-compliance in order to reduce the Company's risk of deviating from them.

社會保險及住房公積金

本公司遵守相關的中國法律、條例及法規，包括《社會保險法》、《失業保險條例》、《工傷保險條例》及《住房公積金管理條例》等，為員工按時、足額繳納社會保險費，包括養老保險、醫療保險、工傷保險、失業保險和生育保險，以及住房公積金。截至二零一七年十二月三十一日止年度，本公司未收到任何有關行政部門處以的罰款。

針對包括但不限於上述主要法律和法規，我們的內部控制部門負責不時監控我們對適用法規及其他相關中國法律法規的合規及遵守情況，及監督任何必要措施的實施。此外，我們計劃定期向董事、高級管理層及僱員提供持續培訓及發展課程及有關相關中國法律法規的最新資料，藉以主動找出任何潛在不合規或違反本公司管理制度的問題及事宜，以減低本公司因有關偏離而須承受的風險。





Directors' Report

董事會報告

IMPORTANT RELATIONSHIP WITH STAKEHOLDERS

Customers: We have built strong, long-standing relationships with our major customers, established a strong customer base and have become the key supplier to our major customers. We have passed a number of stringent qualification and certification processes required by our customers to establish our stable customer base. We have had relationships with our major customers for over eleven years on average. We believe that these long term relationships enable us to establish and maintain market leadership in the dye and pigment intermediates industry.

During the Review Year, we attended industry conferences to solicit new potential customers and maintain relationships with existing customers. To further enhance our business relationship with our customers, our sales team visited our major customers from time to time to conduct customer surveys to understand their evolving needs and obtained feedback on the quality of our products. We are dedicated to providing quality customer services and after-sales services. We endeavor to supply our products to our customers in a timely manner.

Suppliers: We choose our suppliers of raw materials mainly based on the prices and quality of raw materials offered by different suppliers. We issue purchase orders to our suppliers typically on a monthly basis that set out the quantities, prices and specifications of the products to be purchased, delivery arrangement, credit terms and the quality examination procedures at arms' length negotiations between the parties based on normal commercial terms.

與利益相關者的重要關係

客戶：我們已與主要客戶建立穩固的長期業務關係，建立了強大的客戶基礎，並成為主要客戶的關鍵供貨商。我們已通過我們的客戶所要求的多項嚴格資格及認證過程，以建立穩固的客戶基礎。我們已與主要客戶有超過約十一年的業務關係。我們相信該等長期的業務關係使我們能夠在染料及顏料中間體行業建立並保持市場領導地位。

於回顧年內，我們出席行業會議以開發潛在的新客戶及維持與現有客戶的關係，為進一步鞏固我們與客戶的業務關係，我們的銷售團隊會不時到訪主要客戶，進行客戶意見調查以了解其不斷變化的需求及取得有關產品質量的回饋意見。我們致力於提供優質客戶服務及售後服務，並努力爭取及時向客戶供應產品。

供貨商：我們主要根據不同供貨商所提供的原材料價格及質量甄選原材料供貨商。我們一般按月向供貨商下達採購訂單，其中載明將予採購產品的採購數量、價格及規格、交付安排、信用期及各方按一般商業條款公平磋商的質量檢驗程序。

For the year ended 31 December 2017, we were able to obtain raw materials from our suppliers on terms and quality acceptable to us and we had not experienced any material disruption to the supply of any raw materials required for our production or experienced any difficulty in sourcing alternative suppliers for such raw materials. In addition, we believe the relationship between us and our major suppliers has been and will continue to be good and stable. All of our domestic procurements were paid in Renminbi. All of our foreign procurements were paid in USD.

EMPLOYEES: In addition to competitive salaries, we provide employees supplementary compensation benefits, such as free shift dormitories, free shuttle bus transportation, and meal allowance. In addition, we value our employees and provide them with continuing education, on-job training and encourage their career development through accumulating on-the-job experience. For the employees of our subsidiaries that operate in the PRC, we are required to make contributions to various government sponsored employee benefit funds, including social insurance fund, basic pension insurance fund and unemployment, maternity and work related insurance funds in accordance with applicable PRC laws and regulations.

For the year ended 31 December 2017, there have been no labor disputes or strikes at any of our production facilities. Our current relationship with our employees and the labor unions are good and are based on mutual support and respect.

RISK FACTORS

Risks and uncertainties can affect the Group's businesses, financial conditions, operational results or growth prospects, leading to a divergence from the expected or historical results. Key risk factors affecting the Group are outlined below. In dealing with these risk factors, the Group remains in touch with our stakeholders with the aim of understanding and addressing their concerns.

截至二零一七年十二月三十一日止年度，我們一直能夠按我們可接受的條款及質量自供貨商取得原材料，而我們生產所需原材料的供應並無出現任何重大中斷，在向其他原材料供貨商採購有關原材料時亦無受到任何困難。此外，我們相信，我們與主要供貨商之間的關係良好、穩定並將繼續保持。我們對所有國內採購以人民幣付款。我們所有海外採購均以美元付款。

僱員：除有競爭力的薪金外，我們亦提供僱員補充薪酬福利，例如免費倒班宿舍、免費往返巴士及餐補。此外，我們重視僱員，並向其提供持續教育及在職培訓機會，並鼓勵通過積累工作經驗促進事業發展。我們必須為我們中國營運附屬公司的僱員根據中國相關法律法規向各類由政府資助的僱員福利基金作出供款，包括社保基金、基本養老保險基金及失業、生育和工作相關保險基金。

截至二零一七年十二月三十一日止年度，我們的任何生產設施均無發生勞工糾紛或罷工。我們與僱員及工會關係良好，秉承互相支持及互相尊重的原則。

風險因素

風險及不明朗因素可能影響本集團的業務、財務狀況、營運業績或發展前景，導致業績偏離預期或過往表現。下文羅列出一些對本集團有影響的主要風險因素。在應對這些風險因素的時候，本集團與各相關方保持聯繫，以了解和響應他們的關注。





Directors' Report

董事會報告

Global economy and macroeconomic conditions

Any adverse change in the global economic downturn, geopolitical tensions, the PRC's economic, political and social conditions, as well as governmental policies may affect our sales, will result in pressure on the prices, volume and margins achieved or achievable in the future. A decline in demand or a shift to lower value end products with a lower demand for our products resulting from deteriorating economic condition may adversely affect our business, financial condition, results of operations and prospects.

In this regard, we will actively gain understanding of changes in domestic and overseas markets to promptly grasp information of industries in the upper and lower stream in relation to our products and adopt strategies to ensure steady growth in our profits. We will maintain good cooperative relationships with major clients by providing them with products highly functional and of consistent quality. In addition, we will establish an enriched product structure and portfolio to diversify the risk of production concentrate. Our products are sold all over the world to avoid risk of regional economy fluctuations. We keep developing new customers to lower the dependence of one single customer.

Foreign exchange risk

The foreign exchange risk refers to the risk of loss caused by fluctuation in exchange rate. The foreign exchange risk of the Group is mainly related to its exporting activities. Along with the continuous expansion of the export business scale, the operation of the Group may be affected by the future fluctuation in exchange rate.

In view of this, the Group reset the exporting price every quarter to avoid the risk of foreign exchange fluctuation, and concentrated purchase in China to lower the foreign exchange risk. The Group will actively monitor the impact of change in currency exchange rates on the Group and, while taking into account the nature of its business, adopt measures based on scientific identification and effective balance to control relevant risk in order to avoid material loss.

全球經濟及宏觀經濟的狀況

全球經濟狀況低迷，地緣政局緊張，以及中國經濟、政治及社會環境及政府政策的任何不利變動，均可能對我們的銷售造成影響，從而對已實現或日後可實現的價格、銷量及利潤率造成壓力。因經濟狀況轉差導致需求下降或需求轉向低價值的低端產品而對我們產品的需求下降，則可能對我們的業務、財務狀況、經營業績及前景造成不利影響。

對此，本集團積極了解國內外市場環境變化，及時掌握產品上下游行業信息，採取穩定盈利增長的策略，我們與主要客戶保持良好合作，為客戶提供具有優越性能及持久質量的產品。同時，我們建立並不斷豐富產品結構和種類，以分散產品集中度風險。我們產品全球銷售，分散了地區經濟波動風險。我們不斷開發新客戶，降低了對單一客戶依賴度。

外匯風險

外匯風險指因匯率變動產生損失的風險。本集團承受的外匯風險主要與本集團的出口經營活動有關。隨着公司出口業務規模不斷擴大，未來匯率波動可能對本集團經營造成影響。

對此，本集團採取對外銷售每季度重新定價的方法及時應對匯率變動的風險因素，以及集中國內採購，降低外匯風險。本集團將繼續密切關注匯率變動對本集團外匯風險的影響，結合自身業務性質，在科學識別和有效衡量的基礎上採取措施控制外匯風險，避免產生重大損失。

For the year ended 31 December 2017, the Group neither drew up any hedging policy, nor adopted any hedging instruments.

We are exposed to risks associated with fluctuations in prices of raw materials and supply

The prices of raw materials on which we depend may be affected by a number of factors, including market supply and demand, changes in PRC import duties, PRC and global economic conditions and changes to the PRC or international environmental and regulatory requirements. The prices of the raw materials are to a certain extent related to the price of crude oil. Fluctuations in oil prices may affect the prices of toluene, an upstream raw material of PNT, which, in turn, may also affect the prices of PNT. Any significant increases in the cost of the raw materials may increase our cost of production and negatively affect our profit margin and, more generally, our business, financial condition, results of operations and prospects. A reduction in, or lack of availability of, raw materials or interruptions in the supply chain, may also impact our profitability to the extent that we are required to pay higher prices for, or are unable to secure adequate supplies of the necessary raw materials.

In this regard, we choose our suppliers of raw materials based on the prices and quality of raw materials offered by different qualified suppliers. We purchase critical raw materials from several suppliers to avoid possible risk of relying on one single supplier. We issue purchase orders to our suppliers typically on a monthly basis that set out the quantities, prices and specifications of products purchase, delivery arrangement, credit terms and the quality examination procedures at arms' length negotiations between the parties based on normal commercial terms. Furthermore, we attach importance to maintaining good relationships with major suppliers to ensure we can secure sufficient supply of raw materials of stable quality in a timely manner and avoid any adverse effect of reduction in, or lack of availability of, raw materials or interruptions in the supply chain. In response to price changes of raw materials, we seek to adjust the prices at which we sell our products to shift any increase in our costs to our customers so as to maintain our profit margins.

截至二零一七年十二月三十一日止年度，本集團並未制定對沖政策，亦未採取任何對沖工具。

我們面臨與原材料價格波動及供應有關的風險

我們倚賴的原材料的價格可能受眾多因素影響，包括市場供需、中國進口關稅變動、中國及全球經濟狀況及國內外環境以及監管規定發生變化。原材料價格某種程度上與原油價格息息相關。油價波動可能影響甲苯（PNT的上游原材料）價格，從而亦可能影響PNT的價格。原材料成本一旦大幅增加，我們的生產成本可能增加，並可能對我們的利潤率造成負面影響，通常繼而會對我們的業務、財務狀況、經營業績及前景造成負面影響。原材料減少或短缺或供應鏈中斷亦會影響我們的盈利能力，導致我們須就必需的原材料支付更高價格，甚至或無法取得充足的供應。

對此，我們根據不同供貨商所提供的原材料價格及質量甄選符合我們要求的合格供應商。我們對重要原材料選擇多家供應商，避免單一供貨商可能出現的風險。我們一般按月向供貨商下達採購訂單，其中載明產品採購數量、價格及規格、交付安排、信用期及各方按一般商業條款公平磋商的質量檢驗程序。此外，我們同樣重視與主要供貨商之間保持良好的業務關係，從而確保我們可以及時獲得充足的、質量穩定的原材料供應，避免因原材料減少、短缺或供應鏈中斷而對我們的負面影響。倘原材料價格改變，我們會嘗試調整產品售價，將增加的成本轉嫁予客戶以保持利潤率。



Directors' Report

董事會報告

Expansion into new markets presents increased risks

The competitive conditions and customer preferences of new markets may be different from our existing markets. As a result, our future operation in these markets may be less successful than those in the DSD Acid and DMSS markets. Customers in these new markets might not be familiar with our brand and we may need to build up brand awareness with greater effort than we originally planned. We may find it more difficult in new market to hire, train and retain qualified employees. This may have material adverse effect on our business, financial condition, results of operations and prospects.

In this regard, we will strengthen preliminary research and commercial feasibility analysis in relation to new markets, increase research and development of new products, technology and techniques and hire experienced staff to fulfil our development plan for the future.

After three years of production, for the year ended at 31 December 2017, we have capitalised on the existing resources of Tsaker Dongao, including in-depth knowledge of products and operation of the production plants from its staff, sales network, customer base of domestic herbicide manufacturers and customer relationships, to gradually expand our presence in ONT and OT product markets, which has laid sound foundations for our further business expansion as well as external acquisitions and mergers in the future.

We experience seasonal fluctuations

We experience seasonal fluctuations in our business and results of operations. Sales of our products and our production activities are generally slower during the first quarter of each year as a result of the Chinese New Year holidays in the first quarter, where many of the consumer product manufacturers stop production. Furthermore, large quantity of herbicide is typically produced ahead of the farming seasons for use during the farming seasons. As a result, demand for agricultural chemical intermediates such as ONT and OT, a raw material of certain herbicide, also correspond to this seasonal trend. Failure to manage seasonality in our business may cause our revenue and financial condition to be adversely affected.

拓展新市場將會導致更多的風險

新市場的競爭條件及客戶偏好可能有別於我們的現有市場。因此，我們日後於該等市場經營業務可能不如在DSD酸及DMSS市場成功。該等新市場的客戶可能並不熟悉我們的品牌，我們可能需要付出比原先計劃更多的努力以建立品牌知名度。我們可能會更難以在新市場聘請、培訓及挽留合資格僱員。這都將會對我們的業務、財務狀況、經營業績及前景產生重大不利影響。

對此，我們會加強新市場的前期調研和商業可行性分析，加大對新產品、新技術及新工藝的研發投入，僱用有經驗的員工，以達成我們的未來發展計劃。

經過近三年的生產經營，截至二零一七年十二月三十一日止年度，我們通過彩客東奧的現有資源，包括員工對產品及生產廠房營運的深入了解、銷售網絡、國內除草劑生產商的客戶群及客戶關係，對ONT及OT產品市場的影響力已逐步顯現，為我們將來業務進一步擴展，以及外部收購和兼併打下了堅實基礎。

我們存在季節性波動

我們的業務及經營業績存在季節性波動。由於春節假期在第一季度，期間許多消費品製造商停工，故於每年的第一季度我們的產品銷售及生產活動一般會放緩。此外，大量的除草劑通常在農忙期前生產以供農忙期使用。因此，對若干除草劑的原材料ONT及OT等農藥中間體的需求亦符合該季節趨勢，未能管理業務的季節性因素可能對我們的收益及財務狀況造成不利影響。

In this regard, we make reasonable arrangements for the production and sales of products based on their respective market demand to cope with our exposure to seasonal fluctuation. For agricultural chemical intermediates such as ONT and OT, we conduct meticulous analysis and research on the seasonal demand for our products in various regions or countries and make active moves in developing domestic and overseas markets to mitigate the impact of seasonal factors. In addition, we carefully monitor and control the fluctuation in our working capital arising from seasonal movements of revenue so as to take timely and effective action and provide our business with stable and adequate cash for operations.

ANALYSIS OF FINANCIAL KEY PERFORMANCE INDICATORS

Please see the section headed "Management Discussion and Analysis" on pages 21 to 27 of this annual report for details.

OUTLOOK

Please see the section headed "Management Discussion and Analysis" on pages 20 of this annual report for details.

EVENT AFTER THE REPORTING PERIOD

Details of event after the reporting period are set out in note 37 to the consolidated financial statements.

FINANCIAL OVERVIEW

The highlight of results and assets and liabilities of the Group for the last five financial years are set out on page 7 of this annual report. This highlight does not constitute part of the audited consolidated financial statements.

APPLICATION OF PROCEEDS FROM LISTING

Please see the section headed "Management's Discussion and Analysis" on page 28 of this annual report for details.

對此，我們根據不同產品的市場需求，合理安排各產品的生產和銷售，以應對季節性波動帶來的影響。對於ONT及OT等農藥中間體，我們認真分析和研究不同地區或國家對我們產品的季節性需求，積極開拓國內外市場，以降低季節性因素的影響。同時，我們謹慎監察及控制因收益的季節性變化而帶來的營運資金波動，適時採取有效措施，以為我們的業務提供穩定及足夠的營運現金。

財務關鍵表現指標分析

詳情載於本年報之「管理層討論及分析」中第21頁至第27頁。

展望

詳情載於本年報之「管理層討論及分析」中第20頁。

報告期後事項

有關報告期後事項之詳情載於綜合財務報表附註37。

財務概要

本集團過去五個財政年度之業績以及資產及負債概要載列於本年報第7頁。本概要並不構成經審核綜合財務報表的一部分。

上市所得款項用途

詳情載於本年報之「管理層討論及分析」中第28頁。





Directors' Report

董事會報告

MAJOR CUSTOMERS AND SUPPLIERS

Major customers

For the year ended 31 December 2017, the top five customers attributable to the Group accounted for approximately 31.3% (2016: 28.9%) of its total revenue, and the turnover attributable to its largest single customer accounted for approximately 10.9% of its total revenue (2016: 8.8%).

Major suppliers

For the year ended 31 December 2017, the top five suppliers of the Group accounted for approximately 40.2% (2016: 32.8%) of its total purchases, and the turnover attributable to its largest single supplier accounted for approximately 13.3% of its total purchases (2016: 8.4%).

During the Reporting Period, none of the Directors or any of their close associates or any Shareholders (who to the knowledge of the Directors own more than 5% of the Company's share capital in issue) had interest in any of the Group's top five customers or suppliers.

PROPERTY, PLANT AND EQUIPMENT

Details of changes in property, plant and equipment of the Group for the year ended 31 December 2017 are set out in note 14 to the consolidated financial statements.

RESERVES

Details of changes in reserves of the Group for the year ended 31 December 2017 are set out in the consolidated statement of changes in equity on page 134.

DISTRIBUTABLE RESERVES

As at 31 December 2017, the Company's reserves available for distribution amounted to approximately RMB599.2 million (as at 31 December 2016: RMB584.7 million).

BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Group as at 31 December 2017 are set out in note 24 to the consolidated financial statements.

主要客戶及供貨商

主要客戶

截至二零一七年十二月三十一日止年度，本集團前五名客戶的交易額佔本集團總收入約31.3%（二零一六年：28.9%），而本集團之單一最大客戶的交易額佔本集團總收入約10.9%（二零一六年：8.8%）。

主要供貨商

截至二零一七年十二月三十一日止年度，本集團前五名供貨商的交易額佔本集團截至二零一七年十二月三十一日止年度總購貨額約40.2%（二零一六年：32.8%），而本集團之單一最大供貨商的交易額佔本集團總購貨額約13.3%（二零一六：8.4%）。

於報告期內，概無董事、任何彼等的緊密聯繫人或任何股東（據董事所知擁有本公司的已發行股本的5%以上）於本集團五大客戶或供貨商中擁有權益。

物業、廠房及設備

本集團於截至二零一七年十二月三十一日止年度期間的物業、廠房及設備變動詳情載於綜合財務報表附註14。

儲備

本集團之儲備於截至二零一七年十二月三十一日止年度期間的變動詳情載於第134頁的綜合權益變動表。

可供分派儲備

於二零一七年十二月三十一日，本公司可供分派儲備約為人民幣599.2百萬元（於二零一六年十二月三十一日：人民幣584.7百萬元）。

銀行借款及其他借款

關於本集團於二零一七年十二月三十一日之銀行借款及其他借款的詳情載於綜合財務報表附註24。

DIRECTORS

For the year ended 31 December 2017 and as at to the date of this annual report. The Directors are as follows:

Executive Directors:

Mr. GE Yi
Ms. DUAN Weihua
Mr. BAI Kun
Ms. JIN Ping

Non-executive Directors:

Mr. XIAO Yongzheng
Mr. FONTAINE Alain Vincent

Independent non-executive Directors:

Mr. HO Kenneth Kai Chung
Mr. ZHU Lin
Mr. YU Miao

In accordance with the Articles of Association, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) will retire from office by rotation and will be eligible for re-election at every annual general meeting, provided that every Director shall be subject to retirement by rotation at least once every three years.

In accordance with article 16.19 of the Articles of Association, Ms. JIN Ping, Mr. XIAO Yongzheng and Mr. FONTAINE Alain Vincent will retire by rotation and being eligible, will offer themselves for re-election as the Directors at the forthcoming AGM.

Circular containing details of the Directors to be re-elected at the forthcoming AGM will be despatched to the Shareholders in due course.

CHANGES TO INFORMATION OF DIRECTORS

Details of changes to any of the information in relation to any Director during the Reporting Period required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules are set out in the section headed "Directors and Senior Management" contained herein.

董事

截至二零一七年十二月三十一日止年度，至本年報日期，董事如下：

執行董事：

戈弋先生
段衛華女士
白崑先生
晉平女士

非執行董事：

肖勇政先生
FONTAINE Alain Vincent先生

獨立非執行董事：

何啟忠先生
朱霖先生
于淼先生

根據組織章程細則，現時三分之一董事（倘若其數目並非為三的倍數，則取最接近而不少於三分之一數目）將輪值告退，並有資格在每次股東週年大會膺選連任，惟各董事須最少每三年輪值告退一次。

根據組織章程細則第16.19條，晉平女士、肖勇政先生及FONTAINE Alain Vincent先生將於應屆股東週年大會輪值退任，並符合資格及願意膺選連任為董事。

載有應屆股東週年大會上膺選連任的董事詳情的通函將適時向股東寄發。

董事資料之變動

於報告期內，根據上市規則第13.51(2)條(a)至(e)段及(g)段，須予披露有關任何董事之資料之任何變動之詳情載於本年報之「董事及高級管理層」一節。



Directors' Report

董事會報告

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management are set out on pages 63 to 69 hereof.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received the confirmation from each of the independent non-executive Directors in respect of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

None of the Directors has entered into any service contract with the Company or any of its subsidiaries which is of a duration exceeding three years or which is not determinable within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

Details of the contracts of significance entered into between the Group with its controlling shareholders or subsidiaries have been disclosed in the section of "continuing connected transactions" in the Directors' Report in this annual report.

Save as disclosed above, for the year ended 31 December 2017, none of the Directors and their connected entities (as defined in the Companies Ordinance) either directly or indirectly, have a material interest in any transactions, arrangements and contracts to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries is a party which is material to the business of the Group.

董事和高級管理層

董事和高級管理層的履歷詳情載於本年報第63頁至第69頁。

獨立非執行董事獨立性的確認

本公司已收到各獨立非執行董事根據上市規則第3.13條確認彼等的獨立性，而本公司認為全體獨立非執行董事均為獨立人士。

董事之服務合約及委聘函

概無董事與本公司或任何其附屬公司訂立期限超過三年或不可於一年內不付賠償（法定賠償除外）而終止的服務合約。

董事與控股股東於重要交易、安排或合約的權益

本集團與控股股東或其附屬公司之間所訂的重要合約詳情已披露於本年報的董事會報告中「持續關連交易」部分。

除上文所披露者外，截至二零一七年十二月三十一日止年度，概無董事及其有關連的實體（定義見公司條例）於本公司、其控股公司、其任何附屬公司或同系附屬公司作為訂約方並對本集團業務而言屬重要交易、安排或合約中直接或間接擁有重大權益。

MANAGEMENT CONTRACTS

During the Reporting Period, no contracts concerning the management and administration of the whole or any substantial part of the businesses of the Company were entered into or existed.

REMUNERATION POLICY

The Remuneration Committee is set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, with regard to the Group's operating results, individual performance and comparable market practices.

Details of the remuneration of Directors and the five highest paid individuals for the Reporting Period are set out in notes 8 and 9 to the consolidated financial statements.

PENSION SCHEMES

Details of pension schemes of the Group are set out in note 2.4 to the consolidated financial statements.

管理合約

於報告期內，本公司並無就有關整體全部或任何重要部分業務的管理及行政工作簽訂或訂有任何合約。

薪酬政策

薪酬委員會之設立旨在根據本集團之經營業績、董事與高級管理層之個人表現及可資比較之市場慣例審查本集團有關董事及高級管理層之薪酬政策及薪酬架構。

有關於報告期內董事及五位最高薪酬人士的薪酬詳情載於綜合財務報表附註8和9。

退休金計劃

本集團退休金計劃詳情載於綜合財務報表附註2.4。



Directors' Report 董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2017, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out as follows:

(i) Interest in the Company

Name of Director 董事名稱	Nature of interest 權益性質
GE Yi 戈弋	Interest in a controlled corporation 於受控制法團權益

Notes:

- The Letter "L" denotes long position in the shares.
- As at 31 December 2017, the number of issued Shares of the Company were 1,044,250,000 shares.
- These Shares represent Shares held by Cavalli, which is wholly owned by Mr. GE Yi.

(ii) Interest in associated corporations

Name of Director 董事名稱	Name of associated corporation 相關法團名稱
GE Yi 戈弋	Cavalli Enterprises ⁽¹⁾ Inc. ("Cavalli")

董事及最高行政人員於股份、相關股份及債權證中擁有的權益及淡倉

於二零一七年十二月三十一日，董事及本公司最高行政人員擁有根據《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的本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份及債權證的權益及淡倉（包括根據《證券及期貨條例》的該等條文彼等被當作或視為擁有的權益及淡倉），或根據《證券及期貨條例》第352條已登記於須予備存之登記冊，或根據證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

(i) 本公司權益

Number of Shares held 持有股份數目	Approximate percentage of shareholding ⁽²⁾ 股權概約百分比 ⁽²⁾
690,117,000 (L) ^{(1) (3)} (好倉)	66.09%

附註：

- 「好倉」指該股份中的好倉。
- 於二零一七年十二月三十一日，本公司已發行股份之數目為1,044,250,000股。
- 該等股份由Cavalli持有，而Cavalli為戈弋先生全資擁有。

(ii) 於相聯法團之權益

Nature of interest 權益性質	Percentage of interest in the corporation 於法團之股權概約百分比
Beneficial owner 實益擁有人	100.00%

Note:

1. Cavalli is wholly-owned by Mr. Ge Yi, an executive Director. For the purpose of Part XV of the SFO, Mr. Ge Yi is deemed to be interested in the Shares held by Cavalli.

Save as disclosed above, as at 31 December 2017, none of the Directors or chief executives of the Company had any interests or short positions in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

No arrangement has been made by the Company or any of its subsidiaries for any Director to acquire benefits by means of the acquisition of Shares in or debentures of the Company or any other body corporate, and no rights to any share capital or debt securities of the Company or any other body corporate were granted to any Director or their respective spouse or children under 18 years of age, nor were any such rights exercised during the Reporting Period.

SUBSTANTIAL SHAREHOLDERS' INTEREST AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, to the knowledge of the Directors, the following persons (other than the Directors or chief executives of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register of the Company maintained under Section 336 of the SFO:

附註：

1. Cavalli由執行董事戈弋先生全資擁有。就《證券及期貨條例》第XV部而言，戈弋先生被視作於Cavalli所持的股份中擁有權益。

除上文所披露者外，截至二零一七年十二月三十一日止，概無董事或本公司最高行政人員於本公司或其相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份或債權證中，擁有根據《證券及期貨條例》第XV部第7及8分部須知會本公司及聯交所的股份、相關股份及債權證的權益及淡倉（包括根據《證券及期貨條例》的該等條文彼等被當作或視為擁有的權益及淡倉），或須登記於根據《證券及期貨條例》第352條須予備存的登記冊內，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

董事購買股份或債權證的權利

本公司或其附屬公司於報告期內的任何時間概無訂立任何安排，致使董事可藉購買本公司或任何其他法人團體股份或債權證而獲益，且並無董事或彼等之配偶或18歲以下的子女獲授予任何權利以認購本公司或任何其他法人團體的股本或債務證券，或已行使任何該等權利。

主要股東於股份及相關股份中的權益及淡倉

於二零一七年十二月三十一日，就本公司董事所知，下列人士（並非董事及本公司最高行政人員）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分部須向本公司披露並已登記於本公司根據《證券及期貨條例》第336條須予備存之登記冊內之權益或淡倉：

Directors' Report

董事會報告

Name of Shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Number of securities 證券數目	Approximate percentage of shareholding ⁽⁵⁾ 股權概約百分比 ⁽⁵⁾
Cavalli ⁽²⁾	Beneficial owner 實益擁有人	690,117,000 (L) ⁽¹⁾ (好倉)	66.09%
Qi Lin ⁽²⁾ 綦琳 ⁽²⁾	Interest of spouse 配偶權益	690,117,000 (L) ⁽¹⁾ (好倉)	66.09%
Winshare Hongtai (Shenzhen) Investment Partnership (Limited Partnership) 文軒宏泰(深圳)投資合夥企業 (有限合夥)	Beneficial owner 實益擁有人	68,851,000 (L) ⁽¹⁾ (好倉)	6.59%
Ocean Equity Partners Fund II GP Limited ⁽³⁾	Interest in a controlled corporation 於受控制法團權益	60,192,000 (L) ⁽¹⁾ (好倉)	5.76%
Ocean Equity Partners Fund II L.P. ⁽³⁾	Interest in a controlled corporation 於受控制法團權益	60,192,000 (L) ⁽¹⁾ (好倉)	5.76%
Ocean Equity Partners Fund GP Limited ⁽³⁾	Interest in a controlled corporation 於受控制法團權益	60,192,000 (L) ⁽¹⁾ (好倉)	5.76%
Ocean Equity Partners Fund L.P. ⁽³⁾	Interest in a controlled corporation 於受控制法團權益	60,192,000 (L) ⁽¹⁾ (好倉)	5.76%
Wider Pacific Limited ⁽³⁾	Beneficial owner 實益擁有人	60,192,000 (L) ⁽¹⁾ (好倉)	5.76%

Notes:

- (1) The letter "L" denotes long position in the shares.
- (2) The 690,117,000 Shares are held by Cavalli, which is wholly-owned by Mr. Ge Yi. Ms. Qi Lin, as the spouse of Mr. Ge Yi, is deemed to be interested in these 690,117,000 Shares under the SFO.
- (3) Ocean Equity Partners Fund L.P. and Ocean Equity Partners Fund II L.P. directly own 66% and 34% interests in Wider Pacific Limited respectively. Ocean Equity Partners Fund II GP Limited in turn owns 100% interests in Ocean Equity Partners Fund II L.P., hence Ocean Equity Partners Fund II GP Limited is deemed to be interested in these 60,192,000 shares. Ocean Equity Partners Fund GP Limited in turn owns 100% interests in Ocean Equity Partners Fund L.P., hence Ocean Equity Partners Fund GP is deemed to be interested in these 60,192,000 Shares.
- (4) As at 31 December 2017, the number of issued Shares were 1,044,250,000.

Save as disclosed above, as at 31 December 2017, the Directors have not been aware of any person (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register maintained under Section 336 of the SFO.

SHARE OPTION SCHEME

The Group did not have any share option scheme for the year ended 31 December 2017.

DEBENTURES ISSUED

The Company did not issue any debentures for the year ended 31 December 2017.

附註：

- (1) 「好倉」指該股份中的好倉。
- (2) 690,117,000股 份 由Cavalli持 有，Cavalli 由戈弋先生全資擁有。根據《證券及期貨條例》，戈弋先生之配偶基琳女士被視為於該等 690,117,000股股份中擁有權益。
- (3) Ocean Equity Partners Fund L.P.及Ocean Equity Partners Fund II L.P.分別直接於 Wider Pacific Limited擁有66%及34%權益。Ocean Equity Partners Fund II GP Limited 擁有Ocean Equity Partners Fund II L.P.的全部權益，因此，Ocean Equity Partners Fund II GP Limited被視為於該等60,192,000股股份中擁有權益。Ocean Equity Partners Fund GP Limited擁有Ocean Equity Partners Fund L.P. 全部權益，因此，Ocean Equity Partners Fund GP被視為於60,192,000股股份中擁有權益。
- (4) 於二零一七年十二月三十一日，已發行股份之數目為1,044,250,000股。

除上文所披露者外，於二零一七年十二月三十一日，就董事所知，概無任何其他人士（並非董事及本公司最高行政人員）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分部須予披露，或須登記於《證券及期貨條例》第336條所述的登記冊內之權益或淡倉。

購股權計劃

截至二零一七年十二月三十一日止年度期間，本集團概無任何購股權計劃。

已發行的債權證

截至二零一七年十二月三十一日止年度，本公司概無發行債權證。



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董事會報告

EQUITY-LINKED AGREEMENT

For the year ended 31 December 2017, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company or subsisted as at the end of the year.

SHARE CAPITAL

Details of changes in the share capital of the Company for the Review Year are set out in note 27 to the consolidated financial statements.

During the Review Year, the share capital of the Company has changed as follows:

Placing of new shares under general mandate completed on 18 May 2017

On 28 April 2017, the Company entered into a placing agreement with the joint placing agents, namely Guotai Junan Securities (Hong Kong) Limited and China Investment Securities International Brokerage Limited, for the placing of up to 21,000,000 shares (the “**Placing Shares**”) at the placing price of HK\$5.15 per placing share (the “**Placing**”).

The Placing Shares would be allocated and issued under the general mandate which was granted to the directors of the Company through a resolution of the Company's shareholders at the annual general meeting (“**2016 AGM**”) held on 17 June 2016 to allot, issue and deal with Placing Shares not exceeding 20% of the total issued shares of the Company as at the date of the 2016 AGM.

The placing price represents a discount of approximately 6.36% of the closing price of HK\$5.50 per share as quoted on the Stock Exchange on 28 April 2017. The Company intended to use 50% of the total net proceeds for construction and operation of cathode materials for lithium ion batteries-ironic phosphate project and 50% for providing additional working capital for the Group.

股票掛鈎協議

截至二零一七年十二月三十一日止年度或年度結束時，本公司概無訂立或存在任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立任何協議將會或可導致本公司發行股份。

股本

本公司之股本於回顧年內的變動詳情載於綜合財務報表附註27。

於回顧年度，本公司股本已作如下變動：

根據一般授權配售新股已於二零一七年五月十八日完成

於二零一七年四月二十八日，本公司與聯席配售代理國泰君安證券(香港)有限公司及中投證券國際經紀有限公司訂立配售協議，內容有關按每股配售股份5.15港元之配售價配售最多21,000,000股股份(「**配售股份**」)(「**配售事項**」)。

配售股份將根據一般授權獲配發及發行，該項授權乃透過於二零一六年六月十七日舉辦之股東週年大會(「**二零一六年股東週年大會**」)之本公司股東決議案授予本公司之董事，以配發、發行及處理不超過本公司於二零一六年股東週年大會日期已發行股份總額20%之配售股份。

配售價較二零一七年四月二十八日聯交所所報每股5.50港元之收市價折讓約6.36%。本公司擬使用50%之淨所得款項總額用作鋰電池正極材料磷酸鐵項目建設及營運，及50%用作本集團之額外營運資金。

The Placing was completed on 18 May 2017 and an aggregate of 21,000,000 Placing Shares were allotted and issued to not less than six investors, who and their respective ultimate beneficial owners are independent of, not connected with and not acting in concert with the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and their respective associates and are not connected persons of the Company.

The net proceeds from the Placing of approximately HK\$106 million, representing a net issue price of approximately HK\$5.06 per placing share.

For details of the Placing, please also refer to the announcements of the Company dated 28 April 2017 and 18 May 2017 for further details.

Bonus issue of shares completed on 13 July 2017

At the board meeting held on 29 March 2017, the directors proposed bonus issue of shares (the "Bonus Issue") on the basis of one bonus share for every one existing share held by the shareholders whose names appear on the register of members of the Company on 30 June 2017, which was approved at the annual general meeting of the Company on 16 June 2017. On the basis of 522,125,000 then existing shares in issue, 522,125,000 bonus shares were issued on 13 July 2017 and accordingly there is a total of 1,044,250,000 shares in issue as enlarged by the Bonus Issue.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

The Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2017.

PRE-EMPTIVE RIGHT

There are no provisions for pre-emptive rights under the Articles of Association or the laws of the Cayman Islands that would oblige the Company to offer new shares on a pro rata basis to the existing Shareholders.

CHARITABLE DONATIONS

During the Review Year, the Group made charitable and other donations in a total amount of RMB1.0 million.

配售事項於二零一七年五月十八日完成，合共21,000,000股配售股份獲配發及發行予不少於六名投資者，該等投資者及其各自最終實益擁有人均獨立於本公司及其附屬公司的董事、高級行政人員及主要股東及彼等各自之聯繫人士，且與彼等概無關連及並非一致行動，亦不是本公司關連人士。

配售事項之所得款項淨額約為106百萬港元，即每股配售股份之淨發行價約為5.06港元。

有關配售事項之詳情，亦請參閱本公司日期為二零一七年四月二十八日及二零一七年五月十八日之公告。

紅股發行已於二零一七年七月十三日完成

於二零一七年三月二十九日舉行之董事會會議上，董事建議進行紅股發行（「紅股發行」），基準為二零一七年六月三十日名列本公司股東名冊之股東每持有一股現有股份獲發一股紅股，有關事項已於本公司二零一七年六月十七日之股東週年大會通過。按當時現有已發行股份522,125,000股計算，於二零一七年七月十三日發行522,125,000股紅股，因此，經紅股發行擴大後之已發行股份合共為1,044,250,000股。

購買、贖回或出售上市證券

截至二零一七年十二月三十一日止年度，本公司及其任何附屬公司概無購買、出售或贖回任何本公司上市證券。

優先購買權

組織章程細則及開曼群島法律項下並無優先購買權條文，規定本公司須按比例基準向現有股東發售新股份。

慈善捐贈

於回顧年內，本集團已作出慈善捐款及其他捐獻合共人民幣1.0百萬元。



Directors' Report

董事會報告

UNDERTAKINGS OF NON-COMPETITION

Our Controlling Shareholders have entered into the Deed of Non-competition in favor of our Company (for itself and as trustee for the benefit of each of its subsidiaries), under which our Controlling Shareholders have undertaken to our Company that they will not, and will procure that none of their respective associates (other than members of our Group) will, directly or indirectly (including through anybody corporate, partnership, joint venture or other contractual arrangement) or as principal or agent, either on any of their own account or with each other or in conjunction with or on behalf of any person, firm or company or through any entities (except in or through any members of our Group),

- carry on, engage, participate or hold any right or interest in or render any services to or otherwise be involved in any business which is in competition, directly or indirectly, with or is likely to be in competition, directly or indirectly, with our business, whether as a Shareholder, Director, officer, partner, agent, lender, employee, consultant or otherwise, and whether for profit, reward or otherwise; and
- take any action which interferes with or disrupts or may interfere with or disrupt our business (as defined in the Prospectus) including, but not limited to, solicitation of any of the then current customers, suppliers or employees from any members of our Group.

Please refer to the Prospectus for details of the Deed of Non-competition.

The Company has received the annual confirmation from the Controlling Shareholders in respect of their compliance during the Reporting Period with the non-competition undertakings under the Deed of Non-competition issued to the Company in 2017.

The independent non-executive Directors have reviewed the compliance with the Deed of Non-competition during the Reporting Period based on data and the confirmation provided or given by the Controlling Shareholders, and are satisfied that the Controlling Shareholders have complied with the Deed of Non-competition.

不競爭承諾

控股股東以本公司（本身及為附屬公司利益而作為受託人）為受益人訂立不競爭契據，據此，控股股東向本公司承諾不會並將不會促使彼等各自的聯繫人（本集團成員公司除外）直接或間接（包括通過任何法團、合夥企業、合資企業或其他合同安排）或作為主事人或代理人自行或共同、或連同或代表任何人士、企業或公司或透過任何實體（屬於或透過本集團任何成員公司除外）進行若干活動：

- 以股東、董事、高級職員、合夥人、代理人、貸款人、僱員、顧問或其他身份進行、從事、參與任何與業務直接或間接競爭或可能競爭的業務或持有其中任何權利或權益或為其提供任何服務或以其他方式牽涉其中，不論是否為利益、回報或其他；及
- 採取任何干擾或妨礙或可能干擾或妨礙我們的業務（定義見招股說明書）的行動，包括但不限於招攬任何本集團成員公司當時的客戶、供應商或僱員。

關於不競爭契據的詳情，請參見招股說明書。

本公司已收到控股股東就彼等於報告期內已遵守不競爭承諾的年度確認書，確認二零一七年度控股股東已遵守其向本公司出具的不競爭契據所作的各項承諾。

獨立非執行董事已根據控股股東所提供或彼等給予的數據及確認，審閱不競爭契據於報告期內之履行情況，並滿意控股股東已遵守不競爭契據。

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2017, no Directors or any of their associates had any interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

CONTINUING CONNECTED TRANSACTIONS

For the year ended 31 December 2017, the Group had the following continuing connected transactions:

1. Property Leasing Agreement

On 8 June 2015, Tsaker Beijing entered into a property leasing agreement (the "Property Leasing Agreement") with Huage Holdings, pursuant to which Huage Holdings agreed to lease to Tsaker Beijing certain portion of the premises situated at 6th Floor, Building A, Jiahui International Center, No. 14 Jiqingli, Chaoyang District, Beijing, the PRC with a gross floor area of approximately 473 sq.m. (the "Premises") for use as our office for a term commencing on the Listing Date and ending on 31 December 2017 at an annual rent of RMB1,578,000 (including utilities and management fees) for each of the three years ending 31 December 2017. The annual rent are in line with the prevailing market rate.

The actual annual rent (inclusive of utility charges and management fee) was RMB658,000 for the year ended 31 December 2017 (2016: RMB1,578,000).

The rental payable by Tsaker Beijing under the Property Leasing Agreement was determined with reference to (i) the rentable area to be leased to Tsaker Beijing under the Property Leasing Agreement; (ii) the prevailing market rent for similar premises in the same building of the Premises; and (iii) the historical utilities and management fees paid by Huage Holdings in respect of the Premises.

董事於競爭業務的權益

於二零一七年十二月三十一日，概無董事或彼等的聯繫人於任何與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有任何權益。

持續關連交易

截至二零一七年十二月三十一日止年度，本集團已訂立下列持續關連交易：

1. 物業租賃協議

於二零一五年六月八日，彩客北京與華戈控股訂立一份物業租賃協議（「物業租賃協議」），據此，華戈控股同意將位於中國北京市朝陽區吉慶里14號佳匯國際中心A座6層建築面積約473平方米的部分物業（「該等物業」）出租予彩客北京作辦公用途，年期自上市日期起至二零一七年十二月三十一日止，截至二零一七年十二月三十一日止三個年度各年的年租金為人民幣1,578,000元（包括水電費及管理費）。有關年租金符合現行市場價格。

截至二零一七年十二月三十一日止年度，實際年租金（包括水電費及管理費）為人民幣658,000元（二零一六年：人民幣1,578,000元）。

彩客北京根據物業租賃協議應付的租金乃參考(i)根據物業租賃協議出租予彩客北京的可租用面積；(ii)該等物業所在大廈相似物業的現行市場租金；及(iii)華戈控股過往就該等物業支付的水電費及管理費釐定。



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Tsaker Beijing is an indirect wholly-owned subsidiary of our Company. Mr. Ge Yi, a Director and a Controlling Shareholder, is a connected person of the Company. As Mr. Ge Yi and his father, Mr. Ge Jianhua, hold 100% interest of Huage Holdings, Huage Holdings is a connected person of the Company for the purposes of Chapter 14A of the Listing Rules. Hence, the property leasing agreement constitutes a continuing connected transaction for the Company.

2. Framework Purchase Agreement on Iron Powder

Tsaker Dongguang entered into a framework purchase agreement (the “**Framework Purchase Agreement on Iron Powder**”) with Yijia Iron Powder on 8 June 2015, pursuant to which Yijia Iron Powder agreed to supply iron powder to the Group for a term of three years commencing on the date of the Framework Purchase Agreement on Iron Powder and is subject to renewal. The maximum transaction amount under the Framework Purchase Agreement on Iron Powder will not exceed RMB90 million, RMB100 million and RMB110 million for the three years ended 31 December 2015, 2016 and 2017, respectively. Iron powder is a raw material for producing DSD Acid.

The price for the iron powder to be supplied by Yijia Iron Powder to us under the Framework Purchase Agreement on Iron Powder will be determined with reference to the price at which comparable types of iron powder that are sold by independent suppliers under normal commercial terms in the ordinary course of business and such price shall be no less favourable than is available from independent suppliers. Our Group will seek quotations from at least two independent third parties offering the same or comparable products to determine on the fairness and reasonableness of the price and to decide if the price is comparable to or more favourable than those offered by independent third parties for the same or comparable products.

For the year ended 31 December 2017, the Group did not purchase any iron powder from Yijia Iron Powder (2016: RMB0).

彩客北京為本公司的間接全資附屬公司，本公司的董事及控股股東戈弋先生為本公司的關連人士，戈弋先生連同其父親戈建華先生共擁有華戈控股的100%股權，就上市規則14A章而言，華戈控股屬本公司的關連人士。因此，物業租賃協議構成本公司的持續關連交易。

2. 鐵粉框架購買協議

彩客東光於二零一五年六月八日與億嘉鐵粉訂立框架購買協議（「**鐵粉框架購買協議**」），據此，億嘉鐵粉同意向本集團供應鐵粉，於鐵粉框架購買協議日期開始為期三年，並可重續。預計截至二零一五年、二零一六年及二零一七年十二月三十一日止三個年度的鐵粉框架購買協議最高交易金額分別不超過人民幣90百萬元、人民幣100百萬元及人民幣110百萬元。鐵粉為生產DSD酸的原材料。

億嘉鐵粉根據鐵粉框架購買協議將向我們供應鐵粉的價格，將參考獨立供貨商於正常業務過程中按一般商業條款出售的可資比較類型的鐵粉價格釐定，且有關價格應不遜於可從獨立供貨商取得的價格。本集團將尋求至少兩名提供相同或可比產品的獨立第三方的報價以確定該價格是否公平合理，並決定該價格較獨立第三方就相同或可比產品所提供的價格是否相當或更有利。

截至二零一七年十二月三十一日止年度，本集團未向億嘉鐵粉購買任何鐵粉（二零一六年：人民幣0元）。

Yijia Iron Powder is directly and wholly owned by Mr. Ge Jianyong, who is the younger brother of Mr. Ge Jianhua and uncle of Mr. Ge Yi. As such, the Framework Purchase Agreement on Iron Powder constitutes a continuing connected transaction for the Company.

During the Reporting Period, the independent non-executive Directors reviewed the above mentioned continuing connected transactions and confirmed such transactions have been entered into:

- (i) in the ordinary and usual course of business of the Group;
- (ii) on normal commercial terms or better; and
- (iii) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The auditor of the Company has performed certain established reviewing procedures on the above continuing connected transactions of the Group entered into during the year ended 31 December 2017, and confirms such transactions:

- (1) have been approved by the Board;
- (2) were, in all material respects, in accordance with the pricing policies of the Group if the transactions involve the provision of goods or services by the Group;
- (3) were entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (4) have not exceeded the total cap as disclosed in the Prospectus and relevant announcements of the Company.

The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

億嘉鐵粉由戈建華先生的弟弟及戈弋先生的叔父戈建勇先生直接全資擁有。因此，鐵粉框架購買協議構成本公司的持續關連交易。

於報告期內，獨立非執行董事已審核上述持續關連交易，並確認該等交易已：

- (i) 在本集團之一般及日常業務中訂立；
- (ii) 按照一般或更佳商業條款進行；及
- (iii) 根據有關交易的協議進行，條款公平合理，並符合股東的整體利益。

本公司之核數師已就以上本集團截至二零一七年十二月三十一日止年度簽訂之持續關連交易執行若干預定的審核程序，並確認：

- (1) 該等交易已獲得董事會批准；
- (2) 若該等交易涉及由本集團提供貨品或服務，該等交易在各重大方面已按照本集團之定價政策進行；
- (3) 該等交易在各重大方面已根據該等交易相關協議進行；及
- (4) 該等交易之總額並未超過於本公司招股說明書及相關公告內披露之相關上限總額。

本公司確認，其已根據上市規則第14A章遵守披露規定。



Directors' Report

董事會報告

RELATED PARTY TRANSACTIONS

The related party transactions set out in note 33 to the consolidated financial statements of this annual report constitute connected transactions or continuing connected transactions as defined and were in compliance with disclosure requirements under Chapter 14A of the Listing Rules.

Save as disclosed in this annual report, the Company did not have any discloseable connected transaction or continuing connected transaction pursuant to the relevant provisions in relation to connected transactions under Chapter 14A of the Listing Rules for the year ended 31 December 2017.

MATERIAL LITIGATION

For the year ended 31 December 2017, the Company has not been involved in any material litigation or arbitration. To the best knowledge of the Directors, there is no material litigation or claim pending or threatened against the Company.

PERMITTED INDEMNITY PROVISIONS

Pursuant to article 34.1 of the Articles of Association, every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all actions, costs, charges, losses, damages and expenses incurred or sustained by him as a Director, auditor or other officer of the Company by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty. The Group has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors. Every Director, auditor or other officer of the Company is therefore entitled to be indemnified subject to the Company Law or other relevant regulations for the year ended 31 December 2017. The permitted indemnity provision was in force during the year ended 31 December 2017 for the benefit of the Directors.

關聯方交易

本年報綜合財務報表附註33所述關聯方交易，構成上市規則第14A章所界定的關連交易或持續關連交易，並符合上市規則第14A章的披露規定。

除本年報所披露者外，截至二零一七年十二月三十一日止年度，本公司概無根據上市規則第14A章項下有關關連交易披露的相關條文而須予披露的關連交易或持續關連交易。

重大法律訴訟

截至二零一七年十二月三十一日止年度，本公司並無涉及任何重大法律訴訟或仲裁。就董事所深知，也不存在任何尚未完結或對本公司存在威脅性的重大法律訴訟或索賠。

獲准許的彌償條文

根據組織章程細則第34.1條的規定，各董事、核數師或本公司其他高級管理人員有權從本公司的資產中獲得彌償，以彌償其作為董事、核數師或本公司其他高級管理人員因就各自之職務或信託履行職責或假定職責時作出、贊同或未作出之任何行為而產生或遭致的所有訴訟、成本、費用、損失、損害及開支（因彼等自身欺詐或不誠實而產生或導致者除外（如有））。本集團於年內已辦理及維持董事責任保險，為董事作適當的保障。因此，截至二零一七年十二月三十一日止年度期間，各董事、核數師或其他高級管理人員，在符合公司法或其他相關法規之前提下，都有權獲得彌償。獲准許的彌償條文於截至二零一七年十二月三十一日止年度內為董事的利益生效。

DISCLOSURE UNDER RULE 13.21 OF THE LISTING RULES

In light of a loan facility of RMB280 million (the “**February 2017 Loan Facility**”) provided by a bank to the Company's indirectly wholly-owned subsidiary, Tsaker Dongying on 20 February 2017, the bank included an additional requirement regarding the February 2017 Loan Facility, which required Mr. Ge shall remain as a Controlling Shareholder, with his direct or indirect shareholding in the Company being no less than 51% throughout the term of the February 2017 Loan Facility. For details please refer to the announcement dated 20 February 2017 of the Company.

In light of a loan facility of US\$50 million (the “**December 2017 Loan Facility**”) provided by three banks on 5 December 2017 to the Company's directly-wholly-owned subsidiary, Tsaker Hong Kong, the banks included an additional requirement regarding the December 2017 Loan Facility, which required Mr. Ge shall not cease to own at least 51% of the beneficial interest in the issued share capital in the Company, carrying at least 51% of the voting right free from any security; and shall not cease to have management control over Tsaker Hong Kong, the Company and/or the Group. For details please refer to the announcement dated 5 December 2017 of the Company.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by and the audited consolidated financial statements of the Group for the year ended 31 December 2017.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance practices. Information of the corporate governance practices adopted by the Company is set out in the section headed “Report of Corporate Governance” on pages 100 to 122 of this annual report for details.

根據上市規則第13.21條作出之披露

有關一家銀行於二零一七年二月二十日向本公司的間接全資附屬公司彩客東營提供的人民幣280百萬元的融資（「二零一七年二月貸款融資」），該銀行就二零一七年二月貸款融資新增規定，要求戈先生於整個二零一七年二月貸款融資期內必須繼續為控股股東，而彼於本公司直接或間接持有不少於51%的股權。詳情請參閱本公司日期為二零一七年二月二十日的公告。

有關三家銀行於二零一七年十二月五日向本公司直接全資附屬公司彩客香港提供金額為50百萬美元之貸款融資（「二零一七年十二月貸款融資」），銀行就二零一七年十二月貸款融資提出額外要求，要求戈先生不應終止擁有本公司已發行股本的至少51%之實益權益（附帶至少51%免除任何抵押之投票權）；及不應終止控制彩客香港、本公司及／或本集團之管理。有關詳情，請參閱本公司日期為二零一七年十二月五日之公告。

審核委員會

審核委員會已與管理層共同審閱本集團所採納的會計原則及慣例，以及截至二零一七年十二月三十一日止年度經審核綜合財務報表。

企業管治守則

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規資料載於本年報第100頁至第122頁之「企業管治報告」。



Directors' Report

董事會報告

PUBLIC FLOAT

Based on information publicly available to the Company and to the best knowledge of the Directors, at least 25% of the Company's total issued shares, being the minimum percentage of public float as prescribed by the Stock Exchange and under the Listing Rules, was held by the public at all times during the Reporting Period and as at the date of this annual report.

AUDITOR

Ernst & Young has been appointed as auditor of the Company for the year ended 31 December 2017. Ernst & Young has audited the accompanying financial statements which were prepared in accordance with Hong Kong Financial Reporting Standards.

Ernst & Young is required to retire in the forthcoming annual general meeting, and is eligible and offers itself for re-election. A resolution for the re-appointment of Ernst & Young as the auditor of the Company will be proposed at the AGM.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from 12 June 2018 to 15 June 2018, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 11 June 2018.

公眾持有量

根據本公司可公開獲得的資料及就董事所深知，於報告期內的任何時間及直至本年報日期，本公司已發行股份總額中至少有25%（即聯交所及上市規則規定的最低公眾持股比例）由公眾人士持有。

核數師

安永會計師事務所獲委任為截至二零一七年十二月三十一日止年度的核數師。安永會計師事務所已審核隨附的財務報表，該等報表按香港財務報告準則編製。

安永會計師事務所須於即將舉行的股東週年大會上退任，並符合資格及願意膺選連任。有關續聘安永會計師事務所為核數師的決議案將於股東週年大會上提呈。

暫停辦理股份過戶登記手續

為釐定有權出席股東週年大會的股東身份，本公司將於二零一八年六月十二日至二零一八年六月十五日（包括首尾兩日）暫停辦理股份過戶登記手續。為符合資格出席股東週年大會，所有已填妥的股份過戶文件連同相關股票須不遲於二零一八年六月十一日下午四時三十分送交本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，以作登記。

Directors' Report 董事會報告

The register of members of the Company will also be closed from 26 June 2018 to 29 June 2018, both days inclusive, in order to determine the entitlement of the Shareholders to receive the final dividend during which period no share transfers will be registered. To qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 25 June 2018.

By order of the Board
GE Yi
Chairman and Chief Executive Officer

Beijing, the PRC, 28 March 2018

為釐定有權收取末期股息的股東身份，本公司亦將於二零一八年六月二十六日至二零一八年六月二十九日期間（包括首尾兩日）暫停辦理股份過戶登記手續。為符合資格獲得末期股息，所有已填妥的股份過戶文件連同相關股票須不遲於二零一八年六月二十五日下午四時三十分送交本公司股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，以作登記。

承董事會命
主席及行政總裁
戈弋

中國北京，二零一八年三月二十八日





Report of Corporate Governance

企業管治報告

The Board is pleased to present the corporate governance report of the Company for the period from 1 January 2017 to 31 December 2017.

CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintaining a high standard of corporate governance to safeguard the interests of its shareholders and enhance its value and accountability. The Company has adopted the corporate governance code and corporate governance report under Appendix 14 to the Listing Rules as its own corporate governance code. The Company has been in compliance with all applicable code provisions under the corporate governance code throughout the Reporting Period, except for code provision A.2.1 which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company will continue to review and monitor its corporate governance practices in order to ensure the compliance with the corporate governance code.

THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees, including the Audit Committee, the Remuneration Committee and the Nomination Committee. The Board has delegated to the Board committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and the Shareholders at all times.

The Company has arranged appropriate insurance cover in respect of liability arising from legal action against its Directors, and will conduct annual review on such insurance cover.

董事會欣然呈列本公司自二零一七年一月一日起至二零一七年十二月三十一日止期間之企業管治報告。

企業管治常規

本公司致力維持高水平的企業管治，以保障股東權益並提升企業價值及問責性。本公司已採納上市規則附錄十四所載之企業管治守則及《企業管治報告》作為其本身之企業管治守則。於報告期內，除守則條文第A.2.1條（該條規定主席及行政總裁之職務須分開，且不得由同一人士擔任）外，本公司一直遵守企業管治守則項下之所有適用守則條文。本公司將繼續檢討並監察其企業管治常規，以確保遵守企業管治守則。

董事會

責任

董事會負責本集團的整體領導，並監察本集團的策略性決定以及監察業務及表現。董事會已向本集團的高級管理層授與本集團日常管理及營運的權力及責任。為監察本公司事務的特定範疇，董事會已成立三個董事會委員會，包括審核委員會、薪酬委員會及提名委員會。董事會已向該等董事會委員會授與各職權範圍所載的責任。

全體董事須確保彼等本着真誠、遵守適用法律及法規，無論何時均以符合本公司及股東利益的方式履行職責。

本公司已就針對董事的法律訴訟安排適當責任保險，並將每年審視該保險之保障範圍。

Board Composition

As at the end of the Reporting Period, the Board comprised four executive Directors, two non-executive Directors and three independent non-executive Directors as set out below:

Executive Directors:

Mr. GE Yi (*Chairman and Chief Executive Officer*)
Ms. DUAN Weihua (*chief development officer*)
Mr. BAI Kun (*chief financial officer*)
Ms. JIN Ping (*Vice President*)

Non-executive Directors:

Mr. XIAO Yongzheng
Mr. FONTAINE Alain Vincent

Independent non-executive Directors:

Mr. HO Kenneth Kai Chung
Mr. ZHU Lin
Mr. YU Miao

The biographies of the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

During the Reporting Period, the Board met the requirements of Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one possessing appropriate professional qualifications or accounting or related financial management expertise.

董事會組成

截止報告期末，董事會由四名執行董事、兩名非執行董事及三名獨立非執行董事，詳情如下：

執行董事：

戈弋先生 (*主席兼行政總裁*)
段衛華女士 (*首席發展官*)
白崑先生 (*首席財務官*)
晉平女士 (*副總裁*)

非執行董事：

肖勇政先生
FONTAINE Alain Vincent先生

獨立非執行董事：

何啟忠先生
朱霖先生
于淼先生

董事履歷載於本年報之「董事及高級管理層」一節。

於本報告期內，董事會已遵守上市規則第3.10(1)及3.10(2)條有關委任至少三名獨立非執行董事（其中至少一名獨立非執行董事須擁有適當的專業資格或會計或相關財務管理專業知識）的規定。





Report of Corporate Governance

企業管治報告

The Company has also complied with Rule 3.10A of the Listing Rules, which relates to the appointment of independent non-executive directors representing at least one-third of the Board.

Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

Save as disclosed in the biographies of the Directors as set out in the section headed “Directors and Senior Management” of this annual report, none of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship) with any other Directors or any chief executive.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

As regards the corporate governance code provision requiring directors to disclose the number and nature of offices held in public companies or organisations and other significant commitments as well as their identity and the time involved to the issuer, the Directors have agreed to disclose their commitments to the Company in a timely manner.

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Any newly appointed Director would be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statutes, laws, rules and regulations. The Company also arranges regular seminars to provide Directors with updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

本公司亦已遵守上市規則第3.10A條有關委任相當於董事會成員三分之一的獨立非執行董事的規定。

由於各獨立非執行董事均已根據上市規則第3.13條確認其獨立性，故本公司認為彼等均為獨立人士。

除本年報之「董事及高級管理層」一節所載董事履歷中所披露者外，概無董事與任何其他董事或最高行政人員有任何個人關係（包括財務、業務、家族或其他重大／相關關係）。

全體董事（包括獨立非執行董事）均為董事會帶來各種不同的寶貴營商經驗、知識及專門技能，使其有效率及有效地運作。獨立非執行董事應邀於審核委員會、薪酬委員會及提名委員會任職。

鑒於企業管治守則條文要求董事披露於上市公司或機構所持職務的數量及性質及其他重大承擔，以及彼等的身份及於發行人任職的時間，故董事已同意適時向本公司披露彼等的承擔。

入職及持續專業發展

任何新委任的董事均獲提供必要的入職培訓及數據，以確保其對本公司的營運及業務以及其於相關法規、法例、規則及條例下對彼等的責任有適當程度的了解。本公司亦定期為董事安排研討會，以不時為彼等提供上市規則及其他相關法律及監管規定最新發展及變動的更新資料。董事亦定期獲提供有關本公司表現、狀況及前景的更新數據，使董事會全體及各董事得以履行彼等的職責。

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All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. From time to time, the joint company secretaries of the Company update and provide the Directors with written training materials in relation to their roles, functions and duties.

本公司鼓勵全體董事進行持續專業發展，藉此發展及更新其知識及技能。本公司聯席公司秘書不時更新及提供有關董事角色、職能及職責的書面培訓材料。

A summary of training received by the Directors for the Reporting Period according to the records provided by the Directors is as follows:

根據董事提供的記錄，於報告期內，董事接受的培訓概述如下：

Name of Director	董事姓名	Nature of Continuous Professional Development	持續專業發展課程性質
Executive Directors		執行董事	
Mr. GE Yi	戈弋先生		A
Ms. DUAN Weihua	段衛華女士		A
Mr. BAI Kun	白崑先生		C
Ms. JIN Ping	晉平女士		A
Non-executive Directors		非執行董事	
Mr. XIAO Yongzheng	肖勇政先生		A
Mr. FONTAINE Alain Vincent	FONTAINE Alain Vincent先生		A, B
Independent non-executive Directors		獨立非執行董事	
Mr. HO Kenneth Kai Chung	何啟忠先生		A
Mr. ZHU Lin	朱霖先生		A, C
Mr. YU Miao	于淼先生		A

Notes:

附註：

- A: attending seminars and/or conferences and/or forums and/or briefings
- B: reading materials on various topics, including corporate governance matters, directors' duties and responsibilities, Listing Rules and other relevant laws
- C: participating in training provided by law firms and that relating to the business of the Company

- A: 出席研討會及／或會議及／或論壇及／或簡報會
- B: 閱讀多種類別議題的材料，議題包括企業管治、董事職務及職責、上市規則及其他相關法例
- C: 參加律師所提供的培訓、與本公司業務有關的培訓





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企業管治報告

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

In accordance with the code provision A.2.1 of the Corporate Governance Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. The Company deviates from the code provision A.2.1 because Mr. GE Yi performs both the roles of the chairman and the chief executive officer of the Company. Since Mr. GE has been with the Group for many years, he has a thorough understanding in our business, management, customers and products. With his extensive experience in business operation and management, the Board believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates effective implementation and execution of our business decisions and strategies, and is beneficial to the business prospects and management of the Company.

Under the leadership of Mr. GE, the Board works effectively and performs its responsibilities with all key and appropriate issues discussed in a timely manner. In addition, as all major decisions are made in consultation with members of the Board and relevant Board committees, and there are three independent non-executive Directors on the Board offering independent perspectives, the Board is therefore of the view that there are adequate safeguards in place to ensure sufficient balance of powers and authorities between the Board and the management of the Company. To maintain a high standard of corporate governance practices of the Company, the Board shall nevertheless review the effectiveness of the structure and composition of the Board from time to time in light of prevailing circumstances.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of Mr. GE Yi and Ms. JIN Ping, being the executive Directors, has entered into a service contract with the Company for a term of three years commencing from the Listing Date, which is subject to renewal upon mutual agreement.

Each of Mr. BAI Kun and Ms. DUAN Weihua, being the executive Directors, has entered into a service contract with the Company for a term of three years commencing on 25 August 2016, which is subject to renewal upon mutual agreement.

主席及行政總裁

根據企業管治守則守則條文第A.2.1條，主席及行政總裁的職位須有所區分，且不應由同一人擔任。本公司偏離守則條文第A.2.1條，原因是戈弋先生同時擔任本公司主席兼行政總裁。由於戈先生加入本集團多年，彼已深入了解我們業務、管理、客戶及產品。憑借其於業務營運及管理的豐富經驗，董事會認為兩個職位由同一人擔任令本公司之領導穩固一致，並有效落實及執行業務決策及策略，有利於本公司業務前景及管理。

在戈先生的領導下，董事會有效運作並履行其職責，適時商討所有重要及適當問題。此外，由於所有主要決策均經諮詢董事會成員及相關董事委員會後作出，且董事會有三名獨立非執行董事提出獨立意見，故董事會認為有足夠保障措施確保董事會及本公司管理層權力及權限平衡。董事會將不時根據現況檢討董事會架構及組成之效益，以保持本公司的高水平企業管治常規。

董事的委任及重選連任

執行董事戈弋先生及晉平女士已與本公司簽立服務合約，自上市日期起計為期三年，可待雙方同意後予以續期。

執行董事白崑先生及段衛華女士已與本公司簽立服務合約，自二零一六年八月二十五日起計為期三年，可待雙方同意後予以續期。

Each of the non-executive Directors and the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing from the Listing Date, renewable upon mutual agreement.

No Director has entered into a service contract with the Company or any of its subsidiaries which is of a duration exceeding three years or which is not determinable within one year without payment of compensation (other than statutory compensation).

In accordance with the Articles of Association, each of the Directors is subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy shall submit himself/herself for election by shareholders at the first general meeting of the Company after his/her appointment and new Director appointed as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following general meeting of the Company after his/her appointment. Accordingly, Ms. Jin Ping, Mr. Xiao Yongzheng and Mr. Fontaine Alain Vincent will hold office as the Directors until the forthcoming AGM and are subject to re-election.

The procedures and process of appointment, re-election and removal of Directors are set out in the Articles of Association. The Nomination Committee is responsible for reviewing the Board composition and making recommendations to the Board on the appointment or re-election of Directors and succession planning for Directors.

BOARD MEETINGS

The Company will adopt the practice of holding Board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of no less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

各非執行董事及獨立非執行董事已與本公司簽署自上市日期起年期三年的聘書，可待雙方同意後予以續期。

概無董事與本公司或任何其附屬公司訂立期限超過三年或不可於一年內不付賠償（法定賠償除外）而終止的服務合約。

根據組織章程細則，每一位董事須最少每三年輪退任一次，而作為填補臨時空缺而獲委任的任何新任董事，須於獲委任後的首次本公司股東週年大會上接受股東重選連任，而作為董事會新增成員的任何新任董事，須於獲委任後的下屆本公司股東週年大會上接受股東重選連任。因此，晉平女士、肖勇政先生及Fontaine Alain Vincent先生的董事任期將至下屆股東週年大會為止，且須重選連任。

董事的委任、重選連任及罷免程序及過程已載於組織章程細則。提名委員會負責檢討董事會的組成方式，並就董事的委任、重選連任及接任計劃向董事會提供推薦建議。

董事會會議

本公司將採納定期舉行董事會會議之慣例，每年召開至少四次董事會會議，大約每季一次。全體董事將獲發不少於十四天之通知以召開定期董事會會議，令全體董事均獲機會出席定期會議並討論議程事項。



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For other Board meetings and Board Committee meetings, reasonable notice is generally given by the Company. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the Board meetings or Board Committee meetings to ensure that the Directors have sufficient time to review the papers and be adequately prepared for the meetings or Board Committee meetings. When Directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings shall be kept by the joint company secretaries with copies circulated to all Directors for information and records.

Minutes of the Board meetings and Board Committee meetings are recorded in sufficient detail on the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the Board meetings are open for inspection by the Directors.

During the Reporting Period, ten Board meetings and one annual general meeting were held, and the attendance of the individual Directors at these meetings is set out in the table below:

就其他董事會及董事會委員會會議而言，本公司通常會發出合理通知。會議通知中已包括會議議程及相關董事會文件，並至少在舉行董事會或董事會委員會會議日期的三天前向董事或委員會成員送出，以確保董事有充足時間審閱有關文件及充分準備出席會議或董事會委員會會議。倘董事或委員會成員未能出席會議，則彼等會獲悉將予討論的事宜及於會議召開前有機會知會主席有關彼等的意見。聯席公司秘書應備存會議紀錄，並提供該等會議紀錄副本予所有董事作其參閱及紀錄之用。

董事會會議及委員會會議的會議紀錄會詳盡記錄董事會及董事會委員會所考慮的事宜及所達致的決定，包括董事提出的任何問題。各董事會會議及董事會委員會會議的會議紀錄草擬本會／將會於會議舉行後的合理時間內寄送至各董事，以供彼等考慮。董事會會議的會議紀錄公開供所有董事查閱。

於報告期內，董事會共舉行10次董事會會議及1次股東週年大會，個別董事出席情況載於下表：

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Directors	董事	Meeting Attended/ Number of Board meetings 出席會議／董事會次數	Meeting Attended/ Number of General meetings 出席會議／股東會次數
Executive Directors			
Mr. GE Yi	戈弋先生	10/10	1/1
Ms. DUAN Weihua	段衛華女士	9/10	1/1
Mr. BAI Kun	白崑先生	10/10	1/1
Ms. JIN Ping	晉平女士	10/10	1/1
Non-executive Directors			
Mr. XIAO Yongzheng	肖勇政先生	9/10	1/1
Mr. FONTAINE Alain Vincent	FONTAINE Alain Vincent先生	9/10	1/1
Independent non-executive Directors			
Mr. HO Kenneth Kai Chung	何啟忠先生	8/10	1/1
Mr. ZHU Lin	朱霖先生	9/10	1/1
Mr. YU Miao	于淼先生	9/10	1/1

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made to all the Directors and each of the Directors has confirmed that he/she complied with the Model Code throughout the Reporting Period.

During the Reporting Period, the Company also adopted its own code of conduct regarding employees' securities transactions on terms no less exacting than the standard set out in the Model Code for the compliance by its relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of their dealings in the Company's securities.

進行證券交易的標準守則

本公司已採納標準守則作為其自身有關董事進行證券交易的行為守則。經向全體董事作出具體查詢後，各董事已確認，彼等於報告期內一直遵守標準守則。

於報告期內，本公司亦已採納一套其條款不遜於標準守則所訂標準的僱員證券交易的自身行為守則，以供可能掌握本公司的未公開內幕消息的僱員遵照規定買賣本公司證券。



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DELEGATION BY THE BOARD

The Board reserves for its decision on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense. Directors are encouraged to access and to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

CORPORATE GOVERNANCE FUNCTION

The Board recognizes that corporate governance should be the collective responsibility of Directors and their corporate governance duties include:

- (a) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to develop, review and monitor the code of conduct and compliance manual applicable to employees and Directors;
- (d) to develop and review the Company's policies and practices on corporate governance and making recommendations to the Board and report to the Board on matters;
- (e) to review the Company's compliance with the CG Code and disclosure in the corporate governance report; and
- (f) to review and monitor the Company's compliance with the Company's whistleblowing policy.

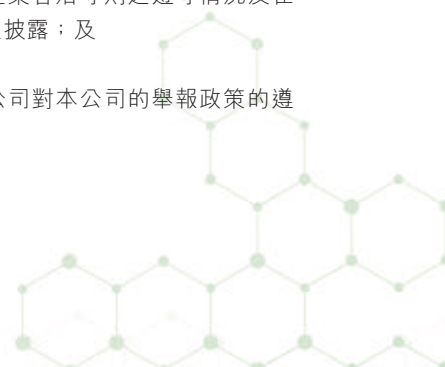
董事會的授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監督一切政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（特別是可能牽涉利益衝突者）、財務資料、委任董事及其他主要財務及營運事宜。董事於履行彼等職責時可尋求獨立專業意見，費用由本公司承擔。彼等亦被鼓勵向本公司高級管理層進行獨立諮詢。

本集團的日常管理、行政及營運交予高級管理層負責。董事會定期檢討所授權職能及職責。管理層訂立任何重大交易前須取得董事會批准。

企業管治職能

董事會確認，企業管治應屬董事的共同責任，彼等的企業管治職能包括：

- (a) 檢討及監察本公司在遵守法律及監管規定方面之政策及常規；
 - (b) 檢討及監察董事及高級管理層之培訓及持續專業發展；
 - (c) 制定、檢討及監察適用於僱員及董事之操守守則及合規手冊；
 - (d) 制定及檢討本公司之企業管治政策及常規，並向董事會推薦其意見及匯報相關事宜；
 - (e) 檢討本公司對企業管治守則之遵守情況及在企業管治報告之披露；及
 - (f) 檢討及監察本公司對本公司的舉報政策的遵守情況。
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BOARD COMMITTEES

Audit Committee

The Audit Committee comprise three members, namely Mr. Zhu Lin (chairman), Mr. Xiao Yongzheng and Mr. Yu Miao, of which Mr. Zhu Lin and Mr. Yu Miao are independent non-executive Directors and Mr. Xiao Yongzheng is a non-executive Director.

The main duties and responsibilities of the Audit Committee are as follows:

1. to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to deal with any questions of its resignation or dismissal;
2. to monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and, if the preparation of publication, quarterly reports, and to review significant financial reporting judgments contained in them;
3. in reviewing these reports mentioned above before submission to the Board, focusing particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from the audit;
 - (iv) the Group's going concern assumption and any qualifications;
 - (v) compliance with accounting standards; and
 - (vi) compliance with the Listing Rules and legal requirements in relation to financial reporting;
4. to review the Company's financial controls, internal control and risk management systems and to audit any significant connected transaction, so as to ensure that management has performed its duty to establish an effective internal control system;

董事委員會

審核委員會

審核委員會由三名成員組成，即朱霖先生（主席）、肖勇政先生及于淼先生，其中朱霖先生及于淼先生為獨立非執行董事，而肖勇政先生則為非執行董事。

審核委員會的主要職責如下：

1. 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，以及處理任何有關該核數師辭職或辭退該核數師的問題；
2. 監察本公司的財務報表以及年度報告及賬目、半年度報告及（若擬刊發）季度報告的完整性，並審閱報表及報告所載有關財務申報的重大意見；
3. 在向董事會提交上述有關報告前，特別針對下列事項加以審閱：
 - (i) 會計政策及實務的任何更改；
 - (ii) 涉及重要判斷性的地方；
 - (iii) 因核數而出現的重大調整；
 - (iv) 本集團持續經營的假設及任何保留意見；
 - (v) 是否遵守會計準則；及
 - (vi) 是否遵守有關財務申報的上市規則及法律規定；
4. 檢討本公司的財務監控、內部監控及風險管理系統，對重大關連交易進行審核，確保管理層有履行職責建立有效的內部控制系統；



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| <p>5. to discuss the risk management and internal control system with management to ensure that management has performed its duty to have an effective system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;</p> <p>6. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;</p> <p>7. to review and monitor the training and continuous professional development of directors and senior management, and the Company's policies and practices on compliance with legal and regulatory requirements; and</p> <p>8. to review the Company's compliance with the code and disclosure in the corporate governance report.</p> | <p>5. 與管理層討論風險管理及內部監控系統，確保管理層已履行職責去建立有效的系統。討論內容應包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足；</p> <p>6. 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；</p> <p>7. 檢討及監察董事及高級管理人員的培訓及持續專業發展，本公司在遵守法律及監管規定方面的政策及常規；及</p> <p>8. 檢討本公司遵守守則的情況及在企業管治報告內的披露。</p> |
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The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company for inspection.

審核委員會的書面職權範圍於聯交所及本公司網站可供查閱。

During the Reporting Period, the Audit Committee held a total of two meetings to discuss and consider the following:

於報告期內，審核委員會共舉行2次審核委員會會議以討論及考慮以下內容：

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| <ul style="list-style-type: none">• it reviewed the annual results of the Company and its subsidiaries for the year ended 31 December 2016 financial year and the auditor's report prepared by the external auditor on accounting matters and the major findings during the audit;• it reviewed the interim results of the Company and its subsidiaries for the period ended 30 June 2017; and• it reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programme and budget of the Company's accounting and financial reporting function), risk management system and procedures and the re-appointment of external auditor. The Board did not have separate opinion on any recommendation and suggestion by the Audit Committee in relation to the selection, appointment, retirement or removal of external auditor. | <ul style="list-style-type: none">• 審閱本公司及其附屬公司於截至二零一六年十二月三十一日止財政年度的全年業績，以及由外聘核數師就會計事宜及審核過程中的重大發現所編製的核數師報告；• 審閱本公司及其附屬公司截至二零一七年六月三十日止期間之中期業績；及• 對財務申報系統、合規程序、內部監控（包括本公司會計及財務申報部門僱員的資源、資歷、培訓課程及預算是否充足）、風險管理系統及程序以及續聘外聘核數師作出檢討。董事會並無偏離審核委員會就甄選、委任、退任或罷免外聘核數師作出的任何推薦建議。 |
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The attendance of members of the Audit Committee at the meetings are set out in the following table:

各審核委員會成員出席會議的情況載於下表：

Name of members	委員姓名	Actual attendance/Required attendance
		已出席次數／應出席次數
Mr. ZHU Lin	朱霖先生	2/2
Mr. XIAO Yongzheng	肖勇政先生	2/2
Mr. YU Miao	于淼先生	2/2

NOMINATION COMMITTEE

The Nomination Committee currently comprise three members, namely Mr. GE Yi (chairman), Mr. HO Kenneth Kai Chung and Mr. ZHU Lin, of which Mr. GE Yi is an executive Director and Mr. HO Kenneth Kai Chung and Mr. ZHU Lin are independent non-executive Directors.

提名委員會

提名委員會現時由三名成員組成，即戈弋先生（主席）、何啟忠先生及朱霖先生，其中戈弋先生為執行董事，而何啟忠先生及朱霖先生則為獨立非執行董事。

The main duties and responsibilities of the Nomination Committee are as follows:

提名委員會的主要職責如下：

1. to analyse the standards and procedures for selection of Directors and senior management appointed by the Board; review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 2. to determine the policy for the nomination of Directors, identify individuals suitably qualified to become members of the Board and may select individuals nominated for directorship. In identifying suitable individuals, the Committee shall consider individuals on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
 3. to assess the independence of the independent non-executive Directors;
1. 研究董事及由董事會聘任的高級管理層的選擇標準和程序，至少每年檢討董事會的架構、人數、組成及成員多元化（包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
 2. 訂定提名董事的政策，物色具備合適資格可擔任董事的人士，挑選被提名人士出任董事。委員會於物色合適人士時，應考慮有關人士的長處，並以客觀條件充分顧及董事會成員多元化的裨益；
 3. 評核獨立非執行董事的獨立性；



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4. to review the Board Diversity Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually;
 5. to assess and review the candidates for director and senior management to be potentially appointed by the Board, make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer, taking into the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future; and
 6. to examine the assessment standards for Directors and senior management appointed by the Board, conduct the relevant assessments and make recommendations to the Board.
4. 在適當情況下檢討董事會成員多元化政策；及檢討董事會為執行董事會成員多元化政策而制定的可計量目標和達標進度；以及每年在企業管治報告內披露檢討結果；
 5. 評估及審查董事候選人和由董事會聘任的高級管理層候選人，及因應本公司的企業策略及日後需要的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃向董事會提出建議；及
 6. 研究董事及由董事會聘任的高級管理層的考核標準，進行考核並向董事會提出建議。

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

提名委員會按誠信、經驗、技能以及為履行職責所付出之時間及努力等標準評估候選人或在任人。提名委員會之建議將於其後提交董事會以作決定。提名委員會的書面職權範圍於聯交所及本公司網站可供查閱。

The Company believes that the diversity of Board composition has many benefits to the performance of the Company. As such, the Company has adopted the Board Diversity Policy to ensure in designing the Board's composition, board diversity will be considered from a number of aspects, including but not limited to age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board. The Board Diversity Policy is summarised as follows:

PURPOSE: Aim to set out the approach to achieve diversity on the Board.

POLICY STATEMENT: With a view to achieving a sustainable and balanced development, the Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. All Board appointments will be based on meritocracy, and candidates will be considered against appropriate criteria, having due regard for the benefits of diversity on the Board.

IMPLEMENTATION: The Company is committed to selecting the best person for the role. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural background and ethnicity, in addition to educational background, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Board's composition (including gender, age, length of service) will be disclosed in the Corporate Governance Report annually.

本公司相信董事會成員多元化將對提升本公司的表現益處良多，因此本公司已採納董事會成員多元化政策，確定在設定董事會成員組合時會從多個方面考慮董事會成員多元化，包括（但不限於）年齡、文化及教育背景、專業經驗、技能及知識。董事會所有委任均以用人唯才為原則，並在考慮人選時以客觀條件顧及董事會成員多元化的益處。董事會成員多元化政策的概要載列如下：

目的：旨在列載董事會成員為達致多元化而採取的方針。

政策聲明：為達致可持續及均衡的發展，本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展的關鍵元素。董事會所有委任均以用人唯才為原則，並在考慮人選時以適當的條件充分顧及董事會成員多元化的裨益。

選擇標準：本公司致力於選擇最佳人選作為董事會成員。甄選人選將按一系列多元化範疇為基準，除教育背景、專業經驗、技能、知識及服務任期外，亦包括但不限於性別、年齡、文化背景及種族。最終將按人選的長處及可為董事會提供的貢獻而作決定。董事會組成（包括性別、年齡、服務任期）將每年在企業管治報告內披露。





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During the Reporting Period, the Nomination Committee held one meeting to discuss and consider the following:

1. it reviewed the structure, size and composition (including the skills, knowledge and experience) of the Board and the retirement and re-election of Directors;
2. it reviewed that the roles of the chairman and the chief executive officer of the Company are held by the same person, and believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates effective implementation and execution of our business decisions and strategies, and is beneficial to the business prospects and management of the Company; and
3. it reviewed the Board Diversity Policy.

The attendance of members of the Nomination Committee at the meeting is set out in the following table:

於報告期內，提名委員會共舉行1次提名委員會會議以討論及考慮以下內容：

1. 審閱董事會之架構、人數及組成（包括技能、知識和經驗），以及董事之退任及重選；
2. 審閱主席及行政總裁兩個職位由同一人擔任的職責，認為兩個職位由同一人擔任令本公司之領導穩固一致，並有效落實及執行業務決策及策略，有利於本公司業務前景及管理；及
3. 審閱董事會成員多元化政策。

各提名委員會成員出席該等會議的情況載於下表：

Name of members	委員姓名	Actual attendance/Required attendance 已出席次數／應出席次數
Mr. GE Yi	戈弋先生	1/1
Mr. HO Kenneth Kai Chung	何啟忠先生	0/1
Mr. ZHU Lin	朱霖先生	1/1

REMUNERATION COMMITTEE

The Remuneration Committee comprises three members, namely Mr. YU Miao (chairman), Mr. XIAO Yongzheng and Mr. HO Kenneth Kai Chung, of which Mr. YU Miao and Mr. HO Kenneth Kai Chung are independent non-executive Directors and Mr. XIAO Yongzheng is a non-executive Director.

The main duties and responsibilities of the Remuneration Committee are as follows:

1. to make recommendations to the Board on the Company's policy and structure for all directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy according to standards including salaries paid by comparable companies, time commitment and responsibilities concerned, and employment terms of other positions within the Company and its subsidiaries;
2. to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
4. to make recommendations to the Board on the remuneration of non-executive Directors;
5. to consider salaries paid by comparable companies, time commitment and responsibility and employment conditions elsewhere in the Group;
6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive for the Company;

薪酬委員會

薪酬委員會由三名成員組成，即于淼先生（主席）、肖勇政先生及何啟忠先生，其中于淼先生及何啟忠先生為獨立非執行董事，而肖勇政先生則為非執行董事。

薪酬委員會的主要職責如下：

1. 就本公司董事及高級管理人員的全體薪酬政策及架構，及根據同類公司支付的薪酬、須付出的時間及職責、本公司及其附屬公司內其他職位的僱用條件等標準就設立正規而具透明度的程序制訂薪酬政策，向董事會提出建議；
2. 因應董事會所訂企業方針及目標而檢討及批准管理層的薪酬建議；
3. 向董事會建議個別執行董事及高級管理層的薪酬待遇，包括非金錢利益、退休金權利及賠償金額（包括喪失或終止職務或委任的賠償）；
4. 就非執行董事的薪酬向董事會提出建議；
5. 考慮同類公司支付的薪酬，須付出的時間及職責以及本集團內其他職位的僱用條件；
6. 檢討及批准向執行董事及高級管理層就其喪失或終止職務或委任而須支付的賠償，以確保該等賠償與合約條款一致；若未能與合約條款一致，賠償亦須公平合理，不致過多；

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- to review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
- to ensure that no director or any of his associates is involved in deciding his own remuneration.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

During the Reporting Period, the Remuneration Committee held one meeting to discuss and consider the following:

- it reviewed the remuneration packages of Directors and senior management; and
- it reviewed the employee remuneration policies and structure.

The attendance of members of the Remuneration Committee at the meeting is set out in the following table:

Name of members	委員姓名	Actual attendance/Required attendance 已出席次數／應出席次數
Mr. Yu Miao	于淼先生	1/1
Mr. Xiao Yongzheng	肖勇政先生	1/1
Mr. Ho Kenneth Kai Chung	何啟忠先生	0/1

REMUNERATION OF SENIOR MANAGEMENT

The remuneration of senior management of the Company (including 4 Directors, whose biographies are set out in pages 63 to 64 of this annual report) during the Reporting Period falls under the following bands:

Band of remuneration (RMB)	酬金等級 (人民幣)	Number of individuals 人數
RMB1,000,001 to 1,500,000	1,000,001至1,500,000	2
RMB0 to 1,000,000	0至1,000,000	3

Further particulars of Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 8 and 9 to the consolidated financial statements respectively.

- 檢討及批准因董事行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保該等安排與合約條款一致；若未能與合約條款一致，有關賠償亦須合理適當；及
- 確保任何董事或其任何聯繫人不得參與釐定他自己的薪酬。

薪酬委員會的書面職權範圍於聯交所及本公司網站可供查閱。

於報告期內，薪酬委員會曾舉行一次薪酬委員會會議以討論及考慮以下內容：

- 審閱了董事及高級管理層的薪酬待遇；及
- 審閱了員工薪酬政策及架構。

各薪酬委員會成員出席該等會議的情況載於下表：

高級管理層的薪酬

於報告期內，本公司的高級管理層（包括4名董事，彼等之履歷載於本年報第63頁至第64頁）的酬金等級載列如下：

有關須根據上市規則附錄十六予以披露之董事酬金及五位最高薪酬僱員的進一步詳情，分別載於綜合財務報表附註8及9。

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the period from the Reporting Period which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on the Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the independent auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on page 128 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

Responsibility of the Board

The Board acknowledges that it is the responsibility of the Board for ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems, to safeguard Shareholders' investments and the Company's assets, and review the effectiveness of such systems by the Audit Committee on an annual basis.

The Audit Committee assists the Board in the performance of its regulatory and corporate governance role in the Group's financial, operational, compliance, risk management and internal controls, as well as financial and internal audit functions. Risk management and internal control systems can only make reasonable but not absolute guarantees to prevent major misrepresentations or losses, which are designed to manage rather than eliminate the risk of failing to meet business objectives.

董事有關財務報表的財務申報責任

董事明白彼等須編製本公司報告期內的財務報表的職責，以真實公平地反映本公司及本集團的狀況以及本集團的業績及現金流量。

管理層已向董事會提供必要的闡釋及數據，使董事會能對提呈予董事會批准的本公司財務報表進行知情的評估。本公司已向董事會全體成員提供有關本公司表現、狀況及前景的每月更新數據。

董事並不知悉與可能對本集團持續經營構成重大疑問的事件或狀況有關的任何重大不確定因素。

獨立核數師就彼等有關本公司綜合財務報表的申報責任作出的聲明載於本年報第128頁的獨立核數師報告。

風險管理及內部監控

董事會責任

董事會明白本身需負責建立和維持恰當且有效風險管理及內部監控系統，以保障股東的投資及本公司的資產，並透過審核委員會至少每年檢討系統的有效性。

審核委員會協助董事會履行其於本集團財務、運營、合規、風險管理及內部監控，以及財務及內部審計職能方面資源的監管及企業管制角色。風險管理及內部監控系統只能作出合理而非絕對的保證以防範重大失實陳述或損失，其建立旨在管理而非消除未能達成業務目標的風險。



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Internal audit department

The Group has established an Internal Audit Department, whereby such department plays an important role in monitoring the internal governance of the Company. The major responsibilities of the internal control department include standardizing and reviewing operating risks, financial positions and internal control of the Company, as well as conducting regular and comprehensive audits of all subsidiaries and affiliates of the Company. The Internal Audit Department reports to the Audit Committee at its annual meeting in respect of the adequacy and effectiveness of its work in the previous year and the work plan for the following year.

Risk management and internal control system

The Group adopted the three lines of defence model in the management of risk. Operational management forms the core of the first line of defence as they contact with the risk sources in the first place. They are responsible for identifying, reporting and preliminarily managing risks in their daily operations. Our second line of defence is aimed to facilitate and monitor the implementation of effective risk management practices by operational management and assists risk owners in defining risk exposures and reporting adequate risk-related information throughout the Company. Our internal audit function is the core of the third line of defence and mainly responsible for checking, auditing and monitoring the work performed by the first and second lines of defence.

The Company's risks are identified from business processes in our established enterprise-wide risk assessment methodologies. We select key participants across the Company who are involved in each of the business process as interviewees to identify the risks to form our risk universe. Each risk within the risk universe is assessed in terms of likelihood of occurrence and the significance of impact, taken into account the current internal controls in place to mitigate these risks. The risk assessment results are reported to senior management, the Audit Committee and the Board for the confirmation of our risk response strategies and the development of our improvement measures, based on their preferences towards risk, the available resources for risk mitigation, and the current controls in place. The Board and the Audit Committee assess and review the effectiveness of the Group's risk management and internal control systems (covering all key controls including strategy, finance, operation, and compliance controls) on an annual basis.

內審部

本集團已建立集團內審部，該部門於監察本公司的內部管治方面扮演著重要角色。內審部的主要職責包括規範及檢討本公司的營運風險、財務狀況及內部監控等事宜，以及對本公司的所有附屬公司及分支機構進行定期全面審核。內審部於每年定期會議上向審核委員會匯報其於上一年度有關內部監控是否足夠及有效的工作結果，以及下一年度的工作計劃。

風險管理及內部監控系統

本集團採取三道防線模式管理風險。營運管理人員是第一道防線的核心，因為一旦出現風險，彼等首當其衝。營運管理人員負責識別、報告及初步管理日常營運中存在的風險。第二道防線旨在推動及監察營運人員高效實施風險管理措施，協助風險責任人界定風險敞口及整個公司報告充足的風險信息。內部審核功能是第三道防線，主要負責檢查、審核及監察第一及第二道防線的工作。

根據我們建立的全面風險評估方法，本公司從業務流程出發，進行風險識別。我們選擇各個業務流程的主要負責人作為受訪者，識別流程中的風險，並匯總形成最終的風險清單。風險清單中的各風險按發生的可能性及影響程度評估，並考慮目前降低該等風險所採用的內部監控。風險評估結果向管理層、審核委員會及董事會匯報，以根據彼等的風險偏好、可用於降低風險的資源及目前已存在的內部監控狀況等因素來確認我們的風險應對策略和制定改善方案。董事會連同審核委員會每年評估及檢討本集團之風險管理及內部監控系統（包含所有重大監控，包括策略、財務、運營及合規監控）的有效性。

Report of Corporate Governance 企業管治報告

During the Review Year, the Company reviewed the report prepared by the Internal Audit Department containing the investigation results and improvement suggestions as well as the management letter prepared by the external auditor, and promptly took appropriate improvement measures to mitigate the risks.

The Company's internal control system is based on Internal Control-Integrated Framework of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"), and has five components, namely Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The system intends to facilitate the design and functioning of good control practices and reduce the likelihood and impact of risks to an acceptably low level, in order for us to achieve our objectives in operations, reporting, and compliance.

Any material internal control defects identified are timely communicated and carefully evaluated for their potential impacts. The departments or functions who are owners of these controls, are required to propose corrective measures and obtain approval from management before implementation. The implementation status are monitored by both management and the Internal Audit Department to ensure these control defects are properly resolved in a timely manner.

The Group has also established policies and procedures for the handling and dissemination of inside information, including "Material Information Internal Reporting System of Tsaker Chemical Group Limited" and "Information Disclosure Management System of Tsaker Chemical Group Limited". The information or data to be disclosed should be properly reviewed and approved by our compliance functions and management to ensure its timeliness, accuracy, sufficiency and effectiveness, and is closely monitored after disclosure.

During the Review Year, the Board has reviewed the risk management and internal control system of the Group, and considered that the design and implementation of the risk management and internal control system of the Group are effective and efficient in all material respects.

於回顧年內，本公司已檢討了內審部編製的載有調查結果及改善建議的報告，亦檢討外聘核數師編製的管理層建議書，並及時採取相應的改善措施，以降低風險。

本公司的內部監控系統乃基於特雷德韋委員會贊助組織委員會（「COSO」）的內部監控整合框架，包括監控環境、風險評估、監控活動、信息及溝通和監督活動五個部分。該系統旨在推動良好監控實踐的設計及實施，降低風險發生的可能性，並將風險影響降低到可接受水平，以便實現我們的管理、申報及合規目標。

我們及時就所識別的重大內部監控瑕疵進行溝通，並審慎評估潛在風險。身為監控責任人的部門提出糾正措施，並於實施前獲得管理層批准。管理層及內審部監察實施情況，確保及時妥善解決監控瑕疵。

本集團亦制定了處理及發布內幕消息政策及程序，包括《彩客化學集團有限公司重大信息內審部報告制度》和《彩客化學集團有限公司信息披露管理制度》。將予披露的信息或數據由資本市場部及管理層妥為審閱及批准，確保內幕消息的及時、準確、充分及有效，並於披露後密切監察。

於回顧年內，董事會已檢討本集團的風險管理及內部監控系統，並認為我們的風險管理及內部監控系統的設計及實施在所有重大方面均有效及充分。



Report of Corporate Governance

企業管治報告

AUDITOR'S REMUNERATION

The remuneration of the auditor in respect of the audit and non-audit services provided to the Company for the Reporting Period is as follows:

Type of services	服務類別	Amount (RMB) 金額 (人民幣元)
Audit services	核數服務	4,045,000
Non-audit services in relation to taxation consulting	關於稅務諮詢的 非核數服務	—*
Total	總計	4,045,000*

* The Company and Ernst & Young Tax Services Limited are still negotiating the tax-related charges for the year ended 31 December 2017 (for the year ended 31 December 2016: RMB30,000).

COMPANY SECRETARIES

Mr. LU Yi, one of the joint company secretaries of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. LEUNG Suet Lun of TMF Hong Kong Limited (a company secretarial service provider) as the other joint company secretary to assist Mr. LU Yi to discharge his duties as one of the joint company secretaries of the Company. Mr. LU Yi is the primary contact person of the Company.

For the year ended 31 December 2017, Mr. LU Yi and Ms. LEUNG Suet Lun have undertaken no less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

核數師酬金

就核數師於報告期內向本公司提供的核數及非核數服務之酬金載列如下：

* 本公司與安永稅務及諮詢有限公司就截至二零一七年十二月三十一日止年度稅務相關服務費用正在協商中（截至二零一六年十二月三十一日止年度：人民幣30,000元）。

公司秘書

陸毅先生為本公司的聯席公司秘書之一，負責就企業管治事宜向董事會提出建議，並確保遵循董事會的政策及程序、適用法律、規則及法規。

為維持良好的企業管治並確保符合上市規則及適用香港法律，本公司亦委聘達盟香港有限公司（公司秘書服務提供商）梁雪綸女士為本公司的另一位聯席公司秘書，協助陸毅先生履行彼作為本公司其中一名聯席公司秘書的職責。陸毅先生為本公司的主要聯絡人。

截至二零一七年十二月三十一日止年度，陸毅先生及梁雪綸女士已符合上市規則第3.29條進行不少於15小時的相關專業培訓。

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information on the Company, which will enable shareholders and investors to make the informed investment decisions.

The annual general meetings of the Company provide opportunity for shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees of the Company will attend the annual general meetings to answer shareholders' questions. The external auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a Shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website at <http://www.tsaker.com>, where the up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual directors.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

與股東的溝通及投資者關係

本公司認為，與股東的有效溝通對加強投資者關係及使投資者了解本集團的業務、表現及策略非常重要。本公司亦深信及時與非選擇性地披露本公司數據以供股東及投資者作出知情投資決策的重要性。

本公司股東週年大會提供股東與董事直接溝通的機會。本公司主席及本公司各董事會委員會主席將出席股東週年大會解答股東提問。外部核數師亦將出席股東週年大會，並解答有關審計行事、核數師報告的編製及內容、會計政策及核數師獨立性的提問。

為促進有效的溝通，本公司採納股東通訊政策，旨在建立本公司與股東的相互關係及溝通，並設有網站(<http://www.tsaker.com>)，本公司會於網站刊登有關其業務營運及發展的最新數據、財務資料、企業管治常規及其他資料，以供公眾人士讀取。

股東權利

為保障股東的利益及權利，本公司會於股東大會上就各事項（包括選舉個別董事）提呈獨立決議案。

於股東大會上提呈的所有決議案將根據上市規則以投票方式進行表決，投票結果將於各股東大會舉行後及時於本公司及聯交所網站刊登。



Report of Corporate Governance

企業管治報告

CONVENING AN EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS

According to the Articles of Association, Shareholders may put forward proposals for consideration at general meetings of the Company. Any one or more member(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or any one of the joint company secretaries of the Company to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene such general meeting shall be reimbursed to the requisitionist(s) by the Company.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law. However, shareholders who wish to propose resolutions may follow Article 12.3 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures are set out in the section headed “CONVENING AN EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS” in this annual report.

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the capital market department of the Company at its headquarters through email at ir@tsaker.com.

CONSTITUTIONAL DOCUMENTS

There was no change in the Articles of Association during the Reporting Period.

召開股東特別大會及提呈建議

根據組織章程細則，股東可於本公司股東大會上提出建議以供考慮。任何一位或以上於遞呈要求當日持有本公司有權於本公司股東大會上投票並繳足股本不少於十分之一的股東，有權隨時透過向董事會或本公司任何一名聯席公司秘書發出書面要求召開本公司股東特別大會，以處理有關要求中指明的任何事項；上述會議應於相關要求遞呈後兩個月內舉行。倘遞呈後21日內董事會未有召開該大會，則遞呈要求人士可自行按正常程序召開大會，而遞呈要求人士因董事會未有召開股東大會而合理產生的所有開支應由本公司向要求人士作出償付。

於股東大會上提呈議案的程序

開曼群島公司法並無規定允許股東於股東大會上提呈新的決議案。然而，擬提呈決議案的股東可按本公司組織章程細則第12.3條，要求召開股東特別大會並於會上提呈決議案。本年報「召開股東特別大會及提呈建議」一節載列有關的要求及程序。

向董事會提出查詢

股東如欲向董事會作出有關本公司的查詢，可透過電郵向本公司總部之資本市場部查詢，電郵地址為 ir@tsaker.com。

章程文件

於報告期間組織章程細則並無修訂。

Independent Auditor's Report

獨立核數師報告



To the shareholders of Tsaker Chemical Group Limited
(Incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Tsaker Chemical Group Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 131 to 235, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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 2017, 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 (“HKSA”) 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致彩客化學集團有限公司全體股東
(於開曼群島註冊成立的有限公司)

意見

我們已審核第131頁至235頁所載彩客化學集團有限公司(「貴公司」)及其附屬公司「貴集團」的綜合財務報表，包括於二零一七年十二月三十一日的綜合財務狀況報表，及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映 貴集團於二零一七年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「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「核數師就審計綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會的《專業會計師道德守則》(「守則」)，我們獨立於 貴集團，並已履行守則中的其他道德責任。我們相信，我們獲得的審計憑證能充足及適當地為我們的意見提供基礎。



Independent Auditor's Report 獨立核數師報告



Key audit matters

Key audit matters are those matters that, in our professional judgement, 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項

根據我們的專業判斷，關鍵審計事項為該等對本期綜合財務報表的審計最為重要的事項。這些事項均在我們審計整體綜合財務報表及出具意見時進行處理，而我們不會對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何處理的描述也以此為背景。

我們已履行本報告「核數師就審計綜合財務報表須承擔的責任」一節所述的責任，包括與這些關鍵審計事項相關的責任。因此，我們的審計包括執行為應對綜合財務報表重大錯報風險的評估而設的程序。審計程序的結果，包括應對下述關鍵審計事項所執行之程序，為我們就隨附的綜合財務報表的審計意見提供基礎。



Key audit matter

Recognition of deferred tax assets

Several of the Company's subsidiaries had accumulated tax losses of RMB 42,321,000 as at 31 December 2017. The Company has recognised deferred tax assets of RMB 9,514,000 against the tax losses to the extent that the realisation of the related tax benefits through future taxable profits is probable.

Recognition of deferred tax assets requires critical management judgement about the likelihood and magnitude of creating future taxable profits to offset the tax losses, including expectations for future sales and margin developments and overall market and economic conditions. Actual profits are likely to be different from those forecasts since anticipated events frequently do not occur as expected and unforeseen events may arise, and their impact on estimates and forecasts may be material.

The Group's accounting policies and disclosures about the deferred tax assets are included in Note 2.4 Summary of significant accounting policies, Note 3 Significant accounting judgements and estimates and Note 26 Deferred tax to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures included, amongst others, evaluating the assumptions used in projecting the expected future taxable profits such as sales volume, sales price and margin, by comparing these key inputs with the Group's historical data and economic forecasts as well as by reviewing supporting documents for those assumptions made such as sale contracts and budget prepared by management, and assessing the income tax rate applicable to the deferred tax assets to be recognised. We involved our tax experts to assist us with corporate income tax reconciliation review. We also reviewed the adequacy of disclosure made in the group's consolidated financial statements in respect of the recognition of deferred tax assets.

關鍵審計事項

遞延稅項資產確認

於二零一七年十二月三十一日，貴公司若干附屬公司的累計稅務虧損為人民幣42,321,000元。貴公司就稅務虧損已確認的遞延稅項資產為人民幣9,514,000元，該確認以相關稅務虧損對應的稅項利益很可能透過日後應課稅溢利實現為限。

確認遞延稅項資產需要對未來應稅溢利的可能性和幅度作出重要的管理判斷，以抵銷稅務虧損，包括對未來銷售和溢利變動情況的預期以及整體市場和經濟狀況的預期。實際溢利可能與那些預測不同，因為預期事件經常不會如期發生，並且可能出現未預見的事件，並且它們對估計及預測的影響可能是重大的。

貴集團有關遞延稅項資產之會計政策及披露載於綜合財務報表附註2.4、主要會計政策概要附註3、主要會計判斷及估計以及附註26遞延稅項。

我們的審計如何處理該事項

我們的審計程序包括評估用於預測未來應課稅溢利的假設，如銷售量、銷售價格、毛利等，方式為將此等關鍵假設與貴集團的歷史數據及經濟預測進行比較，審查諸如銷售合同、管理層編製的預算等假設的支持文件，以及評估適用於將予確認的遞延所得稅資產的所得稅率。我們邀請內部稅務專家協助我們進行企業所得稅調節審查。我們亦審查貴集團綜合財務報表就確認遞延稅項資產所作出披露之適當性。

Independent Auditor's Report

獨立核數師報告



Key audit matter

Withholding tax for retained profits of subsidiaries

As at 31 December 2017, majority of retained profits of the Group were generated from subsidiaries located in Mainland China. Distribution of such profits is subject to withholding income tax. Based on the management's estimation of profits to be distributed in foreseeable future, no dividends need to be distributed from Mainland China to overseas holding companies. Management expects the remaining retained profits will be used for the subsidiaries' continuing reinvestment. Therefore, no deferred tax liability was recognised for the retained profits generated from subsidiaries located in Mainland China.

The process to determine the provision for withholding taxes for retained profits is complex and involves significant management's estimates and judgement on the cash flow forecasts of overseas holding companies, as well as the subsidiaries in Mainland China.

The Group's accounting policies and disclosures about the deferred tax liabilities are included in Note 2.4 Summary of significant accounting policies, Note 3 Significant accounting judgements and estimates and Note 26 Deferred tax to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures included, amongst others, evaluating the management's assumptions and estimates in relation to the likelihood of the subsidiaries in Mainland China distributing a dividend in the foreseeable future through comparison with their development, investment as well as dividend plans. We also assessed the cash demands of the overseas holding companies by reviewing the cash flow forecasts, liquidity analysis and other commitments. We obtained the management's representation with respect to the distribution plan of the subsidiaries' retained earnings. We also reviewed the adequacy of disclosure made in the group's consolidated financial statements in respect of the withholding tax for subsidiaries' retained profits.

關鍵審計事項

附屬公司保留溢利的預扣稅

於二零一七年十二月三十一日，貴集團大多數保留溢利乃產生自位於中國大陸的附屬公司。該等溢利之分派需預扣所得稅。根據管理層對可見未來將予分派溢利的估計，中國大陸的附屬公司毋須向海外控股公司派發任何股息。管理層預期餘下保留溢利將用作附屬公司之持續在投資之用。因此，概未就位於中國大陸之附屬公司產生之保留溢利確認任何遞延稅項負債。

確認保留溢利的預扣稅撥備的程序乃屬複雜，涉及管理層對海外控股公司以及中國大陸附屬公司的現金流預測的重大估計及判斷。

貴集團有關遞延稅項負債之會計政策及披露載於綜合財務報表附註2.4、主要會計政策概要附註3、主要會計判斷及估計及附註26遞延稅項。

我們的審計如何處理該事項

我們的審計程序包括透過比較中國大陸附屬公司發展、投資及股息計劃評估管理層，就中國大陸附屬公司於可見的將來宣派股息的可能性所用的假設及估計。我們亦透過審閱現金流量預測、流動性分析及其他承諾，評估海外控股公司的資本需求。我們取得管理層就附屬公司保留溢利分配計劃的聲明。我們亦審查貴集團綜合財務報表就附屬公司保留溢利之預扣稅作出之披露之適當性。



Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises 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 the directors 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 of the Company 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 of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

年報包括的其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於年報內的所有資料，惟不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表發表的意見並不涵蓋其他資料，而我們亦不會就此發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資料，從而在此過程中考慮其他資料是否與綜合財務報表或我們在審計過程中獲悉的資料存在重大不符或似乎存在重大錯誤陳述的情況。基於我們已執行的工作，倘我們認為此其他資料存在重大錯誤陳述，則我們須報告該事實。我們就此並無任何事項需報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合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必需的內部監控負責。

在編製綜合財務報表時，貴公司董事須負責評估貴集團持續經營之能力，並披露與持續經營有關之事項（如適用）。除非董事有意將貴集團清盤，或停止運營，或除此之外並無其他實際可行之辦法，否則貴公司董事須採用以持續經營為基礎之會計法。

審核委員會協助 貴公司董事履行監督 貴集團財務報告過程的責任。



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. Our report is made 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 HKSAs 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 HKSAs, we exercise professional judgement 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.

核數師就審計綜合財務報表須承擔的責任

我們的目標為對綜合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。我們僅向整體股東作出本報告，除此以外不可用作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔法律責任。

合理保證為高水準的保證，但不能保證按照香港審計準則進行的審計將在某一重大錯誤陳述存在時總能發現。錯誤陳述可由欺詐或錯誤引起，倘合理預期有關錯誤陳述單獨或匯總起來可能影響綜合財務報表使用者根據該等綜合財務報表作出的經濟決定，則被視作重大。

作為根據香港審計準則進行審計的一部分，我們會在審計過程中運用專業判斷及保持專業懷疑態度。我們亦會：

- 識別和評估由於欺詐或錯誤而導致綜合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該等風險，並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，或凌駕於內部監控之上，因此未能發現由於欺詐而導致的重大錯誤陳述的風險高於未能發現由於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監控，以設計適當的審計程序，但目的並非對 貴集團內部監控的有效性發表意見。



- 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.
- 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.
- 評價董事所採用的會計政策是否恰當及所作出的會計估計和相關披露是否合理。
- 對董事採用持續經營為會計基礎是否恰當作出結論。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因素，從而可能導致對 貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定因素，則須在核數師報告中提請注意綜合財務報表中的相關披露，或倘有關的披露不足，則須修訂意見。我們的結論是基於核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體呈報、結構和內容，包括披露，以及綜合財務報表是否以中肯呈報的方式反映有關交易和事項。
- 就 貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責指導、監督及執行 貴集團審計工作。我們為審計意見承擔全部責任。



Independent Auditor's Report

獨立核數師報告



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 Bennett S.H. Wai.

Ernst & Young

Certified Public Accountants

Hong Kong

28 March 2018

我們就（其中包括）審計的計劃範圍、時間安排及重大審計發現（包括我們在審計中識別出內部控制的任何重大缺陷）與 貴公司審核委員會溝通。

我們亦向 貴公司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，並就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，以及相關的防範措施（如適用）與他們溝通。

從與審核委員會溝通的事項中，我們決定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。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，我們認為披露這些事項所造成的負面後果合理預期將可能超過公眾知悉事項的利益而不應在報告中披露，否則我們會在核數師報告中描述這些事項。

出具本獨立核數師報告的審計專案合夥人是韋少雄。

安永會計師事務所

執業會計師

香港

二零一八年三月二十八日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Notes 附註	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
REVENUE	收益	5	1,247,392	1,041,142
Cost of sales	銷售成本		(884,403)	(747,537)
Gross profit	毛利		362,989	293,605
Other income and gains	其他收入及收益	5	8,885	19,848
Selling and distribution expenses	銷售及分銷開支		(42,679)	(38,947)
Administrative expenses	行政開支		(121,804)	(90,635)
Other expenses	其他開支		(4,901)	(3,701)
Finance costs	財務成本	6	(15,559)	(10,317)
Exchange losses, net	匯兌虧損淨額		(5,872)	(15,395)
PROFIT BEFORE TAX	除稅前溢利	7	181,059	154,458
Income tax expense	所得稅開支	10	(44,953)	(33,537)
PROFIT FOR THE YEAR	年內溢利		136,106	120,921
OTHER COMPREHENSIVE INCOME	其他全面收入			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:	將於其後期間重新分類至損益的其他全面收入：			
Exchange differences on translation of foreign operations	換算外國業務的匯兌差額		(11,656)	25,943
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收入總額		124,450	146,864
Profit attributable to:	應佔溢利：			
Owners of the parent	母公司擁有人		136,131	120,921
Non-controlling interests	非控股權益		(25)	—
			136,106	120,921
Total comprehensive income attributable to:	下列人士應佔全面收入總額：			
Owners of the parent	母公司擁有人		124,475	146,864
Non-controlling interests	非控股權益		(25)	—
			124,450	146,864
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益擁有人應佔每股盈利			
Basic and diluted (expressed in RMB per share)	基本和攤薄 (按每股人民幣列示)	13	0.13	0.12*

* The earnings per share of the Group for the year ended 31 December 2016 was adjusted for the bonus share issued in 2017.

* 本集團截至二零一六年十二月三十一日止年度之每股盈利已就二零一七年發行之紅股作出調整。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2017
二零一七年十二月三十一日

			31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
		Notes 附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	14	1,119,738	882,002
Prepaid land lease payments	預付土地租賃款項	15	80,636	85,207
Other intangible assets	其他無形資產		1,211	114
Investments in joint ventures	於合營公司之投資		900	900
Available-for-sale investments	可供出售投資	16	31,251	18,300
Deferred tax assets	遞延稅項資產	26	23,883	26,963
Restricted cash	受限現金	21	7,449	-
Other non-current assets	其他非流動資產		13,303	-
Total non-current assets	非流動資產總值		1,278,371	1,013,486
CURRENT ASSETS	流動資產			
Inventories	存貨	17	114,967	81,765
Trade receivables	貿易應收款項	18	276,438	206,623
Notes receivable	應收票據	19	51,800	74,406
Prepayments and other receivables	預付款項及其他應收款項	20	157,023	94,249
Restricted cash	受限現金	21	17,868	72,461
Cash and cash equivalents	現金及現金等價物	21	359,787	396,743
Total current assets	流動資產總值		977,883	926,247
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	22	369,798	256,523
Other payables and accruals	其他應付款項及應計費用	23	125,968	199,168
Interest-bearing bank and other borrowings	計息銀行及其他借款	24	87,000	181,622
Income tax payable	應付所得稅		15,000	19,634
Current portion of long-term borrowings	長期借款的即期部份	24	107,576	60,000
Total current liabilities	流動負債總值		705,342	716,947
NET CURRENT ASSETS	流動資產淨值		272,541	209,300
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		1,550,912	1,222,786

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

31 December 2017
二零一七年十二月三十一日

		Notes 附註	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
NON-CURRENT LIABILITIES				
	非流動負債			
Deferred income	遞延收入	25	21,555	21,001
Deferred tax liabilities	遞延稅項負債	26	-	800
Interest-bearing bank and other borrowings	計息銀行及其他借款	24	387,421	240,000
Total non-current liabilities	非流動負債總額		408,976	261,801
Net assets	資產淨值		1,141,936	960,985
EQUITY				
	權益			
Equity attributable to owners of the parent				
	母公司擁有人應佔權益			
Share capital	股本	27	67,491	30,649
Reserves	儲備	28	1,073,800	930,336
			1,141,291	960,985
Non-controlling interests	非控股權益		645	-
Total equity	權益總額		1,141,936	960,985

Ge Yi
戈弋
Director
董事

Bai Kun
白崑
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2017

截至二零一七年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Safety							Non-		Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Capital reserve 資本儲備	production fund 安全生產基金	Statutory reserve 法定儲備	Translation reserve 匯兌儲備	Retained profits 保留溢利	Total 合計	controlling interests 非控股權益	
		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	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	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	30,649	593,724	(308,202)	39,900	84,295	51,158	469,461	960,985	-	960,985
Profit for the year	年內溢利	-	-	-	-	-	-	136,131	136,131	(25)	136,106
Other comprehensive income for the year:	年內其他全面收入：	-	-	-	-	-	(11,656)	-	(11,656)	-	(11,656)
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	(11,656)	136,131	124,475	(25)	124,450
Issue of shares	發行股份	36,842	57,104	-	-	-	-	-	93,946	-	93,946
Capital contributions from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	670	670
Dividend distributed to shareholders (Note 12)	分派予股東的股息 (附註12)	-	-	-	-	-	-	(38,115)	(38,115)	-	(38,115)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	8,225	-	(8,225)	-	-	-
Appropriation to safety production fund	撥入安全生產基金	-	-	-	3,975	-	-	(3,975)	-	-	-
At 31 December 2017	於二零一七年十二月三十一日	67,491	650,828*	(308,202)*	43,875*	92,520*	39,502*	555,277*	1,141,291	645	1,141,936

continued/...
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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

Year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔									
		Safety							Non-		Total
		Share capital	Share premium	Capital reserve	production fund	Statutory reserve	Translation reserve	Retained profits	Total	controlling interests	equity
		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 1 January 2016	於二零一六年一月一日	30,649	593,724	(290,841)	33,294	56,842	25,215	413,669	862,552	-	862,552
Profit for the year	年內溢利	-	-	-	-	-	-	120,921	120,921	-	120,921
Other comprehensive income for the year:	年內其他全面收入：	-	-	-	-	-	25,943	-	25,943	-	25,943
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	-	25,943	120,921	146,864	-	146,864
Dividend distributed to shareholders	分派予股東的股息	-	-	-	-	-	-	(31,070)	(31,070)	-	(31,070)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	27,453	-	(27,453)	-	-	-
Deemed distribution to the then shareholder of Shandong Tsaker Dongao Chemicals Co., Ltd. (formerly known as Shengli Oil Field Dongao Chemicals Co., Ltd.) ("Tsaker Dongao")	視作向當時山東彩客東奧化學有限責任公司(前稱勝利油田東奧化工有限責任公司)股東分派	-	-	(17,361)	-	-	-	-	(17,361)	-	(17,361)
Appropriation to safety production fund	撥入安全生產基金	-	-	-	6,606	-	-	(6,606)	-	-	-
At 31 December 2016	於二零一六年十二月三十一日	30,649	593,724*	(308,202)*	39,900*	84,295*	51,158*	469,461*	960,985	-	960,985

* These reserve accounts comprise the consolidated reserves of RMB1,073,800,000 and RMB930,336,000 in the consolidated statements of financial position as at 31 December 2017 and 31 December 2016, respectively.

* 該等儲備賬目包括二零一七年十二月三十一日及二零一六年十二月三十一日綜合財務狀況表分別所載人民幣1,073,800,000元及人民幣930,336,000元的綜合儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2017

截至二零一七年十二月三十一日止年度


		Notes 附註	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
CASH FLOWS FROM OPERATING ACTIVITIES	經營活動所得現金流量			
Profit before tax:	除稅前溢利：		181,059	154,458
Adjustments for:	就下列各項作出調整：			
Finance costs	財務成本	6	15,559	10,317
Exchange gains, net	匯兌收益淨額		(1,161)	(9,067)
Interest income	利息收入	5	(1,277)	(9,876)
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損	7	625	1,023
Depreciation	折舊	14	58,110	54,269
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	15	4,573	4,573
Amortisation of other intangible assets	其他無形資產攤銷		4	3
Amortisation of other non-current assets	其他非流動資產攤銷		—	15
Amortisation of deferred income	遞延收入攤銷	5	(1,973)	(2,645)
Impairment of trade receivables	貿易應收款項減值	18	614	—
Write down of inventories to net realisable value	存貨撇減至可變現淨值	17	835	1,833
			256,968	204,903
Increase in inventories	存貨增加		(34,036)	(4,430)
Increase in trade and notes receivables	貿易應收款項及應收票據增加		(43,276)	(45,451)
Increase in prepayments and other receivables	預付款項及其他應收款項增加		(39,067)	(17,451)
Increase in trade payables	貿易應付款項增加		113,836	18,705
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用(減少)/增加		(1,470)	14,784
Decrease/(increase) in restricted cash	受限現金減少/(增加)		199	(562)
Cash generated from operations	經營產生的現金		253,154	170,498
Interest received	已收利息		1,277	12,180
Interest paid	已付利息	6	(15,559)	(10,317)
Income tax paid	已付所得稅		(47,307)	(1,051)
Net cash flows from operating activities	經營活動所得現金流量淨額		191,565	171,310

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

Year ended 31 December 2017
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
	Notes 附註		
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量		
Purchases of items of property, plant and equipment	購置物業、廠房及設備項目	(245,968)	(229,577)
Purchase of other intangible assets	購置其他無形資產	(1,103)	(117)
Proceeds on disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項	227	1,323
Capital contributions to joint ventures	向合營公司注資	-	(900)
Purchase of available-for-sale investments	購買可供出售投資	(12,951)	(18,300)
Acquisition of a subsidiary	收購一間附屬公司	-	(17,361)
Proceeds from governments grants	政府補助所得款項	2,527	16,840
Net cash flows used in investing activities	投資活動所用現金流量淨額	(257,268)	(248,092)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動所得現金流量		
Funding from related parties	來自關聯方的資金	-	27,006
Funding to related parties	給予關聯方的資金	(87,933)	(118,589)
Proceeds from bank loans and other borrowings	銀行貸款及其他借款所得款項	520,170	499,942
Decrease in restricted cash for bank loans and other borrowings	銀行貸款及其他借款之受限制現金減少	46,945	228,617
Capital contribution from non-controlling interests	非控股權益注資	670	-
Service fee payment for other borrowings	其他借款之服務費款項	(5,000)	-
Repayment of bank loans and other borrowings	償還銀行貸款及其他借款	(503,097)	(335,640)
Dividend paid	已付股息	(38,115)	(31,070)
Proceeds from issue of shares	發行股份所得款項	93,946	-
Net cash flows from financing activities	融資活動所得現金流量淨額	27,586	270,266
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物 (減少)/增加淨額	(38,117)	193,484
Cash and cash equivalents at beginning of year	年初現金及現金等價物	396,743	194,192
Effect of foreign exchange rate changes, net	匯率變動的淨影響	1,161	9,067
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	359,787	396,743



Notes to Financial Statements

財務資料附註

31 December 2017
二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were involved in the following principal activities:

- manufacture and sale of pigment intermediates
- manufacture and sale of dye intermediates
- manufacture and sale of agricultural chemical intermediates
- manufacture and sale of battery materials
- environmental technology consultancy service

In the opinion of the Directors, the ultimate holding company and parent of the Company is Cavalli Enterprises Inc., a company registered in the British Virgin Islands and controlled by Mr. Ge Yi ("Mr. Ge").

1. 公司及本集團資料

本公司為一家於開曼群島註冊成立的有限公司。本公司註冊辦事處的地址是P.O.Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands。

本公司為一家投資控股公司。於年內，本公司的附屬公司主要從事以下活動：

- 顏料中間體的生產和銷售
- 染料中間體的生產和銷售
- 農藥中間體的生產和銷售
- 電池材料的生產和銷售
- 環保技術諮詢服務

董事認為，本公司最終控股公司及母公司為 Cavalli Enterprises Inc.，一家於英屬處女群島註冊的公司及為由戈弋先生（「戈先生」）控股的公司。

Notes to Financial Statements

財務資料附註

31 December 2017
二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 公司名稱	Place and date of incorporation/ establishment 註冊成立/成立地點及日期	Issued ordinary/ registered share capital 已發行普通股/註冊股本	Percentage of equity interest attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tsaker Chemical (Hongkong) Co., Limited (Tsaker HongKong) (彩客化學(香港)有限公司) (彩客香港)	Hong Kong 2 September 2010 香港 二零一零年九月二日	HK\$34,174,000 34,174,000港元	100	-	Investment holding and sale of chemicals 投資控股及化學品銷售
Tsaker Chemical (Cangzhou) Co., Limited (Tsaker Cangzhou) (彩客化學(滄州)有限公司) (彩客滄州)	Hebei, People's Republic of China ("PRC") 23 September 2005 中華人民共和國(「中國」) 河北 二零零五年九月二十三日	RMB125,000,000 人民幣125,000,000元	-	100	Production and sale of chemicals 化學品生產和銷售
Tsaker Chemical (Dongguang) Co., Limited (Tsaker Dongguang) (彩客化學(東光)有限公司) (彩客東光)	Hebei, PRC 7 May 2013 中國河北 二零一三年五月七日	RMB66,000,000 人民幣66,000,000元	-	100	Production and sale of chemicals 化學品生產和銷售
Tsaker Chemical (Dongying) Co., Limited (Tsaker Dongying) (彩客化學(東營)有限公司) (彩客東營)	Shandong, PRC 20 May 2014 中國山東 二零一四年五月二十日	RMB30,000,000 人民幣30,000,000元	-	100	Production and sale of chemicals 化學品生產和銷售
Tsaker Technology (Beijing) Co., Limited (Tsaker Beijing) (彩客科技(北京)有限公司) (彩客北京)	Beijing, PRC 17 October 2013 中國北京 二零一三年十月十七日	RMB40,000,000 人民幣40,000,000元	-	100	Technical support and sale of chemicals 技術支援和化學品銷售
Tsaker Dongao (彩客東奧)	Shandong, PRC 15 March 2004 中國山東 二零零四年三月十五日	RMB23,800,000 人民幣23,800,000元	-	100	Production and sale of chemicals and leasing 化學品生產和銷售及租賃
Dongying Tsaker Huahan Chemical Company Limited (Tsaker Huahan) (東營彩客華翰化學有限公司) (彩客華翰)	Shandong, PRC 22 August 2017 中國山東 二零一七年八月二十二日	RMB20,000,000 人民幣20,000,000元	-	51	Production and sale of chemicals 化學品生產和銷售
Tsaker Chemical (Xiajin) Company Limited (Tsaker Xiajin) (彩客化學(夏津)有限公司) (彩客夏津)	Shandong, PRC 2 December 2016 中國山東 二零一六年十二月二日	RMB10,000,000 人民幣10,000,000元	-	100	Production and sale of chemicals 化學品生產和銷售

1. 公司及本集團資料 (續)

有關附屬公司的資料

本公司主要附屬公司的詳情載列如下：

Notes to Financial Statements

財務資料附註

31 December 2017
二零一七年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries (continued)

The above table lists the subsidiaries of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Information about joint ventures

Particulars of the joint ventures are as follows:

Name 公司名稱	Place and date of establishment 註冊成立／成立地點及日期	Issued ordinary/ registered share capital 已發行普通股／註冊股本	Percentage of equity interest attributable to the Company 本公司應佔股權百分比		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tibet Wen Xuan Investment Co., Ltd (西藏文軒股權投資有限公司)	Tibet, PRC 4 December 2015 中國西藏 二零一五年十二月四日	RMB1,000,000 人民幣1,000,000元	-	30	Investment holding 投資控股
Shenzhen Xuan Cai Equity Venture Capital Fund Management Co., Ltd. (深圳軒彩創業投資基金管理有限公司)	Shenzhen, PRC 1 April 2016 中國深圳 二零一六年四月一日	RMB2,000,000 人民幣2,000,000元	-	30	Investment holding 投資控股

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

1. 公司及本集團資料 (續)

有關附屬公司的資料 (續)

上表載列之本集團附屬公司，乃董事認為對本年度業績有重大影響或構成本集團淨資產之主要部份。董事認為提供其他附屬公司之詳情會令此等資料過於冗長。

有關合資公司的資料

合資公司的詳情載列如下：

2.1 編製基準

本財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）（包括香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例披露要求編製。財務報表已根據歷史成本慣例編製而成，以人民幣（「人民幣」）呈列，而當中所有金額均湊整至最接近的千位，惟另有註明者除外。

Notes to Financial Statements

財務資料附註

31 December 2017
二零一七年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Comparative information

The amount of the earnings per share attributable to ordinary equity holders of the parent of the Group of 2016 has been restated to conform with the current year's presentation and disclosures.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2017. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2.1 編製基準 (續)

比較資料

二零一六年本集團母公司普通權益持有人應佔每股盈利金額經重列，符合當前年度之呈列及披露。

合併基準

綜合財務報表包括本公司及其附屬公司（統稱為「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。附屬公司指由本公司直接或間接控制之實體（包括結構性實體）。控制權指倘本集團能夠或有權從參與投資對象的業務中分享其非固定回報，並能夠通過其對投資對象的權力（即令本集團現時能夠指導投資對象相關活動的現有權利）影響回報金額。

倘本公司直接或間接擁有投資對象中少於大多數的投票權或類似權利，本集團將於評估其是否對投資對象擁有權力時考慮所有相關事實及情況，包括：

- (a) 與投資對象其他投票權持有人的合約安排；
- (b) 來自其他合約安排的權利；及
- (c) 本集團的投票權及潛在投票權利。

附屬公司與本公司之財務報表之報告期間相同，並採用一致之會計政策編製。附屬公司之業績由本集團獲得控制權當日起作綜合入賬，直至有關控制權終止當日為止。



Notes to Financial Statements

財務資料附註

31 December 2017
二零一七年十二月三十一日

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.1 編製基準 (續)

合併基準 (續)

損益及其他全面收益之各個組成部份歸屬於本集團母公司之擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間之交易之集團內部公司間資產及負債、權益、收入、開支及現金流量會於綜合計算時全數抵銷。

倘事實及情況顯示上文附屬公司之會計政策所述三項控制因素之一項或多項出現變化，本集團會重新評估其是否控制被投資方。並無失去控制權之附屬公司擁有權權益變動以股本交易入賬。

倘本集團失去對附屬公司之控制權，則終止確認(i)該附屬公司之資產(包括商譽)及負債，(ii)任何非控股股東權益之賬面值及(iii)於權益內記錄之累計匯兌差額；及確認(i)已收代價之公允價值，(ii)所保留任何投資之公允價值及(iii)損益表中任何因此產生之盈餘或虧損。先前已於其他全面收入內確認之本集團應佔部份重新分類至損益或保留溢利(如適當)。基準與本集團直接出售相關資產或負債所需使用之基準相同。

Notes to Financial Statements 財務資料附註

31 December 2017
二零一七年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKAS 7	<i>Disclosure Initiative</i>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i>
Amendments to HKFRS 12 included in <i>Annual Improvements to HKFRSs 2014-2016 Cycle</i>	<i>Disclosure of Interests in Other Entities: Clarification of the Scope of HKFRS 12</i>

None of the above amendments to HKFRSs has had a significant financial effect on these financial statements. Disclosure has been made in note 29 to the financial statements upon the adoption of amendments to HKAS 7, which require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

2.2 會計政策及披露之變動

本集團於本年度財務報表首次採納以下經修訂香港財務報告準則。

香港會計準則第7號之修訂	披露計劃
香港會計準則第12號之修訂	就未變現虧損確認遞延稅項資產
二零一四年至二零一六年週期之年度改進所載香港財務準則第12號之修訂	其他實體權益的披露：澄清香港財務報告準則第12號的範圍

上述香港財務報告準則之修訂概未對該等財務報表產生任何重大財務影響。根據香港會計報告準則第7號之修訂，實體須提供披露以使財務報表使用者評估產生自融資活動的負債變動（包括現金流量產生之變動及非現金變動），本集團已於採納香港財務報告準則第7號後於財務報表附註29內作出相關披露。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> ¹
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> ¹
HKFRS 9	<i>Financial Instruments</i> ¹
Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i> ²
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
HKFRS 15	<i>Revenue from Contracts with Customers</i> ¹
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> ¹
HKFRS 16	<i>Leases</i> ²
HKFRS 17	<i>Insurance contract</i> ³
Amendments to HKAS 28	<i>Long-term Interests in Associate or Joint Venture</i> ³
Amendments to HKAS 40	<i>Transfers of Investment Property</i> ¹
HK(IFRIC)-Int 22	<i>Foreign Currency Transactions and Advance Consideration</i> ¹
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i> ²
Annual Improvements 2014-2016 Cycle	<i>Amendments to HKFRS 1 and HKAS 28</i> ¹
Annual Improvements 2015-2017 Cycle	<i>Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23</i> ²

2.3 已頒佈但尚未生效之香港財務報告準則

本集團於本財務報表中尚未應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第2號之修訂	以股份為基礎的支付交易的分類及計量 ¹
香港財務報告準則第4號之修訂	應用香港財務報告準則第9號「金融工具」與香港財務報告準則第4號「保險合約」 ¹
香港財務報告準則第9號	金融工具 ¹
香港財務報告準則第9號之修訂	具有負補償的提前還款特性 ²
香港財務報告準則第10號及香港會計準則第28號之修訂(二零一一年)	投資者與其聯營或合營企業之間之資產出售或注資 ⁴
香港財務報告準則第15號	來自與客戶訂立之合約的收入 ¹
香港財務報告準則第15號之修訂	澄清香港財務報告準則第15號客戶合約收益 ¹
香港財務報告準則第16號	租賃 ²
香港財務報告準則第17號	保險合約 ³
香港會計準則第28號之修訂	於聯營公司或合營企業的長期權益 ³
香港會計準則第40號之修訂	轉讓投資物業 ¹
香港(國際財務報告詮釋委員會) – 詮釋第22號	外幣交易及預付代價 ¹
香港(國際財務報告詮釋委員會) – 詮釋第23號	所得稅處理的不確定性 ²
二零一四年至二零一六年週期的年度改進	香港財務報告準則第1號及香港會計準則第28號修訂 ¹
二零一五年至二零一七年週期的年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂 ²

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 No mandatory effective date yet determined but available for adoption

Of those standards, HKFRS 9 and HKFRS 15 will be applicable for the Group's financial year ending 31 December 2018 and are expected to have some impact upon adoption. Whilst management has performed a detailed assessment of the estimated impacts of these standards, that assessment is based on the information currently available to the Group, including expectations of the application of transitional provision options and policy choices. The actual impacts upon adoption could be different to those below, depending on additional reasonable and supportable information being made available to the Group at the time of applying the standards and the transitional provisions and policy options finally adopted.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

- 1 對始於二零一八年一月一日或其後之年度期間生效
- 2 對始於二零一九年一月一日或其後之年度期間生效
- 3 對始於二零二一年一月一日或其後之年度期間生效
- 4 尚未釐定強制生效日期但可供採納

於該等準則中，香港財務報告準則第9號及香港財務報告準則第15號將適用於本集團截至二零一八年十二月三十一日止財政年度，預期在採納後產生一些影響。管理層已詳細評估該等準則之預計影響，惟評估乃按本集團現有資料（包括預期應用過渡性條文選擇及選擇政策）作出。採納後的實際影響可能與下述者有別，視乎本集團於應用該等準則及過渡性條文以及最終選用的政策時所得額外合理及輔助資料而定。



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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group will adopt HKFRS 9 from 1 January 2018. The Group will not restate comparative information and will recognise any transition adjustments against the opening balance of equity at 1 January 2018. During 2017, the Group has performed a detailed assessment of the impact of the adoption of HKFRS 9. The expected impacts relate to the classification and measurement and the impairment requirements and are summarised as follows:

(a) Classification and measurement

The Group does not expect that the adoption of HKFRS 9 will have a significant impact on the classification and measurement of its financial assets. It expects to continue measuring at fair value all financial assets currency held at fair value. Equity investments currently held as available for sale will be measured at fair value through other comprehensive income as the investments are intended to be held for the foreseeable future and the Group expects to apply the option to present fair value changes in other comprehensive income. Gains and losses recorded in other comprehensive income for the equity investments cannot be recycled to profit or loss when the investments are derecognised.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

於二零一四年九月，香港會計師公會頒佈香港財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團將自二零一八年一月一日起採納香港財務報告準則第9號。本集團將不會重述比較資料，並將確認於二零一八年一月一日對期初權益結餘作出的任何過渡調整。於二零一七年，本集團已就採納香港財務報告準則第9號的影響進行詳細評估。與分類及計量及減值規定有關的預期影響概述如下：

(a) 分類及計量

本集團預期採納香港財務報告準則第9號將不會對其金融資產的分類及計量造成重大影響。所有按公允價值持有之金融資產貨幣預期繼續按公允價值計量。現時持有可供出售的股本投資將按公允價值計入其他全面收益，原因為該等投資擬為可見未來持有，而本集團預期選擇於其他全面收益呈列公允價值變動。於投資終止確認時，就該等股本投資於其他全面收益入賬的收益及虧損不得重新計入損益。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS
(continued)

(b) Impairment

HKFRS 9 requires an impairment on debt instruments recorded at amortised cost or at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts that are not accounted for at fair value through profit or loss under HKFRS 9, to be recorded based on an expected credit loss model either on a twelve-month basis or a lifetime basis. The Group will apply the simplified approach and record lifetime expected losses that are estimated based on the present values of all cash shortfalls over the remaining life of all of its trade receivables. Furthermore, the Group will apply the general approach and record twelve-month expected credit losses that are estimated based on the possible default events on its other receivables within the next twelve months. The Group has determined that, due to the good collective history of its trade and other receivables, the provision for impairment will not increase upon the initial adoption of the standard.

Amendments to HKFRS 10 and HKAS 28 (2011) address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 (2011) was removed by the HKICPA in January 2016 and a new mandatory effective date will be determined after the completion of a broader review of accounting for associates and joint ventures. However, the amendments are available for adoption now.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

(b) 減值

香港財務報告準則第9號規定按攤銷成本或按公允價值計入其他全面收益的債務工具、租賃應收款項、貸款承擔及財務擔保合約（並非根據香港財務報告準則第9號按公允價值計入損益的項目）所作減值，須根據預期信貸虧損模式或按十二個月基準或可用年期基準入賬。本集團將應用簡化方式，將根據於其所有應收貿易款項餘下可用年期內的所有現金差額現值估計的可用年期預期虧損入賬。此外，本集團將於未來十二個月應用一般方法，記錄基於其他應收款項的潛在違約事件估計的十二個月預期信貸虧損。本集團已確定，由於其貿易應收款項及其他應收款項之良好收回記錄，於首次採納該準則時重大減值撥備將不會增加。

香港財務報告準則第10號及香港會計準則第28號（二零一一年）之修訂針對香港財務報告準則第10號及香港會計準則第28號（二零一一年）之間有關投資者與其聯營或合營公司之間之資產出售或注資兩者規定之不一致情況。該等修訂規定，當投資者與其聯營或合營公司之間的資產出售或注資構成一項業務時，須確認全數收益或虧損。當交易涉及及不構成一項業務之資產時，由該交易產生之收益或虧損於該投資者之損益內確認，惟僅以不相關投資者於該聯營或合營公司之權益為限。該等修訂即將應用。香港會計師公會已於二零一六年一月剔除香港財務報告準則第10號及香港會計準則第28號（二零一一年）之修訂以往強制生效日期，而新的強制生效日期將於對聯營或合營公司的會計作更廣泛的審查一事完成後予以釐定，然而，該修訂可於現時應用。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

HKFRS 15, issued in July 2014, establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. Either a full retrospective application or a modified retrospective adoption is required on the initial application of the standard. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group plans to adopt the transitional provisions in HKFRS 15 to recognise the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings at 1 January 2018. In addition, the Group plans to apply the new requirements only to contracts that are not completed before 1 January 2018. The Group's principal activities in year 2017 and years before are mainly manufacturing and sale of chemical products. The Group expects that the transitional adjustment to be made on 1 January 2018 upon initial adoption of HKFRS 15 will not be material. This is mainly because the Group recognises revenue upon the transfer of significant risks and rewards, which coincides with the fulfilment of performance obligations. Additionally, the Group's contracts with customers generally have only one performance obligation. However, the Group is in the process of identifying appropriate changes to its business processes and controls to ensure that all future customer contracts are properly evaluated under the new standard.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第15號(於二零一四年七月頒佈)建立一個新的五步模式,將應用於自客戶合約產生的收益入賬。根據香港財務報告準則第15號,收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。香港財務報告準則第15號的原則為計量及確認收益提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定,包括分拆收益總額,關於履行責任、不同期間的合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代香港財務報告準則項下所有現時收益確認的規定。於首次應用該準則時須進行全面追溯應用或經修訂後追溯應用。於二零一六年六月,香港會計師公會頒佈香港財務報告準則第15號之修訂解釋採納該準則的不同實施問題,包括識別履約責任,主事人與代理人及知識產權許可有關的應用指引,以及準則採納的過渡。該等修訂亦擬協助確保實體於採納香港財務報告準則第15號時能更加一致地應用及降低應用有關準則的成本及複雜性。本集團計劃採納香港財務報告準則第15號之過渡性條文,以確認初次採納的累計影響,並對二零一八年一月一日之保留盈利年初結餘作出調整。此外,本集團計劃僅對於二零一八年一月一日前尚未完成之合約應用該等新規定。本集團於二零一七年及過往年度之主要業務為製造及銷售化工產品。本集團預期將於初步採納香港財務報告準則第15號後於二零一八年一月一日所作出的過渡調整並不重大,主要是因為本集團於轉讓重大風險及回報後確認收益,此乃與履行履約責任相符。此外,本集團與客戶的合約通常僅有一項履約責任。然而,本集團正在識別對其業務程序及控制可能發生之適當變動,以確保所有未來客戶合約已根據新準則妥為評定。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

Presentation and disclosure

The presentation and disclosure requirements in HKFRS 15 are more detailed than those under the current HKAS 18. The presentation requirements represent a significant change from current practice and will significantly increase the volume of disclosures required in the Group's financial statements. Many of the disclosure requirements in HKFRS 15 are new and the Group has assessed that the impact of some of these disclosure requirements will be significant. In particular, the Group expects that the notes to the financial statements will be expanded because of the disclosure of significant judgements made on determining the transaction prices of those contracts that include variable consideration, how the transaction prices have been allocated to the performance obligations, and the assumptions made to estimate the stand-alone selling price of each performance obligation. In addition, as required by HKFRS 15, the Group will disaggregate revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. It will also disclose information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

呈報及披露

香港財務報告準則第15號的呈報及披露規定較現行的香港會計準則第18號項下的有關規定更為詳盡。呈報規定與現行作法相比有重大變化，並將使本集團財務報表所要求的披露內容大幅增加。香港財務報告準則第15號的眾多披露規定為新訂，而本集團經評估得出，若干該等披露規定將造成重大影響。尤其是，本集團預計財務報表附註將擴大，乃由於披露釐定該等合約的交易價時所作出的重大判斷，包括可變代價、交易價如何分配至履約責任及估計各履行責任的單獨售價所作出的假設。此外，根據香港財務報告準則第15號的規定，本集團將客戶合約確認的收益細分為不同類別，描述經濟因素如何影響收益及現金流量的性質、金額、時間及不確定性。其亦將披露細分收益的披露與就各可呈報分部披露的收益資料之間關係的資料。

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

HKFRS 16, issued in May 2016, replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise assets and liabilities for most leases. The standard includes two recognition exemptions for lessees – leases of low-value assets and short-term leases. At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). The right-of-use asset is subsequently measured at cost less accumulated depreciation and any impairment losses unless the right-of-use asset meets the definition of investment property in HKAS 40, or relates to a class of property, plant and equipment to which the revaluation model is applied. The lease liability is subsequently increased to reflect the interest on the lease liability and reduced for the lease payments. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events, such as change in the lease term and change in future lease payments resulting from a change in an index or rate used to determine those payments. Lessees will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Lessor accounting under HKFRS 16 is substantially unchanged from the accounting under HKAS 17. Lessors will continue to classify all leases using the same classification principle as in HKAS 17 and distinguish between operating leases and finance leases. HKFRS 16 requires lessees and lessors to make more extensive disclosures than under HKAS 17. Lessees can choose to apply the standard using either a full retrospective or a modified retrospective approach. The Group expects to adopt HKFRS 16 from 1 January 2019.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第16號於二零一六年五月頒佈，取代香港會計準則第17號租賃、香港（國際財務報告詮釋委員會）— 詮釋第4號釐定安排是否包括租賃、香港（詮釋常務委員會）— 詮釋第15號經營租賃— 優惠及香港（詮釋常務委員會）— 詮釋第27號評估涉及租賃法律形式交易的實質。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人就大多數租賃確認資產及負債。該準則包括給予承租人兩項租賃確認豁免— 低價值資產租賃及短期租賃。於租賃開始日期，承租人將確認於租賃期作出租賃付款為負債（即租賃負債）及代表可使用相關資產的權利為資產（即有使用權資產）。除非有使用權資產符合香港會計準則第40號投資物業的定義，或涉及應用重估模型的物業、廠房及設備類別，否則有使用權資產其後按成本減累計折舊及任何減值虧損計量。租賃負債其後會就反映租賃負債利息而增加及因租賃付款而減少。承租人將須分別確認租賃負債的利息開支及有使用權資產的折舊開支。承租人將亦須於若干事件發生時重新計量租賃負債，例如由於租賃期變更或用於釐定該等付款的一項指數或比率變更而引致未來租賃付款變更。承租人一般將重新計量租賃負債的數額確認為有使用權資產的調整。香港財務報告準則第16號大致沿用香港會計準則第17號內出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相同的分類原則對所有租賃進行分類，並將之分為經營租賃及融資租賃。香港財務報告準則第16號要求承租人及出租人較根據香港會計準則第17號作出更多披露。出租人可選擇以全面追溯應用或

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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (continued)

The Group is currently assessing the impact of HKFRS 16 upon adoption and is considering whether it will choose to take advantage of the practical expedients available and which transition approach and reliefs will be adopted. As disclosed in note 31 to the financial statements, at 31 December 2017, the Group had future minimum lease payments under non-cancellable operating leases in aggregate of approximately RMB18,749,000. Upon adoption of HKFRS 16, certain amounts included therein may need to be recognised as new right-of-use assets and lease liabilities. Further analysis, however, will be needed to determine the amount of new rights of use assets and lease liabilities to be recognised, including, but not limited to, any amounts relating to leases of low-value assets and short term leases, other practical expedients and reliefs chosen, and new leases entered into before the date of adoption.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

本集團現正評估採納香港財務報告準則第16號後的影響，且正考慮會否選擇利用現有可行權宜方式，以及將會採用的過渡方式及寬免。誠如財務報表附註31所披露，於二零一七年十二月三十一日，本集團根據不可撤銷經營租賃應付的未來最低租金總額約為人民幣18,749,000元。採納香港財務報告準則第16號後，當中所列部份金額或需確認為新有使用權資產及租賃負債。然而，本集團需作進一步分析，以確定將予確認的新有使用權資產及租賃負債，包括但不限於涉及低價值資產租賃及短期租賃的金額、所選其他可行權宜方式及寬免以及採用該準則日期前訂立的新租賃。



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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

HK(IFRIC)-Int 22, issued in June 2017, provides guidance on how to determine the date of the transaction when applying HKAS 21 to the situation where an entity receives or pays advance consideration in a foreign currency and recognises a non-monetary asset or liability. The interpretation clarifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) is the date on which an entity initially recognises the non-monetary asset (such as a prepayment) or non-monetary liability (such as deferred income) arising from the payment or receipt of the advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the entity must determine the transaction date for each payment or receipt of the advance consideration. Entities may apply the interpretation on a full retrospective basis or on a prospective basis, either from the beginning of the reporting period in which the entity first applies the interpretation or the beginning of the prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation. The Group expects to adopt the interpretation prospectively from 1 January 2018. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港(國際財務報告詮釋委員會)－詮釋第22號於二零一七年六月頒佈，其在應用香港會計準則第21號時為在實體以外幣收取或支付預付代價及確認非貨幣性資產或負債的情況下如何釐定「交易日期」提供指引。該詮釋澄清，就釐定於初步確認有關資產、開支或收入(或其中部份)所用的匯率時，「交易日期」為實體初步確認因支付或收取預付代價而產生的非貨幣性資產(例如預付款項)或非貨幣負債(例如遞延收入)之日。倘確認有關項目存在多筆預付款或預收款，實體須就每筆付款或預付代價之收款釐定交易日期。實體可從該實體首次應用該詮釋的報告期初或將其於實體首次應用該詮釋之報告期之財務報表呈列為比較資料之以往報告期初，按全面追溯基準或按預期基準應用該詮釋。本集團預期自二零一八年一月一日起以未來適用法採納該等詮釋。該修訂預期不會對本集團財務報表產生任何重大影響。

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS
(continued)

HK(IFRIC)-Int 23, issued in July 2017, addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as “uncertain tax positions”). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation is to be applied retrospectively, either fully retrospectively without the use of hindsight or retrospectively with the cumulative effect of application as an adjustment to the opening equity at the date of initial application, without the restatement of comparative information. The Group expects to adopt the interpretation from 1 January 2019. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港(國際財務報告詮釋委員會)－詮釋第23號於二零一七年七月頒佈，其於稅項處理涉及影響香港會計準則第12號的應用的不確定性時，處理該情況下的即期及遞延所得稅會計(通常稱為「不確定稅務狀況」)。該詮釋並不適用於香港會計準則第12號範圍外的稅項或徵稅，尤其亦不包括不確定稅項處理相關的權益及處罰相關規定。詮釋具體處理以下事項：(i)實體是否考慮不確定稅項進行單獨處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋擬追溯應用，以全面追溯而毋須採用事後確認之方式應用，或以追溯採納應用之累計影響之方式應用，作為對首次應用日期期初權益之調整，且毋須重列比較資料。本集團預期自二零一九年一月一日起採納該等詮釋。該等修訂預期不會對本集團財務報表產生任何重大影響。



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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

Amendments under Annual Improvements to HKFRSs 2015-2017 Cycle

Annual Improvements to HKFRSs 2015-2017 Cycle, issued in February 2018, sets out amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23. The Group expects to adopt the amendments from 1 January 2019. None of the amendments are expected to have a significant financial impact on the Group. Details of the amendments to HKAS 23 is as follows:

- HKAS 23 Borrowing Costs: Clarifies that the entity shall determine the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate shall be the weighted average of the borrowing costs applicable to all borrowings of the entity that are outstanding during the period. However, an entity shall exclude from this calculation borrowing costs applicable to borrowings made specifically for the purpose of obtaining a qualifying asset until substantially all the activities necessary to prepare that asset for its intended use or sale are complete. The Group's current accounting policy is consistent with this clarification and therefore the adoption of the amendment is not expected to have any impact on the Group.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則二零一五年至二零一七年週期之年度改進項下之修訂

二零一八年二月所頒佈之香港財務報告準則二零一五年至二零一七年週期之年度改進載列香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂。本集團預期於二零一九年一月一日起採納該等修訂。該等修訂預期不會對本集團產生重大財務影響。有關香港會計準則第23號之修訂之詳情如下所示：

- 香港會計準則第23號借貸成本：澄清實體應透過該資產開支所採用之資本化比率釐定合資格資本化之借貸成本之金額。資本化比率乃適用於實體於該期間所有尚未償還借貸之借貸成本之加權平均數。然而，實體應從該項計算中扣除適用於就取得合資格資產而特別作出之借貸之借貸成本，直至就籌備該資產作擬定用途或出售所必要之絕大多數活動完成。本集團當前之會計政策與該項澄清相符，故採納該修訂預期不會對本集團產生任何影響。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in profit or loss. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

2.4 主要會計政策概要

於聯營公司及合營公司的投資

聯營公司由本集團持有不少於20%的附股權投票權的長期權益，並可對其行使重大影響的實體。重大影響為參與被投資公司財務及營運政策決策的權力，但非控制或共同控制該等政策。

合營公司為一項合營安排，據此，擁有安排共同控制權的人士均有權享有合營公司的淨資產。共同控制為合約協定應佔安排控制權，其僅在相關活動決策必須獲應佔控制權的人士一致同意方存在。

本集團於聯營公司及合營公司的投資按權益會計法以本集團應佔淨資產減任何減值虧損於綜合財務狀況表列賬。對於可能存在不一致的會計政策已作出調整，以使其一致。

本集團應佔聯營公司及合營公司收購後業績及其他全面收益計入損益。此外，倘直接於聯營公司或合營公司的權益確認有關變動，則本集團會視乎情況於綜合權益變動表確認其應佔任何變動。本集團與其聯營公司或合營公司間交易的未變現收益及虧損將以本集團於聯營公司或合營公司的投資為限對銷，惟倘未變現虧損為所轉讓資產減值的憑證。收購聯營公司或合營公司所產生商譽乃計入作為本集團於聯營公司或合營公司投資的部份。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments in associates and joint ventures (continued)

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

Business combinations and goodwill

The acquisition of subsidiaries and business under common control, where applicable, has been accounted for using the pooling of interests method, with reference to the principle set out in Accounting Guideline 5 *Merger Accounting for Common Control Combinations* issued by the HKICPA. The financial statements of the businesses under common control are prepared for the same reporting period as the Company, using consistent accounting policies.

The pooling of interests method of accounting involves incorporating the financial statement items of the combining entities or businesses in which the common control combinations occur as if they had been combined from the date when the combining entities or businesses first came under the control of the controlling shareholder. The net assets of the combining entities or businesses are combined using the existing book values from the controlling shareholder's perspective. No amount is recognised in respect of goodwill or the excess of the acquirers' interest in the net fair value of acquirees' identifiable assets, liabilities and contingent liabilities over the cost of investment at the time of common control combination.

2.4 主要會計政策概要 (續)

於聯營公司及合營公司的投資 (續)

倘於聯營公司投資成為於合營公司投資，反之亦然，則保留權益不會重新計量。而投資將繼續以權益法列賬。於所有其他情況下，於失去對聯營公司的重大影響或共同控制合營公司後，本集團按其公允價值計量及確認任何保留投資。於失去重大影響或共同控制後聯營公司或合營公司賬面值與保留投資及出售所得款項的公允價值間的任何差額乃於損益確認。

倘於聯營公司或合營公司的投資分類為持作出售，則根據香港財務報告準則第5號列為持作可供出售之非流動資產及已終止經營業務入賬。

業務合併及商譽

按照香港會計師公會所頒佈之會計指引第5號「就受共同控制下之合併使用合併會計法」所載原則，收購受共同控制之附屬公司及業務（倘適用）已採用權益聯營合併會計法入賬。受共同控制之業務之財務報表按與本公司相同之呈報期間採用一致之會計政策編製。

權益聯營合併會計法涉及計入出現共同控制綜合的合併實體或業務的財務報表項目，猶如該等項目自該等合併實體或業務首次受有關控股股東控制當日起已經綜合處理。合併實體或業務的資產淨值依據控股股東的觀點，採用現行賬面值合併。不會就商譽或收購方於被收購方可識別資產、負債及或然負債公允價值淨額的權益超出共同控制實體綜合當時投資成本的差額確認任何數額。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

The consolidated statement of profit or loss and other comprehensive income include the results of each of the combining entities or businesses from the earliest date presented or since the date when the combining entities or businesses first came under common control or since their respective dates of incorporation/establishment, where this is a shorter period, regardless of the date of the common control combination. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated on consolidation.

Business combinations, other than business combinations under common control, are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

綜合損益及其他全面收益表包括各綜合實體或業務自所呈報之最早日期或該等綜合實體或業務首次受共同控制當日或自其各自之註冊成立／成立日期起(以較短期間者為準)之業績，不論共同控制合併之日期。集團內公司間交易所引致之結餘、交易、未變現盈虧及股息均於綜合賬目時抵銷。

業務合併(共同控制下的業務合併除外)乃以購買法入賬。轉讓之代價乃以收購日期的公允價值計算，該公允價值為本集團轉讓的資產於收購日期的公允價值、本集團向被收購方的前度擁有人承擔的負債，及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允價值或被收購方可識別資產淨值的應佔比例，計算於被收購方屬現時擁有人權益的非控股權益，並賦予擁有人權利在清盤時按比例分佔實體的淨資產。非控股權益的一切其他成份乃按公允價值計量。與收購相關的成本於產生時列為開支。

當本集團收購業務時，須根據合約條款、收購日之經濟環境及相關條件對涉及之金融資產及承擔之金融負債進行評估，並合理分類及確認，其中包括將內嵌式衍生工具與被收購方主合同分開。

倘業務合併分階段進行，先前持有的股權按收購日期的公允價值重新計量，而任何收益或虧損於損益中確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

由收購方將予轉讓的任何或然代價將於收購日期按公允價值確認。分類為一項資產或負債的或然代價根據公允價值的變動按公允價值計量，並確認於損益中。分類為權益的或然代價並無重新計量，而其後結算於權益中入賬。

商譽起初按成本計量，即已轉讓總代價、已確認非控股權益及本集團先前由持有的被收購方股權的公允價值總額，超過與所收購可識別資產淨值及所承擔負債的差額。如該代價及其他項目低於所收購資產淨值的公允價值，於重新評估後其差額將於損益中確認為議價收購收益。

於初始確認後，商譽按成本減任何累計減值虧損計量。商譽須每年作減值測試，若有事件發生或情況改變顯示賬面值有可能減值時，則會更頻密地進行檢討。本集團於十二月三十一日進行商譽之年度減值測試。為進行減值測試，無論本集團其他資產或負債是否已分配予該等單位或單位組別，因業務合併而購入的商譽自購入之日被分配至預期可從合併產生的協同效益中獲益的本集團各個現金產生單位或現金產生單位組別。

減值乃通過評估與商譽有關的現金產生單位(或現金產生單位組別)的可收回金額釐定。當現金產生單位(或現金產生單位組別)的可收回金額低於賬面金額時，減值虧損便予以確認。已就商譽確認的減值虧損不得於未來期間撥回。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2.4 主要會計政策概要 (續)

業務合併及商譽 (續)

倘商譽已分配予現金產生單位 (或現金產生單位組別) 的部份而該單位的部份業務已出售，則在釐定所出售業務的收益或虧損時，與所出售業務相關的商譽會計入該業務的賬面值。在該情況下出售的商譽，乃根據所出售業務的相對價值及現金產生單位的保留份額進行計量。

公允價值計量

公允價值乃於計量日期按照市場參與者之間的正常交易出售資產應收到或轉讓負債應支付的價格。公允價值計量基於以下推定：出售資產或轉讓負債的交易發生在資產或負債的主要市場，或若無主要市場，則發生在對該資產或負債最有利的市場。本集團必須可進入該主要市場或最有利市場。資產或負債的公允價值採用市場參與者在對資產或負債定價時會採用的假設 (假定市場參與者以其最佳經濟利益行事) 計量。

非金融資產的公允價值計量計及市場參與者透過以最佳方式盡可能利用該資產或將該資產售予會以最佳方式盡可能利用該資產的另一名市場參與者產生經濟利益的能力。

本集團採用適合相關情況的估值技術，對於該等估值技術，具有充分的數據用於計量公允價值，盡可能利用相關可觀察輸入數據，並盡可能減少對不可觀察輸入數據的使用。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 主要會計政策概要 (續)

公允價值計量 (續)

於財務資料中計量或披露其公允價值的所有資產及負債按下述公允價值層級分類，以對公允價值計量整體屬重要的最低級輸入數據為基礎：

- 第1級 – 基於相同資產或負債的活躍市場報價 (未經調整)
- 第2級 – 基於具有以下特徵的估值技術：該估值技術中對公允價值計量屬重要的最低級輸入數據可直接或間接觀察
- 第3級 – 基於具有以下特徵的估值技術：該估值技術中對公允價值計量屬重要的最低級輸入數據不可觀察

對於以經常性基準在財務資料確認的資產及負債，本集團可透過於各報告期末重新評估分類 (基於對公允價值計量整體屬重要的最低級輸入數據) 確定該架構中不同層級之間是否發生轉換。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 主要會計政策概要 (續)

非金融資產減值

倘一項資產(存貨及金融資產除外)存在減值跡象,或需要進行年度減值測試,則會估計資產的可收回金額。資產可收回金額按該資產或現金產生單位的使用價值及公允價值減出售成本兩者中的較高金額計算,並按個別資產釐定,除非該資產不能產生基本上獨立於其他資產或資產組別所產生現金流入,否則可收回金額將按該資產所屬現金產生單位釐定。

減值虧損僅於資產賬面值超過其可收回金額時方會確認。評估使用價值時,估計未來現金流量採用反映當前市場對資金時間價值及資產特定風險的評估之稅前折現率貼現至其現值。減值虧損按與該減值資產功能相符的開支類別於產生期間從損益扣除。

於各報告期末,將就是否有跡象顯示之前確認的減值虧損可能已不存在或可能減少作出評估。倘存在上述跡象,則會估計可收回金額。就之前確認的資產(商譽除外)減值虧損僅於用以釐定該資產可收回金額的估計出現變動時方予撥回,惟撥回金額不得超過倘過往年度並無就該資產確認減值虧損情況下原應釐定的賬面值(扣除任何折舊/攤銷)。該等減值虧損撥回計入產生期間的損益內。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 主要會計政策概要 (續)

關聯方

以下人士將被視為與本集團有關連：

- (a) 倘為符合下列任何條件的人士或其近親：
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 該人士為符合下列任何條件的實體：
 - (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營企業；
 - (iii) 該實體與本集團為同一第三方的合營企業；
 - (iv) 實體為一名第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為本集團或與本集團有關連的實體就僱員利益設立的離職後福利計劃；
 - (vi) 該實體由(a)項所列人士控制或共同控制；
 - (vii) (a) (i)項所列人士對該實體具有重大影響力或為該實體（或該實體的母公司）的主要管理層成員；及
 - (viii) 實體、或一間集團之任何成員公司（為集團之一部份）向本集團或本集團之母公司提供主要管理人員服務。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. 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.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

2.4 主要會計政策概要 (續)

物業、廠房及設備及折舊

除在建工程外，物業、廠房及設備乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本，包括其購買價及使該資產達至營運狀況及地點作擬定用途之任何直接應佔成本。成本亦可包括由權益轉撥的外幣購買物業、廠房及設備符合作現金流量對沖的任何收益或虧損。

物業、廠房及設備項目投產後所產生的支出，如維修及保養費用，一般於產生期間自損益扣除。於符合確認準則的情況下，用於重大檢測的支出將於該資產的賬面值中撥充資本，列作重置項目。倘物業、廠房及設備多數部份均需不時更換，則本集團會將該等部份確認為擁有特定可使用年期的個別資產，並予以相應折舊。

估值會經常進行，其次數須足以確保重估資產之公允價值與賬面值並無重大差距。物業、廠房及設備之價值改變乃作為資產重估儲備之變動處理。倘個別資產之虧損高於該儲備之總額，超出之虧損數額則在損益表中扣除。隨後之任何重估盈餘乃以先前扣除之虧損為限計入損益。每年從資產重估儲備轉撥至保留溢利之金額，乃根據資產重估賬面值所計算之折舊與根據資產原來成本所計算之折舊兩者之差額作出。於出售重估資產時，就早前估值變現之資產重估儲備有關部份將轉撥至保留溢利作為儲備變動。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Machines and equipment	9% to 19%
Office equipment	18% to 32%
Motor vehicles	9% to 24%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, machinery and equipment under construction or installation, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.4 主要會計政策概要 (續)

物業、廠房及設備及折舊 (續)

每項物業、廠房及設備項目之折舊以直線法按其成本值以估計可用年期撇銷至其剩餘價值。就此目的而採用之主要年率如下：

樓宇	5%
機器及設備	9%至19%
辦公設備	18%至32%
汽車	9%至24%

倘一項物業、廠房及設備各部份之可使用年期並不相同，該項目各部份之成本將按合理基礎分配，而每部份將作個別折舊。剩餘價值、可用年期及折舊方法於最少每屆財政年度結算日予以複議，在適當情況下加以調整。

一項物業、廠房及設備（包括初步確認之任何重大部份）於出售或估計其使用或出售不再產生經濟利益時，將終止確認。於資產終止確認年度因其出售或報廢並在損益表確認之任何盈虧乃有關資產之出售所得款項淨額與賬面值之差額。

在建工程乃指在建設或安裝過程中的樓宇、機器及設備，其乃按成本減減值虧損列賬，並無折舊。成本包括工程的直接成本及建設期間有關借款的資本化借貸成本。完成及備用時，在建工程重新分類至物業、廠房及設備的適當分類。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Research and development costs

All research costs are charged to profit or loss as incurred.

Leases

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.4 主要會計政策概要 (續)

無形資產 (商譽除外)

所單獨收購的無形資產於首次確認時按成本計量。於業務合併時取得的無形資產成本為其於收購日期的公允價值。無形資產的可使用年期乃評估為有限或無限。可使用年期為有限的無形資產隨後在可使用的經濟年內作攤銷，並在有跡象顯示無形資產可能減值時進行減值評估。可使用年期為有限的無形資產的攤銷期和攤銷法至少於各財政年度末作檢討。

研發成本

所有研究成本會於產生時自損益扣除。

租賃

除法定業權外，凡將資產之擁有權絕大部份回報及風險撥歸本集團之租約均被列為融資租約處理。於融資租約訂立時，租賃資產成本以租約須付最低租金之現值撥作資產，連同租賃責任（不包括利息部份）一同入賬，以反映購買及融資活動。按資本化融資租約持有之資產（包括融資租賃項下之預付土地租賃款項）計入物業、廠房及設備內，並按租約期或估計該等資產可使用年期兩者中之較短者計算折舊。該等租約之融資成本計入損益表中，從而於租約期內按期產生固定之扣除額。

出租人仍保留資產擁有權的絕大部份回報及風險的租賃均列作經營租賃處理。倘本集團為承租人，根據經營租賃的應付租金扣除從出租人收取的任何優惠後於租賃期限內按直線基準從損益扣除。

經營租賃項下的預付土地租賃款項初時按成本列賬，其後於租賃期限內按直線基準確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in administrative expenses for receivables.

2.4 主要會計政策概要 (續)

投資及其他金融資產

初步確認及計量

金融資產乃於初步確認時分類為按公允價值計入損益之金融資產、貸款及應收款項及可供出售金融投資或指定為有效對沖中的對沖工具的衍生工具(倘適用)。當金融資產在初步確認時,均以公允價值加購買該金融資產應計之交易成本計量,惟按公允價值計入損益之金融資產除外。

所有一般買賣的金融資產於交易日期(即本集團承諾購買或出售資產的日期)確認。一般買賣指須於按照市場規定或慣例普遍設定的期間內交付資產的金融資產買賣。

其後計量

金融資產的其後計量取決於以下分類:

貸款及應收款項

有固定或可確定付款但並無在活躍市場報價之貸款及應收款項為非衍生金融資產。於初步計量後,該等資產其後用實際利率方法以攤銷成本減任何減值撥備計量。計算攤銷成本時,將考慮任何收購折讓或溢價,並計入屬於實際利率不可分割部份之費用或成本。實際利率攤銷乃計入損益之其他收入及收益。減值產生之虧損乃於損益中確認為財務成本(就貸款而言)及行政開支(就應收款項而言)。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

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

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資

可供出售金融投資指上市及非上市股本投資及債務證券之非衍生金融資產。分類為可供出售之股本投資指並非分類為持作買賣或指定為透過損益反映公允價值之投資。

首次確認後，可供出售金融投資其後按公允價值計量，有關未變現盈虧則確認為可供出售投資重估儲備之其他全面收益，直至有關投資終止確認（屆時累計盈虧於損益之其他收益中確認）或直至有關投資被釐定為出現減值（屆時相關累計盈虧自可供出售投資重估儲備重新分類至損益之其他收益或虧損）為止。持有可供出售金融投資所賺取之利息及股息分別呈報為利息收入及股息收入，並根據下文就「收入確認」所載之政策於損益之其他收益中確認。

倘非上市股本投資之公允價值因以下原因而不能可靠計量：(a)該項投資之合理公允價值估算範圍存在重大變動或(b)在評估公允價值時未能合理評估及使用有關範圍內可能出現之多項估計，則該等投資以成本減任何減值虧損列賬。

本集團評估短期內出售可供出售金融資產之能力及意向是否仍然適當。在少數情況下，倘本集團因市場不活躍而無法交易此類金融資產時，管理層有能力及意向在可見將來持有該等資產至到期，本集團可選擇重新分類該等金融資產。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2.4 主要會計政策概要 (續)

投資及其他金融資產 (續)

可供出售金融投資 (續)

倘某項金融資產在可供出售金融資產中重新分類，則重新分類日期之公允價值賬面值會成為其新攤銷成本，而該資產原先已計入權益之相關盈虧，在投資之剩餘年期按實際利率攤銷至損益。新攤銷之成本與到期金額之任何差額亦應在該資產之剩餘年期按實際利率攤銷。倘該資產其後釐定減值，原計入權益之金額則重新分類至損益。

終止確認金融資產

金融資產（或（如適用）一項金融資產的一部份或一組同類金融資產之一部份）主要在下列情況下終止確認（即，自本集團的綜合財務狀況表中剔除）：

- 收取該項資產現金流量的權利已屆滿；或
- 本集團已轉讓收取資產現金流量的權利，或已承擔責任根據「轉手」安排向第三方支付全數所得現金流量，且並無重大延誤；並且(a)已轉讓該資產的絕大部份風險及回報，或(b)並無轉讓或保留該資產的絕大部份風險及回報，但已轉讓該資產的控制權。

倘本集團已轉讓收取資產現金流量的權利，或已簽署轉手安排，其將評估是否仍保留該資產擁有權的風險及回報以及保留的程度。倘本集團並無轉讓或保留該資產絕大部份風險及回報，亦無轉讓該資產的控制權，則所轉讓資產將以本集團所持續涉及的資產為限而確認。在該情況下，本集團亦確認相關負債。所轉讓資產及相關負債均根據能反映本集團所保留權利及責任的基準計量。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial assets (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

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. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor 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 observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

2.4 主要會計政策概要 (續)

終止確認金融資產 (續)

以對所轉讓資產作出擔保的形式持續涉及的資產按資產原有賬面值與本集團應須償還的最高代價金額兩者的較低者計量。

金融資產減值

本集團於各報告期末評估是否有客觀跡象顯示一項金融資產或一組金融資產出現減值。當因初步確認該資產後發生一項或多項事件，且有關事件對可合理估計之金融資產或該組金融資產未來估計現金流量產生影響時，則出現減值。減值證據可包括債務人或一組債務人正經歷重大財務困難、拖欠或拖慢利息或本金付款、彼等可能會破產或進行其他財務重組及可觀察數據顯示估計未來現金流量有可計量之減少（例如與拖欠有關之延遲或經濟狀況之變動）。

按攤銷成本列賬之金融資產

對於按攤銷成本列賬的金融資產，本集團首先單獨評估個別重大的金融資產有否客觀減值跡象，或共同評估非個別重大的金融資產有否客觀減值跡象。倘本集團釐定個別已評估金融資產無客觀減值跡象，則有關資產不論是否重大，會計入一組信貸風險特徵相若的金融資產，共同作減值評估。對於個別作減值評估的資產，倘其減值虧損會確認或繼續會確認，則不會計入共同減值評估。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

The amount of any impairment loss identified 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 yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. Include other criteria for writing off amounts charged to the allowance account against the carrying amount of impaired financial assets.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, 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 discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

按攤銷成本列賬之金融資產 (續)

已識別任何減值虧損金額按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)現值之差額計量。估計未來現金流量現值按金融資產原實際利率(即首次確認時計算的實際利率)折現。

有關資產之賬面值可透過使用備抵賬目作出抵減，而有關虧損於損益中確認。利息收入於經扣減之賬面值中持續產生，並採用計算減值虧損時用以折現未來現金流量之利率累算。貸款及應收款項連同任何相關撥備在預期待日後不可能收回且所有抵押品已變現或轉至本集團時撇銷。包括其他標準撥備計入津貼對已減值金融資產的賬面值相若。

倘於其後期間之估計減值虧損之數額因確認減值後發生之事件而增加或減少，則先前確認之減值虧損可通過調整備抵賬目而增加或減少。倘若撇銷於其後收回，則收回金額計入損益的其他開支內。

按成本列賬之資產

如有客觀證據顯示一項非上市股本工具出現減值虧損，而由於該股本工具之公允價值不能可靠地計量，因而並無按公允價值列賬，或一項衍生資產已發生減值虧損，而該衍生資產與該等非上市股本工具相聯繫或以該等非上市股本工具進行交割，則該虧損數額乃以資產之賬面值及估計日後現金流量之現值兩者間差額計量，並按類似金融資產現時市場回報率貼現。該等資產之減值虧損不會予以撥回。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. “Significant” is evaluated against the original cost of the investment and “prolonged” against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is “significant” or “prolonged” requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

2.4 主要會計政策概要 (續)

金融資產減值 (續)

可供出售金融投資

就可供出售金融投資而言，本集團會於各個報告期末評估有否客觀跡象顯示一項投資或一組投資出現減值。

當發生可供出售資產減值時，成本（抵銷任何本金償付和攤銷）和現有公允價值，扣減之前曾在損益確認的任何減值損失的差額，將撥離其他全面收益，並於損益中確認。

倘股本投資被列作可供出售類別，則客觀跡象將包括該項投資的公允價值大幅或長期跌至低於其成本值。「大幅」是相對於投資原始成本評估，而「長期」則相對於公允價值低於原始成本之時期而評估。倘出現減值跡象，則累計虧損（按收購成本與現時公允價值的差額減該項投資先前確認在損益的任何減值虧損計量）將從其他全面收益中移除，並確認於損益。分類為可供出售之股本工具的減值虧損不可透過損益表撥回，而於減值後其公允價值增加會直接於其他全面收益中確認。

釐定何者屬「大幅」或「長期」時須進行判斷。作出判斷時，本集團評估（其中包括）投資公允價值低於成本之期間或程度。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

2.4 主要會計政策概要 (續)

金融負債

初步確認及計量

金融負債乃於初步確認時分類為按公允價值計入損益之金融負債、貸款及借款或指定為有效對沖中的對沖工具的衍生工具(倘適用)。

所有金融負債初步以公允價值確認，如為貸款及借款，則扣除直接應佔交易成本。

本集團之金融負債包括貿易及其他應付款項、計息銀行借款及其他借款。

其後計量

金融負債之其後計量取決於其如下分類：

貸款及借款

初步確認後，計息銀行借款及其他借款其後以實際利率法按攤銷成本計量，除非貼現之影響並不重大，此時則按成本列賬。有關收益及虧損於負債終止確認時及透過實際利率攤銷程序在損益中確認入賬。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可分割部份之費用或成本後計算。實際利率攤銷計入損益之財務成本內。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

2.4 主要會計政策概要 (續)

終止確認金融負債

金融負債於負債之責任已解除或註銷或屆滿時終止確認。

當現有金融負債為同一貸款人以條款明顯不同之負債取代時，或現有負債之條款有重大修改時，有關替換或修改則被視為終止確認原有負債並確認一項新負債，而有關賬面值之差額乃於損益中確認。

抵銷金融工具

倘有現行可強制執行之法律權利抵銷已確認金額，並且擬以淨額基準進行結算或同時將資產變現及清償負債，方可將金融資產與金融負債抵銷，淨額於財務狀況表呈報。

存貨

存貨乃按成本值與可變現淨值兩者中較低者列賬。成本值按加權平均法計算，倘為在製產品及成品，則包括直接材料、直接勞力及其他適當比例開支。可變現淨值乃根據估計銷售價減除任何達致完成及出售所招致之估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為已知數額現金並於購入後一般在三個月內到期，且沒有重大價值變動風險之短期及高度流通投資，再扣除在要求時須償還及構成本集團現金管理方面一個完整部份之銀行透支。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents (continued)

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 主要會計政策概要 (續)

現金及現金等價物 (續)

就綜合財務狀況表而言，現金及現金等價物包括並無限制用途之手頭及銀行現金（包括定期存款）以及性質與現金類似的資產。

撥備

倘因過往事件而導致本集團須承擔現時法定或推定責任，且日後大有可能因履行有關責任而導致資源流失，則須就此確認撥備，惟有關責任數額須能夠可靠估計。

倘貼現影響重大，則確認撥備之數額為預期日後履行有關責任所需開支於報告期末之現值。倘已貼現之現值隨時間而有所增加，則該等增幅將於損益中列作財務成本。

所得稅

所得稅包括即期稅項及遞延稅項。涉及於損益以外確認之項目之所得稅於損益以外確認，即於其他全面收入或直接於權益中確認。

即期稅項資產及負債以預期由稅務機關退稅或付給稅務機關之金額，基於截至報告期末已頒佈或實質上已頒佈之稅率（及稅法），並經考慮本集團經營業務所在國家當前之詮釋及慣例計量。

遞延稅項乃使用負債法，就於報告期末資產及負債之稅基與其就財務報告而言之賬面值之間之所有暫時性差異作出撥備。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 主要會計政策概要 (續)

所得稅 (續)

所有應課稅暫時性差異均被確認為遞延稅項負債，惟：

- 倘若遞延稅項負債是由非業務合併交易中初步確認商譽或資產或負債而產生，及於交易時，遞延稅項負債對會計溢利或應課稅溢利或虧損均無影響；及
- 就與於附屬公司之投資有關之應課稅暫時性差異而言，倘暫時性差異之回撥時間為可以控制，而暫時性差異於可見將來可能不會回撥。

遞延稅項資產會就所有可扣減之暫時性差異、結轉未運用稅項抵免及未運用稅務虧損確認入賬。確認遞延稅項資產的前提是有可能有應課稅溢利可用於抵銷可扣減之暫時性差異，結轉未運用稅項抵免及未運用稅務虧損可予動用，惟：

- 遞延稅項資產與初步確認一項交易（並非業務合併）之資產或負債所產生之可扣減暫時性差異有關，而於交易時，遞延稅項資產對會計溢利或應課稅溢利或虧損均無影響；及
- 就與於附屬公司之投資有關之可扣減暫時性差異而言，遞延稅項資產僅會於暫時性差異可能於可見將來將會回撥及應課稅溢利可用於抵銷暫時性差異時確認。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.4 主要會計政策概要 (續)

所得稅 (續)

遞延稅項資產之賬面值會於各報告期末檢討，並減至不再可能有足夠應課稅溢利令全部或部份遞延稅項資產得以動用為止。未確認之遞延稅項資產會於各報告期末重新評估，並於可能有足夠應課稅溢利令全部或部份遞延稅項資產得以收回時確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈之稅率（及稅法），按預期於資產變現或負債償還期間適用之稅率計量。

倘及僅當本集團擁有可依法執行的權利，可於預期須清償或收回大額遞延稅項負債或資產的每個未來期間，抵銷與同一稅務機關向相同應課稅實體或不同應課稅實體徵收的所得稅有關的即期稅項資產與即期稅項負債及遞延稅務資產與遞延稅項負債，以按淨額基準結清即期稅項負債及資產，或同時變現資產及清償負債，則遞延稅務資產可與遞延稅務負債抵銷。

政府補助

倘有合理保證可收到政府補助且能夠滿足所附的所有條件，則政府補助按其公允價值確認。

若補助與開支項目有關，其將於其擬補償的成本開銷期間按系統基準確認為收入。

若補助與資產有關，其公允價值將貸記至遞延收入賬目並於相關資產的預期可使用年期按年度等額款項發放至損益作為其他收入。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (c) dividend income, when the shareholders' right to receive payment has been established.

Pension scheme

Employees of the Group's subsidiaries in Mainland China are members of the state-sponsored pension scheme operated by the Mainland China government. The subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions. The contributions are charged to profit or loss as they become payable.

2.4 主要會計政策概要 (續)

收益確認

收益乃於本集團可取得有關經濟利益及能可靠地計量有關收益時按下列基準確認：

- (a) 由銷售貨品所得收入乃於擁有權之重大風險及回報均轉予買家及本集團對該等項目已沒有保留一般視為與擁有權相關之管理權或對已售貨品之有效控制權後方可確認；
- (b) 利息收入按應計基準及以實際利率法，透過採用將金融工具在預期可使用年期或較短期間（如適用）的估計未來現金收入貼現至金融資產的賬面淨值之比率予以確認；及
- (c) 股息收入，在股東收取股息的權利確立時確認。

退休金計劃

本集團位於中國大陸之附屬公司的僱員為中國大陸政府營運的國家贊助退休金計劃的成員。附屬公司須以薪金成本之若干百分比向退休福利計劃供款，以為該等福利提供資金。本集團與退休福利計劃有關的唯一責任是作出所需的供款。供款於其應付時從損益扣除。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when 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 capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate of 7.51% has been applied to the expenditure on the individual assets (2016: 5.10%).

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in Note 12 to the financial statements.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 主要會計政策概要 (續)

借貸成本

收購、興建或生產須經過長時間方可作擬定用途或銷售之合資格資產的直接應佔借貸成本資本化為該等資產之成本的一部份。在該等資產基本可作擬定用途或銷售時，停止將借貸成本予以資本化。有關借款等待用於合資格資產的期間作短期投資之投資收入所得可用於扣減已資本化之借貸成本。所有其他借貸成本均須於產生期間列作開支。借貸成本包括利息以及實體借入資金所產生的其他相關成本。

如資金乃屬一般貸款並用作購置合資格資產，則個別資產的開支按7.51%（二零一六年：5.10%）的比率撥作資本。

股息

末期股息經股東於股東大會上批准後方確認為負債。建議末期股息於財務報表附註12披露。

由於公司組織章程大綱及細則授予董事會權力宣派中期股息，擬派中期股息可即時派發及宣派。因此，中期股息於建議派發及宣派時直接確認為負債。

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is US dollars. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 主要會計政策概要 (續)

外幣

本財務報表以人民幣呈列。本集團旗下各實體有各自的功能貨幣，計入各實體財務報表的項目以該功能貨幣計量。本公司功能貨幣為美元。本集團實體記錄的外幣交易初步按交易日適用的相關功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末功能貨幣適用匯率換算。償付或換算貨幣項目產生的差額會在損益確認。

償付或換算貨幣項目產生的差額會在損益表確認。

按歷史成本列賬以外幣計值的非貨幣項目以初步交易日期的匯率換算。以外幣按公允價值計量的非貨幣項目按釐定公允價值當日的匯率換算。換算非貨幣項目產生的收益或虧損按確認該項目的公允價值變動產生的收益或虧損處理（即其公允價值收益或虧損已於其他全面收入或損益確認的項目，其換算差額亦分別於其他全面收入或損益內確認）。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The functional currencies of certain entities within the Group are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the weighted average exchange rates for the year.

2.4 主要會計政策概要 (續)

外幣 (續)

本集團若干實體的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末適用的匯率換算為人民幣，而其損益按該年度的加權平均匯率換算為人民幣。

所產生匯兌差額於其他全面收入確認及於匯兌儲備累計。出售海外業務時，與該特定海外業務有關的其他全面收入部份於損益中確認。

就綜合現金流量表而言，海外附屬公司之現金流量已按年內加權平均匯率換算成人民幣。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Deferred tax liabilities

The Group had not recognised deferred tax liabilities (2016: RMB800,000) for any of its foreign-invested subsidiaries' undistributed earnings. Under the prevailing income tax law of the PRC and its relevant regulations, dividends paid by PRC enterprises out of profits earned after 31 December 2007 to non-PRC tax resident investors are subject to PRC withholding tax of 10%. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group in the past was charged with withholding tax at a rate of 5% when those PRC subsidiaries distributed profits to their holding companies outside Mainland China. Moreover, the holding company in Hong Kong obtained Certificate of Resident Status from Inland Revenue Department of Hong Kong Special Administrative Region for the calendar year 2016. Therefore, the Group applied 5% to provide for withholding taxes on retained profits to be distributed (Note 26).

3. 重要會計判斷及估計

編製本集團之財務資料時，管理層須作出會影響所呈報收入、開支、資產及負債金額及其相關披露及或有負債披露之判斷、估計及假設。有關該等假設及估計之不確定性或會導致須就日後受影響之資產或負債賬面值作出重大調整。

判斷

在應用本集團的會計政策時，除涉及估計的判斷外，管理層亦作出下列判斷，其對財務報表的已確認金額影響至為重大：

遞延稅項負債

本集團並未就任何海外投資附屬公司之未分配盈利確認遞延稅項負債（二零一六年：人民幣800,000元）。根據中國現行所得稅法及其相關規定，於二零零七年十二月三十一日以後中國企業以所賺取溢利派付予非中國稅務居民投資者的股息，須按10%稅率繳納中國預扣稅。倘中國與境外投資者所在的司法權區有稅務條約，則可採用較低的5%預扣稅率。本集團過去在中國附屬公司向中國境外控股公司分派溢利時，按5%的稅率支銷預扣稅。此外，於香港之控股公司已於二零一六歷年自香港特別行政區稅務局取得居民身份證明書。因此，本集團就將予分派的保留溢利，按5%作預扣稅撥備（附註26）。



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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. Management's estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies (Note 26).

3. 重要會計判斷及估計 (續)

估計不明朗因素

有關未來之主要假設以及其他於報告期末會為下個財政年度資產與負債賬面值帶來重大調整風險之主要估計不明朗因素描述如下。

遞延稅項資產

所有可扣稅暫時性差異及未動用稅項虧損僅於可能有未來應課稅溢利可抵銷可扣稅暫時性差異或可動用稅項虧損的情況下始入賬確認為遞延稅項資產。在決定可確認的遞延稅項資產金額時，管理層須根據可能的時間、未來應課稅溢利的水平連同稅項計劃戰略作出估計(附註26)。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment provision for receivables

A provision for impairment of trade and other receivables is made when there is objective evidence that the Group will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered as indicators that a trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to trade and other receivables are discounted if the effect of discounting is material. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. When a trade and other receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are recognised as income in profit or loss. The impairment is subject to management's assessment at the end of the reporting period, and hence, the provision amount is subject to uncertainty (Note 18).

Property, plant and equipment – recoverable amount

In accordance with the Group's accounting policy, each asset or cash-generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, an estimate of recoverable amount is performed and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash-generating group of assets is measured at the higher of fair value less costs of disposal and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

3. 重要會計判斷及估計 (續)

估計不明朗因素 (續)

應收款項減值撥備

若有客觀跡象顯示本集團將不能以應收款項的原有期限收回所有欠付款項，即為貿易及其他應收款項作出減值撥備。債務人遭遇重大財政困難以致債務人可能破產或財務重組及違約或拖欠付款均被視為貿易應收款項減值之跡象。撥備之金額為資產賬面值與估計未來現金流量按原有之實際利率貼現至現值之間的差額。若貼現之影響重大，與貿易及其他應收款項有關的現金流量亦須貼現。資產的賬面值透過使用備抵賬目減少，虧損金額在損益中確認。倘貿易及其他應收款項不可收回，須於貿易及其他應收款項之備抵賬目撇銷。其後收回先已撇銷之金額於損益中確認為收入。減值須由管理層於報告期末評估，因此，撥備金額存在不確定性(附註18)。

物業、廠房及設備 – 可收回金額

根據本集團之會計政策，每項資產或現金產生單位於各報告期間評估，以確定是否存在任何減值跡象。若存在任何該等跡象，將估算可收回金額，並在賬面值超過可收回金額的情況下確認減值虧損。資產或現金產生單位的可收回金額按公允價值減出售成本及使用價值兩者中之較高金額計量。

公允價值按於了解及自願之各方之間的公平交易中出售資產可獲得的金額釐定。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Property, plant and equipment – recoverable amount (continued)

Value in use is generally determined as the present value of the estimated future cash flows of those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a risk-adjusted pre-tax discount rate appropriate to the risks inherent in the asset. Future cash flow estimates are based on expected production and sales volumes, selling prices (considering current and historical prices, price trends and related factors) and operating costs. This policy requires management to make these estimates and assumptions which are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be impaired and the impairment would be charged against profit or loss.

Property, plant and equipment – estimated useful lives and residual values

The Group's management determines the estimated useful lives and residual values (if applicable) and consequently related depreciation/amortisation charges for its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, and it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore in depreciation/amortisation expense in future periods.

3. 重要會計判斷及估計 (續)

估計不明朗因素 (續)

物業、廠房及設備 – 可收回金額 (續)

使用價值通常按透過以現有形式繼續使用資產及其最終出售預期可產生的估計未來現金流的現值釐定。現值使用適用於資產固有風險的風險調整稅前貼現率釐定。未來現金流基於預期的生產和銷售量、售價(考慮當前及歷史價格、價格趨勢及相關因素)及營運成本估計。該政策要求管理層作出之估計及假設存在風險及不確定性。因此，有可能相關情況出現變化，導致更改該等預測，這可能會影響資產的可收回金額。在該等情況下，資產的部份或所有賬面值可能減值，該減值將自損益中扣除。

物業、廠房及設備 – 估計可使用年期及剩餘價值

本集團管理層釐定物業、廠房及設備項目的估計可使用年期及剩餘價值(若適用)，並隨後釐定相關折舊／攤銷費用。該等估計乃基於有關具有類似性質及功能的物業、廠房及設備的實際可使用年期的過往經驗。若可使用年期少於先前估計的年限，管理層將增加折舊／攤銷費用，並撇銷或撇減已廢棄或出售的技術過時或非戰略資產。

實際經濟壽命可能有別於估計可使用年期，實際剩餘價值可能有別於估計剩餘價值。定期檢討可能導致可折舊年限及剩餘價值變更以及未來期間的折舊／攤銷開支變更。

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4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has five (2016: three) below reportable operating segments as follows:

- (a) the pigment intermediates segment produces pigment intermediate products for the use in production of pigments;
- (b) the dye intermediates segment produces dye intermediate products for the use in production of dye related products;
- (c) the agricultural chemical intermediates segment produces products for the use in production of agricultural chemicals;
- (d) the battery materials segment engages in the manufacture and sale of battery materials; and
- (e) the environmental technology consultancy segment engages in the environmental protection

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated mainly based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except the profit or loss for the Company are excluded from such measurement.

The measurement of segment assets and liabilities are same as total assets and total liabilities for the consolidated statement of financial position, excluding assets and liabilities related to the Company.

4. 經營分部資料

出於管理之目的，本集團按其產品劃分為業務單位，並有以下五個（二零一六年：三個）可呈報經營分部：

- (a) 顏料中間體分部生產用於顏料生產的顏料中間體產品；
- (b) 染料中間體分部生產用於染料相關產品生產的染料中間體產品；
- (c) 農藥中間體分部生產用於農藥中的產品；
- (d) 電池材料分部從事電池材料之生產及銷售；及
- (e) 環保技術諮詢分部從事環保業務

管理層獨立監察本集團的經營分部業績，以就資源分配及表現評估作出決策。分部表現主要基於可呈報分部溢利／虧損評估，此即對經調整除稅前溢利／虧損的計量。經調整除稅前溢利／虧損按與本集團除稅前溢利一致的方式計量，惟本公司損益未計入有關計量。

分部資產及負債乃按與綜合財務狀況表內資產總值及負債總額相同的方式計量，惟與本公司有關的資產及負債除外。

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4. OPERATING SEGMENT INFORMATION (continued)

4. 經營分部資料 (續)

Year ended 31 December 2017

截至二零一七年十二月三十一日止年度

	Pigment intermediates 顏料中間體 RMB'000 人民幣千元	Dye intermediates 染料中間體 RMB'000 人民幣千元	Agricultural chemical intermediates 農藥中間體 RMB'000 人民幣千元	Battery materials 電池材料 RMB'000 人民幣千元	Environmental technology consultancy 環保技術諮詢 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Segment revenue:	分部收益：					
Revenues from external customers	236,177	660,002	349,889	798	526	1,247,392
Intersegment sales	61,451	385,700	162,930	29	198	610,308
	297,628	1,045,702	512,819	827	724	1,857,700
<i>Reconciliation:</i>	<i>對賬：</i>					
Elimination of intersegment sales						(610,308)
Revenue from continuing operations	來自持續經營業務之收益					
	1,247,392					
Segment results	分部業績					
<i>Including</i>	<i>包括</i>					
Interest income	25	162	11	1	-	199
Finance costs	2,706	8,696	3,357	2	-	14,761
<i>Reconciliation</i>	<i>對賬</i>					
Segment results	分部業績					
Interest income	利息收入					
Finance costs	財務成本					
Elimination of other income due to unrealised gains	因未變現收益而對銷 其他收入					
Corporate and other unallocated expenses	企業及其他未分配開支					
	209,011					
	1,078					
	798					
	(414)					
	(29,414)					
Profit before tax	除稅前溢利					
	181,059					
Income tax expense	所得稅開支					
	(44,953)					
Net profit	淨溢利					
	136,106					
Segment assets	分部資產					
<i>Reconciliation</i>	<i>對賬</i>					
Elimination of intersegment receivables	分部間應收款項對銷					
Corporate and other unallocated assets	企業及其他未分配資產					
Elimination of unrealised profit in inventories	未變現存貨溢利對銷					
	(948,947)					
	953,445					
	350					
Total assets	資產總值					
	2,256,254					
Segment liabilities	分部負債					
<i>Reconciliation</i>	<i>對賬</i>					
Elimination of intersegment payables	分部間應付款項對銷					
Corporate and other unallocated liabilities	企業及其他未分配負債					
	1,489,264					
	(948,947)					
	574,001					
Total liabilities	負債總額					
	1,114,318					
Other segment information	其他分部資料					
Impairment losses recognised in profit or loss for inventories	於損益內確認的 存貨減值虧損					
Depreciation and amortisation	折舊及攤銷					
Capital expenditure	資本開支					
	-	-	835	-	-	835
	11,954	25,911	20,132	5	4,685	62,687
	39,648	119,464	18,679	115,978	2,929	296,698

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4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2016

4. 經營分部資料 (續)

截至二零一六年十二月三十一日止年度

		Pigment intermediates 顏料中間體 RMB'000 人民幣千元	Dye intermediates 染料中間體 RMB'000 人民幣千元	Agricultural chemical intermediates 農藥中間體 RMB'000 人民幣千元	Consolidated 綜合 RMB'000 人民幣千元
Segment revenue:	分部收益：				
Revenues from external customers	來自外部客戶的收益	197,444	482,235	361,463	1,041,142
Intersegment sales	分部間銷售	171,406	313,854	66,301	551,561
		368,850	796,089	427,764	1,592,703
<i>Reconciliation:</i>	<i>對賬：</i>				
Elimination of intersegment sales	分部間銷售對銷				(551,561)
Revenue from continuing operations	來自持續經營業務之收益				1,041,142
Segment results	分部業績	56,263	110,021	35,203	201,487
<i>Including</i>	<i>包括</i>				
Interest income	利息收入	36	1,981	15	2,032
Finance costs	財務成本	3,940	13,623	16	17,579
<i>Reconciliation</i>	<i>對賬</i>				
Segment results	分部業績				201,487
Interest income	利息收入				7,844
Finance costs	財務成本				(7,262)
Elimination of other income due to unrealised gains	因未變現收益而對銷其他收入				(807)
Corporate and other unallocated expenses	企業及其他未分配開支				(46,804)
Profit before tax	除稅前溢利				154,458
Income tax expense	所得稅開支				(33,537)
Net profit	淨溢利				120,921
Segment assets	分部資產	522,078	1,029,140	522,850	2,074,068
<i>Reconciliation</i>	<i>對賬</i>				
Elimination of intersegment receivables	分部間應收款項對銷				(705,374)
Corporate and other unallocated assets	企業及其他未分配資產				571,287
Elimination of unrealised profit in inventories	未變現存貨溢利對銷				(248)
Total assets	資產總值				1,939,733
Segment liabilities	分部負債	205,865	804,036	469,748	1,479,649
<i>Reconciliation</i>	<i>對賬</i>				
Elimination of intersegment payables	分部間應付款項對銷				(705,374)
Corporate and other unallocated liabilities	企業及其他未分配負債				204,473
Total liabilities	負債總額				978,748
Other segment information	其他分部資料				
Impairment losses recognised in profit or loss for inventories	於損益內確認的存貨減值虧損	-	-	1,833	1,833
Depreciation and amortisation	折舊及攤銷	12,796	24,373	18,842	56,011
Capital expenditure	資本開支	12,857	127,754	63,912	204,523

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4. OPERATING SEGMENT INFORMATION

(continued)

Geographical information

(a) Revenue from external customers

		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
Mainland China	中國大陸	796,431	706,646
India	印度	135,920	107,570
Germany	德國	65,255	51,415
United States	美國	62,370	48,486
Indonesia	印度尼西亞	45,807	29,633
Italy	意大利	39,227	23,281
Taiwan	台灣	33,570	28,617
Spain	西班牙	30,012	14,193
Brazil	巴西	17,924	9,661
Japan	日本	13,660	12,989
Korea	韓國	2,680	3,007
Turkey	土耳其	1,346	3,135
Other countries/regions	其他國家／地區	3,190	2,509
		1,247,392	1,041,142

The revenue information above is based on the locations of the customers.

The Group's non-current assets are substantially located in Mainland China.

(b) Information about major customers

In 2017, revenue of RMB136,548,000 (2016: Nil) was derived from sales by the agricultural chemical intermediates segment to a single customer.

In 2016, the Group did not have any revenue from sales to a single customer which amounted for 10% or more of the Group's total revenue.

4. 經營分部資料 (續)

地理資料

(a) 來自外部客戶的收益

		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
Mainland China	中國大陸	796,431	706,646
India	印度	135,920	107,570
Germany	德國	65,255	51,415
United States	美國	62,370	48,486
Indonesia	印度尼西亞	45,807	29,633
Italy	意大利	39,227	23,281
Taiwan	台灣	33,570	28,617
Spain	西班牙	30,012	14,193
Brazil	巴西	17,924	9,661
Japan	日本	13,660	12,989
Korea	韓國	2,680	3,007
Turkey	土耳其	1,346	3,135
Other countries/regions	其他國家／地區	3,190	2,509
		1,247,392	1,041,142

上述收益資料乃根據客戶所在位置編製。

本集團的非流動資產絕大部份位於中國大陸。

(b) 主要客戶資料

於二零一七年，人民幣136,548,000元（二零一六年：無）的收益來自農藥中間體分部對一名客戶的銷售。

於二零一六年，本集團並無來自單一客戶的銷售收益佔本集團總收益的10%或以上。

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5. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the year.

An analysis of revenue, other income and gains is as follows:

5. 收益、其他收入及收益

收益指年內所售貨品經扣除退貨撥備及商業折扣後的發票淨值。

收益、其他收入及收益分析如下：

		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
Revenue	收益		
Sale of goods	銷售貨品	1,247,392	1,041,142
		1,247,392	1,041,142
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	1,277	9,876
Government grants*	政府補助*	1,973	2,645
Sale of materials and scrap	銷售材料及廢料	5,486	6,724
Others	其他	149	603
		8,885	19,848

* Government grants included subsidies granted by governmental units to support qualified research programs, which are recognised as income during the year when such expenses were incurred and the conditions for the grants were fulfilled. Government grants also included grants that are related to qualified long-lived assets and such grants were deferred and released to profit or loss as other income over the expected useful lives of the relevant assets. There are no unfulfilled conditions on contingencies attached to the grants.

* 政府補助包括政府單位為支持合資格研究計劃而發出的補助，於有關費用產生且補貼條件達成時於年內確認為收入。政府補助亦包括與合資格長期資產有關的補助，有關補助獲遞延並於相關資產的預期可使用年期內作為其他收入計入損益。該等補助並無附帶任何未達成條件的或然事項。

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6. FINANCE COSTS

An analysis of finance costs is as follows:

		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 on bank loans and other borrowings	計息銀行貸款及其他借款	34,385	21,500
Other finance costs	其他財務成本	2,512	1,659
Less: Interest capitalised	減：資本化利息	(21,338)	(12,842)
		15,559	10,317

The weighted average interest rate of capitalisation for the year ended 31 December 2017 was 7.51% (for the year ended 31 December 2016: 5.10%).

6. 財務成本

財務成本分析如下：

	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
計息銀行貸款及其他借款	34,385	21,500
其他財務成本	2,512	1,659
減：資本化利息	(21,338)	(12,842)
	15,559	10,317

截至二零一七年十二月三十一日止年度資本化金額的加權平均利率為7.51%（截至二零一六年十二月三十一日止年度：5.10%）。

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

		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
Cost of inventories sold	已售存貨的成本	884,403	747,537
Depreciation	折舊	58,110	54,269
Research and development costs	研發成本	8,323	9,710
Amortisation of land lease payments	土地租賃付款攤銷	4,573	4,573
Auditor's remuneration	核數師薪酬	4,045	3,100
Employee benefit expense (excluding directors' and chief executive's remuneration (Note 8)):	僱員福利開支（不包括董事及主要行政人員的薪酬（附註8））：		
Wages, salaries and welfare	工資、薪金及福利	88,700	79,629
Pension and other social insurances	退休金及其他社會保險	18,763	17,900
Exchange losses, net	匯兌虧損淨額	5,872	15,395
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備項目的虧損	625	1,023
Impairment of trade receivables	貿易應收款項減值	614	-
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	835	1,833

7. 除稅前溢利

本集團的除稅前溢利乃經扣除以下各項得出：

Notes 附註	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
	884,403	747,537
14	58,110	54,269
	8,323	9,710
15	4,573	4,573
	4,045	3,100
	88,700	79,629
	18,763	17,900
	5,872	15,395
	625	1,023
18	614	-
17	835	1,833

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及主要行政人員的薪酬

於本年度根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部規定所披露之董事及主要行政人員薪酬載列如下：

		Group 本集團	
		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
Fees	袍金	750	750
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	2,463	1,498
Performance related bonuses*	表現花紅*	1,070	1,561
Pension scheme contributions	退休金計劃供款	389	252
		3,922	3,311
		4,672	4,061

* Certain executive directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

* 本公司若干執行董事可獲發根據本集團除稅後溢利某一個百分比計算之花紅。

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	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
Mr. Ho Kenneth Kai Chung 何啟忠先生	150	150
Mr. Zhu Lin 朱霖先生	150	150
Mr. Yu Miao 于淼先生	150	150
	450	450

There were no other emoluments payable to the independent non-executive directors during the year (2016: Nil).

8. 董事及主要行政人員的薪酬 (續)

(a) 獨立非執行董事

年內已付獨立非執行董事之袍金載列如下：

	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
Mr. Ho Kenneth Kai Chung 何啟忠先生	150	150
Mr. Zhu Lin 朱霖先生	150	150
Mr. Yu Miao 于淼先生	150	150
	450	450

於年內，並無應付獨立非執行董事的其他酬金（二零一六年：無）。

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8. DIRECTORS' AND CHIEF EXECUTIVE'S
REMUNERATION (continued)

8. 董事及主要行政人員的薪酬 (續)

(b) Executive directors and non-executive
directors

(b) 執行董事及非執行董事

2017	二零一七年	Salaries, allowances and benefits				Performance related bonuses	Pension scheme contributions	Total
		Fees	in kind					
		袍金	薪金、津貼 及實物利益		表現花紅	退休金 計劃供款	總計	
		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	
Executive directors:	執行董事：							
Mr. Ge Yi	戈弋先生	-	1,200		200	120	1,520	
Ms. Duan Weihua ⁽¹⁾	段衛華女士 ⁽¹⁾	-	127		240	29	396	
Mr. Bai Kun ⁽¹⁾	白崑先生 ⁽¹⁾	-	850		200	120	1,170	
Ms. Jin Ping	晉平女士	-	286		430	120	836	
		-	2,463		1,070	389	3,922	
Non-executive directors:	非執行董事：							
Mr. Xiao Yongzheng	肖勇政先生	150	-		-	-	150	
Mr. Fontaine Alain Vincent	Fontaine Alain Vincent先生	150	-		-	-	150	
		300	-		-	-	300	
Total	總計	300	2,463		1,070	389	4,222	

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8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors (continued)

		Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total
		袍金	薪金、津貼 及實物利益	表現花紅	退休金 計劃供款	總計
2016	二零一六年	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
Executive directors:	執行董事：					
Mr. Ge Yi	戈弋先生	-	612	-	98	710
Mr. Duan Weidong ⁽²⁾	段衛東先生 ⁽²⁾	-	85	544	19	648
Ms. Dong Zhongmei ⁽²⁾	董忠梅女士 ⁽²⁾	-	191	367	19	577
Ms. Duan Weihua ⁽¹⁾	段衛華女士 ⁽¹⁾	-	41	67	10	118
Mr. Bai Kun ⁽¹⁾	白崑先生 ⁽¹⁾	-	283	67	33	383
Ms. Jin Ping	晉平女士	-	286	516	73	875
		-	1,498	1,561	252	3,311
Non-executive directors:	非執行董事：					
Mr. Xiao Yongzheng	肖勇政先生	150	-	-	-	150
Mr. Fontaine Alain Vincent	Fontaine Alain Vincent先生	150	-	-	-	150
		300	-	-	-	300
Total	合計	300	1,498	1,561	252	3,611

(1) Appointed as directors of the Company on 25 August 2016.

(2) Resigned on 25 August 2016 from the position of directors.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

8. 董事及主要行政人員的薪酬 (續)

(b) 執行董事及非執行董事 (續)

(1) 於二零一六年八月二十五日獲委任為本公司董事。

(2) 於二零一六年八月二十五日辭任董事。

於年內，概無任何董事放棄或同意放棄任何薪酬安排。

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9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included three directors (2016: three directors), details of the remuneration for the year of the remaining two (2016: two) highest paid employees who are not directors of the Company are as follows:

	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
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	1,072	413
Performance related bonuses 表現花紅	270	1,366
Pension scheme contributions 退休金計劃供款	-	58
	1,342	1,837

The number of non-director highest paid employees whose remuneration fell within the following bands is as follows:

Number of employees

	2017 二零一七年	2016 二零一六年
Nil to RMB1,000,000 零至人民幣1,000,000元	2	2

9. 五名最高薪酬僱員

於年內五名最高薪酬僱員包括三名董事（二零一六年：三名董事），並非本公司董事的餘下兩名（二零一六年：兩名）最高薪酬僱員於年內的薪酬詳情如下：

薪酬介乎以下範圍的非董事最高薪酬僱員的人數如下：

僱員人數



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10. INCOME TAX

Cayman Islands

Under the current income tax laws of the Cayman Islands, the Company is not subject to tax on any income or capital gain.

Hong Kong

Under the current income tax laws of Hong Kong, companies are subject to Hong Kong profits tax at 16.5% on assessable profits arising in or derived from Hong Kong.

Singapore

Under the current income tax laws of Singapore, companies are subject to Singapore profits tax at 17.0% on assessable profits arising in or derived from Singapore.

Mainland China

The Company's subsidiaries in Mainland China are subject to income tax at 25% unless otherwise specified.

Under the prevailing PRC Corporate Income Tax Law and the relevant regulations, any dividends paid by the Company's PRC subsidiaries from their earnings derived after 1 January 2008 to the Company's Hong Kong subsidiary are subject to a 5% or 10%, depending on the applicability of the Sino-Hong Kong tax treaty, PRC dividend withholding tax. For the Group, the historical applicable rate is 5%. The Group is therefore liable for withholding taxes on retained earnings distributable by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008.

10. 所得稅

開曼群島

根據開曼群島的現行所得稅法，本公司毋須就任何收入或資本收益繳納稅金。

香港

根據香港現行所得稅法，公司須就在香港產生或來自香港的應課稅溢利按16.5%的稅率繳納香港利得稅。

新加坡

根據新加坡現行所得稅法，公司須就在新加坡產生或來自新加坡的應課稅溢利按17.0%的稅率繳納新加坡利得稅。

中國大陸

本公司於中國大陸附屬公司須按25%的稅率繳納所得稅（另有規定者除外）。

根據現行企業所得稅法及其相關法規，於二零零八年一月一日後，本公司之中國附屬公司須向本公司之香港附屬公司所派付之任何自其盈利衍生之股息為5%或10%，視乎中港稅收協定中國股息預扣稅之適用情況。就本集團而言，過往適用稅率為5%。因此，本集團就自二零零八年一月一日產生之盈利由該等於中國成立之附屬公司可予分派之保留溢利承擔預扣稅之義務。

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10. INCOME TAX (continued)

Mainland China (continued)

		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 – Mainland China	即期 – 中國大陸		
Charge for the year	年內支出	41,340	31,377
Current – Elsewhere	即期 – 其他地方	1,333	3,125
Deferred	遞延	2,280	(965)
Total tax charge for the year	年內稅項支出總額	44,953	33,537

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for Mainland China, in which the majority of the Company's subsidiaries are domiciled, to the tax expense at the effective tax rate is as follows:

10. 所得稅 (續)

中國大陸 (續)

		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 before tax	除稅前溢利	181,059	154,458
Tax at the statutory income tax rate (25%)	按法定所得稅稅率(25%)計算的稅項	45,265	38,615
The effect of different tax rates	稅率差異的影響	(897)	1,056
Non-deductible expenses	不可扣減開支	1,083	1,317
Income not subject to tax	毋須課稅的收入	(824)	(1,944)
Additional deduction of research and development costs	研發成本其他扣減	–	(1,153)
Tax losses utilised from previous periods	動用過往期間的稅項虧損	–	(3,604)
Temporary differences (including tax losses) not recognised DTA	未確認遞延稅項資產之暫時性差額 (包括稅項虧損)	1,126	–
Withholding tax	預扣稅	(800)	(750)
Total income tax expense	所得稅開支總額	44,953	33,537

採用中國大陸(本公司大部份附屬公司所在地)法定稅率計算的除稅前溢利適用的稅項開支與按實際稅率計算的稅務開支對賬如下:

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11. ARRANGEMENTS WITH CHINA CHEM CO., LTD.

The Group entered into various arrangements with China Chem Co., Ltd. ("China Chem"), an unrelated party, for sale of products and purchase of raw materials. Based on these arrangements, China Chem is considered as the agent for and on behalf of the Group in the respective sale and purchase transactions.

In the sale arrangements, the Group has latitude in establishing prices and the primary responsibility for providing the goods to the customer, and bears inventory risk during shipment and credit risk for the amount receivable from end customers. Accordingly, the Group recognises revenue from sale of products based on the respective amounts billed to end customers. Under all the above-mentioned arrangements, China Chem provides certain administrative work and financing service (on improving the Group's working capital management) in return for service and interest charges, respectively. The financing service under arrangements of sale of products is related to expediting settlement of receivables while the financing service under arrangement of purchase of raw materials is related to delaying settlement of payables. The service charges paid on administrative work relating to sale of products form part of selling and distribution expenses of the Group while those relating to purchase of raw materials are considered as part of purchase cost of the related raw materials. Financing charges are recognised during the year ended 31 December 2017 and 2016 as other finance cost in profit or loss.

12. DIVIDENDS

The directors recommend a final dividend at RMB0.039, per ordinary share in respect of the year ended 31 December 2017 (2016: RMB0.073 to the shareholders whose names appeared on the register of members of the Company on 30 June 2017, the number of shares was 522,125,000). The proposed dividend was not recognised as a liability as at the end of the reporting period, since it is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

11. 與中海油銷售(北京)股份有限公司的安排

本集團與中海油銷售(北京)股份有限公司(「中海油銷售(北京)」,一名非關聯方)就銷售產品及購買原材料訂立多項安排。根據該等安排,中海油銷售(北京)就各項銷售及購買交易中被視為本集團的代理人及代表本集團的代理。

在銷售安排中,本集團可自由制定價格,其主要責任為向客戶提供貨品、在船運中承擔存貨風險及就應收終端客戶的應收款項承擔信貸風險。因此,本集團根據向終端客戶發出票據的各自金額確認來自銷售產品的收益。根據所有上述安排,中海油銷售(北京)提供若干行政工作及融資服務(就提高本集團營運資金管理)以分別換取服務及利息收費。銷售產品安排項下的融資服務與促進應收款項的交收有關;而購買原材料安排項下的融資服務則與延遲應付款項的交收有關。就有關銷售產品的行政工作所支付的服務收費構成本集團的銷售及分銷開支的一部份,而與購買原材料有關的收費則被視為相關原材料購買成本的一部份。融資收費於截至二零一七年及二零一六年十二月三十一日止年度均確認為損益中的其他財務成本。

12. 股息

截至二零一七年十二月三十一日止年度,董事建議派發末期股息每股普通股人民幣0.039元(二零一六年:人民幣0.073元,派發予二零一七年六月三十日名列本公司股東名冊的股東,股份數目為522,125,000股)。建議股息並未於報告期末確認為負債,原因為其須待本公司股東於應屆股東週年大會上批准後方可作實。

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13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,028,383,000 (2016: 1,002,250,000 (restated)) in issue during the year, as adjusted to reflect the rights issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2017 and 2016.

The calculations of basic and diluted earnings per share are based on:

13. 母公司普通權益擁有人應佔每股盈利

每股基本盈利乃基於母公司普通權益持有人應佔年內溢利及年內已發行普通股加權平均數1,028,383,000股(二零一六年: 1,002,250,000股(經重列))(已就反映年內之供股作出調整)計算。

截至二零一七年及二零一六年十二月三十一日止年度,本集團並無具潛在攤薄影響之已發行普通股。

每股基本及攤薄盈利乃基於以下各項計算:

		2017 二零一七年	2016 二零一六年 (Restated) (經重列)
Earnings	盈利		
Profit for the year attributable to ordinary equity holders of the parent (RMB'000)	年內母公司普通權益持有人應佔溢利(人民幣千元)	136,131	120,921
Shares	股份數目		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation ('000)	年內用於計算每股基本盈利的普通股加權平均數(千股)	1,028,383	1,002,250

Pursuant to the annual general meeting held on 16 June 2017, a bonus issue of shares of the Company (the "2017 Bonus Issue") on the basis of 1 bonus share for each existing share held on 30 June 2017 was approved. 522,125,000 bonus shares were issued under the 2017 Bonus Issue on 13 July 2017 (Note 27).

The weighted average number of ordinary shares for the purpose of the basic earnings per share calculation for the year ended 31 December 2017 has been adjusted and that of 2016 has been restated to reflect the 2017 Bonus Issue in accordance with HKAS 33.

根據於二零一七年六月十六日舉行的股東週年大會,已批准本公司配發紅股(「二零一七年紅股發行」),分配率為於二零一七年六月三十日持有的每股現有股份可派送一股紅股。於二零一七年七月十三日已根據二零一七年紅股發行配發522,125,000股紅股(附註27)。

截至二零一七年及二零一六年十二月三十一日止年度,用於計算每股基本盈利的普通股加權平均數已分別按照香港會計準則第33號調整及重列,以反映二零一七年配發紅利。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Machinery and equipment	Office equipment	Motor vehicles	Construction in progress	Total
		樓宇	機器及設備	辦公設備	汽車	在建工程	合計
		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
31 December 2017	二零一七年十二月三十一日						
At 31 December 2016 and 1 January 2017:	於二零一六年十二月三十一日及 二零一七年一月一日：						
Cost	成本	326,173	449,461	10,074	2,900	346,645	1,135,253
Accumulated depreciation and impairment	累計折舊及減值	(56,118)	(189,111)	(6,242)	(1,780)	-	(253,251)
Net carrying amount	賬面淨值	270,055	260,350	3,832	1,120	346,645	882,002
At 1 January 2017, net of accumulated depreciation and impairment	於二零一七年一月一日， 扣除累計折舊及減值	270,055	260,350	3,832	1,120	346,645	882,002
Additions	添置	936	5,913	861	221	288,767	296,698
Disposals	出售	(278)	(508)	(27)	(39)	-	(852)
Depreciation provided during the year	年內提撥的折舊	(15,215)	(37,744)	(4,499)	(652)	-	(58,110)
Transfers	轉讓	6,208	44,240	2,206	-	(52,654)	-
At 31 December 2017, net of accumulated depreciation and impairment	於二零一七年十二月三十一日， 扣除累計折舊及減值	261,706	272,251	2,373	650	582,758	1,119,738
At 31 December 2017:	於二零一七年十二月三十一日：						
Cost	成本	332,925	496,659	13,051	2,821	582,758	1,428,214
Accumulated depreciation and impairment	累計折舊及減值	(71,219)	(224,408)	(10,678)	(2,171)	-	(308,476)
Net carrying amount	賬面淨值	261,706	272,251	2,373	650	582,758	1,119,738

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

14. 物業、廠房及設備 (續)

		Buildings 樓宇 RMB'000 人民幣千元	Machinery and equipment 機器及設備 RMB'000 人民幣千元	Office equipment 辦公設備 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
31 December 2016	二零一六年十二月三十一日						
At 31 December 2015 and 1 January 2016:	於二零一五年十二月三十一日及 二零一六年一月一日：						
Cost	成本	231,108	371,420	9,714	2,252	318,296	932,790
Accumulated depreciation and impairment	累計折舊及減值	(41,789)	(152,051)	(4,651)	(1,287)	-	(199,778)
Net carrying amount	賬面淨值	189,319	219,369	5,063	965	318,296	733,012
At 1 January 2016, net of accumulated depreciation and impairment	於二零一六年一月一日， 扣除累計折舊及減值	189,319	219,369	5,063	965	318,296	733,012
Additions	添置	2,415	204	315	648	202,023	205,605
Disposals	出售	(1,066)	(1,276)	(4)	-	-	(2,346)
Depreciation provided during the year	年內提撥的折舊	(14,494)	(37,660)	(1,622)	(493)	-	(54,269)
Transfers	轉讓	93,881	79,713	80	-	(173,674)	-
At 31 December 2016, net of accumulated depreciation and impairment	於二零一六年十二月三十一日， 扣除累計折舊及減值	270,055	260,350	3,832	1,120	346,645	882,002
At 31 December 2016:	於二零一六年十二月三十一日：						
Cost	成本	326,173	449,461	10,074	2,900	346,645	1,135,253
Accumulated depreciation and impairment	累計折舊及減值	(56,118)	(189,111)	(6,242)	(1,780)	-	(253,251)
Net carrying amount	賬面淨值	270,055	260,350	3,832	1,120	346,645	882,002



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14. PROPERTY, PLANT AND EQUIPMENT

(continued)

As at 31 December 2017 and 2016, certain of the Group's buildings, machinery and equipment with aggregate net book values of RMB172,541,000 and RMB62,689,000 were pledged to secure bank loans and other borrowings of RMB228,287,000 and RMB80,000,000, respectively (Note 24).

Included in the property, plant and equipment as at 31 December 2017 and 2016 were certain buildings with net book values of RMB2,648,000 and RMB2,825,000 respectively of which the property certificates have not been obtained.

The directors of the Company are of the view of the Group is entitled to lawfully and validly occupy and use the above mentioned buildings. The directors of the Company are also of the opinion that the aforesaid matter will not have any significant impact on the Group's financial position for the year.

14. 物業、廠房及設備 (續)

於二零一七年及二零一六年十二月三十一日，本集團若干樓宇、機器及設備（賬面淨值合共人民幣172,541,000元及人民幣62,689,000元）已抵押以取得銀行貸款及其他借款分別為人民幣228,287,000元及人民幣80,000,000元（附註24）。

於二零一七年及二零一六年十二月三十一日的物業、廠房及設備包括賬面淨值分別為人民幣2,648,000元及人民幣2,825,000元的若干尚未取得房產證的樓宇。

本公司董事認為本集團有權合法及有效佔用及使用上述樓宇。本公司董事亦認為上述事宜不會對本集團於年內財務狀況造成任何重大影響。

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15. PREPAID LAND LEASE PAYMENTS

15. 預付土地租賃款項

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	89,575	94,148
Amortisation during the year	於年內攤銷	(4,573)	(4,573)
Carrying amount at 31 December	於十二月三十一日的賬面值	85,002	89,575
Current portion (included in prepayments, and other receivables)	即期部份 (包含於預付款項及其他應收款項)	(4,366)	(4,368)
Non-current portion	非即期部份	80,636	85,207

As at 31 December 2017 and 2016, the prepaid land lease payments amounting to RMB85,002,000 and RMB34,597,000, respectively, have pledged to secure bank loans granted to the Group (Note 24).

於二零一七年及二零一六年十二月三十一日，已抵押預付土地租賃款項分別為人民幣85,002,000元及人民幣34,597,000元，以獲取授予本集團的銀行貸款（附註24）。

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16. AVAILABLE-FOR-SALE INVESTMENTS

16. 可供出售投資

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Non-publicly traded investments, at cost:	按成本計算之非公開交易投資：		
Private equity fund in Tibet Winshare Equity Venture Capital Fund Partnership (Limited Partnership) ("Winshare Equity")	於西藏文軒創業投資基金 合夥企業(有限合夥) (「文軒創業」)之私募基金	21,450	18,300
Equity investment, at fair value:	按公允價值計量之股本投資：		
Investment managed by an investment agency ("Agency Investment")	由投資代理管理之投資 (「代理投資」)	9,801	-
		31,251	18,300

As at 31 December 2017, an unlisted equity investment with a carrying amount of RMB21,450,000 (2016: RMB18,300,000) was stated at cost less impairment because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair value cannot be measured reliably. The Group does not intend to dispose of it in the near future.

As at 31 December 2017, an equity investment in securities with a carrying amount of RMB9,801,000 (2016: Nil) was designated as available-for-sale financial assets measured at fair value through other comprehensive income and has no fixed maturity date. During the year, no gain or loss was recognised regarding the Agency Investment since the fair value of the Agency Investment was quite close to its carrying amount.

於二零一七年十二月三十一日，由於合理公允價值估計的範圍甚廣，以致董事認為其公允價值無法可靠計量，故賬面值為人民幣21,450,000元（二零一六年：人民幣18,300,000元）之非上市股本投資按成本扣除減值列賬。本集團無意於近期出售該等投資。

於二零一七年十二月三十一日，賬面值為人民幣9,801,000元（二零一六年：無）之證券之股本投資指定為透過其他全面收益按公允價值計量之可供出售金融資產，並無固定到期日。年內，由於代理投資之公允價值接近其賬面值，故並無就代理投資確認收益或虧損。

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17. INVENTORIES

17. 存貨

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Raw materials	原材料	27,938	30,350
Work in progress	在製品	24,370	15,433
Finished goods	製成品	63,494	37,815
		115,802	83,598
Less: Impairment provision	減：減值撥備	(835)	(1,833)
		114,967	81,765

As at 31 December 2017, none of the Group's inventories was pledged as security for the Group's bank loans (2016: Nil).

於二零一七年十二月三十一日，本集團存貨概無被抵押作本集團銀行貸款的抵押品（二零一六年：無）。

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18. TRADE RECEIVABLES

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Trade receivables	貿易應收款項	277,052	206,623
Impairment	減值	(614)	-
		276,438	206,623

The Group's trading terms with its customers are mainly on credit, except for new customers and small-sized customers, where payment in advance is normally required. The credit period is generally one month for domestic customers, extending up to three months for overseas customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control on certain of its outstanding receivables.

Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

18. 貿易應收款項

除新客戶及小型客戶通常須提前付款外，本集團與其客戶的主要交易條款為信貸。就國內客戶而言，信貸期一般為一個月，對於海外客戶則延長至最多三個月。每位客戶均有最大信貸上限。本集團力求對若干尚未收回的應收款項保持嚴格監控。

逾期結餘由高級管理層定期審閱。鑒於前文所述及本集團的貿易應收款項牽涉到大量不同客戶，本集團並無重大信貸集中風險。貿易應收款項為不計息。

於各報告日期末的貿易應收款項的賬齡分析（基於發票日期並經扣除撥備）如下：

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Within 1 month	一個月內	122,253	98,412
1 month to 2 months	一個月至兩個月	92,083	55,084
2 months to 3 months	兩個月至三個月	26,400	25,091
3 months to 4 months	三個月至四個月	10,760	11,395
Over 4 months	四個月以上	24,942	16,641
		276,438	206,623

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18. TRADE RECEIVABLES (continued)

The movement in provision for impairment of trade receivables is as follows:

		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
At 1 January	於一月一日	-	-
Impairment losses recognised (Note 7)	確認的減值虧損(附註7)	614	-
At 31 December	於十二月三十一日	614	-

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB614,000 (2016: Nil) with a carrying amount before provision of RMB614,000 (2016: Nil). The individually impaired trade receivables relating to customers that were in unexpected financial difficulties and it is expected that these receivables would not be recovered.

The ageing analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Neither past due nor impaired	既未逾期亦未減值	119,056	152,430
Less than 1 month past due	逾期少於一個月	81,505	31,822
1 to 3 months past due	逾期一至三個月	52,523	13,744
Over 3 months past due	逾期三個月以上	23,354	8,627
		276,438	206,623

18. 貿易應收款項(續)

貿易應收款項減值撥備的變動如下：

上述貿易應收款項減值撥備包括個別減值貿易應收款項撥備人民幣614,000元(二零一六年：無)，未計撥備賬面值為人民幣614,000元(二零一六年：無)。個別減值貿易應收款項與面臨意外財政困難的客戶有關，預期該等應收款項不可予收回。

非個別或共同被視為減值的貿易應收款項賬齡分析如下：

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18. TRADE RECEIVABLES (continued)

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

19. NOTES RECEIVABLE

Notes receivable of the Group are all bank acceptance notes and are usually settled within six months from their respective dates of issue. None of the notes receivable as at the end of the years ended 31 December 2017 and 2016 was past due or impaired.

Transferred financial assets that are not derecognised in their entirety:

The Group endorsed certain notes receivable accepted by banks in Mainland China (the "Endorsed Notes") with aggregate carrying amounts of RMB33,276,000 and RMB52,305,000 as at 31 December 2017 and 2016, respectively, to certain of its suppliers in order to settle trade payables due to such suppliers (the "Endorsement"). In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated other payables. Subsequent to the Endorsement, the Group did not retain any rights to the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. None of the Endorsed Notes settled during the year have been recourse as at the end of the year.

18. 貿易應收款項 (續)

既未逾期亦未減值的應收款項與大量不同客戶有關，彼等於近期並無違約記錄。

已逾期但未減值的應收款項與多位獨立客戶有關，彼等於本集團的付款記錄良好。根據過往經驗，本公司董事認為其信貸質素並無重大改變，且相關結餘仍被視為可全數收回，因此無須就該等結餘作出減值撥備。

19. 應收票據

本集團的應收票據均為銀行承兌票據，並通常於其各自發行日期起六個月內結算。於截至二零一七年及二零一六年十二月三十一日止年度末，概無應收票據逾期或減值。

未全部終止確認的已轉讓金融資產：

本集團背書若干獲中國大陸銀行接納的應收票據（「背書票據」）予其若干供貨商，以支付結欠該等供貨商的貿易應付款項，於二零一七年及二零一六年十二月三十一日的總賬面值分別為人民幣33,276,000元及人民幣52,305,000元（「背書」）。董事認為，本集團實質上仍保留風險及回報，當中包括相關背書票據的違約風險，因此，本集團持續確認背書票據的全額賬面值及相關其他應付款項。背書後，本集團並無保留任何使用背書票據的任何權利，包括出售、轉讓或抵押背書票據予任何其他第三方。於年末，概無於年內結算的背書票據被追索。

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19. NOTES RECEIVABLE (continued)

Transferred financial assets that are derecognised in their entirety:

The Group endorsed certain notes receivable accepted by banks in Mainland China (the "Derecognised Notes") to certain of its suppliers in order to settle the trade payables due to such suppliers with aggregate carrying amounts of RMB221,151,000 and RMB240,410,000 as at 31 December 2017 and 2016, respectively. The Derecognised Notes have a maturity from one to six months at the end of the respective reporting periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the Directors of the Company, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the Directors of the Company, the fair values of the Group's Continuing Involvement in the Derecognised Notes are not significant.

For the years ended 31 December 2017 and 2016, the Group has not recognised any gain or loss on the dates of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the years ended 31 December 2017 and 2016 or cumulatively.

19. 應收票據 (續)

全部終止確認的已轉讓金融資產：

本集團向其若干供應商就獲中國大陸的銀行接納的若干應收票據（「解除確認票據」）背書，以結算於二零一七年及二零一六年十二月三十一日賬面值總額分別為人民幣221,151,000元及人民幣240,410,000元的應付該等供應商的貿易應付款項。於各報告期末，解除確認票據的到期日介乎一至六個月。根據中國的票據法，在中國的銀行違約的情況下，解除確認票據的持有人對本集團有追索權（「持續責任」）。本公司董事認為，本集團已轉讓有關解除確認票據的幾乎所有風險及回報。因此，其已解除確認解除確認票據的全部賬面值及相關應付款。本集團於解除確認票據的持續責任及購回該等解除確認票據的未貼現現金流量產生的最大虧損風險等於其賬面值。本公司董事認為，本集團於解除確認票據的持續責任的公允價值並不重大。

截至二零一七年及二零一六年十二月三十一日止年度，本集團並無於轉讓解除確認票據日期確認任何損益。於截至二零一七年及二零一六年十二月三十一日止年度或累計過程中均概無確認持續責任產生的損益。

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20. PREPAYMENTS AND OTHER RECEIVABLES

			31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Advance to suppliers	給予供應商的墊款		83,705	39,893
Prepaid land lease	預付土地租賃款	15	4,366	4,368
Other receivables	其他應收款項		68,952	49,988
			157,023	94,249

None of the above assets is impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

The other receivables are unsecured, interest-free and have no fixed terms of repayment.

20. 預付款項及其他應收款項

上述資產概無減值。計入上述結餘的金融資產與近期無違約記錄的應收款項有關。

其他應收款項為無抵押、不計息且沒有固定還款期。

21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

			31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘		385,104	407,421
Time deposits	定期存款		-	61,783
Less: Restricted cash-current	減：受限現金－即期	(a)	(17,868)	(51,078)
Restricted cash-non current	受限現金－非即期	(a)	(7,449)	-
Pledged time deposits for short term bank loans	抵押定期存款以獲得短期銀行貸款	(b)	-	(21,383)
Cash and cash equivalents	現金及現金等價物		359,787	396,743
Denominated in RMB	以人民幣計值	(c)	89,825	191,803
Denominated in other currencies	以其他貨幣計值		269,962	204,940
Cash and cash equivalents	現金及現金等價物		359,787	396,743

21. 現金及現金等價物以及受限現金

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21. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (continued)

Notes:

- (a) As at 31 December 2017, the Group's bank balances of approximately RMB762,000 were deposited as a guarantee fund for the salary of rural workers pursuant to the related government regulations.

As at 31 December 2017, the Group's bank balances of approximately RMB24,438,000 were deposited as interest reserve for a bank loan amounted to USD50,000,000. Among them, amounted to RMB7,449,000 is reserved to settle bank interest for at least twelve months after the reporting period.

- (b) As at 31 December 2017, no time deposit was deposited to secure bank loans of the Group's subsidiaries (2016: RMB21,383,000).
- (c) RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the restricted bank deposits approximate to their fair values.

21. 現金及現金等價物以及受限現金 (續)

附註：

- (a) 於二零一七年十二月三十一日，本集團之銀行結餘約人民幣762,000元已存入銀行，根據相關政府法規作為農民工薪金之保證基金。

於二零一七年十二月三十一日，本集團之銀行結餘約人民幣24,438,000元已作50,000,000美元銀行貸款的利息儲備金存入銀行。其中，人民幣7,449,000元用以結清自報告期後至少十二月的銀行利息。

- (b) 於二零一七年十二月三十一日，並無存入任何定期存款，作為本集團附屬公司銀行貸款之擔保（二零一六年：人民幣21,383,000元）。
- (c) 人民幣不能自由兌換成其他貨幣。然而，根據中國大陸的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務之銀行將人民幣兌換成其他貨幣。

銀行現金根據每日銀行存款利率按浮動利率計息。銀行結餘及受限制銀行存款乃存放於聲譽卓著且並無近期違約記錄的銀行。現金及現金等價物以及受限制銀行存款的賬面值與其公允價值相若。

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22. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Within 1 month	一個月內	172,195	76,871
1 month to 2 months	一個月至兩個月	21,945	56,146
2 months to 3 months	兩個月至三個月	24,377	22,092
Over 3 months	三個月以上	151,281	101,414
		369,798	256,523

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

23. OTHER PAYABLES AND ACCRUALS

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Advances from customers	客戶墊款	4,485	3,784
Accrued salaries, wages and benefits	應計薪金、工資及福利	22,209	26,271
Due to related parties	應付關聯方款項	123	87,398
Payables under the Endorsement	背書項下的應付款項	33,276	52,305
Other payables	其他應付款項	65,875	29,410
		125,968	199,168

The above amounts are unsecured, interest-free and have no fixed terms of repayment.

22. 貿易應付款項

於各報告期末貿易應付款項之賬齡分析（根據發票日期計算）載列如下：

23. 其他應付款項及應計費用

貿易應付款項為不計息，並通常按30日至90日的付款期限結算。

以上款項均無擔保、不計息且無固定償還期限。

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24. INTEREST-BEARING BANK AND OTHER BORROWINGS

24. 計息銀行及其他借款

		31 December 2017 二零一七年十二月三十一日			31 December 2016 二零一六年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元
Current	即期						
Bank loans – unsecured	銀行貸款 – 無抵押	–	–	–	HIBOR*+2.7	2017	26,832
Bank loans – secured	銀行貸款 – 有抵押	3.92-7.60	2018	137,000	3.92-7.60	2017	214,790
Other borrowings – secured	其他借款 – 有抵押	10.83-10.84	2018	57,576	–	–	–
				194,576			241,622
Non-current	非即期						
Bank loans – secured	銀行貸款 – 有抵押	4.5-6.98	2019-2020	326,710	5.23-6.98	2018-2019	240,000
Other borrowings – secured	其他借款 – 有抵押	10.83-10.84	2019-2020	60,711	–	–	–
				387,421			240,000
Total	合計			581,997			481,622
Analysed into:	分析如下：						
Bank loans and other borrowings repayable:	須於以下事件償還的銀行貸款及其他借款：						
Within one year	一年內			194,576			241,622
In the second year	二年內			51,420			80,000
In the third year to fifth years, inclusive	第三年至第五年 (包括首尾兩年)			336,001			160,000
				581,997			481,622

* HIBOR (Hong Kong Inter-bank Offered Rate) is the annualized rate charged for inter-bank lending on Hong Kong dollar denominated instruments, for a specified period ranging from overnight to one year.

* HIBOR (香港銀行同業拆息) 即於隔夜至一年的特定期間內為銀行同業就拆出港元貨幣文據收取的按年計算化息率。

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24. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Note:

The Group had banking facilities amounting to RMB16,718,000 as at 31 December 2017 (31 December 2016: RMB17,890,000).

Certain of the Group's bank loans and other borrowings are secured by:

24. 計息銀行及其他借款(續)

附註：

於二零一七年十二月三十一日，本集團擁有信貸額度人民幣16,718,000元（二零一六年十二月三十一日：人民幣17,890,000元）。

本集團若干銀行貸款及其他借款由以下作抵押：

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
	Note 附註		
1) certain of the Group's land use rights (with net carrying amounts of RMB20,834,000 and RMB22,421,000 at 31 December 2017 and 31 December 2016);	1) 本集團之若干土地使用權（於二零一七年十二月三十一日及二零一六年十二月三十一日之賬面淨額分別為人民幣20,834,000元及人民幣22,421,000元）；	15,000	15,000
2) a letter of credit of the Company;	2) 本公司信用證；	—	48,000
3) jointly guaranteed by Tsaker Cangzhou and Tsaker Dongguang;	3) 彩客滄州及彩客東光聯合擔保；	12,000	12,000

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24. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

24. 計息銀行及其他借款 (續)

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
	Note 附註		
4) certain of the Group's land use rights (with aggregate net carrying amounts of RMB5,097,000 and RMB8,425,000 at 31 December 2017 and 31 December 2016, respectively) and certain of the Group's buildings (with aggregate net carrying amounts of RMB9,388,000 and RMB10,284,000 at 31 December 2017 and 31 December 2016, respectively);	4)		
		20,000	20,000
5) certain of the Group's buildings (with an aggregate net carrying amount of RMB48,614,000 and RMB50,590,000 at 31 December 2017 and 31 December 2016, respectively);	5)		
		30,000	30,000
6) certain of the Group's land use rights (with an aggregate net carrying amount of RMB2,813,000 and RMB3,751,000 at 31 December 2017 and 31 December 2016, respectively), and certain of the Group's buildings (with an aggregate net carrying amount of RMB1,659,000 and RMB1,815,000 at 31 December 2017 and 31 December 2016, respectively);	6)		
		30,000	30,000

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24. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

24. 計息銀行及其他借款 (續)

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
	Note 附註		
7) the Group's fixed term deposit (with a net carrying amount of USD3,082,000 at 31 December 2016);	7) 本集團定期存款 (於二零一六年十二月三十一日賬面淨值為3,082,000美元) ;	-	19,790
8) mortgaged by the Company's 100% equity interest in Tsaker Hong Kong and jointly guaranteed by Tsaker Cangzhou, Tsaker Dongguang, Tsaker Dongying, Tsaker Dongao and Tsaker Beijing;	8) 由本公司所持彩客香港之全部股權及彩客滄州、彩客東光、彩客東營、彩客東奧及彩客北京之聯合擔保作抵押 ;	326,710	-
9) certain of the Group's land use rights (with an aggregate net carrying amount of RMB56,258,000 at 31 December 2017), and certain of the Group's buildings (with an aggregate net carrying amount of RMB20,608,000 at 31 December 2017) jointly guaranteed by Tsaker Cangzhou, Tsaker Dongguang, Tsaker HongKong, Tsaker Beijing, Tsaker Dongao, and Tsaker Chemical Group;	9) 本集團之若干土地使用權 (於二零一七年十二月三十一日之賬面淨值總額為人民幣56,258,000元) 及本集團若干樓宇 (於二零一七年十二月三十一日之賬面淨值總額為人民幣20,608,000元) 及由彩客滄州、彩客東光、彩客香港、彩客北京、彩客東奧及彩客化學集團聯合擔保 ;	30,000	280,000

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24. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

24. 計息銀行及其他借款 (續)

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元	
		Note 附註		
10)	certain of the Group's Machinery and equipment (with an aggregate net carrying amounts of RMB25,529,000 at 31 December 2017);	10) 本集團之若干機器及設備(於二零一七年十二月三十一日之賬面淨值總額為人民幣25,529,000元)；	43,366	-
11)	certain of the Group's Machinery and equipment (with an aggregate net carrying amounts of RMB21,823,000 at 31 December 2017);	11) 本集團之若干機器及設備(於二零一七年十二月三十一日之賬面淨值總額為人民幣21,823,000元)；	25,240	-
12)	certain of the Group's Machinery and equipment (with an aggregate net carrying amounts of RMB44,920,000 at 31 December 2017).	12) 本集團之若干機器及設備(於二零一七年十二月三十一日之賬面淨值總額為人民幣44,920,000元)。	49,681	-
Total		合計	581,997	454,790

(i) In 2016, the Company deposited RMB50,000,000 in the bank in order to obtain a letter of credit.

(i) 二零一六年，本公司為獲取信用證而在銀行存入定期存款人民幣50,000,000元。

Except for a bank loan of RMB326,710,000 which is denominated in United States dollar, all borrowings are in RMB.

除人民幣326,710,000元之銀行貸款以美元計值外，所有借款均以人民幣計值。

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25. DEFERRED INCOME

Deferred income represents the balance of government grants received and will be recognised into other income and gains when all conditions have been fulfilled.

25. 遞延收入

遞延收入指已收政府補助結餘，並將於所有條件獲達成時於其他收入及收益確認。

26. DEFERRED TAX

The components of deferred tax assets of the Group are as follows:

26. 遞延稅項

本集團遞延稅項資產之組成部份載列如下：

		Impairment of inventories	Impairment of trade receivables	Impairment of property, plant and equipment	Government grants	Accrued expenses	Disposal of fixed assets	Change of tax base of property, plant and equipment/intangible assets	Tax losses	Others	Total
		存貨減值	貿易應收款項減值	物業、廠房及設備減值	政府補助	應計開支	出售固定資產	物業、廠房及設備/無形資產之稅基變動	稅項虧損	其他	合計
		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
2017	二零一七年										
At 1 January	於一月一日	459	-	1,713	4,996	3,380	-	5,788	10,611	16	26,963
Deferred tax credited (charged) to profit or loss during the year (Note 10)	年內計入損益(自損益扣除)(附註10)	(250)	154	(182)	206	(723)	-	(1,186)	(1,097)	(2)	(3,080)
At 31 December 2017	於二零一七年十二月三十一日	209	154	1,531	5,202	2,657	-	4,602	9,514	14	23,883
2016	二零一六年										
At 1 January	於一月一日	148	-	1,836	1,447	4,280	965	6,338	11,716	18	26,748
Deferred tax credited (charged) to profit or loss during the year (Note 10)	年內計入損益(自損益扣除)(附註10)	311	-	(123)	3,549	(900)	(965)	(550)	(1,105)	(2)	215
At 31 December 2016	於二零一六年十二月三十一日	459	-	1,713	4,996	3,380	-	5,788	10,611	16	26,963

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26. DEFERRED TAX (continued)

The Group had cumulative tax losses arising in Mainland China of RMB42,321,000 as at 31 December 2017 that would expire in two to five years. Deferred tax assets have been recognised in respect of those losses to the extent that the realisation of the related tax benefits through future taxable profits is probable.

The component of deferred tax liabilities of the Group is as follows:

26. 遞延稅項 (續)

於二零一七年十二月三十一日，本集團於中國大陸產生累計稅項虧損人民幣42,321,000元，將於二至五年內屆滿。遞延稅項資產已就該等虧損確認，惟透過未來應課稅溢利變現相關稅項溢利被視作可能為限。

本集團遞延稅項負債之組成部份載列如下：

		Withholding tax 預扣稅 RMB'000 人民幣千元
At 1 January 2016	於二零一六年一月一日	1,550
Deferred tax credited to profit or loss during the year (Note 10)	計入年內自損益的遞延稅項 (附註10)	(750)
As at 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及 二零一七年一月一日	800
Deferred tax credited to profit or loss during the year (Note 10)	計入年內損益的遞延稅項 (附註10)	(800)
As at 31 December 2017	於二零一七年十二月三十一日	-

Pursuant to the PRC Corporate Income 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 of 5% may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributable by those subsidiaries established in Mainland China. As at 31 December 2017, the subsidiaries of the Company located in Mainland China had retained profits of RMB573,187,000. Based on the management's estimation of profits to be distributed in foreseeable future, no dividends need to be distributed from Mainland China to overseas holding companies. Management expects the remaining retained profits will be used for the subsidiaries' continuing reinvestment. Therefore, no deferred tax liability was recognized for the retained profits generated from subsidiaries located in Mainland China.

根據中國企業所得稅法，於中國大陸成立的外商投資企業向外商投資者宣派的股息，須按10%的稅率徵收預扣稅。該規定自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後的盈利。倘中國大陸與外商投資者所在司法權區已簽訂稅務協議，則可採用較低的5%的預扣稅率。因此，本集團須就在中國大陸成立的附屬公司所產生的盈利而分配的股息履行徵收預扣稅的義務。於二零一七年十二月三十一日，本公司位於中國大陸的附屬公司錄得保留溢利人民幣573,187,000元。根據管理層對可見未來將予分派的溢利的估計，中國大陸的附屬公司毋須向海外控股公司派發任何股息。管理層預期，餘下保留溢利將用作附屬公司之持續投資之用。因此，概未就位於中國大陸之附屬公司產生之保留溢利確認任何遞延稅項負債。

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27. SHARE CAPITAL

The movements in share capital of the Company are as follows:

Shares 股份	Number of shares 股份數目	Share capital 股本 US\$ 美元	Issued share capital equivalent of 等量已發行股本 RMB'000 人民幣千元
Authorised: At 31 December 2016, at US\$0.01 each	法定： 於二零一六年十二月三十一日， 每股0.01美元	1,000,000,000	10,000,000
At 31 December 2017, at US\$0.01 each	於二零一七年十二月三十一日， 每股0.01美元	2,000,000,000	20,000,000
Issued and fully paid: At 1 January 2016, 31 December 2016 and 1 January 2017, at US\$0.01 each	已發行及繳足： 於二零一六年一月一日、 二零一六年十二月三十一日 及二零一七年一月一日， 每股0.01美元	501,125,000	5,011,250 30,649
Placing of new shares	配售新股	21,000,000	210,000 1,441
Bonus issue of shares	配發紅股	522,125,000	5,221,250 35,401
At 31 December 2017, at US\$0.01 each	於二零一七年十二月三十一日， 每股0.01美元	1,044,250,000	10,442,500 67,491

Notes:

On 18 May 2017, the Company completed placing of new shares under general mandate, and an aggregate of 21,000,000 shares have been allotted and issued to not less than six placees at a placing price of HK\$5.15 per placing share.

522,125,000 bonus shares were issued under the 2017 Bonus Issue on 13 July 2017.

27. 股本

本公司股本變動載列如下：

Number of shares 股份數目	Share capital 股本 US\$ 美元	Issued share capital equivalent of 等量已發行股本 RMB'000 人民幣千元
Authorised: At 31 December 2016, at US\$0.01 each	1,000,000,000	10,000,000
At 31 December 2017, at US\$0.01 each	2,000,000,000	20,000,000
Issued and fully paid: At 1 January 2016, 31 December 2016 and 1 January 2017, at US\$0.01 each	501,125,000	5,011,250 30,649
Placing of new shares	21,000,000	210,000 1,441
Bonus issue of shares	522,125,000	5,221,250 35,401
At 31 December 2017, at US\$0.01 each	1,044,250,000	10,442,500 67,491

附註：

於二零一七年五月十八日，本公司完成根據一般授權配售新股份，合共21,000,000股股份按每股配售股份5.15港元之配售價配發及發行予不少於六名承購人。

於二零一七年七月十三日，根據二零一七年紅股發行獲發行522,125,000股紅股。

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28. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statements of changes in equity.

Statutory reserve

In accordance with the PRC regulations and the articles of association of the companies now comprising the Group, before distributing the net profit of each year, companies of the Group registered in the PRC are required to set aside 10% of their statutory net profit for the year after offsetting any prior year's losses as determined under relevant PRC accounting standards to the statutory surplus reserve fund. When the balance of this reserve reaches 50% of each company's share capital, any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares. However, the statutory surplus reserve fund must be maintained at a minimum of 25% of each entity's share capital after such issuance.

Safety production fund

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety of the PRC, the Group is required to set aside an amount to a safety production fund at certain percentages (less than RMB10 million: 4%; from RMB10 million to RMB100 million: 2%; from RMB100 million to RMB1 billion: 0.5%; greater than RMB1 billion: 0.2%) of the previous year's operating revenue. The fund can be used for improvements of safety, and is not available for distribution to shareholders. The balance of the safety production fund in equity represents the safety fund that was set aside but not yet used.

28. 儲備

本集團於當前年度及過往年度的儲備金額及其變動於綜合權益變動表內呈列。

法定儲備

根據中國法規及本集團現時旗下公司之組織章程細則，每年份派純利前，本集團在中國註冊的公司須於抵銷根據相關中國會計準則所釐定的往年虧損後，將其年度法定純利的10%撥至法定盈餘儲備基金。當該儲備的結餘達至各公司股本的50%時，各公司可選擇是否繼續進行撥資。法定盈餘儲備基金可用於抵銷往年的虧損或發行紅股。然而，該法定盈餘儲備基金必須至少維持在發行後該實體股本的25%。

安全生產基金

根據中國財政部及國家安全生產監督管理總局頒佈的若干法規，本集團需按特定百分比從上一年度之經營收益撥出一定金額（人民幣10百萬元以下：4%，人民幣10百萬元至人民幣100百萬元：2%，人民幣100百萬元至人民幣10億元：0.5%，人民幣10億元以上：0.2%）至安全生產基金。該安全生產基金可用於改善生產安全條件但不可用於向股東進行分派。權益中餘下的安全生產基金指已撥出但尚未使用的安全基金。

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28. RESERVES (continued)

Capital reserve

Share capital of the Group's subsidiaries before the incorporation of the Company is recorded as capital reserve.

Capital reserve also included the difference between the consideration paid by the Company for the acquisition of subsidiaries pursuant to the Reorganisation and the net assets of the subsidiaries being acquired at the time of the Reorganisation.

29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Changes in liabilities arising from financing activities

28. 儲備 (續)

資本儲備

本集團附屬公司於本公司註冊成立前之股本乃入賬列作資本儲備。

資本儲備亦包括本公司根據重組就收購附屬公司支付的代價與於重組時被收購附屬公司的資產淨值之間的差額。

29. 綜合現金流量表附註

融資活動所產生的負債變動

		Interest-bearing bank and other borrowings (non-current)	Interest-bearing bank and other borrowings (current)	Other payables and accruals
		計息銀行借款及其他借款 (非即期)	計息銀行借款及其他借款 (即期)	其他應付款項及應計費用
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	240,000	241,622	199,167
Changes from financing cash flows	融資現金流量變動	147,421	(47,046)	(83,386)
Decrease classified as operating cash flows	分類為經營現金流量減少	-	-	10,185
At 31 December 2017	於二零一七年十二月三十一日	387,421	194,576	125,966

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29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

Changes in assets arising from financing activities

29. 綜合現金流量表附註 (續)

融資活動所產生的資產變動

		Notes receivable RMB'000 人民幣千元	Other non-current assets RMB'000 人民幣千元	Restricted cash (current) 受限現金 (即期) RMB'000 人民幣千元	Restricted cash (non-current) 受限現金 (非即期) RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	74,406	-	72,461	-
Less: Changes from financing cash flows	減：融資現金流量變動	(79,546)	(13,303)	54,394	(7,449)
Less: Decrease classified as operating cash flows	減：分類為經營現金流量減少	102,152	-	199	-
At 31 December 2017	於二零一七年十二月三十一日	51,800	13,303	17,868	7,449

30. CONTINGENT LIABILITIES

As at 31 December 2017, the Group had no significant contingent liabilities.

30. 或然負債

於二零一七年十二月三十一日，本集團並無重大或然負債。

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31. OPERATING LEASE ARRANGEMENTS

As lessee

As at 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Within one year	一年內	10,754	5,276
In the second to fifth years, inclusive	第二至第五年（包括首尾兩年）	7,995	7,397
		18,749	12,673

32. COMMITMENTS

In addition to the operating lease commitments detailed in Note 31 above, the Group had the following capital commitments at the end of the reporting period:

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Contracted, but not provided for:	已訂約但並未撥備：		
Plant and machinery	廠房及機器	200,356	182,200

31. 經營租賃協議

作為承租人

於二零一七年十二月三十一日，本集團未來所有不可撤銷經營租賃承擔最低金額如下：

32. 承擔

除上文附註31詳述的經營租賃承擔外，本集團於各報告期末的資本承擔載列如下：

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33. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with a related party during the year:

	Notes 附註	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
Funding from a related party: 來自關連方的資金： Huage Holdings 華戈控股	(i)	—	27,006
		—	27,006
Funding to a related party: 償還關連方的資金： Huage Holdings 華戈控股	(i)	87,933	118,589
		87,933	118,589
Acquisition of a subsidiary from Huage Holdings 向華戈控股收購一間附屬公司	(ii)	—	17,361
Property leasing fee paid to Huage Holdings 向華戈控股支付的物業租賃費用	(iii)	658	1,578

- (i) Funding from and funding to the related party were mainly for meeting the capital requirements of the Group during the year. The funding was unsecured, interest-free and had no fixed repayment terms and was included in other payables and accruals, and prepayments and other receivables in the consolidated statement of financial position at 31 December 2017 and 2016, respectively.

33. 關聯方交易

- (a) 除本財務報表其他部份詳述的交易外，本集團曾於年內與一名關連方進行以下交易：

- (i) 來自關連方的資金及償還關連方的資金主要是為應付本集團年內資金需要。該資金為無抵押、免息及並無固定還款期，並分別計入於二零一七年及二零一六年十二月三十一日的綜合財務狀況表中的其他應付款項及應計費用以及預付款項及其他應收款項。



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33. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

- (ii) On 4 May 2016, Tsaker Dongying, an indirectly wholly-owned subsidiary of the Company, and Huage Holdings entered into a sale and purchase agreement (the "SPA"). According to the SPA, Huage Holdings agreed to sell and Tsaker Dongying agreed to purchase the entire equity interest in Tsaker Donggao, a directly wholly-owned subsidiary of Huage Holdings, at an aggregate consideration of RMB17,361,000.
- (iii) In the opinion of the Directors of the Group, the transactions between the Group and the related parties were conducted in the ordinary and usual course of business and on normal commercial terms.

The related party transactions in respect of items (i) and (ii) above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

33. 關聯方交易 (續)

(a) (續)

- (ii) 於二零一六年五月四日，本公司間接全資附屬公司彩客東營與華戈控股訂立買賣協議（「買賣協議」）。根據買賣協議，華戈控股同意出售及彩客東營同意按總代價人民幣17,361,000元收購彩客東奧（華戈控股的直接全資附屬公司）的全部股權。
- (iii) 本集團董事認為，本集團與關連方之間的交易乃於一般業務過程中按正常商業條款進行。

上文(i)及(ii)項關聯方交易亦構成關連交易或持續關連交易（定義見上市規則第14A章）。

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33. RELATED PARTY TRANSACTIONS (continued)

(b) Outstanding balances with related party:

The Group had outstanding balances with the following related party:

Relationship with the Group 與本集團的關係	31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Other payables and accruals: 其他應付款項及應計費用： Huage Holdings Both controlled 華戈控股均由戈弋先生控制 by Mr. Ge Yi	123	87,398
	123	87,398

The above balances are unsecured, non-interest-bearing and repayable on demand.

以上結餘為無抵押、不計息及須按要求償還。

(c) Guarantees received from related parties

As at 31 December 2017, none of the bank loans was guaranteed by the related parties.

(c) 關聯方提供的擔保

於二零一七年十二月三十一日，概無銀行貸款由關聯方提供擔保。

(d) Compensation of key management personnel of the Group:

	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
Compensation paid to key management personnel (Note 8) 向主要管理人員支付的酬金(附註8)	3,922	3,311

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34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period are as follows:

34. 按類別劃分的金融工具

各類金融工具於各報告期末的賬面值載列如下：

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Financial assets 金融資產			
Loans and receivables:	貸款及應收款項：		
Trade and notes receivables	貿易應收款項及應收票據	328,238	281,029
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	68,952	49,988
Restricted cash	受限現金	25,317	72,461
Cash and cash equivalents	現金及現金等價物	359,787	396,743
Available-for-sale financial assets:	可供出售金融資產：		
Available-for-sale investments	可供出售投資	31,251	18,300
		813,545	818,521
Financial liabilities at amortised cost 按攤銷成本列賬之金融負債			
Trade payables	貿易應付款項	369,798	256,523
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	99,274	169,113
Interest-bearing bank and other borrowings	計息銀行及其他借款	581,997	421,622
		1,051,069	847,258

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35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, restricted cash, trade and notes receivables, financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of interest-bearing bank and other borrowings and available-for-sale investments have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities.

The carrying amounts of the Group's financial assets and financial liabilities closely approximate to their fair values.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans, amounts due from and due to related parties, other financial liabilities and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and notes receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The management reviews and agrees policies for managing each of these risks and they are summarised below.

35. 金融工具之公允價值及公允價值等級制度

金融資產及負債的公允價值按自願方於一項現行交易中交換有關工具所得款項（強制或清盤出售除外）。以下方法及假設用於估計公允價值：

現金及現金等價物、受限現金、貿易應收款項及應收票據、計入預付款項、按金及其他應收款項的金融資產、貿易應付款項、計入其他應付款項及應計費用的金融負債的公允價值與其各自之賬面值相若，主要由於該等工具於短期內到期。

計息銀行借款及其他借款及可供出售投資的公允價值乃採用按類似條款、信貸風險及餘下到期日的文據目前可用的利率對預期未來現金流量貼現計算得出。

本集團的金融資產及金融負債的賬面值與其公允價值相若。

36. 財務風險管理目標及政策

本集團的主要金融工具包括銀行貸款、應收及應付關連方款項、其他金融負債以及現金及銀行結餘。該等金融工具的主要目標乃為本集團的業務籌集資金。本集團擁有各種其他金融資產及負債，例如直接來自業務營運的貿易應收款項及應收票據以及貿易應付款項。

來自本集團金融工具的主要風險為外幣風險、信貸風險及流動資金風險。管理層審閱及協定管理各項風險的政策，該等政策概述如下。

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign currency risk

Substantially all sales and purchase transactions were denominated in RMB and United States dollars. Management has assessed the Group's exposure to foreign currency risk, by using a sensitivity analysis on the change in foreign exchange rate of the United States dollars, to which the Group is mainly exposed during the years ended 31 December 2017 and 2016.

As at 31 December 2017, if RMB had strengthened/weakened by 5% against United States dollars with all other variables held constant, the profit for the year would have been approximately RMB11,961,000 (2016: RMB9,556,000) lower/higher, mainly as a result of foreign exchange losses/gains arising from translations of United States dollar-denominated accounts receivable.

As at 31 December 2017, if RMB had strengthened/weakened by 5% against Hong Kong dollars with all other variables held constant, the profit for the year would have been approximately RMB1,155,000 (2016: RMB1,034,000) higher/lower, mainly as a result of foreign exchange gains/losses arising from Hong Kong dollar-denominated interest-bearing bank and other borrowings.

Credit risk

The Group trades only with related parties and recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, and deposits and other receivables arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with related parties and recognised creditworthy third parties, there is no requirement for collateral.

36. 財務風險管理目標及政策 (續)

外幣風險

幾乎所有買賣交易均以人民幣及美元列值。管理層已通過使用美元外匯匯率變動(本集團於截至二零一七年及二零一六年十二月三十一日止年度主要面臨此種風險)的敏感度分析評估本集團面臨的外幣風險。

於二零一七年十二月三十一日，倘人民幣兌美元升值／貶值5%，而所有其他變數保持不變，年內溢利將減少／增加約人民幣11,961,000元(二零一六年：人民幣9,556,000元)，此乃主要由換算以美元計值的應收賬目產生的外匯虧損／收益所致。

於二零一七年十二月三十一日，倘人民幣兌港元升值／貶值5%，而所有其他變數保持不變，年內溢利將增加／減少約人民幣1,155,000元(二零一六年：人民幣1,034,000元)，此乃主要由換算以港元計值的計息銀行借款及其他借款產生的外匯收益／虧損所致。

信貸風險

本集團僅與關連方及聲譽卓著的第三方交易。按照本集團的政策，所有擬以信貸條款進行交易的客戶，必須通過信貸核實程序。此外，本集團持續監察應收結餘的情況，而本集團的壞賬風險並不重大。

本集團其他金融資產(包括現金及現金等價物、按金及其他應收款項)的信貸風險來自對手方違約，上限相等於該等工具的賬面值。

由於本集團僅與該等關聯方及聲譽卓著的第三方交易，故無需任何抵押品。

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The management of the Group aims to maintain sufficient cash and cash equivalents and the Group has available funding through an adequate amount of committed credit facilities to meet its commitments.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		As at 31 December 2017 於二零一七年十二月三十一日					
		On demand	Less than 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
		按要求 RMB'000 人民幣千元	少於六個月 RMB'000 人民幣千元	至十二個月 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年以上 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Interest-bearing bank and other borrowings*	計息銀行借款及其他借款*	-	131,132	85,293	138,278	290,440	645,143
Trade payables	貿易應付款項	172,195	197,603	-	-	-	369,798
Other payables and accruals	其他應付款項及應計費用	99,274	-	-	-	-	99,274
		271,469	328,735	85,293	138,278	290,440	1,114,215

		As at 31 December 2016 於二零一六年十二月三十一日					
		On demand	Less than 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
		按要求 RMB'000 人民幣千元	少於六個月 RMB'000 人民幣千元	至十二個月 RMB'000 人民幣千元	一年至兩年 RMB'000 人民幣千元	兩年以上 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Interest-bearing bank and other borrowings*	計息銀行借款及其他借款*	-	164,433	96,591	91,367	165,224	517,615
Trade payables	貿易應付款項	9,616	244,381	1,746	780	-	256,523
Other payables and accruals	其他應付款項及應計費用	-	169,113	-	-	-	169,113
		9,616	577,927	98,337	92,147	165,224	943,251

* Interest-bearing bank and other borrowings include the principal and the interest.

* 計息銀行借款及其他借款包括本金及利息。

36. 財務風險管理目標及政策 (續)

流動資金風險

本集團管理層旨在維持充足的現金及現金等價物，且本集團透過充足的已承擔信貸融資擁有可動用的資金，以滿足其承擔。

本集團金融負債於各相關期間末的到期情況（根據已訂約但未貼現付款計算）如下：

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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

The Group's strategy was to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The gearing ratios were as follows:

36. 財務風險管理目標及政策 (續)

資本管理

本集團資本管理的主要目標為保障本集團能夠持續經營，並維持合理的資本比率以支持其業務及儘量提升股東價值的能力。

本集團根據經濟狀況的變動及相關資產的風險性質管理其資本架構及作出調整。為維持或調整資本架構，本集團可調整支付予股東的股息、向股東退回資本或發行新股。本集團並無受任何外部強加的資本要求所限。於年內，管理資本的目標、政策或過程並無變動。

本集團的策略為將資產負債比率維持在健康資本水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量要求及於債務到期時按時間表還款的能力、維持可動用銀行融資在合理水平以及調整投資計劃及融資計劃（如需要），以確保本集團擁有合理水平的資本支持其業務。資產負債比率載列如下：

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
Total debt*	債務總額*	581,997	421,622
Total equity	權益總額	1,141,936	960,985
Gearing ratio	資產負債比率	50.97%	43.87%

* Total debt comprises interest-bearing bank and other borrowings.

* 債務總額包括計息銀行借款及其他借款。

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37. EVENT AFTER THE REPORTING PERIOD

As of the date of this report, the Group has no significant event after the reporting period required to be disclosed.

37. 報告期後事項

於本報告日期，本集團並無須予披露之報告期後重大事項。

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

38. 本公司財務狀況表

本公司於報告期末的財務狀況表相關資料載列如下：

		31 December 2017 二零一七年 十二月三十一日 RMB'000 人民幣千元	31 December 2016 二零一六年 十二月三十一日 RMB'000 人民幣千元
NON-CURRENT ASSET	非流動資產		
Investment in a subsidiary	投資一間附屬公司	80,234	80,234
Total non-current assets	非流動資產總值	80,234	80,234
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司款項	663,021	394,832
Restricted cash	受限現金	-	71,383
Cash and cash equivalents	現金及現金等價物	946	169,413
Total current assets	流動資產總值	663,967	635,628
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	42,421	381
Interest-bearing bank loans	計息銀行貸款	-	26,832
Total current liabilities	流動負債總值	42,421	27,213
NET CURRENT ASSETS	流動資產淨值	621,546	608,415
Net assets	資產淨值	701,780	688,649
EQUITY	權益		
Share capital	股本	67,491	30,649
Reserves (Note)	儲備 (附註)	634,289	658,000
Total equity	權益總額	701,780	688,649

Ge Yi
Director

Bai Kun
Director

戈弋
董事

白崑
董事

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38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

38. 本公司財務狀況表 (續)

附註：

本公司儲備概述如下：

		Attributable to owners of the parent				Total
		母公司擁有人應佔				
		Share capital	Share premium	Translation reserve	Retained profits	
		股本	股份溢價	匯兌儲備	保留溢利	合計
		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
At 1 January 2016	於二零一六年一月一日	30,649	593,724	34,071	(711)	657,733
Profit for the year	本年度溢利	-	-	-	22,761	22,761
Other comprehensive income for the year:	本年度其他全面收入：					
Exchange differences on translation of foreign operations	換算外國業務的匯兌差額	-	-	39,225	-	39,225
Total comprehensive income for the year	年度全面收入總額	-	-	39,225	22,761	61,986
Dividend distributed to the shareholders	已分派予股東的股息	-	-	-	(31,070)	(31,070)
At 31 December 2016 and 1 January 2017	於二零一六年十二月三十一日及二零一七年一月一日	30,649	593,724	73,296	(9,020)	688,649
Loss for the year	本年度虧損	-	-	-	(4,498)	(4,498)
Other comprehensive income for the year:	本年度其他全面收入：					
Exchange differences on translation of foreign operations	換算外國業務的匯兌差額	-	-	(38,201)	-	(38,201)
Total comprehensive income for the year	年度全面收入總額	-	-	(38,201)	(4,498)	(42,699)
Issue of shares (Note 27)	發行股份 (附註27)	36,842	57,103	-	-	93,945
Dividend distributed to the shareholders (Note 12)	已分派予股東的股息 (附註12)	-	-	-	(38,115)	(38,115)
At 31 December 2017	於二零一七年十二月三十一日	67,491	650,827	35,095	(51,633)	701,780

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39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2018.

39. 批准財務報表

此等財務報表已於二零一八年三月二十八日獲董事會核准並授權刊發。



Definitions

釋義

「股東週年大會」 「AGM」	指	本公司將於二零一八年六月十五日舉行的股東週年大會 annual general meeting of our Company to be held on 15 June 2018
「組織章程細則」 「Articles of Association」	指	本公司組織章程細則（經不時修訂），於二零一五年六月十二日經股東書面決議案批准並自上市日期起生效 the articles of association of our Company (as amended from time to time), approved by the written resolutions of the Shareholders on 12 June 2015 and effective from the Listing Date
「資產租賃協議」 「Assets Leasing Agreement」	指	彩客東營及彩客東奧所訂立的日期為二零一五年一月十五日的資產租賃協議及日期為二零一五年四月八日的補充協議，據此，彩客東奧同意將東奧生產廠房出租予彩客東營 the assets leasing agreement dated 15 January 2015 and a supplemental agreement dated 8 April 2015 entered into between Tsaker Dongying and Tsaker Dongao, pursuant to which Tsaker Dongao agreed to lease to Tsaker Dongying the Dongao Production Plant
「審核委員會」 「Audit Committee」	指	董事會審核委員會 audit committee of the Board
「董事會」 「Board」	指	本公司董事會 the board of Directors
「Cavalli」	指	Cavalli Enterprises Inc.，於二零一一年三月十一日在英屬處女群島註冊成立的有限公司，由我們的執行董事、主席、行政總裁兼控股股東之一戈弋先生全資擁有
「Cavalli」		Cavalli Enterprises Inc., a company incorporated in the British Virgin Islands with limited liability on 11 March 2011, wholly-owned by Mr.Ge Yi, our executive Director, Chairman, Chief Executive Officer and one of our Controlling Shareholders
「本公司」或「我們」或「彩客化學」 「Company」, 「our」, 「our Company」, 「we」, 「us」 or 「Tsaker Chemical」	指	彩客化學集團有限公司*，一家於二零一四年十月二十九日於開曼群島註冊成立的有限公司 Tsaker Chemical Group Limited (彩客化學集團有限公司*)，a company incorporated in the Cayman Islands with limited liability on 29 October 2014

* 僅供識別

* For identification purpose only

Definitions

釋義

「公司條例」 「Companies Ordinance」	指	香港法例第622章公司條例 Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
「控股股東」 「Controlling Shareholder(s)」	指	指本公司控股股東（即戈弋先生及Cavalli） the controlling shareholders of our Company, namely Mr.Ge Yi and Cavalli
「DATA」 「DATA」	指	2,5-二芳氨基-1,4-苯二甲酸，用作喹吡啶酮顏料的中間體 2,5-Dianilino-terephthalic acid, which is used as an intermediate of quinacridone pigments
「不競爭契據」 「Deed of Non-competition」	指	本公司與控股股東訂立日期為二零一五年六月十二日的不競爭契據 the deed of non-competition dated 12 June 2015 entered into between our Company and our Controlling Shareholders
「董事」 「Director(s)」	指	本公司董事 the director(s) of our Company
「DMAS」 「DMAS」	指	乙酰基丁二酸二甲酯，用於生產食品黃色顏料、農藥、其他食品添加劑 Dimethyl acetylsuccinate, is used for the production of food yellow pigments, agricultural chemicals, other food additives
「DMSS」 「DMSS」	指	1,4-環己二酮-2,5-二甲酸二甲酯，用於生產喹吡啶酮顏料及感光聚合物 Dimethyl 1,4-Cylohexanedione-2,5-dicarboxylate, is used for the production of quinacridone pigments and photosensitive polymer
「東奧生產廠房」 「Dongao Production Plant」	指	根據資產租賃協議及新資產租賃協議租自彩客東奧並由彩客東營經營的生產廠房（位於中國山東省東營市），包括與（其中包括）PNT、ONT、MNT、OT及NMP（一硝基甲苯的設計年總產能為80,000噸）生產相關的生產廠房、土地、設備及設施等所有現有資產 the production plant (including all the existing assets including factory premises, land, equipment and facilities in relation to the production of, among others, PNT, ONT, MNT, OT and NMP with an aggregate annual designed production capacity of 80,000 tonnes of mononitrotoluene) which is leased from Tsaker Dongao under the Assets Leasing Agreement and the New Assets Leasing Agreement, and operated by Tsaker Dongying and located in Dongying, Shandong Province, the PRC

Definitions

釋義

「東光生產廠房」 「Dongguang Production Plants」	指	北東光生產廠房及南東光生產廠房（定義見招股說明書）的統稱 collectively, the North Dongguang Production Plant and the South Dongguang Production Plant (as defined in the Prospectus)
「東營生產廠房」 「Dongying Production Plant」	指	預期將由彩客東營營運的生產廠房，目前正在中國山東省東營籌備建設，將主要從事生產DSD酸及其他染料及顏料中間體 the production plant which is expected to be operated by Tsaker Dongying and currently under preparation for the construction in Dongying, Shandong Province, the PRC, and will primarily engage in the production of DSD Acid and other dye and pigment intermediates
「DSD酸」 「DSD Acid」	指	4,4'-二氨基二苯乙烯-2,2'-二磺酸，用作染料、熒光增白劑及殺蟲劑的中間體 4,4'-Diaminostilbene-2,2'-disulfonic acid, which is used as an intermediate of dyes, fluorescent whitening agents and pesticides
「本集團」 「Group」	指	本公司及不時的附屬公司 our Company and our subsidiaries from time to time
「港元」或「港幣」 「HK\$」或「Hong Kong dollars」 or 「HK dollars」	指	香港法定貨幣港元 Hong Kong dollars, the lawful currency of Hong Kong
「香港」 「Hong Kong」	指	香港特別行政區 the Hong Kong Special Administrative Region of the PRC
「除草劑」 「herbicides」	指	用於殺滅或抑制多餘植物生長的化學藥劑 a chemical agent used to kill or inhibit the growth of unwanted plants
「華戈控股」 「Huage Holdings」	指	華戈控股集團有限公司，於一九九九年十二月六日根據中國法律成立的公司，由戈弋先生及戈建華先生分別持有 Huage Holdings Group Co., Ltd. (華戈控股集團有限公司), a company established under the laws of the PRC on 6 December 1999 and was held by Mr. Ge Yi and Mr. Ge Jianhua

Definitions

釋義

「獨立第三方」	指	獨立於本公司及其任何附屬公司董事、主要行政人員或主要股東及彼等各自的聯繫人士且與他們並無關連（定義見上市規則）的一名或多名人士、一間或多間公司
「independent third party(ies)」		a person, persons, company or companies which is or are independent of, and not connected with (within the meaning under the Listing Rules), any directors, chief executive or substantial Shareholders of our Company, any of its subsidiaries or any of their respective associate(s)
「中間體」 「intermediates」	指	作為生產其他化學品的原材料化學物 chemicals that are used as raw materials to produce other chemical products
「ISO14001:2004」	指	於二零零四年制定及於二零零九年及二零一一年經修訂的國際標準組織環境管理體系標準
「ISO14001:2004」		International Organization for Standardization standard for environmental management systems as enacted in 2004 and amended in 2009 and 2011
「ISO9001」	指	國際標準化組織就設計、開發、生產、安裝及服務方面的質量保證而頒布的質量管理體系模型
「ISO9001」		quality management systems model published by International Organization for Standardization for quality assurance in design, development, production, installation and servicing
「上市」 「Listing」	指	股份於聯交所主板上市 listing of the Shares on the Main Board of the Stock Exchange
「上市日期」 「Listing Date」	指	二零一五年七月三日 3 July 2015
「上市規則」 「Listing Rules」	指	聯交所證券上市規則 the Rules Governing the Listing of Securities on the Stock Exchange
「MNT」	指	3-硝基甲苯或間硝基甲苯，用作農藥中間體、醫藥中間體及染料及顏料中間體
「MNT」		3-nitrotoluene or meta-nitrotoluene, which is used as agricultural chemical intermediates, pharmaceutical intermediates, and dye and pigment intermediates

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「標準守則」 「Model Code」	指	上市規則附錄十所載「上市發行人董事進行證券交易的標準守則」 the 「Model Code for Securities Transactions by Directors of Listed Issuers」 as set out in Appendix 10 to the Listing Rules
「戈弋先生」或「戈先生」 「Mr. Ge Yi」 or 「Mr. Ge」	指	戈弋，我們的控股股東之一、執行董事、主席兼行政總裁 Ge Yi (戈弋), one of our Controlling Shareholders, an executive Director, our Chairman and Chief Executive Officer
「戈建華先生」 「Mr. Ge Jianhua」	指	戈建華，本集團創始人及戈弋先生的父親 Ge Jianhua (戈建華), the founder of our Group and the father of Mr. Ge Yi
「戈建勇先生」 「Mr. Ge Jianyong」	指	戈建勇，為戈建華先生的兄弟及戈弋先生的叔父 Ge Jianyong (戈建勇), brother of Mr. Ge Jianhua and uncle of Mr. Ge Yi
「一硝基甲苯」 「mononitrotoluene」	指	PNT、ONT及MNT PNT, ONT and MNT
「新資產租賃協議」 「New Assets Leasing Agreement」	指	彩客東營與彩客東奧訂立的日期為二零一六年三月十七日之新資產租賃協議，據此，彩客東奧同意將東奧生產廠房出租予彩客東營 the new assets leasing agreement dated 17 March 2016 entered into between Tsaker Dongying and Tsaker Dongao, pursuant to which Tsaker Dongao agreed to lease to Tsaker Dongying the Dongao Production Plant
「NMP」 「NMP」	指	N-甲基-2-吡咯烷酮，用於清潔能源行業，包括鋰電池生產、高分子聚合物材料及醫藥行業 N-methyl-2-pyrrolidone, which is used in the clean energy industry, including lithium battery manufacturing, high polymer material industry and pharmaceutical industry, etc.
「提名委員會」 「Nomination Committee」	指	董事會提名委員會 nomination committee of the Board
「OBA」 「OBA」	指	廣泛應用於紙張、清潔劑及紡織品生產的光學增白劑 optical brightening agents that are widely adopted in the production of paper, detergent and textile

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「OBA資產租賃協議」	指	彩客夏津與夏津縣振華化學科技有限公司日期為二零一六年十二月二十一日訂立的經營租賃協議
「OBA Assets Leasing Agreement」		the operating lease agreement dated 21 December 2016 entered into between Tsaker Xiajin and 夏津縣振華化學科技有限公司 (Xiajin Zhenhua Chemical & Technology Company Limited*)
「ONT」	指	2-硝基甲苯或鄰硝基甲苯，用作農藥中間體的原材料，尤其是除草劑、醫藥中間體、染料及顏料中間體等
「ONT」		2-nitrotoluene or ortho-nitrotoluene, which is used as the raw materials for intermediates for agricultural chemicals, in particular herbicides, pharmaceutical intermediates, dye and pigment intermediates, etc.
「OT」	指	鄰甲苯胺，ONT的下游產品，主要用作農藥（尤其是除草劑）的中間體
「OT」		ortho-toluidine, a downstream product of ONT, primarily applied as intermediate for agricultural chemicals, especially herbicides
「彩客東奧一期」	指	彩客東營於二零一五年一月起從彩客東奧租賃年產能(a)40,000噸一硝基甲苯（包括PNT、ONT及MNT）和(b)6,000噸N-甲基-2吡咯烷酮(NMP)的生產設備
「Phase I Tsaker Dongao」		Tsaker Dongying leased the production facilities with annual production capacity of (a) 40,000 tonnes of mononitrotoluene (consisting of PNT, ONT and MNT) and of (b) 6,000 tonnes of N-methyl-2-pyrrolidone (NMP) from Tsaker Dongao from January 2015
「彩客東奧二期」	指	彩客東營於二零一六年三月從彩客東奧租賃的額外40,000噸一硝基甲苯（包括PNT、ONT及MNT）
「Phase II Tsaker Dongao」		Tsaker Dongying leased the production facilities with an additional 40,000 tonnes of mononitrotoluene (consisting of PNT, ONT and MNT) from Tsaker Dongao from March 2016
「PNT」	指	4-硝基甲苯或對硝基甲苯，用作染料中間體及顏料中間體的原材料，包括DSD酸
「PNT」		4-nitrotoluene or para-nitrotoluene, which is used as the raw materials for dye intermediates and pigment intermediates, including DSD Acid



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「中國」或「中國大陸」	指	中華人民共和國，除非文義另有所指，否則不包括香港、中國澳門特別行政區及台灣
「PRC」 or 「China」 or 「Mainland China」		the People's Republic of China, it excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, unless otherwise indicated
「招股說明書」 「Prospectus」	指	本公司日期為二零一五年六月二十三日的招股說明書 the prospectus of the Company dated 23 June 2015
「薪酬委員會」 「Remuneration Committee」	指	董事會薪酬委員會 remuneration committee of the Board
「報告期」 「Reporting Period」	指	自二零一七年一月一日起至二零一七年十二月三十一日期間 The period from 1 January 2017 to 31 December 2017
「回顧年」 「Review Year」	指	自二零一七年一月一日至二零一七年十二月三十一日 from 1 January 2017 to 31 December 2017
「人民幣」 「RMB」	指	中國法定貨幣人民幣 Renminbi, the lawful currency of the PRC
「證監會」 「SFC」	指	香港證券及期貨事務監察委員會 the Securities and Futures Commission of Hong Kong
「股份」 「Share(s)」	指	本公司之股份 the share(s) of the Company
「股東」 「Shareholder(s)」	指	本公司股東 the shareholder(s) of the Company
「聯交所」 「Stock Exchange」	指	香港聯合交易所有限公司 The Stock Exchange of Hong Kong Limited
「噸」 「tonnes」	指	公噸 metric tonnes
「傳化」 「Transfar」	指	傳化國際控股有限公司，於二零一一年一月十七日在香港註冊成立的公司，為首次公開發售前投資者之一 Transfar International Holding Co., Ltd. (傳化國際控股有限公司), a company incorporated in Hong Kong with limited liability on 17 January 2011, one of our pre-IPO investors

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「彩客北京」	指	彩客科技(北京)有限公司，於二零一三年十月十七日根據中國法律成立的公司並為本公司間接全資附屬公司
「Tsaker Beijing」		Tsaker Technology (Beijing) Co., Ltd. (彩客科技(北京)有限公司), a company established under the laws of the PRC on 17 October 2013, and an indirectly wholly-owned subsidiary of our Company
「彩客滄州」	指	彩客化學(滄州)有限公司，於二零零五年九月二十三日根據中國法律成立的公司及本公司間接全資附屬公司
「Tsaker Cangzhou」		Tsaker Chemical (Cangzhou) Co., Ltd. (彩客化學(化學)有限公司), a company established under the laws of the PRC on 23 September 2005, and an indirectly wholly-owned subsidiary of our Company
「彩客東奧」	指	山東彩客東奧化學有限責任公司，於二零零四年三月十五日根據中國法律成立的公司並為本公司的間接全資附屬公司
「Tsaker Dongao」		Shandong Tsaker Dongao Chemicals Co., Ltd. (山東彩客東奧化學有限責任公司), a company established under the laws of the PRC on 15 March 2004, and an indirectly wholly-owned subsidiary of our Company
「彩客東光」	指	彩客化學(東光)有限公司，於二零一三年五月七日根據中國法律成立的公司及本公司間接全資附屬公司
「Tsaker Dongguang」		Tsaker Chemical (Dongguang) Co., Ltd. (彩客化學(東光)有限公司), a company established under the laws of the PRC on 7 May 2013, and an indirectly wholly-owned subsidiary of our Company
「彩客東營」	指	彩客化學(東營)有限公司，於二零一四年五月二十日根據中國法律成立的公司及本公司間接全資附屬公司
「Tsaker Dongying」		Tsaker Chemical (Dongying) Co., Ltd. (彩客化學(東營)有限公司), a company established under the laws of the PRC on 20 May 2014, and an indirectly wholly-owned subsidiary of our Company
「彩客香港」	指	彩客化學(香港)有限公司，於二零一零年九月二日在香港註冊成立的有限公司並為本公司間接全資附屬公司
「Tsaker Hong Kong」		Tsaker Chemical (Hong Kong) Co., Ltd. (彩客化學(香港)有限公司), a company incorporated in Hong Kong with limited liability on 2 September 2010, and an indirectly wholly-owned subsidiary of our Company



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「彩客夏津」	指	彩客化學(夏津)有限公司，於二零一六年十二月二日根據中國法律成立的公司，本公司的間接全資附屬公司
「Tsaker Xiajin」		Tsaker Chemical (Xiajin) Co., Ltd.* (彩客化學(夏津)有限公司), a company established under the laws of the PRC on 2 December 2016, and an indirectly wholly-owned subsidiary of our Company
「美元」 「US\$」 or 「US Dollar」 or 「USD」	指	美國法定貨幣美元 United States dollars, the lawful currency of the United States of America
「夏津振華」 「Xiajin Zhenhua」	指	夏津縣振華化學科技有限公司，根據中國法律成立的公司，獨立第三方 Xiajin Zhenhua Chemical & Technology Company Limited* (夏津縣振華化學科技有限公司), a company established under the laws of the PRC and an independent third party
「億嘉鐵粉」 「Yijia Iron Powder」	指	東光縣億嘉鐵粉有限公司，於二零零九年五月六日根據中國法律成立的公司，及由戈健勇先生直接全資擁有 Dongguang Yijia Iron Powder Co., Ltd (東光縣億嘉鐵粉有限公司), a company established under the laws of the PRC on 6 May 2009 and is directly wholly-owned by Mr. Ge Jianyong



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