



東岳集團有限公司

DONGYUE GROUP LIMITED

(於開曼群島註冊成立之有限公司)
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主席報告書

CHAIRMAN'S STATEMENT

2018年，國內經濟呈現下行趨勢，經濟增速減緩，且因中美貿易摩擦的升級，對外貿易情況受到一定影響。在國內經濟不確定性增強的情況下，氟硅行業也在本年度出現了一定波動，下游需求變動導致部分產品價格有所下滑。然而，在波動的大環境下，東岳仍然憑借自身的各方面優勢，於年度內創造了良好的業績，保持了較高幅度的業績增長，取得了令人滿意的成績。

In 2018, the domestic economy showed a downward trend in economic growth, and the foreign trade was impaired to a certain extent due to the escalation of trade conflicts between China and the United States. During the year, the fluorosilicone industry experienced certain fluctuations in the face of increased domestic economic uncertainties, and the changes in the downstream demands resulted in the decline of some products' prices. However, in the turbulent environment, Dongyue still maintained relatively high performance, and achieved satisfactory results during the year by virtue of its various advantages.

ZHANG JIANHONG Chairman
張建宏 主席

業績回顧

1. 業績顯著增長

本回顧年度內，本集團總收益達到人民幣14,218,937,000元，較2017年人民幣10,137,137,000元同比增長40%，毛利率達到31.87%，較去年同期增加1.64個百分點，除稅前溢利達到人民幣3,234,899,000元，較去年同期增長51.04%。集團幾個最主要的經營板塊，業績皆取得了較大幅度的增長。雖然行業情況因各方面因素受到了較大波動，但本集團憑借完善的產業鏈、優秀的研發能力、優質的服務、豐富的市場經驗、嚴謹的安全環保管理等優勢，克服行業不穩定因

Business Review

1. Significant growth in results

During the year under review, the Group recorded total revenue of RMB14,218,937,000, representing a year-on-year increase of 40% as compared to RMB10,137,137,000 in 2017; our gross profit margin was 31.87%, representing a year-on-year increase of 1.64% as compared to last year; and our profit before tax amounted to RMB3,234,899,000, representing a year-on-year increase of 51.04% as compared to last year. Several of the Group's major operating segments had achieved significant growth in results. Despite substantial changes in various industrial factors, by leveraging its advantages of the complete industrial chain, outstanding research and development capabilities, quality services, rich market experience, rigorous safety and environmental management, the Group overcame uncertainties in the industry and achieved



素，取得了優秀的業績，使本集團繼續走在氟硅行業的領先位置。

2. 多項榮譽使集團社會形象及影響力增強

本年度，本集團取得了多項榮譽。東岳氯鹼離子膜入選國家博物館改革開放40週年成就展。本集團還在年內主持或參與起草了行業相關的國家標準2項，地方標準4項，團體標準3項，各子公司榮獲了氟硅行業協會、石化聯合會等授予的技術創新示範企業等榮譽12項。東岳長期以來的表現也贏得了國家及社會的普遍認可，而本公司主席張建宏先生

excellent results, continuing to outshine its industrial peers in the fluorosilicone industry.

2. Enhanced social image and influence of the Group by a number of honors

During the year, the Group was showered with honors. Our chlor-alkali ion membrane was selected in the National Museum's Results Exhibition of 40th Anniversary of China's Reform and Opening Up. During the year, the Group also presided over or participated in the drafting of 2 national industrial standards, 4 local industrial standards and 3 group industrial standards, while its subsidiaries had won 12 honors such as technical innovation demonstration enterprise awarded by the fluorosilicone industry association and the petrochemical federation, etc. Benefitting from the Group's long-term outstanding performance, Dongyue

也因東岳優秀的表現獲得了多項榮譽。11月1日，張建宏先生參加了習近平總書記主持召開的民營企業座談會，受到了總書記的親切接見。張建宏先生還應邀參加慶祝改革開放40週年大會，並入選為改革開放40年百名傑出民營企業家名單。以上的成就，極大地增強了本集團的社會形象和影響力，增加了本集團的競爭力，行業龍頭地位更加穩固。

3. 堅持以科技創新保證競爭力

本集團一直以來以自主創新為自身的重要競爭力，集團管理層對科技創新非常重視。本集團2018年研發投入較2017年增長84.47%。本年度內，集團技術創新、自動化提升等項目年內完成並取得較好效果的39項，新產品研發質量提升項目10項，其中，含氟高分子材料DF-2049，DF-161等新產品進入環保、半導體等高端應用領域，PFOA實現70%替代，PFA、中高氟三元膠實現規模化銷售，氫氟醚、氟硅橡膠等得到推廣應用，有機硅方面新開發的紡織助劑系列產品氨基硅油、端環氧硅油實現工業化，鋰電用氟硅表面活性劑、離型硅橡膠中試成功，達成試用訂單。同時，本集團自主研發的氯鹼離子膜通過進一步的研發，製造成本大幅下降，並在市場上獲得多家客戶的應用，贏得了市場的認可。期內，本集團申請專利40項，獲得授權專利31項，使本集團授權專利總數達到361項。

earned widespread recognition from the state and society, and Mr. Zhang Jianhong, the chairman of the Company, was also honored to be awarded many honors. On 1 November 2018, Mr. Zhang Jianhong participated in a symposium on private enterprises hosted by Xi Jinping, General Secretary of the Communist Party of China, and received a cordial reception from him. In addition, Mr. Zhang Jianhong was also invited to join the 40th anniversary celebration of reform and opening up, and was selected in the list of 100 outstanding private entrepreneurs during the 40 years of reform and opening up. The above achievements have greatly enhanced the Group's social image and influence and increased our competitiveness, thus reinforcing our leading position in the industry.

3. Maintaining competitiveness with scientific and technological innovation

The Group has always considered independent innovation as its important competitiveness, and the management of the Group has attached great importance to scientific and technological innovation. The Group's R&D investment in 2018 increased by 84.47% as compared with that of 2017. During the year, the Group completed 39 successful projects of technological innovation, automation enhancement and other topics, and 10 projects of new product development and quality improvement. Among them, new products such as the fluorine-containing polymers DF-2049 and DF-161 had been used in the high-end application fields including environmental protection and semiconductors; we achieved the replacement rate of 70% for PFOA; PFA and the medium-and-high fluororubber realized mass scale sales; hydrofluoroethers and fluorosilicone rubber had been popularized and applied; and the newly developed series of textile auxiliaries such as amino silicone oil and epoxy-terminated silicone oil had become industrialized; and the fluorosilicone surfactant and the release silicone rubber for lithium battery were successfully tested and secured trial orders. Moreover, more R&D efforts had been put into the chlor-alkali ion membrane which was independently researched and developed by the Group. The Group lowered its manufacturing costs drastically. It has been used by many customers in the market and won recognition in the market. During the period, the Group was successfully awarded 31 patents out of 40 patent applications, bringing the total number of the Group's awarded patents to 361.

同時，本集團還加強了對外合作研發平台的建設。年內，本集團與多家高校及研究所聯合研發項目初見成效，全氟聚醚潤滑油、新型107膠催化劑、高性能阻燃硅橡膠等項目取得階段性成果。另外，本集團在大型城市建設的研發中心項目也陸續開始建設。

At the same time, the Group has also strengthened the construction of the external cooperative R&D platform. During the year, the Group's joint research and development projects with a number of universities and research institutes have achieved initial results. The projects such as perfluoropolyether lubricants, new type of 107-glue catalysts and high-performance flame retardant silicone rubber have achieved progressive breakthroughs. In addition, the Group's R&D center projects in large-scale cities have also started construction.

4. 保證安全環保生產

近年來，國內非常重視安全環保生產，本集團一直以來高標準、嚴要求的安全、環保理念，使本集團近幾年在行業變化中立於不敗之地。年內，本集團進一步形成集團安全環保生產管理標準化體系。引入的杜邦安全管理理念在本集團初見成效，有效降低了各子公司的安全風險。本集團已於主要生產地的園區內建成淨水廠，實現了園區內水的循環綜合利用，減少了水的外排量。

4. Ensuring safe and environmentally-friendly production



In recent years, China has attached great importance to safe and environmentally-friendly production. The Group's high and strict standards of safety and environmental protection have enabled itself to weather all the changes in the industry in recent years and remain unbeaten. During the year, the Group continued to establish a standardized system of safe and environmentally-friendly production management. The DuPont safety management concept introduced has initially achieved results in the Group, effectively reducing the safety risks of its subsidiaries. The Group has built a water purification plant in the park of the main production sites, which has enabled the recycling and comprehensive utilization of water in the park and reduced the amount of water discharged.

5. 提高整體管理水平

在行業波動較大時，加強自身管理、練好內功是企業穩定經營的有效措施，本集團始終將提高管理水平作為重要的發展策略之一。本年度內，集團上線SAP項目，整合了內外系統，部分形成統一管理運營平台，集團「學台塑」管理信息化向前推進一大步。供應商方面，本集團把握市場變化，不斷優化供應商管理，提升採購質量，對比同行嚴控價格。

5. Improving overall management level

When industries are sensitive to market fluctuations, in order to maintain stable operation, one enterprise needs to take effective measures to strengthen its own management and improve itself. The Group always regards improving its own management level as one of the important development strategies. During the year, the Group launched its SAP project to integrate internal and external systems and partially form a unified management and operation platform. The Group has taken a big step forward in carrying out the "Benchmarking Formosa Plastics" IT-based management. As for the suppliers, the Group grasped market changes, continuously optimized the supplier management, improved procurement quality and strictly controlled prices by comparing with peers' prices.

6. 產業鏈和園區經濟優勢進一步提升

產業鏈和園區經濟優勢是東岳長期以來的發展優勢，因此集團管理層對延伸產業鏈及發展園區經濟非常重視。本年內，集團最主要的生產基地東岳化工園區於6月26日經山東省政府批准成立，成為山東省第一家專業化工園區。該園區的審批有利於集團應對國家政策，推動項目實施，從而在未來經濟形勢的變化中獲得更有利的發展空間。

7. 資本市場加強運作

年內，本集團在資本運作方面有進一步的進展。本集團子公司山東東岳有機硅材料股份有限公司(下稱「東岳硅材」)於2018年11月向中國證監會提出上市申請，目前相關事項正在逐步進行之中。東岳硅材若能成功上市，將可拓寬融資管道，提升發展潛力，盡快做大做強東岳硅材的業務，提升其競爭力和行業地位，加大科技、環保的投入，提高盈利能力，為本公司股東帶來回報。

8. 員工待遇進一步得到提升

本集團管理層長期以來非常關注員工的待遇情況，本年度內又有多項措施提高員工福利待遇。2018年12月，本集團採納了員工購股權計劃，將在未來五年內授予員工，並在十年內發揮其作用，提高員工福利。另外，本年度內本集團還通過為員工量身定做服裝、修改休假制度等方式，進一步提高員工福利待遇。

6. Further enhancing advantages of the industrial chain and the park economy

The advantages of the industrial chain and the park economy have been the development advantages of Dongyue for a long time. Therefore, the management of the Group attaches great importance to extending the industrial chain and developing the park economy. During the year, Dongyue Chemical Park, the Group's most important production base, being the first specialized chemical park in Shandong Province, was established as approved by the Shandong Provincial Government on June 26 2018. Such approval would help the Group to respond to national policies and promote project implementation, so as to obtain more favorable development benefits arising from the future changes in the economic situation.

7. Strengthening capital market operation

During the year, the Group made further progress in capital operation. Shandong Dongyue Organosilicone Materials Co., Ltd. (山東東岳有機硅材料股份有限公司) ("Dongyue Organosilicone", a subsidiary of the Group), filed a listing application with the China Securities Regulatory Commission in November 2018, and related matters are currently in progress. The successful listing of Dongyue Organosilicone would expand its financing channels, enhance its development potential and strengthen its own business as soon as possible, with an aim of enhancing its competitiveness and industrial position, increasing investments in technology and environmental protection, improving profitability and ultimately bringing returns to the Company's shareholders.

8. Further improving employee benefits

The management of the Group has been maintaining long-term focus on the benefits of employees. During the year, there were a number of measures introduced to improve employee benefits. In December 2018, in order to improve employee benefits, the Group adopted an employee option scheme, pursuant to which, options would be granted to employees within the next five years and would be vested within ten years. In addition, during the year, the Group further improved employee benefits by tailoring clothing for employees and modifying the vacation system.

未來展望

雖然本集團在2018年取得了較為優秀的業績，但仍然不能輕視經濟環境及行業波動帶來的影響。因此，本集團將在2019年作出如下部署：

1. 根據形勢，緊抓市場

經歷了2018年行業風雲突變的過程，2019年本集團要進一步抓住市場。本集團將加大市場研究力度，把握市場動態，並積極準備應對策略。一方面，要保證價格、質量、數量，搶佔市場份額；另一方面，要推廣新產品市場，開拓新應用市場，打入高端市場，將產品市場最大化。

2. 堅持科技創新不動搖

為應對新形勢下的市場需求，2019年集團各公司將堅持創新不動搖，不斷提升新產品收入比重，提高新技術應用率，積極使用新技術、新設備、新工藝，提升綜合效率，積極探索在新產品創新與應用、改性產品、催化劑改型換代、環保技術、節能技術、循環利用等方面的提升，適應經濟發展形勢，促進集團向更高質量發展。為實現此目標，本集團將把科研投入作為各公司的硬性考核指標，增加研發投入，加快研發平台建設，健全考核機制，實施長效創新激勵計劃。

Prospect

Although the Group achieved relatively good results in 2018, it should not underestimate the impacts of fluctuations of the economic environment and the industry. Therefore, the Group will make the following deployments in 2019:

1. Keep a close eye on the market development

After sustaining sudden changes in the industry in 2018, the Group is determined to develop itself in light of the market development in 2019. The Group will increase its market research efforts and grasp any changes in the market to actively prepare for coping strategies. On the one hand, the Group is committed to secure market share with guaranteed price, quality and quantity; on the other hand, the Group will promote new products to new application market, strive to enter high-end market and maximize market for its products.

2. Adhere to scientific and technological innovation

In response to the market demand in the new situation, all the companies under the Group will insist on innovation in 2019. Specifically, in line with the economic development, we should continuously increase the proportion of new products' revenue and the application rate of new technologies, actively apply new technologies, new equipment and new processes to improve overall efficiency, and actively explore enhancements in terms of new product innovation and application, modified products, catalyst modification and upgrading, environmental protection technologies, energy-saving technologies and recycling, promoting the Group's higher-quality development. In order to achieve this goal, the Group will set the scientific research investment as a mandatory assessment indicator for each company so as to increase investment in research and development, accelerate the construction of research and development platforms, improve the assessment mechanism and implement a long-term innovation incentive scheme.

3. 進一步提高安全環保生產水平

2019年，本集團將繼續做好安全環保生產。環保方面，集團將進一步加大水循環的利用，嚴格處理廢水廢渣廢氣等廢棄物。安全方面，本集團將繼續嚴格落實「學杜邦」，並逐漸形成自有的東岳安全文化，實現生產經營長治久安。

4. 進一步提升管理水平

2019年，本集團將依靠優質的管理，進一步發掘利潤，將利潤最大化。供應方面，本集團將嚴控供應商管理，提高採購質量，降低採購成本；生產方面，本集團將努力提高產品質量，降低物耗能耗；費用方面，做好預算，控制不必要的支出，開展反浪費行動；效率方面，本集團將進一步完善智能化、信息化建設，實現SAP系統全覆蓋，內外服務網絡化，盡可能消除生產經營過程中無效的勞動和資源，對標國內外優秀先進企業，精心制定方案，細化改進措施。

5. 認真、謹慎做好資本運作

資本運作是能夠拉動實業發展的一駕馬車。2019年，本集團將繼續把東岳硅材分拆上市事務按照安排逐步執行，全力推動東岳硅材國內IPO，實現資本市場再突破，助力實體經濟。另外，本集團還將加強公司資產管理，注重資產收益率，有效控制資產風險。本集團將專注於氟硅行業和氫能項目投資，對房地產的投資將控制在一個適度的水平，對非主業的投資要逐步減少和退出。

3. Further improve the level of safe and environmentally-friendly production

In 2019, the Group will continue to carry out safe and environmentally-friendly production. In terms of environmental protection, the Group will further increase the utilization of water recycling and strictly dispose of wastes such as wastewater, waste residue and exhaust gases. In respect of safety, the Group will continue to strictly implement the "Benchmarking DuPont" management and gradually form its own Dongyue safety culture to achieve long-term stability in production and operation.

4. Further improve the management level

In 2019, the Group will rely on quality management to further explore and maximize profits. For the supply, the Group will strictly control the management of suppliers, improve procurement quality and reduce procurement costs; for the production, it will strive to improve product quality and reduce resources and energy consumption; for the expenses, it will carefully budget, control unnecessary expenditures and carry out actions against wasting; and for the efficiency, the Group will further improve the intelligent and informatization construction to realize the full coverage of the SAP system, and connect the internal and external services via network to eliminate the ineffective labor and resources in the production and operation process as much as possible, and it will also carefully formulate plans and refine the improvement measures after benchmarking the outstanding advanced enterprises at home and abroad.

5. Do well in capital operation

Capital operation is another driving force for the industrial development. In 2019, the Group will continue to implement the spin-off listing of Dongyue Organosilicone step by step as planned and fully promote the domestic IPO of Dongyue Organosilicone, in the hope of achieving another breakthrough in the capital market to boost the real economy. In addition, the Group will also strengthen corporate asset management, focus on asset yields and effectively control asset risks. The Group will focus on investing in the fluorosilicone silicon industry and hydrogen energy projects. The investments in the real estate projects will be constrained at a moderate level, and the investments in non-core businesses will be gradually reduced and withdrawn.

6. 加強人力資源管理，增加人才歸屬感

2019年，本集團將踐行「人才在哪裡，市場在哪裡，東岳就在哪裡」的理念，對標國際一流企業的研發機構建立東岳科研體系、項目管理體系、績效考核體系，構建強大的研發平台。在員工福利方面，本集團將根據實際情況落實僱員購股權計劃，為僱員購股權計劃打造一個良好的開端；另外，本集團園區內將完成配餐中心的建設，以提高員工配餐質量和標準。

2018年創造了本集團歷史上輝煌絢麗的篇章，在全體東岳人為此驕傲的同時，我們也不能放鬆警惕。2019年將是充滿挑戰的一年，我們要完善自身，練好內功，發揮集團優勢，保持行業龍頭地位，進一步走向世界、走向未來，努力實現優秀的業績，為廣大投資者創造穩定、客觀的收益。

6. Strengthen human resources management and increase the sense of belonging

In 2019, the Group will practice the concept of "Where there is the talent, where there is the market, there is Dongyue", and establish the Dongyue scientific research system, project management system and performance appraisal system through benchmarking the R&D institutions of the international first-class enterprises, in order to build a strong R&D platform. In terms of employee benefits, the Group will implement the employee option scheme based on actual conditions and create a good start for the employee option scheme; furthermore, the construction of the catering center will be completed in the Group's park to improve the quality and standards of staff catering.

In 2018, we created a glorious chapter in the history of the Group and all Dongyue employees are proud of the achievements. However, we should not sit back and relax. 2019 will be a year full of challenges. We must improve ourselves and give full play to our advantages to maintain the leading position in the industry, and further pursue the world-class reputation and on-going operation and strive to achieve excellent results to create stable and objective returns for our investors.

管理層討論與分析

MANAGEMENT DISCUSSION AND ANALYSIS

財務回顧

業績摘要

截至2018年12月31日止年度，本集團錄得約人民幣14,218,937,000元的收益，較去年人民幣10,137,137,000元增加40.27%。毛利率增加至31.87%（2017年：30.23%）及經營溢利率為23.50%（2017年：22.21%）。於回顧年度內，本集團錄得除稅前溢利約人民幣3,234,899,000元（2017年：除稅前溢利人民幣2,141,773,000元）及淨溢利約人民幣2,434,699,000元（2017年：人民幣1,681,799,000元），而本公司擁有人應佔綜合溢利約為人民幣2,129,098,000元（2017年：人民幣1,601,397,000元）。每股基本盈利為人民幣1.00元（2017年：基本盈利人民幣0.76元）。

董事會建議向於2019年6月4日名列本公司股東名冊的股東派付末期股息每股0.35港元（2017年：0.30港元）。

FINANCIAL REVIEW

Results Highlights

For the year ended 31 December 2018, the Group recorded revenue of approximately RMB14,218,937,000, representing an increase of 40.27% over RMB10,137,137,000 in the previous year. The gross profit margin increase to 31.87% (2017: 30.23%) and the operating results margin was 23.50% (2017: 22.21%). During the year under review, the Group recorded profit before tax of approximately RMB3,234,899,000 (2017: profit before tax of RMB2,141,773,000), and net profit of approximately RMB2,434,699,000 (2017: RMB1,681,799,000), while consolidated profit attributable to the Company's owners was approximately RMB2,129,098,000 (2017: RMB1,601,397,000). Basic earnings per share was RMB1.00 (2017: basic earning of RMB0.76).

The Board recommended the payment of a final dividend of HK\$0.35 (2017: HK\$0.30) per share to the shareholders whose names appear on the register of members of the Company on 4 June 2019.



分部收益及經營業績

本集團截至2018年12月31日止年度及截至2017年12月31日止年度按呈報及經營分部分類的收益及業績的比較載列如下：

Segment Revenue and Operating Results

Set out below is the comparison, by reportable and operating segments, of the Group's revenue and results for the year ended 31 December 2018 and the year ended 31 December 2017:

呈報及經營分部	Reportable and Operating Segments	截至2018年12月31日止年度 For the year ended 31 December 2018			截至2017年12月31日止年度 For the year ended 31 December 2017		
		收益 Revenue 人民幣千元 RMB'000	業績 Results 人民幣千元 RMB'000	經營 溢利率 Operating Results Margin	收益 Revenue 人民幣千元 RMB'000	業績 Results 人民幣千元 RMB'000	經營 溢利率 Operating Results Margin
高分子材料	Polymers	3,879,793	915,014	23.58%	2,927,843	605,053	20.67%
有機硅	Organic Silicone	3,380,373	984,040	29.11%	2,428,256	433,836	17.87%
製冷劑	Refrigerants	3,260,154	805,467	24.71%	2,502,275	588,442	23.52%
二氯甲烷、聚氯乙 烯(「PVC」)及燒鹼	Dichloromethane, Polyvinyl Chloride ("PVC") and Liquid Alkali	1,723,746	466,059	27.04%	1,604,099	354,554	22.10%
開發物業	Property development	239,639	65,524	27.34%	285,510	32,648	11.43%
其他	Others	1,735,232	105,745	6.09%	389,154	237,215	60.96%
綜合	Consolidated	14,218,937	3,341,849	23.50%	10,137,137	2,251,748	22.21%

收益及經營業績分析

本回顧年度內，國內經濟受到國際影響而產生一定波動，國內氟硅行業市場受到波及，隨之也產生一定波動。上半年行業呈現出了繁榮的市場狀態，但下半年因受到國際事件的影響，市場需求不穩定，導致部分產品價格有一定程度的下滑。但整體看來，因行業近幾年的發展情況良好，大部分產品仍然能夠產生不錯的利潤。本集團憑借完整的產業鏈、完善的園區經濟、嚴格的安全環保生產制度、優秀的市場口碑和市場地位、良好的產品質量、以及優質的服務等優勢，創造

Analysis of Revenue and Operating Results

During the year under review, the domestic fluorosilicone industry market in China experienced certain ups and downs as impacted by the fluctuations in the domestic economy due to international factors. There was a booming market for the industry in the first half of 2018, while certain products saw a price decline to a certain degree in the second half of 2018 due to unstable market demand caused by international events. Nevertheless in general, thanks to the favorable developments of this sector in recent years, most products could still maintain decent profitability. Leveraging on its strengths such as presence across the whole industry chain, well-developed park economy, strict mechanism for safe and environmentally-friendly production, outstanding market reputation and standing, good product quality and excellent service, the Group achieved a brilliant performance since the inception of the

出了公司發展歷史上光輝的業績。以各版塊情況來看，所有主要業務版塊業績皆有不同程度的增長。其中有機硅板塊和含氟高分子材料板塊業績增長迅速，是集團業績兩大最重要的板塊。

含氟高分子材料

本回顧年度內，含氟高分子材料分部收益為人民幣3,879,793,000元，較去年同期增長32.51%（2017年為人民幣2,927,843,000元），佔集團總收益的27.29%（2017年為28.88%）。其分部業績為盈利人民幣915,014,000元，較去年同期盈利人民幣605,053,000元增長51.23%。

本年度含氟高分子材料行業延續2017年良好的市場狀態，上半年產品價格增長至多年來最高水平，且增長幅度大於原材料價格上漲幅度，雖然下半年該分部產品價格有所下滑，但仍然能夠保持較高的利潤水平。含氟高分子材料產品最重要的原材料為R22，而R22近年來市場情況良好，價格在較高的位置較為穩定，導致含氟高分子材料的價格也能夠保持較高的水平，而其下游需求也在不斷增長，促使含氟高分子材料的市場進一步提升。

本集團依賴內部提供R22生產TFE（一種碳氟化合物），本集團利用TFE生產有關高分子材料產品，如PTFE（一種高度抵抗溫度轉變、絕緣、耐老化及耐化學品的合成含氟物高分子，用作塗層物料及可進一步加工成高端精細化學品，並可廣泛應用於化學、建築、電器與電子及汽車工業）及HFP（一種重要的有機氟化工單體，可用作生產多種精細化學品）。此外，本集團製冷劑分部提供R22及R142b作為生產多種下游含氟高分子精細化學品（包括FEP（PTFE改良物料，以HFP混入TFE而生產，主要用於鋪設電線絕緣層、薄壁管、熱能伸縮管、水泵、閥門及水管）、FKM（氟橡膠，一種專門氟化物料，基於其優異機械特性以及卓越的抗油、抗化學物質以及抗熱特性，主要用於航

Company. With regard to the operating segments, the performance of all the principal segments of the Company recorded different level of growth. In particular, the organic silicone segment and the fluoropolymer segment experienced rapid growth, and hence became the two most important segments of the Group in terms of segment results.

Fluoropolymer

During the year under review, the fluorine-containing polymers segment's revenue was RMB3,879,793,000, representing a year-on-year increase of 32.51% (2017: RMB2,927,843,000), accounting for 27.29% (2017: 28.88%) of the Group's total revenue. The results of the segment recorded a profit of RMB915,014,000, representing an increase of 51.23% as compared with RMB605,053,000 in the same period of the previous year.

Same as in 2017, the fluorine-containing polymers sector continued to see a favorable market condition. In the first half of 2018, product price rose to a record high in years, which also outpaced the rise in the price of raw materials. Despite a price fall in the second half of 2018, the products of this segment were still quite profitable. The most important raw material of the fluoropolymer products is R22. R22 has been enjoying a good market condition in recent years and therefore a relatively high and stable price, which in turn led to a relatively high price of fluoropolymer products, and together with the increasing downstream demand, it further boosted the market of fluoropolymer products.

The Group relies on the internal supply of R22 for the production of TFE (a fluorocarbon), which is used by the Group for the production of polymers products such as PTFE (a synthetic fluoropolymer with high level of resistance to temperature changes, electrical insulation, and aging and chemical resistant that is used as a coating material and can also be further processed into high-end fine chemicals which can be widely applied in the chemicals, construction, electrical and electronics and automotive industries) and HFP (an important organic fluorochemical monomer, which can be used to produce various fine chemicals). Furthermore, the refrigerants segment of the Group supplied R22 and R142b as the raw materials for the production of a variety of downstream fluoropolymer fine chemicals including FEP (modified materials of PTFE, produced with HFP added in TFE, mainly used in the lining for wire insulation layer, thin-walled tube, heat

天、汽車、機器及石油化學)、PVDF(以R142b生產VDF,再把VDF聚合製成的氟碳,主要用於氟塗層樹脂、氟化粉末塗層樹脂及鋰電池電極黏合物料)及VDF的原料,華夏神州已從事生產上述產品。其他氟化精細化學品(包括PPVE、PSVE、HFPO)組成華夏神州另一主要生產類別。

製冷劑

於本回顧年內,製冷劑分部收益為人民幣3,260,154,000元,較去年人民幣2,502,275,000元增長30.29%,佔集團總收益的22.93%(2017年為24.68%);而該分部業績為盈利人民幣805,467,000元,同比增長36.88%(2017年為盈利人民幣588,442,000元)。

與2017年市場情況類似,該分部收到環保政策的影響,產品價格能夠維持在較高水平,其最主要的原材料螢石粉和氫氟酸價格年內也在較高的價位浮動。雖然下半年受到國際形勢的影響,該分部下流的空調、冰箱等家電市場有所波動,但本集團憑借優秀的產品質量、品牌長期以來的口碑和影響力、以及大力開拓市場的經營策略,依然能夠在價格、銷量方面保持穩定,從而在波動中獲得令人滿意的收益及利潤。該分部最主要的製冷劑產品R22年內收益增長31.81%,是帶動該分部業績的最重要的產品。其他製冷劑因受下游市場的影響,收益各有漲跌。

本集團的R22產能為全球最高。作為本集團的核心製冷劑產品,R22是中國最為廣泛使用的製冷劑,普遍用於家用電器。此外,R22已成為生產含氟物高分子(即PTFE、HFP及其他下游氟化化

shrinkable tubes, pumps, valves and pipes), FKM (Fluorine Rubber, a specialized fluorinated material, which is mainly used in the fields of aerospace, automotives, machinery and petro-chemistry because of its superior mechanical property, and excellent oil, chemical and heat resistance), PVDF (fluorocarbon made with R142b to produce VDF, mainly used as a fluorine coating resin, fluorinated powder coating resin and lithium battery electrode binding material) and VDF, in which Huaxia Shenzhou has been engaging. Other fluorinated fine chemicals, including PPVE, PSVE, HFPO, formed another major production category of Huaxia Shenzhou.

Refrigerants

During the year under review, the refrigerant segment's revenue was RMB3,260,154,000, representing an increase of 30.29% as compared with RMB2,502,275,000 in the previous year, accounting for 22.93% of the Group's total revenue (2017: 24.68%); the results of the segment recorded a profit of RMB805,467,000, representing a year-on-year increase of 36.88% (2017: profit of RMB588,442,000).

Similar to the market situation in 2017, prices of this segment's products could maintain at a relatively high level in the context of the relevant environmental policies, while the prices of fluorite powder and Hydrofluoric Acid, being the most important raw materials, also fluctuated within a range at a relatively high level in 2018. Although there were certain fluctuations on the downstream household appliance market such as air-conditioners and refrigerators in the second half of 2018 due to international situations, the Group could still maintain a stable price and sales volume and hence a satisfactory revenue and profit against such fluctuations, by virtue of its excellent product quality, brand, well-established reputation and influence, and the vigorous operation strategy in market development. The revenue of R22, being the core refrigerant product of this segment, increased by 31.81% in 2018, which contributed the most to the revenue increase of this segment. With regard to other refrigerant products, the revenue experienced either rise or fall as impacted by the respective downstream markets.

R22 is the Group's backbone refrigerants product. The Group has the largest production capacity of R22 in the world. Moreover, R22 is the most widely used refrigerant in the PRC and is generally used in household appliances. Apart from that, it has been one of the key

學品)及R125的主要原材料。R125及R32為其他類型的綠色製冷劑(如R410a)的主要製冷劑混合物，以取代R22。目前，R410a為一種主要取代製冷劑，並已廣泛使用於變頻空調及其他綠色家用電器。R134a已廣泛使用於汽車空調的製冷及空調系統，而R152a為本集團另一種主要製冷劑產品，並能用作發泡劑、氣霧劑及清潔劑。R142b除可用作製冷劑、溫度控制介質及航空推進劑中間體外，亦可作為生產VDF的主要原材料之一。

根據蒙特利爾議定書，R22將於2030年末前被逐步淘汰，由其他綠色製冷劑取代。中國政府已不再批准任何作為製冷劑使用的新增R22產能。由2013年開始，中國政府已對國內所有R22生產商就其銷售R22作為製冷劑實施配額制。另一方面，雖然本集團擁有大量的R22產能，但由於其可以用作生產含氟高分子材料的原材料使用，本集團調整削減的R22用於生產含氟高分子材料，以滿足日益增長的含氟高分子材料市場的需求。

有機硅

於回顧年度內，有機硅分部收益由去年的人民幣2,428,256,000元，增長39.21%至人民幣3,380,373,000元，佔集團總收益的23.77%（2017年為23.95%）。該分部業績為盈利人民幣984,040,000元，較去年盈利人民幣433,836,000元增長126.82%。

本年內有機硅市場出現較大波動。上半年，有機硅市場延續2017年的良好態勢，產品價格持續增長，但下半年因受國際形勢的影響，有機硅產品下游市場需求下降，導致產品價格有較大幅度下滑。本集團憑借完善的產業鏈，優秀的營銷策略，以及長期以來的市場口碑和影響力，在該分

raw materials for the production of the fluoropolymers (i.e. PTFE, HFP and other downstream fluorinated chemicals) and R125. R125 and R32 are the key refrigerant mixture for other types of green refrigerants (such as R410a) to replace R22. Currently, R410a has been the principal replacing refrigerant which has been widely applied in inverter air conditioners and other green home appliances. R134a is broadly used in the refrigeration and air-conditioning systems in automobile air conditioners, while R152a is another key refrigerant product of the Group which can also be used as blowing agents, aerosols and cleaning agents. Apart from the fact that R142b can be used as refrigerant, temperature controller medium, and intermediates of aviation propellant, it can also be one of the main raw materials for the production of VDF.

Pursuant to the Montreal Protocol, R22 would be progressively phased out as a refrigerant by the end of 2030 and would be replaced by other green refrigerants. The Chinese government has stopped granting approval to the building up of new capacity for R22. Starting from 2013, the Chinese government has been enforcing a quota system for the sales of R22 as a refrigerant for all of the domestic R22 producers. On the other hand, R22 can be used as raw material for the production of the Fluoropolymer. Therefore, although the Group has a huge production capacity of R22, the saved production capacity of R22 as a refrigerant was transformed and utilized by the Group to produce Fluoropolymer in order to cope with the increasing market demand for Fluoropolymer.

Organic Silicone

During the year under review, the organic silicone segment's revenue grew by 39.21% to RMB3,380,373,000 from RMB2,428,256,000 in the previous year, accounting for 23.77% (2017: 23.95%) of the Group's total revenue. The result of the segment recorded a profit of RMB984,040,000, representing an increase of 126.82% from a profit of RMB433,836,000 in the previous year.

There were considerable fluctuations on the organic silicone market in 2018. The good momentum on the organic silicone market in 2017 lasted into the first half of 2018, which resulted in a continued rise in product prices. However, in the second half of 2018, the downstream market demand for organic silicone products declined as impacted by international situations, which resulted in a considerable fall in the

部產品大幅下滑後，仍然能夠保持一定的利潤水平。因此，本集團該分部業績年內仍然能夠獲得較高的增長率。該分部於近幾年內發展迅速，由略微虧損到如今的高利潤率，由業績最低的主營業務到如今業績最高的主營業務，除市場環境導致的因素以外，也是本集團長期以來不懈努力的結果。如今，該分部的經營公司山東東岳有機硅材料股份有限公司已於年內向中國證監會提交上市申請，若能成功上市，將可拓寬融資管道，提升發展潛力，盡快做大做強該分部的業務，提升其競爭力和行業地位，加大科技、環保的投入，提高盈利能力，為本公司股東帶來回報。

此分部主要包括生產及銷售DMC（用作生產如硅油、硅橡膠及硅樹脂等深加工中下游硅產品的上游有機硅中間體原材料）、107硅橡膠、生膠及混煉膠（統稱「硅橡膠」，深加工有機硅橡膠產品，而生膠為生產混煉膠的重要材料），以及其他副產品及其他高端下游產品，如氣相白炭黑及硅油。有機硅有「工業味精」之稱，主要以添加劑、處理化學品穩定劑、潤滑劑及密封劑形式廣泛用於軍事、航空、汽車、電子、建築及其他工業，並為工業加工的重要材料。本集團最初採用硅粉及自供的一氯甲烷生產硅單體並將硅單體進一步加工成為硅中間體（主要為DMC），本集團將部份自供用於生產硅橡膠及其他有機硅產品。本集團亦能於其生產過程中生產及產生其他副產品及高端下游產品，如氣相白炭黑及硅油。

product price. Nevertheless, by virtue of its presence across the whole industry chain, excellent marketing strategies, and well-established market reputation and influence, the Group could still maintain a rather profitable position regardless of the notable fall in the product price in this segment. As a result, the segment results of the Group could still record a relatively significant increase in 2018. This segment has been experiencing rapid growth in recent years and changed from a slightly loss-making segment into a highly profitable one and from a principal business with lowest results contribution into one with highest results contribution, which was attributable to not only the market environment, but also the unremitting efforts of the Group over a long time. As at the date hereof, Shandong Dongyue Organosilicon Materials Co., Ltd. (山東東岳有機硅材料股份有限公司), the operating entity of this segment, has submitted a listing application to the China Securities Regulatory Commission during the year. The proposed listing, if materializes, is expected to broaden the financing channels of the Group and enhance its growth potential, accelerate the development of this segment's business and enhance its competitiveness and industry status, increase the investment in technology and environmental protection, improve profitability and create value for the Company's shareholders.

This segment mainly includes the production and sales of DMC (upstream organic silicone intermediates that are used as raw materials to produce deep processed mid-stream and downstream silicone products, such as silicone oils, silicone rubber and silicone resins), 107 Silicone Rubber, Raw Vulcanizate and Gross Rubber (collectively referred to as "Silicone Rubbers", deep processed organic silicone rubber products, where Raw Vulcanizate is a key material for producing Gross Rubber), and other by-products and other high-end downstream products, such as Gaseous Silica and Silicone Oils. Named as "Industrial MSG", organic silicone is widely applied in military, aviation, automotive, electronic, construction and other industries, mainly in the form of additives, treatment chemicals stabilizers, lubricants and sealants and is a key ingredient in industrial processes. The Group initially produces silicone monomers with silicone powder and internally generated chloromethane and further processes them to become silicone intermediates (mainly DMC), with certain portion of which the Group produces for Silicone Rubbers and other organic silicone products. The Group can also produce and generate other by-products and high-end downstream products, such as Gaseous Silica and Silicone Oils through its production processes.

二氯甲烷、PVC及燒鹼

於回顧年度內，該分部收益由去年人民幣1,604,099,000元，增長7.46%至人民幣1,723,746,000元，佔集團總收益的12.12%（2017年為15.82%）。該分部錄得業績盈利人民幣466,059,000元，同比增長31.45%（2017年為盈利人民幣354,554,000元）。

該分部產品屬於大宗化工產品，其價格受經濟因素影響較大，本年度內國內經濟出現一定波動，導致該分部業績雖然增長但較其他分部較低。年內，PVC收入同比增長12.35%，二氯甲烷收入同比增長31.13%，燒鹼收入同比降低3.00%。

此分部包括本集團製冷劑分部的兩大主要輔助產品（二氯甲烷及燒鹼）及PVC產品的生產及銷售的收益。燒鹼為生產甲烷氯化物（生產製冷劑及有機硅產品的必需化學物）的一種基本化學產品，應用於紡織、電力及材料行業。甲烷氯化物包括主要用於生產抗生素及用作聚氨酯發泡形式的二氯甲烷。本集團從事生產PVC（一種廣泛應用於建築行業以取代傳統建材的熱塑性聚合物）。作為生產製冷劑產品時會產生的一種化學物（氯化氫），此乃生產PVC的基本原材料之一。因此，本集團PVC生產能確保生產協同效應，並增加從自給自足的商業鏈所產生的經濟價值。

物業開發

目前，該分部共有四處樓盤，分別地處山東省淄博市桓台縣、山東省淄博市張店區、山東省禹城市、以及湖南省張家界市。其中，部分項目正在建設，亦有部分項目已開始銷售。因大部分項目未開始銷售，該部分項目未有收入，該分部2018年僅為集團貢獻收入人民幣239,639,000元，較

Dichloromethane, PVC and Liquid Alkali

During the year under review, the segment's revenue increased by 7.46% to RMB1,723,746,000 from RMB1,604,099,000 in the previous year, accounting for 12.12% (2017: 15.82%) of the Group's total revenue. The results of the segment recorded a profit of RMB466,059,000, representing a year-on-year increase of 31.45% (2017: profit of RMB354,554,000).

As bulk chemical products, the prices of products of this segment are susceptible to economic factors. During the year, due to certain fluctuations in domestic economy, the results of this segment recorded an increase which is however lower as compared with that of other segments. During the year, a year-on-year increase of 12.35% was recorded in the revenue of PVC; a year-on-year increase of 31.13% was recorded in the revenue of dichloromethane; while a year-on-year decrease of 3.00% was recorded in the revenue of liquid alkali.

This segment includes the production and sales revenue of two major auxiliary products (dichloromethane and liquid alkali) of Refrigerants Segment of the Group and PVC products. Liquid alkali is a basic chemical product from the production of methane chloride (essential chemical for the production of refrigerants and organic silicone products), and used in the textile, power and materials industries. Methane chloride includes dichloromethane, which is mainly used to produce antibiotics and as a foaming mode for polyurethane. The Group engaged in the production of PVC (a widely used thermoplastic polymer applied in the construction industry to replace traditional building materials). The production of refrigerants products generates a chemical, hydrogen chloride, which is one of the basic raw materials for PVC production. Therefore, the Group's PVC production can ensure production synergies and increasing economic value generated from a self-sufficient business chain.

Property Development

As at the date hereof, this segment included four property projects, which are located in Huantai County, Zibo City, Shandong Province, Zhangdian District, Zibo City, Shandong Province, Yucheng City, Shandong Province, and Zhangjiajie City, Hunan Province, respectively. Some of the projects are under construction, while some have commenced sales. As most of the projects have not commenced sales and as a result have not generated revenue, this segment contributed

2017年人民幣285,510,000元下降16.07%，分部業績為盈利人民幣65,524,000元。

a revenue of RMB239,639,000 only to the Group in 2018, representing a decrease of 16.07% from RMB285,510,000 in 2017. This segment result recorded a profit of RMB65,524,000.

其他

該分部包括生產及銷售本集團各經營分部其他副產品，如氟化氫銨、氫氟酸、溴素等，產生的收益。

Others

This segment included the revenue from the production and sale of the Group's other by-products of the various operating segments, such as Ammonium Bifluoride, Hydrofluoric Acid, Bromine, and so on.

於回顧年度內，該分部收益錄得人民幣1,735,232,000元，較去年人民幣389,154,000元增長345.90%。該分部業績錄得盈利人民幣105,745,000元，同比降低55.42%（2017年為人民幣237,215,000元）。該分部業績的下滑與市場環境有較大關係，本年度市場波動較大，該分部也隨之受到一定影響。

During the year under review, the segment recorded revenue of RMB1,735,232,000, representing an increase of 345.90% as compared with RMB389,154,000 in the previous year. The results of the segment recorded a profit of RMB105,745,000 (2017: RMB237,215,000), representing a year-on-year decrease of 55.42%, which was largely attributable to the volatile market conditions in this year.

分銷及銷售開支

於回顧年度內，分銷及銷售開支由去年的人民幣313,959,000元增加14.26%至人民幣358,726,000元，此乃由於年內銷售額及運輸單價增加導致運輸成本增加。

Distribution and Selling Expenses

During the year under review, the distribution and selling expenses increased by 14.26% to RMB358,726,000 from RMB313,959,000 of the previous year, which is attributable to an increase in transportations cost from an increase in sales and transportation unit price during the year.

行政開支

於回顧年度內，行政開支自去年的人民幣656,333,000元增加19.26%至人民幣782,735,000元，增加原因包括：(i)僱員薪金增加及(ii)年內產生的專業費增加。

Administrative Expenses

During the year under review, the administrative expenses increased by 19.26% to RMB782,735,000 from RMB656,333,000 of the previous year. The reasons for the increase include: (i) an increase in employees' salaries and (ii) an increase in professional fee incurred during the year.

融資成本

於回顧年度內，融資成本自去年的人民幣112,890,000元減少13.96%至人民幣97,135,000元，此乃主要由於本集團在回顧年度內之平均每月貸款餘額及利率較過往年度減少所致。

Finance Costs

During the year under review, the finance costs decreased by 13.96% to RMB97,135,000 from RMB112,890,000 of the previous year. This was mainly attributable to decrease in average monthly loan balances and the interest rates of the Group during the year under review compared to previous year.

資本性支出

截至2018年12月31日止年度，本集團資本性支出合共約為人民幣888,561,000元(2017年：人民幣834,226,000元)。本集團的資本性支出主要用於建設本集團新營運項目的廠房、設備及生產線。

流動資金及財務資源

本集團保持穩健的財務狀況，具備健全的營運資金管理及雄厚的經營現金流量。於2018年12月31日，本集團的權益總額達人民幣9,392,199,000元，較於2017年12月31日增加28.44%。於2018年12月31日，本集團的銀行結餘及現金總額達人民幣3,331,147,000元(2017年12月31日：人民幣1,471,116,000元)。本集團的銀行結餘及現金增加主要因為年內銷售額增加。於回顧年度，本集團之經營活動產生現金流入合共人民幣3,873,382,000元(截至2017年12月31日止年度：人民幣1,122,187,000元)。於2018年12月31日，本集團之流動比率⁽¹⁾為1.78(2017年12月31日：1.61)。

計及上述各項數據，加上可動用銀行結餘及現金、尚未應用之銀行備用信貸額度、往來銀行之支持以及充足的經營現金流量，管理層相信，本集團具備充裕資源，足以償還任何債項以及提供日常營運及資本開支所需資金。

Capital Expenditure

For the year ended 31 December 2018, the Group's aggregate capital expenditure was approximately RMB888,561,000 (2017: RMB834,226,000). The Group's capital expenditure is mainly for the construction of factories, equipment production line for the new operation projects of the Group.

Liquidity and Financial Resources

The Group's financial position is sound with healthy working capital management and strong operational cash flow. As at 31 December 2018, the Group's total equity amounted to RMB9,392,199,000, representing an increase of 28.44% as compared with that as at 31 December 2017. As at 31 December 2018, the Group's bank balances and cash totaled RMB3,331,147,000 (31 December 2017: RMB1,471,116,000). The increase in the Group's bank balances and cash is mainly attributable to the increase in sales during the year. During the year under review, the Group generated a total of RMB3,873,382,000 (for the year ended 31 December 2017: RMB1,122,187,000) cash inflow from its operating activities. The current ratio⁽¹⁾ of the Group as at 31 December 2018 was 1.78 (31 December 2017: 1.61).

Taking the above figures into account, together with the available bank balances and cash, the unutilized banking credit facilities and support from its banks as well as its sufficient operational cash flows, the management is confident that the Group will have adequate resources to settle any debts and to finance its daily operational and capital expenditures.

主要出售事項

有關視作出售於山東東岳有機硅材料股份有限公司(「東岳有機硅」)的權益的主要交易

於2018年10月12日，本公司宣佈東岳有機硅(本公司的非全資附屬公司)將以於中國向公眾進行首次公開發售的方式(「建議分拆」)或中國證券監督管理委員會(「中國證監會」)批准的其他方式於深圳證券交易所創業板發行一定數目的新A股。東岳有機硅擬將發行不多於300,000,000股新A股(「發售股份」)，相當於東岳有機硅經建議分拆擴大後已發行股份總數25%。東岳有機硅將予發行的實際發售股份數目將受限於市況以及中國證監會的相關規則及法規(經不時修訂)。預期於緊隨建議分拆完成後，本公司將間接控制東岳有機硅不少於約57.75%權益，因此東岳有機硅仍將為本公司的非全資附屬公司。

倘建議分拆落實，其構成上市規則第14.29條項下本公司於東岳有機硅股權的視作出售事項，並須遵守股東批准規定。此主要出售事項的詳情載列於本公司日期為2018年10月12日的公告。

建議分拆於2018年10月31日由本公司股東在股東特別大會上批准。

股本結構

於回顧年度內，本公司並無購回或註銷任何本公司上市證券。本公司於2018年12月31日的已發行股份數目為2,111,689,455股。

Major Disposal

Major Transaction in relation to deemed disposal of interest in Shandong Dongyue Organosilicone Materials Co., Ltd. ("Dongyue Organosilicone")

On 12 October 2018, the Company announced that Dongyue Organosilicone (a non wholly-owned subsidiary of the Company) will issue certain number of new A shares on ChiNext of the Shenzhen Stock Exchange by way of initial public offering to the public in the PRC (the "Proposed Spin-off"), or other methods as approved by the China Securities Regulatory Commission (the "CSRC"). It is proposed that Dongyue Organosilicone will issue not more than 300,000,000 new A shares (the "Offer Shares"), representing 25% of the total number of issued shares of Dongyue Organosilicone as enlarged by the Proposed Spin-off. The actual number of Offer Shares to be issued by Dongyue Organosilicone will be subject to the market conditions and the relevant rules and regulations of the CSRC as amended from time to time. It is expected that immediately upon completion of the Proposed Spin-off, the Company will indirectly control not less than approximately 57.75% interest in Dongyue Organosilicone, and therefore Dongyue Organosilicone will remain as a non wholly-owned subsidiary of the Company.

The Proposed Spin-off, if materializes, constitutes a deemed disposal of the Company's equity interest in Dongyue Organosilicone under Rule 14.29 of the Listing Rules and is subject to shareholders' approval requirements. Details of this major disposal are set out in the Company's announcement dated 12 October 2018.

The Proposed Spin-off was approved by the shareholders of the Company at the extraordinary general meeting on 31 October 2018.

Capital Structure

During the year under review, the Company did not repurchase or cancel any of the Company's listed securities. The number of issued shares of the Company was 2,111,689,455 as at 31 December 2018.

於2018年12月31日，本集團借貸金額合共為人民幣2,082,450,000元（2017年12月31日：人民幣1,820,821,000元）。本集團之負債比率⁽²⁾為-15.33%（2017年12月31日：4.56%）。於2018年12月31日之負債比率為負值表示本集團處於「淨現金」正值狀況（即擁有的現金及等價物多於其債務），這通常為良好訊號。

本集團的借貸行為並無特定季節性。於2018年12月31日，本集團的借貸包括非流動部分（一年以上）及流動部分（一年以內）。借貸非流動部分約人民幣1,209,300,000元，須於一年以上及五年以內全數償還。借貸流動部分約為人民幣873,150,000元。本集團的借貸按固定利率和浮動利率計息。截至2018年12月31日止年度，浮動利率借貸及固定利率借貸的加權平均實際年利率分別為5.36%（2017年：5.36%）及5.01%（2017年：5.01%）。於2018年12月31日，本集團借貸的26.72%（2017年12月31日：19.61%）為定息借貸。

於2018年及2017年12月31日，本集團之借貸僅以人民幣計值。

附註：

(1) 流動比率=流動資產÷流動負債

(2) 負債比率=債務淨額÷總資本

債務淨額=總借貸－銀行結餘及現金

總資本=債務淨額+權益總額

集團結構

於回顧年度內，本集團結構並無任何重大變化。

As at 31 December 2018, the borrowings of the Group totaled RMB2,082,450,000 (31 December 2017: RMB1,820,821,000). The gearing ratio⁽²⁾ of the Group was -15.33% (31 December 2017: 4.56%). The negative gearing ratio as at 31 December 2018 represents the Group is "net cash" positive (i.e. has more cash & equivalents than its debt) which is usually a good sign.

The Group had no particular seasonal pattern of borrowing. As at 31 December 2018, the Group's borrowings comprised non-current portion (over 1 year) and current portion (within 1 year). The non-current portion of borrowings amounted to approximately RMB1,209,300,000 which are repayable in full after one year but not exceeding five years. The current portion of borrowings amounted to approximately RMB873,150,000. The Group's borrowings were made at fixed interest rates and floating rates. The weighted average effective interest rates on floating rate borrowings and fixed rate borrowings for the year ended 31 December 2018 were 5.36% (2017: 5.36%) and 5.01% (2017: 5.01%) per annum, respectively. As at 31 December 2018, 26.72% (31 December 2017: 19.61%) of the Group's borrowings bear fixed interest rates.

As at 31 December 2018 and 2017, the Group's borrowings were denominated in RMB only.

Notes:

(1) Current Ratio = Current Assets ÷ Current Liabilities

(2) Gearing Ratio = Net Debt ÷ Total Capital

Net Debt = Total Borrowing – Bank Balances and Cash

Total Capital = Net Debt + Total Equity

Group Structure

During the year under review, there has been no material change in the structure of the Group.

資產抵押

於2018年12月31日，本集團以賬面值合共約人民幣10,747,000元(2017年12月31日：人民幣167,586,000元)的若干物業、機器、設備及預付租金及以人民幣82,700,000元(2017年12月31日：人民幣32,860,000元)之銀行存款用作本集團借貸及本集團應付票據的抵押。

匯率波動風險及相關對沖活動

本集團的功能貨幣為人民幣，且大多數交易以人民幣結算。然而，本集團自海外客戶賺取收益及向海外供應商購買機器及設備結算時均收取／支付外幣(主要為美元)。

為減少持有外幣的風險，本集團經考慮不久將來的外幣付款安排後，通常會在款項收訖後立即將外幣兌換成人民幣。

僱員及薪酬政策

於2018年12月31日，本集團共聘用5,876名僱員(2017年12月31日：5,862名)。本集團按本集團業績及員工表現實施薪酬政策及獎金。本集團亦有提供社會保險、僱員購股權計劃及退休金等福利，以確保薪酬競爭力。

Charge on Assets

As at 31 December 2018, the Group had certain property, plant and equipment and lease prepayments with an aggregate carrying value of approximately RMB10,747,000 (31 December 2017: RMB167,586,000), and bank deposits of RMB82,700,000 (31 December 2017: RMB32,860,000), which were pledged to secure the Group's borrowings and the bills payable of the Group.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Group's functional currency is RMB with most of the transactions settled in RMB. However, foreign currencies (mainly United States dollars) were received/paid when the Group earned revenue from overseas customers and when settling purchases of machinery and equipment from the overseas suppliers.

In order to reduce the risk of holding foreign currencies, the Group normally converts the foreign currencies into RMB upon receipt while taking into account its foreign currencies payment schedule in the near future.

Employees and Remuneration Policy

The Group had 5,876 employees in total as at 31 December 2018 (31 December 2017: 5,862). The Group implemented its remuneration policy and bonus based on the performance of the Group and its employees. The Group provided benefits such as social insurance, employee option scheme and pensions to ensure remuneration competitiveness.



董事及高層管理人員履歷

DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

董事

本公司的董事會(「董事會」)負責且擁有一般權力對本公司的業務進行管理及經營。以下列示董事會成員的若干資料：

執行董事

張建宏先生，59歲，於2006年7月獲委任為本公司主席、行政總裁及執行董事。張先生自1986年10月起已在本公司及其附屬公司(統稱「本集團」)及其前身公司工作，有超過32年化工業及高分子材料行業經驗。張先生亦為本公司附屬公司東岳化工、東岳高分子等公司的主席以及本公司附屬公司東岳氟硅、東營東岳鹽業等公司的董事。張先生為高級政工師。張先生於1978年至1982年在中國人民解放軍海軍服役。張先生為第十一屆全國工商聯副主席、現任中國民間商會副會長、香港中國商會會長、中國氟硅有機材料工業協會副理事長及山東省政協常委，獲得「第四屆全國非公有經濟人士優秀社會主義事業建設者」、「改革開放40年百名傑出民營企業家」、「首屆中國石油和化學工業風雲人物」、「中國品牌國際市場十大傑出人物」、「全國優秀復員退伍軍人」及香港雜誌《資本才俊》「年度傑出CEO」等榮譽稱號。

傅軍先生，61歲，傅先生於2006年7月獲委任為本公司的執行董事。傅先生現任新華聯集團董事局主席兼總裁。傅先生曾經擔任過醴陵市公安特派員，公社黨委副書記，鄉黨委書記，醴陵市經委副主任，市外貿局局長兼黨組書記，湖南省工藝品進出口集團副總經理，省委駐瀏陽市社教工作隊副隊長等職務。曾任全國工商聯執委、常委、全國工商聯參政議政委員會主任，第十屆全國工商聯副主席、十一屆中國民間商會副會長。

Directors

The board of directors (the "Board") of the Company is responsible for the management and operation of the Company's businesses and has the general authority in this regard. Certain information of the members of the Board is as follows:

Executive directors

Mr. ZHANG Jianhong, aged 59, was appointed as the chairman, chief executive officer and executive director of the Company in July 2006. He has been with the Company and its subsidiaries (collectively the "Group") and its predecessors since October 1986 and has over 32 years of experience in the chemical industry. He is also the chairman of Dongyue Chemicals and Dongyue Polymers etc., and a director of Dongyue F&S and Dongying Dongyue Salt, all of which are the Company's subsidiaries. Mr. Zhang is a senior officer of political affairs. He had served the People's Liberation Army Navy from 1978 to 1982. Mr. Zhang is the vice chairman of the 11th All-China Federation of Industry and Commerce (第十一屆全國工商聯), currently serves as vice chairman of China Civil Chamber of Commerce (中國民間商會), the president of the Hong Kong China Chamber of Commerce, the standing chairman of China Association of Organic Fluorine and Silicone Material Industry and a standing committee member of Chinese People's Political Consultative Conference of Shandong Province (山東省政協). He has obtained the honorary titles of National Outstanding Builder of Socialism in the Non-Public Economy (Fourth Session), "100 outstanding private entrepreneurs during the 40 years of reform and opening up", Powerful Figure of China Petroleum and Chemical Industry (First Session), Top 10 Outstanding Figures of Chinese Brands in the International Market, National Outstanding Demobilized Soldier, and Most Outstanding CEO of the Year chosen by a Hong Kong magazine "Capital CEO" ("資本才俊").

Mr. FU Kwan, aged 61, was appointed as the executive director of the Company in July 2006. Mr. Fu is currently the chairman of the board of directors and the president of Macro-Link Group. Mr. Fu served as a police commissioner of Liling City, deputy secretary of the Party Committee of the Commune, secretary of the township party committee, deputy director of the Liling City Economic Commission, director of the Municipal Foreign Trade Bureau and the Party secretary, deputy general manager of Hunan Arts and Crafts Import and Export Group (湖南省工藝品進出口集團), and associate leader of social working team of province station at Liuyang City. Mr. Fu served as the

擔任十一屆、十二屆、十三屆全國政協委員，全國政協社會與法制委員會委員，香港中國商會會長。被聘任為中南大學、北京外國語大學董事會副董事長。多次被評為「優秀中國特色社會主義事業建設者」、「中國十大傑出企業家」、「中國經濟年度人物」、「中國改革開放40年百名傑出民營企業家」、「中國民營經濟40年風雲人物」等榮譽。此外，傅先生現時擔任新華聯文化旅遊發展股份有限公司(該公司於深圳證券交易所上市)的董事。傅先生亦為新華聯資本有限公司(該公司於香港聯合交易所有限公司上市)的主席兼執行董事。傅先生擁有新華聯控股直接4.25%及間接90%權益，該公司全資擁有新華聯國際。新華聯國際是新華聯資本有限公司的主要股東。

member of executive committee, standard committee of All-China Federation of Industry and Commerce, the director of participation and deliberation of politics committee of All-China Federation of Industry and Commerce, the deputy chairman of the tenth All-China Federation of Industry and Commerce, and the deputy chairman of the eleventh of China Chamber of Commerce. He also served as the eleventh, the twelfth and the thirteenth CPPCC member, the member of the social and legal committee of CPPCC, and the chairman of Hong Kong China Chamber of Commerce. He was appointed as deputy chairman of the board of Central South University and Beijing Foreign Studies University. He was selected for several times as "Outstanding builders of socialism with Chinese characteristics", "Top ten Entrepreneur in China", "China Economic Person of the Year", "100 outstanding private entrepreneurs at the 40th anniversary of China's reform and opening-up", "Persons of China Private Sector for the 40 Years" and other honors. In addition, Mr. Fu is the director of Macrolink Culturaltainment Development Co., Ltd. (新華聯文化旅遊發展股份有限公司), a company listed on the Shenzhen Stock Exchange. Mr. Fu is also the chairman and executive director of Macrolink Capital Holdings Limited (新華聯資本有限公司), a company listed on the Stock Exchange of Hong Kong Limited. Mr Fu owns a direct 4.25% and an indirect 90% interest in Macrolink Holding, which wholly owns Macrolink International. Macrolink International is a substantial shareholder of Macrolink Capital Holdings Limited.

劉傳奇先生，69歲，於2006年7月獲委任為本公司執行董事。彼自1986年10月起已在本集團及其前身公司工作，累積超過30年化工業經驗，曾擔任本公司附屬公司東岳化工、東岳高分子、東岳氟硅、東岳有機硅、東營東岳鹽業、華夏神舟、東岳精細化工及淄博東岳氯源董事。劉先生亦曾為東岳化工總經理及本集團總裁。劉先生為高級政工師，曾於2002年獲淄博市工會授予「振興淄博勞動獎章」獎項。

Mr. LIU Chuanqi, aged 69, was appointed as the executive director of the Company in July 2006. He has been with the Group and its predecessors since October 1986. Mr. Liu has over 30 years of experience in the chemical industry and was a director of Dongyue Chemicals, Dongyue Polymers, Dongyue F&S, Dongyue Organic Silicone, Dongying Dongyue Salt, Huaxia Shenzhou, Dongyue Precision Chemicals and Zibo Dongyue Lvyuan, all of which are the Company's subsidiaries. He is also formerly the general manager of Dongyue Chemicals and the president of the Group. He is a senior officer of political affairs, and was awarded "Medal for Enhancing the Labour Force of Zibo City" in 2002 by the Zibo City Labour Union.

張哲峰先生，44歲，於2017年5月獲委任為本公司執行董事、副總裁兼首席財務官。張先生曾於2006年至2007年任本集團財務總監。彼於2008年2月至2016年2月任新華聯礦業有限公司之財務總監及總經理。新華聯礦業有限公司為新華聯控股有限公司(亦為本公司的主要股東新華聯實業投資有限公司的控股公司)之附屬公司。張先生於2003年畢業於湖南大學。彼亦為中國註冊會計師協會會員及中國註冊稅務師。張先生於會計及財務領域擁有逾20年的經驗。

Mr. ZHANG Zhefeng, aged 44, was appointed as the executive director, vice president and chief financial officer of the Company in May 2017. Mr. Zhang was the financial controller of the Group from 2006 to 2007. He has served as the financial controller and general manager of MacroLink Mineral Co., Ltd. (新華聯礦業有限公司) from February 2008 to February 2016. MacroLink Mineral Co., Ltd. is a subsidiary of MacroLink Holding Limited (新華聯控股有限公司), which is also the holding company of Macro-Link Industrial Investment Limited, the substantial shareholder of the Company. Mr. Zhang graduated in the Hunan University in 2003. He is also a member of the Chinese Institute of Certified Public Accountants and a registered tax agent in the PRC. Mr. Zhang has more than 20 years of experience in accounting and finance.

張必書先生，49歲，於2017年5月獲委任為本公司執行董事。張先生為碩士研究生。彼亦為中國註冊會計師及註冊稅務師。於早年間，張先生曾任職國有企業和政府部門。彼於2004年10月加入新華聯集團。彼曾任新華聯集團財務副總監、新華聯偉鴻食品有限公司董事長、佳遠鈷業控股有限公司董事兼總經理及新華聯集團財務總監兼投資事業部總監。張先生現任新華聯集團高級副總裁、首席會計師兼化工與輪胎事業部總裁。此外，張先生現時也擔任遼寧成大股份有限公司（該公司於上海證券交易所上市）、四川宏達股份有限公司（該公司於上海證券交易所上市）、新華聯資本有限公司（該公司於香港聯合交易所有限公司上市）、賽輪集團股份有限公司（該公司於上海證券交易所上市）、亞太財產保險有限公司及大興安嶺農村商業銀行的執行董事。

張建先生，46歲，於2006年7月獲委任為本公司執行董事。彼自2006年2月起已在本集團工作。張先生在投資銀行及企業融資方面有超過20年經驗，持有中國江西財經大學經濟學及法律學士學位以及香港中文大學工商管理碩士學位。張先生現任新華聯集團高級副總裁兼陶瓷與裝備事業部總裁，亦是新絲路文旅有限公司（該公司於香港聯交所上市）及新華聯資本有限公司（該公司於香港聯交所上市）的執行董事，以及科達潔能股份有限公司（該公司於上海證券交易所上市）的副董事長及新華聯文化旅遊發展股份有限公司（該公司於深圳證券交易所上市）的執行董事。

獨立非執行董事

丁良輝先生，MH、FCCA、FCPA (PRACTISING)、ACA、CTA (HK)、FHKIoD，65歲，於2007年11月獲委任為本公司獨立非執行董事。丁先生為執業

Mr. ZHANG Bishu, aged 49, was appointed as the executive director of the Company in May 2017. Mr. Zhang is a master postgraduate. He is also a certified accountant and registered tax agent in the PRC. In his earlier years, Mr. Zhang worked for state-owned enterprises and government authorities. He joined the Macro-Link Group in October 2004. He has since served as the deputy financial officer of the Macro-Link Group, the chairman of Macro-Link Weihung Food Company Ltd. (新華聯偉鴻食品有限公司), the director and the general manager of Jiayuan Cobalt Holdings (佳遠鈷業控股有限公司) and the financial officer and the chief officer of the investment department of the MacroLink Group. Mr. Zhang is currently the senior vice president, chief accountant and the president of the chemical and tyre business department of the Macro-Link Group. In addition, Mr. Zhang currently also acts as an executive director of Liaoning Chengda Co., Ltd. (遼寧成大股份有限公司) (a company listed on the Shanghai Stock Exchange), Sichuan Hongda Co., Ltd. (四川宏達股份有限公司) (a company listed on the Shanghai Stock Exchange), Macrolink Capital Holdings Limited (a company listed on The Stock Exchange of Hong Kong Limited), Sailun Group Co., Ltd. (a company listed on the Shanghai Stock Exchange), Asia-Pacific Property & Casualty Insurance Co., Ltd. and Daxinganling Rural Commercial Bank.

Mr. ZHANG Jian, aged 46, was appointed as the executive director of the Company in July 2006 and has been with the Group since February 2006. Mr. Zhang has more than 20 years of experience in the investment banking and corporate finance. Mr. Zhang holds a bachelor degree in Economics and Law from Jiangxi University of Finance and Economics and a Master degree in Business Administration from The Chinese University of Hong Kong. Mr. Zhang is currently the senior vice president of the Marco-Link Group and the president of its ceramic and equipment business department, as well as an executive director of New Silkroad Culturaltainment Limited (a company listed on the HKSE) and Macrolink Capital Holdings Limited (a company listed on the HKSE), the vice-chairman of Keda Clean Energy Co. Ltd. (a company listed on the Shanghai Stock Exchange), and an executive director of Macrolink Culturaltainment Development Co., Ltd. (新華聯文化旅遊發展股份有限公司) (a company listed on the Shenzhen Stock Exchange).

Independent non-executive directors

Mr. TING Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, aged 65, was appointed as an independent non-executive director of the Company in November 2007. Mr. Ting is a certified public



董事及高層管理人員履歷 DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE

會計師，自1987年起擔任丁何關陳會計師行之執行合夥人。丁先生現為周生生國際集團有限公司之非執行董事，及六間聯交所上市公司之獨立非執行董事，分別為北京同仁堂科技發展股份有限公司、通達集團控股有限公司、新絲路文旅有限公司、科聯系統集團有限公司、天虹紡織集團有限公司及中駿集團控股有限公司。

岳潤棟先生，78歲。岳先生於2007年11月獲委任為本公司獨立非執行董事，自此之後任職本集團至今。岳先生在化工行業已累積逾40年經驗。岳先生曾任瀋陽化工研究院技術員、專題組長及副主任、晨光化工研究院院長及成都有機硅研究中心院長。岳先生也曾出任藍星化工科技總院院長及中國氟硅有機材料工業協會理事長、教授級高級工程師。岳先生現為中國氟硅有機材料工業協會名譽理事長。岳先生也獲得國務院政府特殊津貼。

楊曉勇先生，63歲，於2014年8月獲任為本公司獨立非執行董事，在含氟高分子材料及有機硅材料工業領域有累積超過30年的工作經驗。楊先生曾任職於中藍晨光化工研究設計院有限公司，擔任總工程師以及國家有機硅工程技術研究中心主任、國家合成樹脂質量監督檢驗中心主任、中國氟硅有機材料工業協會有機硅專業委員會秘書長等職。楊先生現為中國氟硅有機材料工業協會專家委員會主任。此外，楊先生現時分別擔任湖北興發化工集團股份有限公司(該公司於上海證券交易所上市)、寧波潤禾高新材料科技股份有限公司(該公司於深圳證券交易所上市)及新亞強硅化學股份有限公司的獨立董事。

accountant and has been the managing partner of Messrs Ting Ho Kwan & Chan, Certified Public Accountants (Practising) since 1987. Mr. Ting is currently a non-executive director of Chow Sang Sang Holdings International Limited and an independent non-executive director of six companies listed on the HKSE, namely Tong Ren Tang Technologies Company Limited, Tongda Group Holdings Limited, New Silkroad Culturaltainment Limited, Computer and Technologies Holdings Limited, Texhong Textile Group Limited and China SCE Group Holdings Limited.

Mr. YUE Rundong, aged 78, was appointed as an independent non-executive director of the Company in November 2007 and has been with the Group since then. Mr. Yue has more than 40 years of experience in the chemical industry. He was the technician, project leader and deputy director of research department of Shen Yang Chemical Research Institute, the dean of Chen Guang Chemical Research Institute and the dean of Chengdu Silicone Research Centre. Mr. Yue has taken the post of the dean of Bluestar Institute of Chemical Technology, the standing chairman and professorate senior engineer of China Association of Organic Fluorine and Silicone Material Industry. Mr. Yue is currently the honorary standing chairman of China Association of Organic Fluorine and Silicone Material Industry. Mr. Yue also receives special allowance from the State Council.

Mr. YANG Xiaoyong, aged 63, was appointed as an independent non-executive director of the Company in August 2014. Mr. Yang has over 30 years of experience in fluoropolymer and organic silicone industries. Mr. Yang served at China Bluestar Chengrand Research Institute of Chemical Industry as chief engineer and director of National Organic Silicone Engineering and Technological Research Centre and National Synthetic Resin Quality Supervision and Inspection Centre, and the chief secretary of the Organic Silicone Professional Committee of China Association of Fluorine and Silicone Industry and so forth. Mr. Yang is currently director of the Expert Committee of China Association of Fluorine and Silicone Industry. In addition, Mr Yang is currently an independent director of Hubei Xingfa Chemicals Group Co., Ltd (湖北興發化工集團股份有限公司), a company listed on the Shanghai Stock Exchange, an independent director of Ningbo Runbe High-Tech Materials Co., Ltd (寧波潤禾高新材料科技股份有限公司), a company listed on the Shenzhen Stock Exchange, and an independent director of New Asia Man Silicon Chemistry Co., Ltd. (新亞強硅化學股份有限公司).



高層管理人員

王維東先生，55歲，自1996年9月起至今任職於本集團，負責技術研發及公司管理事宜，期間全面主持氟硅公司、有機硅公司的籌建工作，歷任東岳氟硅、有機硅、化工公司總經理，擁有超過30年的化工製造管理經驗，彼現時出任本集團總裁、東岳集團各附屬公司董事。王先生曾獲石油和化工工業協會「全國化工優秀科技工作者」、「傑出貢獻企業家」和山東省「優秀企業家」等稱號。王先生持有上海交通大學工商管理碩士學位。

李玉文先生，51歲，北京外國語大學英語學士，教授級高級政工師，自2002年3月至今任職於本集團，現任本集團副總裁。擅長管理創新，在集團主要領導支持下考察學習台塑、寶鋼、中石化、德國空客、奧迪等80多家公司，推動了公司學台塑管理的革命。出版有《管理的革命》等圖書。

公司秘書

鍾德麗女士，37歲，為本公司的全職公司秘書。鍾女士於2015年3月20日加入本集團，主要負責本公司的公司秘書事宜，其於會計、企業融資及策略投資方面擁有16年經驗。於加入本公司前，鍾女士曾在一間國際知名會計公司的審計及財務諮詢部工作，以及任職於一間香港上市藍籌公司的收購合併部，及分別任職於兩間香港上市公司的會計財務部及策略投資部。鍾女士於香港中文大學獲取工商管理學系(主修專業會計學)學士學位，及於倫敦大學獲取法律學士學位。鍾女士為英國特許公認會計師公會資深會員及香港會計師公會會員。

Senior management

Mr. WANG Weidong, aged 55, has worked for the Group since September 1996 and is responsible for technology R&D and corporate management matters. During the period, he chaired the overall preparation works for incorporation of fluorosilicone companies as well as organic silicone companies. He then acted as the general manager of fluorosilicone companies, silicone companies and chemical companies of Dongyue. He has over 30 years' experience for manufacture and management in the chemical industry. He is currently the president of the Group and the director of the subsidiaries of Dongyue Group. Mr. Wang also received various awards such as the nationwide outstanding chemical engineer (全國化工優秀科技工作者) from Petroleum and Chemical Industry Federation (石油和化工工業協會), Outstanding Contribution Entrepreneurs (傑出貢獻企業家) and Shandong Outstanding Entrepreneurs (山東省優秀企業家). Mr. Wang holds a master degree in business administration from Shanghai Jiao Tong University.

Mr. LI Yuwen, aged 51, obtained a bachelor's degree in English from Beijing Foreign Studies University and the title of senior political scientist of professor level. He has worked for the Group since March 2002 until now, currently serves as the deputy president of the Group. He excels in management and innovation, and has visited more than 80 companies including Formosa Plastics, Baosteel, Sinopec, German Airbus and Audi under the support of the Group's management, which pushes a big step forward in learning from the "Benchmarking Formosa Plastics Revolution". He is the author of Management Revolution (《管理的革命》), etc.

Company secretary

Ms. CHUNG Tak Lai, aged 37, is a full time company secretary of the Company. She joined the Group on 20 March 2015. Ms. Chung is primarily responsible for company secretarial matters of the Company. Ms. Chung has 16 years of work experience in accounting, corporate finance and strategic investment. Prior to joining the Company, Ms. Chung had worked in the audit and financial advisory divisions of a leading international accounting firm; merger and acquisition team of a Hong Kong listed blue-chip company; finance and accounting; and strategic investment divisions of two listed companies in Hong Kong respectively. Ms. Chung holds a bachelor degree of business administration, majoring in professional accountancy from the Chinese University of Hong Kong and a bachelor degree of laws from the University of London. Ms. Chung is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.



董事會報告

REPORT OF THE DIRECTORS

董事會謹此提呈東岳集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至2018年12月31日止年度之董事會報告及經審核財務報表。

主要業務

本公司的主要業務為投資控股。附屬公司的主要業務載於財務報表附註35。年內，本集團主要業務的性質並無顯著變化。

業績及分派

本集團於年內的業績載於第117頁的綜合損益及其他全面收入報表。

董事不建議派付截至2018年6月30日止六個月的中期股息(截至2017年6月30日止六個月：無)。

董事現建議向於2019年6月4日名列本公司股東名冊(「股東名冊」)的股東派付2018年度末期股息每股0.35港元(「末期股息」)(約相等於每股人民幣0.30元)(2017年：每股0.30港元，約相等於每股人民幣0.24元)。末期股息須得到將於2019年5月30日舉行之應屆股東週年大會(「股東週年大會」)上本公司股東之批准。

暫停辦理股份過戶登記手續

為確定取得出席股東週年大會並於會上投票及收取末期股息的資格，股份過戶登記手續將會暫停辦理。

本公司將於2019年5月24日至2019年5月30日(包括首尾兩日)期間暫停辦理股份過戶登記手續，期間概不會辦理股份過戶登記手續。若要符合出席股東週年大會並於會上投票的資格，所有股份過戶文件連同有關股票，最遲須於2019年5月23日下午4時30分前送交本公司的股份過戶登記處香港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。

The Directors present their report together with the audited financial statements of Dongyue Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2018.

Principal activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in note 35 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results and appropriations

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 117.

The Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

The Directors now recommend the payment of a final dividend of HK\$0.35 per share (the "Final Dividend") (approximately equivalent to RMB0.30 per share) (2017: HK\$0.30 per share, approximately equivalent to RMB0.24 per share), in respect of the year 2018, to the shareholders whose names appear on the register of members of the Company (the "Register") on 4 June 2019. The Final Dividend is subject to the approval of the members of the Company at the forthcoming annual general meeting (the "AGM") to be held on 30 May 2019.

Closure of the Register

The Register will be closed to ascertain the qualification for attending and voting at the AGM and for the entitlement to the Final Dividend.

The Register will be closed from 24 May 2019 to 30 May 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 23 May 2019.



本公司將於2019年6月5日至2019年6月10日(包括首尾兩日)期間暫停辦理股份過戶登記手續，期間概不會辦理股份過戶登記手續。若要符合收取末期股息的資格，所有過戶文件連同有關股票必須在2019年6月4日下午4時30分前送交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。

儲備

本集團於年內的儲備變動載於第120頁的綜合權益變動表。

物業、機器及設備

本集團物業、機器及設備的變動詳情載於財務報表附註15。

股本

本公司股本的變動詳情載於財務報表附註29。

可供分派儲備

於2018年12月31日，本公司按照開曼群島公司法(2003年修訂本)計算的可供分派予股東的儲備為人民幣1,191,596,000元，其中739,091,309港元(約相等於人民幣628,227,000元)擬作為末期股息。

優先購買權

本公司的組織章程細則或開曼群島法例中概無可致使本公司須按比例發售新股予現有股東的優先購買權條文。

購買、出售或贖回上市證券

年內，於截至2018年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

The Register will be closed from 5 June 2019 to 10 June 2019, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the Final Dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 4 June 2019.

Reserves

Movements in the reserves of the Group during the year are set out in the consolidated statement of change in equity on page 120.

Property, plant and equipment

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the financial statements.

Share capital

Details of the movements in the share capital of the Company are set out in note 29 to the financial statements.

Distributable reserves

As at 31 December 2018, the Company's reserves available for distribution to shareholders as computed in accordance with the Companies Law (2003 Revision) of the Cayman Islands amounted to RMB1,191,596,000, of which HK\$739,091,309 (approximately equivalent to RMB628,227,000) has been proposed as Final Dividend.

Pre-emptive right

There is no provision for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

Purchase, sale or redemption of listed securities

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

僱員購股權計劃

於2018年12月27日，本公司採納僱員購股權計劃（「僱員購股權計劃」），其有效期及生效期為五(5)年。僱員購股權計劃的目標為(i)肯定若干僱員或本集團顧問所作出的貢獻及向彼等提供獎勵，以挽留彼等繼續協助本集團的營運及發展；及(ii)吸引合適人員協助本集團進一步發展。

根據僱員購股權計劃，本公司全資附屬公司山東東岳未來企業管理諮詢服務有限公司作為受託人將會利用本集團注入的現金（總額於所有關鍵時間均不得超過800,000,000港元）自市場上購買現有股份，並為由董事會挑選的相關僱員或本集團顧問（「獲選僱員」）以信託形式持有該等股份。董事會可不時全權酌情決定授予任何獲選僱員權利以購買相關股份（「購股權」）。當行使購股權時，獲選僱員可選擇其希望(i)轉讓及／或(ii)出售及收取股份銷售價格與購股權行使價格之間的差額（如有）的股份數目。

直至本報告日期，僱員購股權計劃項下概無購股權授出。

僱員購股權計劃並非購股權計劃，不受上市規則第17章條文所規限。

僱員購股權計劃的進一步詳情載列於本公司日期為2018年12月27日的公告。

Employee Option Scheme

On 27 December 2018, the Company adopted an employee option scheme (the "Employee Option Scheme") which shall be valid and effective for a term of five (5) years. The purposes of the Employee Option Scheme are (i) to recognize the contributions by certain employees or consultants of the Group and to provide them with incentives in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for further development of the Group.

Pursuant to the Employee Option Scheme, Shandong Dongyue Future Enterprise Management Consulting Services Co., Ltd., a wholly-owned subsidiary of the Company, as the trustee will purchase existing Shares from the market out of cash contributed by the Group of not more than HK\$800,000,000 in total at all material times and hold such Shares on trust for the relevant employees or consultants of the Group selected by the Board (the "Selected Employees"). The Board may, from time to time, at its absolute discretion grant to any Selected Employee the right to purchase the relevant Shares (the "Option"). The Selected Employee may, when exercising the Option, elect the number of Shares which he wishes to (i) be transferred and/or (ii) sell and receive the difference, if any, between the sale price of the Shares and the exercise price of the Option.

No Options have been granted under the Employee Option Scheme up to the date of this report.

The Employee Option Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules.

Further details of the Employee Option Scheme are set out in the Company's announcement dated 27 December 2018.

董事

截至2018年12月31日止年度及截至本報告日期止，董事包括：

執行董事

張建宏先生(主席兼行政總裁)
傅軍先生
張哲峰先生
劉傳奇先生
張必書先生
張建先生

獨立非執行董事

丁良輝先生
岳潤棟先生
楊曉勇先生

根據本公司組織章程細則第87(1)條，於每屆股東週年大會上，當時三分之一在任董事(或倘董事人數並非三或三的倍數，則最接近三分之一但不少於三分之一的數目)須輪值退任，而每名董事須至少每三年輪值退任一次。張必書先生、張哲峰先生及岳潤棟先生將於應屆股東週年大會輪值退任。彼等符合資格並願意在應屆股東週年大會上膺選連任。

董事的服務合約

建議在應屆股東週年大會重選的董事概無與本公司或其任何附屬公司訂立或建議訂立本集團不可於一年內不付賠償(法定賠償除外)而予終止的任何服務合約。

Directors

The Directors during the year ended 31 December 2018 and up to the date of this report were:

Executive Directors

Mr. Zhang Jianhong (*Chairman and Chief Executive Officer*)
Mr. Fu Kwan
Mr. Zhang Zhefeng
Mr. Liu Chuanqi
Mr. Zhang Bishu
Mr. Zhang Jian

Independent non-executive Directors (“INEDs”)

Mr. Ting Leung Huel, Stephen
Mr. Yue Rundong
Mr. Yang Xiaoyong

Pursuant to Article 87(1) of the Company's articles of association, at each of the annual general meeting, one third of the Directors for the time being, or, if their number is not 3 or a multiple of 3, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every 3 years. Mr. Zhang Bishu, Mr. Zhang Zhefeng and Mr. Yue Rundong will retire by rotation at the forthcoming AGM and, being eligible, offer themselves for re-election.

Directors' service contracts

None of the Directors proposed for re-election at the forthcoming AGM has entered or has proposed to enter into any service contracts with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

董事於合約的權益

本公司、其任何同系附屬公司、附屬公司或控股公司於年終或年內任何時間概無訂立任何本公司董事於其中直接或間接擁有重大權益的重要合約。

董事購入股份的權利

除本報告「僱員購股權」一節披露者外，本公司、其控股公司或其任何附屬公司及同系附屬公司於年內任何時間，概無參與任何可致使董事、彼等各自的配偶或未成年子女藉購入本公司或任何其他法人團體的股份或債券而獲益的安排。

董事及高層管理人員履歷詳情

本公司董事及本集團高層管理人員的履歷詳情載於第22至26頁。

董事的薪酬

各董事的薪酬乃經參考董事的職務、責任、表現以及本集團的業績釐定。

董事的薪酬詳情載於財務報表附註11。

企業管治常規

本公司企業管治常規的詳情載於第47至66頁。

環境、社會及管治常規

本公司環境、社會及管治常規的詳情載於第67至106頁。

Directors' interests in contracts

No contract of significance, to which the Company, its fellow subsidiaries, its subsidiaries or its holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Director's rights to acquire shares

Other than as disclosed in the section headed "Employee Option Scheme" in this report, at no time during the year was the Company, its holding company or any of its subsidiaries and fellow subsidiaries, a party to any arrangement to enable the Directors, their respective spouse or minor children to acquire benefit by means of the acquisition of Shares in, or debentures of, the Company or any other body corporate.

Biographical details of Directors and senior management

Brief biographical details of Directors of the Company and senior management of the Group are set out on pages 22 to 26.

Remuneration of the Directors

The remuneration of each Director is determined with reference to the duties, responsibilities, performance of the Directors and the results of the Group.

Details of the remuneration of the Directors are set out in note 11 to the financial statements.

Corporate governance practice

Details of the corporate governance practice of the Company are set out on pages 47 to 66.

Environmental, Social and Governance practice

Details of the environmental, social and governance practice of the Company are set out on pages 67 to 106.

權益披露

(a) 董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於2018年12月31日，本公司董事及主要行政人員及彼等各自的聯繫人於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關規定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條須記錄於該條所述登記冊的權益或淡倉，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉如下：

Disclosure of interests

(a) Directors' and chief executives' interests and short positions in the Shares, underlying Shares and debentures

As at 31 December 2018, the interests or short positions of the Directors and the chief executive of the Company and their respective associates in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the HKSE 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 taken under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the HKSE were as follows:

董事姓名 Name of Director	權益性質 Nature of interest	股份或相關股份數目 Number of Shares or underlying Shares	佔已發行股本百分比 % of issued share capital
張建宏先生 Mr. Zhang Jianhong	企業權益 ⁽¹⁾ Corporate interest ⁽¹⁾	178,277,273 (L)	8.44 (L)
	實益權益 Beneficial interest	7,147,636 (L)	0.34 (L)
傅軍先生 Mr. Fu Kwan	企業權益 ⁽²⁾ Corporate interest ⁽²⁾	616,646,818 (L)	29.20 (L)
劉傳奇先生 Mr. Liu Chuanqi	企業權益 ⁽³⁾ Corporate interest ⁽³⁾	75,634,000 (L)	3.58 (L)
	實益權益 Beneficial interest	7,053,454 (L)	0.33 (L)
張建先生 Mr. Zhang Jian	實益權益 Beneficial interest	397,091 (L)	0.02 (L)
張哲峰先生 Mr. Zhang Zhefeng	實益權益 Beneficial interest	650,000 (L)	0.03 (L)

附註：

- (1) 根據證券及期貨條例，由於張建宏先生持有 Dongyue Team Limited 的全部權益，故張先生被視為於 Dongyue Team Limited 持有的 178,277,273 股股份(L)中擁有權益。
- (2) 該等股份由新華聯國際投資有限公司(「新華聯國際」)直接持有，而新華聯國際則由新華聯實業投資有限公司(「新華聯實業」)全資擁有。新華聯實業由新華聯控股全資擁有，而新華聯控股則由長石投資有限公司(「長石」)及傅軍先生分別擁有90%及4.25%。此外，長石分別由傅軍先生及肖文慧女士直接擁有53.35%及33.33%權益。
- (3) 該等股份由劉傳奇先生全資擁有的 Dongyue Wealth Limited 直接持有。根據證券及期貨條例，劉先生被視為於 Dongyue Wealth Limited 持有的 75,634,000 股股份(L)中擁有權益。
- (4) L：好倉

除上文所披露者外，於2018年12月31日，本公司當時的董事或主要行政人員或彼等各自的聯繫人概無於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、相關股份及債權證中擁有任何根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關規定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條須記錄於該條所述登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

Notes:

- (1) Pursuant to the SFO, as Mr. Zhang Jianhong holds 100% interest in Dongyue Team Limited, Mr. Zhang is deemed to be interested in the 178,277,273 Shares(L) held by Dongyue Team Limited.
- (2) These Shares are directly held by Macro-Link International Investment Co. Ltd. ("Macrolink International") which in turn is wholly-owned by Macro-Link Industrial Investment Limited ("Macrolink Industrial"). Macrolink Holding, a company owned by Cheung Shek Investment Limited ("Cheung Shek") as to 90% and by Mr. Fu Kwan as to 4.25%, respectively, wholly owned Macrolink Industrial. In addition, Mr. Fu Kwan and Mrs. Xiao Wenhui directly own Cheung Shek as to 53.35% and 33.33%, respectively.
- (3) These Shares are directly held by Dongyue Wealth Limited which is wholly owned by Mr. Liu Chuanqi. Mr. Liu is deemed to be interested in the 75,634,000 Shares(L) held by Dongyue Wealth Limited under the SFO.
- (4) L: Long Position

Save as disclosed above, as at 31 December 2018, none of the then Directors or chief executive of the Company or their respective associates had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the HKSE 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 taken under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to the Model Code, to be notified to the Company and the HKSE.

(b) 主要股東及其他人士於股份、相關股份及債權證的權益及淡倉

於2018年12月31日，就本公司董事及主要行政人員所知，下列人士（並非本公司的董事或主要行政人員）於本公司的股份或相關股份中擁有記錄於根據證券及期貨條例第336條須予存置的登記冊內或根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益或淡倉：

(b) Substantial shareholders' and other person's interests and short positions in the Shares, underlying Shares and debentures

As at 31 December 2018, so far as is known to the Directors and the chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

股東名稱／姓名 Name of Shareholder	權益性質 Nature of interest	股份或相關股份數目 Number of shares or underlying Shares	佔已發行股本百分比 % of issued share capital
新華聯國際 Macrolink International	實益權益 ⁽¹⁾ Beneficial interest ⁽¹⁾	616,646,818 (L)	29.20 (L)
新華聯實業 Macrolink Industrial	企業權益 ⁽¹⁾ Corporate interest ⁽¹⁾	616,646,818 (L)	29.20 (L)
新華聯控股 Macrolink Holding	企業權益 ⁽¹⁾ Corporate interest ⁽¹⁾	616,646,818 (L)	29.20 (L)
長石 Cheung Shek	企業權益 ⁽¹⁾ Corporate interest ⁽¹⁾	616,646,818 (L)	29.20 (L)
肖文慧女士 Mrs. Xiao Wenhui	企業權益 ⁽¹⁾ Corporate interest ⁽¹⁾	616,646,818 (L)	29.20 (L)
Dongyue Team Limited	實益權益 ⁽²⁾ Beneficial interest ⁽²⁾	178,277,273 (L)	8.44 (L)
崔同政先生 Mr. Cui Tongzheng	企業權益 Corporate interest	156,852,363 (L)	7.43 (L)
	實益權益 Beneficial interest	5,162,180 (L)	0.24 (L)
Dongyue Initiator Limited	實益權益 ⁽³⁾ Beneficial interest ⁽³⁾	156,852,363 (L)	7.43 (L)

附註：

- (1) 該等股份由新華聯國際直接持有，而新華聯國際則由新華聯實業全資擁有。新華聯實業由新華聯控股全資擁有，而新華聯控股則由長石及傅軍先生分別擁有90%及4.25%。此外，長石分別由傅軍先生及肖文慧女士直接擁有53.35%及33.33%權益。
- (2) 根據證券及期貨條例，由於張建宏先生持有Dongyue Team Limited的全部權益，故張先生被視作於Dongyue Team Limited所持有178,277,273股股份(L)中擁有權益。
- (3) 根據證券及期貨條例，由於崔同政先生持有Dongyue Initiator Limited的全部權益，故崔先生被視作於Dongyue Initiator Limited所持有156,852,363股股份(L)中擁有權益。
- (4) L：好倉

Notes:

- (1) These Shares are directly held by Macrolink International which in turn is wholly-owned by Macrolink Industrial. Macrolink Holding, a company owned by Cheung Shek as to 90% and by Mr. Fu Kwan as to 4.25%, respectively, wholly owned Macrolink Industrial. In addition, Mr. Fu Kwan and Mrs. Xiao Wenhui directly own Cheung Shek as to 53.35% and 33.33%, respectively.
- (2) Pursuant to the SFO, as Mr. Zhang Jianhong holds 100% interest in Dongyue Team Limited, Mr. Zhang is deemed to be interested in the 178,277,273 Shares(L) held by Dongyue Team Limited.
- (3) Pursuant to the SFO, as Mr. Cui Tongzheng holds 100% interest in Dongyue Initiator Limited, Mr. Cui is deemed to be interested in the 156,852,363 Shares(L) held by Dongyue Initiator Limited.
- (4) L: Long Position

(c) 於2018年12月31日於本集團其他成員公司的權益 (c) Interests in other members of the Group as at 31 December 2018

本公司附屬公司名稱	該附屬公司的主要股東名稱	權益性質	佔有關附屬公司已發行股本／註冊資本百分比
Name of the Company's subsidiary	Name of substantial shareholder of such subsidiary	Nature of interest	% of issued share capital/registered capital of such subsidiary
山東東岳氟硅材料有限公司 (「東岳氟硅」)	淄博聚悅商貿有限公司	公司	16.78
Shandong Dongyue Fluo-Silicon Materials Co., Ltd. ("Dongyue F&S")	Zibo Juyue Commercial Limited	Corporate	16.78
內蒙古東岳金峰氟化工有限公司	赤峰金峰銅業有限公司	公司	49
Inner Mongolia Dongyue Peak Fluorine Chemicals Co., Ltd.	Chifeng Peak Copper Co., Ltd.	Corporate	49
赤峰華昇礦產有限公司	赤峰眾興信息科技有限公司	公司	20
Chifeng HuaSheng Mining Co., Ltd.	Chifeng Zhongxing Information Technology Co., Ltd.	Corporate	20
山東東岳汶河氟材料有限公司	山東省萊蕪市汶河化工有限公司	公司	49
Shandong Dongyue Wenhe Fluorine Chemicals Co., Ltd.	Shandong Laiwu Wenhe Chemical Co., Ltd.	Corporate	49
山東東岳未來氫能材料有限公司	霍爾果斯旭日股權投資合夥企業 (附註1)	有限合夥	30
Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd.	Huoer Guosi Xuri Equity Investment Partnership (Note 1)	Limited partnership	30
	新華聯控股有限公司(附註2)	公司	30
	Marco-link Holdings Limited (Note 2)	Corporate	30
山東東岳聯邦置業有限公司	淄博晶潤建築工程有限公司	公司	36
Shandong Dongyue Union Property Co., Ltd.	Zibo Jingrun Construction Engineering Company Limited	Corporate	36
山東東岳有機硅材料股份有限公司	長石投資有限公司(附註3)	公司	10
Shandong Dongyue Organosilicon Material Co., Ltd	Cheung Shek Investment Holdings Limited (Note 3)	Corporate	10
	淄博曉希企業管理合夥企業 (有限合夥)(附註4)	公司	13
	Zibo Xiaoxi Enterprise Management Limited Partnership (Note 4)	Corporate	13

附註：

- (1) 霍爾果斯旭日股權投資合夥企業(「霍爾果斯」)為一間中國有限合夥企業，主要從事股權投資，其普通合夥人為本公司若干附屬公司的董事，而其有限合夥人包括作為有限合夥人合共持有超過30%霍爾果斯權益的兩名執行董事。因此，霍爾果斯為本公司關連人士。
- (2) 新華聯控股有限公司(「新華聯」)為新華聯國際投資有限公司的間接控股公司，而新華聯國際投資有限公司為持有本公司約29.20%已發行股本的主要股東，因此，新華聯為本公司的關連人士。
- (3) 長石投資有限公司(「長石投資」)為一間於中國成立的有限公司，主要從事投資及投資管理。長石投資由傅軍先生(本公司執行董事)直接控制。因此，長石投資為本公司關連人士。
- (4) 淄博曉希企業管理合夥企業(有限合夥)(「淄博曉希」)為一間於中國成立及合法存續的合夥企業。淄博曉希主要從事企業管理、企業管理諮詢、業務諮詢及企業服務。張建宏先生及張哲峰先生(均為本公司執行董事)共同持有超過30%的淄博曉希權益。因此，淄博曉希為本公司關連人士。

除上文所披露者外，就本公司董事及主要行政人員所知，於2018年12月31日，概無任何其他人士(並非本公司的董事或主要行政人員)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及第3分部條文須向本公司披露的任何權益或淡倉，或直接或間接擁有附權利可在任何情況下於本集團任何其他成員公司股東大會上投票的任何類別股本面值10%或以上權益。

除本報告所披露者外，於年內及直至本報告日期，本公司或任何其附屬公司與控股股東或任何其附屬公司間概無其他重大合約。

Note:

- (1) Huoer Guosi Xuri Equity Investment Partnership ("Huoer Guosi") is a PRC limited partnership principally engaged in equity investment, which general partner is a director of certain subsidiaries of the Company, and which limited partners include two executive Directors who together hold more than 30% interest in Huoer Guosi as limited partners. Therefore, Huoer Guosi is a connected person of the Company.
- (2) Macro-link Holding Limited ("Macro-link") is the indirect holding company of Macrolink International Investment Co., Ltd., a substantial Shareholder holding approximately 29.20% of the issued share capital of the Company and accordingly, Macro-link is a connected person of the Company.
- (3) Cheung Shek Investment Holdings Limited ("Cheung Shek Investment") is a company established in the PRC with limited liability which is principally engaged in investment and management of investment. Cheung Shek Investment is directly controlled by Mr. Fu Kwan (an executive Director of the Company). Therefore, Cheung Shek Investment is a connected person of the Company.
- (4) Zibo Xiaoxi Enterprise Management Limited Partnership ("Zibo Xiaoxi") is a partnership established in the PRC and legally in existence. Zibo Xiaoxi is principally engaged in corporate management, corporate management consultancy, business consultancy and corporate services. Mr. Zhang Jianhong and Mr. Zhang Zhefeng (both are executive Directors of the Company) together own more than 30% of Zibo Xiaoxi. Therefore, Zibo Xiaoxi is a connected person of the Company.

Saved as disclosed above, so far as is known to the Directors and the chief executive of the Company, as at 31 December 2018, no other person (other than the Directors or the chief executive of the Company) had any interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Saved as disclose in this report, there was no other contract of significance between the Company or any of its subsidiaries and the controlling shareholder or any of its subsidiaries during the year and up to the date of this report.

董事於競爭性業務的權益

於截至2018年12月31日止年度，本公司董事概無擁有與本集團業務直接或間接存在競爭或可能存在競爭的任何業務的權益。

管理合約

本年度內並無訂立或存在與本集團全部或任何重大部分業務有關的管理及行政合約。

主要供應商及客戶

本年度本集團主要供應商及客戶應佔的購買及銷售百分比如下：

購買	
– 最大供應商	9.56%
– 五大供應商(合併計算)	23.86%
銷售	
– 最大客戶	1.64%
– 五大客戶(合併計算)	6.99%

概無董事、彼等的聯繫人或據董事所知擁有本公司股本逾5%的任何股東於上述主要供應商或客戶中擁有權益。

Directors' interests in competing business

During the year ended 31 December 2018, none of the Directors of the Company was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Management contracts

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

Major suppliers and customers

The percentages of purchases and sales for the year attributable to the Group's major suppliers and customers are as follows:

Purchases	
– the largest supplier	9.56%
– five largest suppliers combined	23.86%
Sales	
– the largest customer	1.64%
– five largest customers combined	6.99%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

關連交易

本集團於本年度進行須根據聯交所證券上市規則（「上市規則」）第14A章的規定匯報的關連交易如下：

- (1) 於2018年1月18日，長石投資有限公司（「長石投資」）、山東東岳有機硅材料有限公司（「東岳有機硅」）（本公司的全資附屬公司）、山東東岳未來企業管理諮詢服務有限公司（「東岳企業管理」）及山東東岳化工有限公司（「東岳化工」）訂立增資協議一，據此，長石投資同意向東岳有機硅出資約人民幣180,519,481元。同日，淄博曉希企業管理合夥企業（有限合夥）（「淄博曉希」）、東岳有機硅、東岳企業管理及東岳化工訂立增資協議二，據此，淄博曉希同意向東岳有機硅出資約人民幣234,675,325元。增資協議一及增資協議二並非互為條件。

最近，有機硅的市場狀況有所改善。同時，本集團的有機硅生產技術亦得以改善，本集團有機硅分部業績顯著增長，自2016年以來錄得溢利，對本集團整體業績增長作出貢獻。本集團需要在研發、規模擴張、產業鏈擴展以及與有機硅業務相關的資本及資源整合等方面發展，以應對現有的行業趨勢。因此，為把握當前的行業繁榮週期，需要引入新的投資者以實現本集團的發展目標。長石投資擁有投資經驗，引入長石投資將有助於東岳有機硅日後的資本營運及資源整合。

Connected transactions

During the year, the Group had entered into connected transactions that are subject to be reported under Chapter 14A of the Rules Governing the Listing of Securities on the HKSE (the "Listing Rules") as below:

- (1) On 18 January 2018, Cheung Shek Investment Limited ("Cheung Shek Investment"), Shandong Dongyue Organosilicon Material Co., Ltd. ("Dongyue Organic Silicone") (a wholly-owned subsidiary of the Company), Shandong Dongyue Future Corporate Management Consultancy Services Co., Ltd. ("Dongyue Corporate Management") and Shandong Dongyue Chemicals Co., Ltd. ("Dongyue Chemicals") entered into Capital Injection Agreement A pursuant to which, Cheung Shek Investment agreed to make capital contribution of approximately RMB180,519,481 to Dongyue Organic Silicone. On the same day Zibo Xiaoxi Enterprise Management Limited Partnership ("Zibo Xiaoxi"), Dongyue Organic Silicone, Dongyue Corporate Management and Dongyue Chemicals entered into Capital Injection Agreement B pursuant to which, Zibo Xiaoxi agreed to make capital contribution of approximately RMB234,675,325 to Dongyue Organic Silicone. Capital Injection Agreement A and Capital Injection Agreement B are not inter-conditional with each other.

Recently, the market conditions of organic silicone improved. Meanwhile, the Group's organic silicone production technology was also improved, resulting in remarkable growth of the results of the Group's organic silicone segment which has recorded profit since 2016, making contribution to the growth of the Group's overall results. The Group needs to develop in aspects including research and development, scale expansion, expansion of the industrial chain and integration of capital and resources in relation to its organic silicon business to cope with the existing industry trends. Therefore, to grasp the current cycle of industry prosperity, it calls for the need to introduce new investors to realize the development goal of the Group. Cheung Shek Investment is experienced in investment, the introduction of Cheung Shek Investment will be helpful to the capital operation and resource integration of the Dongyue Organic Silicone in the future.

通過引入淄博曉希作為投資者將有助本集團挽留、吸引本集團董事及高級管理層或維持與彼等的持續關係，而彼等對本集團的表現具有重大意義。

由於長石投資由傅軍先生(本公司的執行董事)直接控制，因此長石投資是傅軍先生的聯繫人。故此，長石投資是本公司的關連人士。因此，長石投資在增資協議下支付東岳有機硅的資本構成本公司的關連交易。

由於淄博曉希由張建宏先生及張哲峰先生(均為本公司的執行董事)合共持有超過30%，故此，淄博曉希是本公司的關連人士。因此，淄博曉希在增資協議下支付東岳有機硅的資本構成本公司的關連交易。

完成增資協議下擬進行的交易後，本集團在東岳有機硅的股本權益將由100%減至77%。本交易的進一步詳情載列於本公司日期為2018年1月18日的公告。

By introducing Zibo Xiaoxi as investor will facilitate the Group to retain, attract or otherwise maintain on-going relationships with the Directors and senior management of the Group who are significant to the performance of the Group.

Cheung Shek Investment is directly controlled by Mr. Fu Kwan (an executive Director of the Company). Hence, Cheung Shek Investment is an associate of Mr. Fu Kwan. Therefore, Cheung Shek Investment is a connected person of the Company. Accordingly, the capital contribution made by Cheung Shek Investment to Dongyue Organic Silicone under Capital Injection Agreement A constitutes a connected transaction of the Company.

Mr. Zhang Jianhong and Mr. Zhang Zhefeng (both are executive Directors of the Company) together own more than 30% of Zibo Xiaoxi. Therefore, Zibo Xiaoxi is a connected person of the Company. Accordingly, the capital contribution made by Zibo Xiaoxi to Dongyue Organic Silicone under Capital Injection Agreement B constitutes a connected transaction of the Company.

Following the completion of the transactions contemplated under the Capital Injection Agreements, the equity interest of the Group in Dongyue Organic Silicone will be reduced from 100% to 77%. Further details of this transaction are set out in the Company's announcement dated 18 January 2018.

(2) 於2018年5月18日，山東東岳化工有限公司（「東岳化工」）（本公司的間接全資附屬公司）與北京新華聯產業投資有限公司（賣方及本公司的關連人士）訂立股權轉讓協議，據此，東岳化工已同意購買，而賣方亦已同意出售東營東岳鹽業有限公司的40%股權，現金代價為人民幣86,463,600元（「收購事項」）。

本公司的非全資附屬公司東營東岳鹽業有限公司目前正在穩步發展，現已成為本集團可靠的工業鹽供應商，提供的原材料定價合理，並能夠滿足本集團在數量、嚴格質量要求和產品種類方面的龐大需求。

為增強內部管理及加強供應鏈協同效應，董事決定進行收購事項並認為收購事項對本集團有利，因為這是本集團發展及擴展上游原材料供應的重要一步，從而有助於改善本集團整體產業鏈的整體規劃，並可減輕原材料市場波動對本集團生產成本造成的影響，並將市場風險降至最低。

賣方是本公司間接主要股東新華聯的聯繫人，因此，賣方是本公司的關連人士。本交易的進一步詳情載列於本公司日期為2018年5月18日的公告。

(2) On 18 May 2018, Shandong Dongyue Chemical Co., Ltd (“Dongyue Chemical”, an indirect wholly-owned subsidiary of the Company) and (Macro-link Asset Investment Co., Ltd., the Vendor and a connected person of the Company) entered into the Share Transfer Agreement, pursuant to which Dongyue Chemical has agreed to purchase, and the Vendor has agreed to sell, 40% equity interest in the Dongying Dongyue Salt Co., Ltd for a cash consideration of RMB86,463,600 (the “Acquisition”).

Dongying Dongyue Salt Co., Ltd., a non-wholly owned subsidiary of the Company and is currently undergoing stable development, has now established itself as a reliable supplier of industrial salt to the Group, providing raw materials which are reasonably priced and able to meet the Group’s sizable demand in quantity, stringent quality requirements and product variety.

In order to enhance internal management and strengthen supply chain synergy, the Directors decide to conduct the Acquisition and consider that the Acquisition is beneficial to the Group as it is a major step for the Group to develop and extend to the supply of upstream raw materials and thereby facilitates the improvement of the overall planning of the Group with regard to the industry chain as a whole and may mitigate the effect of fluctuation in the raw material market on the production costs of the Group and minimize market risks.

The Vendor is an associate of Macro-Link, which is an indirect substantial shareholder of the Company, and hence the Vendor is a connected person of the Company. Further details of this transaction are set out in the Company’s announcement dated 18 May 2018.

本集團於截至2018年12月31日止年度進行不屬於上市規則第14A.33條項下的持續關連交易詳情載列如下：

Details of the continuing connected transactions conducted by the Group during the year ended 31 December 2018 not falling under Rule 14A.33 of the Listing Rules are set out below:

2018年的持續關連交易		年度上限	實際金額
Continuing connected transactions for the year 2018		Annual Cap	Actual
		(人民幣百萬元)	(人民幣百萬元)
		(RMB million)	(RMB million)
向東營東岳鹽業採購工業鹽的架構協議(「東營東岳鹽業協議」)(附註1)	Framework agreement for the purchase of industrial salt from Dongying Dongyue Salt (the "DDS Agreement") (Note 1)	62.5	23
向山東東岳有機硅材料有限公司供應原材料的原材料供應主協議(附註2)	Raw material master supply agreement for the supply of raw materials to Shandong Dongyue Organosilicon Materials Co., Ltd (Note 2)	380	311
續訂向山東東岳有機硅材料有限公司供應原材料的原材料供應主協議(附註3)	Renewal of raw material master supply agreement for the supply of raw materials to Shandong Dongyue Organosilicon Materials Co., Ltd (Note 3)	385	6
新華聯控股集團財務有限公司提供存款服務及貸款服務的金融服務主協議(「金融服務主協議」)(附註4)	Financial services master agreement for provision of deposit services and loan services by Marco-link Holding Group Finance Company Limited (the "FS Agreement") (Note 4)	380	370
新華聯控股集團財務有限公司提供存款服務及貸款服務的金融服務主協議的補充協議(「補充金融服務協議」)(附註5)	Supplemental financial services master agreement for provision of deposit services and loan services by macro-link Holding Group Finance Company Limited ("Supplemental FS Agreement") (Note 5)	500	479
與山東東岳未來氫能材料有限公司(「東岳氫能」)訂立的原材料買賣框架協議(附註6)	Raw Materials S&P Framework Agreement with Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd. ("Dongyue Hydrogen") (Note 6)	37 (出售年度上限)	29
		110 (購買年度上限)	75
		(Purchase annual cap)	

附註1：訂立東營東岳鹽業協議的目的是為本集團生產燒鹼及氯(為本集團的製冷劑、含氟物高分子及有機硅生產的重要中間原材料)。東營東岳鹽業因為身為本公司其中一位執行董事傅軍先生的聯繫人及本公司主要股東新華聯國際的聯繫人而成為關連人士。新華聯產業投資由新華聯控股及長石持有80%及20%權益。

於2016年12月31日，東岳氟硅與東營東岳鹽業訂立續訂東營東岳鹽業協議，為期三年，直至2019年12月31日。有關續訂東營東岳鹽業協議的詳情載於本公司日期為2016年12月31日的公告。

工業鹽的購買價格乃由協議方參考工業鹽當時現行市價，以不遜於向獨立第三方提供的條款，經公平磋商後釐定，並須由本集團於一個月之信貸期內以銀行匯款、匯票或其他經協定的支付方式，按一般商業條款支付。續訂東營東岳鹽業協議並無條文規定本集團向東營東岳鹽業獨家採購工業鹽。

附註2：於2018年2月14日，本公司與本公司的關連附屬公司山東東岳有機硅材料有限公司(「東岳有機硅」)訂立原材料供應主協議，據此，本公司已同意向東岳有機硅供應原材料，供其生產與運營之用，至2018年12月31日止。交易詳情載列於本公司日期為2018年2月14日及2018年2月27日的公告。

根據原材料供應主協議，本公司已同意向東岳有機硅供應原材料(包括一氯甲烷、蒸汽、廢氣(氫氣)、燒鹼及製冷劑)，供其生產與運營之用。

本集團主要從事六個業務分部，其一是製造及銷售有機硅產品，相關業務由東岳有機硅單獨營運。由於東岳有機硅是本公司的全資附屬公司，餘下集團(即除東岳有機硅之外的本集團)向東岳有機硅供應原材料一直受到東岳有機硅與本集團其他業務分部之間的協同效應所產生的商業利益所推動，並預期於東岳有機硅繼於2018年1月25日完成向東岳有機硅注資而成為本公司的非全資附屬公司後繼續(詳情載於本公司日期為2018年1月18日的公告)。

東岳有機硅由本公司全資附屬公司山東東岳未來企業管理諮詢服務有限公司持有77%，淄博曉希企業管理合夥企業(「淄博曉希」)持有13%及長石投資有限公司(「長石投資」)持有10%。淄博曉希是一間中國有限合夥企業，由張建宏先生及張哲峰先生(均為執行董事)合共持有超過30%權益。長石投資由執行董事傅軍先生直接控制。因此，淄博曉希及長石

Note 1: The purpose of the DDS Agreement is for the purpose of the Group's production of liquid alkali and chlorine (an essential intermediate raw material for the Group's refrigerants, fluoropolymers and organic silicone production). Dongying Dongyue Salt is a connected person by virtue of it being an associate of one of the Company's executive Directors, Mr. Fu Kwan and an associate of the Company's substantial shareholder, Macrolink International. Macrolink Asset Investment is held as to 80% by Macrolink Holding and 20% by Cheung Shek.

On 31 December 2016, Dongyue F&S entered into the Renewed DDS Agreement with Dongying Dongyue Salt for three years to 31 December 2019. Details of the Renewed DDS Agreement are set out in the Company's announcement dated 31 December 2016.

The purchase price for the industrial salt payable by the Group shall be paid by means of bank remittance, bill of exchange or other agreed payment method(s) with one month credit term and on normal commercial terms which will be determined after arm's length negotiation between the parties with reference to the then prevailing market price of industrial salt that is no less favourable than that offered to independent third parties. There is no provision in the Renewed DDS Agreement requiring the Group to exclusively source industrial salt from Dongying Dongyue Salt.

Note 2: On 14 February 2018, the Company to Shandong Dongyue Organosilicone Materials Co., Ltd ("Dongyue Organosilicone"), a connected subsidiary of the Company, entered into the Raw Materials Master Supply Agreement, pursuant to which the Company has agreed to supply raw materials to Dongyue Organosilicone for its production and operations up to 31 December 2018. Details of the transaction are set out in the Company's announcement dated 14 February 2018 and 27 February 2018.

Pursuant to the raw materials master supply agreement, the Company has agreed to supply raw materials (including chloromethane, steam, waste gas (hydrogen), liquid alkali and refrigerant) to Dongyue Organosilicone for its production and operation purposes.

The Group is principally engaged in six business segments, one of which is the manufacturing and sale of organic silicone products which is operated exclusively by Dongyue Organosilicone. The supply of raw materials by the Remaining Group (i.e. the Group excluding Dongyue Organosilicone) to Dongyue Organosilicone has historically been driven by commercial benefits derived from the synergy between Dongyue Organosilicone and the other business segments of the Group since the incorporation of Dongyue Organosilicone as a wholly-owned subsidiary of the Company, and is expected to continue after Dongyue Organosilicone has become a non-wholly owned subsidiary of the Company following completion of the capital injection into Dongyue Organosilicone on 25 January 2018 (details of which are set out in the Company's announcement dated 18 January 2018).

Dongyue Organosilicone is held as to 77% by Shandong Dongyue Future Corporate Management Consultancy Services Co., Ltd. (山東東岳未來企業管理諮詢服務有限公司) (a wholly owned subsidiary of the Company), 13% by Zibo Xiaoxi Enterprise Management Partnership (淄博曉希企業管理合夥企業) ("Zibo Xiaoxi") and 10% by Cheung Shek Investment Limited (長石投資有限公司) ("Cheung Shek Investment"). Zibo Xiaoxi is a PRC limited partnership in which Mr. Zhang Jianhong and Mr. Zhang Zhifeng (both are executive Directors) together own more than 30% interest. Cheung Shek Investment

投資均是本公司在發行人層面的關連人士。故此，東岳有機硅是公司的關連附屬公司。

由於該協議於2018年12月31日屆滿，於2018年12月20日，本公司已與東岳有機硅訂立重續原材料供應主協議（見下文附註(3)）。

附註3：茲提述上文附註(1)，原材料供應主協議於2018年12月31日屆滿，於2018年12月20日，本公司已與東岳有機硅訂立重續原材料供應主協議，據此，本公司已同意向東岳有機硅供應原材料，供其生產與運營之用，至2019年12月31日止。交易詳情載列於本公司日期為2018年12月20日的公告。

附註4：於2017年12月18日，本公司與新華聯控集團財務有限責任公司（「新華聯財務」）訂立金融服務主協議，據此，新華聯財務同意於2017年12月18日至2018年12月17日的一年內，在日常業務過程中按正常商業條款向本集團提供存款服務及貸款服務。有關詳情載於本公司日期為2017年12月18日之公告。

金融服務主協議將為本集團提供另一全新渠道，以較低資本風險善用剩餘資金，並以較低融資成本取得融資，從而提高整體資金使用效益。訂立金融服務主協議後，無阻本集團使用其他金融機構的存款服務、貸款服務或其他金融服務。新華聯財務為本公司的關連人士，新華聯財務是新華聯控股有限公司旗下一間全資附屬公司，而新華聯控股有限公司則間接持有本公司已發行股本約29.20%，而且，新華聯控股有限公司亦由執行董事傅軍先生間接控制。

董事會稍後預計原年度上限並不充足，因此，於2018年7月26日，本公司與新華聯財務訂立金融服務主協議的補充協議（「補充金融服務協議」）。（補充金融服務協議的進一步詳情載於下文附註(4)以修訂年度上限）。

附註5：茲提述上文附註(4)，於2018年7月26日，本公司與新華聯財務訂立補充金融服務主協議，據此，訂約雙方已同意將原年度上限改為經修訂年度上限，經修訂年度上限金額為人民幣5億元。訂約雙方亦已同意將協議有效期修訂為由2018年7月26日至2019年7月25日止，經修訂年度上限將於該期間內適用。

is directly controlled by Mr. Fu Kwan (an executive Director). Therefore, each of Zibo Xiaoxi and Cheung Shek Investment is a connected person of the Company at the issuer level. Accordingly, Dongyue Organosilicone is a connected subsidiary of the Company.

Since the agreement expired on 31 December 2018, the Company had, on 20 December 2018, entered into the renewal raw materials master supply agreement with Dongyue Organosilicone (see Note (3) below).

Note 3: Reference to note (1) above, the raw materials master supply agreement expired on 31 December 2018, the Company had, on 20 December 2018, entered into the renewal raw materials master supply agreement with Dongyue Organosilicone, pursuant to which the Company has agreed to supply raw materials to Dongyue Organosilicone for its production and operations up to 31 December 2019. Details of the transaction are set out in the Company's announcement dated 20 December 2018.

Note 4: On 18 December 2017, the Company and Marco-link Holding Finance Company Limited (the "Marco-link Finance") entered into the Financial Services Master Agreement, pursuant to which Marco-link Finance has agreed to provide the Group with deposit services and loan services on normal commercial terms in its ordinary and usual course of business for a term of one year from 18 December 2017 to 17 December 2018. Details of the FS Agreement are set out in the Company's announcement dated 18 December 2017.

The FS Agreement will provide the Group with a new means to utilize its surplus cash at a low capital risk and obtain financings at a lower financing cost, and thereby improve the overall efficiency of the use of its funds. The FS Agreement does not preclude the Group from obtaining deposit services, loan services or other financial services from other financial institutions. Marco-link Finance is a connected person of the Company, which is a wholly-owned subsidiary of Marco-link Holdings Limited, which indirectly holds approximately 29.20% of the issued share capital of the Company. In addition, Marco-link Holdings Limited is indirectly controlled by Mr. Fu Kwan (an executive Director).

The Board later expected that the original annual cap was not be sufficient, therefore, on 26 July 2018, the Company and Macro-link Finance entered into the Supplemental Financial Services Master Agreement ("Supplemental FS Agreement") (Further details of the supplemental FS Agreement are set out in note (4) below to revise the annual cap).

Note 5: Reference to note (4) above, on 26 July 2018, the Company and Macro-link Finance entered into the Supplemental FS Agreement, pursuant to which the parties have agreed to, revise the original annual cap to the revised annual cap in an amount of RMB500 million. The parties have also agreed to revise the duration of the agreement to the period commencing 26 July 2018 and ending 25 July 2019 to which the revised annual cap will apply.

附註6：於2018年3月1日，本公司與東岳氫能訂立原材料買賣框架協議。根據協議，本公司已同意(i)向東岳氫能供應原材料，供其生產和運營之用(「東岳原材料」)，及(ii)向東岳氫能採購原材料和產品，供本集團生產和銷售予獨立客戶(「氫能原材料和產品」)。交易的進一步詳情載列於日期為2018年3月1日的公告。

就採購氫能原材料和產品而言，自從出售其用於生產氫能原材料和產品的機器、設備及相關專利以來，本公司就其生產過程及向其客戶轉售需要有關原材料和產品的新的可靠供應來源。東岳氫能擁有有關內部生產的機器、設備和專利，故通過與東岳氫能簽訂原材料買賣框架協議，本公司將能夠按公平市價的折扣價獲得向客戶轉售的有關產品穩定的供應來源，並按成本加成法獲得用於生產的原材料。就東岳原材料而言，訂立原材料買賣框架協議將為東岳氫能提供所需的東岳原材料，以繼續開發及生產氫能及氫膜材料以及燃料電池和氯鹼產品。

東岳氫能由本公司全資附屬公司山東華夏神舟新材料有限公司持有40%、本公司關連人士霍爾果斯旭日股權投資合夥企業持有30%及本公司關連人士新華聯控股有限公司持有30%，因此，東岳氫能為本公司的關連附屬公司。

上述持續關連交易已由獨立非執行董事審閱。獨立非執行董事確認，上述持續關連交易乃(a)於本集團日常及一般業務過程中；(b)按一般商業條款或按對本集團而言，不遜於給予獨立第三方或由獨立第三方所提供的條款進行；及(c)按監管該等交易的相關協議根據屬公平及合理且符合本公司股東整體利益的條款進行。

董事會已就上述持續關連交易委聘本公司核數師及核數師已確認第14A.56條所載之規定。

Note 6: On 1 March 2018, the Company and Dongyue Hydrogen entered into the Raw Materials S&P Framework Agreement. Pursuant to the Agreement, the Company has agreed to (i) supply raw materials to Dongyue Hydrogen for its production and operation purposes (the "DY Raw Materials"), and (ii) purchase raw materials and products from Dongyue Hydrogen for the Group's production and on-selling to independent customers (the "Hydrogen Raw Materials and Products"). Further details of the transaction are set out in the announcement dated 1 March 2018.

In relation to the procurement of Hydrogen Raw Materials and Products, the Company has, since the sale of its machinery, equipment and related patents for the production of Hydrogen Raw Materials and Products, required a new and reliable source of supply for such raw materials and products for its production process and for on-selling to its customers. Dongyue Hydrogen possesses the machinery, equipment and patents for such in-house production and hence, by entering into the Raw Materials S&P Framework Agreement with Dongyue Hydrogen, the Company will be able to secure a stable source of supply for such products at a discount to the fair market price for the supply of such products for on-sale to customers and for such raw materials at Cost-plus Approach, for production. With respect to DY Raw Materials, the entering into the Raw Materials S&P Framework Agreement will provide Dongyue Hydrogen with the necessary DY Raw Materials it requires for continued development and production of hydrogen energy and hydrogen membrane materials and fuel cell and chloralkali products.

Dongyue Hydrogen is held as to 40% by Shandong Huaxia Shenzhou New Materials Co., Ltd., a wholly-owned subsidiary of the Company, 30% by Huoer Guosi Xuri Equity Investment Partnership, (a connected person of the Company) and 30% by Macro-link Holdings Limited (a connected person of the Company), therefore, Dongyue Hydrogen is a connected subsidiary of the Company,

The aforesaid continuing connected transactions have been reviewed by the INEDs. The INEDs confirmed that the aforesaid continuing connected transaction were entered into (a) in the ordinary and usual course of business of the Group; (b) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (c) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Board engaged the auditors of the Company and the auditor has confirmed the requirements set out in rule 14A.56 in respect of the aforesaid continuing connected transactions.

關連人士交易

年內關連人士交易的詳情載列於綜合財務報表附註33。關連人士交易亦為上市規則第14A章的關連交易(包括持續關連交易)，並已根據上市規則第14A章遵守披露規定。

足夠公眾持股量

根據本公司可得的公開資料及就董事所知，於本報告日期，本公司已維持上市規則所規定的本公司已發行股份足夠公眾持股量。

核數師

開元信德會計師事務所有限公司將退任本公司核數師，惟其合資格並願重新獲委任為本公司核數師。本公司將於應屆股東週年大會上提呈決議案，重新委任開元信德會計師事務所有限公司擔任本公司核數師。

獲准許彌償條文

本公司組織章程細則規定，董事就彼等之職務履行其職責或假定職責時因所作出、發生的作為或不作為而招致或蒙受的所有訴訟、費用、收費、損失、損害及開支從本公司的資產及溢利中獲得彌償及獲確保免於就此受到損害，惟有關彌償不得與任何欺詐或不誠實事宜有關。

代表董事會

主席
張建宏

中華人民共和國，2019年3月27日

Related party transactions

The details of the related party transaction during the year are set out in the note 33 to the consolidated financial statements. The related party transactions are also the connected transactions (including the continuing connected transactions) in Chapter 14A of the Listing Rules, which have been complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Sufficiency of public float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this report, the Company has maintained sufficient public float of the issued shares of the Company as required under the Listing Rules.

Auditors

Elite Partners CPA Limited will retire as auditors of the Company and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Elite Partners CPA Limited as auditors of the Company will be proposed at the forthcoming AGM.

Permitted Indemnity Provision

The Articles of Association of the Company provides that the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duty, or supposed duty, in their offices, provided that such indemnity shall not extend to any matter in respect of any fraud or dishonesty.

On behalf of the Board

Zhang Jianhong
Chairman

The People's Republic of China, 27 March 2019



企業管治報告


CORPORATE GOVERNANCE REPORTS

東岳集團有限公司(「本公司」)董事會(「董事會」)肩負為本公司股東(「股東」)創造價值及帶來最大回報的使命，同時履行其企業責任。為此，本公司矢志提升及保持最高水準的企業管治。

The board of Directors (the “Board”) of Dongyue Group Limited (the “Company”) recognizes their mission of creating values and maximizing returns to the shareholders of the Company (the “Shareholders”), while at the same time fulfilling their corporate responsibilities. To this end, we strive to promote and uphold the highest standard of corporate governance.

董事會已檢討本公司的企業管治常規，並採納及改進各項程序及文書處理方式，詳情載於本報告。據董事所盡知及盡信，本公司於截至2018年12月31日止年度及截至本報告日期採納並一直遵守上市規則附錄14所載的企業管治守則(「守則」)的守則條文，惟關於主席與行政總裁的角色偏離守則除外，有關詳情披露於本報告下文相關段落。

The Board has reviewed the corporate governance practices of the Company with the adoption and improvement of the various procedures and documentation which are detailed in this report. To the best knowledge and belief of the Directors, the Company has adopted and complied with the code provisions of the Corporate Governance Code contained in Appendix 14 of the Listing Rules (the “Code”) during the year ended 31 December 2018 and up to the date of this report, except for deviation regarding the roles of chairman and chief executive officer, the details of which have been disclosed in the relevant paragraphs below in this report.



董事會

董事會負責領導和監控本公司及其附屬公司(統稱「本集團」)及監察本集團的業務、策略性方針和表現。董事會轉授權力和責任予本集團管理人員，以管理本集團。此外，董事會亦已轉授若干責任予董事會轄下的委員會。本公司定期對董事會的組成進行檢討，以確保董事會成員在專業、技能及經驗方面實現良好平衡，符合本集團業務的要求。

The Board

The Board is responsible for leadership and control of the Company and its subsidiaries (together the “Group”), and oversees the Group’s businesses, strategic direction and performance. The Board delegates the authority and responsibility to the Group’s management for the management of the Group. In addition, the Board has also delegated various responsibilities to the Board’s Committees. The composition of the Board is reviewed regularly to ensure that it has a good balance of expertise, skills and experience which can meet the requirements of the business of the Group.

截至2018年12月31日止年度及截至本報告日期，董事會的架構並無任何變動，現時由九名董事組成，其成員載列如下：

During the year ended 31 December 2018 and up to the date of this report, there was no change in the structure of the Board, which currently comprises nine Directors and its composition is set out as follows:

執行董事：

張建宏先生(主席兼行政總裁)
傅軍先生
劉傳奇先生
張哲峰先生(副總裁兼首席財務官)
張必書先生
張建先生

獨立非執行董事：

丁良輝先生
楊曉勇先生
岳潤棟先生

董事簡歷詳情載於本年報第22至26頁「董事及高層管理人員履歷」一節。

本公司有三名獨立非執行董事，佔董事會人數三分之一。按照聯交所證券上市規則(「上市規則」)第3.10條的規定，本公司最少一名獨立非執行董事須具備適當專業資格或會計或財務管理相關專業知識。董事會已接獲各獨立非執行董事就其獨立身份發出的年度確認，根據上市規則第3.13條所載指引，董事會認為，全體獨立非執行董事均為獨立人士。

Executive Directors (“EDs”):

Mr. Zhang Jianhong (Chairman and Chief Executive Officer)
Mr. Fu Kwan
Mr. Liu Chuanqi
Mr. Zhang Zhefeng (Vice President and Chief Financial Officer)
Mr. Zhang Bishu
Mr. Zhang Jian

Independent non-executive Directors (“INEDs”):

Mr. Ting Leung Huel, Stephen
Mr. Yang Xiaoyong
Mr. Yue Rundong

The brief biographical details of the Directors are set out in the “Directors’ and Senior Management’s Profile” section on pages 22 to 26 of this annual report.

The Company has three INEDs representing one-third of the Board. At least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise pursuant to Rule 3.10 of the Rules Governing the Listing of Securities on the HKSE (the “Listing Rules”). The Board has received from each INED an annual confirmation of his independence and considers that all the INEDs are independent under the guidelines set out in Rule 3.13 of the Listing Rules.

於回顧年度，董事會定期開會討論本集團整體策略以及營運與財務表現，並審閱及批准本集團年度及中期業績以及企業管治、業務營運、財務、資本、薪酬、收購及分拆。於回顧年度，共舉行九次董事會會議及一次股東週年大會（「股東週年大會」）。除股東週年大會外，本公司召開一次股東特別大會以批准分拆東岳有機硅。各董事出席董事會會議、股東週年大會及股東特別大會的情況載於下文。此外，若干有關訂立持續關連交易及股權交易協議，批准建議分拆東岳有機硅的事宜乃透過董事的書面決議案予以處理。

During the year under review, the Board was met regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results, as well as corporate governance, business operations, financial, capital, remuneration, acquisition and spin-off. During the year under review, nine Board meetings and an annual general meeting ("AGM") were held. Apart from the AGM, one extraordinary general meeting was held by the Company for approving the spin-off of Dangyue Organosilicone. The attendance of each Director at the Board meetings, the AGM and the EGM is set out as follows. In addition, certain matters relating to entering of the continuing connected transactions and equity transaction agreement, approval of the spin-off proposal of Dongyue Organosilicone were dealt with by written resolutions of the directors.

年內，各董事出席董事會會議的情況載列如下：

During the year, the attendance of each Director at the Board meetings is set out as follows:

		出席／舉行 董事會會議次數 Number of Board meetings attended/held	出席股東 週年大會 Attendance of the AGM	出席股東 特別大會 Attendance of the EGM
執行董事：	EDs:			
張建宏先生	Mr. Zhang Jianhong	6/9	✓	✗
傅軍先生	Mr. Fu Kwan	3/9*	✗	✗
劉傳奇先生	Mr. Liu Chuanqi	5/9*	✗	✗
張哲峰先生	Mr. Zhang Zhefeng	9/9	✓	✓
張必書先生	Mr. Zhang Bishu	8/9	✗	✗
張建先生	Mr. Zhang Jian	7/9	✓	✗
獨立非執行董事：	INEDs:			
丁良輝先生	Mr. Ting Leung Huel, Stephen	9/9	✓	✓
楊曉勇先生	Mr. Yang Xiaoyong	9/9	✓	✗
岳潤棟先生	Mr. Yue Rundong	8/9	✗	✗

* 傅先生及劉先生委任代表於彼等缺席期間代其出席董事會會議。

* Mr. Fu and Mr. Liu appointed representatives to attend the Board meetings on their behalf during their absence.

截至2018年12月31日止年度，董事會處理之事項主要涉及本集團整體策略、年度及中期業績、風險管理、股息政策、企業管治、資本、財務、投資及薪酬。董事會已將本集團之日常業務營運委派受董事會監督的高層管理人員負責。此外，本公司主席與全體獨立非執行董事展開討論，就本集團業務發展及內部監控事宜交換意見，並無其他執行董事出席。

董事會會議定將定期並按業務需要舉行。召開定期董事會會議一般會給予全體董事最少十四天通知(或就所有其他會議給予合理通知)，以便彼等有機會將討論事項納入會議議程內。公司秘書協助主席編製會議議程及確保妥為遵守所有適用規則及規例。議程及隨附董事會文件一般在董事會會議擬舉行日期前最少三天送呈全體董事。所有會議記錄均由公司秘書存管，並於任何董事發出合理通知後，在任何合理時間供彼查閱。

在協助董事履行各自於上市規則下規定的責任時，董事已獲提供月度更新資料，詳細載列對本集團的表現、狀況及前景作出平衡而易於理解的評估，並獲提供適當保險，以保障彼等在履行各自責任時免受針對彼等的法律行動所導致的潛在風險。

董事的持續專業發展

本公司會告知董事有關法律、規則及法規的修訂或更新資訊。此外，本公司會向董事提供彼等發展及更新專業技能所需書面材料。於2018年5月24日，本公司組織董事參加了有關上市規則的內部研討會(「研討會」)。

During the year ended 31 December 2018, the Board has dealt with matters covering mainly the Group's overall strategy, annual and interim results, risk management, dividend policies, corporate governance, capital, financial, investment and remuneration. The Board has delegated the day-to-day operations of the Group to the senior management under the supervision of the Board. In addition, the Chairman held the discussion with all the INEDs without the presence of other EDs to exchange views on matters concerning the business development and internal control of the Group.

Board meetings are scheduled to be held regularly and as required by business needs. At least 14 days' notice of regular Board meetings (or reasonable notice for all other meetings) is normally given to all Directors who are given an opportunity to include matters for discussion in the agenda. The Company Secretary assists the Chairman in preparing the agenda for meetings and ensures that all applicable rules and regulations are complied with. The agenda and the accompanying Board papers are normally sent to all Directors at least 3 days before the intended date of a Board meeting. All minutes are kept by the Company Secretary and are open for inspection at any reasonable time on reasonable notice by any Director.

In facilitating the Directors to discharge their responsibilities as stipulated under the Listing Rules, the Directors have been provided with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail and with appropriate insurance cover to protect them from potential risks arising from legal actions against them while they discharge their duties.

Directors' continuous professional development

The Directors are briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Directors are provided with written materials to develop and refresh their professional skills. On 24 May 2018, the Company organized for the Directors an in-house workshop (the "Workshop") on the Listing Rules.

根據本公司存置的記錄，董事於回顧年內已接受下列持續專業發展方面的培訓：

According to the records maintained by the Company, the Directors received the following training on continuous professional development during the year under review:

已接受的企業管治培訓／
法律、規則及
法規的更新資訊
Received training on
Corporate Governance/
Updates on laws,
rules and regulations

執行董事：

張建宏先生
傅軍先生
劉傳奇先生
張哲峰先生
張必書先生
張建先生

EDs:

Mr. Zhang Jianhong
Mr. Fu Kwan
Mr. Liu Chuanqi
Mr. Zhang Zhefeng
Mr. Zhang Bishu
Mr. Zhang Jian

✓
✓
✓
✓
✓
✓

獨立非執行董事：

丁良輝先生
楊曉勇先生
岳潤棟先生

INEDs:

Mr. Ting Leung Huel, Stephen
Mr. Yang Xiaoyong
Mr. Yue Rundong

✓
✓
✓

董事在企業管治中的責任

董事認識到維持高標準企業管治的重要性及此乃彼等的責任。為此，企業管治委員會負責(其中包括)審閱本公司的企業管治政策及常規以及本公司是否遵守守則和本報告內的相關披露。

Directors' responsibilities in corporate governance

The Directors recognize the importance and their responsibilities for maintaining a high standard of corporate governance. In this accord, the corporate governance committee is responsible for, among others, reviewing the Company's policies and practices on corporate governance and the Company's compliance with the Code and the relevant disclosure in this report.

更多詳情載於本報告「企業管治委員會」一節中相關段落內。

More details are set out under the relevant paragraphs of the section headed "Corporate Governance Committee" of this report.

董事進行證券交易

本公司已採納一套有關董事進行證券交易的操守守則，其條款嚴格程度不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則載列的規定標準。經向全體董事作出具體查詢後，全體董事確認，彼等一直遵守本公司所採納有關董事進行證券交易的操守守則所載規定標準。

主席與行政總裁的角色

守則第A.2.1條規定，主席與行政總裁的角色應有區分，且不應由同一人兼任。張建宏先生目前身兼本公司主席與行政總裁。董事會認為，由一人同時兼任主席及行政總裁可令本集團更能貫徹強勢領導，且在業務策劃上更具效率。此外，董事會認為，在由多名經驗豐富且具才幹的人士所組成董事會密切監控下，此架構不會影響權力平衡。董事會對張先生充滿信心，並深信現時安排對本集團的業務前景最為有利。

董事的委任及重選

新董事的委任及其他相關事項已委派予本公司提名委員會負責。提名委員會就相關事項(包括本公司董事的委任及重新委任)向董事會提供建議。董事會認為，預期新任董事應具備有關範疇的專業知識，以為本公司作出貢獻，且有足夠時間參與本公司的決策程序。

Directors' securities transactions

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules. Having made specific enquiry of all Directors, all Directors confirmed they have complied with the required standard set out in the code of conduct regarding securities transactions by Directors adopted by the Company.

Roles of chairman and chief executive officer

Code A.2.1 of the Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Mr. Zhang Jianhong is both the Chairman and Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same position provides the Group with stronger and more consistent leadership and allows for more effective planning. Further, the Board considers that this structure will not impair the balance of power, which has been closely monitored by the Board, which comprises experienced and high caliber individuals. The Board has full confidence in Mr. Zhang and believes that the current arrangement is beneficial to the business prospect of the Group.

Appointment and re-election of Directors

The appointment of new Director(s) and other related matters have been delegated to the Company's Nomination Committee, which would make recommendations to the Board on relevant matters including the appointment or reappointment of the Directors of the Company. The Board considers that the new Director(s) is expected to have expertise in relevant area to make contribution to the Company and to have sufficient time to participate in the decision making process of the Company.

除張哲峰先生及張必書先生外，本公司其他執行董事概無與本公司訂有服務合約。張哲峰先生及張必書先生已訂立服務合約，自2017年5月2日起為期兩年。此外，獨立非執行董事已與本公司簽訂委任書，自2018年1月1日起為期約兩年。

根據本公司組織章程細則(「章程細則」)，當時三分之一董事，或倘董事人數並非三之倍數，則最接近但不少於三分之一的人數，須於各股東週年大會按照章程細則條文輪值退任。因此，全體董事均須依據章程細則於股東週年大會輪值退任並重選連任。

董事委員會

董事會已設立薪酬委員會、審核委員會、提名委員會、企業管治委員會及風險管理委員會，並制定具體書面職權範圍(可於本公司及聯交所網站查閱)，各委員會(提名委員會及企業管治委員會除外)的主席均由獨立非執行董事擔任。為進一步提升獨立性，各委員會(企業管治委員會除外)均由大多數獨立非執行董事組成。

薪酬委員會

薪酬委員會由本公司兩名獨立非執行董事及一名執行董事，分別為楊曉勇先生(委員會主席)、丁良輝先生及張建宏先生組成。薪酬委員會的書面職權範圍其中包括檢討本集團有關全體董事及本集團高級管理層之薪酬政策及結構，批准全體執行董事及本集團高級管理層的薪酬，包括根據本公司的僱員購股權計劃向本集團僱員及執行董事授出購股權(如有)，以及就獨立非執行董事之薪酬向董事會作出建議。

Except Mr. Zhang Zhefeng and Mr. Zhang Bishu, other EDs of the Company did not enter into service contracts with the Company. Mr. Zhang Zhefeng and Mr. Zhang Bishu entered into the service contracts for a term of two years commencing from 2 May 2017. In addition, the INEDs signed a letter of appointment with the Company for a term of approximately two years commencing from 1 January 2018.

Pursuant to the Company's articles of association (the "Articles"), one-third of the Directors for the time being (or if the number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation at each AGM in accordance with the provisions of the Articles. Accordingly, all Directors shall be subject to retirement by rotation and re-election at AGM under the Articles.

Board committees

The Board has established a Remuneration Committee, an Audit Committee, a Nomination Committee, a Corporate Governance Committee and a Risk Management Committee, each of which has its specific written terms of reference, which have been available on the Company's and the HKSE's websites, and is chaired by INEDs (except the Nomination Committee and the Corporate Governance Committee). To further enhance independence, all the committees (except the Corporate Governance Committee) include a majority of INEDs.

Remuneration committee

The Remuneration Committee comprises the Company's two INEDs and one ED, namely, Mr. Yang Xiaoyong (being the Chairman of the Committee), Mr. Ting Leung Huel, Stephen and Mr. Zhang Jianhong. The written terms of reference of the Remuneration Committee cover, among other things, the review of the Group's policy and structure for the remuneration for all the Directors and senior management of the Group, the approval of the remuneration for all the EDs and senior management of the Group, including the granting of options over Shares to the Group's employees and the EDs under the Company's Employee Option Scheme (if any), and the recommendation to the Board for the remuneration for the INEDs.

截至2018年12月31日止年度，薪酬委員會曾舉行兩次會議，各成員的出席情況載列如下：

During the year ended 31 December 2018, two meetings of the Remuneration Committee were held. The attendance of each member is set out as follows:

會議出席／舉行情況
Number of
meetings
attended/held

委員會成員：	Committee member:	
楊曉勇先生	Mr. Yang Xiaoyong	2/2
丁良輝先生	Mr. Ting Leung Huel, Stephen	2/2
張建宏先生	Mr. Zhang Jianhong	2/2

會議批准了截至2018年12月31日止財政年度的執行董事及本集團高層管理人員的薪酬及僱員購股權計劃。成員亦透過成員的書面決議案批准了向董事會提供有關獨立非執行董事薪酬的建議。此外，委員會成員已討論並審閱了董事及本集團高層管理人員的薪酬及本集團薪酬相關事宜。

During the meeting, the remuneration of the EDs and the Group's senior management for the financial year ended 31 December 2018 and the Employee Option Scheme were approved. The members also approved the recommendation to the Board about the remuneration for the INEDs by the written resolution of the member. In addition, the members discussed and reviewed the remuneration for the Directors and the Group's senior management and the Group's remuneration related matters.

高層管理人員於截至2018年12月31日止年度的薪酬範圍載列如下：

The remuneration of the members of the senior management by band for the year ended 31 December 2018 is set out below:

薪酬範圍(港元)	Remuneration bands (HKD)	人數 Number of persons
5,000,001港元至5,500,000港元	5,000,001 to 5,500,000	1
10,500,001港元至11,000,000港元	10,500,001 to 11,000,000	1
15,500,001港元至16,000,000港元	15,500,001 to 16,000,000	1

根據上市規則附錄16須予披露的有關董事薪酬及五位最高薪酬僱員的進一步詳情載於財務報表附註11及12。

Further particulars regarding 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 11 and 12 to the financial statements.

審核委員會

審核委員會由本公司三名獨立非執行董事，分別為丁良輝先生(委員會主席，具備合適專業資格或會計或財務管理相關專業知識)、楊曉勇先生及岳潤棟先生組成。

審核委員會的主要職責為審閱本公司年報及賬目及半年度報告及賬目，並就此向董事會提供建議及意見；就委任、重新委任及罷免外聘核數師向董事會提供建議以及批准外聘核數師的酬金及委聘條款。審核委員會亦負責審閱本集團的財務申報程序及內部監控制度，並就此提供建議。

截至2018年12月31日止年度，審核委員會曾舉行五次會議，各成員的出席情況如下：

Audit committee

The Audit Committee comprises the Company's three INEDs, namely, Mr. Ting Leung Huel, Stephen (being the Chairman of the Committee with appropriate professional qualification or accounting or related financial management expertise), Mr. Yang Xiaoyong and Mr. Yue Rundong.

The primary duties of the Audit Committee are to review the Company's annual reports and accounts, half-yearly reports and accounts and to provide advice and comments thereon to the Board, to make recommendation to the Board on the appointment, re-appointment and removal of external auditors and to approve the remuneration and terms of engagement of the external auditors. The Audit Committee is also responsible for reviewing the financial reporting process and internal control system of the Group and to give suggestions in these regards.

The Audit Committee held five meetings during the year ended 31 December 2018 and the attendance of each member is set out as follows:

出席／舉行
委員會會議次數
**Number of
Committee
meeting
attended/held**

委員會成員：

丁良輝先生
楊曉勇先生
岳潤棟先生

Committee member:

Mr. Ting Leung Huel, Stephen
Mr. Yang Xiaoyong
Mr. Yue Rundong

5/5
4/5
5/5

本公司外聘核數師及本集團有關管理人員亦曾出席該等會議。

The external auditors of the Company and the related management of the Group also attended these meetings.



於截至2018年12月31日止財政年度舉行的會議上，審核委員會已履行以下各項工作：

- 就本集團於截至2017及2018年12月31日止年度的財務報表召開審核前會議；
- 討論及審閱審核工作、內部監控、風險管理及財務報告事項，包括於提交董事會批准前審閱年報／中期報告、賬目及相關的業績公告；
- 批准外聘核數師就截至2017年12月31日止財政年度提供審核及非審核服務的酬金及其相關委聘條款；及
- 檢討外部審核結果、本集團採納的會計原則及慣例、上市規則及有關財務申報的法定守規事項。
- 批准有關建議分拆東岳有機硅的獨立財務顧問函件

於2018年11月30日，審核委員會就本集團截至2018年12月31日止財政年度的財務報表的審核與外聘核數師舉行審核前會議。審核委員會亦於2019年3月21日與管理層舉行會議，以審閱本集團採納的會計準則及慣例，並討論有關內部監控及財務申報的事宜，包括審閱本集團截至2018年12月31日止年度的年度業績，然後才呈交董事會批准。

During the meetings held in the financial year ended 31 December 2018, the Audit Committee has performed the works which are set out as follows:

- perform pre-audit meeting in respect of the financial statements of the Group for the year ended 31 December 2017 and 2018;
- discuss and review auditing, internal controls, risk management and financial reporting matters including the review of the annual/interim reports, accounts and the related results announcements, before recommending them to the Board for approval;
- approve the remuneration for the audit and non-audit services provided by the external auditors and its relevant terms of engagement in respect of the financial year ended 31 December 2017; and
- review the external audit findings, the accounting principles and practices adopted by the Group, the Listing Rules and statutory compliance in relation to the financial reporting.
- approve the independent financial advisor letter in relation to the proposed spin-off of Dongyue Organosilicone.

On 30 November 2018, the Audit Committee conducted pre-audit meeting with the external auditors in respect of the audit of the financial statements of the Group for the financial year ended 31 December 2018. The Audit Committee also had a meeting with management on 21 March 2019 to review the accounting standards and practices adopted by the Group and to discuss matters regarding internal control and financial reporting including the review of the Group's annual results for the year ended 31 December 2018 before proposing to the Board for approval.

提名委員會

本公司已於2012年3月18日成立提名委員會，並書面釐定其職權範圍為負責本公司新董事的委任及其他相關事宜。張建宏先生獲委任為提名委員會的主席，丁良輝先生及楊曉勇先生獲委任為提名委員會的成員。提名委員會的主要職責為檢討董事會的架構、規模及組成(包括技能、知識、經驗及多元化方面)，物色具備合適資格可擔任董事會成員的人士，評核獨立非執行董事的獨立性，檢討董事會成員多元化政策(「政策」)及檢討董事會就實施有關政策所採納的可測量目標以及於本公司企業管治報告內作出有關達成該等目標的進展的相關披露。

於截至2018年12月31日止年度，提名委員會舉行一次會議，各成員的出席情況如下：

Nomination committee

The Company established a Nomination Committee with written terms of reference on 18 March 2012 to be responsible for the appointment of new Director(s) of the Company and other related matters. Mr. Zhang Jianhong was appointed as the chairman of the Nomination Committee and Mr. Ting Leung Huel, Stephen and Mr. Yang Xiaoyong were appointed as the members of the Nomination Committee. The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge, experience and diversity) of the Board, to identify individuals suitably qualified to become members of the Board, to assess the independence of the INEDs, to review the policy (the "Policy") concerning the diversity of the Board and the measurable objectives that the Board has adopted for implementing the Policy and to make the relevant disclosure on the progress of achieving those objectives in the corporate governance report of the Company.

The Nomination Committee held one meeting during the year ended 31 December 2018 and the attendance of each member is set out as follows:

會議出席情況 Attendance of the meeting

委員會成員：

張建宏先生
丁良輝先生
楊曉勇先生

Committee member:

Mr. Zhang Jianhong
Mr. Ting Leung Huel, Stephen
Mr. Yang Xiaoyong

✓
✓
✓

會上，委員會成員討論了董事會的組成相關事宜，並就此向董事會作出推薦建議以供考慮，就董事會成員多元化、於股東週年大會上重選董事並就董事會實施該政策應採納的可測量目標提出建議，同時檢討了獨立非執行董事的獨立性。

During the meeting, the members discussed matters relating to the composition of the Board and make recommendation thereon to the Board for consideration, the diversity of the Board, the re-election of the directors at AGM, the recommendation of the measurable objectives that the Board should adopt for implementing the Policy as well as reviewed the independence of the INEDs.

此外，有關董事會成員多元化政策的概要載列如下：

A. 政策聲明

本公司明白並深信建立一個多元的董事會裨益良多。一個真正多元的董事會可容入並善用董事的不同技能、地區及行業經驗、背景、種族、性別及其他資歷。此等差異將用作決定董事會的最佳組合。董事會所有的委任均以用人唯才為原則，並於考慮人選時以客觀條件充分顧及董事會成員多元化的裨益。

B. 可測量目標

1. 提名委員會將就實施董事會成員多元化每年討論及議定可測量目標，並向董事會作出建議以供採納。
2. 本公司旨在建立並維持董事會董事在技能、經驗、知識、專長、文化、獨立身份、年齡及性別方面的多元化。

C. 監察及匯報

1. 提名委員會每年將於企業管治報告內從多元化角度匯報董事會的組成，並監察政策的實施情況。
2. 政策概要連同就實施政策而制定的可測量目標，以及在達成該等目標上取得的進展，將於企業管治報告內作出披露。

D. 檢討政策

提名委員會將於適當時候檢討政策，並向董事會提出任何擬定更改建議以供審批。

In addition, a summary of the Policy for the diversity of the Board is set out as follows:

A. Policy Statement

The Company recognizes and embraces the benefits of having a diverse Board. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other qualities of Directors. These differences will be taken into account in determining the optimum composition of the Board. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity of the Board.

B. Measurable Objectives

1. The Nomination Committee will discuss and agree annually measurable objectives for implementing diversity on the Board and recommend to the Board for adoption.
2. The Company aims to build and maintain a Board with a diversity of Directors, in terms of skills, experiences, knowledge, expertise, culture, independence, age and gender.

C. Monitoring and Reporting

1. The Nomination Committee will report annually, in the Corporate Governance Report, on the Board's composition under diversified perspectives, and monitor the implementation of the Policy.
2. A summary of the Policy, together with the measurable objectives set for implementing the Policy and the progress made towards achieving those objectives will be disclosed in the Corporate Governance Report.

D. Review of the Policy

The Nomination Committee will review the Policy, as appropriate, and recommend any proposed changes to the Board for approval.



董事會已於截至2018年12月31日止年度採納以下可測量目標：

- 董事會成員的候選人應包括具有海外(中國境外)學術、研究或工作經驗者；
- 應確保不限性別地篩選董事；及
- 董事會成員的候選人應包括具有其他行業工作經驗者。

年內，董事會已達至上述可測量目標，董事會於篩選董事時，已包括於其他行業具有海外學術、研究或工作經驗的男女兩個性別的人選。

The Board has adopted the following measurable objectives during the year ended 31 December 2018:

- Inclusion of candidates for Board members with overseas academic, research or working experience (outside of PRC);
- ensuring that there is no limitation on gender on selection of Directors; and
- inclusion of candidates for Board members with working experience in other industries.

During the year, the Board achieved the above measurable objectives by which the Board had included both male and female candidates with overseas academic, research or working experience in other industries in the selection of Directors.

企業管治委員會

本公司已於2013年3月21日成立企業管治委員會，並訂有職權範圍。張建宏先生獲委任為企業管治委員會主席以及劉傳奇先生及張必書先生獲委任為企業管治委員會成員。企業管治委員會的主要職責為拓展及檢討企業管治政策及常規並向董事會提出建議、檢討及監察董事的培訓及持續專業發展、檢討及監察有關遵守法律及法規要求的政策及常規以及檢討遵守守則的情況及於企業管治報告內所作出的披露。企業管治委員會於回顧年度內舉行了一次會議。各成員的出席情況載列如下：

Corporate Governance Committee

The Company established a Corporate Governance Committee with terms of reference on 21 March 2013. Mr. Zhang Jianhong was appointed as the chairman of the Corporate Governance Committee and Mr. Liu Chuanqi and Mr. Zhang Bishu were appointed as the members of the Corporate Governance Committee. The primary duties of the Corporate Governance Committee are to develop and review policies and practices on corporate governance and make recommendations to the Board, to review and monitor the training and continuous professional development of Directors, to review and monitor policies and practices on compliance with legal and regulatory requirements and to review the compliance with the Code and disclosure in the Corporate Governance Reports. The Corporate Governance Committee held one meeting during the year under review. The attendance of each member is set out as follows:

會議出席情況 Attendance of the meeting

委員會成員：
張建宏先生
劉傳奇先生
張必書先生

Committee member:
Mr. Zhang Jianhong
Mr. Liu Chuanqi
Mr. Zhang Bishu

✓
✓
✓

在會議上，各成員討論及審議了有關本公司企業管治政策及常規，董事培訓及持續專業發展以及企業管治報告的事宜。

風險管理委員會

本公司於2015年8月13日成立風險管理委員會，並訂立書面職權範圍，檢討本公司風險管理、內部監控及其他相關事宜，並提出建議。丁良輝先生獲委任為風險管理委員會主席及楊曉勇先生及岳潤棟先生獲委任為風險管理委員會成員。風險管理委員會的主要職責為省覽、審閱及批准風險管理政策，識別本集團風險，批准影響本集團風險情況或風險承擔的重大決定，考慮危機及緊急情況下決策流程的有效性，及審閱本集團內部控制制度的有效性及資源。

風險管理委員會於回顧年度內舉行了兩次會議。各成員的出席情況載列如下：

During the meeting, the members discussed and reviewed matters relating to the Company's policies and practices on corporate governance, the training and continuous professional development of Directors, and the Corporate Governance Report.

Risk Management Committee

The Company established a Risk Management Committee with written terms of reference on 13 August 2015 to review and advise the risk management and internal control of the Company and other related matters. Mr. Ting Leung Huel, Stephen was appointed as the chairman of the Risk Management Committee and Mr. Yang Xiaoyong and Mr. Yue Rundong were appointed as the members of the Risk Management Committee. The primary duties of the Risk Management Committee are to consider, review and approve the risk management policies, identify the risk of the Group, approve major decisions affecting the Group's risk profile or exposure, consider the effectiveness of decision making processes in crisis and emergency situations and review the effectiveness and resources of the internal control systems of the Group.

The Risk Management Committee held two meetings during the year under review. The attendance of each member is set out as follows:

出席／舉行
委員會會議次數
Number of
Committee meeting
attended/held

委員會成員：

丁良輝先生
楊曉勇先生
岳潤棟先生

Committee member:

Mr. Ting Leung Huel, Stephen 2/2
Mr. Yang Xiaoyong 2/2
Mr. Yue Rundong 2/2

於截至2018年12月31日止財政年度舉行的會議中，各成員於提交董事會批准前，討論及審閱了有關本公司內部監控措施及政策及其實施情況的事宜以及內部監控報告(由獨立諮詢公司編製)。

During the meetings held in the financial year ended 31 December 2018, the members discussed and reviewed matters relating to the Company's internal control measures and policies and its implementation, and the internal control report (prepared by the independent consulting firm), before recommending them to the Board for approval.

董事及外聘核數師各自的責任

董事負責編製真實公平反映本集團財務狀況及本集團業績及現金流量的財務報表。外聘核數師則負責根據審核結果，對董事編製的財務報表提出獨立意見，並僅向本公司股東報告，除此之外不可作其他用途。

風險管理及內部監控

本集團董事會負責評估及釐定本集團達成策略目標時所願意接納的風險性質及程度，並確保本集團設立及維持合適及有效的風險管理及內部監控系統。本集團董事會已監督管理層對風險管理及內部監控系統的設計、實施及監察。董事會確認，其有責任為本集團建立風險管理及內部監控系統，並會持續監督有關系統，並確保最少每年檢討一次公司及其主要附屬公司的風險管理及內部監控系統的有效性。

本公司董事會、審核委員會及風險管理委員會亦確認已檢討本集團及其主要附屬公司的風險管理和內部監控系統的有效性，有關檢討涵蓋本集團所有重要的監控方面，包括戰略監控、財務監控、營運監控及合規監控。

本公司已設立內部審核功能。公司亦開展對風險管理的梳理，程序主要包括：

- 1) 識別風險，形成風險清單；
- 2) 依據各類潛在風險發生的可能性以及本集團管理層關注度，結合風險可能造成的財務損失，對運營效率、持續發展能力和聲譽的影響開展風險評估工作，並進行優次排序；

Respective responsibilities of Directors and external auditors

The Directors are responsible for the preparation of the financial statements, which give a true and fair view of the state of affairs of the Group and of the Group's results and cash flows. The external auditors are responsible to form an independent opinion, based on the audit, on the financial statements prepared by the Directors and report the opinion solely to the members of the Company as a body and for no other purpose.

Risk management and internal control

The Board of Directors is responsible for assessing and determining the nature and extent of the risks that the Group is willing to accept in reaching its strategic objectives and to ensure that the Group has established and maintained appropriate and effective risk management and internal control systems. The Board of Directors has supervised the management's design, implementation and monitoring of risk management and internal control systems. The Board confirmed that it is responsible for establishing risk management and internal control systems for the Group and will continue to monitor the system and ensure to review the effectiveness of the risk management and internal control systems of the Company and its principal subsidiaries at least once a year.

The Company's Board of Directors, Audit Committee and Risk Management Committee have also confirmed that they have reviewed the effectiveness of the risk management and internal control systems of the Group and its principal subsidiaries, covering all important monitoring aspects of the Group, including strategic, financial, operational and compliance monitoring.

The Company has set up internal audit function. The Company has also conducted procedures of risk management, which mainly include:

- 1) identify risk and form risk list;
- 2) Based on the possibility of various types of potential risks and the concerns of the management of the Group, combined with the risk of financial losses, make risk assessment on the impact of operational efficiency, sustainable development capacity and reputation, and prioritize them;



- | | |
|--|---|
| <p>3) 識別重大風險的風險管理措施，對風險管理措施的設計方面進行評估，對不足之處制定措施進行改善；</p> <p>4) 就風險管理編製了風險管理手冊，明確管理層、董事會、審核委員會及風險管理委員會在風險管理工作的職責；</p> <p>5) 管理層已對風險管理系統的檢討及評估結果，重大風險因素及相關應對措施向審核委員會及風險管理委員會報告。</p> | <p>3) Identify risk management measures for significant risks, conduct evaluations of the design of risk management measures, and improve the deficiencies through formulating measures;</p> <p>4) Develop risk management manuals for risk management, identify the responsibilities for the management, Board of Directors, Audit Committee and Risk Management Committee in risk management, and continuously monitor risk management;</p> <p>5) The management has reported to the Audit Committee and Risk Management Committee on the review and assessment of risk management, major risk factors and related response measures.</p> |
|--|---|

然而，任何風險管理和內部監控系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。

However, risk management and internal control systems are designed to manage rather than eliminate the risk of failing to reach a business goal, and to make reasonable, not absolute, warranties of no significant misrepresentation or loss.

以下列出公司對於有關處理及發放內幕消息的程序和內部監控措施：

Set out below is the Company's procedures and internal controls for handling and distributing inside information:

- | | |
|---|---|
| <ul style="list-style-type: none"> • 公司明白其根據《證券及期貨條例》和上市規則所須履行的責任，首要原則是公司一旦知悉內幕消息及／或在作出有關決定後須即時公布，除非該等內幕消息屬於《證券及期貨條例》下的「安全港條文」； • 於處理有關事務時恪守證券及期貨事務監察委員會於2012年6月頒佈的「內幕消息披露指引」，及聯交所於2008年頒佈的「有關近期經濟發展情況及上市發行人的披露責任」；及 • 已在內部制度中明確訂明嚴禁未經授權使用機密或內幕資料。 | <ul style="list-style-type: none"> • The Company acknowledges its obligations under the Securities and Futures Ordinance and the Listing Rules. The first principle is that the information should be immediately published when the Company is aware of and/or when the related decision is made, unless such inside information falls under the Safe Harbour Provisions under the Securities and Futures Ordinance; • In dealing with the matters, adhere to the Guidelines on Disclosure of Inside Information promulgated by the Securities and Futures Commission in June 2012 and the "Recent Economic Developments and the Disclosure Obligations of Listed Issuers" issued by the SEHK in 2008; and • Unauthorized use of confidential or inside information has been expressly prohibited in the internal system. |
|---|---|

董事會已檢討回顧年度內風險管理和內部監控系統的有效性，認為該等系統有效和足夠。董事會將持續改善和監控風險管理和內部監控系統的有效性。

The Board has reviewed the effectiveness of risk management and internal control systems during the year under review and considered them to be effective and adequate. The Board will continuously improve and monitor the effectiveness of risk management and internal control systems.

外聘核數師的酬金

截至2018年12月31日止年度，外聘核數師提供審核服務的酬金總額為2,800,000港元(約為人民幣2,400,000元)。

External auditor's remuneration

For the year ended 31 December 2018, the total remuneration for the audit services provided by the external auditors amounted to HK\$2,800,000 (approximately RMB2,400,000).

截至2018年12月31日止年度，外聘核數師提供許可非審核服務的酬金總額約為600,000港元(約為人民幣514,000元)，可用於審閱截至2018年6月30日止六個月期間本集團中期財務報告。

For the year ended 31 December 2018, the total remuneration for the permissible non-audit services provided by the external auditors amounted to approximately HK\$600,000 (approximately RMB514,000) which is for the review of the interim financial report of the Group for the six months period ended 30 June 2018.

審核委員會已建議續聘開元信德會計師事務所有限公司為本公司核數師，並已獲董事會同意，惟有關委任須待股東在應屆股東週年大會上批准後方可作實。

The re-appointment of Elite Partners CPA Limited as auditor of the Company has been recommended by the Audit Committee and endorsed by the Board and is subject to approval by the Shareholders at the forthcoming AGM.

股東的權利

股東召開股東特別大會(「股東特別大會」)的程序

根據章程細則，任何一位或以上持有不少於本公司有權於股東大會上投票之繳足股本十分之一(10%)的登記股東(「股東特別大會要求人士」)，可按註冊辦事處(現位於Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavillion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands)或其香港辦事處(現位於香港灣仔告士打道151號資本中心15樓02室)向董事會或公司秘書發出召開股東特別大會的書面要求。股東特別大會要求人士須於彼等的要求中列明股東特別大會上將予處理的事項，且相關要求須經所有股東特別大會要求人士簽名。

Shareholders' rights

Procedures for the Shareholders to convene extraordinary general meetings ("EGM")

Pursuant to the Articles, one or more registered Shareholders holding not less than one-tenth (10%) of the paid up capital of the Company (the "EGM Requisitionists") carrying right of voting at the general meetings can deposit a written requisition to convene an EGM to the Board or the Company Secretary at the registered office, which is presently situated at Vistra (Cayman) Limited, P.O. Box 31119, Grand Pavillion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands, or its office in Hong Kong, which is presently situated at Unit 02, 15/F, Capital Centre, 151 Gloucester Road, Wanchai, Hong Kong. The EGM Requisitionists must state in their requisition the businesses of the EGM to be transacted and such requisition must be signed by all the EGM Requisitionists.

緊隨股東特別大會要求人士的要求被確認適當後，公司秘書將安排董事會召開股東特別大會，並根據所有相關法定要求向各登記股東送交充足通告。根據章程細則，股東特別大會應於遞呈要求後兩個月內召開。倘董事會於遞呈要求後二十一日內未能召開股東特別大會，股東特別大會要求人士可以同樣方式召開大會，而股東特別大會要求人士因董事會未有召開大會而產生的所有合理開支應由本公司向股東特別大會要求人士作出償付。

股東於股東大會上提交議案的程序

為於股東週年大會或股東特別大會上提出提案，股東須以書面通知提交該等提案，連同彼等詳細聯絡資料，送交董事會或公司秘書（地址為香港灣仔告士打道151號資本中心15樓02室）。核實該要求後，並於確認該要求為恰當及適當後，公司秘書將要求董事會在股東大會的議程內加入有關決議案。

就上述股東提出於股東週年大會或股東特別大會考慮的提案而向全體股東發出通告之通知期因應提案之性質有所不同，詳情如下：

- 倘有關提案構成本公司股東特別大會上的普通決議案，則須至少14個足日的書面通知
- 倘有關提案構成本公司股東特別大會上的特別決議案或本公司股東週年大會上的普通或特別決議案，則須至少21個足日的書面通知

股東提名他人參選董事的程序

有關提名他人參選董事之程序，請參閱本公司網站www.dongyuechem.com所刊載的程序。

Promptly after confirmation that the EGM Requisitionists' requisition is in order, the Company Secretary will arrange with the Board to convene the EGM by serving sufficient notice to all the registered Shareholders in accordance with all the relevant statutory requirements. According to the Articles, the EGM shall be held within two months after the deposit of the requisition. If within twenty-one days of the deposit of the requisition, the Board fails to proceed to convene the EGM, the EGM Requisitionists may do so in the same manner, and all reasonable expenses incurred by them as a result of failure of the Board shall be reimbursed to the EGM Requisitionists by the Company.

Procedures for the Shareholders to put forward proposals at a general meeting

To put forward proposals at AGM or EGM, the Shareholders should submit a written notice of those proposals with their detailed contact information to the Board or the Company Secretary at Unit 02, 15/F, Capital Center, 151 Gloucester Road, Wanchai, Hong Kong. The request will be verified and upon confirmation that the request is proper and in order, the Company Secretary will request the Board to include the resolution in the agenda for the general meeting.

The notice period to be given to all the Shareholders for consideration of the proposal raised by the Shareholders concerned at AGM or SGM varies according to the nature of the proposal, as follows:

- At least 14 clear days' notice in writing if the proposal constitutes an ordinary resolution of the Company in EGM
- At least 21 clear days' notice in writing if the proposal constitutes a special resolution of the Company in EGM or an ordinary or special resolution of the Company in AGM

Procedures for the Shareholders to propose a person for election as a Director

As regards the procedures for proposing a person for election as a Director, please refer to the procedures made available on the Company's website www.dongyuechem.com.



股東向董事會進行查詢的程序

股東可隨時將其查詢及關切以書面形式透過公司秘書送達董事會，詳細聯繫方式如下：

香港
灣仔
告士打道151號
資本中心15樓02室
傳真：2180-7524
電郵：carrie_dy@hotmail.com

股東亦可於本公司任何股東大會上向董事會作出查詢。

投資者關係

溝通渠道

為建立並維持與股東的持續關係，本公司已建立各種渠道促進及加強溝通：

- 股東週年大會提供平台供股東提出意見及與董事會交換意見；及
- 於本公司網站刊載本集團最新重要資料，以便股東及投資界能及時獲得有關本集團的資訊。

主席及董事(包括各董事委員會的主席及／或成員)出席股東週年大會回答股東提出的問題。

Procedures for directing Shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through the Company Secretary whose contact details are as follows:

Unit 02, 15/F
Capital Centre,
151 Gloucester Road
Wanchai, Hong Kong
Fax: 2180-7524
Email: carrie_dy@hotmail.com

Shareholders may also make enquiries with the Board at any general meetings of the Company.

Investor relations

Communication channels

In order to develop and maintain continuing relationships with the Shareholders, the Company has established various channels to facilitate and enhance communication:

- the AGM provides a forum for the Shareholders to raise comments and exchange views with the Board; and
- updated key information of the Group is available on the Company's website to enable the Shareholders and the investor community to have timely access to information about the Group.

The Chairman and the Directors (including the chairmen and/or the members of the various Board Committees) are available at AGM to answer questions raised by the Shareholders.





本公司章程文件的變動

於回顧年度及直至本報告日期，本公司章程文件並無任何變動。

代表董事會

主席
張建宏

中華人民共和國，2019年3月27日

Change in the constitutional documents of the Company

During the year under review and up to the date of this report, there has been no change in the constitutional documents of the Company.

On behalf of the Board

Zhang Jianhong
Chairman

The People's Republic of China, 27 March 2019



環境、社會及管治報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

1 關於本報告

報告時間範圍

2018年1月1日至2018年12月31日，部分內容超出上述範圍。

報告發佈週期

東岳集團有限公司環境、社會及管治報告為年度報告，每年定期發佈。

報告覆蓋範圍

報告內容覆蓋東岳集團有限公司集團總部及下屬企業，下屬企業包括：

山東東岳化工有限公司、山東東岳高分子材料有限公司、山東東岳氟硅材料有限公司、山東華夏神舟新材料有限公司、山東東岳有機硅材料股份有限公司、內蒙古東岳金峰氟化工有限公司、內蒙古東岳氟材料有限公司、赤峰華晟礦產有限公司、東營東岳鹽業有限公司、東營東岳精細化工有限公司、山東東岳汶河氟材料有限公司、山東東岳聯邦置業有限公司、桓台東岳國際貿易有限公司、香港泰力國際貿易有限公司、山東東岳未來氫能材料有限公司、山東博大房地產開發有限公司、張家界鑫業房地產開發有限公司、淄博河潤水務有限責任公司

報告編製依據

報告編製參考香港聯合交易所《環境、社會及管治報告指引》

報告指代說明

為便於表達，「東岳集團有限公司」在報告中的表述分別使用「東岳集團」、「集團」和「公司」表示

1 About the Report

Time Frame

From 1 January 2018 to 31 December 2018, partial contents are beyond the above time frame.

Publication Cycle

The environmental, social and governance report of Dongyue Group Limited is an annual report published on an annual basis.

Scope of report

The report covers the headquarters of Dongyue Group Limited and its subsidiaries including:

Shandong Dongyue Chemical Co., Limited, Shandong Dongyue Polymers Co., Limited, Shandong Dongyue Fluo-Silicon Materials Co., Ltd., Shandong Huaxia Shenzhou New Materials Co., Ltd., Shandong Dongyue Organosilicon Materials Co., Ltd, Inner Mongolia Dongyue Peak Fluorine Chemicals Co., Ltd., Inner Mongolia Dongyue Fluorine Chemicals Co., Ltd., Chifeng HuaSheng Mining Co., Ltd., Dongying Dongyue Salt Co., Ltd., Dongying Dongyue Precision Chemicals Co., Ltd., Shandong Dongyue Wenhe Fluorine Chemicals Co., Ltd., Shandong Dongyue Union Property Co., Ltd., Huangtai Dongyue International Trade Co., Ltd., Hong Kong Trulene International Trade Co., Ltd., Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd., Shandong Boda Real Estate Development Co., Ltd., Zhangjiajie Xinye Real Estate Development Co., Ltd., Zibo Herun Shuiwu company Limited.

Basis of preparation

The report has been prepared in reference to Environmental, Social and Governance Reporting Guide of the Hong Kong Stock Exchange

Explanations on Short Names

For ease of presentation, "Dongyue Group Limited" is expressed as "Dongyue Group", "the Group", "the Company" and "we", "our" or "us" in the report.



報告數據說明

本報告所引用的歷年數據為最終統計數據，其中財務數據如與年報有出入，則以年報為準。報告中的財務數據以人民幣為單位，特別說明除外。

報告獲取方式

本報告為中英文版，電子版下載地址如下：

香港交易所網站
<http://sc.hkex.com.hk>

東岳集團有限公司網站
<http://www.dongyuechem.com/>

Explanations on Data

Historical data cited in the report is the final statistical data. In case of any discrepancy between financial data and annual report, the latter shall prevail. Unless otherwise stated, Renminbi is used in the report as functional currency.

Access to report

The report is prepared in Chinese and English, which can be downloaded electronically from:

The website of HKSE
<http://sc.hkex.com.hk>

The website of Dongyue Group Limited
<http://www.dongyuechem.com/>

2 利益相關方參與

東岳集團高度重視與利益相關方的溝通交流，通過各種渠道傳播集團的社會責任理念與實踐，瞭解利益相關方的要求，並採取應對措施，滿足利益相關方合理期望與訴求。

2 Stakeholders Engagement

Dongyue Group attaches great importance to the communication with stakeholders by using various channels to disseminate the Group's social responsibility philosophy and practices, and understand the requirements of stakeholders, and taking measures to meet the reasonable expectations and pursuits of stakeholders.

利益相關方 Stakeholders	期望與要求 Expectations and requirements	溝通與回應方式 Ways of communication and response
政府與監管機構 Government and regulators	貫徹落實國家政策及法律法規 促進地方經濟發展 帶動地方就業 安全生產 Implementing the national policies, laws and regulations Promoting local economic development Driving local employment Production safety	上報文件 建言獻策 專題匯報 檢查督查 Submitting the documents Offering advice and suggestions Special subject report Inspection & supervision
股東 Shareholders	收益回報 合規運營 Returns on investment Compliant operation	公司公告 專題匯報 實地考察 Company announcement Special subject report Field investigation



利益相關方 Stakeholders	期望與要求 Expectations and requirements	溝通與回應方式 Ways of communication and response
客戶及合作夥伴 Customers and partners	依法履約 誠信經營 優質產品與服務 推動行業發展 Fulfilling the contractual obligations in accordance with the law Integrity operation Quality products and services Promoting industry development	商務溝通 顧客反饋 交流研討 洽談合作 Business communication Customer feedback Exchange & discussion Negotiation & cooperation
環境 Environment	合規排放 節能減排 保護生態 Compliant emission Energy conservation and emission reduction Protecting the ecology	工作匯報 報表報送 調研檢查 Work report Filing and submission Investigation & inspection
員工 Employees	權益維護 職業健康 薪酬福利 職業發展 Rights and interests protection Occupational health Salaries and benefits Career development	職工代表大會 集體協商 民主溝通平台 Workers' congress Collective consultation Democratic communication platform
社區及公眾 Community and the public	改善社區環境 參與公益事業 信息公開透明 Improving the community environment Participating in public welfare undertakings Open and transparent information	公司網站 公司公告 採訪交流 Company website Company announcement Interview & exchange

3 重大性議題判定

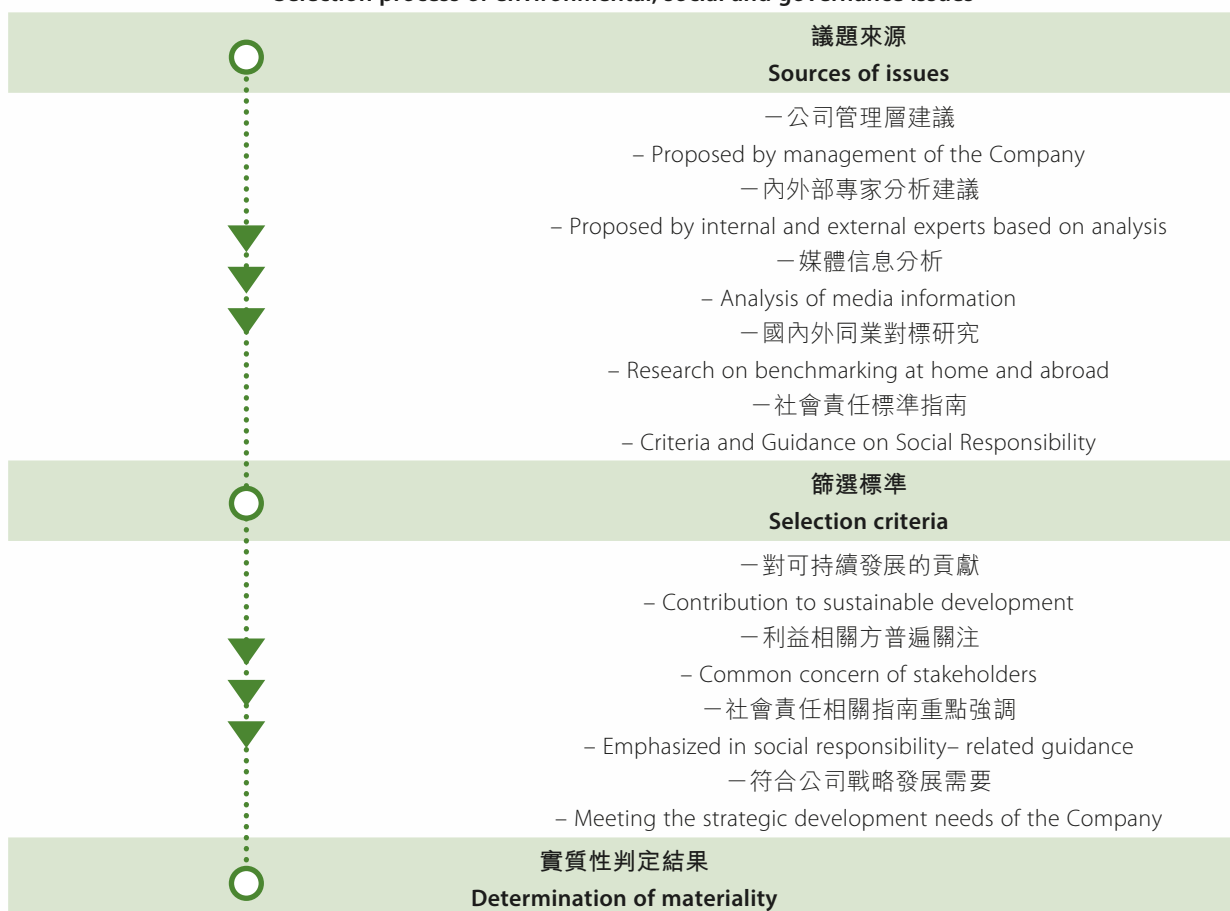
為提升報告的針對性與回應性，公司依據香港聯合交易所《環境、社會及管治報告指引》的要求，識別可持續發展議題並進行重大性判定，確保報告披露的信息全面覆蓋公司發展和利益相關方關注的重點議題。

3 Determination of Major Issues

In order to enhance the pertinence and responsiveness of the report, the Company identified the subject of sustainable development and determined the significance in accordance with the requirements of Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide (ESG Guide), to ensure that the information disclosed in the report covers the key issues which are related with the Company's development and the stakeholders are concerned about.

環境、社會及管治議題篩選流程

Selection process of environmental, social and governance issues





4 責任運營

多年來東岳集團始終堅持依法經營、規範運作的經營方針，持續提升產品和服務質量，積極履行對供應商、客戶等產業鏈上下游利益相關方的責任，將責任運營融入公司發展過程中。

4.1 ESG管理

為全面貫徹可持續發展理念，保障ESG的有效管理，公司建立了董事會領導、工作小組組織、相關職能部門執行的ESG管理體系，明確環境、社會及管治層面的具體分工及責任。

4 Responsible Operation

Over the past years, Dongyue Group persistently adhered to the principle of legal and compliance operations, continued to enhance product and service quality, actively performed its responsibilities towards upstream and downstream stakeholders in the industry chain of suppliers and customers etc. and integrated responsible operation into the Company's development.

4.1 ESG Management

Upholding the concept of sustainable development and ensuring efficient ESG management, the Company developed a ESG management system guided by the Board, organized by task groups and implemented by relevant functional departments. The ESG management system also identified the specific division of work and responsibilities at the ESG levels.

決策層 Decision-making

公司董事會參與社會責任重大事項的審議與決策，包括相關戰略與方針的制定、對年度社會責任報告進行專項審議。

The Board of the Company reviewed and decided on major social responsibility matters, including formulating relevant strategies and guidelines and performing special review on the annual social responsibility report.

組織層 Organization

公司在投資者關係部設立專門工作小組，負責協調日常ESG管理工作，包括編製年度環境、社會及管治報告、社會責任績效指標收集、組織開展培訓宣導等。

The Company established a special task group in the investor relations department for coordinating ESG management related tasks on a daily basis, including the preparation of the annual ESG report, collection of social responsibility performance indicators and organization of training and promotion.

執行層 Execution

公司各職能部門及分子公司負責各項ESG議題的歸口管理，定期報送相關管理舉措、績效指標及優秀案例，以及各類ESG相關活動的組織實施。

Respective functional departments and subsidiaries of the Company were responsible for the centralized management of ESG issues, and regular reports of relevant management initiatives, performance indicators and best practices and organizing all types of ESG activities.

4.2 誠信合規

誠信合規是公司管治的重點，也是公司長遠發展的基石。公司嚴格遵守《關於辦理商業賄賂刑事案件適用法律若干問題的意見》《關於辦理貪污賄賂刑事案件適用法律若干問題的解釋》等相關法律法規，不斷健全反腐敗管治機制，持續加強制度建設。公司制定《東岳集團風險管理手冊》，以健全風險管理體系，識別和管理公司風險；制定《東岳集團反舞弊行為管理規定》，以規範員工職業行為，防治舞弊。

2018年，公司下發《關於集團黨員幹部廉潔安全過春節的通知》，要求集團全體幹部員工嚴格執行節日八項禁令，並明確要求特崗部門加強節日自律和業務單位管理。同時，公司與協作單位簽訂《商業廉潔合作關係責任書》，與黨員幹部、特崗人員簽訂《黨員幹部、特崗人員廉潔自律責任書》，提升協作單位及員工的廉潔意識。此外，公司還下發《東岳集團黨員幹部操辦婚喪喜慶事宜的規定》，要求全體幹部要廉潔自律，並對操辦婚喪喜慶實行報告制度。

4.2 Integrity and Compliance

Integrity and compliance are key issues with respect to corporate governance, and serve as the cornerstone for the Company's sustainable development. In strict compliance with the Opinions on Issues concerning the Application of Law in the Handling of Criminal Cases of Commercial Briberies, Interpretation on Several Issues concerning the Application of Law in the Handling of Criminal Cases of Embezzlement and Bribery and other laws and regulations, the Company continued to improve its governance mechanism against corruption and strengthened its institutional improvement on an ongoing basis. The Company developed the Dongyue Group Risk Management Manual to improve its risk management system, and to identify and control the Company's risk. The Company also developed the Dongyue Group Regulations on Anti-fraud Management to regulate employee professional behavior and prevent fraud.

In 2018, the Company issued the Notice on Integrity and Safety for Party Members and Cadres of the Group during the Chinese New Year which stipulated that eight rules must be strictly followed by all cadres of the Group and required special task department to strengthen discipline and business unit management during the holiday. Meanwhile, the Company entered into the Letter of Responsibility regarding Honest Business Cooperation with cooperative units, and entered into the Letter of Responsibility regarding Integrity and Discipline of Party Members and Cadres and Members in the Special Tasks Department with party members and cadres and members in the special tasks department in an attempt to raise the integrity awareness of the cooperative units and its employees. In addition, the Company also issued Rules regarding Weddings and Funerals of Party Members and Cadres of Dongyue Group which required all cadres to be commit themselves to integrity and discipline and report to the Company when arranging such events.



公司設立舉報信箱和舉報電話，鼓勵舉報舞弊、違規違法及腐敗等行為的舉報，通過制度建設、廉潔教育、監督舉報等方式，有效促進公司的健康發展。報告期內，本集團未發生貪污訴訟案件。

4.3 品質保證

公司針對質量管控制定了明確的程序和處理規範，基於《中華人民共和國產品質量法》，制定《質量體系管理手冊》《質量管理制度》以及《質量管理考核實施辦法》等制度辦法，從原材料採購、生產製造、質量檢測等各個環節對生產運營流程進行嚴格把控。2018年，為加強設備質量管控，落實責任制定，公司起草和修訂了《集團設備採購質量管理規度》。

公司嚴格執行產品檢驗流程，根據國家標準及成品檢驗程序對產品進行抽樣分析，按照《不合格品控制管理程序》對生產的不合格品進行處理，確保向客戶提供高質量的產品。2018年，本集團未發生產品回收事件。

此外，公司重視客戶溝通，致力於提供優質的客戶服務。集團通過多種渠道與客戶建立長期穩定的聯繫，如電話、郵件溝通、客戶拜訪、組織客戶年會等。同時，公司十分重視客戶的反饋意見，針對本年度內收到的39件客戶投訴，依據《客戶投訴管理辦法》進行及時調查、原因分析、措施制定、意見反饋，並對相關措施進行持續追蹤及改進。

The Company established reporting boxes and reporting hotlines to encourage the reporting of fraud, illegal and corruptive conducts. Establishment of systems, integrity education, reporting supervisions and other approaches also facilitated the healthy development of the Company. During the reporting period, the Group has not seen any corruption cases.

4.3 Ensuring product quality

The Company established clear procedures and processing specifications for quality control and established rules such as the Quality System Management Manual, Quality Management System and Measures for the Implementation of Quality Management Assessment based on the Product Quality Law of the People's Republic of China so as to make strict control of the production and operation process in all respects such as raw material purchasing, manufacturing and quality inspection. In 2018, in order to strengthen quality control on equipment and implement the system of responsibility, the Company drafted and revised the Quality Management System on Procurement of the Group's Equipment.

The Company has strictly executed the product inspection process, carried out sampling analysis of products following national standards and the finished product inspection procedures, and disposed the unaccepted products in accordance with the Nonconforming Product Control & Management Procedures to ensure the provision of high-quality products to customers. In 2018, there has not been any products recall of the Group.

In addition, the Company valued communication with customers and was committed to offering quality service to customers. The Group has, through a variety of channels, maintained the long-term and stable contact details with customers, such as phone call, mail communication, customer visit, customer annual meeting etc. Meanwhile, the Company attached great importance to the feedbacks from customers, conducted timely investigation, reason analysis, measure formulation and feedbacks regarding to the 39 customer complaints received in the year according to the Customer Complaint Management Measures, and kept tracking and improving such measures.



4.4 保障供應

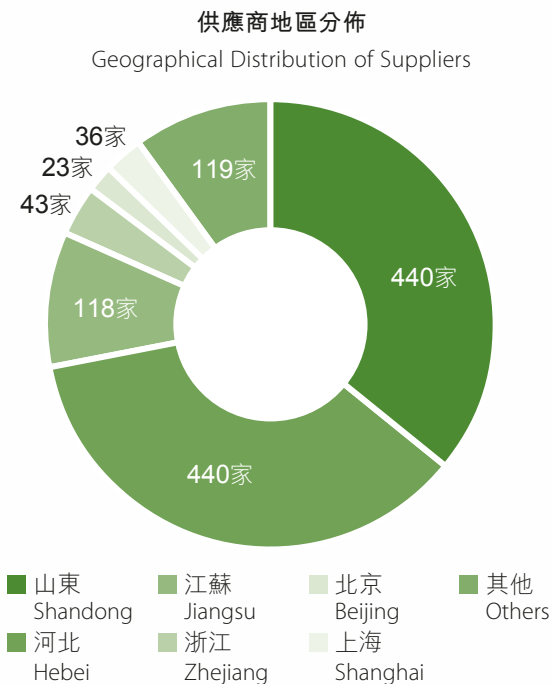
公司依據《東岳集團物資採購流程》，加強對採購各個環節的管理，通過對物資供應的有效把控，保證企業順利生產。2018年，在環保督察新常態情況下，公司積極響應，優化運輸車輛管理以配合環保排放治理，有效降低供應鏈上的環境、社會風險。

同時，公司在《供貨商管理制度》的基礎上，通過細化對供應商的考核標準，優化相關流程制度，協助供應商提升表現，實現合作共贏。截至報告期末，本集團共有供貨商807家，其中440家位於山東省內，其他主要供貨商分別位於江蘇、浙江、上海、北京、河北等23個省市。合格供應商數量達到807家，其中生產商佔520家，較2017年均有明顯增加。

4.4 Assuring supply

In line with the Dongyue Group Materials Purchasing Process, the Company strengthened the management of all aspects of procurement, and ensured the smooth production through effective control of the supply of materials. In 2018, under the new normal of environmental supervision and inspection, the Company positively optimized the management on transport vehicles to cope with emission treatment, effectively reducing environmental and social risks associated with supply chains.

At the same time, the Company optimized the relevant process system through a detailed evaluation criteria for suppliers on the basis of the Supplier Management System, so as to assist suppliers to improve their performance and achieve win-win cooperation with suppliers. As at the end of the reporting period, the Group has 807 suppliers, 440 of which are in Shandong Province, and other major suppliers in 23 provinces and cities including Jiangsu, Zhejiang, Shanghai, Beijing and Hebei. The number of qualified suppliers reached 807, 520 of which are producers, represents a significant increase as compared to 2017.



5 創新引領

東岳集團以「中國製造2025」國家戰略為核心，持續完善科技創新體系，積極推動氟硅技術和產品的開發創新工作，促進創新高效轉化為新產品，同時積極開展技術合作與交流，整合內外部資源提升產業輻射能力，引領氟硅技術發展。2018年，公司總計研發投入總計177,360,000元人民幣。

5.1 技術創新先行

科技創新始終是東岳集團不斷前行的動力。公司持續開展各項產品和技術創新工作，優化氟化工、有機硅產業層次，發展氟材料下游加工製造業。

公司根據《東岳集團新、改、擴建項目投資管理辦法》提升技術研發管理水平，根據《企業知識產權管理規範（20490-2013）》指導下屬各公司開展知識產權管理體系的認證工作，進一步推動知識產權管理的標準化。

5 Led by Innovation

Dongyue Group upholds the national strategy of “Made in China 2025” as its core guidelines while continuously optimizing its technological innovation system, actively promoting the development and innovation of fluorosilicone technologies and products, and vigorously converting innovative ideas into new products. Meanwhile, the Company actively carries out technical cooperation and exchanges and integrates the internal and external resources to enhance its industrial influence and lead the development of fluorosilicone technologies. In 2018, the Company invested a total of RMB177,360,000 in its R&D activities.

5.1 Technological Innovation Prioritized

Technological innovation has always been the driving force that keeps Dongyue Group moving forward. The Company continues to carry out various product and technology innovation activities, improve the level of the fluorochemical industry and organic silicone industry, and promote downstream processing and manufacturing of fluorine materials.

The Company improves its technological R&D management expertise in accordance with the “Administrative Measures for Investments in the Construction, Refurbishment and Expansion Projects of Dongyue Group”, and guided its affiliates and subsidiaries through the certification process of their management systems for intellectual property management specifications and standards under the “Intellectual Property Management Standards for Business Enterprises (20490-2013)” to further promote the standardization of its intellectual property management.

針對專利的申請、評審和獎勵，東岳集團制定了包括《東岳集團專利管理制度》《發明創新申報流程》《專利評審制度》《東岳集團科技創新獎勵辦法》的四項管理制度明確申報過程中和授權後專利的評審，科技創新的獎勵辦法等細則，加強公司對專利，發明創新成果的管理。2018年，集團獲得專利資助政策支持225萬元，共申請發明專利26項（其中2項指定美國申請），獲得授權31項，其中神舟公司《鋰電池電極粘結劑用聚偏氟乙烯的無皂乳液聚合方法》獲得中國專利優秀獎，有機硅公司的《有機氯硅烷的水解方法》榮獲淄博市專利一等獎與山東省專利一等獎。截至報告期末，集團共申請專利508項，持有效專利362項。

5.2 創新成果市場化

東岳集團堅持以市場為導向，以統籌推進和重點突破相結合的方式推動科研發展，在實現氯鹼離子膜、燃料電池膜、功能離型膜等創新產品穩定生產的同時，通過提高生產過程穩定性、過程在線監測水平及操作效率，進一步優化生產技術、提升生產效率。

For application, evaluation and awarding of patents, Dongyue Group has formulated four set of administrative guidelines, namely "Patent Management System of Dongyue Group", "Application Process for Invention and Innovation", "Patent Appraisal & Approval System" and "Incentive Scheme for Technological Innovation in Dongyue Group" to make clear details in respect of the review of patents during the application process and after authorization, incentives for technological innovation, etc., thus strengthening the Company's patents, inventions and innovations management. In 2018, the Group received patent subsidies totaling RMB2.25 million, applied for 26 invention patents (two of them were designated as applications in US), and was granted with 31 authorizations, among which the Method of Soap-free Emulsion Polymerization of Polyvinylidene Fluoride Used as Electrode Binder for Lithium Batteries invented by Huaxia Shenzhou won the Excellence Prize of China Patent Award, and the "Hydrolysis Method of Organic Chlorosilane" invented by Shandong Dongyue Organosilicon Materials Co., Ltd. won the first prize of Patent Award in Zibo City and the first prize of Patent Award of Shandong Province. As of the end of the reporting period, the Group has applied for a total of 508 patents and held 362 valid patents.

5.2 Marketization of Innovative Achievements

Dongyue Group remains market-oriented, and advances its scientific research and development process by combining overall planning and key breakthroughs. While advanced the stable production of innovative products such as chlorine alkali ion membrane, fuel cell membrane and functional release membrane, the Company further optimized production technology and improved production efficiency by improving the stability of its production process, online monitoring of the process and operational efficiency.

- **氯鹼離子膜：**

通過構建離子膜內各種物理場的數值模擬方法，對當前氯鹼行業普遍採用的複合型離子膜進行了構建，使對離子膜的模擬研究更接近於實際生產過程。

本年度內積極進行國產膜的全國佈局，推進各示範點建設，發揮了市場帶動作用，開發氯鹼膜新客戶23家，配套氯鹼裝備規模約17萬噸。

- **燃料電池膜：**

研究了不同厚度的成膜工藝及相關性能測試，為超薄膜的開發奠定了基礎；

開發了新型添加劑，能有效降低膜的透氣性和提高膜的模量，為進一步提高超薄膜的性能指明新方向；

實現連續開機一周的開機試產能力(2000m²)，成膜厚度偏差為±2μm，為氫能燃料電池膜大規模建設鋪平了道路。

- **功能離型膜：**

利用廠家設備進行了中試樣品的製備，抗溫、抗腐蝕性能能夠滿足要求，為將來提供不同梯度剝離強度的背膜創造條件。

- **Chlorine Alkali Ion Membrane:**

Through the building of the numerical simulation methods for various physical fields, the Company constructed the composite ion membrane commonly used in the current chlorine alkali industry, bringing the simulation study on the ion membrane closer to the actual production process.

During the year, the Company actively carried out its nation-wide layout of domestically produced membranes and promoted the construction of the demonstration sites, playing a prominent market-leading role, with which it snatched 23 new customers of chlorine alkali ion membrane with about 170,000 tons of supporting chlorine alkali equipment.

- **Fuel Cell Membrane:**

The Company studied membrane formation process with different thicknesses and conducted related performance tests, laying a solid foundation for the development of ultra-thin membranes;

The Company developed new additives which can effectively reduce the permeability and increase the modulus of the membrane, opening up a new direction for further improving the performance of ultra-thin membranes;

It accomplished a trial production capacity of 2000 m² with non-stop operation for one week, with a membrane thickness deviation of ±2μm, paving the way for mass production of hydrogen fuel cell membranes.

- **Functional Release Membrane:**

The Company used the manufacturer's equipment to prepare the test sample with the temperature and corrosion resistance performance well up to the requirements, creating conditions for offering back membranes with different grades of peeling strength in the future.

5.3 產學研結合

高科技人才的培養與引進一直是集團科研發展的重中之重，東岳集團通過《科研獎勵管理辦法》《研究院科研成果獎勵及優秀科研人才評選辦法》等制度的制定，明確科技創新激勵機制，激發科研技術人員進行創新研究的主動性，積極性。公司注重組建高科技人才研發團隊，目前已形成84人組成的東岳研究院，其中有博士研究生6人，碩士研究生21人。另外，集團各子公司也擁有其各自的研發團隊，共計212人，其中博士研究生4人，碩士研究生100人。

公司與眾多科研院所開展合作，集合內外部人才資源，推動企業科研高端化發展。2018年，東岳研究院與杭州師範大學「有機硅化學及材料技術教育部重點實驗室」共建聯合實驗室，加快高性能硅橡膠、硅樹脂、特種硅橡膠材料等下游和深加工項目的研發；與北京化工大學共建「特種功能有機硅材料研發中心」，補足高端材料依賴進口的短板，促進特種功能有機硅材料開發，提高有機硅產品的技術附加值。

5.3 Combination of Production, Study and Research

The cultivation and introduction of technical talents has always been the top priority in the Group's scientific research and development venture. Dongyue Group makes clear the incentive mechanism for scientific and technological innovation and stimulates the initiatives and enthusiasm of scientific and technological personnel to carry out innovation research through the development of a series of incentive mechanisms e.g. the "Administrative Measures for Scientific Research Incentives" and the "Methods for Research Achievements Incentives and Selection of Outstanding Scientific Research Talents in the Research Institute". Meanwhile, the Company attaches remarkable importance to the construction of a R&D team of technical talents, and has established Dongyue Research Institute with 84 researchers, including 6 doctoral postgraduates and 21 master postgraduates. In addition, each subsidiary of the Group has its own R&D team with a total of 212 researchers, including 4 doctoral postgraduates and 100 master postgraduates.

The Company cooperates with numerous research institutes with the aim of gathering the internal and external talent resources and advancing its R&D activities towards a high level. In 2018, Dongyue Research Institute established a joint laboratory with the "Key Laboratory of the Ministry of Education of Silicone Chemistry and Materials Technology" of Hangzhou Normal University to accelerate the R&D process of downstream and deep processing projects of high-performance silicone rubber, silicone resin and special silicone rubber materials. It also co-constructed a "R&D Center for Organic Silicone Materials with Special Functions" with Beijing University of Chemical Technology to reduce our over-reliance on imports of high-end materials, advancing the development of organic silicone materials with special functions, and improving the technical added value of organic silicone products.

公司繼續承擔多項國家級、省級重點研發計劃，與科研院所一同推動氟硅行業高新技術的發展創新。2018年，公司主要負責及參與了《高性能復合質子交換膜開發及批量生產技術研究》《燃料電池發動機及商用車產業化技術與應用》和《高性能聚氯乙炔製備關鍵技術》三項國家重點研發計劃。

5.4 推動行業進步

東岳集團不僅致力於自身的發展，同時通過搭建與科研院所、行業協會、和權威專家的聯絡合作平台，帶動全行業協同發展，打通科技與經濟轉移轉化的通道。公司作為氟硅協會副理事長單位、中國石油和化學工業聯合會理事單位、氟塑料加工協會理事單位、膜工業協會副秘書長單位，積極的組織和主持氟硅行業的學術交流會議。公司積極參與國家省部級標準的制定與修改，2018年參與和起草了《除菌用聚四氟乙烯平板式微濾膜》《氯鹼工業用全氟離子交換膜通用技術條件》等4項國家標準《氟化工行業企業安全生產風險分級管控體系實施指南》等地方標準4項，十甲基環五硅氧烷等團體標準3項。

The Company continued to undertake a number of national and provincial key research and development programs, and promote, together with the research institutes, the development and innovation of high-end technologies in the fluorosilicone industry. In 2018, the Company mainly undertook and participated in three national key R&D programs, namely the Development of High-Performance Composite Proton Exchange Membrane and Research of Technologies for its Mass Production, the Industrialization Technology and Application of Fuel Cell Engine and Commercial Vehicles and the Key Technologies for Preparation of High-Performance Polyvinyl Chloride.

5.4 Promoting Industrial Progress

Dongyue Group is not only striving for its own development, but also to drive the coordinated development of the whole industry and unblock the channels for the transformation of technology into economic benefits through building a platform for cooperation and communication with the research institutes, industry associations, and authoritative experts. As the vice chairman of the Fluorosilicone Association, a director of the China Petroleum and Chemical Industry Federation, chairman of the Fluoroplastics Processing Association, and the deputy secretary-general of the Membrane Industry Association, the Company actively organizes and presides over the academic exchange meetings of the fluorosilicone industry. The Company also actively participates in the formulation and revision of national, provincial and ministerial standards. In 2018, it participated in the drafting of two national standards, i.e. "Polytetrafluoroethylene Flat Microfiltration Membrane for Sterilization Purpose" and "General Technical Conditions for Perfluorinated Ion Exchange Membrane for Use in the Chlorine Alkali Industry" as well as 2 local standards, such as "Implementation Guidelines for the Hierarchical Management and Control System for Safety Production Risk of Enterprises in the Fluorochemical Industry" and 3 group standards, such as decamethylcyclopentasiloxane.

6 安全保障

秉承「安全是東岳的第一價值」的理念，本集團嚴格遵守《中華人民共和國安全生產法》等國家法律法規，執行保障安全生產的相關國家標準。公司從風險管控機制和安全文化機制著手，致力於建立和固化內部HSE體系標準。2018年集團新增《東岳集團十大高危行為考核管理辦法》《不可違背安全條例》等制度，加大作業安全管控力度，嚴守安全生產紅線。2018年，公司未發生任何較大及以上級別安全生產事故。

6.1 安全管理體系

持續有效的安全管理離不開健全的體系保障，公司將安全體系建設作為2018年工作的重心，並通過標準化管理規範行動，精準化考核衡量績效，形成架構完整、責任明確、精準到位的長效管理機制。

雙體系建設

2018年，公司積極推進風險分級管控與隱患排查治理「雙體系」建設，公司成立了以總經理為組長，生產副總、技術總工為副組長，以各車間部門負責人為組員的風險分級管控體系領導小組，明確各成員職責，並制定詳細工作計劃及工作流程，確保安全工作落實到位。公司協助各子公司進行「雙體系」建設工作，開展專項輔導，著力推廣科學有效的安全管理模式。

6 Security

Under the guidelines of “Safety is Dongyue’s No.1 Value”, the Group strictly abides by the national laws and regulations such as the “Safe Production Law of the People’s Republic of China” and carefully implements the national standards in relation to safe production. The Company started from its risk control mechanism and safety culture, and strived to establish and consolidate its internal HSE standards. In 2018, the Group formulated new regulations such as the “Administrative Measures for Assessment of the Top Ten Highly-risky Behaviors in Dongyue Group” and the “Must-obey Safety Regulations” to strengthen safety control during operation and keep its production within the safety red line. In 2018, the Company did not incur any major or more serious safety production accidents.

6.1 Safety Management System

Continuous and effective safety management is inseparable from the protection of a complete safety system. The Company made optimization of its safety system its core task in 2018, and strived to establish a long lasting management system with a complete structure, clear responsibilities, and accurate implementation through standardized management, well-regulated actions, and accurate performance assessment.

Construction of a Dual System

In 2018, the Company vigorously promoted the construction of a “Dual System” of risk grading and hidden danger screening. The Company set up a team of leaders for its risk grading management and control system led by the general manager, with the vice director of production and chief technical engineer as the deputy team leaders, and the heads of the plants and departments as the members, with clarified responsibilities of each member, and detailed work plans and processes to ensure safety. The Company assisted its subsidiaries in constructing the “Dual System” with special counseling, aiming to promote a scientific and effective safety management model.

另外，公司作為氟化工行業「雙體系實施指南」的編製單位和省級標桿，參與全省「雙體系」驗收工作及執法工作，並積極參與交流會分享相關經驗，協助同行企業開展「雙體系」建設，共享安全意識，促進行業進步。

In addition, the Company, as one of the compilers for the "Guide Book for Implementation of the Dual System" in the fluorochemical industry and a provincial benchmark, participated in the acceptance of the "Dual System" and law enforcement work across the province, and actively attended the exchange meeting to share its experience and help its industry peers to advance their construction of the "Dual System", sharing security awareness with them and promoting industry advancement.

標準化管理

公司以安全標準化為基礎，借鑒國際領先經驗，構建集團內統一的HSE管理制度並對要素進行分工管理，形成八個管理小組。同時，公司依據《東岳集團HSE管理體系固化動態跟蹤表》，指導各要素管理員對每項管理標準、表單進行優化，通過工作循環(JCC)檢查每項制度落地執行情況，定期考核，強化監督，有效提升安全管理執行力。

Standardized Management

On the basis of safety standardization, the Company learnt from the international leaders in building a unified HSE management system within the Group and classified and managed the elements and established eight management teams. Meanwhile, the Company uses the "Dynamic Tracking Table of the HSE Management System of Dongyue Group" to guide the administrator of each element to optimize each management standard and form, and check on the implementation of each regulation through JCC, with regular assessment and strengthened supervision, which has effectively improved the execution of safety management.



集團HSE管理小組
The Group's HSE Management Team

精準化考核

公司基於HSE管理體系制定23個KPI指標，包括隱患排查、高危作業等，通過數字化、量化形式管控安全等，以衡量安全績效，考評工作成果。2018年，集團重新修訂和印發《安全生產責任落實管理辦法》，堅持「誰主管，誰負責」原則，進一步完善安全生產責任制考核體系。

6.2 安全風險管控

公司從多方位、多層次、多角度進行風險管控，通過由內而外、標本兼治的方法，從源頭將風險降到最低。公司加強內外安全管理與隱患排查治理，並依照山東省安監局對「雙體系」建設的工作意見，開展全員隱患排查制度。本報告期內，公司共實施1.3萬次隱患排查，整改率達到99.91%。

加強工藝內控

2018年公司制定了《報警管理制度》《三級巡檢制度》《聯鎖管理制度》等，規範工藝操作流程、加強安全管理，保證裝置穩定運行，結合考核機制，將工藝督察落實到位。此外，公司開展信息化與自動化提升項目，推進設備信息化建設，提高生產裝置的自控水平，提升裝置的本質安全。

Accurate Assessment

The Company has established 23 KPI indicators based on its HSE management system, including hidden danger screening and highly risky operations, in order to measure safety performance and evaluate results through digital and quantitative forms of control and safety. In 2018, the Group revised and reissued the Administrative Measures for the Implementation of Safety Production Responsibility. The Group adhered to the principle of "The one in charge is the one assuming responsibility" to further improve the assessment system of safety production responsibility.

6.2 Security Risk Management

The Company conducts its risk management and control at different aspects, levels and perspectives, aiming to reduce the risks to the lowest level by both curing the symptoms and finding the root causes from inside to outside. The Company strengthened its internal and external security management and hidden danger screening, conducted hidden danger screening over all employees in accordance with the Advices concerning the Construction of the "Dual System" from the Administration of Work Safety of Shandong Province. During the reporting period, a total of 13,000 hidden danger screening campaigns was carried out across the Company, with a rectification rate of 99.91%.

Strengthening Internal Control of Processes

In 2018, the Company formulated the "Warning Management System", "Three-level Inspection System", and "Chained Management System" to standardize the process operation procedures, strengthen safety management, ensure smooth operation of the devices, and ensure the process inspection is carried out properly with the help of the assessment mechanism. In addition, the Company carried out the information and automation upgrade, enhanced the level of informatization, self-control, and the safety of the equipment.

風險分析預防


結合「雙體系」建設，公司相關部門嚴格落實風險管控要求。為提升員工風險意識，集團開展相關培訓，培訓率達到100%，同時帶動全體員工參與風險點分析，及時對風險管控情況進行更新，共分析管控風險點近130條。另外，公司每月對各分子公司高危作業標準執行情況監督檢查，統計各分子公司的高危作業數量，建立高危作業風險雲圖，以提高員工安全防範意識，降低高危作業風險。

事故應急與演練

公司及所屬各單位每月開展一次消防安全大檢查，並多次組織開展各類應急演練。2018年公司先後開展安全演練436次，共13294人次參與；消防演練126次，共5600人次參與。通過多次演練，進一步增強了全體工作人員的安全意識，豐富了管理人員安全檢查手段，有效提升了逃生自救及處置突發事件的應急處置能力。

Risk Analysis & Prevention

In line with the construction of the "Dual System", all the relevant units of the Company have been carefully implementing the requirements of risk management and control. In order to enhance its employees' risk awareness, the Group carried out the related training with 100% attendance, having all its employees involved in risk analysis, and updating the risk management status in due time, with nearly 130 risks analyzed and controlled. Furthermore, the Company monitored and inspected the implementation of highly-risky operating procedures for each of its subsidiaries in each month, collecting the number of highly-risky operations in each subsidiary, and established a cloud map of highly-risky operations to enhance its employees' awareness of safety and reduce the risks of highly-risky operations.



Emergency Responding and Drills

The Company and its affiliates conduct fire safety inspection monthly and organize various emergency drills. In 2018, the Company carried out 436 safety drills and 126 fire drills, with a total of 13,294 and 5,600 employees respectively, participating in the drills. Through the repeated drills, the safety awareness of our employees has been further enhanced, and the safety inspection methods of the managers have been expanded, which has effectively improved their capability to escape and conduct self-rescue in case of emergency.

承包商管理

2018年，公司修改印發《承包商管理制度》，提高承包商HSE管理水平。依照規定，承包商需滿足准入標準，並簽訂安全責任協議書，嚴格遵守有關職業健康、安全和環境保護的條款。公司定期對承包商進行監督和考核，包括設立承包商安全教育台賬，營地檢查情況統計表，承包商現場施工安全監督檢查日報表等，以加強對承包商安全的把控。此外，公司通過安全教育培訓，考核與獎勵並行，激發承包商進行安全管理的主觀能動性。

6.3 安全健康防護

公司嚴格遵循《中華人民共和國職業病防治法》，為員工提供職業健康保障。具體工作包括：定期開展職業健康查體工作，建立職業健康檔案，檢查日常危害預防情況。2018年員工職業健康查體率100%，職業病發病率為零。

公司重視員工職業安全防護，在集團內配備有專業安全管理人員，其中特種作業人員100%持證上崗作業，同時集團制定《特種設備管理制度》，保障特種設備在生產經營活動中的安全生產。集團關注員工作業健康，在暑期為高溫作業工人提供防暑降溫保護，及時購進並發放防暑藥品，定期進行防暑降溫知識培訓。

Contractor Management

In 2018, the Company revised and reissued the "Contractor Management System", aiming to improve its HSE management of the contractors. According to the regulations, its contractors must meet the entry criteria, sign a safety responsibility agreement and strictly abide by the provisions on occupational health, safety and environmental protection. The Company regularly supervises and assesses the contractor's performance, including maintenance of the contractor's safety education records, the log book of camp inspection, and the daily report on the inspection of contractor's on-site construction safety to strengthen the control of the contractor. In addition, the Company aroused the contractor's initiative concerning safety management through safety education and training in addition to assessment and incentives.

6.3 Safety and Health Protection

The Company has strictly followed the Law of the People's Republic of China on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》) to provide occupational health protection for its employees. In particular, the Company conducted occupational physical examination regularly, established occupational health record and checked the daily hazards protection. In 2018, the employees' occupational health examination rate was 100%, with zero incidence of occupational diseases.

The Company has been emphasizing the occupational safety protection of employees and has equipped with professional safety management personnel within the Group, among which, all of the special operation staff must be license-holders. Meanwhile, Regulations for the Management of Special Equipment have been formulated by the Group to ensure the safety production of special equipment during operating activities. The Group concerned about the employees' health on operation, provided heatstroke protection for employees working in high temperature during the summer, purchased and distributed heatstroke prevention drugs timely, and regularly carried out heatstroke prevention knowledge training.

6.4 安全文化建設

公司堅信安全文化培塑需要從點滴累積，企業安全文化建設需要全員參與。2018年，公司持續完善培訓制度，並通過開展內容豐富、形式多樣的活動，堅實安全文化的根基。

公司完善並優化《內訓師管理與激勵制度》，鼓勵內訓師自主開發設計教程，形成集團特有的安全文化；內訓師授課可獲得培訓課酬，以促進公司內部培訓體系的持續改進和高效運作。同時，公司督促各公司修訂《內訓師管理考核制度》。本年度集團共完成第三、四期內訓師培訓，總計培訓內訓師96人。

公司開展安全主題活動，吸引員工參與，強化安全責任意識，塑造安全價值觀。2018年集團開展技術大比武活動、交接班規範化比武活動，在集團範圍內初步形成比技能、比學習的良好風氣；開展「夏季安全環保百日無事故」競賽，對達標各公司進行獎勵；組織安全文化主題辯論賽，讓員工切身感受到安全文化的熏染，實現安全意識由被動到主動的轉變。

2018年度，公司積極開展安全培訓，促進員工學習安全知識，數量掌握安全技能，預防安全事故發生，確保公司安全、可持續發展。2018年，公司員工安全培訓率達100%。

6.4 Safety Culture Construction

The Company believes that the safety culture needs to be accumulated constantly, and the corporate safety culture construction requires all employees' participation. In 2018, the Company continually improved its training system and consolidated its safety culture foundation through various activities with rich content and diverse forms.

The Company improved and optimized its "Internal Trainer Management and Incentive System" (《內訓師管理及激勵制度》), encouraged the internal trainers to develop design tutorials by themselves, and established a specific safety culture of the Group; internal trainers would be remunerated for their training lecture, so as to promote the continuous improvement and efficient operation of the Company's internal training system. At the same time, the Company procured each subsidiary company to revise the "Internal Trainer Management Assessment System" (《內訓師管理考核制度》). In current year, the Group has completed the third and fourth stage training for its internal trainers, with a total of 96 internal trainers trained.

In order to enhance safety awareness and create safety values, the Company implemented safety-themed activities and engaged employees to participate. In 2018, the Group carried out technical competition and shift standardization competition, which initially formed a good atmosphere of skill and learning competitions within the Group; carried out the "100 Days Incident-free for Safety and Environmental Protection in Summer" (夏季安全環保百日無事故) competition and rewarded each company which met the standards; organized the safety culture theme debate contest to make employees feel the safety culture, realizing the change from passive safety awareness to active one.

In 2018, the Company actively conducted safety training to promote employees' safety knowledge, grasp safety skills and prevent safety accidents, ensuring the Company's safety and sustainable development. The safety training rate of the Company's employees reached 100% in 2018.

7 綠色發展

本集團嚴格遵守《中華人民共和國環境保護法》等法律法規，防止和減少生產經營活動對環境造成的不利影響，並配合各級環保部門督察工作。作為化工企業，公司積極推進新型環保產品的開發，主要產品之一為綠色環保製冷劑。2018年，公司堅持高標準、嚴要求，持續推動多項環保項目，包括降低能耗、污水處理、廢氣減排等，使各項環保指標在同行內保持先進水平。

同時，集團下屬的東營東岳鹽業有限公司，利用廣闊的海水資源和鹽田土地資源優勢，對海水提溴後的滷水集中制鹵、結晶產鹽，形成了海水資源的綜合利用。在項目備案期間，集團嚴格按照要求開展安全評價與環境評價，保證滿足建設項目環境保護選址要求，其業務活動對環境及天然資源不產生重大影響。

7.1 踐行節能降耗

公司積極推進日常大小項技改，降低生產能耗。2018年新編製《特種設備節能管理制度》，實施多種節能降耗項目：通過更換設備，增加蒸汽回用，使車間電耗從2017年的1696kwh/噸降低至1540kwh/噸；改造壓縮空氣系統和機組凝汽器，減少蒸汽消耗與熱耗率，從而減少電耗；優化鍋爐燃燒系統，降低氨水用量，減少風機電耗。另外，集團堅持綠色辦公，使管理制度的變更表單化、信息化，實現線上辦公和線上管理，減少紙張浪費，並依據《車輛管理制度》，管理車輛油耗，對節約和超額用油的司機實行全獎全罰，提高員工節約能源意識。

7 Green Developments

The Group strictly complied with the "Environmental Protection Law of the PRC" and other laws and regulations to prevent and reduce the adverse impacts of production and operation activities on the environment, and cooperated with the environmental protection departments at all levels. As a chemical enterprise, the Company actively promoted the development of new environmental products, and one of its primary products is green environmental refrigerant. In 2018, the Company insisted on high standards and strict requirements, and continuously promoted various environmental protection projects, including energy consumption reduction, sewage treatment, exhaust gas emission reduction, etc., staying a leading position in respect of a serious of environmental protection index of the industry.

Meanwhile, Dongying Dongyue Salt Co., Ltd, a subsidiary of the Group, leveraged the advantages of abundant seawater resources and salt field resources for bittern and salt crystallization after extraction of bromine from the seawater, which demonstrated the company's achievements in comprehensive utilization of seawater resources. During the filing period, the Group carried out safety assessment and environmental assessment in strict accordance with relevant requirements with an aim to ensure the compliance with the requirements on environmental protection and selected location for project construction. The operations of the above activities had no major impact on the environment and natural resources.

7.1 Implementation of Energy Conservation and Consumption Reduction

The Company actively promoted technical improvements of daily operation at each area and reduced energy consumption in production. In 2018, the Company prepared a new "Energy Conservation Management System for Special Equipment" (《特種設備節能管理制度》), and implemented various energy conservation and consumption reduction programs: increased steam reutilization through equipment replacement, made the power consumption of the workshop reduced from 1,696kwh/t in 2017 to 1,540kwh/t; reduced steam and heat consumption rate by modifying the compressed air system and the condensing turbines sets, thereby reduced electricity consumption; optimized the boiler combustion system, reduced the utilization amount of ammonia water and the power consumption of the wind turbine. In addition, the Group upheld the concept of "green office", used the application of forms and information technology for the changes of management system, realized online office and online management and decreased paper waste. Moreover, the Group managed vehicles' fuel consumption according to the "Vehicle Management System", and offered full reward/punishment to drivers who saves/exceeds oil consumption, aiming to raise employees' awareness on energy conservation.

2018年集團原料消耗降低0.27%，其中硅橡膠生產過程中消耗原料DMC降低6.91%，氯仿生產過程中消耗原料氯甲烷降低2.52%。

In 2018, the Group has reduced the material consumption by 0.27%. In particular, DMC, the raw material consumed in the production process of silicone rubber, decreased by 6.91% and chloromethane, the raw material consumed in the production process of chloroform, decreased by 2.52%.

2018年集團綜合能耗為655,401噸標煤，萬元產值綜合能耗為0.46噸標煤；溫室氣體排放量為3,239,450.5噸，萬元產值溫室氣體排放量為2.28噸。

In 2018, the total energy consumption of the Group amounted to 655,401t standard coal, and the total energy consumption per RMB10,000 output value amounted to 0.46t standard coal; emissions of greenhouse gases amounted to 3,239,450.5t, and the emissions of greenhouse gases per RMB10,000 output value amounted to 2.28t.

近兩年集團能源使用情況如下：

The energy consumption of the Group in recent two years is shown as follows:

使用種類 Use type	2017年消耗量 Consumption in 2017	2018年消耗量 Consumption in 2018
外購電 Purchased electricity	1,399,634,177度 1,399,634,177kWh	1,461,252,200度 1,461,252,200 kWh
總煤耗量 Total coal consumption	610,129噸 610,129t	642,322噸 642,322t
發電量 Generating capacity	154,800,000度 154,800,000 kWh	287,568,000度 287,568,000 kWh
蒸汽產量(自用量) Steam production volume (self-used volume)	1,279,826噸 1,279,826t	1,472,565噸 1,472,565t
汽油 Gasoline	121,911升 121,911L	72,065升 72,065L
柴油 Diesel	5,392.06升 5,392.06L	5,456.89升 5,456.89L
天然氣 Natural gas	11,164.88立方米 11,164.88 cubic meters	14,433.95立方米 14,433.95 cubic meters

7.2 優化用水管理

公司重視用水管理，持續提升水資源使用效率，減少廢水排放。通過設備升級、工藝改造、中水回用等多個項目，2018年東岳集團部分子公司水管理初見成效：化工南區實現了零排放，氟硅公司、高分子公司較2017年排水量分別減少35%、31%。

7.2 Optimization of Water Utilization Management

The Company paid attention to water management, continuously improved the utilization factor of water resources and reduced wastewater discharge. Through various projects such as equipment upgrades, process modification, reclaimed water reutilization, the water utilization management of certain subsidiary company comprising the Group has already started to yield results in 2018, particularly, the Southern Chemical District achieved zero discharge, and the F&S Company and Polymers Company reduced their water discharge by 35% and 31% compared with that of 2017, respectively.

- **熱電廠廢水回收項目：**

公司修復投運濃水回收裝置，回收水到超濾水箱，年回收水30萬噸；

於車間建設110m廢水管溝，完善回收管道建設，年回收87,600噸水。

- **化工南區中水回用項目：**

通過技術創新、再創技術應用，實現了廢水的零排放；

污水處理廠自主研發除氟劑項目實現了氟離子達標排放。

- **淨水廠磁混凝項目：**

在高效絮凝沉澱池淨水工藝中引入磁性微粒，與廢水中不溶性污染物有效結合，形成更大體積和密度的磁性絮體，淨化水體，去除總磷；

通過開發脫氟劑，可有效去除廢水中的氟離子，幫助控制外排水中渾濁、懸浮物、總磷、氟離子濃度，保證外排水達標排放。

- **集團污水處理項目：**

各分子公司的工業污水管道，以及未來新建公司的預留管道，一起匯入集團污水廠污水池。

- **Cogeneration Plant's Waste Water Recovery Project:**

The Company repaired the concentrated water recovery device and put it into operation, which recovered the water into the ultra-filtration water tank and could recover 300,000t of water each year;

Installed 110m wastewater piping trench in the workshop, improved the construction of recovery pipeline, and could recover 87,600t of water each year.

- **Southern Chemical District Reclaimed Water Reutilization Project:**

Through technological innovation and further creation of technique applications, Southern Chemical District achieved zero discharge of wastewater;

The defluorination project independently developed by the sewage treatment plant could realize standardized discharge of fluoride ion.

- **Water Purification Plant's Magnetic Coagulation Project:**

By introducing the magnetic particles to the high-efficiency water purification process in the flocculation and sedimentation tanks, which would effectively integrate the insoluble pollutants in the wastewater and form magnetic flocs with larger size and density, to achieve the purpose of purifying the water and eliminating total phosphorus;

By developing defluorination, which can effectively eliminate fluoride ions in wastewater, help control the turbidity, suspended materials, total phosphorus and fluoride ions density in the water discharged, and ensure that the standardized discharge of water.

- **The Group's Sewage Treatment Project:**

The industrial sewage pipelines of each subsidiary and the reserved pipelines for new companies to be established has been connected with the sewage pool of the Group's sewage treatment plants.

各分子公司籌建配備在線監測系統、自動化控制設備、增加磁絮凝、污水廠內部管線改造、增加脫泥設備及在線水質監控中心等。該項目建成後，COD 污染物濃度從 50 mg/L 降至 40 mg/L；氟化物污染物濃度從 6 mg/L 降至 1.5 mg/L。經核算，每年可減少 COD 排放量 54 噸／年、氟化物排放量 24.3 噸／年。

The preparation of equipping online monitoring systems and automatic control device, increasing magnetic flocculation, modifying internal pipeline for wastewater treatment plants, increasing dredging equipment and online water quality monitoring centers for each subsidiary company is under progress. After the completion of such project, the concentration of COD pollutants will decrease from 50 mg/L to 40 mg/L; and the concentration of fluoride pollutants will decrease from 6 mg/L to 1.5 mg/L. According to the calculation, the COD emissions can be reduced by 54t/year and the fluoride emissions can be reduced by 24.3 t/year.

近兩年集團用水及廢水排放情況如下：

The discharge of waste water of the Group in recent two years is shown as follows:

指標		2017年排放／用水量 Discharge/ consumption in 2017	2018年排放／用水量 Discharge/ consumption in 2018
Index			
廢水 Waste water	廢水排放總量	4,250,393噸 ¹	4,346,415噸
	Total discharge of wastewater	4,250,393t ¹	4,346,415t
	COD排放量	93.6噸	58.7噸
	COD emissions	93.6t	58.7t
	氨氮排放量	7.59噸	2.31噸
Ammonia nitrogen emissions	7.59t	2.31t	
耗水 Water consumption	總用水量	14,600,000噸	11,000,000噸
	Total Water consumption	14,600,000t	11,000,000t
	萬元產值耗水量	14.4噸萬元營業收入	7.74噸萬元營業收入
	Water consumption per RMB10,000 of output value	14.4t/RMB10,000 of operating income	7.74t/RMB10,000 of operating income

附註：

Note:

¹ 因集團2018年數據披露口径擴大，為使數據更具可比性，2017年廢水排放總量作出相應修改，同口径廢水排放量為4,250,393噸。

¹ Due to the increase in disclosure of the Group's 2018 data, total discharge of wastewater in 2017 had been adjusted accordingly to increase the comparability of relevant data. Discharge of wastewater amounted to 4,250,393t for the purpose of consistent presentation.

7.3 減少污染排放

公司嚴格遵守《中華人民共和國大氣污染防治法》等相關法律，積極配合國家要求，加強污染治理，完善制度體系，開展技術改造等措施，有效控制公司生產經營活動中產生的揚塵、廢氣，及固體廢棄物。

廢氣管理

為響應國家《大氣污染防治行動計劃》，公司積極開展減排工作，經核算2018年共削減二氧化硫8,687.73噸，氮氧化物1,191.98噸。另外，公司開展放空尾氣回收項目，通過提高尾氣冷凝器冷媒液位，降低冷凝溫度，同時新建氯甲烷回收裝置，減少尾氣排放量，使氯甲烷回收率達到95-99%。

近兩年集團廢氣排放情況如下：

排放物 Type of emissions	2017年排放量 Emissions in 2017	2018年排放量 Emissions in 2018
二氧化硫排放量 SO ₂ emissions	175噸 175t	157.06噸 157.06t
氮氧化物排放量 NO _x emissions	316.1噸 316.1t	542.29噸 542.29t
粉塵排放量 Dust emissions	114.67噸 114.67t	78.28噸 78.28t
揮發性有機物 Volatile organic compound	76.98噸 76.98t	220噸 220t

7.3 Reduction of Pollutant Emissions

The Company strictly abided by the Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution 《中華人民共和國大氣污染防治法》 and other relevant laws, actively complied with the requirements of the state, strengthened pollution treatment, improved the system, and carried out technological transformations to effectively control the dust, exhaust gas, and solid wastes generated from the Company's production and operation activities.

Exhaust Gas Management

In response to the "Air Pollution Prevention and Control Action Plan" (《大氣污染防治行動計劃》) in China, the Company actively carried out emission reduction works. It was calculated that the SO₂ emissions have been reduced by 8,687.73t and NO_x emissions have been reduced by 1,191.98t in total in 2018. In addition, the Company carried out an exhaust gas recovery project to reduce the condensing temperature by increasing the refrigerant liquid level of the exhaust condenser, and at the same time newly constructed a chloromethane recovery device to reduce the exhaust gas emissions, so that the recovery rate of chloromethane reached 95-99%.

The emissions of exhaust gas of the Group in recent two years are shown as follows:

固體廢棄物管理

2018年，本集團及各分子公司制定《一般固體廢物管理制度》《一般固體廢物責任制度》《危險廢物管理制度》《危險廢物責任制度》等，規範固體廢物的處置流程，監督檢查辦法，避免引發環境污染事件。公司對固體廢棄物進行分類處理，將生活垃圾交由具備處理資質的公司進行處置，固體廢物進行無害化處置，危險廢棄物則嚴格按《危險廢物規範化管理指標體系》處理。通過建立健全管理台賬，公司進一步加強各分子公司的固廢處理的監督考核。

Solid Waste Management

In 2018, the Group and each subsidiary have formulated the "General Solid Waste Management System" (《一般固體廢物管理制度》), "General Solid Waste Accountability System" (《一般固體廢物責任制度》), "Hazardous Waste Management System" (《危險廢物管理制度》) and "Hazardous Waste Accountability System" (《危險廢物責任制度》) to regulate the disposal process of solid waste, supervise the inspection method and avoid raising environmental pollution incidents. The Company sorted and treated solid wastes, and handed over the household refuse to the company with processing qualification, as well as disposed of solid waste in a harmless manner, and dealt with the hazardous waste strictly according to the "Standardized Management Index System for Hazardous Wastes" (《危險廢物規範化管理指標體系》). Through the establishment of a sound management account, the Company further strengthened the supervision and assessment of solid waste treatment of its subsidiary companies.

集團一般固體廢棄物排放情況如下：

The emissions of the general solid wastes of the Group are as follows:

排放物種類		2017年	2018年
Type of emissions		2017	2018
一般廢棄物產生總量	脫硫石膏	78,286噸	94,142噸
Total general wastes	Gypsum	78,286t	94,142t
	電廠灰渣	183,038.7噸	172,009噸
	Cinder of power plant	183,038.7t	172,009t
	生活垃圾	50噸	48噸
	Household refuse	50t	48t
	辦公垃圾	13噸	12噸
	Office waste	13t	12t
	電石渣	343,071噸	351,432噸
	Acetylene sludge	343,071t	351,432t
一般廢棄物產生總量		/	266,211噸
Total general wastes		/	266,211t
一般廢棄物產生密度		/	0.19噸萬元營業收入
Intensity of general wastes		/	0.19t/RMB10,000 of operating income

集團危險廢棄物轉移情況如下：

Transfer of hazardous wastes of the Group² is as follows:

廢棄物種類		2018年
Types of hazardous wastes		2018
危險廢棄物轉移量	HW06	1,699.92噸
Transfer volumes of hazardous wastes	HW06	1,699.92t
	HW08	138.29噸
	HW08	138.29t
	HW09	189.50噸
	HW09	189.50t
	HW11	376.54噸
	HW11	376.54t
	HW50	229.18噸
	HW50	229.18t
	HW18	93.10噸
	HW18	93.10t
	HW45	10,666.02噸
	HW45	10,666.02t
	HW49	81.86噸
	HW49	81.86t
	HW29	157.84噸
	HW29	157.84t
危險廢棄物轉移量		13,632.25噸
Transfer volumes of hazardous wastes		13,632.25t
危險廢棄物轉移密度		0.0096噸萬元營業收入
Transfer density of hazardous wastes		0.0096t/RMB10,000 of operating income

附註：

Note:

² 由於2018年集團危險廢棄物披露種類與口徑調整，本年度報告內未作數據連年對比。

² Due to adjustment on the disclosure types and requirements of the hazardous wastes of the Group in 2018, year-on-year comparison of relevant data had not been made in this annual report.

案例：「拆牆透綠」工程建設，打造集團綠色環保景觀大道

2018年，集團開展園區中心路綠化提升改造項目——「拆牆透綠」建設工程，並將其作為集團園區重點推進項目，旨在打造一條「節約型、林蔭型、景觀型、科技型」的綠色環保人文式景觀大道。隨著一期工程結束，集團將於2019年展開「拆牆透綠」二期工程，計劃於2019年5月1日竣工。通過建設綠色生態園區，集團致力於將園區打造為花團錦簇、綠樹成蔭、景色宜人的城市名片。

Case: Supporting “wall demolition and green planning” construction, building a green boulevard of the Group

In 2018, the Group carried out green initiatives that focused on the re-development of Zhongxin Road in the park — the “wall demolition and green planning” construction. It was regarded as the key project in the park, aiming at building a green, scenic boulevard characterized by “energy conservation, shade, landscape and technology”. Upon completion of the 1st phase construction, the Group will commence the 2nd phase of the “wall demolition and green planning” project in 2019, which is scheduled for completion in 1 May 2019. Through the construction of the green ecological park, the Group is committed to transforming the park into a city landmark with a mass of flowers, plenty of tree shade and delightful scenery.



8 和諧共贏

東岳集團視員工為最寶貴的財富，秉持「以效益體現價值，用財富回報才智」的人才理念，不斷完善僱傭環境，維護員工的合法權益。同時，東岳集團將自身視為社區的一份子，積極發揮自身影響力回饋社會。

8 All-win Harmony

The Group treats the employees as the most valuable assets, adheres to the talent concept of “Reflecting values with benefits, and using wealth to return intelligence”, and continuously improves the employment environment and safeguards the legitimate rights and interests of employees. At the same time, the Group considers itself as a part of community and actively give back to the community in its own influence.

8.1 尊重員工權益

東岳集團嚴格遵守《中華人民共和國勞動法》《中華人民共和國勞動合同法》等相關法律法規，奉行公平、公正、無歧視的用工政策，招聘、薪酬、培訓、升遷等事宜上不因性別、地域、民族、宗教、年齡、政治立場等產生任何歧視，避免童工和強制勞動，尊重並保障所有員工的合法權益。截至報告期末，東岳集團員工總人數為5,876人。

8.1 Respecting Employees' Rights and Interests

The Group has, in strict accordance with the Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations, pursued the fair, equitable and prejudice-free employment policy, completely eradicated any form of inequities arising from the gender, territory, nationality, religion, age, political affiliation and other aspects in terms of the recruitment, remuneration, training and promotion etc., and resisted any use of child labor and forced labor, respected and guaranteed the legitimate rights and interests of all employees. As at the end of the reporting period, the Group had a total of 5,876 employees.


員工結構 Employees' structure	類別 Type	2017年 2017	2018年 2018
按性別劃分的員工人數(人) Number of employees by gender (person)	男員工 Male employees	4,907	5,213
	女員工 Female employees	502	663
按年齡劃分的員工人數(人) Number of employees by age (person)	30週歲以下 Aged under 30	867	1,647
	31-40週歲 Aged between 31-40	2,926	2,716
	41-50週歲 Aged between 41-50	1,439	1,393
	50週歲以上 Aged over 50	177	120
	按地區劃分的員工人數(人) Number of employees by region (person)	淄博當地戶籍員工佔比 Percentage of local residents in Zibo	87.00%
	外地戶籍員工佔比 Percentage of non-local residents	13.00%	12.81%

8.2 助力員工發展

東岳集團通過明確的管理政策保障職業晉升的公開與透明，2018年，在《集團幹部員工職級晉升管理》的基礎上，制定了《東岳集團新晉幹部試用期考核管理辦法》《東岳集團新晉管理幹部培訓與考核管理方案》，明確幹部晉升辦法。年度內，公司平穩、高效地組織了大規模的幹部競崗，共有654人參加崗位競爭，19名幹部職位發生變動，38名幹部輪崗，一批年輕幹部脫穎而出。此外，公司在「培育一批小老虎團隊」工作思路的引導下，第一次推選車間支部書記，培養「年輕化、專業化、科班化」管理幹部，為今後車間人才梯隊建設做好準備。

集團為員工提供強有力的培訓支持，助力員工的職業發展。集團不斷優化完善《集團新職工培訓指導意見》《崗位培訓考試考核指導意見》《員工轉崗培訓管理規定》等培訓制度文件，同時通過建立四級培訓管理體系，不斷完善培訓管理機制，保障培訓實效。

8.2 Promoting Staff Development



Dongyue Group adopted the clear management policies to guarantee the openness and transparency of career promotion. In 2018, on the basis of the “Measures for Position Promotion of Cadres and Employees of the Group”, it formulated the “Administrative Measures for Appraisal of Newly Promoted Cadres under Probation Period of Dongyue Group” and the “Administrative Measures for Training and Appraisal of Newly Promoted Management Cadres of Dongyue Group” with an aim to clarify promotion measures for cadres. During the year, the Company organized large-scale post competition activities for its cadres in a stable and efficient manner. A total of 654 people participated in the post competition, leading to a change in the positions of 19 cadres and a rotation in the positions of 38 cadres, while a group of young cadres stood out. In addition, under the guidance of the work ideology of “cultivating a group of elite teams”, the Company selected the branch secretary of workshops for the first time, and cultivated a pool of “young, professional and well-trained” management cadres, in preparation for the cultivation of talents for workshops in future.

The Group provided strong trainings to support its employees in their career development. While the Group constantly optimized and improved the “Guidelines for Training of New Employee of the Group”, the “Guidelines for On-the-job Training Examination and Assessment”, the “Regulations on Management of Employee Job-transfer Training” and other training-related system documents, and at the same time, it also continuously improved the training management mechanism through the establishment of a four-level training management system to ensure the effectiveness of trainings.





2018年，集團以「按需培訓」為培訓計劃制定依據，組織集團級培訓70餘場，涵蓋了安全生產、信息化與自動化、技術、審計、財務、法律、供應鏈體系管理等七大專題，覆蓋了集團所有職能部門，通過進行高密度、專業化的培訓，切實提高員工職業技能水平。2018年，公司共組織72場培訓，參與培訓人數累計10,000人次。

集團持續推動各專業內部交流，各專業打破部門的界限，召開了多個專業聯合會議，共同解決問題。2018年，召開各類交流會40餘場，編輯完成19期交流簡報。

In 2018, the Group formulated its training plans under the “demand-based training” principle and organized more than 70 group-level trainings, covering seven special topics including safe production, informationization and automation, technology, audit, finance, law, and supply chain system management. They covered all the functional departments of the Group and effectively improved the professional skills of its employees through frequent and professional training. In 2018, the Company organized a total of 72 training, involving 10,000 trainees in total.

The Group continued to promote internal communications among various professions, and each profession broke departmental boundaries to hold several professional meetings to solve problems together. In 2018, over 40 exchange meetings were held with 19 exchange briefings edited.



8.3 關愛員工生活

為了全面平衡員工工作和生活，提高員工幸福指數，公司開展了多樣的員工關愛活動。2018年，公司先後組織了「2018年新春聯歡會」、春季和秋季運動會、員工微幸福照片徵集活動、DIY月餅聯誼主題活動、「岳動青春健康跑」越野賽等一系列活動，在豐富員工業餘生活的同時，增強員工的凝聚力與對公司的歸屬感。

公司深切關注困難員工的生活情況，從高管薪酬中捐贈一定比例的資金充實專門的愛心基金用於幫扶困難員工。本年度內，集團組織走訪困難職工共計20名，向每名困難職工送去慰問金3000-5000元及物資，幫扶總額為8.4萬元。

此外，集團為員工積極爭取政策支持，為集團7名博士和41名碩士申請相應的國家及地方學歷補貼，提升員工工作和研發工作熱情；為通過技能大賽的133名高級工以及獲得焊工技能鑒定的8名技能人才申請政府一次性補貼，加快集團人才隊伍專業化建設。

8.3 Caring for Employees' Life

In order to fully balance the work and life of its employees and improve the employee happiness index, the Company carried out a variety of employee-caring activities. In 2018, the Company organized a series of activities such as “2018 Chinese New Year Gathering”, the spring and autumn sports games, the employee happiness photo collection activities, the DIY mooncake theme activities, Dongyue cross-country race titled “Vibrant Youth, Healthy Running”, etc.. While enriching the employees' spare-time life, those activities also enhanced the cohesiveness of employees and the sense of belonging to the Company.

The Company was deeply concerned about the living conditions of its employees in difficulty. It donated the funds out of a certain percentage of the remuneration of senior management to the special caring fund to help its employees in difficulty. During the year, the Group organized a total of 20 visits to its employees in difficulty, distributing the consolation money of RMB3,000 to 5,000 and materials to each of its employees in difficulty. The aiding funds totalled RMB84,000.

In addition, the Group actively sought for policy supports for its employees, and applied for the corresponding subsidiary for national and local academic qualifications for 7 doctors and 41 masters of the Group to enhance its employees' enthusiasm for work and R&D. The Group also applied for the one-off government subsidy for the 133 senior workers passing the skill competitions and the 8 skilled welders obtaining the welding skills accreditation, in an effort to expedite the professionalization of its talent teams.

8.4 共築美好生活

公司始終堅持「建設家鄉，回報社會，報效國家，報答黨恩」，大力支持公益事業。截至報告期末，本集團已累計向教育、交通、衛生、救災等領域的社會公益事業捐款達1,942,400元。在2018年慈善一日捐活動中，公司募集款項達30萬元。

公司設立了四大公益基金，用於規範公益捐款的使用，2018年捐款總額為134.24萬元。

8.4 Building a Better Life Together

The Company has always insisted on “building hometown, repaying the society, serving the country, repaying the party” and vigorously supported public welfare undertakings. As at the end of the reporting period, the Group donated a total of RMB1,942,400 to social welfare undertakings in the fields of education, transport, health and disaster relief. In the one-day charity donation event in 2018, the Company raised funds of RMB300,000.

The Company has established four public welfare funds to regulate the use of public welfare donations. The total donations in 2018 amounted to RMB1.3424 million.

表 東岳集團四大公益基金

Table Four Public Welfare Funds of Dongyue Group

基金名稱 Name	成立時間 Year of Establishment	對象及用途 Targeted People and Purpose
東岳教育基金 Dongyue Education Fund	2000年 2000	用於獎勵本地教育教學成績突出的教師和取得優異成績的學生，並出資為桓台縣中小學建立「東岳書屋」 To reward the local teachers with outstanding teaching performance and students with outstanding academic achievements. Dongyue Studies were established for the middle and primary schools in Huantai County
東岳尊老基金 Dongyue Elder Respecting Fund	2007年 2007	用於每年為唐山鎮80歲以上老人捐贈200元生活補貼 To provide an allowance of RMB200 each year to elders aged over 80 in Tangshan Town
東岳獎學基金 Dongyue Scholarship Fund	2000年 2000	用於清華大學、山東理工大學獎勵學習成績突出的優秀學子 To reward the students of Tsinghua University and Shandong University of Technology with outstanding academic achievements
東岳愛心基金 Dongyue Staff-caring Fund	2005年 2005	用於對困難員工進行救助 To support the Group's staff in financial difficulties

東岳教育基金所建立的「東岳智慧書屋」每年投入8萬餘元為中小學校購買圖書資料，目前已惠及桓台縣106個鎮中學和中心小學。同時，公司鼓勵員工為社區發展貢獻自身的知識和技能、奉獻愛心，2018年，共組織60多名員工參與多場志願者活動。

案例：東岳張家界三台山村扶貧項目

三台山村是湖南省省級貧困村，東岳集團積極響應精準扶貧工作，助推扶貧事業，向永定區慈善總會捐贈200萬元，用於三台山東岳養老院建設。

2018年三台山東岳養老院正式竣工，共12間房，可同時容納24人居住。養老院環境優美、設施齊全，已成為張家界市社會主義精神文明建設的標誌性建築，實現了三台山老人「老有所居、老有所養、老有所依，老有所樂」，促進當地旅遊資源的開發利用，助力村民脫貧致富。

“Dongyue Smart Studies (東岳智慧書屋)”, established by Dongyue Education Fund, invested more than RMB80,000 each year to purchase books and materials for primary and secondary schools. It has now benefited 106 primary schools and central primary schools in Huantai County. At the same time, the Company encouraged its employees to support its community development with their own knowledge and skills. In 2018, a total of over 60 employees attended various volunteer activities.

Case: Poverty alleviation project of Santaishan Village, Zhangjiajie of Dongyue

Santaishan Village is a provincial-level poor village in Hunan. Dongyue Group responded to poverty alleviation initiatives in a proactive manner and facilitated its poverty alleviation business through donation of RMB2 million to Yongding District Charity Association for the construction of Santaishan Dongyue nursing home.

In 2018, the construction of Santaishan Dongyue nursing home was officially completed. The nursing home has a total of 12 rooms that can accommodate 24 people at the same time. It is well-equipped, surrounded with tranquil environment and has become a landmark for socialist spiritual civilization construction in Zhangjiajie to realize that all elderly people in Santaishan are provided with residence, living support, love and recreational facilities, thereby promoting the development and utilization of the local tourism resources and facilitating poverty alleviation for villagers.

9 ESG指標索引

9 ESG INDEX

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獨立核數師報告

INDEPENDENT AUDITOR'S REPORT



致東岳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

吾等已審核第117至238頁所載東岳集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於2018年12月31日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收入報表、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。

吾等認為，綜合財務報表已遵照國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則真實公平地反映貴集團於2018年12月31日之綜合財務狀況及其於截至該日止年度之綜合財務表現及綜合現金流量及該等綜合財務報表已按照香港《公司條例》的披露規定妥為編製。

To the members of Dongyue Group Limited
(incorporated in the Cayman Islands with limited liability)

Opinion



We have audited the consolidated financial statements of Dongyue Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 117 to 238, which comprise the consolidated statement of financial position as at 31 December 2018, 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 2018 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.



獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

意見的基礎

吾等已根據香港會計師公會(「香港會計師公會」)頒佈之香港審計準則(「香港審計準則」)進行審計。吾等在該等準則下承擔的責任已在本報告「核數師就審核綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒佈的「專業會計師道德守則」(「守則」)，連同有關吾等審核綜合財務報表有關的道德要求，吾等獨立於貴集團，並已根據守則履行其他道德責任。吾等相信，吾等獲取充足及適當的審計憑證，作為吾等意見的基礎。

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“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”), together with the ethical requirements that are relevant to our audit of the consolidated financial statements, 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.



獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷，認為對截至2018年12月31日止年度的綜合財務報表的審計最為重要的事項。該等事項是在吾等審計整體綜合財務報表及出具意見時進行處理的，吾等不會對該等事項提供單獨的意見。

Key audit matter 關鍵審計事項

Impairment assessment of trade receivables 貿易應收款項減值評估

As at 31 December 2018, the Group had gross trade receivables of approximately RMB1,488 million (2017: RMB1,629 million) and provision for impairment of approximately RMB2.85 million (2017: RMB3.13 million).

In general, the credit terms granted by the Group to the customers ranged between 30 to 90 days (2017: 30 to 90 days). Management performed periodic assessment on the recoverability of the trade receivables and the sufficiency of provision for impairment based on information including credit profile of different customers, ageing of the trade receivables, historical settlement records, subsequent settlement status, expected timing and amount of realisation of outstanding balances, and on-going trading relationships with the relevant customers. Management also considered forwardlooking information that may impact the customers' ability to repay the outstanding balances in order to estimate the expected credit losses for the impairment assessment.

We focused on this area due to the impairment assessment of trade receivables under the expected credit losses model involved the use of significant management judgements and estimates.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2018. 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.

How the key audit matter was addressed in our audit 吾等的審計如何處理關鍵審計事項

Our audit procedures in relation to management's impairment assessment of the trade receivables as at 31 December 2018 included:

- Understanding and evaluating the key controls that the Group has implemented to manage and monitor its credit risk, and validating the control effectiveness on a sample basis;
- Checking, on a sample basis, the ageing profile of the trade receivables as at 31 December 2018 to the underlying financial records and post year-end settlements;
- Inquiring of management for the status of each of the material trade receivables past due as at year end and corroborating explanations from management with supporting evidence, such as understanding on-going business relationship with the customers based on trade records, checking historical and subsequent settlement records of and other correspondence with the customers; and
- Assessing the appropriateness of the expected credit loss provisioning methodology, examining the key data inputs on a sample basis to assess their accuracy and completeness, and challenging the assumptions, including both historical and forward-looking information, used to determine the expected credit losses.





獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

Key audit matter

關鍵審計事項

於2018年12月31日，貴集團持有貿易應收款項總額約人民幣1,488百萬元(2017年：人民幣1,629百萬元)及減值撥備約人民幣2.85百萬元(2017年：人民幣3.13百萬元)。

一般而言，貴集團授予客戶的信貸期介乎30至90天(2017年：30至90天)。管理層基於以下資料對貿易應收款項的可收回程度及減值撥備的充足性進行定期評估，包括不同客戶的信用狀況、貿易應收款項賬齡、歷史結算記錄、後續結算情況、變現未收回結餘的預期時間和金額及與有關客戶的長期貿易關係。管理亦考慮可能影響客戶償還未收回結餘能力的前瞻性資料，從而就減值評估估計預期信貸虧損。

吾等專注於此範疇乃由於預期信貸虧損模式項下的貿易應收款項減值評估涉及使用重大管理層判斷及估計。

How the key audit matter was addressed in our audit

吾等的審計如何處理關鍵審計事項

吾等對管理層於2018年12月31日就貿易應收款項減值評估執行的程序包括：

- 了解及評估貴集團已實施的關鍵控制措施，以管理及監控其信用風險，並以抽樣方式核實控制的有效性；
- 抽樣核實於2018年12月31日有關財務記錄內的貿易應收款項及年後結算的賬齡情況；
- 向管理層詢問年末已逾期各重大貿易應收款項的狀況，並透過支持證據證實管理層的解釋，如基於貿易記錄了解與客戶的長期業務關係、核查客戶的歷史及後續結算記錄以及與客戶的其他來往信函；及
- 評估預期信貸虧損撥備方法的適當性，抽樣檢查主要數據輸入以評估其準確性及完整性，並質疑用於釐定預期信貸虧損的假設，包括歷史及前瞻性資料。



獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

Key audit matter 關鍵審計事項

Fair value of equity investments at fair value through other comprehensive income 按公平值計入其他全面收益之股本投資的公平值

As at 31 December 2018, the Group had equity investments at fair value through other comprehensive income with the fair value amount of approximately RMB1,801 million.

The equity investments at fair value through other comprehensive income are within the scope of IFRS 9 and are measured at fair value. The Group irrevocably elect to present subsequent changes in fair value of the equity investments at fair value through other comprehensive income in other comprehensive income. The valuation of equity investments involved significant judgement and estimates made.

於2018年12月31日，貴集團擁有公平值金額約人民幣1,801百萬元之按公平值計入其他全面收益之股本投資。

按公平值計入其他全面收益之股本投資乃屬於國際財務報告準則第9號範圍內並按公平值計量貴集團不可撤回地選擇於其他全面收益中呈列按公平值計入其他全面收益之股本投資公平值的後續變動。股本投資估值涉及作出的重大判斷及估計。

How the key audit matter was addressed in our audit 吾等的審計如何處理關鍵審計事項

Our procedures in relation to management's valuation of the equity investment at fair value through other comprehensive income included:

- Evaluating the competence, capabilities and objectivity of the valuers;
- Checking, on a sample basis, the accuracy and reasonableness of the input data provided by management to the valuer; and
- Evaluating the key assumptions and methodologies used by the valuer in their valuation of the equity investment at fair value through other comprehensive income.

吾等與管理層對按公平值計入其他全面收益之股本投資的估值有關的程序包括：

- 評估估值師的能力及客觀性；
- 以抽樣方式檢查管理層向估值師提供的輸入數據的準確性及合理性；及
- 評估估值師在對按公平值計入其他全面收益之股本投資進行估值時使用的關鍵假設及方法。





獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

綜合財務報表及其核數師報告以外的信息

董事須對其他信息負責。其他信息包括年報內的信息，但不包括綜合財務報表及核數師報告。

吾等對綜合財務報表的意見並不涵蓋其他信息，吾等亦不對該等其他信息發表任何形式的核證結論。

結合吾等對綜合財務報表的審計，吾等的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或吾等在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。基於吾等已執行的工作，倘吾等認為其他信息存在重大錯誤陳述，則吾等需要報告該事實。吾等在此方面並無任何需要報告之事項。

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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 the other information, we are required to report that fact. We have nothing to report in this regard.

董事及管治層就綜合財務報表承擔的責任

董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港《公司條例》的披露規定編製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編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在編製綜合財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的代替方案。

管治層須負責監督貴集團的財務報告過程。

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.



獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

核數師就審核綜合財務報表承擔的責任

吾等的目標，是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，並出具包括吾等意見的核數師報告。本報告僅根據吾等的委聘協定條款向閣下作為團體呈報，而不作其他用途。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，吾等運用了專業判斷，保持了專業懷疑態度。吾等亦：

- 識別及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，以及獲取充足及適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

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. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, 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 judgment and maintain professional skepticism 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 one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或假若有關的披露不足，則修改吾等之意見。吾等的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。
- 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。吾等負責集團審計的方向、監督及執行。吾等為審計意見承擔全部責任。
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- 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.





獨立核數師報告

INDEPENDENT AUDITOR'S REPORT

吾等與管治層溝通了(其中包括)計劃的審計範圍、時間安排及重大審計發現，包括吾等在審計中識別出內部控制的任何重大缺陷。

吾等亦向管治層提交聲明，說明吾等已符合有關獨立性的相關道德要求，並與彼等溝通有可能合理地被認為會影響吾等獨立性的所有關係及其他事項，以及在適用的情況下，相關的防範措施。

從與管治層溝通的事項中，吾等確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。吾等在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，吾等決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是葉啟賢先生，執業證書編號為P05131。

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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 Mr. Yip Kai Yin with practising certificate number: P05131.

開元信德會計師事務所有限公司
執業會計師

香港
九龍尖沙咀
天文台道8號10樓

2019年3月27日

Elite Partners CPA Limited
Certified Public Accountants

10/F., 8 Observatory Road,
Tsim Sha Tsui, Kowloon,
Hong Kong

27 March 2019

綜合損益及其他全面收入報表

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

截至2018年12月31日止年度

For the year ended 31 December 2018

		附註 Notes	2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
收益	Revenue	6	14,218,937	10,137,137
銷售成本	Cost of sales		(9,687,291)	(7,072,865)
毛利	Gross profit		4,531,646	3,064,272
其他收入	Other income	7	119,209	225,467
分銷及銷售開支	Distribution and selling expenses		(358,726)	(313,959)
行政開支	Administrative expenses		(782,735)	(656,333)
無形資產減值	Impairment of intangible assets		-	(17,485)
研究及開發開支	Research and development expenses		(177,360)	(94,609)
融資成本	Finance costs	8	(97,135)	(112,890)
應佔聯營公司業績	Share of results of associates		-	47,310
除稅前溢利	Profit before tax		3,234,899	2,141,773
所得稅開支	Income tax expense	9	(800,200)	(459,974)
年內溢利	Profit for the year	10	2,434,699	1,681,799
下列各方應佔溢利：	Profit attributable to:			
— 本公司擁有人	— Owners of the Company		2,129,098	1,601,397
— 非控股股東權益	— Non-controlling interests		305,601	80,402
			2,434,699	1,681,799
每股盈利	Earnings per share	13		
— 基本(人民幣)	— Basic (RMB)		1.00	0.76
— 攤薄(人民幣)	— Diluted (RMB)		1.00	0.76
其他全面收益：	Other comprehensive income:			
其後將不會重新分類至損益的項目：	Item that will not be reclassified subsequently to profit or loss:			
按公平值計入其他全面收益之股本投資的公平值變動	Fair value change on equity investments at fair value through other comprehensive income		(52,902)	-
年內溢利及全面收益總額	Profit and total comprehensive income for the year		2,381,797	1,681,799
下列各方應佔期間內溢利及全面收益總額：	Profit and total comprehensive income for the period attributable to:			
— 本公司擁有人	— Owners of the Company		2,076,196	1,601,397
— 非控股權益	— Non-controlling interests		305,601	80,402
			2,381,797	1,681,799

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2018年12月31日

At 31 December 2018

	附註	2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000	
	Notes			
非流動資產	Non-current assets			
物業、機器及設備	Property, plant and equipment	15	3,860,200	3,804,155
購買物業、機器及設備之 預付款項	Prepayments for purchase of property, plant and equipment		89,160	50,013
預付租金	Prepaid lease payments	16	535,564	466,666
無形資產	Intangible assets	17	82,237	81,647
按公平值計入其他 全面收益之股本投資	Equity investments at fair value through other comprehensive income	19	1,801,394	–
可供出售投資	Available-for-sale investments	19	–	1,221,292
遞延稅項資產	Deferred tax assets	20	213,741	246,398
商譽	Goodwill	21	123,420	123,420
			6,705,716	5,993,591
流動資產	Current assets			
存貨	Inventories	22	1,106,721	989,229
作出售用途之物業	Properties for sale	23	3,033,638	1,805,943
預付租金	Prepaid lease payments	16	15,766	14,754
貿易及其他應收款項	Trade and other receivables	24	1,967,730	1,970,471
已抵押銀行存款	Pledged bank deposits	25	363,133	32,860
銀行結餘及現金	Bank balances and cash	25	3,331,147	1,471,116
			9,818,135	6,284,373
流動負債	Current liabilities			
貿易及其他應付款項	Trade and other payables	26(a)	2,701,711	2,345,168
來自預售物業之按金	Deposits from pre-sale of properties	26(b)	1,632,556	359,918
借貸	Borrowings	27	873,150	1,076,021
稅項負債	Tax liabilities		296,488	94,485
遞延收入	Deferred income	28	21,636	25,359
			5,525,541	3,900,951
流動資產淨值	Net current assets		4,292,594	2,383,422
總資產減流動負債	Total assets less current liabilities		10,998,310	8,377,013

綜合財務狀況表

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

於2018年12月31日
At 31 December 2018

		附註 Notes	2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
資本及儲備	Capital and reserves			
股本	Share capital	29	200,397	200,397
儲備	Reserves		8,136,209	6,509,335
本公司擁有人 應佔權益	Equity attributable to the owners of the Company		8,336,606	6,709,732
非控股股東權益	Non-controlling interests		1,055,593	602,679
總權益	Total equity		9,392,199	7,312,411
非流動負債	Non-current liabilities			
遞延收入	Deferred income	28	285,782	227,721
遞延稅項負債	Deferred tax liabilities	20	111,029	92,081
借貸	Borrowings	27	1,209,300	744,800
			1,606,111	1,064,602
			10,998,310	8,377,013

第117至238頁之綜合財務報表經董事會於2019年3月27日批准及授權刊發，並由下列人士代表簽署：

The consolidated financial statements on pages 117 to 238 were approved and authorised for issue by the Board of Directors on 27 March 2019 and are signed on its behalf by:

張建宏
Zhang Jianhong
董事
Director

張哲峰
Zhang Zhefeng
董事
Director

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至2018年12月31日止年度

For the year ended 31 December 2018

本公司擁有人應佔 Attributable to owners of the Company

		股本	按公平值計入其他全面收益之儲備	股份溢價	合併儲備	股本儲備	法定盈餘儲備	保留盈利	總計	非控股東權益	總計
		人民幣千元	人民幣千元	人民幣千元	人民幣千元 附註(a)	人民幣千元 附註(b)	人民幣千元 附註(c)	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		Share Capital	FVTOCI reserve	Share premium	Merger reserve	Capital reserve	Statutory Surplus reserve	Retained earnings	Total	Non-controlling interests	Total
		RMB'000	RMB'000	RMB'000	RMB'000 (Note a)	RMB'000 (Note b)	RMB'000 (Note c)	RMB'000	RMB'000	RMB'000	RMB'000
2017年1月1日結餘	Balance at 1 January 2017	200,397	-	1,224,924	(32,210)	102,040	737,882	3,154,975	5,388,008	298,243	5,686,251
年內溢利及全面收益總額	Profit and total comprehensive income for the year	-	-	-	-	-	-	1,601,397	1,601,397	80,402	1,681,799
轉撥	Transfer	-	-	-	-	660	75,100	(75,100)	660	124	784
非控股東權益注資	Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	223,910	223,910
業務合併	Business combination	-	-	-	-	10,376	-	-	10,376	-	10,376
已宣派股息	Dividends declared	-	-	-	-	-	-	(290,709)	(290,709)	-	(290,709)
2017年12月31日結餘	Balance at 31 December 2017	200,397	-	1,224,924	(32,210)	113,076	812,982	4,390,563	6,709,732	602,679	7,312,411
首次應用國際財務報告準則第9號之調整	Adjustment on initial application of IFRS 9	-	(19,809)	-	-	-	-	-	(19,809)	-	(19,809)
2018年1月1日調整結餘	Adjustment, balance of 1 January 2018	200,397	(19,809)	1,224,924	(32,210)	113,076	812,982	4,390,563	6,689,923	602,679	7,292,602
年內溢利	Profit for the year	-	-	-	-	-	-	2,129,098	2,129,098	305,601	2,434,699
其他全面開支：	Other comprehensive expenses:										
按公平值計入其他全面收益之股本投資之公平值變動	Fair value change on equity investments at fair value through other comprehensive income	-	(52,902)	-	-	-	-	-	(52,902)	-	(52,902)
轉撥	Transfer	-	-	-	-	1,109	149,034	(149,034)	1,109	100	1,209
自非控股東權益收購一間附屬公司之進一步權益	Acquisition of further interest in a subsidiary from non-controlling interests	-	-	-	-	(59,037)	-	-	(59,037)	(62,260)	(121,297)
非控股東權益注資	Capital contribution from non-controlling interests	-	-	-	-	143,583	-	-	143,583	276,612	420,195
已宣派股息	Dividends paid	-	-	-	-	-	-	(515,168)	(515,168)	-	(515,168)
本集團附屬公司已派付的股息	Dividends paid by subsidiaries of the Group	-	-	-	-	-	-	-	-	(59,168)	(59,168)
出售附屬公司	Disposal of subsidiary	-	-	-	-	-	-	-	-	(7,971)	(7,971)
2018年12月31日結餘	Balance at 31 December 2018	200,397	(72,711)	1,224,924	(32,210)	198,731	962,016	5,855,459	8,336,606	1,055,593	9,392,199

附註：

- (a) 合併儲備來自於2006年完成之集團重組。
- (b) 於2007年11月16日，本公司購回所有早前已發行每股面值0.1美元之普通股275,000,000股，而該等購回普通股與截至該日期之所有法定但未發行股本一併註銷。同日，藉增設4,000,000,000股每股面值0.1港元之新普通股，將法定股本增至400,000,000港元。於2007年11月15日，向現有股東發行275,000,000股每股面值0.1港元之新普通股。購回金額超過已發行新股份面值之款額直接計入股本儲備。
- 向附屬公司非控股東收購額外權益確認為與非控股東權益之交易，因此產生之相關折讓/溢價直接於股本儲備列賬/支銷。
- (c) 根據中華人民共和國(「中國」)公司法及相關公司組織章程細則，本公司中國附屬公司須將相等於根據中國會計準則釐定之除稅後溢利10%之金額撥入法定盈餘儲備。

法定盈餘儲備為股東權益之一部分，當其結餘達到相當於註冊資本50%之金額，則毋須進一步分配。根據中國公司法，法定盈餘儲備可用作填補過往虧損、增加生產及業務營運或轉增股本。

Notes:

- (a) Merger reserve arose in group reorganisation completed in 2006.
- (b) On 16 November 2007, the Company repurchased all of the 275,000,000 previously issued ordinary shares of US\$0.1 each and these repurchased ordinary shares were cancelled with all of the authorised but unissued share capital as of that date. On the same date, the authorised share capital was increased to HK\$400,000,000 by the creation of 4,000,000,000 new ordinary shares of HK\$0.1 each. 275,000,000 new ordinary shares of HK\$0.1 each were then issued to the shareholders existing on 15 November 2007. The excess of the repurchased amount over the nominal amount of new shares issued was credited directly to the capital reserve.
- The acquisitions of additional interest from non-controlling shareholders of subsidiaries were recognised as transactions with non-controlling interests and the corresponding discount/premium were credited/debited directly against capital reserve.
- (c) In accordance with the Company Law of People's Republic of China ("PRC") and the relevant Articles of Association, the PRC subsidiaries of the Company are required to appropriate amount equal to 10% of their profit after taxation as determined in accordance with the PRC accounting standards to the statutory surplus reserve.

Statutory surplus reserve is part of shareholders' equity and when its balance reaches an amount equal to 50% of the registered capital, further appropriation is not required. According to the Company Law of the PRC, statutory surplus reserve may be used to make up past losses, to increase production and business operations or to increase capital by means of conversion.

綜合現金流量表

CONSOLIDATED STATEMENT OF CASH FLOWS

截至2018年12月31日止年度

For the year ended 31 December 2018

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
經營活動	OPERATING ACTIVITIES		
除稅前溢利	Profit before tax	3,234,899	2,141,773
調整項目：	Adjustments for:		
融資成本	Finance costs	97,135	112,890
銀行存款利息收入	Bank deposits interest income	(21,376)	(8,583)
遞延收入變現	Realisation of deferred income	(34,110)	(28,022)
確認貿易應收款項減值	Recognition of impairment on trade receivables	41,153	(22,541)
折舊及攤銷	Depreciation and amortization	666,388	702,523
撥回預付租金	Release of prepaid lease payments	15,311	13,856
撇減存貨	Write-down of inventories	6,821	4,129
應佔聯營公司業績	Share of results of associates	-	(47,310)
可供出售投資 股息收入	Dividend income from available-for-sale investments	-	(135,685)
出售物業、機器及設備虧損	Loss on disposals of property, plant and equipment	88,531	196,076
出售一間附屬公司的收益	Gain on disposal of a subsidiary	(43)	-
無形資產減值	Impairment of intangible assets	-	17,485
物業、機器及設備減值	Impairment of property, plant and equipment	3,127	-
營運資金變動前之 經營現金流量	Operating cash flows before movements in working capital	4,097,836	2,946,591
存貨增加	Increase in inventories	(136,490)	(282,390)
貿易及其他應收款項增加	Increase in trade and other receivables	(72,595)	(598,676)
作出售用途之在建物業增加	Increase in properties under development for sale	(1,227,694)	(165,931)
貿易及其他應付款項增加/(減少)	Increase/(decrease) in trade and other payables	401,395	(819,898)
來自預售物業之按金增加	Increase in deposits from pre-sale of properties	1,272,638	261,391
遞延收入增加	Increase in deferred income	88,448	1,119
經營所得現金	Cash generated from operations	4,423,538	1,342,206
已付所得稅及預扣稅	Income taxes and withholding tax paid	(550,156)	(220,019)
經營活動所得現金淨額	NET CASH GENERATED FROM OPERATING ACTIVITIES	3,873,382	1,122,187

綜合現金流量表
CONSOLIDATED STATEMENT OF CASH FLOWS

截至2018年12月31日止年度
For the year ended 31 December 2018

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
投資活動	INVESTING ACTIVITIES		
購置物業、機器及設備 (支付)／收取預付土地租金	Purchase of property, plant and equipment (Payment)/Receipt for prepaid land lease	(876,595)	(830,345)
購買無形資產	Purchase of intangible assets	(85,221)	72,860
銀行存款已收利息	Bank deposits interest received	(15,166)	(3,881)
解除已抵押銀行存款 (付款)／所得款項	Bank deposits interest received	21,376	8,583
出售物業、機器及 設備所得款項	(Payment for)/Proceeds from release of pledged bank deposits	(330,273)	73,843
可供出售投資股息收入	Proceeds from disposals of property, plant and equipment	37,849	3,839
收購聯營公司退款	Dividend income from available-for-sale investments	-	135,685
收購附屬公司的現金流出	Refund of acquisition of associate	-	59,800
出售一間附屬公司的現金流出	Cash outflow from acquisition of subsidiaries	-	(29,290)
按公平值計入其他全面收益之股本投 資之付款／可供出售投資	Cash outflow from disposal of a subsidiary	(1,561)	-
自少數股東收購一間附屬公司 的權益	Payment for equity investments at fair value through other comprehensive income/available-for-sale investments	(652,813)	(68,333)
	Acquisition of interest in a subsidiary from minority shareholders	(121,298)	-
投資活動所用現金淨額	NET CASH USED IN INVESTING ACTIVITIES	(2,023,702)	(577,239)
融資活動	FINANCING ACTIVITIES		
借貸所得款項	Proceeds from borrowings	1,576,000	1,227,000
償還借貸	Repayment of borrowings	(1,314,373)	(2,213,879)
已付利息	Interest paid	(97,135)	(112,890)
已付股息	Dividends paid	(574,336)	(290,707)
非控股股東權益注資	Capital contribution from non-controlling interests	420,195	234,283
融資活動所得／ (所用)現金淨額	NET CASH GENERATE FROM/(USED IN) FINANCING ACTIVITIES	10,351	(1,156,193)
現金及等同現金項目 增加／(減少)淨額	NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,860,031	(611,245)
年初現金及等同 現金項目	CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR	1,471,116	2,082,361
年末現金及 等同現金項目 即： 銀行結餘及現金	CASH AND CASH EQUIVALENTS AT END OF THE YEAR represented by: Bank balances and cash	3,331,147	1,471,116

1. 一般資料

東岳集團有限公司(「本公司」)於2006年7月24日於開曼群島註冊成立為受豁免有限公司，其註冊辦事處位於Scotia Centre, 4th Floor, P. O. Box 2804, George Town, Grand Cayman, Cayman Islands。本公司的股份自2007年12月10日起在香港聯合交易所有限公司主板上市。

本公司為一間投資控股公司，其附屬公司的主要業務載於附註35。

本公司及其附屬公司(合稱「本集團」)主要從事製造、分銷及銷售製冷劑、高分子材料、有機硅及二氯甲烷、聚氯乙烯(「PVC」)及燒鹼以及其他。此外，本集團亦在中華人民共和國(「中國」)從事物業開發。

本公司主要營業地點於年報「公司資料」一節中披露。

綜合財務報表以本公司及其附屬公司之功能貨幣人民幣(「人民幣」)呈列。

1. General

Dongyue Group Limited (the “Company”) was incorporated in the Cayman Islands on 24 July 2006 as an exempted company with limited liability. The address of its registered office is Scotia Centre, 4th Floor, P. O. Box 2804, George Town, Grand Cayman, Cayman Islands. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 10 December 2007.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 35.

The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the manufacture, distribution and sale of refrigerants, polymers, organic silicone and dichloromethane, polyvinyl chloride (“PVC”) and liquid alkali and others. In addition, the Group is also engaged in property development in the People’s Republic of China (the “PRC”).

The addresses of principal place of business of the Company are disclosed in the section headed “Corporate Information” in the annual report.

The consolidated financial statements are presented in Renminbi (“RMB”), which is the same as the functional currency of the Company and its subsidiaries.



綜合財務報表附註
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2018年12月31日止年度
For the year ended 31 December 2018

2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)

2.1 本集團採納之新訂及經修訂準則

於本年度，本集團已首次應用由國際會計準則理事會(「國際會計準則理事會」)頒佈的多項準則及詮釋，其中下列各項與本集團之綜合財務報表有關：

國際財務報告準則第9號	金融工具(包括於2019年1月1日或之後起年度期間強制生效的國際財務報告準則第9號之修訂具負補償之預付款項特徵)；
國際財務報告準則第15號	客戶合約收益及國際財務報告準則第15號之修訂；及
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。

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 New and revised standards adopted by the Group

In the current year, the Group has applied a number of new standards and interpretation issued by the International Accounting Standards Board ("IASB") for the first time of which the followings are relevant to the Group's consolidated financial statements:

IFRS 9	Financial Instruments (including the amendments to IFRS 9 Prepayment Features with Negative Compensation which is mandatorily effective for annual periods beginning on or after 1 January 2019);
IFRS 15	Revenue from Contracts with Customers and amendments to IFRS 15; and
IFRIC 22	Foreign Currency Transactions and Advance Consideration.

2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.1 本集團採納之新訂及經修訂準則(續)

國際財務報告準則第9號金融工具(續)

A) 應用國際財務報告準則第9號(續)
國際財務報告準則第9號及國際財務報告準則第9號(修訂本)已取代國際會計準則第39號金融工具：確認和計量。國際財務報告準則第9號提出識別及計量金融資產、金融負債及若干買賣非金融項目之合約之要求。根據國際財務報告準則第9號所載特定過渡性條文，本集團已按追溯基準，基於2018年1月1日存在的事實、情況及商業模式，將分類及計量要求(包括有關減值的要求)應用於截至首次申請日期(即2018年1月1日)已存在之項目。然而，本集團已決定不重述比較數字。因此，比較資料將繼續根據國際會計準則第39號的要求呈列，因此可能無法與當年的資料進行比較。國際財務報告準則第9號初次應用的累計影響已於2018年1月1日確認為對期初權益的調整。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.1 New and reused standards adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

A) Application of IFRS 9 (Continued)
IFRS 9 and the amendments to IFRS 9 have replaced IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 sets out the requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. In accordance with the specific transitional provisions set out in IFRS 9, the Group has applied the classification and measurement requirements (including requirements relating to impairment) to items that existed as of the date of initial application (i.e. 1 January 2018) on a retrospective basis based on the facts and circumstances and business models that existed as at 1 January 2018. However, the Group has decided not to restate the comparative figures. Accordingly, the comparative information continues to be presented based on the requirements of IAS 39 and hence may not be comparable with the current year information. The cumulative effect of initial application of IFRS 9 has been recognised as adjustments to the opening equity as of 1 January 2018.



綜合財務報表附註
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

截至2018年12月31日止年度
For the year ended 31 December 2018

2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.1 本集團採納之新訂及經修訂準則(續)

國際財務報告準則第9號金融工具(續)

A) 應用國際財務報告準則第9號(續)

- (i) 金融資產的分類與計量
通常，國際財務報告準則第9號將金融資產分為以下三個類別：

- 攤銷成本；
- 按公平值計入其他全面收益(FVTOCI)；及
- 按公平值計入損益(FVTPL)。

該等分類類別與國際會計準則第39號所載的分類不同，其包括持有至到期投資、貸款及應收款項、可供出售金融資產及按公平值計入損益計量的金融資產。國際財務報告準則第9號項下金融資產的分類乃基於金融資產管理的業務模式及其合約現金流量特徵。

有關本集團金融資產及金融負債的會計政策的詳情披露於綜合財務報表附註3。本集團於2018年1月1日未按公平值計入損益指定或取消指定任何金融資產。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.1 New and reused standards adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

A) Application of IFRS 9 (Continued)

- (i) Classification and measurement of financial assets
In general, IFRS 9 categories financial assets into the following three classification categories:

- amortised cost;
- fair value through other comprehensive income (FVTOCI); and
- fair value through profit or loss (FVTPL).

These classification categories are different from those set out in IAS 39 which included held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVTPL. The classification of financial assets under IFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

Details about the Group's accounting policies for its financial assets and financial liabilities are disclosed in Note 3 to the consolidated financial statements. The Group did not designate or de-designate any financial asset at FVTPL at 1 January 2018.

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2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.1 本集團採納之新訂及經修訂準則(續)

國際財務報告準則第9號金融工具(續)

A) 應用國際財務報告準則第9號(續)

(i) 金融資產的分類與計量(續)

下表列示根據國際會計準則第39號對本集團截至2018年1月1日的金融資產進行分類及計量，與根據國際財務報告準則第9號對其進行分類及計量的對賬：

國際會計準則第39號項下的原類別	國際會計準則第39號項下的原類別	國際財務報告準則第9號項下的新類別	國際會計準則第39號項下的賬面值	國際財務報告準則第9號項下的賬面值	
			人民幣千元	人民幣千元	
	Old classification under IAS 39	New classification under IFRS 9	Carrying amount under IAS 39	Carrying amount under IFRS 9	
			RMB'000	RMB'000	RMB'000
按公平值計入其他全面收益之股本證券	可供出售金融資產(按成本減減值計)	按公平值計入其他全面收益			附註1及2
Equity investments at fair value through other comprehensive income	Available-for-sale financial assets (at cost less impairment)	FVTOCI	1,221,292	1,201,483	Notes 1 and 2

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.1 New and reused standards adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

A) Application of IFRS 9 (Continued)

(i) Classification and measurement of financial assets (Continued)

The following table shows a reconciliation from how the Group's financial assets existed as of 1 January 2018 were classified and measured under IAS 39 to how they are classified and measured under IFRS 9:



綜合財務報表附註
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2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.1 本集團採納之新訂及經修訂準則(續)

國際財務報告準則第9號金融工具(續)

A) 應用國際財務報告準則第9號(續)

(i) 金融資產的分類與計量(續)

附註：

1. 根據國際財務報告準則第9號，股本證券投資須於各報告期末後按公平值計量。因此，對於之前基於國際會計準則第39號項下的成本豁免按成本減減值計量的權益證券投資，根據國際財務報告準則第9號須按公平值計量。根據國際財務報告準則第9號所載的特定過渡性條文，該等投資須於首次應用日期(即2018年1月1日)按公平值計量，而公平值與賬面值之間的任何差額，根據國際會計準則第39號須於2018年1月1日的期初保留盈利中確認。
2. 於按公平值計入其他全面收益於首次申請日期時，本集團已根據國際財務報告準則第9號所載的特定過渡性條文，於國際財務報告準則第9號首次應用日期(即2018年1月1日)，指定若干股本證券投資(既非持作買賣，亦非由收購方於香港財務報告準則第3號業務合併所應用的業務合併中確認的或然代價)為按公平值計入其他全面收益。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.1 New and reused standards adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

A) Application of IFRS 9 (Continued)

(i) Classification and measurement of financial assets (Continued)

Notes:

1. Under IFRS 9, investments in equity securities are required to be measured at fair value subsequently at the end of each reporting period. Accordingly, for investments in equity securities that were previously measured at cost less impairment based on the cost exemption under IAS 39 have to be measured at fair value under IFRS 9. Based on the specific transitional provisions set out in IFRS 9, such investments have to be measured at fair value at the date of initial application (i.e. 1 January 2018), with any difference between the fair value and carrying amount under IAS 39 being recognised in the opening retained earnings as of 1 January 2018.
2. The Group had designated certain investments in equity securities (that are neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 Business Combinations applies) as at FVTOCI as at the date of initial application of IFRS 9 (i.e. 1 January 2018) based on the specific transitional provisions set out in IFRS 9.

2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.1 本集團採納之新訂及經修訂準則(續)

國際財務報告準則第9號金融工具(續)

A) 應用國際財務報告準則第9號(續)

(II) 減值

國際財務報告準則第9號引入「預期信貸虧損模式」，以取代國際會計準則第39號項下的「已產生虧損」模式。「預期信貸虧損模式」要求持續計量與金融資產相關的信用風險。本集團已將「預期虧損模式」應用於以下類型的金融資產：

- 其後按攤銷成本計量的金融資產(包括貿易及其他應收款項、已抵押銀行存款及現金及等同現金項目)；及
- 隨後按公平值計入其他全面收益計量的債務證券投資；

就貿易應收款項而言，本集團採用國際財務報告準則第9號所允許的簡化方法，該方法要求年期內的預期虧損於初步確認應收款項時確認。本集團已建立一個基於本集團過往違約經驗的撥備矩陣，並根據債務人特定因素，以及對當前及預測的狀況發展方向的評估進行調整。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.1 New and reused standards adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

A) Application of IFRS 9 (Continued)

(II) Impairment

IFRS 9 has introduced the “expected credit loss model” to replace the “incurred loss” model under IAS 39. The “expected credit loss model” requires an ongoing measurement of credit risk associated with a financial asset. The Group has applied the “expected loss model” to the following types of financial assets:

- financial assets that are subsequently measured at amortised cost (including trade and other receivables, pledged bank deposits and cash and cash equivalents); and
- investments in debt securities that are subsequently measured at FVTOCI;

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires lifetime expected losses to be recognised from initial recognition of the receivables. The Group has established a provision matrix that is based on the Group’s historical default experience, adjusted for factors that are specific to the debtors and an assessment of both the current as well as the forecast direction of conditions.



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2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.1 本集團採納之新訂及經修訂準則(續)

國際財務報告準則第9號金融工具(續)

- A) 應用國際財務報告準則第9號(續)
採用預期信貸虧損模式對本集團金融資產賬面值的影響可忽略不計。

(III) 金融負債的分類及計量

根據國際財務報告準則第9號，對於指定為按公平值計入損益計量的金融負債，該金融負債可歸因於該負債的信用風險變動的公平值變動金額，應於其他綜合收入中列賬，該負債公平值變動之結餘則計入損益(除非處理負債信用風險變動的影響會產生或擴大損益中的會計錯配，在此情況下，該負債的所有收益或虧損均於損益中列報。

採用國際財務報告準則第9號未對本集團的金融負債產生重大影響。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.1 New and reused standards adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

- A) Application of IFRS 9 (Continued)
The adoption of expected credit loss model had a negligible impact on the carrying amounts of the Group's finance assets.

(III) Classification and measurement of financial liabilities

Under IFRS 9, for a financial liability designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is required to be presented in other comprehensive income, with the remaining amount of change in the fair value of the liability being presented in profit or loss (unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit or loss and in which case all gains or loss on that liability are presented in profit or loss).

The adoption of IFRS 9 has not had a significant effect on the Group's financial liabilities.

2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.1 本集團採納之新訂及經修訂準則(續)

國際財務報告準則第9號金融工具(續)

B) 應用國際財務報告準則第15號

國際財務報告準則第15號已取代國際會計準則第11號建築合約、國際會計準則第18號收益以及其他與收入相關的詮釋。根據國際會計準則第11號及國際會計準則第18號，建築合約及提供服務產生的收入已隨時間推移得到確認，而貨物銷售收入通常於貨物所有權的風險及匯報傳遞予客戶時確認。根據國際財務報告準則第15號，當客戶獲得對合約中承諾的商品或服務的控制權時，確認收入。這可能是在單個時間點或在一段時間內。國際財務報告準則第15號引入了額外的定性及定量披露要求，旨在使財務報表使用者瞭解與客戶簽訂合約所產生的收入及現金流量的性質、金額、時間及不確定性。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.1 New and reused standards adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

B) Application of IFRS 15

IFRS 15 has replaced IAS 11 *Construction Contracts*, IAS 18 *Revenue* and other revenue-related interpretations. Under IAS 11 and IAS 18, revenue arising from construction contracts and provision of services was recognised over time whereas revenue from sale of goods was generally recognised at a point in time when the risks and rewards of ownership of the goods was passed to the customers. Under IFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. This may be at a single point in time or over time. IFRS 15 has introduced additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.



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2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.1 本集團採納之新訂及經修訂準則(續)

國際財務報告準則第9號金融工具(續)

B) 應用國際財務報告準則第15號(續)
經計及本集團主要業務的性質，採用國際財務報告準則第15號對綜合財務狀況及綜合財務業績並無任何重大影響。

C) 應用國際財務報告詮釋委員會詮釋第22號

國際財務報告詮釋委員會詮釋第22號就釐定「交易日期」提供指導，以釐定於初始確認一項交易(於交易中實體會收到或以外幣支付預付代價)產生的相關資產、費用或收入(或其中一部分)時使用的匯率。該詮釋澄清「交易日期」為首次確認因支付或收到預付代價而產生的非貨幣性資產或負債的日期。倘於確認相關項目之前有多筆付款或收款，則每一筆付款或收款的交易日期均應以此種方式釐定。應用國際財務報告詮釋委員會詮釋第22號對綜合財務狀況及綜合財務業績並無任何重大影響。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.1 New and reused standards adopted by the Group (Continued)

IFRS 9 Financial Instruments (Continued)

B) Application of IFRS 15 (Continued)

Considering the nature of the Group's principal activities, the adoption of IFRS 15 has not had any material impact on the consolidated financial position and the consolidated financial results.

C) Application of IFRIC 22

IFRIC 22 provides guidance on determining "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) arising from a transaction in which an entity receives or pays advance consideration in a foreign currency. The interpretation clarifies that "the date of the transaction" is the date on initial recognition of the non-monetary asset or liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance of recognising the related item, the date of the transaction for each payment or receipt should be determined in this way. The application of IFRIC 22 has not had any material impact on the consolidated financial position and the consolidated financial results.

2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.2 已頒佈但未生效且本集團尚未提早採納的新訂及經修訂準則、詮釋及修訂本

本集團尚未應用下列與本集團有關的已頒佈但並未強制生效的新訂及經修訂香港財務報告準則：

國際財務報告準則第16號	租賃 ¹
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或出資 ²
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 ¹

¹ 於2019年1月1日或以後開始之年度期間生效

² 於尚未確定之日期或以後開始之年度期間生效

國際財務報告準則第16號租賃

國際財務報告準則第16號將於其生效時取代當前的租賃指引，包括國際會計準則第17號租賃及相關詮釋。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.2 New and revised standards, interpretations and amendments issued but not yet effective and not yet early adopted by the Group

The Group has not applied any of the following new and revised HKFRSs that are relevant to the Group that have been issued but are not yet mandatorily effective:

IFRS 16	Leases ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
IFRIC Interpretation 23	Uncertainty over Income Tax Treatments ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after a date to be determined

HKFRS 16 Leases

IFRS 16 will supersede the current lease guidance including IAS 17 Leases and the related interpretations when it becomes effective.

2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.2 已頒佈但未生效且本集團尚未提早採納的新訂及經修訂準則、詮釋及修訂本(續)

國際財務報告準則第16號租賃(續)

就承租人會計處理而言，根據香港會計準則第17號，經營租賃及融資租賃的劃分已由某一模式取代，其規定承租人須就所有租賃確認使用權資產及相應負債，惟短期租賃及租賃低價值資產除外。

具體而言，使用權資產初步按成本計量，其後按成本(受若干例外情況所限)減累計折舊及減值虧損(就租賃負債重新計量作出調整)計量。租賃負債初步按於該日尚未支付的租賃付款現值計量。其後，租賃負債就利息及租賃付款作出調整。此外，現金流量的分類亦將受到影響，原因為國際會計準則第17號項下的經營租賃付款呈列為經營現金流量，而根據國際財務報告準則第16號模式，租賃付款將拆分為本金及利息部份，分別呈列為融資現金流量及經營現金流量。

就出租人會計處理而言，國際財務報告準則第16號大致保留國際會計準則第17號內出租人的會計要求並繼續要求出租人將其租賃分類為經營租賃或融資租賃。

此外，國際財務報告準則第16號要求於財務報表內作出全面披露。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.2 New and revised standards, interpretations and amendments issued but not yet effective and not yet early adopted by the Group (Continued)

IFRS 16 Leases (Continued)

With regards to lessee accounting, the distinction of operating leases and finance leases, as required by IAS 17, has been replaced by a model which requires a right-of-use asset and a corresponding liability to be recognised for all leases by lessees except for short-term leases and leases of low value assets.

Specifically, the right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any re-measurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas, under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

With regards to lessor accounting, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, IFRS 16 requires extensive disclosures in the financial statements.

2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.2 已頒佈但未生效且本集團尚未提早採納的新訂及經修訂準則、詮釋及修訂本(續)

國際財務報告準則第10號及國際會計準則第28號(修訂本)投資者與其聯營公司或合營企業之間的資產出售或出資

國際財務報告準則第10號及國際會計準則第28號(修訂本)處理投資者與其聯營公司或合營公司之間資產出售或出資的情況。具體而言，該等修訂指出，於使用權益法入賬的聯營公司或合營公司的交易中，失去不包含業務的附屬公司的控制權所產生的收益或虧損，於母公司的收益或虧損中確認(惟僅限於無關投資者於該聯營公司或合營企業中的權益)。同樣，重新計量任何前附屬公司(已成為使用權益法入賬的聯營公司或合營公司)保留的投資產生的公平值產生的收益及虧損僅於前母公司的損益中確認(惟僅限於無關投資者於新聯營公司或合營企業中的權益)。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.2 New and revised standards, interpretations and amendments issued but not yet early adopted by the Group (Continued)

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the re-measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.



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2. 應用新訂及經修訂之國際財務報告準則(「國際財務報告準則」)(續)

2.2 已頒佈但未生效且本集團尚未提早採納的新訂及經修訂準則、詮釋及修訂本(續)

國際財務報告準則第10號及國際會計準則第28號(修訂本)投資者與其聯營公司或合營企業之間的資產出售或出資(續)
本集團於本年度並無進行該等交易。本公司董事預期，應用該等修訂不會對本集團的綜合財務報表產生影響。

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
本詮釋闡明了當所得稅處理存在不確定性時，如何在國際會計準則第12號中應用認可及計量要求。

本公司董事預期應用該詮釋將不會對本集團的綜合財務報表產生重大影響。

3. 主要會計政策

合規聲明

綜合財務報表乃根據國際會計準則理事會頒佈的國際財務報告準則編製。另外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港《公司條例》規定之適用披露。

編製基準

綜合財務報表乃以歷史成本法編製。歷史成本一般按交換貨品之代價之公平值計算。

2. Application of new and revised International Financial Reporting Standards (IFRSs) (Continued)

2.2 New and revised standards, interpretations and amendments issued but not yet effective and not yet early adopted by the Group (Continued)

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Continued)

The Group did not enter into these transactions in the current year. The Directors of the Company anticipate that the application of these amendments may not have an impact on the Group's consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatments

This Interpretation clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments.

The Directors of the Company do not anticipate that the application of the Interpretation will have a material impact on the Group's consolidated financial statements.

3. Significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards issued by IASB. In addition, the consolidated financial statements include applicable disclosures required by The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods.



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3. 主要會計政策(續)

編製基準(續)

公平值指於計量日期市場參與者於有秩序交易中出售一項資產可收取或轉讓一項負債須支付之價格，不論該價格是否直接可觀察或可使用其他估值方法作出估計。倘市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。該等綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬於國際財務報告準則第2號範圍的以股份付款的交易、屬於國際會計準則第17號範圍內的租賃交易，以及與公平值有部分相若地方但並非公平值的計量，譬如國際會計準則第2號內的可變現淨值或國際會計準則第36號的使用價值除外。

出於財務報告目的，部分資產及負債在報告期末按公平值計量。國際財務報告準則第13號公平值計量須就公平值計量如何分類作出披露。根據國際財務報告準則第13號，公平值計量應基於公平值計量的輸入值的可觀察程度以及該等輸入值對整體公平值計量的重要性，被歸入第一層、第二層或第三層的公平值級次，詳述如下：

第一層輸入值是指於計量日期由相同資產或負債在活躍市場中(未經調整)的報價得出；第二層輸入值是指由除了第一層輸入值所包含的報價以外的，資產或負債可由直接或間接觀察得出的輸入值；及第三層輸入值是指資產或負債的不可觀察輸入值。

3. Significant accounting policies (Continued)

Basis of preparation (Continued)

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

For financial reporting purposes, some assets and liabilities are measured at fair value at the end of the reporting period. Disclosures are required by IFRS 13 Fair Value Measurement as to how fair value measurements are categorised. Under IFRS 13, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability.





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3. 主要會計政策(續)

編製基準(續)

在對資產或負債的公平值作出估計時，管理層使用可得市場可觀察數據。倘無可用第一層輸入值，則本集團通常聘請第三方合資格估值師進行估值。本集團財務團隊與合資格外聘估值師緊密合作，為第二層及第三層公平值計量建立及釐定適當的估值技術及輸入值。其後，財務團隊將向管理層報告確定公平值的方法。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制的實體(包括結構性實體)的財務報表。當本公司具備以下條件時，即具有控制權：

- 有控制被投資方的權力；
- 可或有權自其與被投資方的關係中獲得不同回報；及
- 有能力運用其權力影響其回報。

3. Significant accounting policies (Continued)

Basis of preparation (Continued)

In estimating the fair value of an asset or a liability, management uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group normally engages a third party qualified valuer to perform valuation. The finance team of the Group works closely with the qualified external valuer to establish and determine the appropriate valuation techniques and inputs for Level 2 and Level 3 fair value measurements. The finance team will then report to management how fair values are determined.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

3. 主要會計政策(續)

綜合基準(續)

倘事實和情況顯示上述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資方。

附屬公司於本集團取得該附屬公司的控制權時綜合入賬，並於本集團喪失對該附屬公司的控制權時終止綜合入賬。具體而言，自本集團取得控制權當日起直至本集團不再控制附屬公司當日，於年內收購或出售的附屬公司收支均計入綜合損益及其他全面收入報表。

損益及其他全面收益各部分歸屬至本公司擁有人及非控股股東權益。附屬公司的全面收益總額歸屬至本公司擁有人及非控股股東權益，即使此舉會導致非控股股東權益出現虧絀結餘。

附屬公司的財務報表於必要時會進行調整，以使其會計政策與本集團的會計政策一致。

與本集團成員間的交易有關的所有集團內部的資產及負債、股權、收入、開支及現金流量均於綜合賬目時悉數對銷。

3. Significant accounting policies (Continued)

Basis of consolidation (Continued)

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 listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non- controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non- controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.



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3. 主要會計政策(續)

綜合基準(續)

本集團於現有附屬公司的擁有權權益變動

倘本集團於現有附屬公司的擁有權權益變動並無導致本集團失去對附屬公司的控制權，則入賬列作股本交易。本集團的權益及非控股股東權益的賬面值會進行調整，以反映其於附屬公司的相關權益變動。非控股股東權益賬面值與已付或已收代價公平值之間的任何差額直接於權益確認，並歸屬於本公司擁有人。

當本集團失去一間附屬公司之控制權，盈虧於損益內確認，並按：(i)已收代價公平值及任何保留權益公平值總額與(ii)附屬公司之資產(包括商譽)及負債以及任何非控股股東權益之先前賬面值之差額計算。所有先前於其他全面收益確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用國際財務報告準則之規定／許可條文重新分類至損益或轉撥至另一類權益)。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據國際會計準則第39號，於其後入賬時被列作初步確認之公平值，或(如適用)於初步確認時被列作於聯營公司之投資成本。

3. Significant accounting policies (Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate.

3. 主要會計政策(續)

業務合併

業務收購採用收購法入賬。於業務合併轉撥之代價(包括業務合併前本集團於被收購方的所有權權益)按收購日期之公平值計量。或然代價亦按收購日期及其後期間結束時的公平值計量。其後期間或然代價的公平值變動在損益中確認，惟該變動符合香港財務報告準則第3號業務合併所界定的「計量期間調整」則除外。符合權益定義的或然代價其後不會重新計量。

於收購日期，已收購可識別資產及所承擔負債通常按其公平值確認。

(a)(i)已轉讓代價，(ii)被收購方的任何非控股權益金額，及(iii)收購方先前持有的被收購方股權的公平值之和超出(b)於收購日期已收購可識別資產及所承擔負債淨額確認為商譽。另一方面，若(b)大於(a)，則在重新評估後，超出部分會立即於損益中確認為議價收益。

與收購事項有關之成本一般於產生時於損益中確認。

於業務合併前重新計量本集團擁有權權益產生的收益或虧損乃於損益確認。先前已於其他全面收益確認的重新計量業務合併前於被收購方的權益所產生的金額被重新分類至損益，倘該權益已被出售，該等重新分類將屬適當。

3. Significant accounting policies (Continued)

Business combination

An acquisition of a business is accounted for using the acquisition method. The consideration transferred in a business combination (including the Group's ownership interest in the acquiree before the business combination) is measured at fair value at the date of acquisition. Contingent consideration is also measured at fair value at the date of acquisition and at the end of subsequent periods. Changes in fair value of contingent consideration in subsequent periods are recognised in profit or loss except when the changes qualify as "measurement period adjustments" as defined in HKFRS 3 Business Combinations. Contingent consideration that meets the definition of equity is not subsequently remeasured.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are generally recognised at their fair values.

The excess of (a) the sum of (i) consideration transferred, (ii) the amount of any non-controlling interests in the acquiree, and (iii) the fair value of the acquirer's previously held equity interest in the acquiree over (b) the net amount of the identifiable assets acquired and the liabilities assumed recognised at the date of acquisition is recognised as goodwill. On the other hand, if (b) is greater than (a), the excess, after reassessment, is immediately recognised in profit or loss as a bargain gain.

Acquisition-related costs are generally recognised in profit or loss as incurred.

The resulting gain or loss arising from re-measurement of the Group's ownership interest in the acquiree before the business combination is recognised in profit or loss. Amounts arising from interests in the acquiree before the business combination that have previously been recognised in other comprehensive income are reclassified to profit or loss where such reclassification would be appropriate if the interest were disposed of.



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3. 主要會計政策(續)

業務合併(續)

屬現時擁有之權益且於清盤時令持有人有權按比例分佔實體資產淨值之非控股股東權益，可初步按公平值或非控股股東權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他種類的非控股股東權益乃按其公平值或(如適用)另一項國際財務報告準則指定之基準計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價按其於收購日期之公平值計量，並計入於業務合併轉讓之代價之一部分。符合資格為計量期間調整之或然代價公平值變動將予追溯調整，相應調整就商譽作出。計量期間調整為於「計量期間」(不可超過自收購日期起計一年)取得有關於收購日期已存在之事實及情況之額外資料產生之調整。

3. Significant accounting policies (Continued)

Business combination (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 主要會計政策(續)

業務合併(續)

不符合計量期間調整資格之或然代價公平值變動後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算亦於權益內入賬。分類為資產或負債之或然代價將根據國際會計準則第39號或國際會計準則第37號「撥備、或然負債及或然資產」(如適用)於後續報告日期重新計量，相應之盈虧於損益內確認。

如業務合併乃分階段達成，本集團以往所持的被收購方股權於收購日期(即本集團取得控制權當日)按公平值重新計量，所產生的盈虧(如有)在損益中確認。如出售於被收購方權益，以往在其他全面收益中確認的從該等權益於收購日期前產生的金額重新分類至損益(如此處理方法合適)。

倘業務合併之最初入賬於合併發生之報告期末尚未完成，則本集團將報告未完成列賬項目之臨時金額。該等臨時金額乃於計量期間內作出調整(見上文)，而新增資產或負債則獲確認以反映關於在收購日期已存在之事實及情況之新資訊，而當時如獲知該等資訊則可能對於該日期確認之金額造成影響。

3. Significant accounting policies (Continued)

Business combination (Continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.



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3. 主要會計政策(續)

商譽

收購業務所產生之商譽按收購業務日期確立之成本(見上文會計政策)減累計減值虧損(如有)列賬。

為進行減值測試，商譽被分配至預期可得益於合併之協同效應之本集團各現金產生單位(或多組現金產生單位)。

獲分配商譽的現金產生單位會每年作減值測試，並於有跡象顯示有關單位可能減值時進行更頻繁測試。就於某一報告期間進行之收購所產生之商譽而言，獲分配商譽之現金產生單位於該報告期間結算日之前作減值測試。倘現金產生單位的可收回款額低於其賬面值，則首先分配減值虧損以減少分配予該單位的任何商譽的賬面值，然後按比例根據有關單位內各資產的賬面值分配至其他資產。商譽的任何減值虧損直接於損益中確認。商譽之已確認減值虧損不會於其後期間撥回。

於出售有關現金產生單位時，在釐定出售的溢利或虧損時將計入應佔的商譽款額。

本集團對於收購一間聯營公司所產生商譽之政策如下。

3. Significant accounting policies (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.



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3. 主要會計政策(續)

於聯營公司的投資

聯營公司為本集團具有重大影響力的實體。重大影響力指參與被投資方財務及營運政策決定的權力，但並非控制或共同控制該等政策。

聯營公司的業績以及資產及負債以權益會計法於該等綜合財務報表入賬。作權益會計法用途之聯營公司之財務報表乃按與本集團就同類交易及同類情況下事項之統一會計政策編製。根據權益法，於聯營公司的投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該聯營公司的損益及其他全面收益予以調整。當本集團應佔聯營公司的虧損超出本集團於該聯營公司的權益(包括實質上成為本集團於該聯營公司投資淨額一部分的任何長期權益)時，本集團取消確認其應佔的進一步虧損。僅於本集團已產生法定或推定責任，或已代表該聯營公司支付款項的情況下，方會確認額外虧損。

於一間聯營公司的投資於被投資方成為一間聯營公司之日採用權益法入賬。在收購於一間聯營公司的投資時，投資成本超過本集團應佔該被投資方可識別資產及負債公平值淨值的任何部分確認為商譽，並計入投資的賬面值。本集團應佔可識別資產及負債的公平淨值超過投資成本的任何部分，於重新評估後在投資被收購的期間即時於損益確認。

3. Significant accounting policies (Continued)

Investments in associates

An associate is an entity over which the Group has 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.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.



3. 主要會計政策(續)

於聯營公司的投資(續)

國際會計準則第39號的規定應用於釐定是否有必要確認有關本集團於一間聯營公司之投資的任何減值虧損。如有需要，投資(包括商譽)的全部賬面值會根據國際會計準則第36號「資產減值」作為一項單一資產，透過比較其可收回金額(使用價值與公平值兩者中的較高者減出售成本)與其賬面值作減值測試。任何已確認減值虧損構成投資的部分賬面值。減值虧損的任何轉回根據國際會計準則第36號確認，惟以投資的可收回金額隨後增加為限。

自投資不再為聯營公司當日起，或倘投資(或相關部分)被分類為持作出售，本集團不再使用權益法。當本集團保留於前聯營公司的權益，且保留權益為金融資產時，則本集團於當日按公平值計量保留權益，而公平值則被視為根據國際會計準則第39號初步確認時的公平值。聯營公司於終止使用權益法當日的賬面值與任何保留權益的公平值及出售聯營公司部分權益所得任何所得款項之間的差額，乃於釐定出售聯營公司的盈虧時計入。此外，倘該聯營公司直接出售有關資產或負債，本集團或須按相同基準將先前就該聯營公司於其他全面收益確認的所有金額入賬。因此，倘該聯營公司先前於其他全面收益中確認的盈虧會被重新分類為出售有關資產或負債的損益，本集團會在權益法終止時，將盈虧由權益重新分類至損益(作為重新分類調整)。

3. Significant accounting policies (Continued)

Investments in associates (Continued)

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.



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3. 主要會計政策(續)

於聯營公司的投資(續)

當本集團削減於一間聯營公司的所有權權益但繼續使用權益法時，倘以往於其他全面收益確認有關削減所有權權益的盈虧部分將於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

當集團實體與本集團的一間聯營公司進行交易(例如出售或注入資產)時，因與聯營公司進行交易而產生的損益會於本集團的綜合財務報表內確認，惟僅以於與本集團並無關連的聯營公司權益為限。

收益確認

銷售貨物之收益(經扣除增值稅或其他銷售稅項)乃在客戶就允諾貨物擁有控制權時的特定時間點確認，一般為貨物已交付客戶而客戶已接納貨物的時間。

銷售已竣工住宅物業之收益乃於特定時間點確認。此乃合法轉讓完成的時間，即客戶有能力指示物業的使用並取得物業的絕大部分剩餘利益的時間。在此收益確認點之前從客戶收取的按金及分期付款乃計入綜合財務狀況表中的「合約負債」。

利息收入於產生時使用實際利息法確認。就並非信貸減值的按攤銷成本計量的金融資產而言，實際利率應用於資產的總賬面值。就信貸減值的金融資產而言，實際利率應用於資產淨值的攤銷成本(即總賬面值扣除虧損撥備)。

3. Significant accounting policies (Continued)

Investments in associates (Continued)

When the Group reduces its ownership interest in an associate or but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue (net of value added tax or other sales taxes) from the sale of goods is recognised at a particular point in time when customers have control over the promised goods, which is generally the time when goods are delivered to customers and customers have accepted the goods.

Revenue from sale of completed residential properties is recognised at a particular point in time. This is the time when legal assignment is completed which is the time when the customer has ability to direct the use of the property and obtain substantially all of the remaining benefits of the property. Deposits and instalments received from customers prior to this revenue recognition point are included in "contract liabilities" in the consolidated statement of financial position.

Interest income is recognized as it accrues using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost. (i.e. gross carrying amount net of loss allowance) of the net asset.





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3. 主要會計政策(續)

收益確認(續)

投資所得股息收入在股東收取付款的權利確立時(倘很可能有經濟利益流入本集團而收入金額能可靠計量時)確認。

租賃

倘租賃條款將所有權絕大部分風險及回報轉嫁予承租人，則租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為承租人

經營租賃付款於租賃期內按直線法確認為開支，惟倘有其他系統基準能更清晰呈列從租賃資產獲得經濟利益的時間模式則除外。經營租賃產生的或然租金於產生期間確認為開支。

借貸成本

借貸成本直接源自收購、建造或生產合資格資產，而該等資產需要一段長時間方可供用作擬定用途或出售。借貸成本會加入作該等資產的成本，直至資產大致上可供用作擬定用途或出售為止。尚未用於合資格資產的特定借貸作暫時投資賺取的投資收入，於合資格資本化的借貸成本中扣除。

所有其他借貸成本均於產生期間在損益中確認。

3. Significant accounting policies (Continued)

Revenue recognition (Continued)

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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



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3. 主要會計政策(續)

政府補貼

在合理地保證本集團會遵守政府補貼的附帶條件，以及將會得到補助前，不會確認政府補貼。

政府補貼乃按系統基準，於本集團將有關補助擬補償的有關成本確認為開支的期間內，於損益中確認。具體而言，以要求本集團購買、建造或收購非流動資產為主要條件的政府補貼乃於綜合財務狀況表中確認為遞延收入，並在相關資產的可使用年期內按系統及合理基準轉撥至損益中。

作為已產生的開支或虧損的補償或就給予本集團即時財政支持目的，且無日後相關成本的應收政府補貼，乃於其成為可收取的期間內於損益中確認。

退休福利成本

國家管理退休福利計劃及強制性公積金計劃的付款於僱員提供有權享有供款的服務時作為開支予以確認。

稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

即期應付稅項按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收入報表中呈報的溢利不同，此乃由於前者不包括其他年度的應課稅或可扣稅收入或開支項目，並且不包括從未課稅或可扣稅的項目。本集團的即期稅項負債採用於報告期末已制定或實質制定的稅率計算。

3. Significant accounting policies (Continued)

Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants of which the primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as expenses when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.





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3. 主要會計政策(續)

稅項(續)

遞延稅項按綜合財務報表的資產及負債賬面值與用以計算應課稅溢利相應稅基的暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產一般在很可能出現可利用暫時差額扣稅的應課稅溢利時就所有可扣減暫時差額確認。若於一項交易中，因商譽或因業務合併以外原因首次確認其他資產及負債而引致的暫時差額既不影響應課稅溢利，亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司及聯營公司的投資而引致的應課稅暫時差額而確認，惟若本集團可控制暫時差額的撥回及暫時差額很有可能不會於可見將來撥回的情況除外。因與有關投資及權益相關的可扣減暫時差額而產生的遞延稅項資產僅在可能產生足夠應課稅溢利以動用暫時差額利益並預期可在可見將來撥回時確認。

遞延稅項資產的賬面值於報告期末作檢討，並在不再可能有足夠應課稅溢利令全部或部分資產價值被收回時作調減。

遞延稅項資產及負債乃按預期於負債獲償還或資產變現期間的適用稅率(以報告期末已制定或實質制定的稅率(及稅法)為基準)計算。

3. Significant accounting policies (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



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3. 主要會計政策(續)

稅項(續)

遞延稅項負債及資產的計算，反映本集團於報告期末所預期對收回或結算其資產及負債的賬面值的方式所產生的稅項結果。

即期及遞延稅項於損益中確認，惟當其與其他全面收益確認或直接於權益確認的項目相關時除外，於該情況下，即期及遞延稅項亦分別於其他全面收益確認或直接於權益確認。倘因業務合併初步會計處理產生即期稅項或遞延稅項，則稅務影響將包括在業務合併之會計處理中。

外幣

編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(即外幣)進行的交易以其各自的功能貨幣(即有關實體經營所在的主要經濟環境的貨幣)按交易日期的適用匯率入賬。於報告期末，以外幣計值的貨幣項目乃按當日的適用匯率重新換算。以外幣計值並以歷史成本計量的非貨幣項目不會重新換算。

因結算貨幣項目及重新換算貨幣項目而產生的匯兌差額，於產生期間在損益中確認。

物業、機器及設備

物業、機器及設備包括持作生產或供應貨品或服務或作行政用途的樓宇(下文所述的在建工程除外)，乃按成本減其後累計折舊及累計減值虧損(如有)在綜合財務狀況表內列賬。

3. Significant accounting policies (Continued)

Taxation (Continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where the current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for business combination.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services or for administrative purposes (other than construction in progress as described below), are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.



3. 主要會計政策(續)

物業、機器及設備(續)

用於生產、供應或行政用途的在建工程以成本減任何已確認減值虧損列賬。成本包括專業費及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。有關物業在完工並可用作擬定用途時分類為物業、機器及設備的適當類別。該等資產按與其他物業資產的相同基準在可用作擬定用途時開始計算折舊。

折舊利用直線法確認，以在估計可使用年期内撇銷物業、機器及設備項目(在建工程除外)的成本，再減去其剩餘價值。估計可使用年期、剩餘價值和折舊方法會在各報告期末進行檢討，而任何估計變動的影響則按前瞻基準入賬。

物業、機器及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時取消確認。於物業、機器及設備項目出售或報廢時所產生的任何盈虧(以出售所得款項與資產賬面值的差額計算)會於損益中確認。

供自用的租賃土地

倘一項租賃同時包括土地及樓宇部分，則本集團會分別依照各部分擁有權隨附的絕大部分風險及回報是否已轉移至本集團，評估各部分分類應被界定為融資或是經營租賃，除非兩個部分被清楚確定為經營租賃，於此情況下，整份租賃歸類為經營租賃。具體而言，最低租金(包括任何一筆過支付的預付款項)會按訂立租賃時租賃土地部分與樓宇部分租賃權益的相關公平值，按比例於土地與樓宇部分之間分配。

3. Significant accounting policies (Continued)

Property, plant and equipment (Continued)

Construction in progress for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

3. 主要會計政策(續)

供自用的租賃土地(續)

倘能可靠地分配這些付款，則入賬列為經營租賃的租賃土地權益將於綜合財務狀況表內列作「預付租金」，並於租賃期內以直線法攤銷入賬。倘未能可靠地於土地及樓宇部分之間分配租金，則整項租賃一般會分類為融資租賃，並入賬列作物業、機器及設備。

無形資產

個別收購的無形資產

個別收購且具備有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。具備有限可使用年期的無形資產攤銷於其估計可使用年期內以直線法作出撥備。估計可使用年期及攤銷方法會在各報告期末進行檢討，而任何估計變動的影響則按前瞻基準入賬。

研究及開發開支

研究活動的支出於產生期間確認為開支。

因開發活動(或內部項目開發階段)而從內部產生的無形資產僅會在符合以下所有條件時方予以確認：

- 完成無形資產使其可供使用或銷售的技術可行性；
- 完成無形資產使其可供使用或銷售的意向；
- 使用或銷售無形資產的能力；

3. Significant accounting policies (Continued)

Leasehold land for own use (Continued)

To the extent the allocation of these payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effective of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;



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3. 主要會計政策(續)

無形資產(續)

研究及開發開支(續)

- 無形資產如何產生未來經濟利益；
- 有否足夠技術、財務和其他資源以完成其開發，並使用或銷售無形資產；及
- 能夠可靠計量開發無形資產時的所用開支。

就內部產生的無形資產初步確認的金額為無形資產首次符合上述確認條件當日起所產生的開支總和。倘並無內部產生的無形資產可予確認，開發開支會於產生期間在損益中扣除。初步確認後，內部產生的無形資產乃按成本減累計攤銷及累計減值虧損(如有)，以個別收購無形資產的相同基準呈報。

在業務合併中收購之無形資產

在業務合併中收購之無形資產乃與商譽分開確認，並按其於收購日期之公平值(被視為其成本)初步確認。

初步確認後，在業務合併中收購之有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損，以個別收購無形資產的相同基準呈報。

3. Significant accounting policies (Continued)

Intangible assets (Continued)

Research and development expenditure (Continued)

- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. 主要會計政策(續)

無形資產(續)

取消確認無形資產

無形資產於出售或預期不會自使用或出售產生未來經濟利益時取消確認。取消確認無形資產所產生收益或虧損按出售所得款項淨額與資產賬面值間之差額計量，並於取消確認資產時於綜合損益及其他全面收入報表內確認。

探礦權

探礦權於初步確認時按成本確認。初步確認後，探礦權按成本減任何累計減值虧損列賬。

探礦權包括探礦權之成本、尋找自然資源以及確定開採該等資源在技術及商業上是否可行而產生之開支。

當有證據顯示開採自然資源在技術及商業上均屬可行時，過往已確認之探礦權會重新分類為無形或有形資產。該等資產於重新分類前須通過減值評估。

探礦權之減值

探礦權之賬面值每年均作檢討。於出現下列事件或情況變化(此列不能盡錄)之一顯示賬面值或不能收回時，按照國際會計準則第36號「資產減值」作出減值測試。

- 本集團於特定區域之勘探權之期限已經屆滿或將於近期屆滿，並預期不會續期。

3. Significant accounting policies (Continued)

Intangible assets (Continued)

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

Exploration rights

Exploration rights are recognised at cost on initial recognition. Subsequent to initial recognition, Exploration rights are stated at cost less any accumulated impairment losses.

Exploration rights include the cost of exploration rights and the expenditures incurred in the search for natural resources as well as the determination of the technical feasibility and commercial viability of extracting those resources.

When the technical feasibility and commercial viability of extracting natural resources become demonstrable, previously recognised exploration rights are reclassified as either intangible or tangible assets. These assets are assessed for impairment before reclassification.

Impairment of exploration rights

The carrying amount of the exploration rights is reviewed annually. When one of the following events or changes in circumstances, which is not exhaustive, indicate that the carrying amount may not be recoverable has occurred, impairment test is performed in accordance with IAS 36 "Impairment of assets".

- the period for which the Group has the right to explore in the specific area has expire during the period or will expire in the near future, and is not expected to be renewed.



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3. 主要會計政策(續)

無形資產(續)

探礦權之減值(續)

- 對進一步勘探及評估特定區域自然資源之大量開支既無預算，亦無規劃。
- 於特定區域勘探及評估自然資源並無發現商業上可行之大量自然資源，且本集團已決定終止於特定區域之該等活動。
- 充分數據表明，儘管於特定區域之開發可能會繼續進行，但勘探及評估資產之賬面值不可能於成功開發或銷售中全面收回。

倘一項資產之賬面值超出其可收回金額時，則減值虧損於損益內確認。

存貨

存貨於各報告日期末按成本與可變現淨值的較低者列賬。成本採用加權平均法計算。可變現淨值指存貨的估計售價減所有估計完成成本及進行銷售所必需的成本。

作出售用途之物業

日常業務過程中作出售用途之竣工物業及在建物業計入流動資產，並按成本及可變現淨值中較低者列賬。成本包括土地預付租金及物業開發成本。物業開發成本包括建築成本、按照本集團會計政策資本化之借貸成本及開發期間產生之直接應佔成本。開發各階段各單位成本乃採用加權平均法釐定。

3. Significant accounting policies (Continued)

Intangible assets (Continued)

Impairment of exploration rights (Continued)

- substantive expenditure on further exploration for and evaluation of natural resources in the specific area is neither budgeted nor planned.
- exploration for and evaluation of natural resources in the specific area have not led to discovery of commercially viable quantities of natural resources and the Group has decided to discontinue such activities in the specific area.
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Inventories

Inventories are stated at the lower of cost and net realisable value at the end of each reporting date. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Properties for sale

Completed properties and properties under development for sale in the ordinary course of business are included in current assets and stated at the lower of cost and net realisable value. Cost comprises both the prepaid lease payments for land and development costs for the properties. Development costs of properties comprise construction costs, borrowing costs capitalised according to the Group's accounting policy and directly attributable costs incurred during the development period. Cost of each unit in each phase of development is determined using the weighted average method.

3. 主要會計政策(續)

作出售用途之物業(續)

可變現淨值考慮最終預期實現之價格，扣除適用銷售開支及預期竣工成本。

本集團於擬將物業用途由日常業務過程中出售改為持有以賺取租金或／及作資本增值，將該物業自存貨轉撥至投資物業，物業用途改變之證明為與另一訂約方訂立經營租約。該物業於轉撥當日的公平值與其過往賬面值之間的任何差額於損益內確認。

金融工具

當集團實體成為工具合約條文的訂約方時，確認金融資產及金融負債。所有以常規方式購入或出售之金融資產均按買賣日期基準確認及終止確認。以常規方式購入或出售指須於市場規定或慣例所訂時限內交付資產之金融資產購入或出售。

金融資產及金融負債初步按公平值計量，惟於客戶合約產生的貿易應收款項於往績記錄期間內初步按香港財務報告準則第15號初步計量。收購或發行金融資產及金融負債(按公平值計入損益之金融資產或金融負債除外)的直接應佔交易成本加入或自初步確認之金融資產或金融負債(倘合適)的公平值扣除。收購公平值計入損益之金融資產或金融負債直接應佔之交易成本乃即時於損益確認。

3. Significant accounting policies (Continued)

Properties for sale (Continued)

Net realisable value takes into account the price ultimately expected to be realised, less applicable selling expenses and the anticipated costs to completion.

The Group transfers a property from inventories to investment property when there is a change of intention to hold the property to earn rentals or/and for capital appreciation rather than for sale in ordinary course of business, which is evidenced by the commencement of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables which are initially measured in accordance with IFRS 15 Since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



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3. 主要會計政策(續)

金融工具(續)

實際利息法是一種計算金融資產或金融負債的攤銷成本及於有關期間攤分利息收入及利息開支的方法。實際利率是於初步確認時準確地透過金融資產或金融負債預計年期或(如適用)於較短期間內將估計日後現金收款及付款(包括屬整體實際利率一部分的所有已付或已收費用及利息、交易成本及其他溢價或折讓)貼現為賬面淨值的利率。

金融資產

金融資產之分類及後續計量

滿足下列條件之金融資產其後按攤銷成本計量：

- 在目的為收取合約現金流量的業務模式下持有的金融資產；及
- 合約條款引致於特定日期產生僅為支付本金及未償還本金利息之現金流量。

滿足下列條件之金融資產隨後按公平值計入其他全面收益(「按公平值計入其他全面收益」)計量：

- 在目的為收取合約現金流量及出售之業務模式下持有之金融資產；及
- 合約條款引致於特定日期產生僅為支付本金及未償還本金利息之現金流量。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(續)

所有其他金融資產其後按公平值計入損益計量，惟於初步確認金融資產日期，倘有關股本投資既非持作買賣，亦非香港財務報告準則第3號「業務合併」所適用之業務合併收購方確認的或然代價，本集團可不可撤銷地選擇於其他全面收益呈列股本投資的其後公平值變動。

(i) 攤銷成本及利息收入

對於其後按攤銷成本計量並通過將實際利率用於金融資產賬面總值計算的金融資產(惟其後已變為信貸減值的金融資產除外(見下文))，利息收入乃使用實際利息法確認。就其後已變為信貸減值的金融資產而言，利息收入將實際利率用於自下個報告期起計的金融資產攤銷成本來確認。

如信貸減值金融工具的信貸風險降低，以讓金融資產不再維持信貸減值，則利息收入在斷定資產不再維持信貸減值後，將實際利率用於自報告期開始時起計的金融資產總賬面值來確認。

(ii) 按公平值計入損益之金融資產

不符合按攤銷成本計量或按公平值計入其他全面收益或指定為按公平值計入其他全面收益標準的金融資產按公平值計入損益計量。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

All other financial assets are subsequently measured at FVTPL, except that at the date of initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 "Business Combinations" applies.

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period.

If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.



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3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產之分類及後續計量(續)

- (ii) 按公平值計入損益之金融資產(續)
按公平值計入損益的金融資產按各報告期末的公平值計量，任何公平值收益或虧損於損益中確認。於損益中確認的收益或虧損淨額不包括就該金融資產所賺取的任何股息，計入「其他收益及虧損」一項。

金融資產減值

本集團就根據國際財務報告準則第9號須予減值的金融資產(包括貿易及其他應收款項、已抵押銀行存款以及銀行結餘及現金)的預期信貸虧損(「預期信貸虧損」)確認虧損撥備。預期信貸虧損的金額於各報告日期更新，以反映信貸風險自初步確認以來的變動。

全期預期信貸虧損指於相關工具預計期限內所有可能違約事件引致的預期信貸虧損。相反，12個月預期信貸虧損(「12個月預期信貸虧損」)指預計於各報告日期後12個月內可能發生的違約事件引致的部分全期預期信貸虧損。

評估乃根據本集團過往信貸虧損經驗作出，並就債務人特定因素、整體經濟狀況以及對於報告日期之當時狀況及未來狀況預測的評估予以調整。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Classification and subsequent measurement of financial assets (Continued)

- (ii) Financial assets at FVTPL (Continued)
Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend earned on the financial asset and is included in the “other gains and losses” line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses (“ECL”) on financial assets which are subject to impairment under IFRS 9 (including trade and other receivables, pledged bank deposits and bank balances and cash). The amount of ECL is updated at each reporting dates to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after each reporting date.

Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

本集團始終就貿易應收款項確認全期預期信貸虧損。該等資產的預期信貸虧損乃就擁有重大結餘的債務人個別進行評估。

就所有其他工具而言，本集團按12個月預期信貸虧損計量虧損撥備，除非信貸風險自初始確認以來顯著上升，則本集團確認全期預期信貸虧損。評估應否確認全期預期信貸虧損，乃視乎自初始確認以來發生違約的可能性或風險有否顯著上升而定。

(i) 信貸風險大幅增加

於評估信貸風險是否自初步確認以來已大幅增加時，本集團比較金融工具於各報告日期出現違約的風險與該金融工具於初步確認日期出現違約的風險。作此評估時，本集團考慮合理及有理據的定量及定性資料，包括歷史經驗及毋須花費過多成本或精力即可獲得的前瞻性資料。

尤其是，評估信貸風險是否大幅增加時會考慮下列資料：

- 金融工具外部(如有)或內部信貸評級的實際或預期重大惡化；
- 信貸風險的外界市場指標的重大惡化，例如債務人的信貸息差大幅增加；
- 預期將導致債務人履行其債務責任的能力大幅下降的業務、財務或經濟狀況的現有或預測不利變動；

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime EGL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at each reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;



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3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

- (i) 信貸風險大幅增加(續)
- 債務人經營業績的實際或預期重大惡化；及
 - 導致債務人履行其債務責任的能力大幅下降的債務人監管、經濟或技術環境的實際或預期重大不利變動。

無論上述評估結果如何，當合約付款逾期超過30日時，本集團假定信貸風險自初步確認以來已大幅增加，除非本集團有合理及可靠資料證明事實並非如此則當別論。

儘管存在上述情況，倘債務工具於報告日期被定為具有較低信貸風險，本集團假設債務工具的信貸風險自初始確認起並無大幅增加。在下列情況下，債務工具會被定為具有較低信貸風險，倘(i)其違約風險較低；(ii)借款人有強大能力於短期滿足其合約現金流量責任；及(iii)長遠而言經濟及業務狀況存有不利變動，惟未必會降低借款人達成其合約現金流量責任的能力。倘債務工具的內部或外部信貸評級為國際通用的「投資級別」，則本集團會視該債務工具的信貸風險為低風險。

本集團定期監控用以識別信貸風險有否大幅增加的標準之效益，且修訂標準(如適當)來確保標準能在金額逾期前識別信貸風險大幅增加。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

- (i) Significant increase in credit risk (Continued)
- an actual or expected significant deterioration in the operating results of the debtor; and
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(ii) 違約定義

就內部信貸風險管理而言，本集團認為，違約事件在內部制訂或得自外界來源的資料顯示債務人不大可能悉數向債權人(包括本集團)還款(未計及本集團所持任何抵押品)時發生。

不論上文為何，本集團均認為，已於金融資產逾期超過90日後發生違約，惟本集團有合理及具理據資料來顯示更加滯後的違約標準更為恰當。

(iii) 信貸減值金融資產

金融資產在一項或以上違約事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據：

- 發行人或借款人的重大財務困難；
- 違反合約，如違約或逾期事件；
- 借款人的貸款人因有關借款人財務困難的經濟或合約理由而向借款人授予貸款人不會另行考慮的優惠；
- 借款人將可能陷入破產或其他財務重組；或
- 該金融資產的活躍市場因財務困難而消失。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.



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3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(iv) 撤銷政策

資料顯示對手方處於嚴重財務困難及無實際收回可能時(例如,當對手方處於清盤狀態或進入破產程序時)(以較早發生者為準),本集團則撤銷金融資產。

經考慮法律意見後(倘合適),遭撤銷的金融資產可能仍須按本集團收回程序進行強制執行活動。撤銷構成取消確認事項。

任何其後收回在損益中確認。

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率(即違約損失程度)及違約風險的函數。違約概率及違約損失率乃基於根據前瞻性資料調整的歷史數據評估。預期信貸虧損的預估乃無偏概率加權平均金額,以發生違約的風險為權重確定。

一般而言,預期信貸虧損按本集團根據合約應收的所有合約現金流量與本集團預計收取的現金流量的差額估計,並按初始確認時釐定的實際利率貼現。

倘預期信貸虧損按集體基準計量或迎合個別工具水平證據未必存在的情況,則金融工具按以下基準歸類:

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a de recognition event.

Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

(v) 預期信貸虧損的計量及確認(續)

- 逾期狀態；
- 債務人的性質、規模及行業；及
- 外部信貸評級(倘有)。

歸類工作經管理層定期檢討，以確保各組別成份繼續分擔類似信貸風險特性。

利息收入按金融資產的總賬面值計算，除非該金融資產信貸減值，則利息收入按金融資產的攤銷成本計算。

本集團透過調整賬面值於損益確認所有金融工具的減值收益或虧損，惟貿易及其他應收款項以及按攤銷成本計量的其他金融資產除外，而相應調整乃透過虧損撥備賬予以確認。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL (Continued)

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortized cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and other financial assets measured at amortised cost, where the corresponding adjustment is recognised through a loss allowance account.



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3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具

分類為債務或股本

債務及股本工具乃根據合約安排的實質及金融負債及股本工具的定義被歸類為金融負債或股本。

股本工具

股本工具是證明實體在扣除其所有負債後的資產剩餘權益的任何合約。集團實體發行的股本工具確認為已收所得款項(扣除直接發行成本)。

按攤銷成本列賬的金融負債

所有金融負債(包括貿易及其他應付款項及借貸)其後採用實際利息法按攤銷成本計量。

實際利息法是一種計算金融負債的攤銷成本及於有關期間攤分利息開支的方法。實際利率是於初步確認時準確地透過金融負債預計年期或(如適用)於較短期間內將估計日後現金付款貼現為賬面淨值的利率。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by group entities are recognised at the proceeds received, net of direct issue costs.

Financial liabilities at amortised cost

All financial liabilities (including trade and other payables and borrowings) are subsequently measured at amortised cost, using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

取消確認金融負債

當且僅當本集團的責任獲解除、取消或屆滿時，本集團方會取消確認金融負債。已取消確認金融負債的賬面值與已付及應付代價之間的差額在損益中確認。

商譽以外有形及無形資產減值(見上文有關商譽的會計政策)

於報告期末，本集團會檢討其有形及無形資產的賬面值，以確定該等資產是否出現任何減值虧損跡象。倘存在任何該等跡象，會對有關資產的可收回金額進行估計，以確定減值虧損(如有)的程度。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

De recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, is recognised in profit or loss.

Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the assets is estimated in order to determine the effect of the impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.



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3. 主要會計政策(續)

商譽以外有形及無形資產減值(見上文有關商譽的會計政策)(續)

倘不能估計單一資產的可收回金額，則本集團會估計其資產所屬現金產生單位的可收回金額。於可識別合理和一貫分配基準的情況下，企業資產亦會被分配到個別的現金產生單位，否則，則分配至可識別合理及一貫分配基準的最小組別現金產生單位。

可收回金額為公平值減銷售成本與使用價值的較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率貼現至其現值，該貼現率反映目前市場對資金時間值的評估以及尚未調整估計未來現金流量的資產的特有風險。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則將資產(或現金產生單位)的賬面值減至其可收回金額。減值虧損即時在損益中確認。

倘減值虧損於其後撥回，則資產賬面值將增至其經修訂估計可收回金額，惟增加的賬面值不得超過資產(若於過往年度並無確認減值虧損而應釐定)的賬面值。減值虧損撥回即時確認為收入。

3. Significant accounting policies (Continued)

Impairment on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating-units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.



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3. 主要會計政策(續)

以股份為基準支付交易

以股權結算以股份支付的交易

購股權

就授出符合指定歸屬條件的購股權而言，所獲服務的公平值參考授出日期所授出的購股權公平值釐定，並於歸屬期間按直線法支銷，並相應調增權益(購股權儲備)。

於報告期末，本集團會修訂其對預計最終歸屬購股權的估計數目。修訂最初估計的影響(如有)在損益中確認，以使累計開支反映經修訂估計，並對購股權儲備作出相應調整。

行使購股權時，先前於購股權儲備確認的金額將轉撥至股份溢價賬。當購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使，則之前已於購股權儲備內確認的金額將繼續保留於購股權儲備內。

4. 估計不確定性的主要來源

於應用附註3所述的本集團會計政策時，本公司董事須就並不容易從其他來源顯示的資產及負債的賬面值作出估計及假設。估計及相關假設乃根據過往經驗及其他被認為相關的因素作出。實際結果可能與該等估計不同。

估計及相關假設會持續檢討。倘會計估計的修訂僅對估計修訂的期間構成影響，則有關修訂於該期間確認，或倘有關修訂對本期間及未來期間均構成影響，則修訂會於該修訂期間及未來期間確認。

3. Significant accounting policies (Continued)

Share based payment transactions

Equity-settled share-based payment transactions

Share options

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will continue to be held in share option reserve.

4. Key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.





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4. 估計不確定性的主要來源

以下為有關未來的主要假設及於報告期末估計不確定性的其他主要來源，有關假設及不確定性會造成重大風險，引致須於下一財政年度對資產及負債的賬面值作出重大調整。

貿易應收款項減值評估

本集團的管理層基於預期信貸虧損(所有貿易應收款項使用預期信貸虧損)釐定貿易應收款項的減值撥備。金融資產的虧損撥備乃基於對違約風險及預期虧損率之假設而作出。基於本集團之過往記錄、當前市場狀況以及前瞻性估計，本集團於各報告期末作出該等假設及選擇計算減值之輸入數據時會作出判斷。管理層於各資產負債表日重估撥備。

4. Key sources of estimation uncertainty

The following are the key assumptions concurring 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.

Impairment assessment of trade receivables

The Group's management determines the provision for impairment of trade receivables based on the expected credit losses which uses a 15ted loss allowance for all trade receivables. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Management reassesses the provision at each balance sheet date.

4. 估計不確定性的主要來源(續)

物業、機器及設備的可使用年期

本集團管理層釐定物業、機器及設備的估計可使用年期及相關折舊費用。此項估計乃依據所預測的產品壽命週期以及物業、機器及設備的經濟壽命，並可能因技術革新和競爭對手因應對行業衰退週期而採取的行動而有重大改變。當可使用年期少於先前估計年期，管理層將增加折舊費用，或撤銷或撇減已停用或出售的技術過時或非策略性資產。於2018年12月31日，物業、機器及設備的賬面總值為人民幣3,860,200,000元(2017年：人民幣3,804,155,000元)。

遞延稅項資產

倘本集團管理層認為未來很有可能出現可動用可扣減暫時差額、稅項虧損或稅項抵免予以抵銷的應課稅溢利，則會確認與若干可扣稅暫時差額及稅項虧損有關的遞延稅項資產。倘預期金額與原訂估計有別，該等差額會影響遞延稅項資產的確認。於2018年12月31日，遞延稅項資產的賬面值為人民幣213,741,000元(2017年：人民幣246,398,000元)。

4. Key sources of estimation uncertainty (Continued)

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on projected product lifecycles and economic life of property, plant and equipment. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. The aggregate carrying value of property, plant and equipment at 31 December 2018 is RMB3,860,200,000 (2017: RMB3,804,155,000).

Deferred tax assets

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised as the Group's management considers it is probable that the future taxable profit will be available against which the deductible temporary differences, tax losses or tax credit can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets. The carrying value of deferred tax assets at 31 December 2018 is RMB213,741,000 (2017: RMB246,398,000).

4. 估計不確定性的主要來源(續)

探礦權

本集團的探礦權具有有限的有效期，到期後本集團將須申請重續。本集團於2017年10月重續探礦權，為期兩年，至2019年10月止。經核查中國適用法律法規後，倘本集團根據適用中國法律法規向有關中國政府部門遞交相關申請文件，本公司董事預期並無任何重大法律障礙可能妨礙本集團重續其探礦權。因此，本公司董事相信本集團將能於2019年10月探礦權到期後以較小成本向相關政府部門重續探礦權。此外，本公司董事通過估計資產的可收回金額評估探礦權減值。於2018年12月31日，探礦權的賬面值為人民幣22,515,000元(2017年：人民幣22,515,000元)，及截至2018年12月31日止年度確認減值人民幣零元(2017年：人民幣17,485,000元)。

商譽減值評估

確定商譽是否減值須估計獲分配有關商譽之現金產生單位使用價值。在計算使用價值時，本集團須估計現金產生單位預期產生的未來現金流量，以及選擇合適的貼現率以計算現值。倘實際產生的未來現金流量少於預期數額，則可能會產生重大減值虧損。

4. Key sources of estimation uncertainty (Continued)

Exploration rights

The Group's exploration rights have a finite validity period, after which the Group will need to apply for renewal. The Group's exploration rights were renewed in October 2017 for a period of two years till October 2019. Having checked the applicable laws and regulations in the PRC, the directors of the Company anticipate that there is no material legal impediments would prevent the Group from renewing its exploration rights provided that the Group submits the relevant application documents in compliance with the applicable PRC laws and regulations to the relevant PRC government authority. Accordingly, the directors of the Company believe the Group will be able to renew the exploration rights with the relevant government authority upon the expiry of the exploration rights in October 2019 at insignificant cost. In addition, the directors of the Company assess the impairment of the exploration rights by estimating the recoverable amount of the assets. The carrying amount of exploration rights at 31 December 2018 is RMB22,515,000 (2017: RMB22,515,000) and impairment of RMBnil was recognised during the year ended 31 December 2018 (2017: RMB17,485,000).

Impairment assessment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

5. 資本風險及財務風險管理目標及政策

本集團進行資本管理，以確保本集團旗下各實體能夠持續經營業務，同時透過優化債務及股本結餘爭取利益有關方回報最大化。本集團的整體策略與去年保持不變。

本集團的資本結構包括借貸、已抵押銀行存款、銀行結餘及現金及本公司擁有人應佔權益(包含股本、股份溢價、儲備及保留盈利)。

董事按每半年一次的基準審閱資本架構。作為是項審閱的部分，董事考慮資本成本及各類資本的相關風險。根據董事的建議，本集團將透過派付股息、發行新股及發行新債或贖回現有債項以平衡其整體資本架構。

5. Capital risk and financial risk management objectives and policies

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of borrowings, pledged bank deposits, bank balances and cash and equity attributable to owners of the Company, comprising share capital, share premium, reserves and retained earnings.

The directors review the capital structure on a semi-annual basis. As a part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

(a) 金融工具的種類

(a) Categories of financial instruments

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
金融資產	Financial assets		
貸款及應收款項(包括已抵押 銀行存款、銀行結餘及 按公平值計入其他全面收益 之股本投資	Loans and receivables (including pledged bank deposits, bank balances and cash) Equity investments at fair value through other comprehensive income	5,425,891	3,429,326
可供出售投資	Available-for-sale investments	1,801,394	–
		–	1,221,292
		7,227,285	4,650,618
金融負債	Financial liabilities		
攤銷成本	Amortised cost	3,702,493	3,084,119



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5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項和借貸。此等金融工具的詳情於各附註披露。此等金融工具的相關風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。減低此等風險的政策載於下文。本集團管理層負責管理及監察此等風險，以確保及時以及有效地執行適當措施。

市場風險

(i) 貨幣風險

中國附屬公司的功能貨幣為人民幣，且大多數交易以人民幣結算。然而，本集團自海外客戶賺取收益及結算向海外供應商購買機器及設備的應付款項時均收取外幣(主要為美元「美元」)。

本集團並無制訂任何對沖政策管理因進行外幣交易而產生的風險。為減少持有外幣的風險，本集團經考慮不久將來的外幣付款安排後，通常會在款項收訖後隨即將外幣兌換成人民幣。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies

The Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Group's management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

(i) Currency risk

The functional currencies of the PRC subsidiaries are RMB with most of the transactions settled in RMB. However, foreign currency (mainly the United States dollar "US\$") were received when the Group earned revenue from overseas customers and when settling payables for purchases of machinery and equipment from the overseas suppliers.

The Group does not have any hedging policy to manage the risk arising from foreign currency transactions. In order to reduce the risk of holding foreign currencies, the Group normally converts the foreign currencies into RMB upon receipt while taking into account its foreign currencies payment schedule in the near future.

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

於報告日期，本集團的外幣計值貨幣資產及貨幣負債的賬面值如下：

		資產 Assets		負債 Liabilities	
		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000	2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
美元	US\$	514,874	379,160	25,362	26,737

於2018年12月31日，如人民幣兌美元升值／貶值10%，而所有其他可變因素維持不變，年度除稅後溢利將上升／下降人民幣48,950,000元(2017年：下降／上升人民幣35,240,000元)，主要因為換算以美元計值的銀行結餘及現金、貿易及其他應收款項及以美元計值的借貸的匯兌收益／虧損所致。

管理層認為，年結日的風險不能反映年內風險，故敏感度分析不能代表固有外匯風險。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies (Continued)

Market risks (Continued)

(i) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

At 31 December 2018, if RMB had strengthened/weakened by 10% against US\$ with all other variables held constant, post-tax profit for the year would have been RMB48,950,000 higher/lower (2017: RMB35,240,000 lower/higher), mainly as a result of foreign exchange gains/losses on translation of US\$ denominated bank balances and cash, trade and other receivables and US\$ denominated borrowings.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團面臨與定息銀行借貸(有關該等借貸的詳情見附註27)有關的公平值利率風險。於2018年12月31日,本集團27%(2017年:20%)的借貸為定息借貸。

本集團亦面臨與銀行存款、委託貸款及浮息借貸有關的現金流量利率風險。

本集團的現金流量利率風險主要集中於分別來自本集團人民幣借貸及美元借貸的市場存款利率以及中國官方貸款利率、恆生銀行同業拆息(「恆生銀行同業拆息」)及倫敦銀行同業拆息(「倫敦銀行同業拆息」)的波動。

下文敏感度分析乃根據銀行結餘及浮息借貸所面臨的利率風險釐定。分析乃基於報告期末的財務餘額而編製。管理層對利率合理可能變動的評估,乃基於上升或下跌10及25個基點(2017年:10及25個基點)。

就本集團面臨的銀行存款利率風險而言,如利率已上升/下跌10個基點(2017年:10個基點),而所有其他可變因素維持不變,則本集團於截至2018年12月31日止年度的除稅後溢利將增加/減少人民幣1,145,000元(2017年:人民幣1,098,000元)。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies (Continued)

Market risks (Continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (see note 27 for details of these borrowings). At 31 December 2018, 27% (2017: 20%) of the Group's borrowings bear fixed interest rates.

The Group is also exposed to cash flow interest rate risk in relation to bank deposits, entrusted loans and variable-rate borrowings.

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the market deposit rate and the PRC official lending rate, Hang Seng Interbank Offered Rate ("HIBOR") and London Inter-Bank Offer Rate ("LIBOR") arising from the Group's RMB borrowings and USD borrowings respectively.

The sensitivity analyses below have been determined based on the exposure to interest rates for bank balances and variable-rate borrowings. The analysis is prepared on the financial balance at the end of reporting period. 10 and 25 basis points (2017: 10 and 25 basis points) increase or decrease is used which represents management's assessment of the reasonably possible change in interest rate.

In relation to the Group's exposure to interest rates risk on bank deposits, if interest rates had been 10 basis points (2017: 10 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2018 would increase/decrease by RMB1,145,000 (2017: RMB1,098,000).

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

此外，就本集團面臨的浮息借貸利率風險而言，如利率已上升／下跌25個基點(2017年：25個基點)，而所有其他可變因素維持不變，則本集團於截至2018年12月31日止年度的除稅後溢利將減少／增加人民幣2,861,000元(2017年：人民幣2,745,000元)，乃主要由於浮動利率借貸的利息開支增加／減少所致。

管理層認為，年結日的風險不能反映年內風險，故敏感度分析不能代表固有利率風險。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies (Continued)

Market risks (Continued)

(ii) Interest rate risk (Continued)

Furthermore, in relation to the Group's exposure to interest rates risk on variable-rate borrowings, if interest rates had been 25 basis points (2017: 25 basis points) higher/lower and all other variables held constant, the Group's post-tax profit for the year ended 31 December 2018 would decrease/increase by RMB2,861,000 (2017: RMB2,745,000), mainly as a result of higher/lower interest expenses on floating rate borrowings.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

信貸風險

本集團並無重大集中的信貸風險。銀行結餘及現金、已抵押銀行存款及貿易應收款項的賬面金額反映本集團金融資產的最高信貸風險。於2018年及2017年12月31日，所有銀行結餘均存入國有銀行及信譽良好的金融機構，故無重大信貸風險。管理層預期不會因該等對手方不履約而招致任何損失。信貸銷售僅提供予信貸記錄良好的選定客戶。本集團已制訂政策確保及時追收未償還的貿易應收款項。貿易應收款項須應用預期信貸虧損模式。本集團應用國際財務報告準則第9號簡化方法計量預期信貸虧損，於初步確認時，為所有貿易應收款項撥備整個存續期內的預期虧損。為計量預期信貸虧損，貿易應收款項已根據應佔信貸風險特點及過期天數分類。預期虧損率基於銷售的歷史付款情況及出現的相應過往信貸虧損。過往虧損率作出調整以反映影響客戶結算應收賬款能力的因素的當前及前瞻性資料。

其他應收款項(不包括預付款項)的信貸質素已參考對手方的違約率的歷史資料及對手方的財務資料進行評估。董事認為，其他應收款項的信貸風險較低，原因是應收款項的收回記錄良好。因此，其他應收款項(不包括預付款項)的預期信貸損失率評估接近於零，且截至2018年12月31日及2017年12月31日並無計提撥備。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies (Continued)

Credit risk

The Group has no significant concentrations of credit risk. The carrying amounts of bank balances and cash, pledged bank deposits and trade receivables represent the Group's maximum exposure to credit risk in relation to financial assets. As at 31 December 2018 and 2017, all bank balances were deposited in reputable financial institutions and were hence without significant credit risk. Management does not expect any losses from non-performance by these counterparties. Credit sales are made to selected customers with good credit history. The Group has policies in place to ensure that outstanding trade receivables are collected on a timely basis. Trade receivables are subject to the expected credit loss model. The Group applies IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables from initial recognition. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on factors affecting the ability of the customers to settle the receivables.

The credit quality of the other receivables excluding prepayments has been assessed with reference to historical information about the counterparties default rates and financial position of the counterparties. The directors are of the opinion that the credit risk of other receivables is low due to the sound collection history of the receivables due from them. Therefore, expected credit loss rate of the other receivables excluding prepayments is assessed to be close to zero and no provision was made as of 31 December 2018 and 31 December 2017.

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

流動資金風險

在管理流動資金風險時，本集團監控並維持管理層視為足以應付本集團營運所需及降低現金流量波動影響的現金及等同現金項目水平。

管理層監控銀行借貸的使用情況。本集團依賴銀行借貸作為流動資金的主要來源。於2018年12月31日，本集團未動用的銀行借貸額度為人民幣2,042,750,000元(2017年：人民幣2,991,000,000元)。詳情載列於附註27。

流動資金及利率風險表

下表載列本集團非衍生金融負債的剩餘合約到期詳情。列表乃根據本集團可能被要求付款的最早日期的金融負債未貼現現金流量編製。利息及本金現金流量均已列於表內。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Management monitors the utilisation of bank borrowings. The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2018, the Group had available undrawn borrowing facilities of RMB2,042,750,000 (2017: RMB2,991,000,000). Details of which are set out in note 27.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

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5. 資本風險及財務風險管理目標
及政策(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表(續)

5. Capital risk and financial risk management
objectives and policies (Continued)

(b) Financial risk management objectives and
Policies (Continued)

Liquidity risk (Continued)

Liquidity and interest risk tables (Continued)

		加權平均利率	1個月內 人民幣千元	1至3個月 人民幣千元	3個月至1年 人民幣千元	1年至5年 人民幣千元	未貼現現金 流量總額 人民幣千元	於2018年 12月31日的 賬面值 人民幣千元
		Weighted average interest rate	Less than 1 month RMB'000	1-3 months RMB'000	3 months to 1 year RMB'000	1 year to 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount at 31 December 2018 RMB'000
於2018年12月31日	31 December 2018							
貿易及其他應付款項	Trade and other payables		1,193,140	685,711	337,778	77,697	2,294,326	2,294,326
借貸	Borrowings							
— 定息	— fixed rates	4.34%	-	-	314,043	261,142	575,185	556,450
— 浮息	— variable rates	5.33%	6,929	78,629	559,812	1,008,305	1,653,675	1,526,000
			1,200,069	764,340	1,211,633	1,347,144	4,523,186	4,376,776

		加權平均利率	1個月 人民幣千元	1至3個月 人民幣千元	3個月至1年 人民幣千元	1年至5年 人民幣千元	未貼現現金 流量總額 人民幣千元	於2017年 12月31日的 賬面值 人民幣千元
		Weighted average interest rate	Less than 1 month RMB'000	1-3 months RMB'000	3 months to 1 year RMB'000	1 year to 5 years RMB'000	Total undiscounted cash flows RMB'000	Carrying amount at 31 December 2017 RMB'000
於2017年12月31日	31 December 2017							
貿易及其他應付款項	Trade and other payables	-	700,218	931,715	341,196	15,258	1,988,387	1,988,387
借貸	Borrowings							
— 定息	— fixed rates	5.01%	849	127,264	162,200	80,415	370,728	357,000
— 浮息	— variable rates	6.92%	5,013	64,121	785,104	696,112	1,550,350	1,463,821
			706,080	1,123,100	1,288,500	791,785	3,909,465	3,809,208

5. 資本風險及財務風險管理目標及政策(續)

(c) 公平值

董事認為於綜合財務報表內確認的金融資產及金融負債的賬面值與其公平值相若。

6. 收益及分部資料

收益指來自貨品及物業銷售的收益。

本集團業務乃按產品及物業開發的類型劃分。向本公司董事會(即總營運決策人)報告以作資源分配及分部表現評估的資料亦按產品及物業開發的類型呈列。此乃本集團之構建基礎。

本集團之經營及呈報分部如下：

- 製冷劑；
- 高分子材料；
- 有機硅；
- 二氯甲烷、聚氯乙烯(PVC)及燒鹼；
- 物業開發－在中國山東省發展住宅物業。
- 其他業務－生產及銷售製冷劑分部、高分子材料分部、有機硅分部及二氯甲烷、PVC及燒鹼分部的副產品。

5. Capital risk and financial risk management objectives and policies (Continued)

(c) Fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

6. Revenue and segment information

Revenue represents revenue arising on sales of goods and properties.

The Group's operations are organised based on the different types of products and property development. Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of products and property development. This is the basis upon which the Group is organised.

The Group's operating and reportable segments are as follows:

- Refrigerants;
- Polymers;
- Organic silicone;
- Dichloromethane, Poly Vinyl Chloride (PVC) and liquid alkali;
- Property development – development of residential properties at Shandong Province, the PRC.
- Other operations – manufacturing and sales of side-products of refrigerants segment, polymers segment, organic silicone segment and dichloromethane, PVC and liquid alkali segment.

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6. 收益及分部資料(續)

分部收益及業績

本集團按呈報及經營分部的收益及業績的分析如下。

2018年

		製冷劑 人民幣千元	高分子材料 人民幣千元	有機硅 人民幣千元	二氯甲烷、PVC 及燒鹼 人民幣千元	物業開發 人民幣千元	呈報分部總額 人民幣千元	其他業務 人民幣千元	對銷 人民幣千元	總額 人民幣千元
		Refrigerants RMB'000	Polymers RMB'000	Organic Silicone RMB'000	Dichloromethane, PVC and liquid alkali RMB'000	Property development RMB'000	Reportable segments' total RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
對外銷售	External sales	3,260,154	3,879,793	3,380,373	1,723,746	239,639	12,483,705	1,735,232	-	14,218,937
分部間的銷售	Inter-segment sales	3,020,864	213,268	-	193,578	-	3,427,710	960,011	(4,387,721)	-
總收益—分部收益	Total revenue – segment revenue	6,281,018	4,093,061	3,380,373	1,917,324	239,639	15,911,415	2,695,243	(4,387,721)	14,218,937
分部業績	SEGMENT RESULTS	805,467	915,014	984,040	466,059	65,524	3,236,104	105,745	-	3,341,849
未分配企業開支	Unallocated corporate expenses									(9,815)
融資成本	Finance costs									(97,135)
除稅前溢利	Profit before tax									3,234,899

6. Revenue and segment information (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

2018

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6. 收益及分部資料(續)

分部收益及業績(續)

2017年

		製冷劑 人民幣千元	高分子材料 人民幣千元	有機硅 人民幣千元	二氯甲烷、PVC 及燒鹼 人民幣千元	物業開發 人民幣千元	呈報分部總額 人民幣千元	其他業務 人民幣千元	對銷 人民幣千元	總額 人民幣千元
		Refrigerants RMB'000	Polymers RMB'000	Organic Silicone RMB'000	Dichloromethane, PVC and liquid alkali RMB'000	Property development RMB'000	Reportable segments' total RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
對外銷售	External sales	2,502,275	2,927,843	2,428,256	1,604,099	285,510	9,747,983	389,154	-	10,137,137
分部間的銷售	Inter-segment sales	1,387,964	-	-	4,608	-	1,392,572	729,764	(2,122,336)	-
總收益—分部收益	Total revenue – segment revenue	3,890,239	2,927,843	2,428,256	1,608,707	285,510	11,140,555	1,118,918	(2,122,336)	10,137,137
分部業績	SEGMENT RESULTS	588,442	605,053	433,836	354,554	32,648	2,014,533	237,215	-	2,251,748
未分配企業開支	Unallocated corporate expenses									(44,395)
融資成本	Finance costs									(112,890)
應佔聯營公司業績	Share of results of associates									47,310
除稅前溢利	Profit before tax									2,141,773

呈報及經營分部的會計政策與附註3所載述的本集團會計政策相同。分部業績指在並無分配未分配其他收入、中央行政成本、董事薪金、應佔聯營公司業績及融資成本之情況下，各分部的業績。此乃向總營運決策人呈報以作資源分配及表現評估的計量項目。由於有關資產及負債的分部資料並非向總營運決策人呈報以作資源分配及表現評估的項目，故並無呈列該等資料。

分部間的銷售乃按現行市價計費。

6. Revenue and segment information
(Continued)

Segment revenues and results (Continued)

2017

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies as described in note 3. Segment results represent the results of each segment without allocation of unallocated other income, central administration costs, directors' salaries, share of result of associates and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment. No segment information on assets and liabilities is presented as such information is not reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

6. 收益及分部資料(續)

實體整體披露

有關按產品分類之製冷劑分部來自外來客戶的收益資料

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
二氟一氯甲烷(HCFC-22)	Monochlorodifluoromethane (HCFC-22)	864,491	696,063
四氟乙烷(R134a)	Tetrafluoroethane (R134a)	326,057	169,015
五氟乙烷(R125)	Pentafluoroethane (R125)	129,121	83,596
R439A	R439A	14,767	2,089
R410a	R410a	353,113	569,788
R413A	R413A	–	33,382
R142b	R142b	249,409	123,424
R152a	R152a	175,065	164,597
R22	R22	451,147	302,045
R32	R32	252,018	180,088
R507A	R507A	116,740	–
R407C	R407C	113,534	–
其他	Others	214,692	178,188
		3,260,154	2,502,275

有關按產品分類之高分子材料分部來自外來客戶的收益資料

6. Revenue and segment information (Continued)

Entity-wide disclosures

Information about revenue from refrigerants segment by products from external customers

Information about revenue from polymers segment by products from external customers

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
聚四氟乙烯(PTFE)	Polytetrafluoroethylene (PTFE)	2,055,189	1,551,160
六氟丙烯(HFP)	Hexafluoropropylene (HFP)	397,881	256,997
八氟環丁烷	Perfluorocyclobutane	102,076	76,114
全聚氟乙丙烯(FEP)	Fluorinated ethylene propylene (FEP)	471,449	34,099
聚偏氟乙炔(PVDF)	Polyvinylidene fluoride (PVDF)	415,177	360,039
氟橡膠(FKM)	Fluorine rubber (FKM)	193,454	152,550
偏氟乙炔(VDF)	Vinylidene fluoride (VDF)	88,031	49,968
其他	Others	156,536	446,916
		3,879,793	2,927,843

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6. 收益及分部資料(續)

實體整體披露(續)

有關按產品分類之有機硅分部來自外來客戶的收益資料

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
DMC(二甲基硅氧烷混合環體)	DMC (Dimethylcyclsiloxane)	117,009	290,488
107硅橡膠	107 Silicone Rubber	1,534,455	927,718
生膠	Raw Vulcanizate	484,710	405,291
混煉膠	Gross Rubber	230,753	92,138
氣相白炭黑	Gaseous Silica	164,903	120,248
DMC水解物	DMC Hydrolysate	49,369	140,494
三甲基氯硅烷	Trimethylchlorosilane	244,429	65,970
甲基氯二氯硅烷	Methyldichlorosilane	41,183	4,296
綫性結構DMC	DMC Lineament	127,409	181,568
D4(八甲基環四硅氧烷)	D4 (Octamethyl Cyclotetrasiloxane)	2,187	18,080
二甲基硅油	Dimethy silicone oil	187,440	–
其他	Others	196,526	181,965
		3,380,373	2,428,256

有關按產品分類之二氯甲烷、PVC及燒鹼分部來自外來客戶的收益資料

Information about revenue from Dichloromethane, PVC and liquid alkali by products segment from external customers

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
PVC	PVC	692,042	615,980
二氯甲烷	Dichloromethane	281,294	214,516
燒鹼	Liqui alkali	750,410	773,603
		1,723,746	1,604,099

6. 收益及分部資料(續)

實體整體披露(續)

有關按產品分類之其他經營分部來自外來客戶的收益資料

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
AHF(無水氟化氫)	AHF (Anhydrous Fluoride)	21,431	41,793
氟化氫銨	Ammonium Bifluoride	69,511	59,234
氫氟酸	Hydrofluoric Acid	65,321	43,612
溴素	Bromine	75,467	70,745
氟石膏	Fluorgypsum	10,036	–
鋁錠	Aluminium ingot	516,988	–
鋅錠	Zinc ingot	43,048	–
電解銅	Copper cathode	430,025	–
電解鎳	Nickel cathode	337,515	–
其他	Others	165,890	173,770
		1,735,232	389,154

有關主要客戶資料

截至2018年及2017年12月31日止兩個年度各年概無來自單一客戶之收益佔本集團總銷售額的10%以上。

6. Revenue and segment information (Continued)

Entity-wide disclosures (Continued)

Information about revenue from other operations segment by products from external customers

Information about major customers

There was no revenue from a single customer that contributed over 10% of the total sales of the Group during each of the two years ended 31 December 2018 and 2017.

6. 收益及分部資料(續)

地區資料

本集團來自外來客戶之收益按客戶地區詳情如下：

6. Revenue and segment information (Continued)

Geographical information

The Group's revenue from external customers by geographical location of customers is detailed below:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
中國	PRC	11,834,428	8,212,343
亞洲(除中國外)	Asia (except PRC)		
– 日本	– Japan	444,774	354,951
– 南韓	– South Korea	318,734	361,571
– 印度	– India	57,116	27,176
– 新加坡	– Singapore	69,620	23,936
– 泰國	– Thailand	37,972	37,576
– 阿拉伯聯合酋長國	– United Arab Emirates	118,799	104,323
– 巴基斯坦	– Pakistan	26,428	21,359
– 馬來西亞	– Malaysia	40,974	33,266
– 科威特	– Kuwait	24,663	–
– 沙特阿拉伯	– Saudi Arabia	3,244	–
– 印度尼西亞	– Indonesia	23,453	–
– 以色列	– Israel	2,220	–
– 菲律賓	– Philippines	15,922	6,574
– 越南	– Viet Nam	29,365	20,724
– 土耳其	– Turkey	49,514	65,698
– 其他國家	– Other countries	17,964	61,456
小計	Subtotal	1,280,762	1,118,610

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6. 收益及分部資料(續)

6. Revenue and segment information
(Continued)

地區資料(續)

Geographical information (Continued)

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
美洲	America		
– 美國	– United States of America	455,916	365,765
– 巴西	– Brazil	113,177	103,264
– 智利	– Chile	2,370	–
– 其他國家	– Other countries	40,320	27,866
小計	Subtotal	611,783	496,895
歐洲	Europe		
– 意大利	– Italy	211,678	131,929
– 英國	– England	4,925	13,820
– 俄羅斯	– Russia	39,169	41,900
– 德國	– Germany	36,142	29,192
– 法國	– France	8,635	8,110
– 西班牙	– Spain	4,294	–
– 比利時	– Belgium	42,262	–
– 波蘭	– Poland	34,403	–
– 其他國家	– Other countries	4,152	21,015
小計	Subtotal	385,660	245,966
非洲	Africa		
– 南非	– South Africa	34,131	23,867
– 埃及	– Egypt	21,192	6,659
– 尼日利亞	– Nigeria	27,681	18,524
– 其他國家	– Other countries	9,323	8,164
小計	Subtotal	92,327	57,214
其他國家/地區	Other countries/regions	13,977	6,109
		14,218,937	10,137,137

所有本集團之非流動資產均位於中國。

All of the non-current assets of the Group are located in the PRC.

6. 收益及分部資料(續)

6. Revenue and segment information
(Continued)

其他分部資料

Other segment information

	製冷劑 人民幣千元	高分子材料 人民幣千元	有機硅 人民幣千元	二氯甲烷、PVC 及燒鹼 人民幣千元	物業開發 人民幣千元	呈報及經營 分部總額 人民幣千元	其他業務 人民幣千元	總額 人民幣千元
	Refrigerants RMB'000	Polymers RMB'000	Organic Silicone RMB'000	Dichloromethane PVC and liquid alkali RMB'000	Property development RMB'000	Reportable and operating segment total RMB'000	Other operations RMB'000	Total RMB'000
2018年								
物業、機器及設備折舊	248,672	163,316	108,874	96,245	3,350	620,457	31,355	651,812
無形資產攤銷	1,966	10,261	117	1,697	131	14,172	404	14,576
確認貿易應收款項減值	24,166	1,092	421	3,292	11,805	40,776	377	41,153
研究及開發開支	9,141	131,231	29,314	4,375	-	174,061	3,299	177,360
撇減存貨	649	-	5,945	164	-	6,758	63	6,821
出售物業、機器及設備 虧損(收益)	39,556	2,629	26,915	17,033	(179)	85,954	2,578	88,532
解除預付租金	3,510	5,210	3,397	1,345	-	13,462	1,849	15,311
物業、機器及 設備減值	3	-	-	-	-	3	3,125	3,128

	製冷劑 人民幣千元	高分子材料 人民幣千元	有機硅 人民幣千元	二氯甲烷、PVC 及燒鹼 人民幣千元	物業開發 人民幣千元	呈報及經營 分部總額 人民幣千元	其他業務 人民幣千元	總額 人民幣千元
	Refrigerants RMB'000	Polymers RMB'000	Organic Silicone RMB'000	Dichloromethane PVC and liquid alkali RMB'000	Property development RMB'000	Reportable and operating segment total RMB'000	Other operations RMB'000	Total RMB'000
2017年								
物業、機器及設備折舊	231,944	165,460	131,223	123,466	5,457	657,550	32,985	690,535
無形資產攤銷	701	10,258	125	538	300	11,922	66	11,988
(撥回)確認貿易應收款項 減值	(18,122)	(137)	980	(3,914)	-	(21,193)	(1,348)	(22,541)
研究及開發開支	5,774	79,462	7,988	735	-	93,959	650	94,609
撇減存貨	2,528	-	-	1,525	-	4,053	76	4,129
出售物業、機器及設備 虧損(收益)	29,971	35,145	112,105	18,856	(95)	195,982	94	196,076
解除預付租金	3,125	5,199	3,129	1,308	-	12,761	1,095	13,856

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7. 其他收入

7. Other income

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
政府補貼(附註(a))	Government grants (note a)	57,541	70,042
銀行存款利息收入	Bank deposits interest income	21,376	8,583
來自可供出售投資之股息收入	Dividend income from available-for-sale investments	–	135,685
其他利息收入	Other interest income	723	2,080
匯兌收益	Exchange gain	20,309	–
已收取的補償	Compensation received	7,667	–
其他	Others	11,593	9,077
		119,209	225,467

附註：

(a) 政府補貼主要用作本集團於同期產生的研究及開發開支的補貼。

Notes:

(a) The government grants are mainly the subsidies for expenditures on research and development expenses incurred by the Group.

8. 融資成本

8. Finance costs

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
利息：	Interest on:		
須於五年內全部償還之銀行借貸	Bank borrowings wholly repayable within five years	94,358	111,648
須於五年內償還之其他借貸	Other borrowings repayable within five years	2,777	1,242
		97,135	112,890

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9. 所得稅開支

9. Income tax expense

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
中國企業所得稅(「企業所得稅」)	PRC enterprise income tax ("EIT")		
– 當前年度	– Current year	714,858	201,034
– 過去年度超額撥備	– Over provision in prior years	(1,776)	(1,134)
– 土地增值稅(「土地增值稅」)	– Land Appreciation Tax ("LAT")	(12,799)	12,091
		700,283	211,991
遞延稅項支出(附註20)	Deferred tax charge (note 20)		
– 中國附屬公司可分派溢利之預扣稅	– Withholding tax for distributable profits of PRC subsidiaries	65,082	48,042
– 其他	– Others	34,835	199,941
		99,917	247,983
所得稅開支總額	Total income tax expense	800,200	459,974

9. 所得稅開支(續)

本年度稅項開支與綜合損益及其他全面收入報表的除稅前溢利的對賬如下：

9. Income tax expense (Continued)

The tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
除稅前溢利	Profit before tax	3,234,899	2,141,773
以企業所得稅稅率計算的 稅項支出(附註a)	Tax charge at enterprise income tax rate (Note a)	(747,815)	(497,685)
按優惠稅率計算的所得稅 不可課稅收入的稅項影響	Income tax on concessionary rate Tax effect of income not taxable for tax purpose	(34,328) 451	(29,263) 45,749
不可扣稅開支的稅項影響	Tax effect of expenses not deductible for tax purpose	(1,934)	(14,724)
未確認稅項虧損的稅項影響	Tax effect of tax losses not recognised	(679)	(12,492)
利用先前未確認稅項虧損的 稅項影響	Tax effect of utilization of tax losses previously not recognised	11,578	85,629
過去年度(超額撥備)/撥備不足	(over)/Under provision in respect of prior years	(1,776)	2,095
中國附屬公司分派盈利的遞延稅項 (附註b)	Deferred tax on distribution earnings of PRC subsidiaries (Note b)	(65,082)	(48,042)
土地增值稅(附註c)	LAT (Note c)	12,799	(12,090)
土地增值稅的稅項影響	Tax effect of LAT	(3,200)	3,022
其他	Others	29,786	17,827
本年度稅項開支	Tax expense for the year	(800,200)	(459,974)

9. 所得稅開支(續)

附註：

- (a) 25%適用企業所得稅稅率指本公司主要附屬公司山東東岳化工有限公司(「東岳化工」)、山東東岳高分子材料有限公司(「東岳高分子」)、山東東岳有機硅材料有限公司(「東岳有機硅」)、山東東岳氟硅材料有限公司(「東岳氟硅」)及山東東岳聯邦置業有限公司(「聯邦置業」)的相關所得稅稅率。山東華夏神州新材料有限公司(「華夏神州」)的所得稅稅率為15%，乃因其已取得高新技術企業資格。
- (b) 根據財政部及國家稅務總局聯合發出財稅2008第1號文件，中國實體自2008年1月1日起所產生溢利中分派的股息，須根據《外商投資企業和外國企業所得稅法》第3及27條以及《外商投資企業和外國企業所得稅法實施細則》第91條的規定繳納企業所得稅。附屬公司未分派盈利的遞延稅項資產／負債人民幣65,082,000元(2017年：人民幣48,042,000元)已計入年內損益。
- (c) 土地增值稅是就土地價值的升值按30%到60%的累進稅率徵收，即物業銷售所得款項減可扣減支出，包括土地使用權的成本及所有物業開發支出。

遞延稅項詳情載於附註20。

9. Income tax expense (Continued)

Notes:

- (a) Applicable enterprise income tax rate of 25% represents the relevant income tax rate of Shandong Dongyue Chemicals Co., Ltd. ("Dongyue Chemicals"), Shandong Dongyue Polymers Co., Ltd. ("Dongyue Polymers"), Shandong Dongyue Organosilicon Materials Co., Ltd. ("Dongyue Organosilicon"), Shandong Dongyue Fluo-Silicon Materials Co., Ltd. ("Dongyue Fluo-Silicon") and Shandong Dongyue Union Property Co., Ltd. ("Union Property") which are the major subsidiaries of the Company. The income tax rate of Shandong Huaxia Shenzhou New Materials Co., Ltd. ("Huaxia Shenzhou") is 15% as it obtained the qualification as a high and new technology enterprise.
- (b) According to a joint circular of Ministry of Finance and State Administration of Taxation, Cai Shui [2008] No.1, dividend distributed out of the profits generated since 1 January 2008 held by the PRC entity shall be subject to EIT pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for the Implementation of the Income Tax Law for Enterprises with Foreign Investment and Foreign Enterprises. Deferred tax asset/liability of RMB65,082,000 (2017: RMB48,042,000) on the undistributed earnings of subsidiaries has been charged to profit or loss for the year.
- (c) LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

Details of deferred taxation are set out in note 20.

10. 年內溢利及全面收益總額

年內溢利及全面收益總額已扣除下列各項：

10. Profit and total comprehensive income for the year

Profit and total comprehensive income for the year has been arrived at after charging the following items:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
短期僱員福利	Short-term employee benefits	813,520	556,339
退休福利	Post-employment benefits	97,253	78,537
其他員工福利	Other staff welfare	60,633	38,952
總員工成本	Total staff costs	971,406	673,828
已確認為開支之存貨成本	Cost of inventories recognised as an expense	9,236,077	5,423,309
物業、機器及設備折舊	Depreciation of property, plant and equipment	651,812	690,535
無形資產攤銷(計入銷售成本)	Amortisation of intangible assets (included in cost of sales)	14,576	11,988
核數師酬金	Auditor's remuneration	2,910	2,988
匯兌(收益)/虧損淨額	Net foreign exchange (gains)/losses	(20,309)	31,460
確認/(撥回)貿易應收款項減值	Recognition/(Reversal) of impairment on trade receivables	41,153	(22,541)
已確認為開支之研究及開發成本	Research and development costs recognized as an expense	177,360	94,609
撇減存貨(計入銷售成本)	Write-down of inventories (included in cost of sales)	6,821	4,129
解除預付租金	Release of prepaid lease payments	15,311	13,856
出售物業、機器及設備虧損	Loss on disposals of property, plant and equipment	88,532	196,076
物業、機器及設備減值	Impairment of property, plant and equipment	3,127	-
無形資產減值	Impairment of intangible assets	-	17,485

實際已付的酌情花紅為人民幣17,424,000元(2017年：人民幣14,143,000元)。

The actual discretionary bonus paid was RMB17,424,000 (2017: RMB14,143,000).

附註：以上員工成本包括董事酬金。

Notes: Directors' emoluments are included in the above staff costs.

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11. 董事及主要行政人員薪酬

向董事及主要行政人員已付或應付薪酬如下：

2018年

11. Directors' and chief executive's emoluments

The emoluments paid or payable to the directors and the chief executive were as follows:

2018

		袍金 人民幣千元	薪金 人民幣千元	酌情花紅 (附註) 人民幣千元	退休計劃供款 人民幣千元	股權結算之 以股份 支付開支 人民幣千元	其他福利 人民幣千元	總計 人民幣千元
		Fees RMB'000	Salary RMB'000	Discretionary bonus (Note) RMB'000	Pension scheme contributions RMB'000	Equity-settled share-based payment expense RMB'000	Other benefits RMB'000	Total RMB'000
執行董事	Executive Directors							
張建宏先生	Mr. Zhang Jianhong	144	6,000	11,602	-	-	-	17,746
傅軍先生	Mr. Fu Kwan	144	-	-	-	-	-	144
張建先生	Mr. Zhang Jian	144	-	-	-	-	-	144
張哲峰先生	Mr. Zhang Zhefeng	144	1,200	5,822	-	-	-	7,166
張必書先生	Mr. Zhang Bishu	144	-	-	-	-	-	144
劉傳奇先生	Mr. Liu Chuanqi	-	-	-	-	-	-	-
獨立非執行董事	Independent Non-executive Directors							
丁良輝先生	Mr. Ting Leung Huel, Stephen	378	-	-	-	-	-	378
岳潤棟先生	Mr. Yue Run Dong	195	-	-	-	-	-	195
楊曉勇先生	Mr. Yang Xiaoyong	195	-	-	-	-	-	195
		1,488	7,200	17,424	-	-	-	26,112

11. 董事及主要行政人員薪酬(續)

11. Directors' and chief executive's emoluments (Continued)

2017年

2017

		袍金 人民幣千元	薪金 人民幣千元	酌情花紅 (附註) 人民幣千元	退休計劃供款 人民幣千元	股權結算之 以股份 支付開支 人民幣千元	其他福利 人民幣千元	總計 人民幣千元
		Fees RMB'000	Salary RMB'000	Discretionary bonus (Note) RMB'000	Pension scheme contributions RMB'000	Equity-settled share-based payment expense RMB'000	Other benefits RMB'000	Total RMB'000
執行董事	Executive Directors							
張建宏先生	Mr. Zhang Jianhong	144	6,000	7,691	-	-	-	13,835
傅軍先生	Mr. Fu Kwan	144	-	-	-	-	-	144
劉傳奇先生	Mr. Liu Chuanqi	72	-	108	-	-	-	180
崔同政先生(於2017年 5月2日辭任)	Mr. Cui Tongzheng (resigned on 2 May 2017)	48	800	1,021	5	-	-	1,874
馮建軍先生(於2017年 5月2日辭任)	Mr. Feng Jianjun (resigned on 2 May 2017)	48	-	-	-	-	-	48
張建先生	Mr. Zhang Jian	144	-	-	-	-	-	144
張哲峰先生(於2017年 5月2日獲委任)	Mr. Zhang Zhefeng (appointed on 2 May 2017)	96	1,200	5,323	-	-	-	6,619
張必書先生(於2017年 5月2日獲委任)	Mr. Zhang Bishu (appointed on 2 May 2017)	96	-	-	-	-	-	96
獨立非執行董事	Independent Non-executive Directors							
丁良輝先生	Mr. Ting Leung Huel, Stephen	364	2,300	-	-	-	-	2,664
岳潤棟先生	Mr. Yue Run Dong	188	250	-	-	-	-	438
楊曉勇先生	Mr. Yang Xiaoyong	188	250	-	-	-	-	438
		1,532	10,800	14,143	5	-	-	26,480

11. 董事及主要行政人員薪酬(續)

2017年(續)

張建宏先生亦為本公司行政總裁，上文所披露的薪酬包括其作為行政總裁提供服務的薪酬。

年內，本集團並無向董事或五名最高薪人士支付酬金以招攬其加盟本集團或作為加入本集團的獎金或離職補償。概無主要行政人員或任何董事放棄截至2018年12月31日止兩個年度的任何酬金。

年內，概無就終止董事服務而直接或間接向董事支付或作出任何酬金、退休福利、付款或福利，亦無任何應付款項(2017年：無)。概無就獲提供董事服務而給予第三方或第三方應收之代價(2017年：無)。概無以董事、其受控制法團及關連實體為受益人之貸款、準貸款或其他交易(2017年：無)。

附註：酌情花紅乃根據董事的個人表現而釐定。

11. Directors' and chief executive's emoluments (Continued)

2017 (Continued)

Mr. Zhang Jianhong is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

During the year, no remuneration was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. Neither the Chief Executive nor any of the directors waived any emoluments for the two years ended 31 December 2018.

During the year, no emoluments, retirement benefits, payments or benefits in respect of termination of Directors' services were paid or made, directly or indirectly, to the Directors; nor are any payable (2017: nil). No consideration was provided to or receivable by third parties for making available Directors' services (2017: nil). There are no loans, quasi-loans or other dealings in favour of Directors, their controlled bodies corporate and connected entities (2017: nil).

Note: Discretionary bonus is determined based on the individual performance of the directors.

12. 僱員薪酬

本集團五名最高薪人士當中，兩名(2017年：三名)為本公司董事，其薪酬已載列於上文附註11中。其餘三名(2017年：兩名)人士的薪酬如下：

12. Employees' emoluments

Of the five individuals with the highest emoluments in the Group, two (2017: three) were directors of the Company whose emoluments are included in note 11 above. The emoluments of the remaining three (2017: two) individuals were as follows:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
薪金	Salary	27,115	16,476
退休計劃供款	Pension scheme contributions	-	14
		27,115	16,490

僱員薪酬介乎以下組別：

Their emoluments were within the following bands:

		僱員人數 No. of employees	
		2018年 2018	2017年 2017
5,000,001港元至5,500,000港元	HK\$5,000,001 to HK\$5,500,000	1	-
7,000,001港元至7,500,000港元	HK\$7,000,001 to HK\$7,500,000	-	1
10,500,001港元至11,000,000港元	HK\$10,500,001 to HK\$11,000,000	1	-
11,500,001港元至12,000,000港元	HK\$11,500,001 to HK\$12,000,000	-	1
15,500,001港元至16,000,000港元	HK\$15,500,001 to HK\$16,000,000	1	-

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13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按下列數據計算：

13. Earnings per share

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

		2018年 千股 2018 '000	2017年 千股 2017 '000
就每股基本及攤薄盈利而言的 本年度本公司擁有人應佔盈利 (人民幣)	Earnings for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share (RMB)	2,129,098	1,601,397
就每股基本及攤薄盈利而言的 普通股加權平均數	Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	2,111,689	2,111,689

由於本公司尚未行使購股權的行使價高於股份平均市價，故計算截至2018年及2017年12月31日止年度的每股攤薄盈利時並無假設該等購股權獲悉數行使。

The computation of diluted earnings per share for the years ended 31 December 2018 and 2017 does not assume the exercise of all of the Company's outstanding share options as the exercise prices of those options are higher than the average market price of the shares.

14. 股息

14. Dividends

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
年內已派付的股息：2018年： 2017年末期股息：每股0.3港元 (2017年：2016年末期股息： 每股0.1港元)	Dividends paid during the year: 2018: 2017 final dividend: HK\$0.3 (2017: 2016 final dividend: HK\$0.1) per share	515,168	273,928

2018年末期股息：截至2018年12月31日止年度，董事已建議派付截至2018年12月31日止年度之末期股息每股0.35港元總計739,091,309港元，相當於人民幣628,227,000元。(2017年末期股息：截至2018年12月31日止年度，已宣派及派付截至2017年12月31日止年度之末期股息每股0.3港元總計633,507,000港元，相當於人民幣515,168,000元)。

2018 final dividend: A final dividend of HK\$0.35 per share amounting to HK\$739,091,309 in respect of the year ended 31 December 2018 equivalent to RMB628,227,000 has been proposed by the directors during the year ended 31 December 2018. (2017 final dividend: A final dividend of HK\$0.3 per share amounting to HK\$633,507,000 in respect of the year ended 31 December 2017, equivalent to RMB515,168,000 has been declared and paid during the year ended 31 December 2018).

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15. 物業、機器及設備

15. Property, plant and equipment

		樓宇 人民幣千元	機器及設備 人民幣千元	汽車 人民幣千元	傢私及裝置 人民幣千元	在建工程 人民幣千元	總計 人民幣千元
		Buildings	Plant and machinery	Motor vehicles	Furniture and fittings	Construction in progress	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
成本	COST						
於2017年1月1日	At 1 January 2017	1,626,248	6,546,660	47,328	497,528	147,736	8,865,500
添置	Additions	303,286	204,161	17,704	80,430	213,432	819,013
透過收購附屬公司添置	Addition through acquisition of subsidiary	-	-	2,077	2,051	-	4,128
轉撥	Transfer	38,895	188,299	-	14,602	(241,796)	-
出售時抵銷	Eliminated on disposals	(29,284)	(723,474)	(8,593)	(18,908)	-	(780,259)
於2017年12月31日	At 31 December 2017	1,939,145	6,215,646	58,516	575,703	119,372	8,908,382
添置	Additions	45,299	323,434	4,331	174,372	310,648	858,084
轉撥	Transfer	55,437	116,849	-	9,023	(181,309)	-
出售時抵銷	Eliminated on disposals	(53,122)	(501,207)	(6,420)	(17,105)	(4,126)	(581,980)
於2018年12月31日	At 31 December 2018	1,986,759	6,154,722	56,427	741,993	244,585	9,184,486
累計折舊及減值	ACCUMULATED DEPRECIATION AND IMPAIRMENT						
於2017年1月1日	At 1 January 2017	573,817	4,025,502	41,139	350,784	-	4,991,242
本年度開支	Charge for the year	91,004	539,063	4,893	55,575	-	690,535
出售時抵銷	Eliminated on disposals	(10,874)	(541,562)	(7,272)	(17,842)	-	(577,550)
於2017年12月31日	At 31 December 2017	653,947	4,023,003	38,760	388,517	-	5,104,227
本年度開支	Charge for the year	95,916	428,444	4,894	122,558	-	651,812
減值	Impairment	-	-	-	-	3,128	3,128
出售時抵銷	Eliminated on disposals	(31,278)	(385,029)	(8,003)	(10,571)	-	(434,881)
於2018年12月31日	At 31 December 2018	718,585	4,066,418	35,651	500,504	3,128	5,324,286
賬面值	CARRYING VALUES						
於2018年12月31日	At 31 December 2018	1,268,174	2,088,304	20,776	241,489	241,457	3,860,200
於2017年12月31日	At 31 December 2017	1,285,198	2,192,643	19,756	187,186	119,372	3,804,155

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15. 物業、機器及設備(續)

於2018年12月31日，本集團的若干樓宇尚未辦理房產權證，其賬面值為人民幣179,180,000元(2017年12月31日：人民幣280,968,000元)。

物業、機器及設備採用直線法於下列估計可使用年內按其成本減剩餘價值計算折舊：

樓宇	20年或租期(以較短者為準)
機器及設備	5-10年
汽車	5年
傢私及裝置	5年

本集團已抵押賬面值為人民幣4,829,000元(2017年：人民幣5,337,000元)的樓宇，為本集團銀行借貸及其他借貸作抵押。

樓宇位於中國土地上及根據中期租賃持有。

15. Property, plant and equipment (Continued)

As at 31 December 2018, the Group had not obtained the building ownership certificates for certain buildings with carrying values of RMB179,180,000 (31 December 2017: RMB280,968,000).

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Buildings	Shorter of 20 years or the terms of lease
Plant and machinery	5-10 years
Motor vehicles	5 years
Furniture and fittings	5 years

The Group has pledged buildings with carrying amount of RMB4,829,000 (2017: RMB5,337,000), to secure bank borrowings and other borrowings of the Group.

The buildings are situated on land in the PRC and held under medium-term lease.

16. 預付租金

本集團的預付租金為報告目的所作的分析如下：

16. Prepaid lease payments

The Group's prepaid lease payments are analysed for reporting purpose as follows:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
為報告目的所作的分析如下：	Analysed for reporting purpose as:		
— 即期部分	— Current portion	15,766	14,754
— 非即期部分	— Non-current portion	535,564	466,666
		551,330	481,420

該金額指於中國為期20至50年的中期土地使用權。

The amounts represent the medium-term land use rights situated in the PRC for a period of 20 to 50 years.

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16. 預付租金(續)

本集團已抵押賬面總值人民幣5,913,000元的預付租金，為本集團的銀行借貸及其他借貸作抵押(2017年：人民幣2,701,000元)。

16. Prepaid lease payments (Continued)

The Group has pledged prepaid lease payments with the aggregate carrying amount of RMB5,913,000 to secure bank borrowings and other borrowings (2017: RMB2,701,000) of the Group.

17. 無形資產

17. Intangible assets

		專有技術 人民幣千元 Proprietary Technologies RMB'000	軟件 人民幣千元 Software RMB'000	探礦權 人民幣千元 Exploration rights RMB'000	總計 人民幣千元 Total RMB'000
成本	COST				
於2017年1月1日	At 1 January 2017	128,512	1,723	80,000	210,235
添置	Additions	-	3,881	-	3,881
收購附屬公司	Acquisition of subsidiary	-	14	-	14
於2017年12月31日	At 31 December 2017	128,512	5,618	80,000	214,130
添置	Additions	-	15,166	-	15,166
出售時抵銷	Eliminated on disposals	(336)	-	-	(336)
於2018年12月31日	At 31 December 2018	128,176	20,784	80,000	228,960
攤銷及減值	AMORTISATION AND IMPAIRMENT				
於2017年1月1日	At 1 January 2017	62,271	739	40,000	103,010
本年度開支	Charge for the year	10,826	1,162	-	11,988
減值	Impairment	-	-	17,485	17,485
於2017年12月31日	At 31 December 2017	73,097	1,901	57,485	132,483
本年度開支	Charge for the year	12,559	2,017	-	14,576
出售時抵銷	Eliminated on disposals	(336)	-	-	(336)
於2018年12月31日	At 31 December 2018	85,320	3,918	57,485	146,723
賬面值	CARRYING VALUES				
於2018年12月31日	At 31 December 2018	42,856	16,866	22,515	82,237
於2017年12月31日	At 31 December 2017	55,415	3,717	22,515	81,647



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17. 無形資產(續)

本集團所有無形資產均向第三方購買。

專有技術及電腦軟件許可證具有確定的可使用年期，並按直線法分別於5年至10年及3年至5年攤銷。

於2012年，本集團以總代價人民幣80,000,000元向第三方收購中國內蒙古自治區兩個礦場的探礦權。本公司董事預測礦場的螢石資源豐富(螢石為本集團製冷劑業務的主要原材料)。收購礦場將使本集團能夠以合理的成本取得穩定的高質量螢石資源供應。

根據中國探礦及採礦權的有關規定，只要勘探仍在進行且已繳納申請費，本集團即可延長探礦權有效期。於2017年10月，本集團成功將探礦權重續兩年延至2019年10月。由於重續探礦權後該兩個礦場的探礦面積縮小，本公司董事認為，於截至2017年12月31日止年度已確認減值人民幣17,485,000元。

17. Intangible assets (Continued)

All of the Group's intangible assets were acquired from third parties.

Proprietary technologies and computer software licences have definite useful lives and are amortised on a straight-line basis over 5 to 10 years and 3 to 5 years respectively.

During 2012, the Group acquired exploration rights of two mines from third parties in Inner Mongolia Autonomous Region in the PRC for a total consideration of RMB80 million. The directors of the Company expected that the mines are abundant with fluor spar resources, which is a major raw material for the refrigerant business of the Group. The acquisition of the mines will enable the Group to secure a reliable supply of high quality fluor spar resources at a reasonable cost.

According to the regulations on exploration and mining rights in the PRC, the Group can extend the exploration rights as long as the survey is in process and the application fee is submitted. In October 2017, the Group extended the exploration rights for a period of two years till October 2019. Due to decrease in mining areas of the two mines upon renewal of the exploration rights, the directors of the Company considered that impairment of RMB17,485,000 was recognised during the year ended 31 December 2017.

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18. 於聯營公司的權益

18. Interests in associates

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
於中國非上市聯營公司的投資成本	Cost of investments in associates unlisted in the PRC	995	981
應佔收購後溢利， 扣除已收股息	Share of post-acquisition profits, net of dividends received	—	19,688
分階段收購後之公平值收益	Fair value gain on step acquisition	—	37,919
分階段收購後取消確認 撤銷	Derecognition on step acquisition Written off	(995)	(57,593)
		—	—

於2018年及2017年12月31日，本集團聯營公司的詳情如下：

The details of the Group's associates at 31 December 2018 and 2017 are as follows:

實體名稱 Name of entity	業務架構形式 Form of business structure	成立國家 Country of establishment	主要營業地點 Principal place of operation	所持股份類別 Class of share held	本集團持有的註冊資本 Registered capital held by the Group		本集團所持投票權比例 Proportion of voting rights held by the Group		主要業務 Principal activity
					2018年 2018	2017年 2017	2018年 2018	2017年 2017	
張家界鑫業房地產開發有限公司 Zhangjiajie Xinye Real Estate Development Co., Ltd.	有限公司 Limited liability company	中國 PRC	中國 PRC	註冊資本 Registered capital	不適用 N/A	不適用 N/A	不適用 N/A	不適用 N/A	房地產開發 (附註a) Real Estate Development
赤峰北方東岳新材料發展有限公司 Chifeng North Dongyue New Material Development Co., Ltd.	有限公司 Limited liability company	中國 PRC	中國 PRC	註冊資本 Registered capital	49%	49%	49%	49%	製造及銷售氟石膏混凝土膨脹劑 (附註b) Production and sales of fluorogypsum



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18. 於聯營公司的權益(續)

附註：

- (a) 於2016年1月8日，本公司的附屬公司山東東岳聯邦置業有限公司與獨立第三方(作為賣方)訂立協議，以人民幣1元之代價收購張家界鑫業房地產開發有限公司(「張家界」) 44%的股權。張家界在湖南省從事房地產開發業務。本集團持有張家界44%的股權及將投資入賬列為一間聯營公司的權益。應佔張家界收購後溢利視乎投資者實際注資比例而定。因此，2016年本集團應佔張家界收購後溢利乃按44%的基準計算。

於2017年8月21日，本集團進一步收購張家界56%股權，張家界成為本集團的間接全資附屬公司。

- (b) 於2011年2月18日，本公司的附屬公司內蒙古東岳金峰氟化工有限公司與一名獨立第三方訂立協議，成立北方東岳。本集團能夠對北方東岳行使重大影響，因為其有權按照該公司組織章程細則委任該公司五名董事中的兩名。北方東岳已於截至2016年12月31日止年度終止其業務。

所有聯營公司採用權益法於該等綜合財務報表入賬。

18. Interests in associates (Continued)

Notes:

- (a) On 8 January 2016, Shandong Dongyue Union Property Co., Ltd., a subsidiary of the Company, entered into an agreement with an independent third parties, as vendors, to acquire 44% equity interest in Zhangjiajie Xinye Real Estate Development Co., Ltd. (張家界鑫業房地產開發有限公司) ("Zhangjiajie") at a consideration of RMB1. Zhangjiajie is engaged in real estate development business in Hunan. The Group held 44% equity interest in Zhangjiajie and accounted for the investment as interest in an associate. The share of post-acquisition profits of Zhangjiajie depends on the proportion of actual capital contribution by investors. As a result, the Group's share of post-acquisition profits of Zhangjiajie was calculated on a 44% basis in 2016.

On 21 August 2017, the Group further acquired 56% equity interest in Zhangjiajie and Zhangjiajie became an indirect wholly-owned subsidiary of the Group.

- (b) On 18 February 2011, Inner Mongolia Dongyue Peak Fluorine Chemicals Co. Ltd., a subsidiary of the Company, entered into an agreement with an independent third party to establish North Dongyue. The Group is able to exercise significant influence over North Dongyue because it has the power to appoint two out of five directors of that company under the Articles of the Association of that company. North Dongyue has ceased its business during the year ended 31 December 2016.

All of the associates are accounted for using the equity method in these consolidated financial statements.

19. 按公平值計入其他全面收益之股本投資／可供出售投資
19. Equity investments at fair value through other comprehensive income/Available-for-sale investments

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
非上市股本證券，按公平 值列賬	Unlisted equity securities, at fair value		
— 淄博張店滙通小額貸款有限 公司(「張店滙通」)(附註a)	— Zibo ZhangDian Huitong Microfinance Co., Ltd. ("ZhangDian Huitong") (Note a)	9,760	26,703
— 山東半島藍色經濟投資基金 有限公司(「SPOBE」)(附註b)	— Shandong Peninsula Ocean Blue Economic Investment Co., Ltd. ("SPOBE") (Note b)	16,394	74,589
— 中國民生投資股份有限公司 (「中民投」)(附註c)	— China MinSheng Investment Co., Ltd. ("CMIC") (Note c)	1,567,000	1,000,000
— 泰合資產管理有限公司(附註d)	— Taihe Asset Management Co. Ltd. (Note d)	108,240	120,000
— 淄博氟硅產業園運營管理有限 公司(「FIP」)(附註e)	— Zibo Fluorosilicone industrial Park Operation Management Co., Ltd. ("FIP") (Note e)	100,000	—
		1,801,394	1,221,292

非上市股本投資乃基於可見未來的預期現金
流量的現值按公平值計量。

The unlisted equity investments are measured at fair value based
on the present value of expected cash flows in the foreseeable
future.

附註：

Notes:

- (a) 張店滙通為在中國成立的私人實體，主要在中國山東省從事借貸業務。本集團於張店滙通持有15%的股本權益，本公司董事認為，該投資於2018年12月31日的公平值為人民幣9,760,000元。

- (a) Zhangdian Huitong is a private entity and was established in the PRC. Zhangdian Huitong is principally engaged in the money lending business in Shandong Province, the PRC. The Group holds 15% of the equity interest in Zhangdian Huitong, the directors of the Company considered the fair value of the investment was RMB9,760,000 as at 31 December 2018.



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19. 按公平值計入其他全面收益之 股本投資／可供出售投資(續)

附註：(續)

- (b) SPOBE為一間於開曼群島註冊成立的私人實體。SPOBE主要從事投資活動。於截至2011年12月31日止年度，本公司與SPOBE訂立認購協議，認購20,000,000股SPOBE股份，總代價為20,000,000美元（相等於人民幣126,256,000元），從而持有20,000,000股股份，相當於SPOBE18.18%的股權。於截至2018年12月31日止年度，本公司自SPOBE收取資本資金約人民幣27,187,000元（2017年12月31日：人民幣51,667,000元），及本公司董事認為該投資於2018年12月31日的公平值為人民幣16,394,000元。
- (c) 中民投為全國工商聯發起，國務院批准的民營企業，主要從事股權投資和資產管理。截至2018年12月31日止年度，本集團持有中民投14億股，代價為人民幣15.8億元，故本集團於2018年12月31日於中民投所持股權增加至2.8%。本公司董事認為，該投資於2018年12月31日的公平值為人民幣1,567,000,000元。
- (d) 泰合為一間於中國成立的私人實體，主要從事（其中包括）資產管理以及中國山東省境內金融不良資產批量轉讓業務。本集團與其他合營夥伴成立泰和，其註冊資本為人民幣10,000,000,000元，其中本集團將出資人民幣600,000,000元，佔泰合的註冊資本總額6%。截至2018年12月31日，本集團已支付人民幣120,000,000元。本公司董事認為，該投資於2018年12月31日的公平值約為人民幣108,240,000元。
- (e) FIP為一間於2018年12月10日在中國成立的私人實體。FIP主要從事產業園建設及物業管理。FIP由本集團及一名獨立第三方成立。截至2018年12月31日止年度，本集團已支付人民幣100,000,000元，佔FIP總登記股本之46.15%。由於本集團並無在被投資者的董事會或同等治理機構中委派代表，並無參與政策制定過程，亦無與被投資者交換任何管理人員，故本集團不被視為對被投資者有重大影響。本公司董事認為，該投資於2018年12月31日的公平值為人民幣100,000,000元。

19. Equity investments at fair value through other comprehensive income/Available- for-sale investments (Continued)

Notes: (Continued)

- (b) SPOBE is a private entity that was incorporated in the Cayman Islands. SPOBE is principally engaged in investment activities. During the year ended 31 December 2011, the Company entered into a subscription agreement with SPOBE to subscribe for 20,000,000 shares in SPOBE at a total contribution of US\$20,000,000 (equivalent to RMB126,256,000) and held 20,000,000 shares which represented 18.18% equity interest in SPOBE. During the year ended 31 December 2018, the Company received capital fund of approximately RMB27,187,000 from SPOBE (31 December 2017: RMB51,667,000), and the directors of the Company considered the fair value of the investment was RMB16,394,000 as at 31 December 2018.
- (c) CMIC, a private enterprise initiated by the All-China Federation of Industry and Commerce and approved by the State Council of the PRC, is principally engaged in equity investment and assets management. For the year ended 31 December 2018, as the Group held 1,400,000,000 shares in CMIC at a consideration of RMB1,580,000,000, the equity interest in CMIC held by the Group increased to 2.8% as at 31 December 2018. The directors of the Company considered the fair value of the investment was approximately RMB1,567,000,000 as at 31 December 2018.
- (d) Taihe is a private entity and was established in the PRC. Taihe was principally engaged in interalia, asset management and bulk transfer of non-performing assets of financial enterprises in Shandong Province, the PRC. The Group and other partners established Taihe and the registered capital amount of Taihe was RMB10,000 million, of which the Group will contribute RMB600 million, representing 6% of the total registered capital of Taihe. Up to 31 December 2018, the Group has paid RMB120 million. The directors of the Company considered the fair value of the investment was approximately RMB108,240,000 as at 31 December 2018.
- (e) FIP is a private equity and was established in the PRC on 10 December 2018. FIP was principally engaged in garden construction and property management. The Group and an independent third party established FIP. The Group paid RMB100 million for the year ended 31 December 2018 and contribute 46.15% of the total registered share capital of FIP. As the Group did not have any representative on the board of directors or equivalent governing body of the investment, did not participate in policy-making processes, and did not interchange any managerial personnel with the investment, it does not consider as having significant influence on the investment. The directors of the Company considered the fair value of the investment was RMB100,000,000 as at 31 December 2018.

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20. 遞延稅項

為財務報告所作的遞延稅項結餘分析如下：

20. Deferred taxation

The following is an analysis of the deferred tax balances for financial reporting purpose:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
遞延稅項資產	Deferred tax assets	213,741	246,398
遞延稅項負債	Deferred tax liabilities	(111,029)	(92,081)
		102,712	154,317

年內已確認的主要遞延稅項資產(負債)及其變動如下：

The following are the major deferred tax assets (liabilities) recognised and movements thereon for the year:

		中國附屬公司 可供分派溢利	折舊撥備	僱員福利 應計費用	預付租金的 政府補貼	收購合資格 物業、機器 及設備的 稅項抵免 Tax credit on acquisition of qualified property plant, and equipment	資本化利息	稅項虧損	業務合併 的公平值調整	其他	總計
		Distributable Profits of PRC Subsidiaries	Depreciation allowance	Accrual for employee benefits	Government grants on prepaid lease payments	Government grants on prepaid lease payments	Capitalised interest	Tax losses	Fair value adjustment on business combination	Others	Total
		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 RMB'000
於2017年1月1日	At 1 January 2017	(56,051)	15,429	37,855	45,857	17,500	(2,131)	1,533	-	332,982	392,974
已付股息預扣稅	Dividend withholding tax paid	33,456	-	-	-	-	-	-	-	-	33,456
於損益確認(扣除)計入	(Charge) Credit recognised in profit or loss	(48,042)	(344)	16,578	(3,257)	-	1,106	91,954	-	(305,978)	(247,983)
收購一間附屬公司	Acquisition of a subsidiary	-	-	-	-	-	-	-	(24,130)	-	(24,130)
於2017年12月31日	At 31 December 2017	(70,637)	15,085	54,433	42,600	17,500	(1,025)	93,487	(24,130)	27,004	154,317
已付股息預扣稅	Dividend withholding tax paid	49,993	-	-	-	-	-	-	-	-	49,993
於損益確認(扣除)計入	(Charge) Credit recognised in profit or loss	(65,082)	(54,143)	34,430	(396)	-	482	(93,487)	-	76,598	(101,598)
於2018年12月31日	At 31 December 2018	(85,726)	(39,058)	88,863	42,204	17,500	(543)	-	(24,130)	103,602	102,712

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20. 遞延稅項(續)

於2018年12月31日，本集團可用作抵銷未來溢利的未動用稅項虧損為人民幣49,963,000元(2017年：人民幣424,842,000元)，已就其中為數人民幣零元(2017年：人民幣374,876,000元)的虧損確認遞延稅項資產。由於不確定有關集團實體的應課稅溢利是否可用未動用稅項虧損抵扣，所以並無於餘下未動用稅項虧損人民幣49,963,000元(2017年：人民幣49,966,000元)中確認遞延稅項資產。未確認稅項虧損包括虧損人民幣49,963,000元，將於2022年屆滿(2017年：人民幣374,876,000元及人民幣49,966,000元將分別於2019年及2020年屆滿)。

20. Deferred taxation (Continued)

At 31 December 2018, the Group had unused tax losses of RMB49,963,000 (2017: RMB424,842,000) available for offset against future profits of which a deferred tax asset has been recognised in respect of RMB nil (2017: RMB374,876,000) of such losses. No deferred tax asset has been recognised in the remaining unused tax losses of RMB49,963,000 (2017: RMB49,966,000) as it is uncertain whether taxable profit of the corresponding group entities will be available against which the unused tax losses can be utilised. Included in unrecognised tax losses are losses of RMB49,963,000 will expire 2022 (2017: RMB374,876,000 and RMB49,966,000 that will expire in 2019 and 2020 respectively).

21. 商譽

於1月1日	At 1 January		
收購附屬公司	Acquisition of subsidiaries		
12月31日	At 31 December		

2018年	2017年
人民幣千元	人民幣千元
2018	2017
RMB'000	RMB'000

		123,420	85,894
		–	37,526
		123,420	123,420

為進行減值測試，人民幣37,526,000元(2017年：人民幣37,521,000元)、人民幣84,540,000元(2017年：人民幣84,540,000元)及人民幣1,354,000元(2017年：人民幣1,354,000元)之商譽已分別分配予三個現金產生單位(現金產生單位)，即四間中國附屬公司：物業開發分部的張家界鑫業房地產開發有限公司(「張家界」)及山東博大房地產開發有限公司(「博大」)、高分子材料分部的華夏神舟及製冷劑分部的東營東岳鹽業有限公司(「東岳鹽業」)。於截至2018年12月31日止年度，本集團管理層確定並未出現任何商譽減值(2017年：零)。

21. Goodwill

For the purpose of impairment testing, goodwill of RMB37,526,000 (2017: RMB37,521,000), RMB84,540,000 (2017: RMB84,540,000) and RMB1,354,000 (2017: RMB1,354,000) have been allocated to three cash generating units (CGUs) representing four PRC subsidiaries, Zhangjiajie Xinye Real Estate Development Co, Ltd. ("Zhangjiajie") and Shandong Boda Real Estate Development Co., Ltd. ("Boda") in the property development segment, Huaxia Shenzhou in the polymers segment and Dongying Dongyue Salt Co., Ltd ("Dongyue Salt") in the refrigerants segment. During the year ended 31 December 2018, management of the Group determines that there is no impairment of goodwill (2017: nil).

21. 商譽(續)

物業開發分部

張家界及博大的可收回金額乃根據使用價值計算釐定。計算乃根據管理層已批准的五年期財務預算的預計現金流量及貼現率11.3% (2017年：16.6%) 得出。五年期以後的現金流量採用3%的穩定增長率推斷。該增長率乃基於相關行業增長預測，且不超過有關行業的平均長期增長率。使用價值計算的其他主要假設乃與(包括預算銷售額及毛利率在內的)現金流量估計有關。該項估計乃基於張家界及博大的過往表現及管理層對市場發展的預測。管理層相信，該等假設可能合理出現的任何變動均不會導致相關附屬公司的賬面總值超過可收回總金額。

高分子材料分部

華夏神舟的可收回金額乃根據使用價值計算釐定。計算乃根據管理層已批准的五年期財務預算的預計現金流量及貼現率16% (2017年：16.6%) 得出。五年期以後的現金流量採用3%的穩定增長率推斷。該增長率乃基於相關行業增長預測，且不超過有關行業的平均長期增長率。使用價值計算的其他主要假設乃與(包括預算銷售額及毛利率在內的)現金流量估計有關。該項估計乃基於華夏神舟的過往表現及管理層對市場發展的預測。管理層相信，該等假設可能合理出現的任何變動均不會導致華夏神舟的賬面總值超過其可收回總金額。

21. Goodwill (Continued)

Property development segment

The recoverable amounts of Zhangjiajie and Boda have been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and a discount rate of 11.3% (2017: 16.6%). Cash flows beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash flows which include budgeted sales and gross margins. Such estimation is based on past performance of Zhangjiajie and Boda and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of related subsidiaries to exceed the aggregate recoverable amount

Polymers segment

The recoverable amount of Huaxia Shenzhou has been determined based on value in use calculation. This calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and a discount rate of 16% (2017: 16.6%). Cash flows beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash flows which include budgeted sales and gross margins. Such estimation is based on past performance of Huaxia Shenzhou and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Huaxia Shenzhou to exceed the aggregate recoverable amount of Huaxia Shenzhou.

22. 存貨

22. Inventories

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
原材料及消耗品	Raw materials and consumables	397,986	392,785
在製品	Work in progress	85,947	75,462
製成品	Finished goods	622,788	520,982
		1,106,721	989,229

23. 作出售用途之物業

23. Properties for sale

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
作出售用途之竣工物業	Completed property for sale	348,052	567,927
作出售用途之在建物業	Property under development for sale	2,685,586	1,238,016
		3,033,638	1,805,943

於截至2012年12月31日止年度，本集團管理層決定將位於中國山東省桓台縣的兩塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已於2012年施工。整個項目分為五期，而第一期已於截至2014年12月31日止年度竣工，第二期已於截至2015年12月31日止年度竣工。第三期及第四期已於截至2016年12月31日止年度竣工。餘下一期預計將於2020年完工。

During the year ended 31 December 2012, the Group's management decided to develop residential properties on two parcels of lands which are situated in Huantai Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was commenced in 2012. The whole project is divided into five phases and phase 1 was completed during the year end 31 December 2014 and phase 2 was completed during the year ended 31 December 2015. Phase 3 and Phase 4 were completed during the year ended 31 December 2016. The remaining one phase was expected to be completed in 2020.

截至2018年12月31日止年度，本集團認購位於中國山東省桓台縣的一塊土地，用作出售用途之住宅物業。有關開發計劃已獲中國相關部門批准。該建設工程已於2018年施工。項目名稱為東岳國際熙園並預計於2020年完工。

During the year ended 31 December 2018, the Group acquired a parcel of land which is situated in Huantai Shandong, the PRC to develop residential properties for sale. The relevant development plan had been approved by relevant authority in the PRC. The construction work was commenced in 2018. The project was named Dongyue Guoji Xiyuan, and was expected to be completed in 2020.



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23. 作出售用途之物業(續)

於截至2017年12月31日止年度，本集團收購兩間附屬公司，即山東博大房地產開發有限公司(「博大」)及張家界鑫業房地產開發有限公司(「張家界」)，其作出售用途之物業之建設工程如下：

博大

1. 位於中國山東省張店的一塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已於2012年施工。項目名稱為盛景瀾庭，整個項目分為兩期，第一期已於截至2017年12月31日止年度竣工，而餘下一期預計將於2023年完工。
2. 位於中國山東省德州的一塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已於2008年施工。項目名稱為盛雅依水苑，整個項目已於截至2017年12月31日止年度竣工。
3. 位於中國山東省德州的一塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已經施工。項目名稱為盛景御園—中央公館，整個項目預計將於2021年完工。
4. 位於中國山東省德州的一塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已經施工。項目名稱為翰林院，整個項目預計將於2023年完工。

23. Properties for sale (Continued)

During the year ended 31 December 2017, the group acquired two subsidiaries, Shandong Boda Real Estate Development Co. Limited. ("Boda") and Zhangjiajie Xinye Real Estate Development Co. Limited. ("Zhangjiajie"), which had the following construction works of properties for sale.

Boda

1. Residential properties on a parcel of land which are situated in Zhangdian Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was commenced in 2012. The project was named Sheng Jing Lan Ting and the whole project is divided into two phases, phase 1 was completed as at the year ended 31 December 2017 and the remaining one phase was expected to be completed on 2023.
2. Residential properties on a parcel of land which are situated in Dezhou Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was commenced in 2008. The project was named Shengya Yishui Yuan and the whole project was completed as at the year ended 31 December 2017.
3. Residential properties on a parcel of land which are situated in Dezhou Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was under projection. The project was named Shengjing Yuyuan-Zhongyang Gongguan and the whole project was expected to be completed in 2021.
4. Residential properties on a parcel of land which are situated in Dezhou Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was under projection. The project was named Hanlinyuan and the whole project was expected to be completed in 2023.





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23. 作出售用途之物業(續)

張家界

位於中國湖南省張家界的一塊土地開發用作出售用途之住宅物業，且有開發計劃已獲中國相關部門批准。該建設工程已於2012年施工。項目名稱為瀟湘華府，整個項目分為兩期，第一期第一階段已於截至2017年12月31日止年度竣工，而第一期第二階段及第二期預計將分別於2020年及2023年完工。

於2018年12月31日，作出售用途之在建物業的賬面值約人民幣1,699,437,000元(2017年：人民幣420,369,000元)預期將於報告期末起計十二個月內竣工。

本集團並無抵押作出售用途之物業(2017年：人民幣159,548,000元)，以取得本集團之銀行借貸。

23. Properties for sale (Continued)

Zhangjiajie

Residential properties on a parcel of land which are situated in Zhangjiajie Hunan, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was commenced in 2012. The project was named Xiaoxiang Huafu and the whole project is divided into two phases, part 1 of phase 1 was completed as at the year ended 31 December 2017, the part 2 of phase 1 was expected to be completed 2020 and phase 2 was expected to be completed in 2023.

At 31 December 2018, the carrying amount of properties under development for sale of approximately RMB1,699,437,000 (2017: RMB420,369,000) are expected to be completed within twelve months from the end of reporting period.

The Group has not pledged properties for sale (2017: RMB159,548,000) to secure bank borrowings of the Group

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24. 貿易及其他應收款項

24. Trade and other receivables

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
貿易應收款項	Trade receivables	1,487,709	1,628,794
減：呆賬撥備	Less: allowance for doubtful debts	(2,853)	(3,128)
		1,484,856	1,625,666
原材料預付款項	Prepayments for raw materials	222,709	43,106
應收增值稅	Value added tax receivables	76,142	27,381
應收股息	Dividend receivable	–	35,685
按金及其他應收款項	Deposits and other receivables	184,023	238,633
		1,967,730	1,970,471

於2018年12月31日的貿易應收款項包括應收票據人民幣1,249,734,000元(2017年：人民幣1,350,000,000元)。

Included in the trade receivables, there are bills receivables amounting to RMB1,249,734,000 as at 31 December 2018 (2017: RMB1,350,000,000).

24. 貿易及其他應收款項(續)

本集團授予客戶之貿易應收款項信貸期通常不超過90日，應收票據一般於90日或180日到期。報告期末本集團確認的貿易應收款項(扣除呆賬撥備)按發票日期(亦與收益確認日期相若)之賬齡分析呈列如下。

24. Trade and other receivables (Continued)

Customers are generally granted with credit period of less than 90 days for trade receivables. Bills receivables are generally due in 90 days or 180 days. The following is an aging analysis of trade receivables, net of allowance for doubtful debts presented based on the invoice date, also approximate the date of revenue recognition, which are recognised by the Group at the end of the reporting period.

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
90日內	Within 90 days	1,297,163	1,095,087
91日至180日	91-180 days	174,479	509,743
180日以上	Above 180 days	13,214	20,836
		1,484,856	1,625,666

24. 貿易及其他應收款項(續)

在承接任何新客戶前，本集團會調查新客戶的信譽及評估潛在客戶的信貸質素和確定客戶的信用額度。客戶的信用額度和信用評級每年複核兩次。95% (2017年：99%) 未逾期亦未減值之貿易應收款項擁有信譽調查的良好信用評級。本集團視乎客戶合約金額、信用及聲譽提供多種還款期。

本集團之貿易應收款項結餘包括人民幣9,628,000元(2017年：人民幣2,138,000元)，該結餘於報告日為已逾期而本集團並無就其減值虧損作出撥備。本集團並未就此等結餘獲得任何擔保或信用增級。

24. Trade and other receivables (Continued)

Before accepting any new customer, the Group conducts research on the creditworthiness of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. 95% (2017: 99%) of the trade receivables that are neither past due nor impaired have the high ranking record attributable under the research on the creditworthiness. The Group offers various settlement terms which vary depending on the size of contract, credibility and reputation of the customers.

Included in the Group's trade receivable balance, there are RMB9,628,000 (2017: RMB2,138,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral or credit enhancements over these balances.

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
91日至180日	91-180 days	8,094	1,150
181日以上	Over 181 days	1,534	988
		9,628	2,138

由於信貸質素並無顯著變化且本集團認為該等款項仍可收回，本集團未對上述金額計提撥備。本公司董事認為該等款項信貸質素良好。

Allowance of the above amount has not been made by the Group as there has not been a significant change in the credit quality and the amounts are still considered recoverable. The directors of the Company consider they are in good credit quality.

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24. 貿易及其他應收款項(續)

呆賬撥備變動

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
年初結餘	Balance at beginning of the year	3,128	25,669
年內撥回	Reversed during the year	(275)	(22,541)
年終結餘	Balance at end of the year	2,853	3,128

以上撥備為被視為不可收回的貿易應收款項的減值。

以相關集團實體的功能貨幣以外的貨幣列值的本集團應收賬款載列如下：

The above allowance represents impairment for trade receivables which are considered not recoverable.

The Group's account receivables that are denominated in currencies other the functional currencies of the relevant group entities are set out below:

		美元 千元 US\$ '000	人民幣 千元 RMB '000
於2018年12月31日	As at 31 December 2018	21,362	146,567
於2017年12月31日	As at 31 December 2017	26,959	176,155

應收聯營公司款項為無抵押、免息及按要求償還。

Amount due from associates were unsecured, interest-free and repayable on demand.

25. 已抵押銀行存款／銀行結餘及現金

為應付票據、信用證及來自預售物業之按金作抵押的已抵押銀行存款分別為人民幣82,700,000元、人民幣零元及人民幣280,433,000元(2017年：人民幣16,500,000元、人民幣5,204,000元及人民幣11,156,000元)。

已抵押銀行存款及銀行結餘按浮動利率計息。已抵押銀行存款及銀行結餘於2018年12月31日的加權平均實際利率分別為0.35%(2017年：1.81%)及0.49%(2017年：0.48%)。

以相關集團實體的功能貨幣以外的貨幣列值的本集團銀行結餘載列如下：

25. Pledged bank deposits/bank balances and Cash

Pledged bank deposits amounting to RMB82,700,000, RMBnil and RMB280,433,000 (2017: RMB16,500,000, RMB5,204,000 and RMB11,156,000) have been pledged to secure the bills payable, letter of credit and deposits from presale of properties, respectively.

Pledged bank deposits and bank balances carry variable interest rates. The weighted average effective interest rates on pledged bank deposits and bank balances as at 31 December 2018 were 0.35% (2017: 1.81%) and 0.49% (2017: 0.48%) respectively.

The Group's bank balances that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		美元 千元 US\$ '000	人民幣 千元 RMB '000
於2018年12月31日	As at 31 December 2018	48,581	333,421
於2017年12月31日	As at 31 December 2017	31,068	203,005

		港元 千元 HK\$ '000	人民幣 千元 RMB '000
於2018年12月31日	As at 31 December 2018	19,652	17,219
於2017年12月31日	As at 31 December 2017	35,385	29,579

26. 貿易及其他應付款項及來自預售物業之已收按金

(a) 貿易及其他應付款項

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
貿易應付款項	Trade payables	1,620,043	1,263,298
預收客戶款項	Receipt in advance from customers	133,019	161,515
應付職工薪酬(附註i)	Payroll payable (Note i)	405,741	249,871
物業、機器及設備的應付款項 (附註ii)	Payable for property, plant and equipment (Note ii)	161,564	267,703
其他應付稅項	Other tax payables	90,556	137,265
與物業開發項目有關的其他按金	Other deposits in relation to property development project	-	58,000
作出售用途之在建物業的應付施工 成本	Construction cost payables for properties under development for sale	112,742	-
其他應付及應計款項(附註iii)	Other payables and accruals (note iii)	178,046	207,516
總計	Total	2,701,711	2,345,168

附註：

- (i) 於2018年12月31日，應付職工薪酬包括一項為中國附屬公司僱員社保基金撥備人民幣72,261,000元(2017年：人民幣60,503,000元)。撥備金額指本集團中國附屬公司僱員的全數社保基金責任，乃按國家相關社保法規釐定，並按基數乘以社保比率計算。社保基數乃僱員在前一年度平均工資，不得少於當地社保局每年頒佈的下限。
- (ii) 收購物業、機器及設備的應付款項將於機器及設備安裝完成後三個月內支付，並將於年內計入新增在建工程。

Notes:

- (i) As at 31 December 2018, included in the payroll payable is a provision for social insurance fund for employees of the PRC subsidiaries amounting to RMB72,261,000 (2017: RMB60,503,000). The amount of the provision represents the Group's entire obligation for social insurance fund for employees of PRC subsidiaries and is determined based on the relevant national regulations on social insurance and calculated based on the basic counting unit multiplied by the social insurance rate. The basic counting unit for social insurance shall be the average wages of an employee in the preceding year and shall not be less than the minimum limit promulgated by the local social insurance bureau each year.
- (ii) The payable for acquisition of property, plant and equipment will be settled three months after the completion of installation of the plant and machinery which is recorded in the addition of construction in progress during the year.

26. 貿易及其他應付款項及來自預售物業之已收按金(續)

(a) 貿易及其他應付款項(續)

貿易應付款項包括達人民幣237,055,000元(2017年：人民幣42,313,000元)之應付票據。應付票據由本集團的已抵押銀行存款作為抵押。

供應商授出的平均信貸期為90日。本集團已制訂適當財務風險管理政策，以確保所有應付款項於信貸期限內清償。

根據發票日期，貿易應付款項的賬齡分析呈列如下：

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
30日內	Within 30 days	822,980	700,218
31日至90日	31-90 days	595,215	414,142
91日至180日	91-180 days	141,672	124,607
181日至365日	181-365 days	41,282	9,073
1至2年	1-2 years	11,728	7,402
超過2年	More than 2 years	7,166	7,856
		1,620,043	1,263,298

本集團以相關集團實體之功能貨幣以外之貨幣計值的貿易及其他應付款項載列如下：

		美元 千元 US\$ '000	人民幣 千元 RMB '000
於2018年12月31日	As at 31 December 2018	1,403	9,632
於2017年12月31日	As at 31 December 2017	4,092	26,737

26. Trade and other payables and deposits received from pre-sale of properties (Continued)

(a) Trade and other payables (Continued)

Included in the trade payables, there are bills payables amounting to RMB237,055,000 (2017: RMB42,313,000). Bills payable are secured by the Group's pledged bank deposits.

The average credit period granted by suppliers is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an analysis of trade payables by age, presented based on invoice date:

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26. 貿易及其他應付款項及來自
預售物業之已收按金(續)

(b) 來自預售物業之已收按金

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
來自預售物業之已收按金(附註)	Deposits received from pre-sale of properties (Note)	1,632,556	359,918

附註：該金額為中國預售物業產生的預收客戶款項。

26. Trade and other payables and deposits
received from pre-sale of properties
(Continued)

(b) Deposits received from pre-sale of properties

Note: The amount represents the receipt in advance from customers arising from the pre-sale of properties in the PRC.

27. 借貸

27. Borrowings

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
無抵押銀行借貸	Unsecured bank borrowings	2,042,450	1,738,000
有抵押銀行借貸	Secured bank borrowings	40,000	82,821
		2,082,450	1,820,821
須於以下期限內償還的賬面值：	Carrying amount repayable:		
1年內	Within one year	873,150	1,076,021
多於1年但不超過2年	More than one year, but not exceeding two years	769,300	674,800
多於2年但不超過5年	More than two years, but not more than five years	440,000	70,000
		2,082,450	1,820,821
減：列於流動負債下的1年內到期款項	Less: amount due within one year shown under current liabilities	873,150	1,076,021
1年後到期款項	Amount due after one year	1,209,300	744,800

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27. 借貸(續)

於2018年12月31日，人民幣40,000,000元(2017年：人民幣82,821,000元)的有抵押銀行借貸由本集團賬面總值為人民幣4,829,000元(2017年：人民幣5,337,000元)的樓宇、賬面總值為人民幣5,913,000元(2017年：人民幣2,701,000元)的預付租金以及人民幣零元(2017年：人民幣159,548,000元)的作出售用途之物業作為抵押。該等有抵押銀行借貸按年息4.70%(2017年：4.35%至6.37%)計息。

本集團定息借貸風險及合約到期日(或重新定價日)如下：

27. Borrowings (Continued)

As at 31 December 2018, secured bank borrowings of RMB40,000,000 (2017: RMB82,821,000) are secured by the Group's buildings with the aggregate carrying amount of RMB4,829,000 (2017: RMB5,337,000), prepaid lease payments with the aggregate carrying amount of RMB5,913,000 (2017: RMB2,701,000), and properties for sale of RMBnil (2017: RMB159,548,000). The secured bank borrowings carry interest at 4.70% (2017: 4.35% to 6.37%) per annum.

The exposures of the Group's fixed-rate borrowings and the contractual maturity dates (or repricing dates) are as follows:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
定息借貸：	Fixed-rate borrowings:		
1年內	Within one year	306,800	280,200
多於1年但不超過2年	In more than one year but not more than two years	249,650	76,800
多於2年但不超過5年	In more than two years but not more than five years	-	-
		556,450	357,000



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27. 借貸(續)

此外，本集團的浮息借貸如下：

於2018年12月31日	利率
人民幣1,526,000,000元	標準貸款利率加0%至15% (本年度適用的利率：4.35%至6.37%)

於2017年12月31日	利率
人民幣1,463,821,000元	標準貸款利率加0%至15% (本年度適用的利率：4.35%至6.37%)

浮動利率根據標準貸款利率變動。標準貸款利率由中國人民銀行頒佈。倘中國人民銀行頒佈的借貸利率變動，則按標準貸款利率計息的借貸利息將重新設定。

利息每3至12個月重新定價。

27. Borrowings (Continued)

In addition, the Group has following variable-rate borrowings:

As at 31 December 2018	Interest rate
RMB1,526,000,000	Standard lending rate plus 0% to 15% (current year applied rate: 4.35% to 6.37%)

As at 31 December 2017	Interest rate
RMB1,463,821,000	Standard lending rate plus 0% to 15% (current year applied rate: 4.35% to 6.37%)

The variable interest rates change in accordance with the standard lending rate. The standard lending rate is promulgated by the People's Bank of China. The interest of borrowing at standard lending rate will be reset when there is a change in the borrowing rate promulgated by the People's Bank of China.

Interest is repriced every 3 to 12 months.

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27. 借貸(續)

實際利率(亦相等於約定利率)範圍如下:

		2018年 2018	2017年 2017
實際利率:	Effective interest rate:		
定息借貸	Fixed-rate borrowings	4.35% to 5.67% 4.35%至5.67%	4.35% to 5.67% 4.35%至5.67%
浮息借貸	Variable-rate borrowings	4.35% to 6.37% 4.35%至6.37%	4.35% to 6.46% 4.35%至6.46%

於截至2018年12月31日止年度，本集團取得金額為人民幣220,000,000元(2017年：人民幣220,000,000元)的新無抵押短期銀行貸款及金額為人民幣1,316,000,000元(2017年：人民幣698,000,000元)的無抵押長期銀行貸款。

於報告期末，本集團有以下未提取借貸額度：

27. Borrowings (Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) are as follows:

During the year ended 31 December 2018, the Group obtained new unsecured short-term bank loans in the amount of RMB220,000,000 (2017: RMB220,000,000) and unsecured long-term bank loans in the amount of RMB1,316,000,000 (2017: RMB698,000,000).

As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
於1年內屆滿	Expiring within one year	2,042,750	2,726,000
超過1年屆滿	Expiring beyond one year	-	265,000
		2,042,750	2,991,000

28. 遞延收入

遞延收入指已收政府對物業、機器及設備、本集團產生的研發開支和現有辦公室及廠房的預付租金的補貼。

年內遞延收入的變動如下：

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
於1月1日	At 1 January	253,080	279,982
添置	Additions	88,448	1,120
轉撥至損益	Release to profit or loss	(34,110)	(28,022)
於12月31日	At 31 December	307,418	253,080

為報告所作的分析如下：

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
即期部分	Current portion	21,636	25,359
非即期部分	Non-current portion	285,782	227,721
		307,418	253,080

28. Deferred income

Deferred income represents government grants received in respect of property, plant and equipment and research and development expenses incurred by the Group in and the prepaid lease payments for existing office and plant and research and development expenses.

Movements of deferred income during the year are as follows:

Analysed for reporting purposes as:

29. 股本

29. Share capital

		股份數目 千股 Number of shares '000	股本 人民幣千元 Share capital RMB'000
每股面值0.1港元的普通股 法定：	Ordinary shares of HK\$0.1 each Authorised:		
於2017年1月1日、2017年12月31日 及2018年12月31日	At 1 January 2017, 31 December 2017 and 31 December 2018	4,000,000	382,200
已發行及繳足：	Issued and fully paid:		
於2017年1月1日、2017年12月31日 及2018年12月31日	At 1 January 2017, 31 December 2017 and 31 December 2018	2,111,689	200,397

於2017年及2018年度，概無本公司附屬公司購買、出售或贖回本公司任何上市證券。

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year 2017 and 2018.

30. 以股份支付的款項

本公司首次公開發售前購股權計劃及購股權計劃(「計劃」)乃根據於2007年11月16日通過的決議案而獲採納，其首要目的為獎勵董事及合資格僱員。根據計劃，本公司董事會可向合資格僱員(包括本公司及其附屬公司的董事及僱員)授出購股權以認購本公司股份。

於2018年及2017年12月31日，首次公開發售前購股權計劃下的已授出及尚未行使購股權概無涉及任何股份。

30. Share-based payments

The Company's Pre-IPO Share Option Scheme and Share Option Scheme (the "Schemes") were adopted pursuant to a resolution passed on 16 November 2007 for the primary purpose of providing incentives to directors and eligible employees. Under the Schemes, the board of directors of the Company may grant options to eligible employees, including directors and employees of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2018 and 2017, none of share in respect of which options had been granted and remained outstanding under the Pre-IPO Share Option Scheme.

31. 承擔

本集團尚未償還的承擔如下：

31. Commitments

The Group had outstanding commitments as follows:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
資本承擔	Capital Commitments		
有關收購物業、機器及設備的資本支出，已訂約但未在綜合財務報表內撥備	Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	43,071	–
有關作出售用途之物業的資本支出，但未在綜合財務報表內撥備	Capital expenditure in respect of properties for sale but not provided in the consolidated financial statements	130,000	219,000
有關按公平值計入其他全面收益之股本投資／可供出售投資的資本支出，已訂約但未在綜合財務報表內撥備	Capital expenditure in respect of equity investments at fair value through other comprehensive income/available-for-sale investments contracted but not provided in the consolidated financial statements	480,000	480,000
		653,071	699,000
其他承擔	Other Commitments		
有關作出售用途之在建物業的施工承擔，已訂約但未在綜合財務報表內撥備	Construction commitment contracted in respect of properties under development for sale contracted for but not provided in the consolidated financial statements	428,016	230,618
		1,081,087	929,618

32. 租賃承擔

本集團作為承租人

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
年內已付經營租賃最低租金付款：			
物業	Premises	1,600	2,717
租賃土地	Leasehold land	-	4,437
		1,600	7,154

於報告期末，本集團根據不可撤銷經營租賃承擔日後最低租金付款，其到期情況如下：

At the end of the reporting date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
1年內	Within one year	6,256	7,431
第2年至第5年(包括首尾兩年)	In the second and fifth inclusive	25,024	26,004
5年以上	Over five years	35,827	42,084
		67,107	75,519

經營租賃付款主要指本集團就若干土地應付的租金。租約經商討平均為期20年。

Operating lease payments mainly represent rentals payable by the Group for certain lands. Leases are negotiated for an average term of 20 years.

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33. 關連人士交易

年內，除綜合財務報表所載列者外，本集團曾進行下列關連人士交易：

(a) 購買原材料

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
非控股股東權益	Non-controlling interest	6,125	3,651

(b) 主要管理人員薪酬

年內，董事及其他主要管理人員的酬金如下：

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
短期僱員福利	Short-term employee benefits	48,652	42,950
退休福利	Post-employment benefits	-	18
		48,652	42,968

(c) 存放於本公司一名間接主要股東的一間附屬公司的銀行存款及相關利息收入

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
於12月31日的銀行存款金額	Bank deposit amount at 31 December	464,184	175,004
年內利息收入	Interest income during the year	1,180	4

33. Related party transactions

Other than set out in the consolidated financial statements, the Group entered into the following related party transactions during the year:

(a) Purchase of raw materials

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
Non-controlling interest		6,125	3,651

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
Short-term employee benefits		48,652	42,950
Post-employment benefits		-	18
		48,652	42,968

(c) Bank deposit placed to a subsidiary of an indirect substantial shareholder of the Company and related interest income

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
Bank deposit amount at 31 December		464,184	175,004
Interest income during the year		1,180	4

33. 關連人士交易(續)

(d) 銷售貨品

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
非控股股東權益	Non-controlling interest	118	-

(e) 自關連人士收購本集團一間附屬公司之進一步股權之注資

33. Related party transactions (Continued)

(d) sales of good

(e) Capital injection for acquisition of further equity in a subsidiary of the Group from connected parties

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
於東岳有機硅材料有限公司的注資，來自：長石投資有限公司(「長石投資」)(附註a)	Capital injection in Dong Yue Organosilicon Material Co., Ltd from: Cheung Shek Investment Limited ("Cheung Shek Investment") (note a)	180,519	-
淄博小熙企業管理公司(有限合夥)(「淄博小熙」)(附註b)	Zibo Xiaoxi Enterprise Management Limited Partnership ("Zibo Xiaoxi") (note b)	234,675	-

附註：

- (a) 長石投資由本公司一名執行董事間接控制。
(b) 淄博小熙由本公司兩名執行董事合共持有超過30%。

Notes:

- (a) Cheung Shek Investment is directly controlled by an executive director of the Company.
(b) Zibo Xiaoxi was owned more than 30% together by two of the executive directors of the Company.

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33. 關連人士交易(續)

(f) 自一名關連人士收購一間附屬公司之進一步股權

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
收購東營東岳鹽業有限公司的40%權益的已付現金代價	Cash consideration paid to purchase 40% equity interest in Dongying Dongyue Salt Co., Ltd.		
新華聯產業投資有限公司(附註)	Macro-link Asset Investment Co, Ltd. (note)	86,463	-

附註：
新華聯產業投資有限公司為新華聯控股有限公司的聯繫人，而新華聯為本公司的間接主要股東。

33. Related party transactions (Continued)

(f) Acquisition of further equity interest in a subsidiary from a related party

note:
Macro-link Asset Investment Co., Ltd. is an associate of Macro-Link Holding Limited, which is an indirect substantial shareholder of the Company.

34. 退休福利計劃

本集團在中國的僱員乃中國各個地方政府營運的國家退休福利計劃的成員。本集團須向計劃供款指定百分比(按薪酬成本計算)，作為有關福利的資金。本集團的唯一責任是對該等計劃作出指定供款。

34. Retirement benefits plans

The employees of the Group in the PRC are members of state-managed retirement benefit schemes operated by the respective local governments in the PRC. The Group is required to contribute a specified percentage of payroll costs to the schemes to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions.

35. 本公司附屬公司詳情

35. Particulars of subsidiaries of the company

附屬公司名稱 Name of subsidiary	註冊成立或登記/ 營運國家 Country of incorporation or registration/ operation	所持股份類別 Class of share held	已發行/註冊繳足股本 Paid up issued/ registered share capital	本公司所持所有權權益比例 Proportion ownership interest held by the Company				本公司所持投票權比例 Proportion of voting power held by the Company		主要業務 Principal activities
				直接 Directly		間接 Indirectly				
			千元 '000	2018年 2018 %	2017年 2017 %	2018年 2018 %	2017年 2017 %	2018年 2018 %	2017年 2017 %	
東岳高分子 Dongyue Polymers	中國 PRC	註冊資本 Registered capital	人民幣641,360元 RMB641,360	100.00	100.00	-	-	100.00	100.00	製造及銷售聚四氟乙烯 Manufacture and sale of polytetrafluoroethylene
東岳化工 Dongyue Chemicals	中國 PRC	註冊資本 Registered capital	人民幣340,000元 RMB340,000	-	-	100.00	100.00	100.00	100.00	製造及銷售聚四氟乙烯 Manufacture and sale of refrigerant
東岳鹽業 Dongyue Salt	中國 PRC	註冊資本 Registered capital	人民幣80,000元 RMB80,000	-	-	100.00	60.00	100.00	60.00	生產及銷售鹽 Production and sales of salt
東營東岳精細化工有限公司 Dongying Dongyue Precision Chemicals Co., Ltd	中國 PRC	註冊資本 Registered capital	人民幣12,667元 RMB12,667	-	25.00	100.00	59.21	100.00	84.21	生產及銷售溴素 Production and sales of bromine
東岳氟硅 Dongyue Fluo-Silicon	中國 PRC	註冊資本 Registered capital	人民幣400,000元 RMB400,000	69.79	69.79	13.43	13.43	83.22	83.22	製造及銷售甲烷氯化物 Manufacture and sales of methane chloride
HongKong TaiLi International Trading Co., Ltd.	香港 HK	註冊資本 Registered capital	100港元 HKD100	100.00	100.00	-	-	100.00	100.00	銷售化工產品 Sale of chemical products
東岳有機硅 Dongyue Organosilicon	中國 PRC	註冊資本 Registered capital	人民幣650,000元 RMB650,000	77.00	84.00	-	16.00	77.00	100.00	製造及銷售有機硅材料 Manufacture and sale of organosilicon material
內蒙古東岳金峰氟化工有限公司 Inner Mongolia Dongyue Peak Fluorine Chemicals Co., Ltd.	中國 PRC	註冊資本 Registered capital	人民幣70,000元 RMB70,000	-	-	51.00	51.00	51.00	51.00	製造及銷售無水氟化氫 Manufacture and sale of anhydrous fluoride
赤峰華昇礦產有限公司 Chifeng HuaSheng Mining Co., Ltd.	中國 PRC	註冊資本 Registered capital	人民幣9,000元 RMB9,000	-	-	80.00	80.00	80.00	80.00	製造及銷售螢石 Manufacture and sale of fluorite
內蒙古東岳氟材料有限公司 Inner Mongolia Dongyue Fluorine Chemicals Co., Ltd.	中國 PRC	註冊資本 Registered capital	人民幣50,000元 RMB50,000	-	-	100.00	100.00	100.00	100.00	製造及銷售螢石 Manufacture and sale of fluorite

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35. 本公司附屬公司詳情(續)

35. Particulars of subsidiaries of the company
(Continued)

附屬公司名稱 Name of subsidiary	註冊成立或登記/ 營運國家 Country of incorporation or registration/ operation	所持股份類別 Class of share held	已發行/註冊繳足股本 Paid up issued/ registered share capital	本公司所持所有權權益比例 Proportion ownership interest held by the Company				本公司所持投票權比例 Proportion of voting power held by the Company		主要業務 Principal activities
				直接 Directly		間接 Indirectly				
				2018年 2018	2017年 2017	2018年 2018	2017年 2017	2018年 2018	2017年 2017	
				%	%	%	%	%	%	
山東東岳汶河氟材料有限公司 Shandong Dongyue Wenhe Fluorine Chemicals Co., Ltd.	中國 PRC	註冊資本 Registered capital	人民幣115,700元 RMB115,700	-	-	51.00	51.00	51.00	51.00	製造及銷售硅橡膠 Manufacture and sale of silicone rubber
山東東岳聯邦置業有限公司(a) Shandong Dongyue Union Property Co., Ltd. (a)	中國 PRC	註冊資本 Registered capital	人民幣80,000元 RMB80,000	-	-	64.00	64.00	64.00	64.00	物業開發 Property development
山東博大房地產開發有限公司(c) Shandong Boda Real Estate Development Co., Ltd. (c)	中國 PRC	註冊資本 Registered capital	人民幣50,000元 RMB50,000	-	-	100.00	100.00	100.00	100.00	物業開發 Property development
張家界鑫業房地產開發有限公司(c) Zhangjiajie Xinye Real Estate Development Co., Ltd. (c)	中國 PRC	註冊資本 Registered capital	人民幣80,000元 RMB80,000	-	-	100.00	100.00	100.00	100.00	物業開發 Property development
桓台東岳國際貿易有限公司 Huangtai Dongyue International Trade Co., Ltd.	中國 PRC	註冊資本 Registered capital	人民幣5,000元 RMB5,000	-	-	100.00	100.00	100.00	100.00	銷售化工產品 Sale of chemical products
華夏神舟 Huaxia Shenzhou	中國 PRC	註冊資本 Registered capital	人民幣10,000元 RMB10,000	-	-	100.00	100.00	100.00	100.00	製造及銷售含氟高分子化學 品 Manufacture and sale of fluoropolymer
山東東岳未來氫能材料有限公司(b) Shandong Dongyue Future Hydrogen Energy Materials Co. Ltd. (b)	中國 PRC	註冊資本 Registered capital	人民幣100,000元 RMB100,000	-	-	40.00	40.00	40.00	40.00	生產及銷售氫能材料 Production and sales of hydrogen energy materials
淄博河澗水務有限責任公司(b) Zibo Herun Shuiwu Company Limited. (b)	中國 PRC	註冊資本 Registered capital	人民幣25,000,000元 RMB25,000,000	-	-	100.00	-	100.00	-	廢水處理及循環系統 Sewage treatment and its recycling

於年終，附屬公司概無發行任何債務證券。
所有中國附屬公司均為國內企業。

None of the subsidiaries had issued any debt securities at the end
of the year. All the PRC subsidiaries are domestic enterprises.

35. 本公司附屬公司詳情(續)

附註：

- (a) 山東東岳聯邦置業有限公司於截至2017年12月31日止年度增加非控股股東注資。
- (b) 山東東岳未來氫能材料有限公司於2017年12月19日成立。

淄博河潤水務有限責任公司於2018年11月7日成立。
- (c) 山東博大房地產開發有限公司已由本集團於2017年6月28日收購，成為本集團的間接全資附屬公司。

張家界鑫業房地產開發有限公司已由本集團於2017年8月21日收購，成為本集團的間接全資附屬公司。

36. 出售一間附屬公司

於2018年10月16日，本集團與獨立第三方訂立買賣協議，以按代價人民幣12,000,000元出售山東東岳大眾貿易有限公司(「東岳大眾」)的60%股權及東岳大眾一家間附屬公司，出售已於2018年10月16日完成。

35. Particulars of subsidiaries of the company (Continued)

Notes:

- (a) Shandong Dongyue Union Property Co., Ltd. has increased capital contribution from non-controlling shareholder during the year ended 31 December 2017.
- (b) Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd. has been set up on 19 December 2017.

Zibo Herun Shuwu Company Limited has been set up on 7 November 2018.
- (c) Shandong Boda Real Estate Development Co., Ltd. has been acquired by the Group as indirectly wholly owned subsidiary on 28 June 2017.

Zhangjiajie Xinye Real Estate Development Co., Ltd. has been acquired by the Group as indirectly wholly owned subsidiary on 21 August 2017.

36. Disposal of a subsidiary

On 16 October 2018, the Group entered into a sales and purchase agreement with independent third parties, to dispose 60% shareholding of Shandong Dongyue Mass Trade Co., Ltd. ("Dongyue Mass") together with a subsidiary of Dongyue Mass, at a consideration of RMB12,000,000, the disposal was completed on 16 October 2018.



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36. 出售一間附屬公司(續)

出售下列各項資產淨值：

36. Disposal of a subsidiary (Continued)

Net assets disposed of:

		人民幣千元 RMB'000
遞延稅項資產	Deferred tax assets	1,682
存貨	Inventory	12,177
貿易及其他應收款項	Trade and other receivables	43,266
可收回稅項	Tax recoverable	1,884
現金及等同現金項目	Cash and cash equivalents	4,561
貿易及其他應付款項	Trade and other payables	(43,642)
資產淨值	Net assets	19,928
非控股股東權益	Non-controlling interest	(7,971)
本公司擁有人應佔資產總值	Total assets attributable to owners of the Company	11,957
出售一間附屬公司的收益	Gain on disposal of a subsidiary	43
代價	Consideration	12,000
以下列方式支付：	Satisfied by:	
現金	Cash	3,000
其他應收款項	Other receivable	9,000
		12,000

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36. 出售一間附屬公司(續)

以下為有關出售一間附屬公司的現金及等同現金項目的流入淨額分析：

36. Disposal of a subsidiary (Continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a subsidiary as follows:

		人民幣千元 RMB'000
現金代價	Cash consideration	3,000
出售現金及等同現金項目	Cash and cash equivalents disposed of	(4,561)
<hr/>		
有關出售一間附屬公司的現金及等同現金項目流出淨額	Net outflow cash and cash equivalents in respect of the disposal of a subsidiary	(1,561)

37. 本公司財務狀況表概況

37. Summarised statement of financial position of the Company

		2018年 人民幣千元 2018 RMB'000	2017年 人民幣千元 2017 RMB'000
於附屬公司的投資	Investments in subsidiaries	1,521,381	1,524,547
按公平值計入其他全面收益之股本投資	Equity investments at fair value through other comprehensive income	33,119	-
可供出售投資	Available-for-sale investments	-	74,589
銀行結餘及現金	Bank balances and cash	41,180	85,707
其他流動資產	Other current assets	215	134,425
其他流動負債	Other current liabilities	(3,558)	(9,583)
		1,592,337	1,809,685
<hr/>			
股本	Share capital	200,397	200,397
儲備(附註)	Reserves (Note)	1,391,940	1,609,288
		1,592,337	1,809,685

綜合財務報表附註
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37. 本公司財務狀況表概況(續)

附註：

儲備變動：

		股份溢價 人民幣千元 Share premium RMB'000	資本儲備 人民幣千元 Capital reserve RMB'000	保留盈利 人民幣千元 Retained earnings RMB'000	總計 人民幣千元 Total RMB'000
2017年1月1日結餘	Balance at 1 January 2017	1,224,924	200,344	54,149	1,479,417
年內溢利及全面收益總額	Profit and total comprehensive income for the year	-	-	403,799	403,799
已付股息	Dividends paid	-	-	(273,928)	(273,928)
2017年12月31日結餘	Balance at 31 December 2017	1,224,924	200,344	184,020	1,609,288
年內溢利及全面收益總額	Profit and total comprehensive income for the year	-	-	297,820	297,820
已付股息	Dividends paid	-	-	(515,168)	(515,168)
2018年12月31日結餘	Balance at 31 December 2018	1,224,924	200,344	(33,328)	1,391,940

37. Summarised statement of financial position of the Company (Continued)

Note:

Movement in the reserves:

38. 批准綜合財務報表

董事會於2019年3月27日批准及授權刊發綜合財務報表。

38. Approval of the consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 27 March 2019.

五年財務概要

Five-Year Financial Summary

資產及負債

Assets and liabilities

於12月31日

As at 31 December

		2014年 人民幣千元 2014 RMB'000	2015年 人民幣千元 2015 RMB'000	2016年 人民幣千元 2016 RMB'000	2017年 人民幣千元 2017 RMB'000	2018年 人民幣千元 2018 RMB'000
資產總額	Total Assets	12,003,560	11,500,728	10,865,117	12,277,964	16,523,851
負債總額	Total Liabilities	(6,105,756)	(6,428,353)	(5,178,866)	(4,965,553)	(7,131,652)
		5,897,804	5,072,375	5,686,251	7,312,411	9,392,199
本公司擁有人應佔權益	Equity attributable to Owners of the Company	5,640,807	4,801,539	5,388,008	6,709,732	8,336,606
非控股股東權益	Non-controlling interests	256,997	270,836	298,243	602,679	1,055,593
		5,897,804	5,072,375	5,686,251	7,312,411	9,392,199

財務業績

Financial results

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		2014年 人民幣千元 2014 RMB'000	2015年 人民幣千元 2015 RMB'000	2016年 人民幣千元 2016 RMB'000	2017年 人民幣千元 2017 RMB'000	2018年 人民幣千元 2018 RMB'000
收益	Revenue	7,599,696	7,032,486	7,969,773	10,137,137	14,218,937
銷售成本	Cost of sales	(6,383,611)	(5,863,519)	(6,328,718)	(7,072,865)	(9,687,291)
毛利	Gross profit	(1,216,085)	1,168,967	1,641,055	3,064,272	4,531,646
其他收入	Other income	290,501	343,949	186,667	225,467	119,209
分銷及銷售開支	Distribution and selling expenses	(251,209)	(251,284)	(283,058)	(313,959)	(358,726)
行政開支	Administrative expenses	(289,791)	(261,116)	(387,610)	(656,333)	(782,735)
可供出售投資減值	Impairment of available-for-sale investments	-	-	(42,324)	-	-
無形資產減值	Impairment of intangible assets	-	(40,000)	-	(17,485)	-
撤銷資產	Assets written off	-	(1,478,200)	-	-	-
研究及開發開支	Research and development expenses	(73,398)	(69,797)	(73,947)	(94,609)	(177,360)
融資成本	Finance costs	(201,441)	(208,663)	(166,229)	(112,890)	(97,135)
應佔聯營公司業績	Share of results of associates	283	(573)	(12,440)	47,310	-
除稅前溢利	Profit before tax	691,030	(796,717)	862,114	2,141,773	3,234,899
所得稅開支	Income tax expense	(194,034)	115,780	(246,648)	(459,974)	(800,200)
本年度溢利及全面收益總額	Profit and total comprehensive income for the year	496,996	(680,937)	615,466	1,681,799	2,434,699
下列各方應佔溢利及全面收益 (開支)總額：	Profit and total comprehensive income (expense) attributable to:					
本公司擁有人	Owners of the Company	483,276	(690,479)	588,154	1,601,397	2,129,098
非控股股東權益	Non-controlling interests	13,720	9,542	27,312	80,402	305,601
		496,996	(680,937)	615,466	1,681,799	2,434,699

註冊辦事處

Vistra (Cayman) Limited
P.O. Box 31119
Grand Pavillion, Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

中國總辦事處及主要營業地點

中國
山東省
淄博市
東岳氟硅材料產業園

香港主要營業地點

香港灣仔
告士打道151號
資本中心
15樓02室

網址

www.dongyuechem.com

董事

執行董事

張建宏先生(主席兼行政總裁)
傅軍先生
劉傳奇先生
張哲峰先生(副總裁兼首席財務官)
張必書先生
張建先生

Registered office

Vistra (Cayman) Limited
P.O. Box 31119
Grand Pavillion, Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

Head office and principal place of business in the PRC

Dongyue International Fluoro
Silicone Material Industry Park
Zibo City
Shandong Province the PRC

Principal place of business in Hong Kong

Flat 02, 15th Floor, Capital Centre
151 Gloucester Road
Wan Chai
Hong Kong

Website address

www.dongyuechem.com

Directors

Executive directors

Mr. ZHANG Jianhong (*Chairman and Chief Executive Officer*)
Mr. FU Kwan
Mr. LIU Chuanqi
Mr. ZHANG Zhefeng (*Vice President and Chief Financial Officer*)
Mr. ZHANG Bishu
Mr. ZHANG Jian



獨立非執行董事

丁良輝先生
楊曉勇先生
岳潤棟先生

公司秘書

鍾德麗女士

授權代表

傅軍先生
鍾德麗女士

審核委員會

丁良輝先生(主席)
楊曉勇先生
岳潤棟先生

薪酬委員會

楊曉勇先生(主席)
丁良輝先生
張建宏先生

提名委員會

張建宏先生(主席)
丁良輝先生
楊曉勇先生

企業管治委員會

張建宏先生(主席)
劉傳奇先生
張必書先生

Independent non-executive directors

Mr. TING Leung Huel, Stephen
Mr. Yang Xiaoyong
Mr. YUE Rundong

Company secretary

Ms. Chung Tak Lai

Authorized representatives

Mr. FU Kwan
Ms. CHUNG Tak Lai

Audit committee

Mr. TING Leung Huel, Stephen (*Chairman*)
Mr. YANG Xiaoyong
Mr. YUE Rundong

Remuneration committee

Mr. YANG Xiaoyong (*Chairman*)
Mr. TING Leung Huel, Stephen
Mr. ZHANG Jianhong

Nomination committee

Mr. ZHANG Jianhong (*Chairman*)
Mr. TING Leung Huel, Stephen
Mr. YANG Xiaoyong

Corporate Governance Committee

Mr. ZHANG Jianhong (*Chairman*)
Mr. LIU Chuanqi
Mr. ZHANG Bishu

風險管理委員會

丁良輝先生(主席)
楊曉勇先生
岳潤棟先生

Risk Management Committee

Mr. Ting Leung Huel, Stephen (*Chairman*)
Mr. Yang Xiaoyung
Mr. Yue Rundong

股份過戶登記總處

SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110
Cayman Islands

Principal share registrar and transfer office

SMP Partners (Cayman) Limited
Royal Bank House
3rd Floor, 24 Shedden Road
P.O. Box 1586
Grand Cayman KY1-1110
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

Hong Kong branch share registrar and transfer office

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

主要往來銀行

中國建設銀行股份有限公司
桓台支行
中國山東省
淄博市桓台縣
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Principal bankers

China Construction Bank Corporation
Huantai Branch
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Zibo City, Huantai
Shandong Province, PRC

中國工商銀行股份有限公司
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Industrial and Commercial Bank of China Limited
Huantai Branch
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Zibo Huantai
Shandong Province, PRC

中國銀行股份有限公司
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中國山東省
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Huantai Branch
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公司資料 Corporate Information

中國農業銀行股份有限公司
桓台支行
中國山東省
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Agricultural Bank of China Limited
Huantai Branch
101 Zhongxin Road
Suo Zhen
Zibo City, Huantai
Shandong Province, PRC

興業銀行股份有限公司
淄博分行
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淄博市高新區
柳泉路103號

Industrial Bank Co., Ltd.
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投資者關係顧問

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核數師

開元信德會計師事務所有限公司
執業會計師

Auditors

Elite Partners CPA Limited
Certified Public Accountants

外部法律顧問

諾頓羅氏富布萊特香港
貝克·麥堅時律師行·香港

External legal advisor

Norton Rose Fulbright Hong Kong
Baker & McKenzie Hong Kong

股份代號

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Stock code

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中國山東桓台東岳氟硅材料產業園區

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