



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

(Incorporated in the Cayman Islands with limited liability) (於開曼群島註冊成立之有限公司)
Stock Code 股份代號 : 1986



2019 Annual Report 年報

* For identification purpose only 僅供識別

Contents

目錄

- 2 Company Overview
公司概覽
- 4 Corporate Information
公司資料
- 7 Financial Highlights
財務摘要
- 8 Five-Year Financial Summary
五年財務概要
- 10 Chairman's Report
主席報告
- 16 Management Discussion and Analysis
管理層討論及分析
- 36 Environment, Social and Governance Report
環境、社會及管治報告
- 91 Directors and Senior Management
董事及高級管理層
- 97 Directors' Report
董事會報告
- 123 Report of Corporate Governance
企業管治報告
- 150 Independent Auditor's Report
獨立核數師報告
- 158 Consolidated Statement of Profit or Loss and
Other Comprehensive Income
綜合損益及其他全面收益表
- 160 Consolidated Statement of Financial Position
綜合財務狀況表
- 162 Consolidated Statement of Changes in Equity
綜合權益變動表
- 164 Consolidated Statement of Cash Flows
綜合現金流量表
- 167 Notes to Financial Statements
財務資料附註
- 286 Definitions
釋義



Company Overview

公司概覽

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

DSD Acid, a dye intermediate, can produce dyes and optical brightening agents (“**OBA**”) after being processed. It is widely used in downstream products, mainly paper, textile, detergents and cosmetics. The main product of agricultural chemical intermediates of the Group are ONT and OT. Toluene produces PNT, ONT and MNT (collectively called “**mononitrotoluene**”) simultaneously through chemical processes. PNT is the major raw material for producing DSD Acid; ONT and OT are mainly used to produce herbicides. By producing mononitrotoluene, we successfully secured the upstream raw material supplies for DSD Acid and stabilized its price, and further expanded our product portfolio to include agricultural chemical intermediates, so as to increase our market share. Another major product of the Group, pigment intermediates, consisting mainly of DMSS and DMAS, are important raw materials for the production of high-grade pigments, which are mainly used in products such as printing ink, food additives, and high-grade paint.

Leveraging its advantages in research and development technology and rich experience in the fine chemicals industry, the Group began to invest in the research and development and manufacturing of iron phosphate, the precursor of new energy anode materials, in early 2017, and has broadened its products in the new energy field to include carbon nanotube paste and the precursor of ternary anode materials. The Group built a 15,000-tonne iron phosphate production line in Cangzhou, Hebei, the PRC and have completed process transformation during the Reporting Period and supplied products to downstream customers, receiving favorable feedback.

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

染料中間體產品主要為DSD酸，經加工後可生產成染料及熒光增白劑（「**OBA**」）。其下游用途廣泛，主要包括紙張、紡織物、洗滌劑及化妝品。本集團農業化學品中間體主要為ONT及OT。甲苯經過化學反應同時生成PNT、ONT及MNT（統稱「**一硝基甲苯**」），PNT是生產DSD酸的重要原材料，ONT及OT主要用作生產除草劑。透過生產一硝基甲苯，我們成功保障DSD酸的上游原材料供應，穩定其價格，並進一步延伸產品組合至農業化學品中間體，以擴大市場佔有率。本集團另一重點產品顏料中間體，主要為DMSS、DMAS等，是生產高檔顏料的重要原材料，高檔顏料主要用於印刷油墨、食品添加劑、高檔油漆等產品中。

利用自身的研發技術優勢以及精細化工領域的豐富經驗，本集團於二零一七年初開始佈局新能源正極材料前驅體磷酸鐵的研發和生產，並將新能源領域產品拓展至碳納米管導電漿料以及三元正極材料前驅體產品，本集團在中國河北滄州建設的1.5萬噸磷酸鐵產品線已於報告期內完成工藝改造並向下遊客戶供貨，獲得較好的口碑。



Company Overview

公司概覽

In light of its existing experience in environmental treatment on fine chemicals, the Group commenced environmental protection consultancy services at the end of 2017, providing consulting services concerning atmospheric controlling and wastewater and soil treatment, which began to continuously contribute revenue to the Group in 2018.

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

基於現有的精細化工環保處理經驗，本集團於二零一七年底開展環保諮詢服務，對外提供大氣治理、廢水處理以及土壤處理的諮詢服務，並於二零一八年開始為本集團持續貢獻收入。

本集團擁有的生產設施主要位於中國河北省東光 and 山東省東營。





Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. GE Yi
Mr. BAI Kun
Ms. ZHANG Nan (appointed on 10 January 2019)

Non-executive Directors

Mr. XIAO Yongzheng (resigned on 10 January 2019)
Mr. FONTAINE Alain Vincent

Independent non-executive Directors

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

JOINT COMPANY SECRETARIES

Ms. YANG Xue
Ms. LEUNG Suet Lun

AUTHORIZED REPRESENTATIVES

Mr. GE Yi
Ms. LEUNG Suet Lun

AUDIT COMMITTEE

Mr. ZHU Lin (*Chairman*)
Mr. HO Kenneth Kai Chung (designated on 10 January 2019)
Mr. YU Miao

REMUNERATION COMMITTEE

Mr. YU Miao (*Chairman*)
Mr. ZHU Lin (designated on 10 January 2019)
Mr. HO Kenneth Kai Chung

董事會

執行董事

戈弋先生
白崑先生
張楠女士(於二零一九年一月十日獲委任)

非執行董事

肖勇政先生(於二零一九年一月十日辭任)
FONTAINE Alain Vincent先生

獨立非執行董事

何啟忠先生
朱霖先生
于淼先生

聯席公司秘書

楊雪女士
梁雪綸女士

授權代表

戈弋先生
梁雪綸女士

審核委員會

朱霖先生(*主席*)
何啟忠先生(於二零一九年一月十日獲調任)
于淼先生

薪酬委員會

于淼先生(*主席*)
朱霖先生(於二零一九年一月十日獲調任)
何啟忠先生



NOMINATION COMMITTEE

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

REGISTERED OFFICE

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

HEAD OFFICE IN THE PRC

Building No. 10
109 Jinghaisanlu
Beijing Economic-Technological Development Area
The PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

31st Floor
Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

提名委員會

戈弋先生(主席)
何啟忠先生
朱霖先生

註冊辦事處

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

中國總辦事處

中國
北京經濟技術開發區
經海三路109號院
10號樓

香港主要營業地點

香港
銅鑼灣
勿地臣街1號
時代廣場
二座
31樓

股份過戶及登記總處

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



Corporate Information 公司資料

HONG KONG BRANCH SHARE REGISTRAR

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISER

As to Hong Kong law:
H.M. Chan & Co in association with Taylor Wessing
21st Floor
8 Queen's Road Central
Central
Hong Kong

AUDITOR

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

STOCK CODE

1986

PRINCIPAL BANKERS

China Construction Bank (Dongguang branch)
Bank of China (Dongguang branch)
Citibank (Hong Kong Branch)

INVESTOR ENQUIRIES

Website: www.tsaker.com

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54樓

法律顧問

香港法律：
陳浩銘律師事務所與泰樂信聯盟
香港
中環
皇后大道中8號
21樓

核數師

安永會計師事務所
執業會計師
香港
中環
添美道1號
中信大廈22樓

股份代號

1986

主要往來銀行

中國建設銀行(東光支行)
中國銀行(東光支行)
花旗銀行(香港支行)

投資者查詢

網站：www.tsaker.com



Financial Highlights

財務摘要

For the year ended 31 December		2019 二零一九年 RMB' 000 人民幣千元 (Audited) (經審核)	2018 二零一八年 RMB' 000 人民幣千元 (Audited) (經審核)
截至十二月三十一日止年度			
REVENUE	收益	1,818,347	1,515,882
GROSS PROFIT	毛利	1,040,957	524,093
PROFIT FOR THE YEAR	年內溢利	518,284	222,817
Profit attributable to:	應佔溢利：		
Owners of the parent	母公司擁有人	517,927	222,901
Earnings per share attributable to ordinary equity holders of the parent:	母公司普通權益擁有人應佔每股盈利：		
		人民幣RMB	人民幣RMB
– Basic and diluted	– 基本及攤薄	0.50元	0.21元

For the year ended 31 December 2019, revenue of the Group amounted to approximately RMB1,818.3 million, representing an increase of approximately RMB302.4 million or 20.0% comparing with that in the same period of 2018.

截至二零一九年十二月三十一日止年度，本集團收益約為人民幣1,818.3百萬元，較二零一八年同期增加約人民幣302.4百萬元或20.0%。

For the year ended 31 December 2019, gross profit of the Group amounted to approximately RMB1,041.0 million, representing an increase of approximately RMB516.9 million or 98.6% comparing with that in the same period of 2018.

截至二零一九年十二月三十一日止年度，本集團毛利約為人民幣1,041.0百萬元，較二零一八年同期增加約人民幣516.9百萬元或98.6%。

For the year ended 31 December 2019, net profit of the Group amounted to approximately RMB518.3 million, representing an increase of approximately RMB295.5 million or 132.6% comparing with that in the same period of 2018.

截至二零一九年十二月三十一日止年度，本集團純利約為人民幣518.3百萬元，較二零一八年同期增加約人民幣295.5百萬元或132.6%。

For the year ended 31 December 2019, basic and diluted earnings per share attributable to ordinary equity holders of the parent amounted to approximately RMB0.50, representing an increase of approximately RMB0.29 or 138.1% comparing with that in the same period of 2018.

截至二零一九年十二月三十一日止年度，母公司普通股權益擁有人應佔每股基本及攤薄盈利約為人民幣0.50元，較二零一八年同期增加約人民幣0.29元或138.1%。

The Board recommended the declaration of a final dividend of RMB0.092 per share, subject to the Shareholders' approval at the AGM. Together with the special dividend (the "Special Dividend") of RMB0.058 per share declared by the Board on 5 March 2020, the dividends in aggregate for the year ended 31 December 2019 will amount to RMB0.150 per share.

董事會建議宣派末期股息每股人民幣0.092元，惟須於股東週年大會上獲股東批准。連同董事會於二零二零年三月五日宣派的特別股息（「特別股息」）每股人民幣0.058元，截至二零一九年十二月三十一日止年度的股息總額將為每股人民幣0.150元。



Five-Year Financial Summary

五年財務概要

For the year ended 31 December

截至十二月三十一日止年度

		2019 二零一九年 RMB' 000 人民幣千元	2018 二零一八年 RMB' 000 人民幣千元	2017 二零一七年 RMB' 000 人民幣千元	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Operating results – Summary	經營業績—概要					
Revenue	收益	1,818,347	1,515,882	1,247,392	1,041,142	880,270
Gross profit	毛利	1,040,957	524,093	362,989	293,605	267,331
Profit for the year	年內溢利	518,284	222,817	136,106	120,921	97,470
Profit attributable to:	應佔溢利：					
Owners of the parent	母公司擁有人	517,927	222,901	136,131	120,921	97,470
Balance sheet – Summary	資產負債表—概要					
Non-current assets	非流動資產	1,724,977	1,634,095	1,278,371	1,013,486	849,555
Current assets	流動資產	856,423	875,056	977,883	926,247	891,027
Total assets	資產總值	2,581,400	2,509,151	2,256,254	1,939,733	1,740,582
Current liabilities	流動負債	745,937	871,472	705,342	716,947	869,674
Non-current liabilities	非流動負債	69,022	317,794	408,976	261,801	8,356
Net assets	資產淨值	1,766,441	1,319,885	1,141,936	960,985	862,552
Financial ratio	財務比率					
Gross profit margin	毛利率	57.3%	34.6%	29.1%	28.2%	30.4%
Net profit margin	純利率	28.5%	14.7%	10.9%	11.6%	11.1%
Return on equity ⁽¹⁾	股本回報率 ⁽¹⁾	33.6%	18.1%	12.9%	13.3%	16.3%
Current ratio ⁽²⁾	流動比率 ⁽²⁾	1.15	1.00	1.39	1.29	1.02
Net debt to equity ratio ⁽³⁾	資產負債比率 ⁽³⁾	17.8%	49.3%	51.0%	43.9%	36.8%
Inventory turnover days ⁽⁴⁾	存貨周轉天數 ⁽⁴⁾	112	59	41	39	46
Trade and notes receivables turnover days ⁽⁵⁾	貿易應收款項及 應收票據周轉天數 ⁽⁵⁾	54	69	71	65	59
Trade payables turnover days ⁽⁶⁾	貿易應付款項周轉天數 ⁽⁶⁾	146	130	129	124	139



Five-Year Financial Summary

五年財務概要

Notes:

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

附註：

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



Chairman's Report

主席報告

Dear Shareholders,

On behalf of the board (the **"Board"**) of directors (the **"Directors"**) of the Company, I am pleased to report the results of the Group for the year ended 31 December 2019.

In 2019, the supervision of environmental protection and production safety was tightened as accidents involving Chinese chemical companies were occurring frequently. However, the Group withstood these challenges, thanks to its investment in the technology as well as research and development for environmental protection over the years, as well as the possession of comprehensive environmental facilities and equipment and strict standards governing production safety. The Group achieved rapid growth in business performance as well by virtue of its leading position in the fine chemical market. As a result of the evolving competitive environment on the market, the price of DSD Acid, a core product of the Group, went up and stood at a high gross profit level, but this high price depressed the downstream demand in the meantime, so that the total revenue of the Group increased by approximately 20.0% year-on-year to RMB1,818.3 million (2018: approximately RMB1,515.9 million).

BUSINESS REVIEW

As a leading company in the fine chemicals industry, the Group endeavours to extend to the upstream, downstream and peripheral businesses centring on its existing core products and businesses and actively develop in the new energy and environmental protection consultancy services industry to continuously increase sources of revenue for the Group. In February 2017, the Group began to build a production line for iron phosphate, a precursor of anode material of lithium battery. As at the end of 2019, the iron phosphate production line has completed technology transformation and began to supply products to downstream customers in small batches, receiving unanimous acclaim from them.

致各位尊貴股東：

本人欣然代表彩客化學集團有限公司董事（「董事」）會（「董事會」）呈報本集團截至二零一九年十二月三十一日止年度的業績。

二零一九年，國內化工企業事故頻發，引致更嚴格的環保和安全生產監管。本集團憑藉多年在環保方面的技術和研發投入，以及完善的環保設施設備，嚴格的安全生產管理標準，經住了嚴峻的考驗，並憑藉精細化工市場的龍頭地位，實現了經營業績的飛速發展。由於市場競爭環境變化，導致本集團核心產品DSD酸價格上漲，並維持較高的毛利水平，但高價同時抑制了下游需求，導致本集團整體收益同比增長約20.0%至人民幣1,818.3百萬元（二零一八年：約人民幣1,515.9百萬元）。

業務回顧

作為精細化工行業的領先企業，本集團致力於圍繞現有核心產品及業務進行上下游及周邊業務的延伸，並積極佈局新能源及環保諮詢服務產業，不斷為集團增加新的收入來源。於二零一七年二月，本集團開始自建鋰電池正極材料前驅體磷酸鐵生產線，截至二零一九年底，磷酸鐵生產線已完成技術改造並小批量向下游客戶供貨，產品取得客戶的一致好評。



In 2019, the dye and agricultural chemical intermediates segment remained the largest contributor to the Group's revenue, accounting for 83.0% of the total revenue. The segment includes DSD Acid, OBA and mononitrotoluene products. DSD Acid is mainly used in the production of OBA, and its end applications include brightening elements of bleach for textile, brightening of paper and detergents. Toluene generates three chemical materials through chemical process, namely PNT, ONT and MNT. PNT is the major raw material for DSD Acid production. After commencing its own production of mononitrotoluene, the Group is able to stabilise the upstream supply of raw materials. Meanwhile, ONT and OT are important agricultural chemical intermediates in the production of herbicides. In 2019, the segment contributed revenue of approximately RMB1,509.6 million, representing an increase of approximately 24.5% compared with that for the same period last year. During the Review Year, affected by the evolving market competition landscape, the average sales price of DSD Acid increased significantly. As a result, the gross profit margin of the segment increased by approximately 26.7 percentage points to approximately 62.1%.

In 2019, the revenue from pigment intermediates accounted for 14.5% of the Group's total revenue overall, contributing revenue of approximately RMB263.2 million. To continue to expand its presence in the pigment intermediates market and enlarge its global market share, the Group has successfully increased the capacity of DMAS and DATA. During the Review Year, the sales volume of pigment intermediates increased to approximately 8,858 tonnes, and the gross profit margin increased by approximately 3.8 percentage points to approximately 37.7% as compared with that for the same period in 2018.

In 2019, revenue of the battery material segment accounted for 0.5% of the Group's total sales, contributing revenue of approximately RMB8.4 million. During the Review Year, the environmental technology consultancy business generated revenue of approximately RMB37.1 million, with a gross profit margin of approximately 24.1%.

二零一九年，染料及農業化學品中間體板塊仍然為本集團收入貢獻最大的板塊，佔整體收益的83.0%。該板塊包括DSD酸、OBA及一硝基甲苯產品。DSD酸主要應用於OBA生產，終端應用至紡織品染白、紙張增白和洗滌用品中的亮白成份。甲苯經過化學過程生成三種化學材料，包括PNT、ONT以及MNT。PNT是生產DSD酸的重要原材料，本集團自行生產一硝基甲苯後可穩定上游原材料之供應。與此同時，ONT及OT是生產除草劑的重要農業化學品中間體。二零一九年，該板塊貢獻收益約人民幣1,509.6百萬元，較去年同期上升約24.5%。回顧年內，DSD酸受市場競爭環境變化的影響，平均銷售價格大幅上調，因此該板塊毛利率上升約26.7個百分點至約62.1%。

二零一九年，本集團顏料中間體的整體總收益佔比為14.5%，貢獻收益約人民幣約263.2百萬元。為持續擴大顏料中間體市場的話語權，擴大全球市場份額，本集團已經成功對DMAS及DATA產品進行產能擴充。回顧年內顏料中間體銷量上升至約8,858噸，毛利率較二零一八年同期上升約3.8個百分點至約37.7%。

二零一九年，本集團電池材料板塊的整體銷售佔比為0.5%，貢獻收益約人民幣8.4百萬元。於回顧年內，環保技術諮詢業務實現收益約人民幣37.1百萬元，毛利率約為24.1%。



Chairman's Report 主席報告

In addition to continuously consolidating existing businesses, the Group expanded the capacity and upgraded technologies for existing products, and increasingly diversified into related industries to maintain steady growth in business revenue and profit. During the Review Year, profit attributable to owners of the parent company for the period increased by approximately 132.3% to approximately RMB517.9 million (2018: approximately RMB222.9 million), as compared with that for 2018, whereas basic and diluted earnings per share reached approximately RMB0.50 (2018: approximately RMB0.21).

CONTINUOUS RESEARCH AND DEVELOPMENT AND PRODUCT OPTIMIZATION

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

GOOD CORPORATE GOVERNANCE AND MULTICHANNEL COMMUNICATION

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

本集團在不斷鞏固現有業務的基礎上，對現有產品進行產能擴充和技術升級，並越來越多元化發展，將業務觸角深入到周邊的相關領域，以維持穩定的業務收入及利潤增長。回顧年度的母公司擁有人應佔本期間溢利較二零一八年上升約132.3%至約人民幣517.9百萬元（二零一八年：約人民幣222.9百萬元），每股基本及攤薄盈利則約為人民幣0.50元（二零一八年：約人民幣0.21元）。

持續研發及優化產品

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

良好企業管治及多渠道溝通

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



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

TO ASSUME CORPORATE SOCIAL RESPONSIBILITY

We put emphasis on corporate social responsibilities and have been, and intend to, remain committed to environmental, health and safety protection in all of our business activities and gratefully embraced our social responsibilities. We have all relevant permits, licences and approvals relating to environmental and safety production in all material respects. In addition, we have obtained and maintained Quality Management System ISO9001:2008, Environmental Management System ISO 14001: 2004 and Occupational Health Safety Management System GB/T28001-2011 for our management systems.

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

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

履行企業社會責任

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

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



OUTLOOK AND STRATEGY

In 2020, the Group will continue to apply the prudent business expansion strategy by expanding the upstream and downstream operations along the industry chain. Having consolidated the market position in the existing businesses, the Group will look for more new products and new businesses with synergetic effect and continuously expand its product lines to increase the sources of revenue. The Group will continue to step up investment in environmental protection and research and development, carry out research and development of the existing production techniques and environmental treatment technologies, and develop new products and techniques, to lay a solid foundation for the Group's long-term development.

In 2020, the operating environment of enterprises will remain challenging. The novel coronavirus (COVID-19) pandemic is sweeping across the world, triggering a global panic and creating an impact on the demands from domestic and overseas customers and end customers of the Group to varying degrees. The impact of the pandemic on the global economy is immeasurable. Moreover, the international oil prices are fluctuating significantly, and the China-U.S. trade frictions have not been resolved at all. However, we do believe that we will be able to go through the dark successfully with our years of experience in the fine chemical production and operation, and give our assurance that the Group will continue to operate steadily to achieve stable financial performance.

Looking ahead, amid a complex and volatile market environment, the Group will adjust, in terms of the traditional business, the pricing strategy of the core products, especially the pricing strategy of DSD Acid, in a timely manner to boost downstream demand and keep the product sales and market share stabilised. In respect of the new business segments, the environmental consulting business has stabilised gradually after two years of operation, and began to generate profits. The Group is serving a diverse range of customers as it has obtained more credentials in environmental protection, and therefore we believe the environmental protection business will become one of the stable sources of revenue for the Group.

展望及策略

二零二零年，本集團將繼續堅持審慎的業務擴張策略，實施產業鏈上下游擴展，在鞏固現有業務的市場地位的基礎上，積極尋找具有協同效應的新產品及新業務，不斷開拓豐富產品線，擴大收入來源。繼續加大對環保及研發的投入，不斷對現有生產工藝及環保處理技術進行研發，並研發新的產品及工藝，為集團的長遠發展打下堅實的基礎。

二零二零年，企業的經營環境將繼續面臨挑戰。新型冠狀病毒(COVID-19)疫情的全球蔓延，造成全球性的恐慌，對本集團國內外客戶及終端需求客戶造成不同程度的影響，疫情對於全球經濟的影響無法估量。除此之外，國際油價大幅波動，中美貿易摩擦還未徹底解決。但是，我們堅信，憑藉我們多年的精細化工生產經營的經驗，我們定能順利走出陰霾，保證本集團持續穩定的經營，實現穩健的財務業績。

展望未來，面對複雜多變的市場環境，在傳統業務方面，本集團將適時調整核心產品的定價策略，尤其是DSD酸的價格策略，以促進下游需求，穩定產品的銷售和市場佔有率。新業務板塊方面，環保諮詢業務經過兩年的運行，已經逐漸穩定並且開始盈利，隨着本集團環保資質越來越多元化，服務的客戶類型也越來越多樣化，相信環保業務將會成為本集團穩定的收入來源之一。



In respect of battery materials, the Group's own iron phosphate production line with a capacity of 15,000-tonne was ready for mass production in 2019 and had generated some revenue, and is expected to carry out large-scale mass production in 2020 to meet customer orders. Through continuous optimization of production techniques and development of new technologies, the Group won applause from customers for its iron phosphate products because these products were made under complete environmental facilities and had a stable quality. In 2020, as a result of an upsurge created in the demand for cobalt-free electric vehicles in the PRC, we will see new business opportunities arising from the application of lithium-iron phosphate batteries as batteries for electric vehicles. We believe that with the continuous improvement of the technology for lithium-iron phosphate batteries and the continuous optimization of costs, lithium iron phosphate batteries will be used more extensively in new energy vehicles. We believe that given our excellent product quality and complete environmental facilities as well as continuous research and development capabilities, the Group will seize this business opportunity and expand more marketing channels to lay a foundation for the long-term development of the battery materials business segment.

Looking ahead, we will continue to look for potential acquisition and merger projects to consolidate our position as a leading industry player in our existing product fields and expand into the new business segments that will make a synergy effect with our existing businesses, so as to create a greater value for all Shareholders.

ACKNOWLEDGEMENTS

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

Chairman and Chief Executive Officer

Ge Yi

25 March 2020

電池材料方面，二零一九年本集團自有的1.5萬噸磷酸鐵產品已經做好大規模量產準備，並產生了一定的收益，預計二零二零年將會大規模量產，以滿足客戶的訂單需求。經過持續的對生產工藝的優化和新技術的研發，本集團的磷酸鐵產品憑藉完備的環保設施，穩定的產品質量，獲得了客戶的好評。二零二零年，隨著國內掀起電動汽車無鈷化的需求高潮，磷酸鐵鋰電池作為動力汽車電池的應用迎來了新的發展機會。相信隨着磷酸鐵鋰電池技術的不斷提升，成本的不斷優化，磷酸鐵鋰電池在新能源汽車上的應用也會越來越廣泛。我們相信，憑藉過硬的產品質量、完善的環保設施，和持續的研發能力，本集團將會抓住此次發展機遇，積極拓展營銷渠道，為電池材料業務板塊長期的發展奠定基礎。

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

致謝

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

主席及行政總裁

戈弋

二零二零年三月二十五日



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Operating segment results

For the year ended 31 December 2019

業務回顧

經營分部業績

截至二零一九年十二月三十一日止年度

		Dye and agricultural chemical intermediates 染料及農業化學品中間體	Pigment intermediates 顏料中間體	Environmental technology consultancy service 環保技術諮詢服務	Battery materials 電池材料	Total 總額
Revenue (RMB'000)	收益(人民幣千元)	1,509,631	263,188	37,093	8,435	1,818,347
Cost of sales (RMB'000)	銷售成本(人民幣千元)	572,226	163,870	28,138	13,156	777,390
Sales volume (tons)	銷售數量(噸)	45,945	8,858	N/A	742	55,545
Gross profit margin	毛利率	62.1%	37.7%	24.1%	(56.0%)	57.3%
Average unit selling price (RMB/ton)	單位平均售價(人民幣元/噸)	32,857	29,712	N/A	11,368	N/A

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Dye and agricultural chemical intermediates 染料及農業化學品中間體	Pigment intermediates 顏料中間體	Environmental technology consultancy service 環保技術諮詢服務	Battery materials 電池材料	Total 總額
Revenue (RMB'000)	收益(人民幣千元)	1,212,082	262,479	38,315	3,006	1,515,882
Cost of sales (RMB'000)	銷售成本(人民幣千元)	783,496	173,564	31,871	2,858	991,789
Sales volume (tons)	銷售數量(噸)	57,854	8,227	N/A	139	66,220
Gross profit margin	毛利率	35.4%	33.9%	16.8%	4.9%	34.6%
Average unit selling price (RMB/ton)	單位平均售價(人民幣元/噸)	20,951	31,905	N/A	21,626	N/A



Management Discussion and Analysis

管理層討論及分析

The Group produces fine chemicals such as dye, pigment and agricultural chemical intermediates, and ventured into lithium battery cathode materials and additives to lithium batteries and provision of environmental technology consultancy service in 2017.

The existing main operations of the Group remain stable and enjoy a prominent position in the market. The Group has maintained good business relationships with its main customers which span over ten years on average. In 2019, revenue from the top five largest customers of the Group accounted for approximately 48.0% of the Group's revenue for the year (2018: approximately 41.9%).

The Group has a well-established sales network, which covers areas including Asia, Europe, North and South America. For the Review Year, by regional distribution, revenue derived from the Group's sales in Mainland China accounted for approximately 53.5%; Indonesia accounted for approximately 10.4%; India accounted for approximately 9.5%; and the United States of America, Germany and other regions accounted for approximately 8.0%, 7.5% and 11.1%, respectively.

PERFORMANCE REVIEW

During the Review Year, total revenue of the Group increased by 20.0% to approximately RMB1,818.3 million (2018: approximately RMB1,515.9 million) as compared with that in the same period of 2018. The increase in revenue was mainly due to the increase in product sales price of dye intermediates, which was offset by the decrease in the sale volume.

As for gross profit, since the product prices of dye intermediates increased significantly, the gross profit of the Group increased by approximately 98.6% to approximately RMB1,041.0 million (2018: approximately RMB524.1 million) as compared with that of 2018. The overall gross profit margin of the Group increased to approximately 57.3% in 2019 from approximately 34.6% of 2018. On the other hand, the net profit of the Group for the year 2019 increased by approximately 132.6% to approximately RMB518.3 million (2018: approximately RMB222.8 million); net profit margin was approximately 28.5% (2018: approximately 14.7%); and basic earnings per share was approximately RMB0.50 (2018: approximately RMB0.21).

本集團生產染料、顏料及農業化學品中間體等多種精細化學品，並於二零一七年佈局鋰電池正極材料及鋰電池添加劑產品，以及開展環保技術諮詢服務。

本集團的現有主營業務保持穩定，並且佔據主要市場地位。本集團與主要客戶一直維持良好的業務關係，平均合作關係長達十年以上。二零一九年，前五大客戶佔本集團本年度收益達約48.0%（二零一八年：約41.9%）。

本集團的產品銷售至亞洲、歐洲和南北美洲等區域，銷售網絡完善。於回顧年內，收益按地區分佈而言，中國大陸地區之收益約佔53.5%；印尼約佔10.4%；印度約佔9.5%；美國、德國和其他地區分別約佔8.0%、7.5%及11.1%。

業績回顧

回顧年內，本集團整體收益較二零一八年同期上升20.0%至約人民幣1,818.3百萬元（二零一八年：約人民幣1,515.9百萬元）。收益上升主要由於染料中間體產品售價上漲同時銷量下降所抵銷導致。

毛利方面，由於染料中間體產品價格上漲幅度較大，故本集團之毛利較二零一八年上升約98.6%，達約人民幣1,041.0百萬元（二零一八年：約人民幣524.1百萬元），本集團整體毛利率較二零一八年由約34.6%上升至二零一九年約57.3%。另一方面，本集團於二零一九年之純利上升約132.6%至約人民幣518.3百萬元（二零一八年：約人民幣222.8百萬元）；純利率約為28.5%（二零一八年：約為14.7%）；每股基本盈利約人民幣0.50元（二零一八年：約人民幣0.21元）。



Management Discussion and Analysis 管理層討論及分析

Dye and agricultural chemical intermediates – accounting for approximately 83.0% of total revenue (2018: approximately 80.0%)

During the Review Year, the evolving market competition environment resulted in a significant rise in the price and a decrease in the sales volume of the dye intermediates products. Revenue generated from the sales of the dye intermediates products increased by approximately 26.3% over 2018 to approximately RMB1,185.3 million (2018: approximately RMB938.3 million), representing approximately 65.2% (2018: approximately 61.9%) of the Group's total revenue. Due to the significant increase in the sales volume of agricultural chemical intermediates products resulted from the increased market demands, the Group's revenue generated from the sales of the agricultural chemical intermediates products increased by approximately 18.4% over 2018 to approximately RMB324.3 million (2018: approximately RMB273.8 million), representing approximately 17.8% (2018: approximately 18.1%) of the Group's total revenue. These two factors resulted in an increase of approximately RMB297.5 million or approximately 24.5% in revenue from the segment as compared with that of 2018.

During the Review Year, the gross profit margin of dye intermediates increased by 34.0 percentage points to approximately 74.3% (2018: approximately 40.3%). The gross profit margin of the agricultural chemical intermediates decreased by approximately 0.9 percentage point to approximately 17.7% (2018: approximately 18.6%).

The Group is the world's largest manufacturer of DSD acid. DSD acid is mainly used in the production of optical brightening agents, and its end applications include brightening elements for the bleaching of textiles and brightening of paper and detergents.

染料及農業化學品中間體 – 佔整體收益約83.0% (二零一八年：約80.0%)

回顧年內，由於市場競爭環境變化，導致染料中間體產品價格大幅提升而銷量下降，染料中間體產品收益較二零一八年上升約26.3%至約人民幣1,185.3百萬元（二零一八年：約人民幣938.3百萬元），佔本集團整體收益約65.2%（二零一八年：約61.9%）；因市場需求增加，農業化學品中間體銷量大幅提高，致使本集團農業化學品中間體產品收益較二零一八年上升約18.4%至約人民幣324.3百萬元（二零一八年：約人民幣273.8百萬元），佔本集團整體收益約17.8%（二零一八年：約18.1%）。這兩個因素導致板塊收益較二零一八年增加約人民幣297.5百萬元或上漲約24.5%。

於回顧年內，染料中間體毛利率上升34.0個百分點至約74.3%（二零一八年：約40.3%）。農業化學品中間體毛利率降低約0.9個百分點至約17.7%（二零一八年：約18.6%）。

本集團為全球最大的DSD酸生產商。DSD酸主要應用於熒光增白劑，終端應用至紡織品染白、紙張增白和洗滌用品中的亮白成分。



Management Discussion and Analysis

管理層討論及分析

The Group is one of the world's three largest mononitrotoluene manufacturers. Mononitrotoluene is the upstream product of DSD acid. It generates three chemical materials through chemical processes, namely PNT, ONT and MNT. PNT is the major raw material for DSD Acid production. After commencing its own production of mononitrotoluene, the Group is able to stabilise the upstream supply of raw materials. Meanwhile, ONT and OT are important agricultural chemical intermediates in the production of agricultural chemicals and herbicides.

During the Review Year, market demand and supply were both affected by the intensified environmental protection measures implemented by the Chinese government. However, relying on the Group's continuous investment in technologies and capital for environmental protection during production processes in the past, the Group was able to gain an advantage in market competition and obtain greater market predominance. In addition, the Group raised product prices, resulting in a steady increase in revenue from the segment compared with last year, under an overall difficult market environment. The revenue generated from this segment accounted for approximately 83.0% of the Group's total revenue.

Pigment intermediates – accounting for approximately 14.5% of total revenue (2018: approximately 17.3%)

During the Review Year, to increase market share, the Group lowered sales prices of pigment intermediates. The average unit selling price of pigment intermediates decreased by approximately 6.9% from RMB31,905 per ton in 2018 to RMB29,712 per ton in 2019. The average unit cost of pigment intermediates decreased by approximately 12.3% from RMB21,097 per ton in 2018 to RMB18,500 per ton in 2019. During the Review Year, the sales volume of pigment intermediates of the Group increased by 631 tons to approximately 8,858 tons (2018: approximately 8,227 tons), and the revenue was approximately RMB263.2 million, representing an increase of approximately 0.3% as compared with last year.

During the Review Year, as the unit cost of pigment intermediates decreased more than the unit price, the gross profit margin increased by approximately 3.8 percentage points as compared with 2018 to approximately 37.7% in 2019 (2018: approximately 33.9%).

本集團為全球三大一硝基甲苯生產商之一。一硝基甲苯為DSD酸之上游產品，經過化學過程後將生成三種化學材料，包括PNT、ONT以及MNT。PNT是生產DSD酸的重要原材料，本集團自行生產一硝基甲苯後可穩定上游原材料之供應。與此同時，ONT及OT是生產農藥及除草劑的重要農業化學品中間體。

於回顧年內，由於中國政府環保措施持續強化，市場供給和需求均受到影響。但本集團憑藉過往對生產環保方面的持續技術及資本投入，使得本集團在市場競爭中的優勢得到顯現，市場話語權得到進一步加強，加之本集團上調產品價格，致使該板塊收益在整體市場環境嚴峻的情況下，較去年穩步提升，板塊收益佔本集團整體收益約83.0%。

顏料中間體 – 佔整體收益約14.5% (二零一八年：約17.3%)

回顧年內，為擴大市場佔有率，本集團下調顏料中間體的產品銷售價格。顏料中間體單位平均售價由二零一八年的每噸人民幣31,905元下降約6.9%至二零一九年的每噸人民幣29,712元。顏料中間體單位平均成本由二零一八年的每噸人民幣21,097元下降約12.3%至二零一九年的每噸人民幣18,500元。回顧年內，本集團顏料中間體產品銷量較去年增加631噸至約8,858噸(二零一八年：約8,227噸)，收益約為人民幣263.2百萬元，較去年上漲約0.3%。

於回顧年內，由於顏料中間體單位成本下降幅度大於單價下降幅度，毛利率較二零一八年上升約3.8個百分點至二零一九年的約37.7%(二零一八年：約33.9%)。



Management Discussion and Analysis 管理層討論及分析

Environmental technology consultancy service – accounting for approximately 2.0% of total revenue (2018: approximately 2.5%)

With mounting pressure for environmental protection in Mainland China and increasing demands from the environmental protection treatment market, we leveraged our long-established edge in environmental protection treatment and proactively cooperated with third parties to conduct environmental technology consultancy business, focusing on environmental technology consultancy services regarding the atmosphere, sewage, and soil treatment. During the Review Year, the environmental protection business generated revenue of approximately RMB37.1 million (2018: approximately RMB38.3 million), with a gross profit margin of approximately 24.1% (2018: approximately 16.8%).

Battery materials – accounting for approximately 0.5% of total revenue (2018: approximately 0.2%)

During the Review Year, the Group's 15,000-ton iron phosphate production line recorded revenue of approximately RMB8.4 million. During the Review Year, the Group's new production technology for iron phosphate has successfully passed testing and is planned to be officially put into mass production in 2020.

EXPORT

In 2019, the export revenue of the Group amounted to approximately RMB845.6 million, representing an increase of approximately RMB258.4 million or 44.0% as compared with the export revenue of approximately RMB587.2 million in 2018. The increase in export revenue of the Group was mainly due to the increase in average sales price of dye intermediates.

In 2019, the export revenue accounted for approximately 46.5% of the total revenue of the Group (2018: approximately 38.7%).

環保技術諮詢服務 – 佔整體收益約2.0% (二零一八年：約2.5%)

隨著中國內地環保壓力日趨增大，出現越來越多的環保處理市場需求，我們利用長期積累的環保處理優勢，積極與第三方進行合作，開展環保技術諮詢業務，重點在大氣、污水及土壤處理領域進行環保技術諮詢服務。回顧年內，環保業務實現收益約人民幣37.1百萬元(二零一八年：約人民幣38.3百萬元)，毛利率約為24.1%(二零一八年：約16.8%)。

電池材料 – 佔整體收益約0.5% (二零一八年：約0.2%)

回顧年內，本集團1.5萬噸磷酸鐵生產線實現收入約人民幣8.4百萬元。於回顧年內，本集團磷酸鐵新的生產技術已經獲得試驗成功，並計劃於二零二零年正式大規模量產。

出口

於二零一九年，本集團實現出口收益約為人民幣845.6百萬元，較二零一八年出口收益約為人民幣587.2百萬元，增加約人民幣258.4百萬元或44.0%。本集團出口收益增加，主要是由於染料中間體平均售價上漲所致。

於二零一九年，本集團出口收益佔收益總額約46.5%(二零一八年：約38.7%)。



Management Discussion and Analysis

管理層討論及分析

RESEARCH AND DEVELOPMENT

The Group continues to optimise its production processes and improve the quality of existing products, and has developed the green process for iron phosphate (a battery material) by adopting a new process to reduce waste water generation and costs, and enhance product competitiveness. The Group increased research on energy-saving and consumption-reduction processes, optimised the nitrification process, made cascade use of steam, and recycled process water, thereby reducing overall operating costs. To address the rise in environmental protection standards, the Group upgraded and renovated existing treatment facilities and implemented ultra-low emission and treatment of smoke plume for boilers, successfully accomplishing the tasks assigned by the Chinese government.

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

OUTLOOK

During the Review Year, the business environment was challenging. Frequent safety accidents in chemical companies in China have led to tightened requirements by government on the safety and environmental protection supervision of chemical companies, imposing higher requirements for the business management of the Group and peer companies. The China-U.S. trade frictions have brought great uncertainty to the global economic development, and increased the difficulty of exporting chemical products to the United States. Faced with the complex and changing market conditions, the Group remained confident. With years of experience in fine chemical production and operation, the Group increased investment in environmental protection, improved environmental protection facilities, enhanced research and development of environmental protection technologies, and continued to strengthen production safety management, so as to achieve sustainable corporate development and continue to create value for the shareholders of the Company (the “Shareholders”).

研究及開發

本集團持續完善各現有產品的工藝優化和品質提升，針對電池材料磷酸鐵產品進行綠色工藝開發，採用新工藝，減少廢水產生，降低成本，提升了產品競爭力。本集團加大節能降耗工藝研究，優化硝化工藝過程，蒸汽梯級利用，實現工藝水循環，降低了整體運行費用。針對環保標準的提升，本集團對現有處理設施進行升級改造，鍋爐實施了超低排放和煙羽治理，圓滿完成中國政府下達的任務。

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

展望

回顧年內的營商環境充滿了挑戰，國內化工企業安全事故頻發，政府對化工企業的安全環保監管要求進一步提高，給本集團及同行業公司的經營管理提出了更高的要求。中美貿易摩擦給全球經濟發展帶來很大的不確定性，也導致化工產品對美出口難度增加。面對複雜多變的市場情況，本集團堅定信心，憑借多年以來精細化工生產經營的經驗，加大環保投入，完善環保設施，增強環保技術研發，持續加強安全生產管理，實現了企業的可持續發展並持續為本公司股東（「股東」）創造價值。



Management Discussion and Analysis 管理層討論及分析

2020 is bound to be an eventful year. The novel coronavirus (COVID-19) pandemic triggered a world-wide spread of panic, causing tumults in the financial market. The Chinese government adopted strict prevention and control measures against the pandemic, leading to large-scale suspension of work and production of enterprises across China, tremendously affecting the real economy. In 2019, due to the shortage of market supply, the sales price of the Group's core product DSD acid remained high, suppressing the demands of downstream customers. In 2020, the Group will pay much attention to the impact caused by the COVID-19 epidemic on the upstream and downstream as well as overseas markets, and actively take measures accordingly. Recently, the international crude oil prices fluctuated significantly, and is expected to stay at low level for a period in the future, which is expected to have certain impact on the price of raw materials for the Group's core products, as the core raw materials of the Group are petroleum derivatives. Taking the above factors into consideration, in order to face various uncertainties and the possible global economic depression, the Group will adjust the pricing strategy based on market conditions, proactively explore the market for existing products and make greater efforts in the research and development of new products as well as focus on controlling the related expenses, thereby creating long-term, stable and sustained enterprise value for the Shareholders.

二零二零年，定將是不平凡的一年。新型冠狀病毒(COVID-19)疫情的全球爆發，引起全球恐慌情緒蔓延，金融市場出現劇烈震蕩，國內對於疫情的嚴格防控措施，導致全國範圍內企業大面積停工停產，對實體經濟造成了巨大的衝擊。二零一九年，本集團核心產品DSD酸受市場供應短缺的影響，產品銷售價格保持高位，抑制了下游客戶的需求。二零二零年，本集團將密切關注新型冠狀病毒對上下游以及海外市場的影響，並採取積極應對措施。近期國際原油價格大幅波動，並且市場預期油價將在未來一段時間內維持低位，由於本集團核心原材料乃石油衍生產品，預計會對本集團核心產品的原材料價格產生一定影響。綜合以上，為應對多種不確定因素，以及由此引起全球經濟衰退的可能性，本集團會根據市場情況審時度勢地調整價格策略，積極開拓現有產品市場，加大研發新產品，著力控制成本費用開支，為全體股東創造長期、穩定、發展的企業價值。



Management Discussion and Analysis

管理層討論及分析

As for the new business, mass production of iron phosphate, the Group's precursor product for battery cathode materials, is expected to commence in 2020. After years of research and development of product technology, the production process of iron phosphate products has been further enhanced, and environmental protection treatment technology has been further optimised. The product has won the trust of downstream customers with its excellent quality. In respect of the market, lithium iron phosphate power batteries, due to its high safety, low cost and increasing energy density, may again become the mainstream of electric vehicle market applications, driving the accelerated development of lithium iron phosphate batteries and the surge of their market demand. The enhanced packing technology of the batteries in market increases battery volume density, while also causing the demand for lithium iron phosphate power batteries to continue to rise. In addition, energy storage and base station power backup create incremental demand. As such, the prospect of the lithium iron phosphate industry is getting more promising. We believe that with our robust research and development strength, superior product performance and premium part of customer, the battery materials business will surely lay a solid foundation for the Group's future development.

In addition, the environmental protection consultancy business has been gradually stabilised. In addition to the environmental protection technology previously accumulated, the Group has obtained more environmental protection consultancy qualifications, allowing it to provide diversified services to more customers.

Looking ahead, in addition to consolidating its existing business, the Group will continue the expansion strategy of extending upstream and downstream along the industrial chain, and actively seek high-quality mergers and acquisitions with potential, so as to create greater value for the Shareholders.

新業務方面，本集團電池正極材料前驅體產品磷酸鐵預計於二零二零年實現大規模量產，經過多年的產品技術研發，磷酸鐵產品的生產工藝得到了進一步提升，環保處理技術也更加優化，以優良的產品質量取得了下遊客戶的信賴。市場方面，磷酸鐵鋰動力電池由於高安全性、低成本及能量密度的不斷提升，或將再次成為電動車市場應用的主流，促進磷酸鐵鋰電池的加速發展和市場需求的擴大。隨著市場電池包裝技術的提高，提升了電池體積密度的同時，也使得磷酸鐵鋰動力電池的需求不斷攀升，此外，儲能以及基站備電都是增量需求，磷酸鐵鋰產業的前景在不斷向好。相信憑借紮實的研發實力，優越的產品性能和優質的客戶資源，電池材料業務定能為本集團未來更長遠的發展奠定堅實的基礎。

此外，環保諮詢業務也逐漸步入正軌，在原先積累的環保技術的基礎上，本集團也取得了更多環保諮詢的資質，能夠為更多的客戶提供多元化的服務。

展望未來，本集團將會在鞏固現有業務的同時，繼續堅持上下游產業鏈延伸的擴張策略，積極尋找具有潛力的、優質的收併購項目，為股東創造更大價值。



Management Discussion and Analysis 管理層討論及分析

FINANCIAL REVIEW

REVENUE AND GROSS PROFIT

In 2019, the revenue and gross profit of the Group amounted to approximately RMB1,818.3 million and approximately RMB1,041.0 million, respectively, representing an increase of approximately RMB302.4 million, and approximately RMB516.9 million or 20.0% and 98.6% from approximately RMB1,515.9 million and approximately RMB524.1 million, respectively, in 2018. The increase in the revenue was mainly due to a rise in the price of the dye intermediates products in 2019, which was offset by a decrease in the sale volume. In 2019, the Group's gross profit margin was approximately 57.3%, as compared with that of approximately 34.6% in 2018. The increase in gross profit margin was due to the significant increase in the average sales price of the Group's dye intermediates products in 2019.

NET PROFIT AND NET PROFIT MARGIN

In 2019, the net profit of the Group was approximately RMB518.3 million, representing an increase of approximately RMB295.5 million or 132.6%, as compared with approximately RMB222.8 million in 2018. In 2019, the Group's net profit margin was approximately 28.5%, as compared with that of approximately 14.7% in 2018.

SELLING AND DISTRIBUTION EXPENSES

In 2019, selling and distribution expenses amounted to approximately RMB44.9 million, representing a decrease of approximately RMB3.6 million, as compared with approximately RMB48.5 million in 2018. The decrease in selling and distribution expenses was mainly due to the decline in sales volume of dye intermediates.

In 2019, selling and distribution expenses represented approximately 2.5% of the Group's revenue (2018: approximately 3.2%).

財務回顧

收益及毛利

於二零一九年，本集團取得收益及毛利分別約為人民幣1,818.3百萬元及約人民幣1,041.0百萬元，較二零一八年為約人民幣1,515.9百萬元及約人民幣524.1百萬元分別增加約人民幣302.4百萬元及約人民幣516.9百萬元，或20.0%及98.6%。收入上升主要由於二零一九年染料中間體產品價格上升而銷量下降相抵所致，於二零一九年，本集團毛利率約為57.3%，二零一八年毛利率約為34.6%。毛利率上升的原因為本集團染料中間體產品平均銷售價格於二零一九年度大幅提升。

純利及純利率

於二零一九年，本集團錄得純利為約人民幣518.3百萬元，較二零一八年為約人民幣222.8百萬元，增加約人民幣295.5百萬元或132.6%。於二零一九年，本集團純利率約為28.5%，二零一八年純利率約為14.7%。

銷售及分銷開支

於二零一九年，銷售及分銷開支約為人民幣44.9百萬元，較二零一八年約為人民幣48.5百萬元，減少約人民幣3.6百萬元。銷售及分銷開支降低主要為染料中間體銷量下降所致。

於二零一九年，銷售及分銷開支約佔本集團收益的2.5%（二零一八年：約3.2%）。



Management Discussion and Analysis

管理層討論及分析

ADMINISTRATIVE EXPENSES

In 2019, administrative expenses amounted to approximately RMB188.4 million, representing an increase of approximately RMB56.8 million, as compared with approximately RMB131.6 million in 2018. The increase in administrative expenses was mainly due to the following reasons: (i) the increase in environmental protection-related charges paid to the agents; (ii) the increase in the depreciation expenses and labor costs of certain production lines during the maintenance process; should they be in non-maintenance status, the above expenses would have been included in costs instead of administrative expenses; and (iii) the increase in labor costs due to enhanced staff benefits.

In 2019, administrative expenses represented approximately 10.4% of the Group's revenue (2018: approximately 8.7%).

IMPAIRMENT LOSSES OF PROPERTY, PLANTS AND EQUIPMENT

In 2019, the Group has provided for the impairment losses of property, plants and equipment of RMB52.0 million (2018: RMB0.7 million). The increase in impairment losses were mainly attributed to the impairment provision of the TCCBM CGU, the NMP CGU and certain equipment used for researching and testing. For more details, please refer to note 14 to financial statements of this report.

FINANCE COSTS

In 2019, finance costs amounted to approximately RMB31.7 million, as compared with approximately RMB22.8 million in 2018, representing an increase of approximately RMB8.9 million. The increase was mainly due to the following reasons: (i) the increase in banking fees due to increased factoring of bills receivables accepted by banks; (ii) the increase in interest expenses of financing services provided by China National Offshore Oil Sale (Beijing) Co., Ltd. and its associates to improve the working capital management of the Group's overseas sales; and (iii) the increase in front end fee incurred from early repayment of syndicated loans.

行政開支

於二零一九年，行政開支約為人民幣188.4百萬元，較二零一八年約為人民幣131.6百萬元，增加約人民幣56.8百萬元。行政開支增加主要歸因於以下原因：(i) 中介提供環保相關費用增加；(ii) 檢修過程中若干生產線的折舊開支及勞工成本增加，在非檢修狀態下，上述開支應計入成本而非行政開支；及(iii) 公司提高員工福利導致人力成本增加。

於二零一九年，行政開支約佔本集團收益的10.4% (二零一八年：約8.7%)。

物業、廠房及設備減值損失

於二零一九年，本集團計提物業、廠房及設備減值損失人民幣52.0百萬元 (二零一八年：人民幣0.7百萬元)。減值損失增加主要歸因於TCCBM現金產生單位、NMP現金產生單位及用作研究及檢測的若干設備的減值撥備。有關詳情，請參照本報告財務資料附註14。

財務成本

於二零一九年，財務成本約為人民幣31.7百萬元，較二零一八年約為人民幣22.8百萬元，增加約人民幣8.9百萬元，該增加主要歸因於以下原因：(i) 銀行接收的應收票據保理增加導致銀行手續費增加；(ii) 中海油銷售(北京)股份有限公司及其聯營公司為改善本集團海外銷售的營運資金管理而提供融資服務的利息開支增加；及(iii) 提早償還銀團貸款產生的手續費用增加。



Management Discussion and Analysis 管理層討論及分析

EXCHANGE LOSS

In 2019, exchange loss amounted to approximately RMB8.4 million, representing a decrease of approximately RMB9.2 million, as compared with approximately RMB17.6 million in 2018, which was mainly attributable to the significant fluctuation in the exchange rate of RMB against USD and the decrease in loans denominated in USD during the Review Year.

INCOME TAX EXPENSES

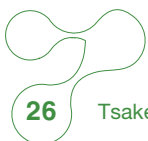
The PRC subsidiaries of the Company are generally subject to the enterprise income tax at a rate of 25%. One of the subsidiaries of the Company in Hong Kong is subject to the two-tier tax regime, i.e., the first HKD2 million of assessable profits earned will be taxed at half the current Hong Kong profits tax rate (i.e., 8.25%), and the remaining assessable profits will continue to be taxed at 16.5%. Other Hong Kong subsidiaries of the Company are generally subject to the Hong Kong profits tax at a rate of 16.5%. The Singapore subsidiary of the Company is generally subject to the Singapore Enterprise Income Tax at a rate of 17%. In 2019, income tax expenses amounted to approximately RMB191.4 million, representing an increase of approximately RMB105.3 million, as compared with approximately RMB86.1 million in 2018. The increase in income tax expense was mainly attributable to the increase in profit before tax during the Review Year as compared with that in 2018.

匯兌損失

於二零一九年，匯兌損失為約人民幣8.4百萬元，較二零一八年約為人民幣17.6百萬元，減少約人民幣9.2百萬元，主要是於回顧年內人民幣對美元匯率大幅波動及以美元計值貸款減少所致。

所得稅開支

本公司於中國內地的附屬公司通常須按25%的稅率繳納中國企業所得稅。本公司於香港的其中一間附屬公司須遵守二級稅制，即所賺取的最初2百萬港元應課稅溢利將按香港現行利得稅率一半（即8.25%）繳稅，其餘應課稅溢利將繼續按16.5%的稅率繳稅。本公司於中國香港的其他附屬公司通常須按16.5%的稅率繳納香港利得稅。本公司於新加坡的附屬公司通常須按17%的稅率繳納新加坡企業所得稅。於二零一九年，所得稅費用約為人民幣191.4百萬元，較二零一八年約為人民幣86.1百萬元，增加約人民幣105.3百萬元。所得稅開支增加主要是由於回顧年內，稅前利潤較二零一八年增加所致。



Management Discussion and Analysis

管理層討論及分析

CASH FLOWS

In 2019, net cash inflows from operating activities of the Group amounted to approximately RMB564.9 million, as compared with approximately RMB216.7 million in 2018, representing an increase of approximately RMB348.2 million, which was mainly due to the increase in revenue and profit in 2019 as compared with that in 2018.

In 2019, net cash outflows used in investing activities of the Group amounted to approximately RMB213.7 million, as compared with approximately RMB463.1 million in 2018, representing a decrease of approximately RMB249.4 million, which was mainly due to the decrease in capital expenditure and payment for production line constructed in Tsaker Chemical (Dongying) Co., Ltd., a wholly owned subsidiary of the Company as well as decrease in payment for iron phosphate production line as it was ready for mass production in late 2019.

In 2019, the Group's net cash outflows used in financing activities was approximately RMB369.6 million, as compared with the net inflow of approximately RMB10.0 million in 2018. Such increase in cash outflows in 2019 were mainly due to the increase in the net cash outflows of approximately RMB390.4 million as a result of the repayment of bank loans and other borrowings as compared with that of 2018.

現金流量

於二零一九年，本集團經營活動所得現金流入淨額約為人民幣564.9百萬元，較二零一八年約為人民幣216.7百萬元，增加約人民幣348.2百萬元，主要是因為二零一九年較二零一八年收益及利潤增加所致。

於二零一九年，本集團投資活動所用現金流出淨額約為人民幣213.7百萬元，較二零一八年約為人民幣463.1百萬元，減少約人民幣249.4百萬元，主要是因為本公司全資附屬公司彩容化學(東營)有限公司建造的生產線的資本開支及付款減少及磷酸鐵生產線因於二零一九年底已做好大規模量產準備而減少付款所致。

於二零一九年，本集團融資活動所用現金流出淨額約為人民幣369.6百萬元，而二零一八年則為約人民幣10.0百萬元的流入淨額。二零一九年現金流出增加主要是因為償還銀行貸款及其他借款現金流出淨額相較二零一八年增加約人民幣390.4百萬元所致。





Management Discussion and Analysis 管理層討論及分析

LIQUIDITY AND CAPITAL STRUCTURE

In 2019 the daily working capital of the Group was primarily derived from internally generated cash flow from operations and bank borrowings. As at 31 December 2019, the Group had (i) cash and cash equivalents of approximately RMB104.8 million, in which approximately RMB100.2 million was denominated in RMB and approximately RMB4.6 million in other currencies (USD, HKD and SGD) (as at 31 December 2018: approximately RMB124.3 million, in which approximately RMB75.8 million was denominated in RMB and approximately RMB48.5 million in other currencies (USD and HKD)); (ii) restricted cash of approximately RMB3.9 million, including approximately RMB3.8 million denominated in RMB and RMB0.1 million denominated in another currency (USD) (as at 31 December 2018: approximately RMB20.2 million, in which approximately RMB1.0 million was denominated in RMB and RMB19.2 million in other currencies (USD and HKD)); and (iii) interest-bearing bank and other borrowings of approximately RMB313.8 million with interest rate of 4.61%-13.45% per annum, including (a) approximately RMB223.5 million denominated in RMB and RMB90.3 million denominated in another currency (USD), of which approximately RMB283.9 million shall be repayable within one year (as at 31 December 2018: approximately RMB651.2 million with interest rate of 4.52%-10.84% per annum, including approximately RMB208.6 million denominated in RMB and approximately RMB442.6 million denominated in other currencies (USD and HKD), of which approximately RMB364.8 million shall be repayable within one year); and (b) approximately RMB223.5 million bearing fixed interest rates (as at 31 December 2018: approximately RMB208.7 million). The Group had unutilised banking facilities of RMB39,881,000 in aggregate as at 31 December 2019 (as at 31 December 2018: Nil). For more details on maturity profile on the Group's borrowings, please refer to note 25 to the consolidated financial statements.

In 2019, the Group did not use any risk hedging instrument or have any borrowing or hedge in its foreign currency investment.

TREASURY POLICY

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy liquidity position for the year ended 31 December 2019. To manage the liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time.

流動資金及資本結構

於二零一九年，本集團日常營運資金的來源主要為內部經營產生的現金流量及銀行借款。於二零一九年十二月三十一日，本集團持有(i)現金及現金等價物為約人民幣104.8百萬元，其中，以人民幣計值約為人民幣100.2百萬元，以其他貨幣(美元、港元和新幣)計值約為人民幣4.6百萬元(於二零一八年十二月三十一日：約為人民幣124.3百萬元，其中，以人民幣計值約為人民幣75.8百萬元，以其他貨幣(美元和港元)計值約為人民幣48.5百萬元)；(ii)受限現金約為人民幣3.9百萬元，其中以人民幣計值約為人民幣3.8百萬元及以其他貨幣(美元)計值人民幣0.1百萬元(於二零一八年十二月三十一日：約為人民幣20.2百萬元，其中以人民幣計值約為人民幣1.0百萬元及以其他貨幣(美元、港元)計值人民幣19.2百萬元)；及(iii)計息銀行及其他借款約為人民幣313.8百萬元，年利率為4.61%-13.45%，其中(a)以人民幣計值約為人民幣223.5百萬元及以其他貨幣(美元)計值約為人民幣90.3百萬元，其中約人民幣283.9百萬元須於一年內償還(於二零一八年十二月三十一日：約人民幣651.2百萬元，年利率由4.52%至10.84%，包括以人民幣計值約為人民幣208.6百萬元及以其他貨幣(美元、港元)計值約為人民幣442.6百萬元，其中約人民幣364.8百萬元須於一年內償還)；及(b)約人民幣223.5百萬元以固定利率計息(於二零一八年十二月三十一日：約人民幣208.7百萬元)。於二零一九年十二月三十一日，本集團擁有尚未使用之銀行行授信額度合共人民幣39,881,000元(於二零一八年十二月三十一日：無)。有關本集團借款之到期情況詳情，請參閱合併財務資料附註25。

於二零一九年，本集團無任何風險對沖工具或外幣投資中無任何借貸或對沖。

財政政策

本集團已就其財政政策採納審慎的財務管理方法，因此在截至二零一九年十二月三十一日的年度始終維持穩健的流動資金狀況。為管理流動資金風險，董事會密切監察本集團的流動資金狀況以確保本集團的資產、負債及其他承擔的流動資金結構能夠不時滿足其資金需求。



Management Discussion and Analysis

管理層討論及分析

GEARING RATIO

As at 31 December 2019, the Group's gearing ratio was approximately 17.8% as compared with approximately 49.3% as at 31 December 2018, which is calculated at interest-bearing bank and other borrowings at the end of the year divided by the total equity. The decrease was primarily due to the repayment of syndicated loans by the Group during the Review Year.

CURRENT ASSETS

As at 31 December 2019, the total current assets of the Group amounted to approximately RMB856.4 million (as at 31 December 2018: approximately RMB875.1 million), primarily consisting of inventories of approximately RMB274.2 million (as at 31 December 2018: approximately RMB210.0 million), trade receivables and notes receivable of approximately RMB286.0 million (as at 31 December 2018: approximately RMB254.5 million), prepayments and other receivables of approximately RMB187.4 million (as at 31 December 2018: approximately RMB266.1 million), cash and cash equivalents of approximately RMB104.8 million (as at 31 December 2018: approximately RMB124.3 million) and restricted cash of approximately RMB3.9 million (as at 31 December 2018: approximately RMB20.2 million).

INVENTORIES

Inventories of the Group mainly consisted of raw materials, work-in-progress and finished products. The inventory turnover days increased from 59 days in 2018 to 112 days in 2019, the increase in the inventory turnover days was mainly due to the increase in inventories. The increase in inventory helps the Company cope with instabilities in the market and enhances the stability of production and supply.

資產負債比率

於二零一九年十二月三十一日，本集團的資產負債比率（年末的計息銀行及其他借款除以總權益計算）約為17.8%，於二零一八年十二月三十一日約為49.3%。下降原因主要為本集團於回顧年內歸還銀團借款所致。

流動資產

於二零一九年十二月三十一日，本集團的流動資產總額約為人民幣856.4百萬元（於二零一八年十二月三十一日：約為人民幣875.1百萬元），其主要包括存貨約為人民幣274.2百萬元（於二零一八年十二月三十一日：約為人民幣210.0百萬元）、貿易應收款項及應收票據約為人民幣286.0百萬元（於二零一八年十二月三十一日：約為人民幣254.5百萬元）、預付款項及其他應收款項約為人民幣187.4百萬元（於二零一八年十二月三十一日：約為人民幣266.1百萬元）、現金及現金等價物約為人民幣104.8百萬元（於二零一八年十二月三十一日：約為人民幣124.3百萬元），以及受限現金約為人民幣3.9百萬元（於二零一八年十二月三十一日：約為人民幣20.2百萬元）。

存貨

本集團的存貨主要包括原材料、在製品及製成品。存貨的周轉天數由二零一八年的59天升至二零一九年的112天，周轉天數升高，主要是因為庫存水平增加所致。提高庫存水平有助於本公司應對不穩定的市場情況，提高生產及供應的穩定性。



Management Discussion and Analysis 管理層討論及分析

TRADE RECEIVABLES AND NOTES RECEIVABLE

貿易應收款項及應收票據

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	203,276	186,316
Notes receivable	應收票據	82,761	68,224
		286,037	254,540

As at 31 December 2019, trade receivables and notes receivable of the Group increased by approximately RMB31.5 million as compared with those of last year.

The turnover days for trade receivables decreased from 69 days for 2018 to 54 days for 2019, which was mainly due to the Group's intensified efforts to collect receivables and the increase in sales revenue in 2019 as compared that of 2018.

PREPAYMENTS AND OTHER RECEIVABLES

As at 31 December 2019, prepayments and other receivables of the Group decreased by approximately RMB78.7 million from approximately RMB266.1 million in aggregate as at 31 December 2018 to approximately RMB187.4 million in aggregate, which was mainly due to the decrease in the advance payment for equipment and construction costs as well as raw materials.

於二零一九年十二月三十一日，本集團貿易應收款項及應收票據較去年增加約人民幣31.5百萬元。

貿易應收款項的周轉天數由二零一八年的69天，下降至二零一九年的54天，主要是因為本集團對應收賬款的催收力度加強以及二零一九年銷售額較二零一八年增加所致。

預付款項及其他應收款項

於二零一九年十二月三十一日，本集團預付款項及其他應收款項合計約為人民幣187.4百萬元，較二零一八年十二月三十一日預付款項及其他應收款項合計約為人民幣266.1百萬元減少了約人民幣78.7百萬元，主要由於設備及工程款項以及原材料之預付款項減少所致。



Management Discussion and Analysis

管理層討論及分析

CURRENT LIABILITIES

As at 31 December 2019, the total current liabilities of the Group amounted to approximately RMB745.9 million (as at 31 December 2018: approximately RMB871.5 million), primarily consisting of trade payables of approximately RMB283.3 million (as at 31 December 2018: approximately RMB345.5 million), other payables and accruals of approximately RMB119.8 million (as at 31 December 2018: approximately RMB100.9 million) and interest-bearing bank and other borrowings of approximately RMB283.9 million (as at 31 December 2018: approximately RMB364.8 million).

TRADE PAYABLES

The turnover days for trade payables increased from 130 days in 2018 to 146 days in 2019. The increase in the turnover days was mainly due to the suppliers extended the payment period for the Group based on our excellent business credit and business negotiation ability in the market.

OTHER PAYABLES AND ACCRUALS

As at 31 December 2019, other payables and accruals of the Group increased by approximately RMB18.9 million from approximately RMB100.9 million in aggregate as at 31 December 2018 to approximately RMB119.8 million in aggregate, which was mainly due to the increase in salaries payable to employees during the Review Year.

流動負債

於二零一九年十二月三十一日，本集團的流動負債總額約為人民幣745.9百萬元（於二零一八年十二月三十一日：約為人民幣871.5百萬元），其主要包括貿易應付款項約人民幣283.3百萬元（於二零一八年十二月三十一日：約為人民幣345.5百萬元）、其他應付款項及應計費用約為人民幣119.8百萬元（於二零一八年十二月三十一日：約為人民幣100.9百萬元），以及計息銀行及其他借款約為人民幣283.9百萬元（於二零一八年十二月三十一日：約為人民幣364.8百萬元）。

貿易應付款項

貿易應付款項的周轉天數由二零一八年的130天增加至二零一九年的146天，周轉天數提高，主要基於本集團在市場中良好的商業信用及商務談判能力，供應商延長了對本集團的付款賬期。

其他應付款項及應計費用

於二零一九年十二月三十一日，本集團其他應付款項及應計費用合計約為人民幣119.8百萬元，較二零一八年十二月三十一日其他應付款項及應計費用合計約為人民幣100.9百萬元增加約人民幣18.9百萬元，主要是由於回顧年度應付職工工資增加所致。





Management Discussion and Analysis 管理層討論及分析

PLEDGE OF ASSETS

As at 31 December 2019, certain of the Group's property, plant and equipment, right-of-use assets and trade receivables with a net carrying amount of approximately RMB204.0 million (as at 31 December 2018: approximately RMB223.3 million) were pledged to secure bank loans and other borrowings granted to the Group.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES, AND SIGNIFICANT INVESTMENT

On 14 March 2019, the Company was allocated 11,119,000 shares of China Risun Group Limited (Stock Code: 1907.HK) ("China Risun") at the final offer price of HK\$2.80 per share. The total subscription price paid by the Company in respect of these shares is approximately HK\$31.447 million, which is determined by multiplying the final number of these shares and the final offer price plus the SFC transaction levy at 0.0027%, the Stock Exchange trading fee at 0.005% and brokerage commission at 1%. For details, please refer to the Company's announcement dated 14 March 2019.

According to the prospectus of China Risun, China Risun is an integrated coke, coking chemical and refined producer and supplier in China. Details of the business of China Risun are set out in the prospectus of China Risun, which has been published on the website of the Stock Exchange on 28 February 2019. During the Review Year, there was no significant fluctuation in the share price of China Risun. On the last trading day of 2019, its closing price was HK\$2.6 per share, and the total market value of the shares held by the Group was approximately HK\$28.9 million, accounting for approximately 1.6% of the net asset value of the Group. As at 31 December 2019, the Group received dividend of approximately HK\$2.7 million from China Risun. China Risun declared the dividend as per its dividend policy. The share price may fluctuate. The Company will evaluate this investment on a regular basis.

Save as disclosed in this report, there were no material acquisitions or disposals of subsidiaries, associates and joint ventures, or significant investment of the Group for the year ended 31 December 2019.

資產抵押

於二零一九年十二月三十一日，本集團抵押若干賬面淨額約為人民幣204.0百萬元（於二零一八年十二月三十一日：約人民幣223.3百萬元）之物業、廠房及設備、使用權資產及貿易應收款項以擔保本集團獲授之銀行貸款及其他借款。

重大收購、出售附屬公司、聯營公司及合營企業以及重大投資

於二零一九年三月十四日，本公司已按最終發售價每股2.80港元獲分配中國旭陽集團有限公司（股份代號：1907.HK）（「中國旭陽」）11,119,000股股份。本公司就該等股份支付的認購價總額為約31.447百萬港元，乃根據最終的股份數目乘以最終發售價另加0.0027%證監會交易徵費、0.005%聯交所交易費及1%經紀佣金釐定。詳情請見本公司日期為二零一九年三月十四日的公告。

根據中國旭陽之招股說明書，中國旭陽從事綜合焦炭、焦化產品及精細化工產品生產商及供應商，中國旭陽之業務詳情載列於中國旭陽之招股章程（已於二零一九年二月二十八日刊發於聯交所網站）。於回顧年內，中國旭陽的股價無重大波動，於二零一九年最後一個交易日，中國旭陽的收盤價為每股2.6港元，本集團持有股票總市值約28.9百萬港元，佔本集團資產淨值的約1.6%。截至二零一九年十二月三十一日，本集團收到中國旭陽的股息約2.7百萬港元。中國旭陽依照其股息政策派息，股票價值或有波動，本公司將對該投資進行定期評估。

除本報告披露者外，截至二零一九年十二月三十一日止年度，本集團無重大收購及出售附屬公司，聯營公司及合營企業或重大投資。



Management Discussion and Analysis

管理層討論及分析

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets acquisition as at 31 December 2019 and the date of this report.

CONTINGENT LIABILITIES

As at 31 December 2019, the Group did not have any significant contingent liabilities.

FOREIGN EXCHANGE RISK

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

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

重大投資或資本資產之未來計劃

於二零一九年十二月三十一日及本報告日期，本集團並無任何其他重大投資或購入資本資產之其他計劃。

或然負債

於二零一九年十二月三十一日，本集團並無重大或然負債。

外匯風險

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

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





Management Discussion and Analysis 管理層討論及分析

EMPLOYEES AND REMUNERATION POLICIES

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

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

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

As at 31 December 2019, the Group had 1,553 employees (2018: 1,694).

For the year ended 31 December 2019, the total staff costs of the Group (including salaries, bonuses, social insurances and provident funds) amounted to approximately RMB164.4 million (2018: approximately RMB142.3 million).

僱員及薪酬政策

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

為配合本集團人才發展戰略，本集團於二零一七年進行人才信息體系搭建與人才梯隊建設，通過組織勝任力模型，完成人才地圖之進一步建設。

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

於二零一九年十二月三十一日，本集團共有員工1,553名（二零一八年：1,694名）。

截至二零一九年十二月三十一日止年度，本集團的員工成本總額（包括工資、花紅、社會保險及公積金）約為人民幣164.4百萬元（二零一八年：約人民幣142.3百萬元）。



Management Discussion and Analysis

管理層討論及分析

APPLICATION OF PROCEEDS FROM THE LISTING

Trading of the shares of the Company on the Main Board of the Hong Kong Stock Exchange commenced on 3 July 2015 (the “**Listing**”). The net proceeds from the Listing amounted to approximately RMB378.8 million. The net proceeds are used for the purposes disclosed in the prospectus of the Company dated 23 June 2015 (the “**Prospectus**”).

Till 31 December 2019, the net proceeds of approximately RMB37.9 million, RMB189.4 million, RMB37.9 million, RMB18.9 million and RMB20.6 million have been used as the supplemental working capital, for the expansion of production capacity, for the development of new products, for the rental payment of Phase I and Phase II of Shandong Tsaker Dongao Chemicals Co., Ltd. (“**Tsaker Dongao**”), and for the purchase of the entire equity interest of Tsaker Dongao, respectively. During the Review Year, the Company has not utilised any net proceeds from the Listing.

As at 31 December 2019, the balance of unutilised net proceeds amounted to approximately RMB74.1 million, which are intended to be used to acquire ONT/OT downstream manufacturers and/or other chemicals manufacturers. The major uncertainties in the domestic and international political and economic environment and the increasingly stringent environmental protection and safety supervision in China pose great challenges for the Group to carry out its acquisition business. The Group is still actively seeking acquisition targets and conducting negotiations thereon. As at the date of this report, no legally-binding agreements in relation to such acquisitions have been entered into. The unutilised net proceeds are intended to be fully utilised by the end of 2021 for the purposes disclosed in the Prospectus.

上市所得款項用途

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

截至二零一九年十二月三十一日，所得款項淨額中的約人民幣37.9百萬元已用於補充營運資金，約人民幣189.4百萬元已用於擴大產能，約人民幣37.9百萬元開發新產品，約人民幣18.9百萬元已用於支付租賃山東彩客東奧化學有限公司(「**彩客東奧**」)一期和二期的租金，以及約人民幣20.6百萬元已用於收購彩客東奧全部股權。於回顧年內，本公司並未動用任何上市所得款項淨額。

於二零一九年十二月三十一日，未動用所得款項淨額結餘約為人民幣74.1百萬元，此等餘款乃擬用於收購ONT/OT下游製造商及／或其他化學品製造商。國內、國際政治經濟環境的重大不確定性，中國大陸環保、安全監察的日益趨嚴，使得本集團收購業務的開展面臨極大挑戰，本集團仍在積極尋求收購標的並展開洽談。於本報告日期，並無就有關收購訂立任何具法律約束力的協議。未動用所得款項淨額擬按招股說明書所披露之用途於二零二一年結束前使用。





Environment, Social and Governance Report

環境、社會及管治報告

1. ABOUT TSAKER CHEMICAL

1.1. Business Review

Since its establishment in 1997, Tsaker Chemical Group Limited (the “**Company**” or “**Tsaker Chemical**”, together with its subsidiaries, the “**Group**”) has been committed to integrating green technology into research and development and production of fine chemicals such as dyes and pigment intermediates, and was successfully listed on the Stock Exchange in 2015. As one of the global leading manufacturers of dyes, pigments and agricultural chemical intermediates, Tsaker Chemical has the world’s largest production plant for DSD Acid and DMSS, as well as one of the world’s three largest mononitrotoluene production plants. The Group’s headquarters and Research and Development Center (“**R&D Center**”) are located in Beijing, while its production facilities are mainly located in Hebei Dongguang and Shandong Dongying. Perceiving the evolving market demand for environmental protection and product quality day by day, Tsaker Chemical not only invests resources in developing new product, but also focuses on optimizing existing products and gradually improving green operations, thereby establishing a global customer base for steady business development.

1.2. Vision and Core Values

Tsaker Chemical adheres to the corporate philosophy of “to build a better world with green technology”, integrating the Group’s core goals and values in pursuit of excellence. In addition to pledging to provide customers with high-quality and reliable innovative products and services, the Group also focuses on fulfilling corporate social responsibility to ensure that the Group’s business abides by integrity and environmental protection principles. The Group pursues constant efforts to scale up its investment in environmental protection and the research and development of eco-friendly technologies, leading Tsaker Chemical and the society to drive sustainable development as a whole. The Group’s operations have three major priorities: actively conduct innovative research and development, focus on safety and environmental protection (“**S&E**”) manufacturing, and employee well-being.

1. 關於彩客化學

1.1. 業務回顧

彩客化學集團有限公司(「**本公司**」或「**彩客化學**」，連同其附屬公司，下稱「**本集團**»)自一九九七年成立以來，一直致力將綠色科技融入染料及顏料中間體等精細化學品的研發和生產，並於二零一五年成功在聯交所上市。作為全球領先的染料、顏料、農業化學品中間體的生產商之一，彩客化學擁有全球最大的DSD酸、DMSS生產廠房，一硝基甲苯生產廠房亦位列全球前三。本集團的總部及研發中心位於北京，而其生產設施則主要位於中國河北省東光和山東省東營。感知於市場對環保和品質的要求與日俱增，彩客化學除了投入資源於開發新產品外，亦着重優化現有產品，並逐步完善綠色營運，從而建立遍佈全球的客戶群，令業務穩步上揚。

1.2. 願景及核心價值

彩客化學秉承「讓綠色科技為世界添彩」的企業理念，融入集團成為行業領導者及追求卓越的核心目標與價值，承諾除了為客戶提供優質可靠的創新產品和服務外，還注重履行企業社會責任，確保本集團的業務堅守誠信以及合乎環保原則。本集團亦繼續加大對環保的投入及環保技術的研發，引領彩客化學以至整個社會實現可持續發展。本集團的營運有三大重點：積極創新研發、著重安全和環保(「**安環**»)生產及員工福祉。

Environment, Social and Governance Report

環境、社會及管治報告

2. ABOUT THIS REPORT

The Group hereby publishes its Environment, Social and Governance (“**ESG**”) Report and presents its sustainability performance. In order to deepen stakeholders’ understanding of the Group’s operations, management and working culture, the report content aims to increase the disclosure of the Group’s sustainability strategy, practices, performance and other relevant information.

2.1. Reporting Standard and Scope

This report has been prepared in accordance with the Environment, Social and Governance Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The report covers the environmental and social performance of Tsaker Chemical’s Beijing headquarter, Tsaker Technology, the Dongguang production plants (Tsaker Dongguang and Tsaker Cangzhou) and the Dong’ao production plant from 1 January 2019 to 31 December 2019 (the “**Reporting Period**”). Information on corporate governance have been separately presented in the annual report in accordance with Appendix 14 of the Listing Rules. As the battery material production plant in Hebei Cangzhou has not yet been mass-produced, it is insignificant to this year’s business operation and hence, the production plant was not included in the reporting scope.

2. 關於本報告

本集團在此發表其環境、社會及管治（「**ESG**」）報告，披露其可持續發展的表現。本報告內容旨在披露彩客化學的可持續發展策略、實踐、績效及其他相關資訊，以加深持份者對本集團營運、管理及工作文化的瞭解。

2.1. 報告準則及範圍

本報告根據香港聯合交易所有限公司（「**聯交所**」）證券上市規則（「**上市規則**」）附錄二十七《環境、社會及管治報告指引》所載列之指引編製。本報告涵蓋彩客化學的北京總辦事處、彩客科技、東光生產廠房（彩客東光及彩客滄州）及東奧生產廠房，其於二零一九年一月一日起至二零一九年十二月三十一日（「**報告期**」）期間的環境和社會表現。有關企業管治的資料則已根據上市規則附錄十四於年報中闡述。由於河北滄州的電池材料生產廠房仍沒進行大規模生產，其對本年業務而言並不重要，因此該生產廠房並未納入報告範圍內。



Environment, Social and Governance Report

環境、社會及管治報告

2.2. Stakeholder Engagement and Communication Channels

In a bid to reinforce the oversight on ESG aspects, the Group attaches importance on interaction with internal and external stakeholders and collection of their valuable opinions. Meanwhile, the feedback from various stakeholders also facilitates the Group's operational management and further improves the quality of its products and services. Through regular communication with the stakeholders, the Group is enabled to identify and update the sustainable development issues that they value, effectively mobilizing Tsaker Chemical's green development. During the Reporting Period, the Group has interacted with stakeholders through the following communication channels:

2.2. 持份者參與及溝通渠道

為強化在ESG方面的監管，本集團著重與內外持份者進行互動及收集其寶貴意見。同時，各持份者的反饋亦有助於本集團完善營運管理、進一步提升其產品和服務質量。透過定期與持份者溝通，本集團可識別及更新他們所關注的可持續發展議題，有效推動彩客化學的綠色發展。於報告期間，本集團已藉着以下溝通渠道與持份者進行互動：

Stakeholder Group 持份者團體

Main Communication Channels 主要溝通渠道

Local Community
當地社區

Donation
捐贈
Community Service
社區服務
Social Media
社交媒體

Industry Association
業界商會

Interview
訪問
Seminar
研討會
Annual Meeting
年會
6S Management Advance Meeting
6S管理推進會



Environment, Social and Governance Report

環境、社會及管治報告

Stakeholder Group 持份者團體

Main Communication Channels 主要溝通渠道

Media
傳媒

Interview
訪問
Group's Website
企業網站
Social Media
社交媒體

Suppliers
供應商

Site Visits
實地考察
Assessment and Performance Evaluation
審核及表現評估
Meeting
會議

Customers
客戶

Customer Service
顧客服務
Group's Website
企業網站
Social Media
社交媒體
Customers Satisfaction Survey
客戶滿意度調查

Employees
僱員

Electronic Communication
電子通訊
Staff Meeting
員工大會
Team Building Activities
團建活動
Seminar and Workshop
研討會及工作坊
Performance Appraisal
績效考核
Welfare Distribution Activities
福利發放活動





Environment, Social and Governance Report

環境、社會及管治報告

Stakeholder Group

持份者團體

Main Communication Channels

主要溝通渠道

Investors

投資者

Face-to-face Meeting and Teleconference

面談及電話會議

Investor Briefing

投資者簡報

Investor Relations Page in the Group's Website

企業網站的投資者關係分頁

Annual Report, Interim Report, Financial Reports and Announcements

年報、中期報告、財務報表及公告

Shareholders

股東

Annual General Meeting

週年大會

Annual Report, Interim Report, Financial Reports and Announcements

年報、中期報告、財務報表及公告

Face-to-face Meeting and Teleconference

面談及電話會議

Group's Website

企業網站

Government

政府

Public Consultation

公眾諮詢

Meeting

會議



Environment, Social and Governance Report

環境、社會及管治報告

2.3. Materiality Assessment

Strategic sustainable development approach, comprehensive ESG risk management and timely grasp on business opportunities are vital to the development of a corporate. In view of this, the Group's Board of Directors has appointed a third-party environmental sustainability consultancy company to determine and focus on the management of business-related sustainability issues. The identified environmental and social issues are listed below:

2.3. 重要性評估

具策略性的可持續發展方針、全面的ESG風險管理以及適時把握商機，對企業發展而言至關重要。有鑒及此，本集團的董事會已委任第三方環境可持續發展顧問公司，以確定並聚焦管理一些與業務相關的可持續發展議題。所識別的環境及社會議題已列表如下：

Environmental Topics 環境議題

Air Emissions
廢氣排放
Energy Consumption
能源使用
Greenhouse Gas ("GHG") Emissions
溫室氣體排放
Water Consumption
用水
Wastewater Discharge
污水排放
Waste Management
廢棄物管理

Social Topics 社會議題

Supply Chain Management
供應鏈管理
Quality Assurance
品質保證
Protecting Intellectual Property Rights
維護知識產權
Securing Customers' Privacy
保障客戶私隱
After-sales Services
售後服務
Safeguarding Employees' Health And Safety
保障員工健康與安全
Employment and Labour Practices
僱傭和勞工常規
Employees' Well-being
員工福祉
Training and Development
培訓和發展
Anti-corruption
反貪污
Community Investment
社區投資



Environment, Social and Governance Report

環境、社會及管治報告

2.4. Reporting Theme

In an effort to highlight the professional image and corporate value of Tsaker Chemical, the reporting theme of this year is "adhere to professional standards, grow a green community":

Adhere to professional standards

In compliance with the production philosophy of emphasis on quality and S&E, the Group is committed to nurturing a professional and outstanding team, and establishing standards for each production process and quality management system.

Grow a green community

Stressing resource efficiency, energy saving and emission reduction, and people-oriented operations, the Group fully shoulders its social responsibilities and spreads care and color from workplace to every corner of the community.

2.5. Contact Details

If you have any comments or suggestions regarding this report, please contact the investor relations department or the Contact Person of ESG Committee at the address below:

Building No. 10, 109 Jinghaisanlu, Beijing Economic-Technological Development Area, the PRC

Contact Person of ESG Committee: Yang Fuguang
(Telephone: 0317-7750925)

2.4. 報告主題

為彰顯彩客化學的專業形象及其企業價值，本年度的報告主題為「恪守專業標準，共建綠色社區」：

恪守專業標準

秉持質量至上及安環的生產理念，本集團致力建立專業卓越的團隊，為每個生產程序及質量管理系統確立標準。

共建綠色社區

強調資源效益、節能減排及以人為本的營運，本集團充分履行社會責任，並將關懷和色彩從工作環境帶到社區每一個角落。

2.5. 聯絡資料

若閣下對本報告有任何意見或建議，請以下文所載的地址聯絡資本市場部或ESG委員會聯絡人：

中國北京市經濟技術開發區
經海三路109號院10號樓

ESG委員會聯絡人：楊福廣（電話：0317-7750925）



Environment, Social and Governance Report

環境、社會及管治報告

3. CHAIRMAN'S STATEMENT

Dear Stakeholders,

On behalf of the Board of Directors of Tsaker Chemical Group Limited, I am pleased to present the Environmental, Social and Governance Report of the Group. With rapid development of the Group's business, we have growing expectations for safety, environmental protection and quality performance in pursuit of sustainable development and shouldering our corporate social responsibility.

In order to further fulfil the corporate promise of "to build a better world with green technology", we have established the Environmental, Social and Governance Committee ("**ESG Committee**") during the Reporting Period, in which all of the committee members have been working at Tsaker Chemical for over 20 years and thus are familiarized with the Group's business operations. Our main purpose of establishing the ESG Committee is to assist the Group in formulating ESG-related strategies in a timely manner, including implementing and monitoring relevant initiatives and policies, and strengthening communication with stakeholders such as employees, consumers and investors. The organization structure of the ESG Committee is as follows:

3. 主席的話

親愛的持份者們：

本人欣然代表彩客化學集團有限公司董事會發表本集團的環境、社會及管治報告。隨著集團業務的迅速發展，我們對安全、環境保護和質量各方面表現的要求亦持續提高，着手朝可持續發展邁進，以履行企業社會責任。

為進一步兌現「讓綠色科技為世界添彩」的企業承諾，我們已於報告期內成立環境、社會及管治委員會（「**ESG委員會**」），其成員均在彩客化學任職超過二十年，對其業務運營非常熟悉。我們成立ESG委員會的主要目的是協助本集團適時制定與ESG相關的策略，當中包括實施和監督有關舉措及政策，以及加強與員工、消費者及投資者等持份者的溝通。ESG委員會的架構圖如下：

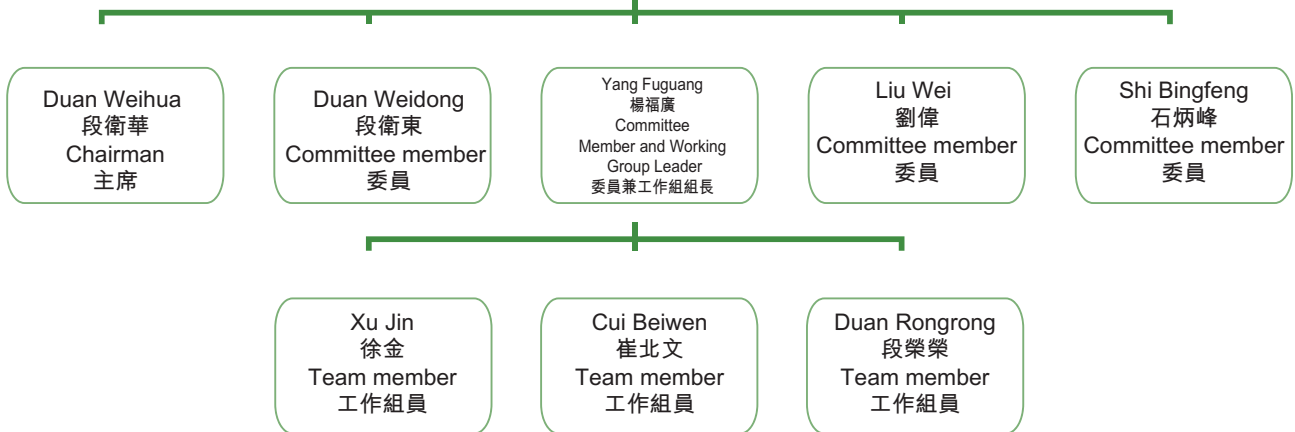




Environment, Social and Governance Report

環境、社會及管治報告

ESG Committee Organization Structure ESG委員會人員架構



Environment, Social and Governance Report

環境、社會及管治報告

Looking back at 2019, we have remained committed to adhering to stringent standards of quality management and S&E production, providing reliable and safe products and services to customers across the globe. Meanwhile, with an aim to become the role model for the industry on the social and environmental aspects, we also place great importance to people-oriented operations, guaranteeing respect for human rights and protecting rights and benefits of employees.

Last but not least, I would like to express my sincere gratitude to all internal and external stakeholders for their support to the Group, enabling Tsaker Chemical to start another fruitful year. We are committed to building on this achievement, and continue working together to build a greener and more colorful working and living environment in the coming year.

Chairman and Chief Executive Officer

Ge Yi

25 March 2020

回顧二零一九年，我們繼續堅守品質管理及安環生產的嚴格標準，為世界各地的客戶提供可靠安全的產品和服務。同時，我們亦非常重視以人為本的營運，確保尊重人權及保障員工權益，務求在社會及環境方面成為同業的典範。

最後，我衷心感謝所有內部及外部持份者對本集團的支持，讓彩客化學能開始另一個豐盛的年度。我們承諾以此成果為基礎，繼續攜手在來年構建更環保及富有色彩的工作及生活環境。

主席及行政總裁

戈弋

二零二零年三月二十五日





Environment, Social and Governance Report

環境、社會及管治報告

4. ENSURING STRINGENT PRODUCTION

Providing excellent and reliable products is a pivotal element of a corporate's sustainable development. From supply chain management to each of the standardized production and quality control procedures, Tsaker Chemical is dedicated to abiding by its professionalism, enhancing supplier's sustainability awareness through engagement with them, and strictly assuring product quality and services to meet customers' needs, fulfilling the crucial mission of pursuing excellence.

4.1. Sustainable Supply Chain Management

In support of sustainable development, Tsaker Chemical regards the impact of raw materials supply and selection on operations and the environment as one of the indispensable considerations. In this regard, the Group has been devoted to cooperation with suppliers who value environmental and social responsibility, joining hands to build a green and stable supply chain.

The procurement department of the Group has established a sustainable supply chain management system in accordance with the ISO14001:2015 Environmental Management System. When selecting suitable suppliers, the procurement department shall evaluate whether or not the materials and services provided by suppliers meet certain requirements such as quality and safety, productivity, price and service level. The Group shall also review the supplier's performance in terms of environmental and social responsibilities. For instance, during the process of purchasing dangerous chemicals, it is mandatory for the manufacturers to hold valid production and operation permits, and showcase holistic management for transporting and storing dangerous chemicals and emergency response systems to protect public safety. In addition, the Group shall also assess if suppliers have offered environmental protection training for their personnel on a regular basis.

4. 確保嚴格生產

提供卓越可靠的產品，是企業可持續發展至關重要的一環。從供應鏈管理至每個標準化生產及品質控制程序，彩客化學致力恪守專業，透過與供應商的互動，加強供應商可持續發展的意識，並嚴格地為產品品質與服務把關，以滿足客戶所需，從而履行追求卓越的重要使命。

4.1. 可持續的供應鏈管理

原材料的供應和選擇對營運及環境的影響乃彩客化學於可持續發展中不可或缺的考慮因素之一。因此，本集團一直致力與着重環境及社會責任的供應商合作，共建綠色及穩定的供應鏈。

本集團的採購部按照ISO14001:2015環境管理體系，設立可持續的供應鏈管理系統。在選擇合適的供應商時，採購部須評估供應商所提供的材料及服務是否合乎品質安全、生產效率、價格及服務水平等要求。本集團亦會審核供應商在環境及社會責任方面的表現，例如在採購危險化學品時強制規定其生產商必須持有有效生產及營運許可證，並須有全面的危險化學品運送及存放管理，以及應急處理制度，保障公眾安全。除此之外，本集團亦會評估供應商有否向其人員定期提供環保培訓。



Environment, Social and Governance Report

環境、社會及管治報告

Regardless of existing or potential suppliers, the Group evaluates them with fair and objective criteria in order to establish ideal cooperation relationships with high-quality and upright suppliers. Suppliers who are first contacted are categorized into different grades based on major performance indicators and regarded as backup suppliers. While maintaining the Group's stable supply chain, Tsaker Chemical also hopes that this practice could benefit lower-grade suppliers by providing them with relevant feedback. Re-assessments will be conducted after their improvement is made.

Striving to consider the sustainable performance of some suppliers in a more accurate manner, the Group conducts annual field inspections at their production units. Apart from implementing appropriate follow-up and monitoring measures for the suppliers based on the grades assessed on ESG aspects, the Group determines the cooperation period that is subject to actual improvement. To minimize environmental and social risks, the Group emphasizes consistently close communication with its suppliers.

不論現有或潛在供應商，本集團均會以公平及客觀的準則對其進行評估，務求與高質量及有誠信的供應商建立理想的合作關係。首次接洽的供應商會按主要表現指標劃分等級，並視作後備供應商，可確保本集團供應鏈穩定的同時，彩客化學亦希望協助等級較低的供應商，向他們提供相關反饋，待其作出改善後可重新進行評估。

為更準確考量供應商的可持續表現，本集團每年會到部份供應商的生產基地進行實地考察，除根據環境、社會及管治各方面所評定的等級，向該供應商採取適當的跟進及監督措施外，亦會視乎改善情況，決定合作期的長短。本集團強調與供應商保持緊密溝通，盡量降低與環境及社會相關的風險。



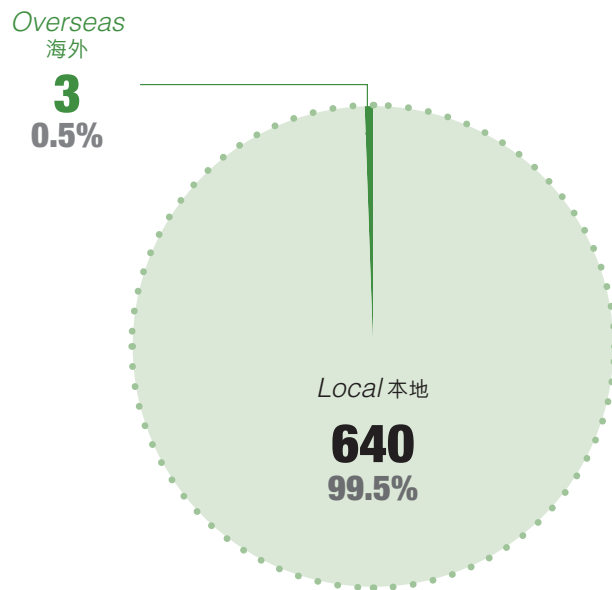


Environment, Social and Governance Report 環境、社會及管治報告

Moreover, the Group is also highly concerned about carbon emissions incurred by the transportation of materials. In view of this, the Group prioritizes cooperation with local suppliers, hence reducing environmental pollution while promoting local economic development and green procurement.

此外，本集團亦高度關注運輸材料所引致的碳排放。有鑒及此，本集團優先選擇與本地供應商合作，從而減少對環境所產生的污染並同時推動本地經濟發展，實踐綠色採購。

Geographical Distribution of Suppliers 供應商地理分佈



Environment, Social and Governance Report

環境、社會及管治報告

4.2. Quality Control

In hopes of satisfying customers' expectations and maintaining a sound reputation of the corporate, Tsaker Chemical adheres to rigorous quality standards. While managing production efficiency, the Group also ensures the accuracy of material use so as to avoid unnecessary wastage of the resources.

With stringent quality control, the Group is honored to be recognized and affirmed by the local government and professional institutions. During the Reporting Period, the R&D and technology of Tsaker Chemical obtained a total of 13 awards and certifications as follows:

Awarding Organization

頒授機構

Industry and Information Technology
Department of Hebei Province
河北省工業和信息化廳

Industry and Information Technology
Department of Hebei Province
河北省工業和信息化廳

Hebei Small and Medium-sized
Enterprises ("SME") Famous
Brand Approval
河北省中小企業名牌審定委員會

Hebei Administration for Industry & Commerce
河北省工商行政管理局

Hebei Provincial Department of Science
and Technology
河北省科學技術廳

Hebei Provincial Finance Department
河北省財政廳

Hebei Development and Reform Commission
河北省發展和改革委員會

4.2. 品質控制

為達到客戶的期望及保持企業的良好口碑，彩客化學恪守嚴謹的品質標準，在管理生產效益的同時，亦確保材料使用的精準度，以避免不必要的資源浪費。

憑藉嚴密的品質控制，本集團深感榮幸受到當地政府及專業機構的認同及肯定。於報告期間，彩客化學的研發及技術合共獲得下列十三個獎項及認證：

Name of Corporate Award

企業獎項名稱

Industrial Cooperate Development
Association Certificate of Hebei Providence
河北省工業企業研發機構證書

Hebei SME Famous Brand
河北省中小企業名牌產品

Well-known Trademark of Hebei
河北省著名商標

Hebei Dye and Pigment Intermediates
Engineering Technology Centre
河北省染料與顏料中間體工程技術研究中心



Environment, Social and Governance Report

環境、社會及管治報告

Awarding Organization 頒授機構

Name of Corporate Award 企業獎項名稱

Hebei Provincial Department of Science
and Technology
河北省科學技術廳

Technological SME of Hebei Providence
河北省科技型中小企業

Hebei Development and Reform Commission
河北省發展和改革委員會

Hebei Provincial Enterprise Technical Centre
河北省認定企業技術中心

Hebei Provincial Department of Finance
河北省財政廳

State Taxation Administration of Hebei Province
河北省國家稅務局

Hebei Province Local Taxation Bureau
河北省地方稅務局

ShiJiaZhuang Customs District
People's Republic of China
石家莊海關

Hebei Provincial Department of
Science and Technology
河北省科學技術廳

Science and Technology Small Giant
科技小巨人

China Petroleum and Chemical
Industry Federation
中國石油和化學工業聯合會

Green Factory in Petroleum
and Chemical Industry
石油和化工行業綠色工廠

Industry and Information Technology
Department People's Republic of China
中華人民共和國工業和信息化部

Single Champion Product
in Manufacturing Industry
製造業單項冠軍產品

China Federation of Industrial Economics
中國工業經濟聯合會

Industry and Information Technology
Department of Hebei Province
河北省工業和信息化廳

Specialized and Outstanding New Enterprise
專精特新企業



Environment, Social and Governance Report

環境、社會及管治報告

Awarding Organization 頒授機構

Name of Corporate Award 企業獎項名稱

China Fine Chemical Raw Material &
Intermediate Industry Association
全國精細化工原料及中間體行業協作組

Top 100 Fine Chemical
精細化工百強

China Chemical Industry
Information Association
中國化工情報信息協會

China Environmental News
中國環境報社

Governing Unit of China Green
Development Alliance
中國綠色發展聯盟理事單位

China Petroleum and Chemical Industry Federation
中國石油和化學工業聯合會

Top 500 Chinese Petroleum
and Chemical Enterprises 2019
2019中國石油和化工企業500強

China Chemical Enterprise Management Association
中國化工企業管理協會





Environment, Social and Governance Report

環境、社會及管治報告

Under the framework of the ISO9001: 2015 Quality Management System, the Group assures that all production units implement quality inspection procedures and guidelines. In addition, Tsaker Chemical's manufacturing facilities are well equipped with sophisticated inspection equipment which undergoes regularly check-ups and maintenance to ensure its accuracy for comprehensive and precise quality control. The Group also continuously improves and refines product quality and production procedures through ongoing product research.

As the manufacturing environment is one of the keys to success in maintaining product quality, the Group strictly stipulates that the goods must be properly stored at a warehouse in strict controls of temperature and humidity. The facilities of all production units are cleaned twice a day to ensure the sanitary requirements of the plant are fulfilled.

In the meantime, the Group places great emphasis on the development of new products in response to rising market demands. Therefore, the Group actively provides technical support and assistance in analyzing the feasibility of potential products to strategy development department, anticipating to roll out competitive products. The R&D department also collects chemical residues from the production plants, and conducts resource research on the production of chemical residues, such as the possibility of turning them into products, with an aim to reduce the impact of residual chemicals on the environment. It demonstrates the Group's determination to strike a balance between environmental protection and innovation.

4.3. Fulfilling Product Responsibility

Customers' support and trust are the cornerstone of Tsaker Chemical's reputation. In this regard, the Group strives to provide customers with satisfactory products and services, and establish consistent and good relationship with them. By conducting customer satisfaction surveys, the Group is able to better understand the perspectives of customers, further improving the quality of its products and services. On account of the Group's professional knowledge and responsible services, the survey results during the Reporting Period showed that the products provided by the Group received customer satisfaction scores of higher than 95 points (out of 100), and have not received any complaints about dissatisfaction with product and service.

在ISO9001:2015質量管理體系的框架下，本集團確保各基地貫徹執行品質檢定程序及指引。此外，彩客化學各生產基地均配備精密的驗測設備，並定期檢查及維修設備，確保其準確性以進行全面而精準的品質控制。本集團亦會透過持續進行產品研究，不斷精進及改良產品品質和生產流程。

因生產環境是保持產品質量的成功關鍵之一，所以本集團嚴格規定產成品必須妥善儲存於受嚴格溫度及濕度控制的倉庫。各生產基地的車間每天會進行兩次清潔，以確保廠房的衛生要求達標。

與此同時，為緊密貼近市場需求，本集團非常重視新產品的開發，故此積極為戰略發展部門提供技術支援、協助分析潛在產品的可行性，從而提供具競爭力的產品。研究及發展部門亦會收集生產廠房的化學殘留物，針對生產化學殘餘物進行資源化研究，例如研究其變成產品的可能性，以減低殘留化學物對環境的影響，展現本集團致力平衡環保及創新的決心。

4.3. 履行產品責任

彩客化學的信譽建立基於客戶的支持及信賴。有鑒及此，本集團致力為客戶提供稱心滿意的產品及服務，並與他們建立持續且良好的關係。透過進行客戶滿意度調查，本集團能更深入了解客戶的意見，以進一步提升產品及服務的質素。憑藉專業知識及盡職盡責的服務，報告期內的調查結果顯示，本集團所提供的產品均獲得高於95分（滿分為100）的客戶滿意度，而且沒有接獲對產品及服務不滿的投訴。



Environment, Social and Governance Report

環境、社會及管治報告

Customers' comments and feedback can effectively drive the improvement of Tsaker Chemical. The Group has established a complaint handling and product recall mechanism, and its quality assurance department is responsible for following up on customer feedback and arranging investigations, which are reviewed by team leaders. For after-sales complaints, the Group shall send the products involved to the quality assurance department for thorough investigation. If the investigation results attest that the incident is due to the Group's fault, relevant department(s) shall arrange product recall and re-manufacture a new batch of products for customers in a timely manner. In an effort to avoid repeated mistakes, the Group will also use the previously handled complaints as a case sharing to raise other employees' awareness and discuss together to improve production and inspection procedures as well as countermeasures. During the Reporting Period, the Group was not aware of any incidents in which products had to be recalled due to safety and health issues.

4.4. Protecting Intellectual Property Rights

While continuously developing and innovating business, Tsaker Chemical also emphasizes the intellectual property rights of itself and its partners. The Group has formulated relevant policies and codes in accordance with local laws and regulations, and strictly requires employees to follow relevant regulations. During the process of cooperation with third parties, Tsaker Chemical carefully handles and protects the Group's and stakeholders' proprietary technologies in an effort to safeguard their intellectual property rights and business interests.

4.5. Securing Customer Privacy

The Group has always been committed to securing the privacy of customers and upholding business integrity. For instance, the Group articulates that a confidentiality agreement must be signed when negotiating with suppliers, customers or partners in a bid to fully protect the interests of all parties. In addition, the Group has issued clear guidelines to employees at all positions regarding the collection and handling of customers' personal or business information in order to prevent leakage of customer information.

客戶的意見與反饋可有效推動彩客化學進步。本集團已制定投訴處理及產品回收機制，其質檢部門負責跟進客戶反饋及安排調查事件，並由主管領導審核。有關售後投訴，本集團會抽取涉及的產品到質檢部進行詳細檢驗。若調查結果證實事件屬本集團的過失，相關部門將安排產品回收，並會及時為客戶重新製造產品。為避免重覆犯錯，本集團亦會將過往已處理的投訴事件用作案例分享，以助其他員工借鑒，並一同商討改善生產驗測工序及應對措施。在報告期間，本集團並無知悉任何因安全與健康問題而須回收產品的事件。

4.4. 保護知識產權

彩客化學在不斷開拓創新業務的同時，亦重視對自身及合作夥伴的知識產權。本集團已按照當地法律及法規制定相關政策及守則，並嚴格規定員工遵循有關規定。在與第三方合作的過程中，彩客化學審慎處理及保護本集團及持份者的專有技術，以維護其知識產權及商業權益。

4.5. 保障客戶私隱

本集團一直致力保護客戶的私隱，堅守商業誠信。例如，本集團規定凡與供應商、客戶或合作夥伴協商時，均須簽訂保密協議，旨在充分保障各方利益。此外，本集團已向各崗位員工發出有關收集及處理客戶個人或商業資料的明確指引，以防止客戶信息洩漏。



Environment, Social and Governance Report

環境、社會及管治報告

5. BUILDING A SAFE AND ENVIRONMENTALLY FRIENDLY WORKPLACE

Tsaker Chemical views its employees as an important pillar to support the Group's sustainable operations with innovation and security. In this regard, the Group prioritizes the creation of zero-accident and environmentally-friendly working environment, outlining Tsaker Chemical's commitment to safeguarding the safety and health of its employees. To ensure the compliance and execution of safety production, the Group has formed a S&E department at each production unit. The department conducts weekly meetings with the production management and representatives, during which the representatives make feasible suggestions or feedback on S&E production. Additionally, the S&E department also explains the latest relevant policies to the attendees. The establishment of the S&E department helps foster communication between frontline employees and the management, jointly building a safe and eco-friendly workplace.

5.1 Safety Management

Tsaker Chemical' employees often have to handle and carry out mixing works of various types of chemicals. In view of this, the Group is dedicated to protecting the safety of employees and eliminating occupational hazards. Through strictly complying with the requirements of local fire protection and GB/T28001-2011 occupational health and safety management system, the Group ensures that all production units adopt holistic safety measures and that all employees have high safety awareness and demonstrate professional performance.

5. 締造安環工作環境

員工對彩客化學而言是支持集團持續以創新及安環運營的重要支柱。就此，本集團將締造零意外及支持環保的工作環境放在優先位置，彰顯彩客化學對保障員工安全和健康的承諾。為確保安全生產的合規性及執行性，本集團已在各基地設立安環部。該部門每周會與各生產管理層及代表進行會議，期間各代表就安環生產提出可行建議或反饋，並向他們解釋最新推行的相關政策。安環部的成立有助加強前線員工及管理層的溝通，攜手構建安環工作環境。

5.1. 安全管理

彩客化學的員工於工作期間往往需要進行不同種類的化學物處理及混合作業。有鑒及此，本集團致力保障員工安全及消除職業危害。透過嚴格遵守當地消防，以及職業健康及安全管理體系GB/T28001-2011的要求，本集團確保所有基地均採取全面的安全措施，以及各員工具備高度安全意識及專業表現。



Environment, Social and Governance Report

環境、社會及管治報告

Use and Storage of Dangerous Chemicals

In order to ensure that employees use hazardous chemicals correctly, the Group has formulated practical safety guidelines in place for their better understanding of the hazards and risks that the use of chemicals pose. This can help guarantee the safety of employees when storing, loading and unloading, transporting, and using the chemicals. In addition, the Group also stipulates that dangerous chemicals must be properly classified and labeled, and stored separately according to zones to prevent accidents caused by storage with incompatible items. Each production unit has assigned responsible staff to supervise the use and storage of hazardous chemicals, and formulated standardized handling guidelines relating to chemical spills and conduct regular chemical spill drills to effectively reduce the employees' risk of injuries due to accidents.

Raising Safety Awareness

Tsaker Chemical advocates "prevention for safety" throughout the production process. Thus, the Group pursues efforts to enhance employees' safety awareness via different channels. For example, every new employee must receive safe production guidance from eligible current employees on a one-to-one basis, helping them to adapt to the working environment as soon as possible, and reminding them of potential work injury crises on-site.

To keep the employees updated of the Company's safety measures in a timely manner, the Group arranges regular safety courses and internal examinations for employees to enhance their safety knowledge. Also, the Group organizes annual physical examinations for employees to confirm their physical health conditions to cope with the arrangements work and thereby secure their occupational safety.

危險化學品的使用及貯存

為確保員工正確地使用危險化學品，本集團已提供實務安全指引，讓他們更能瞭解使用化學品所涉及的危害和風險，以保障員工在儲存、裝卸、運輸及使用化學品時的安全和健康。除此之外，本集團亦規定，危險化學物必須妥善分類及標籤，並按分區獨立存放，以免因與不相容物品一起貯存而產生意外。每個生產基地已指派負責員工監管危險化學品的使用及貯存，並制定與化學品洩漏事件有關的標準處理指引及定期進行化學物洩漏演練，以有效降低員工因意外發生而受傷的風險。

提高安全意識

彩客化學在整個生產過程中提倡「安全第一，預防為主」，因此本集團着手從不同途徑加強員工的安全意識。例如，每位新入職員工均須接受合資格在職員工以一對一形式所提供的安全生產指導，讓他們盡快適應工作環境，以及提醒他們小心避免潛在工傷危險。

為及時向員工更新公司的安全舉措，本集團安排員工定期進行安全課程及內部考試，增強其安全知識，並進行年度體檢，以確保其身體健康狀況足以應付所安排的工作及保障自身職業安全。





Environment, Social and Governance Report

環境、社會及管治報告

In the production units, the Group actively takes part in safety promotion activities, and strives to provide employees with interesting learning and exchange opportunities, contributing to the establishment of a safe production community. Through various company activities including safety literary shows, safety knowledge contests and emergency rescue competitions, the Group instills work safety and health-related knowledge in employees and promotes their teamwork and interaction. Meanwhile, the Group also enthusiastically supports the “Safety Production Program, Hekou District 2019” and conducts a number of publicity safety activities based on the theme of the safety month – “Prevent Accidents, Remove Potential Risks, Curb Incidents”, such as designing notice boards that disseminate site safety information and arranging investigation activities to spot potential dangers in the workplace, such that it incorporates the concept of people-oriented and safe production into the community.

在生產基地內，本集團積極投入參與安全推廣活動，竭力向員工提供有趣的學習及交流機會，為建立安全生產社區出一份力。本集團藉着不同公司活動，包括安全文藝匯演、安全知識競賽活動及應急救援比賽，向員工灌輸工作安全及健康知識，並促進他們的團隊合作及互動。同時，本集團亦熱心支持區內的《河口區2019年「安全生產月」》，並根據「防風險、除隱患、遏事故」安全月主題，進行多個宣傳安全活動，如設計傳達基地安全訊息的壁報板及安排職場隱患排查活動，務求將以人為本、安全生產的概念融入社區。



Environment, Social and Governance Report

環境、社會及管治報告



Photos 1 Safety knowledge contest organized in Dongguang premise

圖1在東光廠房舉辦的安全知識競賽



Photos 2 & 3 Safety literary shows held in Dongguang premise

圖2和3在東光廠房舉辦的安全文藝匯演



Photos 4 & 5 Investigation activities to spot potential dangers conducted in Dongguang premise

圖4和5在東光廠房舉辦的隱患排查活動



Environment, Social and Governance Report

環境、社會及管治報告

Promoting Automated Production

The Group consistently reinforces production safety management, gradually embedding advanced automation technology in part of the production processes. This not only ensures the safety of employees, but also improves production efficiency. Taking Dong'ao production unit as an example, in addition to manual maintenance work, the operation and monitoring of the entire production process have been fully automated, which is able to detect any mechanical failure in a timely and effective manner. As automated manufacturing has become the current production development trend, the Group will continue to promote automated production at all the production units to boost the overall market strength of Tsaker Chemicals.

Equipped with Safety Facilities

In terms of hardware, Tsaker Chemicals ensures that all production units possess comprehensive and advanced safety facilities. Apart from installing protective nets and shields in all rotating equipment, the Group has also added an emergency shutdown system for safety instruments in the distributed control system, thereby effectively minimizing the occupational risk of employees.

According to the level of potential risks, the production unit is divided into different areas by color, accompanied by clear and visible safety guidelines and signages at conspicuous locations of the plant. This aims to remind employees to stay alert and wear appropriate personal protective equipment such as goggles and gloves.

Besides, the Group also collaborates with the local fire brigade. In addition to ensuring that each production unit has adequate firefighting equipment and escape routes in accordance with local fire protection requirements, it also conducts regular fire drills and fire protection competitions to enhance staff's response-ability and address potential risks. In compliance with local safety requirements, the Group has also set up emergency pools in each plant to effectively and quickly curb the spread of the fire when necessary.

提升自動化生產

本集團持續強化安全生產管理，逐步將先進自動化科技融入部分生產程序，不但保障員工安全，還提升生產效益。以東奧生產基地為例，除涉及人手的維修工作外，整個生產流程的運行及監測已全面自動化，可及時和有效地偵察任何機器故障。由於自動化生產乃現今生產發展趨勢，故此本集團將繼續致力提升各基地的自動化生產，增加彩客化學整體的市場優勢。

配備安全設施

在硬件方面，彩客化學確保各生產基地附有全面而先進的安全設施。本集團除對所有轉動設備均加有護網及護罩外，還在分佈式控制系統上增設安全儀表緊急停車系統，從而有效減低員工的工作風險。

根據潛在風險的水平，生產基地以顏色劃分不同區域，並於廠房各處顯眼位置張貼清晰可見的安全指引及標示，提醒員工須在該處保持警覺及配戴適當的個人防護裝備，如護目鏡和手套等。

此外，本集團亦與當地消防隊合作無間，除確保各基地根據當地消防要求設有足夠的消防設備及逃生路線，亦會定期進行火災演習及消防比賽，增強員工的應對能力，盡量降低潛在風險。按當地安全要求，本集團亦在各廠房設置應急池，以在必要時有效迅速遏止火勢擴大蔓延。



Environment, Social and Governance Report

環境、社會及管治報告

With sound safety initiatives, the Group did not have any cases of work-related deaths during the Reporting Period, attaining the goal of zero-work fatalities.

憑藉良好的安全舉措，本集團於報告期間並無任何因工作而死亡的個案，實現了零因工死亡的目標。



Photos 6 & 7 Fire protection competition organized in Dongguang premise

圖6和7在東光廠房舉辦的消防比賽



Photos 8 & 9 Fire drill held in Dongguang premise

圖8和9在東光廠房進行的火警演習





Environment, Social and Governance Report

環境、社會及管治報告

5.2. Environmental Protection

Tsaker Chemical believes that reducing the environmental impact of production and operation is one way to realize the Group's promise of committing to professionalism. The Group not only stops at complying with environmental laws and regulations, but also actively integrates green technology into the production process so as to achieve responsible production goals of reducing emissions and utilizing resources well.

Environmental Policy

With an aim to further strengthen the environmental performance management of business operations and reduce the impacts of the operations on natural resources, the Group has obtained certification of the ISO14001:2015 Environmental Management System, and formulated environmental policies in accordance with the international standards, elucidating the Group's relevant policies and measures to promote sustainable development:

- All employees strictly comply with all applicable national environmental laws and regulations;
- The Group sets out and implements operational guidance in accordance with the international standards;
- S&E department regularly attends the announcement seminars of the local government and implements corresponding measures in response to policy updates;
- Environmental audit team assists in collecting relevant data to arrange improvement and follow-up work;
- The Group explores feasible green technologies to reduce environmental impacts during operations; and
- S&E department regularly provides environmental training to employees to enhance their environmental awareness in daily work.

5.2. 環境保護

彩客化學深信，減低生產及營運所帶來的環境影響是本集團承諾恪守專業的體現之一。本集團不僅僅止步於遵從環境法律及法規，還積極地將綠色科技融入生產過程，務求達到減排及善用資源的負責任生產目的。

環境政策

為進一步加強業務營運的環境績效管理及減少營運對天然資源的影響，本集團已取得 ISO14001:2015 環境管理體系認證，並按該國際標準制定環境政策，闡述本集團推動可持續發展的有關政策及措施：

- 全體員工嚴格遵守一切適用的國家環境法例及規則；
- 本集團按照國際標準制定及執行操作指引；
- 安環部定期出席當地政府的公告研討會，因應政策更新推行相應舉措；
- 環境審計小組協助收集相關數據以安排改善及跟進工作；
- 本集團探討可行的綠色科技，以降低營運過程中的環境影響；及
- 安環部定期向員工提供環保培訓，加強日常工作的環保意識。



Environment, Social and Governance Report

環境、社會及管治報告

The Group has identified the main environmental footprints of its daily operations, namely air pollutant emissions, energy use, greenhouse gas emissions, water consumption, wastewater discharge, hazardous and non-hazardous waste generation.

Management of Air Pollutant Emissions

The daily operation of Tsaker Chemical includes the coal-fired boilers of Dongguang premise and the natural gas boilers of various premise. The main air pollutants refer to nitrogen oxide (“**NOx**”), sulfur oxide (“**SOx**”) and particulate matters (“**PM**”). In this regard, the Group pays close attention to the impacts of its production processes on neighboring environment and the health of employees.

The Group has formulated guidelines for coal procurement, stipulating that the related premises shall purchase low-sulfur and relatively clean coal as fuel of boilers. Each production plant is equipped with facilities for denitrification, desulfurization and dust removal, effectively removing nearly 90% of air pollutants in emitted smoke. The plant has also set up real-time smoke and air quality monitoring appliances to sample the exhaust gas every half an hour and thus control the emitted air pollutants at a level far below the emission standards.

In order to further establish the principle of “green production”, the Group continues to promote the use of clean energy in daily production. In Dong’ao and Dongguang premises, coal has been successively replaced with two cleaner energy sources, namely natural gas and purchased steam production plants, greatly reducing the emission of air pollutants.

本集團已識別其日常營運的主要環境足跡，分別為大氣污染物排放、能源使用、溫室氣體排放、用水、污水排放、有害及無害廢棄物產生。

管制大氣污染物排放

彩客化學的日常營運，包括東光生產廠房的燃煤鍋爐及各生產廠房的天然氣鍋爐，當中排放的大氣污染物主要有氮氧化物、硫氧化及顆粒物。就此，本集團以減少其生產過程對周圍環境及員工健康的影響為目標。

本集團已制定煤炭採購指引，規定有關基地必須採購低硫含量、相對較潔淨的煤炭作鍋爐燃料。各生產廠房配備脫硝、脫硫及除塵的設施，有效去除煙氣中近九成的大氣污染物。而廠房亦設有實時煙氣空氣質素監測設備，旨在每半小時抽樣檢驗所排放的廢氣，務求將所排放的大氣污染物控制在遠低於排放標準的水平。

為進一步確立「綠色生產」的原則，本集團在日常生產中持續推崇潔淨能源的使用，相繼於東奧及東光生產廠房以天然氣及外購蒸汽兩種較潔淨能源，取代較高污染的煤炭，大大減少大氣污染物的排放。





Environment, Social and Governance Report

環境、社會及管治報告

During the Reporting Period, Cangzhou premise's coal-fired boilers have implemented ultra-low emissions retrofit project and strengthened smoke plume management, as a means to meet the requirements of the local "Three-year Action Plan for Coal-fired Boiler Control". Besides, Dongguang premise has phased out the 20-tonne coal-fired boiler. Due to the Group's consistent endeavors to reduce emissions, the emission intensities of NOx, SOx and PM during the Reporting Period were remarkably cut down by more than 65% as compared to the same period last year. Tsaker Chemical will continue to explore feasible emission reduction measures to further reduce the impacts on the environment.

於報告期間，滄州廠房的燃煤鍋爐已執行超低排放的改造工程，並加強煙羽管理，旨在達到當地「燃煤鍋爐治理三年行動計劃」的要求。此外，東光廠房的20噸燃煤鍋爐亦更換成燃氣鍋爐。經過本集團努力不懈的減排措施，本報告期較去年同期成功減少超過65%的氮氧化物、硫氧化物及顆粒物排放。彩客化學將繼續探究可行的減排措施，持續減低對環境的影響。

Air Pollutant Emissions	廢氣排放	2019	2018
NOx emissions (tonnes)	氮氧化物排放(噸)	37	113
NOx emissions intensity (NOx emissions/ M' RMB Revenue)	氮氧化物排放密度 (氮氧化物排放/ 百萬人民幣收入)	0.020	0.075
SOx emissions (tonnes)	硫氧化物排放(噸)	24	107
SOx emissions intensity (SOx emissions/M' RMB Revenue)	硫氧化物排放密度 (硫氧化物排放/ 百萬人民幣收入)	0.013	0.071
PM emissions (tonnes)	顆粒物排放(噸)	6	17
PM emissions intensity (PM emissions/M' RMB Revenue)	顆粒物排放密度 (顆粒物排放/ 百萬人民幣收入)	0.003	0.011



Environment, Social and Governance Report

環境、社會及管治報告

Improving Energy Efficiency and Reducing Carbon Emissions

The Group's energy use mainly stems from electricity, natural gas, coal and purchased steam. As energy consumption is closely related to GHG emissions and global climate change, Tsaker Chemical has been scaling up efforts to implement energy saving and emission reduction initiatives so as to minimize the environmental impacts caused by the business, and to diminish the production costs as well. With formulation of guidelines for management of electricity consumption, the Group set out the best energy-saving practices for employees at work. Some measures include:

- Arrange power-consuming equipment for centralized production to reduce electricity use per production unit;
- Gradually replace older devices with efficient energy saving facilities;
- Inspect and repair machines on a regular basis to ensure its proper operation;
- Adjust operating hours of machinery and prohibit idling equipment;
- Report electricity consumption to the environmental audit team every month; and
- Encourage all departments to propose new suggestions for improving energy efficiency.

提高能源效益及減少碳排放

本集團的能源使用主要源自於電力、天然氣、煤炭及外購蒸汽。鑒於能源消耗與溫室氣體排放、以至全球氣候變化息息相關，彩客化學正加倍努力推行節能減排的措施，盡可能將業務造成的環境影響減至最低，同時亦可降低生產成本。本集團已制定用電管理指引，訂明員工在工作時的最佳節能常規，部份措施包括：

- 編排高電力需求的設備作集中生產，降低每生產單位的耗電量；
- 逐步以高效節電設備取代舊式裝置；
- 定期檢查及維修設備，確保其有效運作；
- 調整機器運作時間，禁止閒置設備的情況；
- 每月向環境審計小組匯報用電量；及
- 鼓勵各部門提出提升能源效益的新建議。





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

The Group has always been committed to improving energy efficiency, and implements corresponding environmental protection measures at each premise every year:

本集團一直致力提高能效，每年均為各基地作出相對應的環保措施：

Premise 基地	Measure 措施	Result 成效
Dongguang factory 東光廠房	At the end of 2018, 2 coal boilers with the capacity of 20 tonnes were replaced by natural gas boilers, enabling the Group to move towards cleaner production 在2018年末，換兩台20噸煤炭鍋爐為天然氣鍋爐，讓集團邁向更清潔的生產	Compared to the previous reporting period, the energy efficiency per tonne of carbon dioxide equivalent is increased by 6%; and the carbon dioxide equivalent per MWh is reduced by 5% 相比起上一報告期，每噸二氧化碳當量的能效提升了6%；而每兆瓦時的二氧化碳當量則減少了5%
Cangzhou factory 滄州廠房	Self-produced steam to alleviate the reliance on purchased energy and environmental impacts 自產蒸汽，減少對外購能源的依賴以及對環境的影響	Generated a total of 135,446 tonnes of steam, which in turn reduced 42 tonnes of carbon dioxide equivalent 共產生135,446噸蒸汽，變相減少42噸二氧化碳當量
	Integrated air compressors for enhancement of energy utilization rate 整合空壓機以提高能效	A reduction in approximately 11% of annual electricity consumption compared to the original model 比原來的型號約節省11%的年度用電
Dong'ao factory 東奧廠房	15 street lights have installed solar panels, and added inverters in some motors to make good use of renewable energy 15台路燈亦已安裝太陽能板，並在部份電機加裝變頻器，以善用可再生能源	Save about 16,000 kWh of electricity annually 每年可節電約16,000度

In addition, the Group's R&D Centre particularly selected glass wall façade for indoor windows in order to make full use of natural light. Conventional lighting fixtures were replaced with energy-saving lamps to cut down on electricity consumption.

除此之外，本集團的研發中心亦特地選用落地玻璃，旨在充分利用自然光，以節能燈具取代傳統照明系統，減低耗電。



Environment, Social and Governance Report

環境、社會及管治報告

During the Reporting Period, the changes in the Group's energy usage situation were as follows:

在報告期內，本集團的能源使用概況的變動如下：

Premise 基地	Energy usage profile 能源使用概況
Dongguang and Cangzhou factories 東光與滄州廠房	Since 2 of the 4 coal boilers supporting the plant's energy supply have been converted to natural gas boilers, the amount of coal used has decreased, while the amount of natural gas has increased. In addition, part of the Group's heating equipment reuses water resources from production plants. This measure can save 1,000 cubic meters of steam each year 由於支持廠房能源供應的4台煤炭鍋爐當中，有2台鍋爐已改造為天然氣鍋爐，所以煤用量減少，而天然氣的用量增加。此外，廠房的暖氣設備乃重用車間所得的水資源，此舉措每年可節約1,000立方米蒸汽
Dong'ao factory 東奧廠房	Increased use of purchased steam and reduced use of natural gas 增加使用外購蒸汽和減少使用天然氣





Environment, Social and Governance Report

環境、社會及管治報告

As the Group proactively manages energy use during the Reporting Period, the total energy use intensity has dropped by 25% compared to the same period last year. During the Reporting Period, direct and indirect GHG emission intensities have decreased by 41% and 25% respectively compared to the same period last year. Tsaker Chemical will remain committed to working closely with various production bases to adopt more low-carbon equipment and technologies.

由於本集團於報告期內積極管理能源使用，因此能源總用量密度與去年同期相比已下降25%。本報告期間的直接及間接溫室氣體排放密度較去年同期分別減少41%和25%。彩客化學將繼續與各生產基地密切合作，應用更多低碳設備及技術。

Energy Consumption	能源使用	2019	2018
Electricity Consumption (MWh)	用電量 (兆瓦時)	44,123	49,223
Energy Intensity of Electricity Consumption (energy consumption/M' RMB Revenue)	用電的能源密度 (能源用量/ 百萬人民幣收入)	24	32
Coal Consumption (tonnes)	煤炭用量 (噸)	44,552	72,502
Energy Consumption of Coal (MWh)	煤炭的能源用量 (兆瓦時)	244,126	397,282
Energy Intensity of Coal Consumption (energy consumption/M' RMB Revenue)	煤炭使用的能源密度 (能源用量/ 百萬人民幣收入)	134	262
Natural Gas Consumption ('000 m ³)	天然氣用量 (千立方米)	14,593	14,712
Energy Consumption of Natural Gas (MWh)	天然氣的能源用量 (兆瓦時)	157,813	159,099
Energy Intensity of Natural Gas Consumption (energy consumption/M' RMB Revenue)	天然氣使用的能源密度 (能源用量/ 百萬人民幣收入)	87	105
Steam Consumption (tonnes)	蒸汽用量 (噸)	139,437	25,576
Energy Consumption of Steam (MWh)	蒸汽的能源用量 (兆瓦時)	108,277	19,860
Energy Intensity of Steam Consumption (energy consumption/M' RMB Revenue)	蒸汽使用的能源密度 (能源用量/ 百萬人民幣收入)	60	13
Total Energy Consumption (MWh)	總能源用量 (兆瓦時)	554,338	625,464
Energy Intensity (total energy consumption/M' RMB Revenue)	能源密度 (總能源用量/ 百萬人民幣收入)	305	412



Environment, Social and Governance Report

環境、社會及管治報告

GHG Emissions	溫室氣體排放	2019	2018
Direct GHG Emission (tCO ₂ e)	直接溫室氣體排放 (噸二氧化碳當量)	102,693	147,582 ^{註一}
Direct GHG Emission Intensity (direct GHG emission/M' RMB Revenue)	直接溫室氣體排放密度 (直接溫室氣體排放/ 百萬人民幣收入)	56	97 ^{註一}
Indirect GHG Emission (tCO ₂ e)	間接溫室氣體排放 (噸二氧化碳當量)	32,045	35,709
Indirect GHG Emission Intensity (indirect GHG emission/M' RMB Revenue)	間接溫室氣體排放密度 (間接溫室氣體排放/ 百萬人民幣收入)	18	24
Total GHG Emission (tCO ₂ e)	總溫室氣體排放 (噸二氧化碳當量)	134,738	183,291
GHG Emission Intensity (total GHG emission/M' RMB Revenue)	溫室氣體排放密度 (總溫室氣體排放/ 百萬人民幣收入)	74	121

Note 1: The direct GHG emissions in 2018 had been adjusted in alignment with the calculation method adopted in 2019. Relevant data are calculated with reference to Guides for Accounting and Reporting of Carbon Dioxide Emissions of Beijing Enterprises (Units) (2017 Edition).

註一：2018年直接溫室氣體排放量已按照2019年採用的計算方法進行調整。有關數據參考《北京市企業(單位)二氧化碳排放核算和報告指南》(2017年版)進行計算。





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

Water Saving and Wastewater Treatment

Water is one of the precious natural resources. In view of this, the Group has formulated guidelines for water use, and strives to reduce water consumption at all stages of operation to ensure that water resources are utilized properly. Water conservation initiatives include:

- Set up rainwater collection systems for water consumption in the production system;
- Regularly arrange inspections by qualified maintenance technicians to guarantee no overflow or leakage of machines and water pipes;
- Treat water that is used for premise cleaning with the use of wastewater treatment facility before discharge as it is easily contaminated by chemicals;
- Monthly report on water usage to the environmental audit team;
- Use condensate evaporated from some manufacturing units as water for cleaning to reduce the use of tap water; and
- Actively organize water conservation activities for employees to raise their environmental awareness.

節約用水及廢水處理

水乃其一珍貴的自然資源。有鑒於此，本集團制定用水指引，致力於各個營運環節減少耗水量，確保水資源用得其所。有關節約用水舉措包括：

- 設置雨水收集系統，用於生產系統用水；
- 定期安排合資格維修技工巡視，確保機器及水管無溢水及漏水問題；
- 用於廠內清潔的水因容易被化學物污染，需在污水處理設施處理後方可排放；
- 每月向環境審計小組匯報用水量；
- 部份車間所蒸發的凝水用於洗料用水，減少使用自來水；及
- 積極為員工舉辦節約用水活動，提高其環保意識。



Environment, Social and Governance Report

環境、社會及管治報告

As the water supply was mainly provided by the relevant departments of the municipal government, the Group did not encounter any problems in water supply during the Reporting Period. Mainly due to reduction in production at premises, water intensity during the Reporting Period has decreased by 52% compared to the same period last year. In the meantime, the Group will continue to explore other practical measures to conserve water resources.

因用水主要由市政府有關部門提供，所以本集團於報告期內並沒有在水源供應方面遇到任何問題。本報告期間的用水密度較去年同期減少52%，主要原因是基地的減產安排。與此同時，本集團將持續探索其他節約用水的可行舉措。

Water Consumption	用水	2019	2018
Water Consumption (m ³)	用水量(立方米)	955,810	1,654,323
Water Intensity (water consumption/ M' RMB Revenue)	用水密度(用水量/ 百萬人民幣收入)	526	1,091

In addition, the Group's production units are equipped with rainwater storage facilities to actualize the concept of sustainable water management. The collected rainwater and surface water directly enter the rainwater and wastewater diversion facilities in the premise, and then are processed immediately for uses in industrial cooling and premise irrigation. During the Reporting Period, the Group reused a total of 63,424 cubic meters of water, which reduced the overall water consumption of the Group by 6.2%.

除此之外，本集團的各生產基地均設有雨水集蓄設施，以實踐水資源的可持續管理概念。所收集的雨水及地表水直接進入基地內的雨污分流設施後隨即進行處理，然後供工業冷卻及基地內灌溉之用。於報告期內，本集團合共重用63,424立方米的水，為集團整體減少用水6.2%。

There are two major types of wastewater discharged by the Group, namely industrial sewage and domestic wastewater. As a responsible chemical manufacturer, Tsaker Chemical takes into account the impacts of wastewater from production. With wastewater discharge permits approved by the local government, the Group ensures that each premise is equipped with wastewater treatment facilities for different kinds of chemicals and that the discharged wastewater complies with and even beyond local discharge standards.

本集團所排放的廢水主要分為兩種，分別是工業廢水及生活污水。作為負責任的化學品生產商，彩客化學兼顧生產所引致的污水影響。透過取得地方政府認可的廢水排放許可證，本集團確保各基地廠房均配備針對不同化學品的廢水處理設施，並旨於所排放的廢水遠達致當地排放標準。

Wastewater	廢水	2019	2018
Wastewater Quantity (m ³)	廢水量(立方米)	483,053	689,954



Environment, Social and Governance Report

環境、社會及管治報告

Waste Management

Tsaker Chemical is dedicated to improving waste management and enhancing resource efficiency. In daily operations, the waste generated by the Group mainly involves industrial waste, hazardous waste and domestic waste. In order to continuously optimize waste reduction management and invest in more environmentally friendly production practices, the Group has adhered to the principle of "utilizing resources wisely and reducing waste at source".

Hazardous Waste

As a chemical manufacturer, the Group's daily operations inevitably produce hazardous waste such as industrial waste oil, sludge and coal cinder. Therefore, Tsaker Chemical emphasizes proper supervision and treatment of these waste in order to protect the nearby ecological environment and hence lower the risk of industrial accidents.

With the purpose of effectively alleviating the amount of oil for maintenance of machinery, Dongguang premise has increased the frequency of inspections on operating devices to ensure its normal and efficient operation, and to reduce the generation of waste oil. In addition, the Group also collects and recycles cinders from burning coal, which are subsequently used as industrial raw materials to fully realize the concepts of resource conservation and recycling.

In accordance with legal requirements, the Group divides designated areas at each production unit, setting up waterproof storage warehouses for hazardous and dangerous waste, in order to effectively separate hazardous waste and employees in the workplace. In addition to commissioning qualified contractors and hazardous waste treatment companies to collect and dispose of hazardous waste, the Group has also newly installed waste reduction devices at the Dong'ao plant.

廢棄物管理

彩客化學竭力完善廢物管理及提升資源效益。在日常營運中，本集團所產生的廢棄物主要涉及工業廢棄物、有害廢棄物及生活垃圾等。為持續優化減廢管理工作，本集團一直秉持「善用資源、源頭減廢」的原則，務求投入更環保的生產模式。

有害廢棄物

作為化學品生產商，本集團的日常營運無可避免地會產生有害廢棄物，如工業廢油、污泥及煤渣等。因此，彩客化學強調此等廢棄物的妥善監管及處理，以保護鄰近生態環境，並減低工業意外的風險。

為有效紓緩維修機器所需的機油用量，東光生產廠房已增加其檢查運轉裝置的次數，確保其正常有效的運作、減低廢油的產生。此外，本集團亦收集及回收因燃煤所造成的煤渣，其後用於工業原物料，充分實現資源節約和循環利用的概念。

根據法例要求，本集團於各基地廠房劃分指定區域，設置有害及危險廢棄物（「危廢」）的防水儲存倉庫，旨在於工作場所有效地隔離危廢及員工。除聘請合資格的承包商及危廢處理公司，以收取及處理有害廢棄物外，本集團亦已於東奧廠房增設廢物減量裝置。



Environment, Social and Governance Report

環境、社會及管治報告

Non-hazardous Waste

Non-hazardous waste generated by the Group includes domestic waste, canteen food waste, office waste paper, packaging boxes, scrap iron, waste plastic and waste trays. The Group actively implements rigorous waste segregation, and recycles packaging and general waste such as paper, wood, metal and plastic. This is not only to achieve waste reduction at source by avoiding mixing of recyclable and contamination of materials, but also to promote the use of renewable resources and drive the development of the recycling industry. The premises also use durable supporting equipment for transporting products so that waste generation can be reduced.

無害廢棄物

本集團所產生的無害廢棄物包括生活垃圾、食堂廚餘、辦公室廢紙、包裝盒、廢鐵、廢塑膠和廢托盤等。本集團積極實施嚴謹的廢棄物分類，並回收紙張、木材、金屬及塑膠等包裝及一般垃圾，達致源頭減廢、避免回收物料混雜廢棄物和受污染的同時，又可促進再生資源利用、推動回收業發展。基地亦採用耐用的運輸成品承托工具，以減少廢棄物的產生。

Waste	廢棄物	2019	2018
Hazardous Waste Produced (tonnes)	已產生的有害廢棄物 (噸)	361	405 ^{註二Note 2}
Non-hazardous Waste Produced (tonnes)	已產生的無害廢棄物 (噸)	7,635 ^{註三Note 3}	1,820
Non-hazardous Waste Recycled (tonnes)	已回收的無害廢棄物 (噸)	7,307 ^{註三Note 3}	1,554 ^{註二Note 2}
Non-hazardous Waste Percentage	無害廢棄物回收百分比	96%	85%
Hazardous Waste Disposal Intensity (waste disposal/M' RMB Revenue)	有害廢棄物棄置量密度 (廢棄物棄置量/ 百萬人民幣收入)	0.20	0.27
Non-hazardous Waste Disposal Intensity (waste disposal/M' RMB Revenue)	無害廢棄物棄置量密度 (廢棄物棄置量/ 百萬人民幣收入)	0.18	0.18

Note 2: The coal cinder has been classified as non-hazardous waste recycled, so the relevant data have been adjusted.

註二：煤渣已歸類為已回收的無害廢棄物，因此有關數據有所調整。

Note 3: The Reporting Period is the first year collecting the amount of recycled coal ash, so the amounts of non-hazardous waste produced and recycled have increased.

註三：本報告期間為首年收集煤灰的回收量，故此已產生及回收的無害廢棄物數量有所增加。



Environment, Social and Governance Report

環境、社會及管治報告

The Group noticed that the amount of non-hazardous waste generated during the Reporting Period has increased significantly compared with the previous year, mainly because the waste data collection mechanism has been improved during the Reporting Period, and the amounts of recycled recovered cinder and coal ash have been calculated. During the Reporting Period, the Group is committed to leading employees to make good use of resources and strengthening waste management. As a result, the Group has made progress in waste performance and the recycling rate of non-hazardous waste has risen by 13%. Meanwhile, the hazardous waste disposal intensity also dropped by 26%, whereas the non-hazardous waste disposal intensity remained unchanged. The Group will continuously seek feasible waste reduction and recycling solutions and shoulder corporate responsibility for protecting the environment.

5.3. Selection of Packaging Materials

In addition to reducing the environmental footprint caused by production, Tsaker Chemical also places emphasis on the environmental and safety performance of its product packaging. When deciding on the packaging materials of products, the Group not only focuses on meeting the requirements of customers and the industry, but also prefers to use sturdy materials that prevent leakage of chemical product and maintain product quality.

本集團注意到，本報告期間無害廢棄物的產生量較往年大幅增加，主要因為報告期間已完善廢棄物數據收集機制，將煤渣和煤灰的回收量計算在內。本集團於報告年度致力帶領員工善用資源、加強廢棄物管理。因此，本集團在廢棄物表現上取得進步，無害廢棄物的回收率增加13%，同時有害廢棄物棄置量密度亦下跌26%，無害廢棄物棄置量密度則維持不變。本集團將繼續尋求可行的減廢及回收方案，承擔企業保護環境的責任。

5.3. 包裝材料選用

除減少生產所導致的環境足跡外，彩客化學亦強調其產品包裝的環保及安全表現。當決定產品的包裝材料時，本集團除着重符合客戶及業內要求外，亦優先選用堅固的物料，既能有效防止化學產品洩漏，又可保質。



Environment, Social and Governance Report

環境、社會及管治報告

Dongguang premise mainly uses paper-based materials, plastics, wood and rattan as packaging materials. Additionally, the Group promotes the use of reusable packaging materials for short-distance transportation within the premise. For example, the production units reused 1,289 recycling bins during the Reporting Period to carry its chemical product, DMAS, thereby avoiding wastage of resources as well as waste generation. Due to the arrangement of reducing production at premises, accompanied by effective resource management measures, the non-recycled and non-reused packaging materials used during the Reporting Period have decreased by 62% as compared to the previous Reporting Period. Yet, the Group will continue to try implementing measures to reduce the use of packaging materials.

東光生產廠房主要使用紙質類物料、塑料、木材和藤作包裝材料。另外，本集團提倡以可重複使用的包裝材料，供盛載廠房內短距離運輸的產品。例如廠房於報告期內重用1,289個回收桶，運載其化學產品DMAS，從而避免資源浪費，並減少廢棄物產生。因基地的減產安排，並配合有效的資源管理舉措，故本報告期間非回收及非回用的包裝材料密度較上一報告期減少62%。即使如此，本集團亦會繼續嘗試推行有關減少使用包裝材料的舉措。

Packaging Material	包裝材料	2019	2018
Total Packaging Material (tonnes)	包裝材料總量(噸)	892	2,021
Amount of Recycled and Reused Package Material (tonnes)	回收及回用的包裝材料數量(噸)	48	178
Recycled and Reused Percentage	回收及回用百分比	5%	9%
Non-recycled and Non-reused Packaging material intensity (packaging material consumption/ M' RMB Revenue)	非回收及非回用包裝材料密度 (包裝材料用量/ 百萬人民幣收入)	0.46	1.22



Environment, Social and Governance Report

環境、社會及管治報告

6. PEOPLE-ORIENTED OPERATION

A professional and enthusiastic team is the foundation of Tsaker Chemical's success. The Group has been devoted to building a caring and inclusive working environment for its employees, and to demonstrating its people-centric commitment. By nurturing more talents, protecting the well-being, physical and mental development of employees, the Group aspires to satisfy the staff's expectations in shaping an ideal and colorful working environment. The Group also promises to spread care to the community as a whole.

6.1. Employment and Labor Policies

The endeavors of employees are the key to success and mobilizing the sustainable operation of the Group. In this regard, the Group strives to ensure that all employees are treated fairly and respectfully in the workplace. The Group regularly reviews existing recruitment policy and promotion mechanism in order to maintain the competitiveness of Tsaker Chemical in the industry.

The Group has appointed the Human Resources ("HR") department and heads of various departments to conduct an objective evaluation on performance of each employee, and then adjust remuneration packages based on their performance and work experience. The Group is also committed to establishing a harmonious, inclusive and respectful working environment, prohibiting any forms of discriminatory acts, and providing equal opportunities for employees and candidates.

6. 以人為本的營運

專業且富熱忱的工作團隊是彩客化學賴以成功的基石。本集團一直竭盡所能，為員工構建一個關愛共融和注重廉潔的工作環境，兌現以人為本的承諾。透過加強人才培育、保障員工福祉及身心發展，本集團期望滿足員工的期望，塑造理想及富有色彩的工作環境，並承諾將這份關懷擴展至社區。

6.1. 僱傭及勞工政策

僱員的努力是本集團取得成功及推動企業可持續營運的關鍵。就此，本集團竭力確保所有員工在工作環境中均獲得公平對待和尊重，並會定期檢討現有人事招聘政策及晉升制度，以保持彩客化學於業內的競爭力。

本集團已委任人力資源部及各部門主管，為每位員工進行客觀的績效考評，根據其表現及工作經驗調整薪酬待遇。本集團亦致力建立一個和諧共融和互相尊重的工作環境，排除任何形式的歧視行為，為員工及應徵者提供平等機會。



Environment, Social and Governance Report

環境、社會及管治報告

Employee Category	僱傭類別	Number of Employees	% of Employees
		僱員人數	僱員百分比
		2019	2019
Male	男	1,020	75%
Female	女	344	25%
Management	管理層	166	12%
Senior	主任	126	9%
Junior	初級員工	1,072	79%
18-30 years old	18-30歲	179	13%
31-50 years old	31-50歲	1,093	80%
51 years old or above	51或以上	92	7%
Beijing	北京	60	4%
Hebei	河北	1,128	83%
Shandong	山東	163	12%
Others	其他	13	1%

Turnover Rate	流失率	2019
Overall employee turnover rate of the Group	本集團整體員工流失率	11% ^{註四Note 4}

Note 4: The employees' turnover during the Reporting Period include retired staff.

The employment data above includes Tsaker Technology, the Dongguang production plants (Hebei Tsaker (dye intermediates manufacturing plant) and Tsaker Cangzhou) and the Dong'ao production plant only.

In addition to actively nurturing an excellent team, the Group also pursues efforts to retain its top talents and work towards a brighter future with Tsaker Chemical. Hence, the HR department is responsible for the management of talents, and endeavors to keep the turnover rate at a similar level or even lower to maintain normal daily operations.

註四：本報告期的員工流失包括到齡退休人員。

以上的僱傭數據僅包含彩客科技、東光生產廠房（河北彩客（染料中間體廠房）及彩客滄州）及東奧生產廠房。

除積極組建優秀團隊外，本集團亦着手挽留其頂尖人才，與彩客化學一同邁向更璀璨的未來。因此，人力資源部負責把關人才資源管理，盡量保持流失率於相若或更低水平，以確保日常營運正常。



Environment, Social and Governance Report

環境、社會及管治報告

The Group's employment and labor policies strictly comply with relevant laws and regulations, resolutely curbing the use of child and forced labor. Meanwhile, it ensures that labor practices along the Group's supply chain respect human rights as well. The Group has appointed the HR department to implement relevant labor policies and procedures, such as requiring applicants to provide valid identification documents as to ensure they can be legally hired. In case of misuse of child labor, the Group will immediately terminate the employment contract and assist him/her in returning to school. Before his/her formal adulthood, the Group is willing to accept his/her adult relatives to replace the jobs as a way to provide financial assistance.

In addition, if it is known that the child laborer is sick or injured when the contract is being terminated, the Group will arrange for it to go to a qualified medical institution for treatment promptly, and promise to be responsible for all medical expenses and living expenses during medical treatment.

The Group also attaches great importance to work-life balance of employees to ensure that employees enjoy a reasonable number of working hours. For any forced labor-related behaviors, the HR department will immediately terminate employment and make appropriate compensation to the relevant employees. Hinging on ethical employment practices, the Group was not aware of any cases involving child or forced labor during the Reporting Period.

6.2. Emphasis on Talent Development

Through providing diversified and ample training and development opportunities, Tsaker Chemical devotes itself to assisting employees in discovering their talents and achieving their work ambitions, growing together with the Group to promote steady development of business. From induction and safety awareness training to environmental technology and specialized operations of chemical production units, the Group arranges a wide range of learning opportunities for employees to increase their knowledge and skills.

本集團的僱傭及勞工政策嚴格遵守有關法律及法規，堅決杜絕聘用童工和強制勞工，同時亦確保本集團供應鏈的勞工常規尊重人權。本集團已委任人力資源部執行有關勞工政策及程序，包括要求應聘者提供有效身份證明文件，以確保申請人可合法受聘。如出現誤用童工情況，本集團將立即終止與其僱傭合約，並協助其重新就學。在其正式成年前，本集團願意接納其成年親屬代替其工作崗位，以提供經濟援助。

此外，若終止合約時知悉該名童工患病或受傷，本集團將立刻安排其到合資格的醫療機構按受治療，並承諾負責所有醫療費用和就醫期間的生活費用。

本集團亦高度重視員工的工作生活平衡，確保僱員享有合理工作時數。對於任何強制勞工行為，人力資源部將即時終止僱用，並向有關員工作出適當賠償。憑藉合乎道德的僱傭常規，本集團於報告期內並不知悉任何涉及童工或強制勞工的個案。

6.2. 重視人才培育

透過提供多樣化而充足的培訓和進修機會，彩客化學致力協助員工盡展所長、實現工作抱負，並與本集團一起茁壯成長，推動業務穩健發展。從入職及安全意識培訓，至環境技術和化學品生產單位特殊作業等，本集團為員工安排內容廣泛的學習機會，供其增長知識及建立技能。



Environment, Social and Governance Report

環境、社會及管治報告

The Group adheres to the principle of “demand-based training” and has appointed the HR department to conduct a survey comprehensively assessing staff training needs at the end of the year. In support of continuous improvement of the overall professional level, the HR department evaluates and updates the training contents of each department and employees. Besides, awareness of S&E is expected to be gradually incorporated into daily production work of employees.

In an effort to more effectively cultivate talents and create the workplace of mutual assistance and learning, the Group actively invests resources in internal talent cultivation. With the implementation of mentoring mechanism, experienced employees are arranged to guide new joiners, patiently explaining their daily duties to help them better adapt to the new working environment. Moreover, the Group also rolls out an “In-house Lecturer” program, inviting senior employees to share valuable work experience and essential knowledge in the industry, thereby fostering communication and knowledge exchange among colleagues.

本集團堅持「以需定培」的原則，委派人力資源部門於年終進行全面的員工培訓需求調查，評估及更新各部門及員工的培訓內容，持續提高整體專業水平，並將安環意識逐漸滲透至員工的日常生產工作。

為更有效培育人才及營造互助互學的工作環境，本集團積極投放資源於內部的人才培育。通過實行「師帶徒」機制，安排富經驗的員工從旁指導新入職員工，耐心講解其日常職務，令其更快適應新工作環境。除此之外，本集團亦推行「內部講師」計劃，邀請資深員工分享業內寶貴的工作經驗及重要知識，從而促進同事間的溝通和知識交流。

Overall Training	整體培訓	
Topics	課題	37
Total hours of topics	課題總時數	372

Average Training		
Hours by Gender		按性別類別劃分的平均受訓時數
Male	男	29
Female	女	22

Average Training		
Hours by Employment Category		按僱傭類別劃分的平均受訓時數
Management	管理層	2
Senior	主任	11
Junior	初級員工	33



Environment, Social and Governance Report

環境、社會及管治報告

6.3. Business Integrity

Adherence to business ethics is one of the integral components of the Group's commitment to professionalism. The Group has clearly elucidated in the employee handbook that it adopts zero-tolerance attitude towards any corruption and bribery behaviors. Employees must abide by the relevant business ethics standards at work and avoid any conflict of interest. To strengthen employees' anti-corruption awareness and professional ethics, the Group has provided relevant training during the Reporting Period to secure the interests of the Company.

The Group has also established a reporting mechanism for employees to report or complain about any illegal acts that are suspected of fraud, bribery or money laundering. If a suspicious case is received, the Group shall promptly refer to the internal audit department and the HR department. All investigations and follow-up work shall be conducted confidentially to protect the reporter. If the case is substantiated, the Group may call the relevant persons involved into account via legal channels and take appropriate sanctions. During the Reporting Period, the Group ensured that it upheld standards of transparency and integrity in business ethics and thus, no cases of corruption were found.

6.4. Building a Harmonious Working Environment

Tsaker Chemical believes that caring for the well-being of employees can effectively unite the power of employees, and improve their sense of belonging to the Company. The Group's mission is to create an ideal and harmonious workplace that adds color and values to the community. In this regard, the Group offers a wide variety of team-building activities and measures that benefit the physical and mental health of employees to promote closer communication among them.

6.3. 廉潔從業

堅持商業道德是本集團恪守專業的核心元素之一。本集團已於員工手冊清楚列明，其對任何貪污及賄賂行為一律採取零容忍態度，員工在工作上必須遵守有關業務道德規範，以及避免任何利益衝突的情況。為加強員工的反貪污意識及專業操守，本集團已於報告期間提供相關培訓，保障公司利益。

本集團亦已設立舉報制度，讓員工舉報或投訴任何懷疑涉及欺詐、賄賂、洗錢的不法行為。如接獲有關可疑案件，本集團將迅速交由內審部及人力資源部處理，一切調查及跟進工作將保密進行，以保障舉報者。如案件屬實，本集團將有機會循法律途徑向相關涉案人士追究，並採取適當處分。本集團於報告期間確保內部秉持透明及廉潔的商業道德標準，因此並未有發現任何有關貪污的案件。

6.4. 構建和諧工作環境

彩客化學深信，關懷員工福祉能有效凝聚員工力量，提高他們對公司的歸屬感。本集團以建立理想及和諧共融的工作環境為己任，為社區增添色彩和價值。就此，本集團舉行各種對員工有益身心的團隊建設活動及措施，促進員工之間的緊密聯繫。



Environment, Social and Governance Report

環境、社會及管治報告

Healthy Environment

The Group endeavors to create a healthy working environment, maintaining employees' strength in building a sustainable future together with Tsaker Chemical. The Group starts with the staff's diet and proactively prepares nutritious and delicious meals for employees by purchasing fresh and quarantine ingredients.

In addition, the Group also provides bicycles to employees at all premises, encouraging them to do cycling instead of walking, which not only improves their physical fitness, but also effectively reduces the fuel and carbon emissions incurred by vehicles. Tsaker Chemical also places great importance on the psychological and mental health of employees. During the Reporting Period, the Group deepened the staff's understanding of mental health management by organizing staff mental health counseling sessions.

The Group has set up sports fields at each production unit, so that employees can make good use of sports facilities to relax their bodies and minds. The Group also regularly hosts different sports competitions, such as the International Women's Day women's tug-of-war match, and staff sports contests.

健康環境

本集團致力締造健康的工作環境，讓員工保持強壯體魄，共同與彩客化學構建可持續的未來。本集團從員工膳食方面着手，透過採購新鮮且通過檢疫的食材，積極為員工準備營養均衡及美味的膳食。

除此之外，本集團亦於各基地向員工提供單車，鼓勵他們以騎單車代步，既能鍛鍊員工的體能，又可有效減省車輛的燃料及碳排放。彩客化學同樣重視員工的心理精神健康。於報告期內，本集團透過舉辦職工心理健康輔導宣講，加深員工對心理健康管理的了解。

本集團於各個廠房均設有運動場，讓員工可善用運動設施舒展身心，本集團亦會定期舉辦不同運動比賽，例如國際婦女節女子拔河比賽，以及職工運動會。





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

Team Building Activities

Apart from the annual safety literary shows and employee sports games, the Group also strives to organize a broad array of employees' team building activities, including "China Dream, Labor Beauty" employee recitations, singing competitions, speech contests, classic opera concerts, readings and movie sharing sessions. These events are designed to help employees develop their personal interests, adding colors to their work and daily lives, and having joyful time together.

團建活動

除一年一度的安全文藝匯演及職工運動會外，本集團亦竭力舉辦各式各樣的員工團建活動，包括「中國夢、勞動美」職工誦讀會、歌詠比賽、演講比賽、經典戲曲演唱會、讀書及電影分享會等，旨在協助員工發展個人興趣，為其工作和生活增添色彩，共度愉快時光。



Photo 10 Mental health counseling for employees held in Cangzhou premise

圖10在滄州廠房舉辦的職工心理健康輔導宣講



Photo 11 Women's Tug-of-war Match organized in Dongguang premise

圖11在東光廠房舉辦的女子拔河比賽



Environment, Social and Governance Report

環境、社會及管治報告



Photo 12 14th Employees Sports Game hosted by the Group

圖12彩客集團舉辦的第十四屆職工運動會



Photo 13 Annual Summary and Commendation Conference held by the Group

圖13彩客集團舉辦的年度總結表彰大會

On account of the full support and active participation of employees from various departments, the Group was enabled to successfully organize the aforementioned activities during the Reporting Period, re-establishing Tsaker Chemical's commitment to focusing on the physical and mental health of employees, and treating the factory as their home.

憑藉各部門員工的全力支持及積極參與，本集團能夠於報告期內順利舉辦以上活動，再次確立彩客化學對注重員工身心健康，以廠為家的企業承諾。



Environment, Social and Governance Report

環境、社會及管治報告

6.5. Caring for Community

In building a more colorful living environment, Tsaker Chemical is committed to bringing care to different corners of the community. In this regard, the Group pursue efforts to support diversified development of youth to nurture more social leaders. The Group consistently collaborate with Tianjin University, and has invested a total of RMB300,000 and entrusted the institution to conduct scientific research on environmentally friendly products. This initiative shall help to drive social innovation. Additionally, the Group also sponsors the assistant teaching works of Yifu Elementary School in Lianzhen Dongguan in order to nurture the next generations.

Meanwhile, the Group also cares for the underprivileged. During the Reporting Period, the Dongguang Federation of Trade Unions organized charity events called “One Day Donation for Employees’ Mutual Aid”, and assistance and condolences for provincial employees who are in difficulties, which raised RMB42,500 as relief funds to offer help to employees and their families with long-term diseases.

7. LOOKING FORWARD

Looking to the future, Tsaker Chemical will remain committed to its mission, and adhere to the corporate philosophy of “to build a better world with green technology”. To further improve operating efficiency and reduce environmental footprint, the Group endeavors to consistently provide customers with high-quality innovative products and services, and to explore safer and more eco-friendly production strategies. In the meantime, the Group will continue to ensure that the Group’s business is aligned with integrity, and will actively invest resources in community services. The Group aspires to promote corporate social responsibility and lead Tsaker Chemical and the entire society to add colors and values.

6.5. 關懷社區

彩客化學致力將關懷帶到社區不同角落，構建更富色彩的生活環境。就此而言，本集團着力支持青年多元發展，以培育更多社會棟樑。本集團繼續與天津大學合作，向該院校投放人民幣30萬元以委託院校進行有關環保產品的科研。此舉有助帶動社會的創新。此外，本集團亦支持東光縣連鎮逸夫小學的助教工作，培育社會的下一代。

與此同時，本集團亦十分關愛弱勢社群。於報告期間，東光縣總工會舉辦名為「職工互助一日捐」與省級困難職工救助和慰問的慈善活動，籌得人民幣42,500元救助資金，協助長期病患的職工及其家屬。

7. 展望未來

放眼未來，彩客化學將勿忘初衷，堅守「讓綠色科技為世界添彩」的企業理念。本集團承諾將持續為客戶提供優質的創新產品和服務，並探索更多安全及環保的生產策略，以進一步提高營運效率及減低環境足印。同時，本集團亦會繼續確保本集團的業務堅守誠信，以及積極投放資源予社區服務，推動企業社會責任，並引領彩客化學以至整個社會增添色彩及價值。



Environment, Social and Governance Report

環境、社會及管治報告

8. HKEX ESG REPORTING GUIDE CONTENT INDEX

Aspect	KPI	Description
層面	關鍵績效指標	描述

SUBJECT AREA (A) ENVIRONMENT

A1: EMISSIONS

層面A1：排放物

A1	<i>General disclosure</i> 一般披露	Information on: (a) the policies; and (a) 政策；及 (b) compliance (b) 相關法律的資料。
A1.1		The types of emissions and respective emissions data. 排放物種類及相關排放數據。
A1.2		Greenhouse gas emissions in total (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 溫室氣體總排放量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。
A1.3		Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生有害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。
A1.4		Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility). 所產生無害廢棄物總量（以噸計算）及（如適用）密度（如以每產量單位、每項設施計算）。

8. 聯交所《環境、社會及管治報告指引》索引

Statement/Section

聲明／章節

A. 環境

(a)	5.2 Environmental Protection;
(a)	5.2 環境保護；
(b)	There was no non-compliance noticed during the Reporting Period.
(b)	報告期內本集團遵守相關的法律及規例，並沒發現相關重大違規事件
5.2	Environmental Protection
5.2	環境保護
5.2	Environmental Protection
5.2	環境保護
5.2	Environmental Protection
5.2	環境保護
5.2	Environmental Protection
5.2	環境保護



Environment, Social and Governance Report

環境、社會及管治報告

Aspect 層面	KPI 關鍵績效指標	Description 描述	Statement/Section 聲明／章節
	A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	5.2 Environmental Protection 5.2 環境保護
	A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	5.2 Environmental Protection 5.2 環境保護

A2: USE OF RESOURCES

層面A2：資源使用

A2	<i>General disclosure</i> 一般披露	Policies 政策	5.2 Environmental Protection 5.2 環境保護
A2.1		Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility). 按類型劃分的直接及／或間接能源(如電、氣或油)總耗量(以千個千瓦時計算)及密度(如以每產量單位、每項設施計算)。	5.2 Environmental Protection 5.2 環境保護
A2.2		Water consumption in total and intensity (e.g. per unit of production volume, per facility). 總耗水量及密度(如以每產量單位、每項設施計算)。	5.2 Environmental Protection 5.2 環境保護
A2.3		Description of energy use efficiency initiatives and results achieved. 描述能源使用效益計劃及所得成果。	5.2 Environmental Protection 5.2 環境保護
A2.4		Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述求取適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	5.2 Environmental Protection 5.2 環境保護



Environment, Social and Governance Report

環境、社會及管治報告

Aspect 層面	KPI 關鍵績效指標	Description 描述	Statement/Section 聲明／章節
A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced. 製成品所用包裝材料的總量(以噸計算)及(如適用)每生產單位佔量。	5.2 Environmental Protection 5.2 環境保護

A3: THE ENVIRONMENT AND NATURAL RESOURCES

層面A3：環境及天然資源

A3	<i>General disclosure</i> 一般披露	Policies 政策	5.2 Environmental Protection 5.2 環境保護
A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	5.2 Environmental Protection 5.2 環境保護

SUBJECT AREA (B) SOCIAL

B. 社會

B1: EMPLOYMENT

層面B1：僱傭

B1	<i>General disclosure</i> 一般披露	Information on: (a) the policies; and (a) 政策；及 (b) compliance (b) 相關法律的資料。	(a) 6.1 Employment and Labor Policies; (a) 6.1 僱傭及勞工政策； (b) There was no non-compliance noticed during the Reporting Period. (b) 報告期內本集團遵守相關的法律及規例，並沒發現相關重大違規事件
B1.1		Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	6.1 Employment and Labor Policies 6.1 僱傭及勞工政策



Environment, Social and Governance Report

環境、社會及管治報告

Aspect 層面	KPI 關鍵績效指標	Description 描述	Statement/Section 聲明／章節
	B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	6.1 Employment and Labor Policies; The Group only calculates overall employee turnover rate, instead of obtaining the data according to employee categories. The Group will continue to improve relevant data collection in the future. 6.1 僱傭及勞工政策；本集團僅以整體僱員流失率計算，而沒有按僱員類別劃分計算。本集團未來將繼續完善有關數據收集。
B2: HEALTH AND SAFETY			
層面B2：健康與安全			
B2	<i>General disclosure</i> 一般披露	Information on: (a) the policies; and (a) 政策；及 (b) compliance (b) 相關法律的資料。	(a) 5.1 Safety Management (a) 5.1 安全管理； (b) There was no non-compliance noticed during the Reporting Period. (b) 報告期內本集團遵守相關的法律及規例，並沒發現相關重大違規事件
B2.1		Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	5.1 Safety Management 5.1 安全管理
B2.2		Lost days due to work injury. 因工傷損失工作日數。	The relevant data were not disclosed. The Group will continue to improve relevant data collection in the future. 相關數據並未有披露。本集團未來將繼續完善有關數據收集。
B2.3		Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	5.1 Safety Management 5.1 安全管理



Environment, Social and Governance Report

環境、社會及管治報告

Aspect 層面	KPI 關鍵績效指標	Description 描述	Statement/Section 聲明／章節
B3: DEVELOPMENT AND TRAINING			
層面B3：發展及培訓			
B3	<i>General disclosure</i> 一般披露	Policies 政策	6.2 Emphasis on Talent Development 6.2 重視人才培育
B3.1		The percentage of employees trained by gender and employee category (e.g. senior management, middle management). 按性別及僱員類別(如高級管理層、中級管理層等)劃分的受訓僱員百分比。	All employees of the Group are required to undergo regular trainings 本集團所有員工均須進行定期培訓
B3.2		The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	6.2 Emphasis on Talent Development 6.2 重視人才培育
B4: LABOUR STANDARDS			
層面B4：勞工準則			
B4	<i>General disclosure</i> 一般披露	Information on: (a) the policies; and (a) 政策；及 (b) compliance (b) 相關法律的資料。	(a) 6.1 Employment and Labor Policies; (a) 6.1 僱傭及勞工政策； (b) There was no non-compliance noticed during the Reporting Period. (b) 報告期內本集團遵守相關的法律及規例，並沒發現相關重大違規事件
B4.1		Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	6.1 Employment and Labor Policies 6.1 僱傭及勞工政策
B4.2		Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	6.1 Employment and Labor Policies 6.1 僱傭及勞工政策



Environment, Social and Governance Report

環境、社會及管治報告

Aspect 層面	KPI 關鍵績效指標	Description 描述	Statement/Section 聲明／章節
B5: SUPPLY CHAIN MANAGEMENT			
層面B5：供應鏈管理			
B5	<i>General disclosure</i> 一般披露	Policies 政策	
B5.1		Number of suppliers by geographical region. 按地區劃分的供應商數目。	4.1 Sustainable Supply Chain Management 4.1 可持續的供應鏈管理
B5.2		Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	4.1 Sustainable Supply Chain Management; the Group's practices regarding supply chain management are applicable to its all suppliers. 4.1 可持續的供應鏈管理；本集團有關供應鏈管理的慣例均適用於其所有供應商。
B6: PRODUCT RESPONSIBILITY			
層面B6：產品責任			
B6	<i>General disclosure</i> 一般披露	Information on: (a) the policies; and (a) 政策；及 (b) compliance (b) 相關法律的資料。	(a) 4.2 Quality Control and 4.3 Fulfilling Product Responsibility; (a) 4.2品質控制及4.3履行產品責任； (b) There was no non-compliance noticed during the Reporting Period. (b) 報告期內本集團遵守相關的法律及規例，並沒發現相關重大違規事件
B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	4.3 Fulfilling Product Responsibility Responsibility; During the Reporting Period, there is 0% of total products sold subject to recalls for safety and health reasons. 4.3 履行產品責任；於報告期內，0%的已售產品因安全與健康理由而須回收。
B6.2		Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	4.3 Fulfilling Product Responsibility 4.3 履行產品責任



Environment, Social and Governance Report

環境、社會及管治報告

Aspect 層面	KPI 關鍵績效指標	Description 描述	Statement/Section 聲明／章節
B6.3		Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	4.4 Protecting Intellectual Property Rights 4.4 保護知識產權
B6.4		Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	4.2 Quality Control 4.2 品質控制
B6.5		Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	4.5 Securing Customer Privacy 4.5 保障客戶私隱

B7: ANTI-CORRUPTION

層面B7：反貪污

B7	<i>General disclosure</i> 一般披露	Information on: (a) the policies; and (a) 政策；及 (b) compliance (b) 相關法律的資料。	(a) 6.3 Business Integrity; (a) 6.3廉潔從業； (b) There was no non-compliance noticed during the Reporting Period. (b) 報告期內本集團遵守相關的法律及規例，並沒發現相關重大違規事件
B7.1		Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於匯報期內對發行人或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	6.3 Business Integrity 6.3 廉潔從業
B7.2		Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	6.3 Business Integrity 6.3 廉潔從業



Environment, Social and Governance Report

環境、社會及管治報告

Aspect	KPI	Description	Statement/Section
層面	關鍵績效指標	描述	聲明／章節
B8: COMMUNITY INVESTMENT			
層面B8：社區投資			
B8	<i>General disclosure</i> 一般披露	Policies 政策	6.5 Caring for Community 6.5 關懷社區
B8.1		Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport). 專注貢獻範疇(如教育、環境事宜、勞工需求、健康、文化、體育)。	6.5 Caring for Community 6.5 關懷社區
B8.2		Resources contributed (e.g. money or time) to the focus area. 在專注範疇所動用資源(如金錢或時間)。	6.5 Caring for Community 6.5 關懷社區



Directors and Senior Management

董事及高級管理層

As at the date of this annual report, the biographical details of the Directors and senior management are as follows:

DIRECTORS

Executive Directors

Mr. GE Yi (former name: GE Yuanyuan), aged 38, is an executive Director, the Chief Executive Officer and the Chairman of our Company, responsible for overall business strategy and major business decisions of our Group. Mr. Ge joined us in February 2007 and was promoted to vice-president and president in December 2011 and August 2012, respectively.

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

Mr. BAI Kun, aged 43, is the chief financial officer of the Company, being responsible for the financial operations of the Group. Mr. Bai has been an executive Director since 25 August 2016. Mr. Bai joined the Group in September 2014 as the Chief Financial Officer. Mr. Bai is also the sole director of Tsaker Hong Kong. His work experience includes acting as manager for the Tianjin branch of PricewaterhouseCoopers (普華永道中天會計師事務所有限公司天津分所) from September 2002 to February 2010 and the financial controller of Tianjin Walkman Biomaterial Co., Ltd. from February 2010 to August 2014. Mr. Bai is a Certified Public Accountant of China. Mr. Bai obtained a master's degree in Technoeconomics and Management in March 2002 and a bachelor's degree in Technoeconomics in July 1999 from Tianjin University.

於本年度報告的日期，董事及高級管理層的履歷如下：

董事

執行董事

戈弋先生(曾用名：戈元元)，38歲，為本公司的執行董事、行政總裁兼主席，負責本集團的整體業務策略及主要業務決策。戈先生於二零零七年二月加入本公司，並分別於二零一一年十二月及二零一二年八月獲晉升為副總裁及總裁。

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

白崑先生，43歲，為本公司首席財務官，負責本集團的財務營運業務。白先生於二零一六年八月二十五日起擔任執行董事。白先生於二零一四年九月加入本集團，擔任首席財務官。白先生亦為彩客香港的唯一董事。其工作經歷包括二零零二年九月至二零一零年二月擔任普華永道中天會計師事務所有限公司天津分所經理及於二零一零年二月至二零一四年八月擔任天津市威曼生物材料有限公司的財務總監。白先生為中國註冊會計師。白先生於二零零二年三月取得技術經濟及管理碩士學位，並於一九九九年七月自天津大學取得技術經濟學士學位。





Directors and Senior Management 董事及高級管理層

Ms. ZHANG Nan, aged 37, has been an executive Director since 10 January 2019. Ms. Zhang has been the director of human resources and the director of strategic development of the Group since January 2013, and is responsible for the Group's human resources management, industry research, development planning and investment project research. She has been serving as the deputy general manager of the Group since August 2018. Her work experience includes serving as the human resources manager of Beijing Touqu Technology Co., Ltd. (北京投趣科技有限公司) from August 2008 to July 2010. She was a director of human resources of Chexun Internet Co., Ltd. (車訊互聯網股份有限公司) from September 2010 to January 2013. Ms. Zhang graduated from Inner Mongolia University of Finance and Economics in July 2007, majoring in business administration.

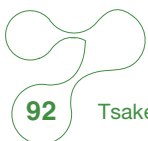
Non-executive Director

Mr. FONTAINE Alain Vincent, aged 65, is a non-executive Director since April 2015. He is responsible for providing advice on corporate governance and internal control matters. He has been a member of the advisory board of Ocean Equity Partners Fund L.P. (the entity which controls Wider Pacific) since September 2012. Mr. Fontaine serves as an executive director and vice-chairman of the Hong Kong Venture Capital and Private Equity Association. In 2000, he founded Investel Asia, a venture capital and private equity firm and served as its managing director from January 2004 to December 2006. He was the chief executive officer of Newcom LLC from January 2007 to September 2008. Prior to joining our Group in April 2015, Mr. Fontaine served various positions within the BCE Inc. group, the largest communications company in Canada, including Bell Canada, Bell Ardis and Tata Cellular, for approximately 16 years of his career. Mr. Fontaine has also been acting as a non-executive director of D&G Technology Holding Company Limited, a company listed on the Stock Exchange (stock code: 1301) since August 2016 and as an independent director of China Lending Corporation, a company listed on NASDAQ (ticker: CLDC) from July 2016 to December 2017.

張楠女士，37歲，於二零一九年一月十日起擔任執行董事。張女士於二零一三年一月起出任本集團人力資源總監兼戰略發展總監，負責本集團人力資源管理、行業研究、發展規劃及投資項目研究。二零一八年八月起，張女士擔任本集團副總經理。彼的工作經驗包括自二零零八年八月至二零一零年七月擔任北京投趣科技有限公司人力資源經理，自二零一零年九月至二零一三年一月擔任車訊互聯網股份有限公司人力資源總監。張女士於二零零七年七月畢業於內蒙古財經大學，主修工商管理專業。

非執行董事

FONTAINE Alain Vincent先生，65歲，自二零一五年四月起擔任非執行董事，負責就企業管治及內部控制事宜提供意見。彼自二零一二年九月起為Ocean Equity Partners Fund L.P. (控制Wider Pacific的實體) 顧問委員會成員。Fontaine先生為香港創業及私募投資協會有限公司的執行董事及副主席。彼於二零零零年創立Investel Asia (創業及私募投資公司) 並自二零零四年一月至二零零六年十二月擔任董事總經理。彼於二零零七年一月至二零零八年九月任Newcom LLC行政總裁。於二零一五年四月加入本集團前，Fontaine先生於其事業生涯中約16年在加拿大最大的通訊公司BCE Inc.集團(包括Bell Canada、Bell Ardis及Tata Cellular)擔任多個職位。於二零一六年八月起，Fontaine先生擔任德基科技控股有限公司的非執行董事，該公司在聯交所上市(股份代號：1301)，且自二零一六年七月至二零一七年十二月，Fontaine先生擔任中國貸款集團的獨立董事，該公司在納斯達克上市(交易代碼：CLDC)。



Directors and Senior Management 董事及高級管理層

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

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

Independent non-executive Directors

Mr. HO Kenneth Kai Chung, aged 54, is an independent non-executive Director since March 2015, being responsible for overseeing the management of our Group independently. Prior to joining the Group, Mr. Ho served as a managing director of Munsun Asset Management (Asia) Ltd. between January 2014 and March 2015. Since November 2013, Mr. Ho became an independent non-executive director of TK Group (Holdings) Limited (stock code: 2283) and an independent non-executive director of BBI Life Sciences Corporation (stock code: 1035) from October 2014 onwards. From August 2015 to August 2018, Mr. Ho became the chief financial officer and joint company secretary of Greentown Service Group Co. Ltd. Mr. Ho has served as the Investment consultant of Greentown Service Group Co. Ltd. since August 2018. Mr. Ho previously worked in various international financial institutions, such as a senior research analyst of Credit Lyonnais Securities (Asia) Limited from September 1996 to February 1999, and a vice president in the Research Department of Institutional Equities, Asia Pacific Department of JP Morgan from February 1999 to October 2004. Mr. Ho served various positions in HSBC, such as the Head of China Value and Growth Research in CIBM Research Asia of HSBC Markets (Asia) Limited in September 2004, Head of China Research of HSBC (Securities Business) Beijing Representative Office in June 2008, and Hong Kong China equity sales director of HSBC in January 2011.

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

獨立非執行董事

何啟忠先生，54歲，自二零一五年三月起擔任獨立非執行董事，負責獨立監管本集團的管理工作。於加入本集團前，何先生於二零一四年一月至二零一五年三月期間擔任麥盛資產管理(亞洲)有限公司董事總經理。何先生自二零一三年十一月起擔任東江集團(控股)有限公司(股份代號：2283)的獨立非執行董事，並自二零一四年十月起擔任BBI生命科學有限公司(股份代號：1035)的獨立非執行董事。於二零一五年八月至二零一八年八月，何先生擔任綠城服務集團有限公司的首席財務官和聯席公司秘書。於二零一八年八月起，何先生擔任綠城服務集團有限公司的投資顧問。何先生曾於多家國際金融機構任職，例如彼於一九九六年九月至一九九九年二月曾為Credit Lyonnais Securities (Asia) Limited的高級研究分析師，其後於一九九九年二月至二零零四年十月出任摩根大通亞太分部機構證券研究部副總裁。何先生曾於HSBC擔任多個職位，例如彼於二零零四年九月擔任HSBC Markets (Asia) Limited的CIBM Research Asia中國價值增長研究(China Value and Growth Research)主管、於二零零八年六月擔任HSBC(證券業務)北京代表辦事處中國研究主管及於二零一一年一月擔任HSBC香港中國股票銷售總監。

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



Directors and Senior Management 董事及高級管理層

Mr. ZHU Lin (former name: ZHU Xiaolin), aged 46, is an independent non-executive Director since March 2015, being responsible for overseeing the management of our Group independently. Mr. Zhu is also a partner of Beijing Legendhouse CPAs (北京潤衡會計師事務所) and a director of Beijing Run Qin Consulting Co., Ltd. (北京潤勤諮詢有限公司). Mr. Zhu has been a non-executive director of Beijing Chexun Internet Company Limited (北京車訊互聯網股份有限公司), a company whose shares are listed on the Over the Counter Bulletin in the PRC (新三板), since July 2016. Prior to joining our Group in March 2015, Mr. Zhu was a senior manager at the mergers and acquisitions department of PricewaterhouseCoopers Consulting (Shenzhen) Co., Ltd. (Beijing Branch) (普華永道諮詢(深圳)有限公司北京分公司) from October 2003 to November 2005. Mr. Zhu obtained a bachelor's degree in Overseas Financial Accounting (會計系外國財務會計專門化) from Central Institute of Finance and Banking (currently known as Central University of Finance and Economics) in the PRC in June 1995. Mr. Zhu has been a member of the Chinese Institute of Certified Public Accountants since February 2000.

Mr. YU Miao, aged 43, is an independent non-executive Director since March 2015, being responsible for overseeing the management of our Group independently. Mr. Yu is also a partner of Global Law Office. Mr. Yu has been a non-executive director of Beijing Chexun Internet Company Limited (北京車訊互聯網股份有限公司), a company whose shares are listed on the Over the Counter Bulletin in the PRC (新三板), since July 2016. Prior to joining our Group in March 2015, Mr. Yu was a partner of Global Law Office from March 2006 to June 2010, and subsequently a partner of Norton Rose (Asia) LLP from June 2010 to June 2011. Mr. Yu returned to Global Law Office as a partner in July 2011 and has been a partner there since then. Mr. Yu obtained a postgraduate diploma in International Law from The University of Nottingham in the United Kingdom in December 2001, and a bachelor's degree in Economic Law from Heilongjiang University in the PRC in July 1999. Mr. Yu was qualified as a lawyer in the PRC in March 2000.

朱霖先生(曾用名:朱小林), 46歲, 自二零一五年三月起擔任獨立非執行董事, 負責獨立監管本集團的管理工作。朱先生亦為北京潤衡會計師事務所合夥人及北京潤勤諮詢有限公司董事。於二零一六年七月起, 朱先生擔任北京車訊互聯網股份有限公司(其股份於中國新三板上市)的非執行董事。於二零一五年三月加入本集團之前, 朱先生於二零零三年十月至二零零五年十一月擔任普華永道諮詢(深圳)有限公司北京分公司併購部高級經理。朱先生於一九九五年六月取得中國中央財政金融學院(現稱中央財經大學)會計系外國財務會計專門化學士學位。自二零零零年二月起, 朱先生為中國註冊會計師協會會員。

于淼先生, 43歲, 自二零一五年三月起擔任獨立非執行董事, 負責獨立監管本集團的管理工作。于先生亦為環球律師事務所合夥人。於二零一六年七月起, 于先生擔任北京車訊互聯網股份有限公司(其股份於中國新三板上市)的非執行董事。於二零一五年三月加入本集團之前, 于先生於二零零六年三月至二零一零年六月為環球律師事務所合夥人, 其後於二零一零年六月至二零一一年六月為諾頓羅氏(亞洲)有限責任公司合夥人。于先生於二零一一年七月以合夥人身份重返環球律師事務所, 並自此一直為該事務所合夥人。于先生於二零零一年十二月取得英國諾丁漢大學國際法碩士學位, 並於一九九九年七月取得中國黑龍江大學經濟法學士學位。于先生於二零零零年三月取得中國律師資格。



Directors and Senior Management 董事及高級管理層

SENIOR MANAGEMENT

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

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

Ms. ZHANG Nan has been appointed as an executive Director of the Group with effect from 10 January 2019 and her primary responsibilities include overseeing, monitoring and implementing the internal controls of the Group; and ensuring the Company's compliance with the relevant laws and regulations including the Listing Rules. For details about Ms. Zhang's background, see "Directors" under this section.

Mr. SHI Qiang, aged 64, is the chief engineer of our Company, being responsible for the strategic development of our Group. Prior to joining our Group in April 2004, Mr. Shi worked in the Chemical Research Institute of Inner Mongolia Autonomous Region (內蒙古自治區化工研究院) (the "Research Institute") from January 1986 to March 2004 and served various positions, including the director of the design office of the Research Institute. Before that, Mr. Shi worked at the Inner Mongolia Yellow River Construction Bureau Share Limited Corporation (內蒙古黃河工程局股份有限公司) (formerly known as "Inner Mongolia Yellow River Construction Bureau" (內蒙古黃河工程局) prior to its reform in 2000), a provider of hydropower engineering services in Inner Mongolia, the PRC, from January 1982 to December 1985. Mr. Shi has approximately 31 years of experience in the chemical industry. Mr. Shi joined our Group in April 2004 and has served various positions in our Group. Mr. Shi obtained a bachelor's degree in chemical engineering from Tianjin University in May 1982. In August 1994, Mr. Shi was awarded the title of "Senior Engineer" (高級工程師) by the Office of Leading Group for Professional Title Reform of the Inner Mongolia Autonomous Region (內蒙古自治區職稱改革領導小組辦公室), and in October 2012, Mr. Shi was awarded the title of "Energy Manager" (能源管理師) by the Development and Reform Commission of Hebei Province, the PRC.

高級管理層

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

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

張楠女士，於二零一九年一月十日獲任本集團執行董事，主要職責包括監管、監察及執行本集團的內部監控；以及確保本公司符合相關法律及規則包括上市規則。有關張女士背景的詳情，請參閱本節「董事」。

石強先生，64歲，為本公司的總工程師，負責本集團的策略開發。於二零零四年四月加入本集團前，石先生自一九八六年一月至二零零四年三月任職於內蒙古自治區化工研究院（「研究院」）並擔任多個職位，包括研究院的設計辦公室主任。此前，石先生自一九八二年一月至一九八五年十二月任職於內蒙古黃河工程局股份有限公司（二零零零年改革前稱「內蒙古黃河工程局」，一家位於中國內蒙古的水電工程服務供貨商）。石先生於化工行業擁有約31年經驗。石先生於二零零四年四月加入本集團，歷任本集團多個職位。石先生於一九八二年五月取得天津大學化學工程學士學位。於一九九四年八月，石先生榮獲內蒙古自治區職稱改革領導小組辦公室頒發的「高級工程師」職稱，於二零一二年十月，石先生榮獲中國河北省發改委頒發的「能源管理師」職稱。



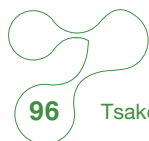
Directors and Senior Management 董事及高級管理層

JOINT COMPANY SECRETARIES

Ms. YANG Xue, aged 31, graduated from Zhejiang University in 2014 and Qingdao University in 2011 with a Master's degree in Engineering and Bachelor's degree in Engineering, respectively. Ms. Yang joined the Group in March 2016, and has been appointed as the joint company secretary since 26 July 2018. Prior to joining the Group, Ms. Yang worked in the Marketing Department of Wanhua Chemical Group Co., Ltd. (Shanghai Stock Exchange Stock Code: 600309) from 2014 to 2016, focusing on the research and analysis of the domestic and foreign chemical markets and related industries.

聯席公司秘書

楊雪女士，31歲，於二零一四年畢業於浙江大學及二零一一年畢業於青島大學，分別獲工學碩士學位及工學學士學位。楊女士於二零一六年三月加入本集團，並於二零一八年七月二十六日起獲委任為聯席公司秘書。於加入本集團前，自二零一四年至二零一六年，楊女士任職於萬華化學集團股份有限公司（上海證券交易所股份代號：600309）市場部，專注於國內外化工市場及相關行業的研究與分析。



Directors' Report

董事會報告

The Board is pleased to announce the Directors' Report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

CORPORATE INFORMATION AND LISTING

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

PRINCIPAL BUSINESS

The Group is primarily engaged in the manufacturing and sale of dye intermediates, agricultural chemical intermediates, pigment intermediates and battery materials, and the provision of environmental technology consultancy services. Analysis on the principal business of the Group for the year ended 31 December 2019 is set out in note 4 to the consolidated financial statements.

RESULTS

Results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of profit or loss and other comprehensive income on pages 158 and 159 of this annual report.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB0.092 per ordinary share for the year ended 31 December 2019. Such final dividend is subject to the approval by the Shareholders at the AGM. The dividend is expected to be paid on or about 31 July 2020 to the Shareholders whose names appear on the register of members of the Company (the "Register of Members") on 26 June 2020.

Together with the Special Dividend of RMB0.058 per share, the dividends in aggregate for the year ended 31 December 2019 will amount to RMB0.150 per share.

BUSINESS REVIEW

Please see the section headed "Management Discussion and Analysis" on pages 16 to 20 of this annual report for details.

董事會欣然提呈本集團截至二零一九年十二月三十一日止年度之董事會報告及經審核綜合財務報表。

公司資料及上市

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

主要業務

本集團的主要業務為染料及農業化學品中間體、顏料中間體及電池材料的生產和銷售，以及環保技術諮詢。有關本集團於截至二零一九年十二月三十一日止年度的主要業務的分析載列於綜合財務報表附註4。

業績

本集團截至二零一九年十二月三十一日止年度的業績載於本年報第158和159頁之綜合損益及其他全面收益表。

末期股息

董事會建議就截至二零一九年十二月三十一日止年度派付末期股息每股普通股人民幣0.092元。此末期股息須經股東於股東週年大會上批准方可作實，並預計於二零二零年七月三十一日或前後派付予於二零二零年六月二十六日名列本公司股東名冊（「股東名冊」）的股東。

連同特別股息每股人民幣0.058元，截至二零一九年十二月三十一日止年度的股息總額將為每股人民幣0.150元。

業務回顧

詳情載於本年報之「管理層討論及分析」中第16頁至第20頁。



Environmental Policy and Performance

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

For the year ended 31 December 2019, we were subject to inspections organized by the local government from time to time and we had not been subject to any material fines or penalties in relation to any material breach of applicable environmental, health and safety laws or regulations that could have a material adverse effect on our operation. For the year ended 31 December 2019, we had not lost any order from our customers due to environmental, health and safety concerns. We believe that our awareness of the environmental, health and safety issues and dedication to their protection makes us a leader in this area from an early stage.

公司的環境政策和表現

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

截至二零一九年十二月三十一日止年度，我們受到地方政府不時組織的檢查，未因嚴重違反適用的環境、健康及安全法律或法規被處以可能對我們的業務構成重大不利影響的任何重大罰款或處罰。截至二零一九年十二月三十一日止年度，我們不曾因環境、健康及安全問題而失去任何客戶訂單。我們相信，我們對環境、健康及安全問題的意識以及我們對其保護事項的投入在早期令我們成為這一方面的領導者。



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

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

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

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

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

本集團十分重視企業社會責任，關注環保、安全與健康，並將繼續致力確保業務活動符合環保及安全監管規定。我們已就管理體系取得質量管理體系ISO9001、環境管理體系ISO14001認證及職業健康安全體系GB/T 28001-2011。





Compliance with related laws and regulations

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

Laws on Work Safety

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

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

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

公司對有關法律和法規的遵守

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

安全生產法

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

環境保護法、水污染防治法，及固體廢物污染環境防治法

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



Voluntarily abiding by the Environmental Protection Law of the People's Republic of China, the Law of the People's Republic of China on Prevention and Control of Water Pollution and the Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, enhancing environmental awareness and achieving green production management is not only the common opportunities and challenges faced by enterprises, but also the foundation of their ongoing operations. The Group strictly abides by the above laws and regulations and adopts effective environmental protection measures to minimize the impacts of our operations on the environment.

Our production facilities have already been equipped with pollution control equipment such as monitoring equipment on generators to control and record the gas pollutants and the emission level of sewage and solid waste. We have also set up a series of internal policies and plans for environmental risks avoidance to ensure the compliance with the applicable state, industrial and local standard laws, regulations and policy requirements, including reports on the gas pollutants, the emission level of sewage and solid waste and regular assessment on such emission level to the local safety and environmental departments (Environmental Protection Bureau of Dongguang County, Work Safety Supervisory Bureau of Dongguang County, Environmental Protection Bureau of Dongying Port Economic Development Zone and Work Safety Supervisory Bureau of Dongying Port Economic Development Zone etc.). We constantly strengthen the development of clean production technologies to satisfy the increasing standard of environmental protection. When there is deviation from any applicable emission standards, we will investigate the cause and adopt corresponding corrective measures. Furthermore, our emission of sewage and solid waste and air pollutants is subject to monitoring by the above-mentioned safety and environmental departments.

The Regulations on the Control of Foreign Exchange

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

自覺遵守《中華人民共和國環境保護法》、《中華人民共和國水污染防治法》及《中華人民共和國固體廢物污染環境防治法》，提高環保意識，實現綠色生產管理，是企業所共同面臨的機遇與挑戰，是企業持續運營的前提。本集團嚴格遵守上述法律法規，採取有效的環保措施，盡量減少我們的經營運作對環境的影響。

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

外匯管理條例

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



The Foreign Trade Law

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

The Labour Law

The Group developed and improved its existing internal management system to safeguard the rights of its employees, including the Safety Education Training System, the Identification and Treatment Management System for Hidden Safety Perils, and Management Regulations on On-site Sanitation and Cleaning. The Group stringently implements national protocols and standards on labour safety and health and conducts labour safety and health education for workers to prevent labour accidents and reduce occupational hazards.

Social Insurance and Housing Provident Funds

The Group complied with the PRC laws, rules and regulations, including the Social Insurance Law, the Regulations on Unemployment Insurance, the Regulations on Work Injury Insurance and the Regulations on the Administration of Housing Provident Fund. We make contributions to social insurance in full and on time including pension insurance, medical insurance, work injury insurance, unemployment insurance and maternity insurance as well as housing provident fund. For the year ended 31 December 2019, the Group did not receive any penalty from the relevant administrative department.

對外貿易法

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

勞動法

本集團制訂和完善了內部保障勞動者權利的現行內部管理制度，包括《安全教育培訓制度》、《安全隱患排查治理管理制度》、《現場衛生清潔管理規定》等。本集團嚴格實施國家勞動安全和衛生的條例和標準，為勞動者提供勞動安全和健康教育，防範勞動事故和減少職業危害。

社會保險及住房公積金

本集團遵守相關的中國法律、條例及法規，包括《社會保險法》、《失業保險條例》、《工傷保險條例》及《住房公積金管理條例》等，為員工按時、足額繳納社會保險費，包括養老保險、醫療保險、工傷保險、失業保險和生育保險，以及住房公積金。截至二零一九年十二月三十一日止年度，本集團未收到任何有關行政部門的罰款。



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

IMPORTANT RELATIONSHIP WITH STAKEHOLDERS

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

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

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

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

與利益相關者的重要關係

客戶：我們已與主要客戶建立穩固的長期業務關係，建立了強大的客戶基礎，並成為主要客戶的關鍵供貨商。我們已通過我們的客戶所要求的多項嚴格資格及認證過程，以建立穩固的客戶基礎。我們已與主要客戶有超過約十年的業務關係。我們相信該等長期的業務關係使我們能夠在染料及顏料中間體行業建立並保持市場領導地位。

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

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



Directors' Report 董事會報告

For the year ended 31 December 2019, we were able to obtain raw materials from our suppliers on terms and quality acceptable to us and we had not experienced any material disruption to the supply of any raw materials required for our production or experienced any difficulty in sourcing alternative suppliers for such raw materials. In addition, we believe the relationship between us and our major suppliers has been and will continue to be good and stable. All of our domestic procurements were paid in RMB. All of our foreign procurements were paid in USD.

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

For the year ended 31 December 2019, there have been no labour disputes or strikes at any of our production facilities. Our current relationship with our employees and the labour unions are good and are based on mutual support and respect.

RISK FACTORS

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

截至二零一九年十二月三十一日止年度，我們一直能夠按我們可接受的條款及質量自供貨商取得原材料，而我們生產所需原材料的供應並無出現任何重大中斷，在向其他原材料供貨商採購有關原材料時亦無受到任何困難。此外，我們相信，我們與主要供貨商之間的關係良好、穩定並將繼續保持。我們對所有國內採購以人民幣付款。我們所有海外採購均以美元付款。

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

截至二零一九年十二月三十一日止年度，我們的任何生產設施均無發生勞工糾紛或罷工。我們與僱員及工會關係良好，秉承互相支持及互相尊重的原則。

風險因素

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



Global economy and macroeconomic conditions

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

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

Foreign exchange risk

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

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

For the year ended 31 December 2019, the Group neither drew up any hedging policy, nor adopted any hedging instruments.

全球經濟及宏觀經濟的狀況

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

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

外匯風險

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

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

截至二零一九年十二月三十一日止年度，本集團並未制定對沖政策，亦未採取任何對沖工具。



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

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

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

我們面臨與原材料價格波動及供應有關的風險

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

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



Expansion into new markets presents increased risks

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

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

We experience seasonal fluctuations

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

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

拓展新市場將會導致更多的風險

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

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

我們存在季節性波動

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

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



ANALYSIS OF FINANCIAL KEY PERFORMANCE INDICATORS

Please see the section headed "Management Discussion and Analysis" on pages 24 to 33 of this annual report for details.

OUTLOOK

Please see the section headed "Management Discussion and Analysis" on pages 21 to 23 of this annual report for details.

EVENT AFTER THE REPORTING PERIOD

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

FINANCIAL OVERVIEW

The highlight of results and assets and liabilities of the Group for the last five financial years are set out on page 8 of this annual report. This highlight does not constitute part of the audited consolidated financial statements.

APPLICATION OF PROCEEDS FROM LISTING

Please see the section headed "Management Discussion and Analysis" on page 35 of this annual report for details.

MAJOR CUSTOMERS AND SUPPLIERS

Major customers

For the year ended 31 December 2019, the revenue from the top five customers of the Group accounted for approximately 48.0% (2018: approximately 41.9%) of the Group's total revenue, and the turnover attributable to its largest single customer accounted for approximately 14.3% of its total revenue (2018: approximately 14.5%).

Major suppliers

For the year ended 31 December 2019, the purchases from the top five suppliers of the Group accounted for approximately 39.2% (2018: approximately 37.2%) of its total purchases, and the turnover attributable to its largest single supplier accounted for approximately 21.9% of its total purchases (2018: approximately 20.6%).

財務關鍵表現指標分析

詳情載於本年報之「管理層討論及分析」中第24頁至第33頁。

展望

詳情載於本年報之「管理層討論及分析」中第21頁至第23頁。

報告期後事項

有關報告期後事項之詳情載於綜合財務報表附註37。

財務概要

本集團過去五個財政年度之業績以及資產及負債概要載列於本年報第8頁。本概要並不構成經審核綜合財務報表的一部份。

上市所得款項用途

詳情載於本年報之「管理層討論及分析」中第35頁。

主要客戶及供貨商

主要客戶

截至二零一九年十二月三十一日止年度，本集團前五名客戶的交易額佔本集團總收入約48.0%（二零一八年：約41.9%），而本集團之單一最大客戶的交易額佔本集團總收入約14.3%（二零一八年：約14.5%）。

主要供貨商

截至二零一九年十二月三十一日止年度，本集團前五名供貨商的交易額佔本集團總購貨額約39.2%（二零一八年：約37.2%），而本集團之單一最大供貨商的交易額佔本集團總購貨額約21.9%（二零一八年：約20.6%）。



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

PROPERTY, PLANT AND EQUIPMENT

Details of changes in property, plant and equipment of the Group for the year ended 31 December 2019 are set out in note 14 to the consolidated financial statements.

RESERVES

Details of changes in reserves of the Group for the year ended 31 December 2019 are set out in the consolidated statement of changes in equity on page 162.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company's reserves available for distribution amounted to approximately RMB633.3 million.

BANK AND OTHER BORROWINGS

Details of bank and other borrowings of the Group as at 31 December 2019 are set out in note 25 to the consolidated financial statements.

DIRECTORS

For the year ended 31 December 2019 and as at the date of this annual report, the Directors are as follows:

Executive Directors:

Mr. GE Yi
Mr. BAI Kun
Ms. ZHANG Nan¹ (appointed on 10 January 2019)

Non-executive Directors:

Mr. XIAO Yongzheng² (resigned on 10 January 2019)
Mr. FONTAINE Alain Vincent

Notes:

1. Ms. ZHANG Nan has been appointed as an executive director of the Company with effect from 10 January 2019. For details, please refer to the Company's announcement dated 10 January 2019.
2. Due to work commitment, Mr. XIAO Yongzheng has resigned as a non-executive director. For details, please refer to the Company's announcement dated 10 January 2019.

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

物業、廠房及設備

本集團於截至二零一九年十二月三十一日止年度期間的物業、廠房及設備變動詳情載於綜合財務報表附註14。

儲備

本集團之儲備於截至二零一九年十二月三十一日止年度期間的變動詳情載於第162頁的綜合權益變動表。

可供分派儲備

於二零一九年十二月三十一日，本公司可供分派儲備約為人民幣633.3百萬元。

銀行借款及其他借款

關於本集團於二零一九年十二月三十一日之銀行借款及其他借款的詳情載於綜合財務報表附註25。

董事

截至二零一九年十二月三十一日止年度，至本年報日期，董事如下：

執行董事：

戈弋先生
白崑先生
張楠女士¹（於二零一九年一月十日獲委任）

非執行董事：

肖勇政先生²（已於二零一九年一月十日辭任）
FONTAINE Alain Vincent先生

附註：

- 1 張楠女士已獲委任為本公司執行董事，自二零一九年一月十日起生效。詳細情況請參閱本公司日期為二零一九年一月十日之公告。
- 2 由於工作原因，肖勇政先生辭任非執行董事之職。詳細情況請參閱本公司日期為二零一九年一月十日之公告。



Directors' Report 董事會報告

Independent non-executive Directors:

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

In accordance with the article 16.19 of the Articles of Association, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) will retire from office by rotation and will be eligible for re-election at every annual general meeting, provided that every Director shall be subject to retirement by rotation at least once every three years. Thus, Mr. GE Yi, Mr. ZHU Lin and Mr. YU Miao will retire by rotation and being eligible, will offer themselves for re-election as the Directors at the forthcoming AGM.

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

CHANGES TO INFORMATION OF DIRECTORS

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

DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and senior management are set out on pages 91 to 96 of this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

獨立非執行董事：

何啟忠先生
朱霖先生
于淼先生

根據組織章程細則第16.19條，現時三分之一董事（倘若其數目並非為三的倍數，則取最接近而不少於三分之一之數目）將輪值告退，並有資格在每次股東週年大會膺選連任，惟各董事須最少每三年輪值告退一次。因此，戈弋先生、朱霖先生及于淼先生將於應屆股東週年大會輪值退任，並符合資格及願意膺選連任為董事。

載有應屆股東週年大會上膺選連任的董事詳情的通函將適時向股東寄發。

董事資料之變動

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

董事和高級管理層

董事和高級管理層的履歷詳情載於本年報第91頁至第96頁。

獨立非執行董事獨立性的確認

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



DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

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

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDER IN MAJOR TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

For the year ended 31 December 2019, (i) no contracts of significance had been entered into between the Company or any of its subsidiaries, and a controlling shareholder (as defined in the Listing Rules) or any of its subsidiaries; and (ii) none of the Directors and their connected entities (as defined in the Companies Ordinance) either directly or indirectly, have a material interest in any transactions, arrangements and contracts of significance subsisting during or at the end of the financial year to which the Company or its holding company or any of its subsidiaries or fellow subsidiaries is a party which is material to the business of the Group.

MANAGEMENT CONTRACTS

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

REMUNERATION POLICY

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

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

董事之服務合約及委聘函

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

董事與控股股東於重要交易、安排或合約的權益

截至二零一九年十二月三十一日止年度，(i)本公司或其任何附屬公司與控股股東(定義見上市規則)或其任何附屬公司概無訂立任何重大合約；及(ii)於財政年度期間或財務年度末，概無董事及其有關連的實體(定義見公司條例)於本公司、其控股公司、其任何附屬公司或同系附屬公司作為訂約方並對本集團業務而言屬重要交易、安排或合約中直接或間接擁有重大權益。

管理合約

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

薪酬政策

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

有關於報告期內董事及五位最高薪酬人士的薪酬詳情載於綜合財務報表附註8和9。



PENSION SCHEMES

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

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

As at 31 December 2019, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are set out as follows:

(i) Interest in the Company

Name of Director 董事名稱	Nature of interest 權益性質	Number of Shares held ⁽¹⁾ 持有股份數目 ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾ 股權概約百分比 ⁽²⁾
Ge Yi 戈弋	Interest in a controlled corporation 於受控制法團權益	133,337,750 (L) ⁽³⁾ (好倉) ⁽³⁾	12.84%
	Interest of other parties to an agreement required to be disclosed under section 317 of the SFO 根據證券及期貨條例第317條須予披露於協議其他方所持之權益	400,013,250 (L) ⁽⁴⁾ (好倉) ⁽⁴⁾	38.52%

Notes:

- (1) The letter "L" denotes long position in the Shares.
(2) As at 31 December 2019, the total number of issued Shares were 1,038,395,500 Shares.

退休金計劃

本集團退休金計劃詳情載於綜合財務報表附註2.4。

董事及最高行政人員於股份、相關股份及債權證中擁有的權益及淡倉

於二零一九年十二月三十一日，董事及本公司最高行政人員擁有根據《證券及期貨條例》第XV部第7及8分部已知會本公司及聯交所的本公司或其任何相聯法團（定義見《證券及期貨條例》第XV部）的股份、相關股份及債權證的權益及淡倉（包括根據《證券及期貨條例》的該等條文彼等被當作或視為擁有的權益及淡倉），或根據《證券及期貨條例》第352條已登記於須予備存之登記冊，或根據證券交易的標準守則須知會本公司及聯交所的權益及淡倉如下：

(i) 於本公司權益

附註：

- (1) 「好倉」指該股份中的好倉。
(2) 於二零一九年十二月三十一日，已發行股份之總數為1,038,395,500股。



- (3) These Shares represent Shares held by Cavalli which is wholly owned by Mr. Ge Yi, and Mr. Ge Yi is deemed to be interested in the same pursuant to the SFO.
- (4) On 24 June 2019, Mr. Ge Yi entered into a voting right transfer deed with Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited. As such, Mr. Ge Yi is deemed to be interested in the 400,013,250 Shares (long position) which Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited are interested in under section 317 of the SFO.

- (3) 該等股份由Cavalli持有，而Cavalli為戈弋先生全資擁有，故此根據證券及期貨條例，戈弋先生被視作於Cavalli中擁有權益。
- (4) 於二零一九年六月二十四日，戈弋先生與雄際創投有限公司、明珍控股有限公司、星途創投有限公司訂立表決權轉讓契據，因此，根據證券及期貨條例第317條，戈弋先生被視為於雄際創投有限公司、明珍控股有限公司、星途創投有限公司擁有權益的400,013,250股股份中擁有權益(好倉)。

Save as disclosed above, as at 31 December 2019, none of the Directors or chief executives of the Company had any interests or short positions in the Shares or underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一九年十二月三十一日，概無董事或本公司最高行政人員於本公司或其相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份或債權證中，擁有根據《證券及期貨條例》第XV部第7及8分部須知會本公司及聯交所的股份、相關股份及債權證的權益及淡倉(包括根據《證券及期貨條例》的該等條文彼等被當作或視為擁有的權益及淡倉)，或須登記於根據《證券及期貨條例》第352條須予備存的登記冊內，或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

董事購買股份或債權證的權利

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



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

主要股東於股份及相關股份中的權益及淡倉

As at 31 December 2019, to the knowledge of the Directors, the following persons (other than the Directors or chief executives of the Company) had an interest or a short position in the Shares or underlying Shares of the Company which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and recorded in the register of the Company maintained under Section 336 of the SFO:

於二零一九年十二月三十一日，就本公司董事所知，下列人士（並非董事及本公司最高行政人員）於本公司股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部須向本公司披露並已登記於本公司根據《證券及期貨條例》第336條須予備存之登記冊內之權益或淡倉：

Name of shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Number of securities ⁽¹⁾ 證券數目 ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾ 股權概約百分比 ⁽²⁾
Cavalli	Beneficial owner 實益擁有人	133,337,750 (L) (好倉)	12.84%
Qi Lin 綦琳	Interest of spouse 配偶權益	133,337,750 (L) ⁽³⁾ (好倉) ⁽³⁾	12.84%
	Interest in a controlled corporation 於受控制法團權益	133,337,750 (L) ⁽⁴⁾ (好倉) ⁽⁴⁾	12.84%
	Trustee/Interest of children under 18 受託人／未滿18歲的子女的權益	266,675,500 (L) ⁽⁵⁾ (好倉) ⁽⁵⁾	25.68%
Ge Chengyu 戈誠煜	Beneficiary of a trust 信託受益人	133,337,750 (L) ⁽⁵⁾ (好倉) ⁽⁵⁾	12.84%
Ge Chenghui 戈誠輝	Beneficiary of a trust 信託受益人	133,337,750 (L) ⁽⁵⁾ (好倉) ⁽⁵⁾	12.84%
Hero Time Ventures Limited 雄際創投有限公司	Beneficial owner 實益擁有人	133,337,750 (L) (好倉)	12.84%
	Interest of other parties to an agreement required to be disclosed under section 317 of the SFO 根據證券及期貨條例第317條須予披露之於協議其他方所持之權益	400,013,250 (L) ⁽⁶⁾ (好倉) ⁽⁶⁾	38.52%



Directors' Report 董事會報告

Name of shareholder 股東名稱	Capacity/Nature of interest 身份／權益性質	Number of securities ⁽¹⁾ 證券數目 ⁽¹⁾	Approximate percentage of shareholding ⁽²⁾ 股權概約百分比 ⁽²⁾
Star Path Ventures Limited 星途創投有限公司	Beneficial owner 實益擁有人	133,337,750 (L) (好倉)	12.84%
	Interest of other parties to an agreement required to be disclosed under section 317 of the SFO 根據證券及期貨條例第317條 須予披露之於協議其他方所持之權益	400,013,250 (L) ⁽⁷⁾ (好倉) ⁽⁷⁾	38.52%
Radiant Pearl Holdings Limited 明珍控股有限公司	Beneficial owner 實益擁有人	133,337,750 (L) ⁽⁴⁾ (好倉) ⁽⁴⁾	12.84%
	Interest of other parties to an agreement required to be disclosed under section 317 of the SFO 根據證券及期貨條例第317條 須予披露之於協議其他方所持之權益	400,013,250 (L) ⁽⁸⁾ (好倉) ⁽⁸⁾	38.52%
Winshare Hongtai (Shenzhen) Investment Partnership (Limited Partnership) 文軒宏泰(深圳)投資合夥企業(有限合夥)	Beneficial owner 實益擁有人	66,171,000 (L) (好倉)	6.37%

Notes:

- (1) The letter "L" denotes long position in the Shares.
- (2) As at 31 December 2019, the total number of issued Shares were 1,038,395,500 Shares.
- (3) Ms. Qi Lin, as the spouse of Mr. Ge Yi, is deemed to be interested in the Shares which Mr. Ge Yi is interested or deemed to be interested in under the SFO.
- (4) Radiant Pearl Holdings Limited is wholly owned by Ms. Qi Lin, and Ms. Qi Lin is deemed to be interested in the Shares which Radiant Pearl Holdings Limited is interested in pursuant to the SFO.

附註：

- (1) 「好倉」指該股份中的好倉。
- (2) 於二零一九年十二月三十一日，已發行股份之總數為1,038,395,500股。
- (3) 根據證券及期貨條例，戈弋先生之配偶慕琳女士被視為於戈弋擁有權益或視作擁有權益的股份中擁有權益。
- (4) 明珍控股有限公司由慕琳女士全資擁有，故根據證券及期貨條例，慕琳女士被視為於明珍控股有限公司擁有權益的股份中擁有權益。



Directors' Report 董事會報告

- (5) Ms. Qi Lin holds all the interests in Hero Time Ventures Limited and Star Path Ventures Limited as trustee (Ge Chengyu and Ge Chenghui, who both are children under the age of 18 of Ms. Qi Lin, are beneficiaries of the trusts of Hero Time Ventures Limited and Star Path Ventures Limited, respectively). As such, Ms. Qi Lin, as the trustee and the parent of Ge Chengyu and Ge Chenghui, is deemed to be interested in the Shares owned by Hero Time Ventures Limited and Star Path Ventures Limited. And Ge Chengyu and Ge Chenghui are respectively deemed to be interested in the Shares which Hero Time Ventures Limited and Star Path Ventures Limited hold as beneficiary of trust.
- (5) 慕琳女士作為信託人持有雄際創投有限公司以及星途創投有限公司的全部權益(戈誠煜及戈誠輝均為慕琳女士未滿18周歲的子女,分別為雄際創投有限公司及星途創投有限公司的信託的受益人),因此,慕琳女士作為受託人及戈誠煜及戈誠輝的母親被視為於雄際創投有限公司以及星途創投有限公司擁有的股份中擁有權益。而戈誠煜及戈誠輝分別作為信託之受益人被視為於雄際創投有限公司及星途創投有限公司持有的股份中擁有權益。
- (6) On 24 June 2019, Mr. Ge Yi entered into a voting right transfer deed with Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited. Hence, Hero Time Ventures Limited is deemed to be interested in 400,013,250 Shares (long position), being the sum of Shares which Mr. Ge Yi, Radiant Pearl Holdings Limited and Star Path Ventures Limited are interested in, pursuant to section 317 of the SFO.
- (6) 於二零一九年六月二十四日,戈弋先生與雄際創投有限公司、明珍控股有限公司及星途創投有限公司訂立表決權轉讓契據。因此,根據證券及期貨條例第317條,雄際創投有限公司被視為於400,013,250股(好倉)(即戈弋先生、明珍控股有限公司及星途創投有限公司擁有權益的股份總和)中擁有權益。
- (7) On 24 June 2019, Mr. Ge Yi entered into a voting right transfer deed with Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited. Hence, Star Path Ventures Limited is deemed to be interested in 400,013,250 Shares (long position), being the sum of Shares which Mr. Ge Yi, Radiant Pearl Holdings Limited and Hero Time Ventures Limited are interested in, pursuant to section 317 of the SFO.
- (7) 於二零一九年六月二十四日,戈弋先生與雄際創投有限公司、明珍控股有限公司及星途創投有限公司訂立表決權轉讓契據。因此,根據證券及期貨條例第317條,星途創投有限公司被視為於400,013,250股(好倉)(即戈弋先生、明珍控股有限公司及雄際創投有限公司擁有權益的股份總和)中擁有權益。
- (8) On 24 June 2019 Mr. Ge Yi entered into a voting right transfer deed with Hero Time Ventures Limited, Radiant Pearl Holdings Limited and Star Path Ventures Limited. Hence, Radiant Pearl Holdings Limited is deemed to be interested in 400,013,250 Shares (long position), being the sum of Shares which Mr. Ge Yi, Hero Time Ventures Limited and Star Path Ventures Limited are interested in, pursuant to section 317 of the SFO.
- (8) 於二零一九年六月二十四日,戈弋先生與雄際創投有限公司、明珍控股有限公司及星途創投有限公司訂立表決權轉讓契據。因此,根據證券及期貨條例第317條,明珍控股有限公司被視為於400,013,250股(好倉)(即戈弋先生、雄際創投有限公司及星途創投有限公司擁有權益的股份總和)中擁有權益。

Save as disclosed above, as at 31 December 2019, the Directors have not been aware of any person (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would be required to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or to be recorded in the register maintained under Section 336 of the SFO.

除上文所披露者外,於二零一九年十二月三十一日,就董事所知,概無任何其他人士(並非董事及本公司最高行政人員)於本公司股份或相關股份中擁有根據《證券及期貨條例》第XV部第2及3分部須予披露,或須登記於《證券及期貨條例》第336條所述的登記冊內之權益或淡倉。



SHARE OPTION SCHEME

The Group did not have any share option scheme for the year ended 31 December 2019.

DEBENTURES ISSUED

The Company did not issue any debentures for the year ended 31 December 2019.

EQUITY-LINKED AGREEMENT

For the year ended 31 December 2019, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company or subsisted as at the end of the year.

SHARE CAPITAL

Details of changes in the share capital of the Company for the Review Year are set out in note 28 to the consolidated financial statements.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

For the year ended 31 December 2019, as the Board believed that the value of the Shares of the Company could not reflect their intrinsic value and the repurchase of Shares would reflect the Board's confidence in the Company's development prospects, the Company repurchased a total of 3,450,000 Shares from the Stock Exchange at the total consideration (before expenses) of HK\$8,971,055. The repurchased 2,367,000 Shares and 1,083,000 Shares were subsequently cancelled on 23 January 2019 and 13 December 2019, respectively.

購股權計劃

截至二零一九年十二月三十一日止年度期間，本集團概無任何購股權計劃。

已發行的債權證

截至二零一九年十二月三十一日止年度，本公司概無發行債權證。

股票掛鈎協議

截至二零一九年十二月三十一日止年度或年度結束時，本公司概無訂立或存在任何股票掛鈎協議將會或可導致本公司發行股份，或規定本公司訂立任何協議將會或可導致本公司發行股份。

股本

本公司之股本於回顧年內的變動詳情載於綜合財務報表附註28。

購買、贖回或出售上市證券

截至二零一九年十二月三十一日止年度，因董事會認為，本公司股份價值未能反應其內在價值，股份回購可反應董事會對本公司的發展前景充滿信心，本公司於聯交所購回合共3,450,000股股份，總代價（扣除開支前）為8,971,055港元。已購回之2,367,000股股份及1,083,000股股份其後分別已於二零一九年一月二十三日及二零一九年十二月十三日註銷。



Directors' Report 董事會報告

Details of the repurchase are as follows:

購回詳情如下：

Month	Total number of Shares repurchased	Highest purchase price per Share HK\$	Lowest purchase price per Share HK\$	Total consideration (before expenses) HK\$
月份	已購回股份數目	每股最高購買價 港元	每股最低購買價 港元	總代價(扣除開支之前) 港元
January 一月	2,367,000	5.62	1.35	6,995,510
October 十月	1,083,000	1.92	1.73	1,975,545

Save as disclosed above, neither the Company, nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2019.

除上文所披露者外，本公司或其任何附屬公司概無於截至二零一九年十二月三十一日止年度內購買、出售或贖回本公司上市證券。

PRE-EMPTIVE RIGHT

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

優先購買權

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

TAX RELIEF EXEMPTION

The Directors are not aware of any tax relief and exemption available to the shareholders by reason of their holdings of the Company's securities.

稅務減免及豁免

董事並不知悉股東因其持有本公司證券而享有的任何稅務減免及豁免。

CHARITABLE DONATIONS

During the Review Year, the Group made charitable and other donations in a total amount of RMB0.04 million.

慈善捐贈

於回顧年內，本集團已作出慈善捐款及其他捐獻合共人民幣0.04百萬元。



UNDERTAKINGS OF NON-COMPETITION

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

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

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

Since 24 June 2019, Cavalli ceased to be a controlling shareholder of the Company and hence is no longer subject to the Deed of Non-competition. For more details, please refer to the disclosure of interests form of Cavalli filed on 27 June 2019.

The Company has received the annual confirmation from Mr. Ge in respect of his compliance during the Reporting Period with the non-competition undertakings under the Deed of Non-competition issued to the Company in 2019.

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

不競爭承諾

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

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

關於不競爭契據的詳情,請參見招股說明書。

自二零一九年六月二十四日起,Cavalli不再為本公司的控股股東,故此不再受不競爭契據之規限。有關詳情,請參閱Cavalli於二零一九年六月二十七日提交之披露權益表格。

本公司已收到戈先生於報告期內已遵守不競爭承諾的年度確認書,確認二零一九年度彼已遵守其向本公司出具的不競爭契據所作的各項承諾。

獨立非執行董事已根據戈先生所提供或彼給予的數據及確認,審閱不競爭契據於報告期內之履行情況,並滿意彼已遵守不競爭契據。



Directors' Report 董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at 31 December 2019, no Directors or any of their associates had any interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

RELATED PARTY TRANSACTIONS AND CONNECTED TRANSACTION

During the Review Year, the Group entered into certain transactions with related parties as defined in accordance with applicable accounting standards, and details of which are set out in note 33 to the consolidated financial statements of this annual report. Such related party transactions include the connected transactions (fully exempted pursuant to Chapter 14A of Listing Rules). The Company confirms that it has complied with the disclosure requirements in accordance with Chapter 14A of Listing Rules.

MATERIAL LITIGATION

For the year ended 31 December 2019, the Company has not been involved in any material litigation or arbitration. To the best knowledge of the Directors, there is no material litigation or claim pending or threatened against the Company.

PERMITTED INDEMNITY PROVISIONS

Pursuant to article 34.1 of the Articles of Association, every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all actions, costs, charges, losses, damages and expenses incurred or sustained by him as a Director, auditor or other officer of the Company by reason of any act done, concurred in or omitted in or about the execution of their duty or supposed duty in their respective offices or trusts, except such (if any) as they shall incur or sustain through their own fraud or dishonesty. The Group has taken out and maintained directors' liability insurance throughout the year, which provides appropriate cover for the Directors. Every Director, auditor or other officer of the Company is therefore entitled to be indemnified subject to the Company Law or other relevant regulations for the year ended 31 December 2019. The permitted indemnity provision was in force during the year ended 31 December 2019 for the benefit of the Directors.

董事於競爭業務的權益

於二零一九年十二月三十一日，概無董事或彼等的聯繫人於任何與本集團業務直接或間接構成競爭或可能構成競爭的業務中擁有任何權益。

關聯方交易及關連交易

於回顧年度，本集團與根據適用會計準則定義的關聯方進行若干交易。詳情載於本年報綜合財務報表附註33。該等關聯方交易包括按上市規則第14A章獲全面豁免的關連交易。本公司確認符合上市規則第14A章的披露規定。

重大法律訴訟

截至二零一九年十二月三十一日止年度，本公司並無涉及任何重大法律訴訟或仲裁。就董事所深知，也不存在任何尚未完結或對本公司存在威脅性的重大法律訴訟或索賠。

獲准許的彌償條文

根據組織章程細則第34.1條的規定，各董事、核數師或本公司其他高級管理人員有權從本公司的資產中獲得彌償，以彌償其作為董事、核數師或本公司其他高級管理人員因就各自之職務或信託履行職責或假定職責時作出、贊同或未作出之任何行為而產生或遭致的所有訴訟、成本、費用、損失、損害及開支（因彼等自身欺詐或不誠實而產生或導致者除外（如有））。本集團於年內已辦理及維持董事責任保險，為董事作適當的保障。因此，截至二零一九年十二月三十一日止年度期間，各董事、核數師或其他高級管理人員，在符合公司法或其他相關法規之前提下，都有權獲得彌償。獲准許的彌償條文於截至二零一九年十二月三十一日止年度內為董事的利益生效。



AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

CORPORATE GOVERNANCE CODE

The Company is committed to maintaining a high standard of corporate governance practices. Information of the corporate governance practices adopted by the Company is set out in the section headed "Report of Corporate Governance" on pages 123 to 149 of this annual report.

PUBLIC FLOAT

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

AUDITOR

Ernst & Young has been appointed as auditor of the Company for the year ended 31 December 2019. Ernst & Young has audited the accompanying financial statements which were prepared in accordance with Hong Kong Financial Reporting Standards.

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

審核委員會

審核委員會已與管理層共同審閱本集團所採納的會計原則及慣例，以及截至二零一九年十二月三十一日止年度經審核綜合財務報表。

企業管治守則

本公司致力維持高水平之企業管治常規。有關本公司所採納之企業管治常規資料載於本年報第123頁至第149頁之「企業管治報告」。

公眾持有量

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

核數師

安永會計師事務所獲委任為截至二零一九年十二月三十一日止年度的核數師。安永會計師事務所已審核隨附的財務報表，該等報表按香港財務報告準則編製。

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



Directors' Report 董事會報告

CLOSURE OF THE REGISTER OF MEMBERS

The Register of Members will be closed from 9 June 2020 to 12 June 2020, both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the AGM, during which period no share transfers will be registered. To be eligible to attend the AGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 8 June 2020.

The Register of Members will also be closed from 23 June 2020 to 26 June 2020, both days inclusive, in order to determine the entitlement of the Shareholders to receive the final dividend during which period no share transfers will be registered. To qualify for the final dividend, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 22 June 2020.

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

Beijing, the PRC, 25 March 2020

暫停辦理股份過戶登記手續

為釐定有權出席股東週年大會的股東身份，本公司將於二零二零年六月九日至二零二零年六月十二日期間（包括首尾兩日）暫停辦理股份過戶登記手續。為符合資格出席股東週年大會，所有已填妥的股份過戶文件連同相關股票須不遲於二零二零年六月八日下午四時三十分送交本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，以作登記。

為釐定有權收取末期股息的股東身份，本公司亦將於二零二零年六月二十三日至二零二零年六月二十六日期間（包括首尾兩日）暫停辦理股份過戶登記手續。為符合資格獲得末期股息，所有已填妥的股份過戶文件連同相關股票須不遲於二零二零年六月二十二日下午四時三十分送交本公司股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心54樓，以作登記。

承董事會命
主席及行政總裁
戈弋

中國北京，二零二零年三月二十五日



Report of Corporate Governance

企業管治報告

The Board is pleased to present the corporate governance report of the Company for the period from 1 January 2019 to 31 December 2019.

CORPORATE GOVERNANCE PRACTICES

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

THE BOARD

Responsibilities

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

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

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

董事會欣然呈列本公司自二零一九年一月一日起至二零一九年十二月三十一日止期間之企業管治報告。

企業管治常規

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

董事會

責任

董事會負責本集團的整體領導，並監察本集團的策略性決定以及監察業務及表現。董事會已向本集團的高級管理層授與本集團日常管理及營運的權力及責任。為監察本公司事務的特定範疇，董事會已成立四個董事會委員會，包括審核委員會、薪酬委員會、提名委員會及ESG委員會。董事會已向該等董事會委員會授與各職權範圍所載的責任。

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

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



Report of Corporate Governance 企業管治報告

Board Composition

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

Executive Directors:

Mr. GE Yi (*Chairman and Chief Executive Officer*)
Mr. BAI Kun (*Chief financial officer*)
Ms. ZHANG Nan (appointed on 10 January 2019)

Non-executive Directors:

Mr. XIAO Yongzheng (resigned on 10 January 2019)
Mr. FONTAINE Alain Vincent

Independent non-executive Directors:

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

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

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

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

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

董事會組成

截止報告期末，董事會由三名執行董事、一名非執行董事及三名獨立非執行董事組成，詳情如下：

執行董事：

戈弋先生 (*主席兼行政總裁*)
白崑先生 (*首席財務官*)
張楠女士 (於二零一九年一月十日獲委任)

非執行董事：

肖勇政先生 (已於二零一九年一月十日辭任)
FONTAINE Alain Vincent 先生

獨立非執行董事：

何啟忠先生
朱霖先生
于淼先生

董事履歷載於本年報之「董事及高級管理層」一節。

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

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

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



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

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

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

INDUCTION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

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

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

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

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

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

入職及持續專業發展

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

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



Report of Corporate Governance 企業管治報告

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

根據董事提供的記錄，於報告期內，董事接受的培訓概述如下：

Name of Directors	董事姓名	Nature of Continuous Professional Development 持續專業發展課程性質
Executive Directors	執行董事	
Mr. GE Yi	戈弋先生	B
Mr. BAI Kun	白崑先生	A, B, C
Ms. Zhang Nan	張楠女士	A, B
Non-executive Director¹	非執行董事¹	
Mr. FONTAINE Alain Vincent	FONTAINE Alain Vincent先生	A, B
Independent non-executive Directors	獨立非執行董事	
Mr. HO Kenneth Kai Chung	何啟忠先生	B
Mr. ZHU Lin	朱霖先生	A, B, C
Mr. YU Miao	于淼先生	B

Notes:

附註：

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

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

¹ Mr. Xiao Yongzheng resigned as a non-executive Director on 10 January 2019.

¹ 肖勇政先生於二零一九年一月十日辭任非執行董事。



CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Mr. GE Yi, being the executive Director, has entered into a service contract with the Company for a term of three years commencing on 15 June 2018, which is subject to renewal upon mutual agreement.

Mr. BAI Kun, being the executive Director, has entered into a service contract with the Company for a term of three years commencing on 23 August 2019, which is subject to renewal upon mutual agreement.

主席及行政總裁

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

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

董事的委任及重選連任

執行董事戈弋先生已與本公司簽立服務合約，自二零一八年六月十五日起計為期三年，可待雙方同意後予以續期。

執行董事白崑先生已與本公司簽立服務合約，自二零一九年八月二十三日起計為期三年，可待雙方同意後予以續期。



Report of Corporate Governance 企業管治報告

Ms. ZHANG Nan, being the executive Director, has entered into a service contract with the Company for a term of three years commencing on 10 January 2019, which is subject to renewal upon mutual agreement.

Each of the non-executive Director and the independent non-executive Directors has entered into a letter of appointment with the Company for a term of three years commencing from 15 June 2018, renewable upon mutual agreement.

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

In accordance with article 16.19 of the Articles of Association, one-third of the Directors for the time being (or if their number is not a multiple of three, the number nearest to but not less than one-third) will retire from office by rotation and will be eligible for re-election at every annual general meeting, provided that every Director shall be subject to retirement by rotation at least once every three years. Therefore, Mr. GE Yi, Mr. ZHU Lin and Mr. YU Miao will retire by rotation and being eligible, will offer themselves for re-election as the Director at the forthcoming AGM.

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

執行董事張楠女士已與本公司簽立服務合約，自二零一九年一月十日起計為期三年，可待雙方同意後予以續期。

各非執行董事及獨立非執行董事已與本公司簽署自二零一八年六月十五日起年期三年的聘書，可待雙方同意後予以續期。

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

根據組織章程細則第16.19條，現時三分之一董事（倘若其數目並非為三的倍數，則取最接近而不少於三分之一之數目）將輪值告退，並有資格在每次股東週年大會膺選連任，惟各董事須最少每三年輪值告退一次。因此，戈弋先生、朱霖先生及于淼先生將於應屆股東週年大會輪值退任，並符合資格及願意膺選連任為董事。

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



BOARD MEETINGS

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

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

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

董事會會議

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

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

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





Report of Corporate Governance 企業管治報告

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

於報告期內，董事會共舉行4次董事會會議及1次股東週年大會，個別董事出席情況載於下表：

Directors	董事	Meeting Attended/ Number of Board meetings 出席會議／董事會次數	Meeting Attended/ Number of General meetings 出席會議／股東大會次數
Executive Directors	執行董事		
Mr. GE Yi	戈弋先生	4/4	1/1
Mr. BAI Kun	白崑先生	4/4	1/1
Ms. ZHANG Nan	張楠女士	4/4	1/1
Non-executive Director¹	非執行董事¹		
Mr. FONTAINE Alain Vincent	FONTAINE Alain Vincent先生	4/4	1/1
Independent non-executive Directors	獨立非執行董事		
Mr. HO Kenneth Kai Chung	何啟忠先生	4/4	0/1
Mr. ZHU Lin	朱霖先生	4/4	1/1
Mr. YU Miao	于淼先生	4/4	1/1

Note:

¹ Mr. Xiao Yongzheng resigned as a non-executive Director on 10 January 2019. Following the resignation of Mr. Xiao Yongzheng, his vacancies in the Audit Committee and the Remuneration Committee had been taken up by Mr. Ho Kenneth Kai Chung and Mr. Zhu Lin, the current independent non-executive Directors, respectively with effect from 10 January 2019. For details, please refer to the Company's announcement dated 10 January 2019.

附註：

¹ 肖勇政先生於二零一九年一月十日辭任非執行董事。隨著肖勇政先生辭任後，其於審核委員會及薪酬委員會之空缺已分別由現任獨立非執行董事何啟忠先生及朱霖先生接替，並自二零一九年一月十日起生效。有關詳情，請參閱本公司日期為二零一九年一月十日之公告。



MODEL CODE FOR SECURITIES TRANSACTIONS

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

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

DELEGATION BY THE BOARD

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

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

進行證券交易的標準守則

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

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

董事會的授權

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

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





Report of Corporate Governance 企業管治報告

CORPORATE GOVERNANCE FUNCTION

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

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

BOARD COMMITTEES

Audit Committee

The Audit Committee comprises three members, namely Mr. Zhu Lin (chairman), Mr. Xiao Yongzheng (resigned on 10 January 2019), Mr. HO Kenneth Kai Chung (designated on 10 January 2019) and Mr. Yu Miao, all of which are independent non-executive Directors as at the date of this report.

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

1. to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to deal with any questions of its resignation or dismissal;

企業管治職能

董事會確認，企業管治應屬董事的共同責任，彼等的企業管治職能包括：

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

董事委員會

審核委員會

審核委員會由三名成員組成，即朱霖先生（主席）、肖勇政先生（於二零一九年一月十日辭任）、何啟忠先生（於二零一九年一月十日獲調任）及于淼先生，於本報告日期，三位委員均為獨立非執行董事。

審核委員會的主要職責如下：

1. 主要負責就外聘核數師的委任、重新委任及罷免向董事會提供建議、批准外聘核數師的薪酬及聘用條款，以及處理任何有關該核數師辭職或辭退該核數師的問題；

Report of Corporate Governance 企業管治報告

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|---|---|
| <p>2. to monitor the integrity of the Company's financial statements and annual report and accounts, half-year report and, if the prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them;</p> | <p>2. 監察本公司的財務報表以及年度報告及賬目、半年度報告及(若擬刊發)季度報告的完整性，並審閱報表及報告所載有關財務申報的重大意見；</p> |
| <p>3. in reviewing these reports mentioned above before submission to the Board, focusing particularly on:</p> <ul style="list-style-type: none">(i) any changes in accounting policies and practices;(ii) major judgmental areas;(iii) significant adjustments resulting from the audit;(iv) the Group's going concern assumption and any qualifications;(v) compliance with accounting standards; and(vi) compliance with the Listing Rules and legal requirements in relation to financial reporting; | <p>3. 在向董事會提交上述有關報告前，特別針對下列事項加以審閱：</p> <ul style="list-style-type: none">(i) 會計政策及實務的任何更改；(ii) 涉及重要判斷性的地方；(iii) 因核數而出現的重大調整；(iv) 本集團持繼續經營的假設及任何保留意見；(v) 是否遵守會計準則；及(vi) 是否遵守有關財務申報的上市規則及法律規定； |
| <p>4. to review the Company's financial controls, internal control and risk management systems and to audit any significant connected transaction, so as to ensure that management has performed its duty to establish an effective internal control system;</p> | <p>4. 檢討本公司的財務監控、內部監控及風險管理系統，對重大關連交易進行審核，確保管理層有履行職責建立有效的內部控制系統；</p> |
| <p>5. to discuss the risk management and internal control system with management to ensure that management has performed its duty to have an effective system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;</p> | <p>5. 與管理層討論風險管理及內部監控系統，確保管理層已履行職責去建立有效的系統。討論內容應包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算是否充足；</p> |
| <p>6. to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;</p> | <p>6. 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；</p> |
| <p>7. to review and monitor the training and continuous professional development of directors and senior management, and the Company's policies and practices on compliance with legal and regulatory requirements; and</p> | <p>7. 檢討及監察董事及高級管理人員的培訓及持續專業發展，本公司在遵守法律及監管規定方面的政策及常規；及</p> |



Report of Corporate Governance 企業管治報告

8. to review the Company's compliance with the corporate governance code and disclosure in the corporate governance report.

8. 檢討本公司遵守企業管治守則的情況及在企業管治報告內的披露。

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

審核委員會的書面職權範圍於聯交所及本公司網站可供查閱。

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

於報告期內，審核委員會共舉行2次審核委員會會議以討論及考慮以下內容：

- it reviewed the annual results of the Company and its subsidiaries for the financial year ended 31 December 2018 and the auditor's report prepared by the external auditor on accounting matters and the major findings during the audit;
 - it reviewed the interim results of the Company and its subsidiaries for the period ended 30 June 2019; and
 - it reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programme and budget of the Company's accounting and financial reporting function), risk management system and procedures and the re-appointment of external auditor. The Board did not have separate opinion on any recommendation and suggestion by the Audit Committee in relation to the selection, appointment, retirement or removal of external auditor.
- 審閱本公司及其附屬公司於截至二零一八年十二月三十一日止財政年度的全年業績，以及由外聘核數師就會計事宜及審核過程中的重大發現所編製的核數師報告；
 - 審閱本公司及其附屬公司截至二零一九年六月三十日止期間之中期業績；及
 - 對財務申報系統、合規程序、內部監控（包括本公司會計及財務申報部門僱員的資源、資歷、培訓課程及預算是否充足）、風險管理系統及程序以及續聘外聘核數師作出檢討。董事會並無偏離審核委員會就甄選、委任、退任或罷免外聘核數師作出的任何推薦建議。

The attendance of members of the Audit Committee at the meetings are set out in the following table:

各審核委員會成員出席會議的情況載於下表：

Name of members ¹	委員姓名 ¹	Actual attendance/Required attendance 已出席次數／應出席次數
Mr. ZHU Lin	朱霖先生	2/2
Mr. HO Kenneth Kai Chung	何啟忠先生	2/2
Mr. YU Miao	于淼先生	2/2

¹ Mr. Xiao Yongzheng ceased to be the member of the Audit Committee on 10 January 2019 and therefore did not attend any meeting during the Reporting Period.

¹ 肖勇政先生於二零一九年一月十日不再擔任審核委員會成員，所以於報告期內並沒有出席任何會議。

NOMINATION COMMITTEE

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

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

1. to analyse the standards and procedures for selection of Directors and senior management appointed by the Board; review the structure, size, composition and diversity (including without limitation, gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to determine the policy for the nomination of Directors, identify individuals suitably qualified to become members of the Board and may select individuals nominated for directorship. In identifying suitable individuals, the Committee shall consider individuals on merit and against the objective criteria, with due regard for the benefits of diversity on the Board;
3. to assess the independence of the independent non-executive Directors;
4. to review the Board Diversity Policy, as appropriate, and review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and make disclosure of its review results in the Corporate Governance Report annually;
5. to assess and review the candidates for director and senior management to be potentially appointed by the Board, make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive officer, taking into the Company's corporate strategy and the mix of skills, knowledge, experience and diversity needed in the future; and

提名委員會

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

提名委員會的主要職責如下：

1. 研究董事及由董事會聘任的高級管理層的選擇標準和程序，至少每年檢討董事會的架構、人數、組成及成員多元化（包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期），並就任何為配合本公司的公司策略而擬對董事會作出的變動提出建議；
2. 訂定提名董事的政策，物色具備合適資格可擔任董事的人士，挑選被提名人士出任董事。委員會於物色合適人士時，應考慮有關人士的長處，並以客觀條件充分顧及董事會成員多元化的裨益；
3. 評核獨立非執行董事的獨立性；
4. 在適當情況下檢討董事會成員多元化政策；及檢討董事會為執行董事會成員多元化政策而制定的可計量目標和達標進度；以及每年在企業管治報告內披露檢討結果；
5. 評估及審查董事候選人和由董事會聘任的高級管理層候選人，及因應本公司的企業策略及日後需要的技能、知識、經驗及多元化組合，就董事委任或重新委任以及董事（尤其是主席及行政總裁）繼任計劃向董事會提出建議；及



Report of Corporate Governance 企業管治報告

6. to examine the assessment standards for Directors and senior management appointed by the Board, conduct the relevant assessments and make recommendations to the Board.

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

DIRECTORS' NOMINATION CRITERIA AND PROCEDURES

The Nomination Committee has also followed certain selection criteria and nomination procedures in relation to new appointments and re-appointments of Directors. The selection criteria for assessing candidates include, in particular, his/her educational background and professional qualifications, experiences in the industry, personality and integrity, as well as his/her contributions to diversity of the Board according to the Board Diversity Policy.

In the case of re-appointment of Directors, the Nomination Committee would take into account factors such as contribution from the retiring Directors. Where the candidate is appointed for the position of independent non-executive Director, the Nomination Committee will also assess his/her independence with reference to the requirements set out in the Listing Rules. In appointing a new Director, the Nomination Committee and/or the Board will first identify potential candidates. After the Nomination Committee evaluated the candidates based on the selection criteria, the Nomination Committee will nominate one or more qualified candidates for the Board's consideration and the Board will determine and agree on a preferred candidate.

6. 研究董事及由董事會聘任的高級管理層的考核標準，進行考核並向董事會提出建議。

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

董事之提名準則及程序

提名委員會亦遵從新委任及重新委任董事之甄選準則及提名程序，用以評估候選人的甄選準則包括（尤其是）其學歷背景及專業資格、與行業有關之經驗、品格及誠信及彼是否能如多元化政策所述為董事會多元化作出貢獻。

重新委任董事方面，提名委員會將考慮如退任董事所作出貢獻等因素。倘候選人獲委任獨立非執行董事職位，提名委員會將參考上市規則所載列之要求評估彼之獨立性。在委任新董事時，提名委員會及／或董事會會先物色適合人選。經提名委員會根據甄選準則評估候選人後，提名委員會將提名一位或多位合資格候選人供董事會考慮，且董事會將決定並同意一位最佳候選人。



BOARD DIVERSITY POLICY

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

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

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

董事會多元化政策

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

目的：旨在列載董事會成員為達致多元化而採取的方針。

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





Report of Corporate Governance 企業管治報告

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

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

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

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

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

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

於報告期內，提名委員會共舉行一次提名委員會會議以討論及考慮以下內容：

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

各提名委員會成員出席該等會議的情況載於下表：



REMUNERATION COMMITTEE

The Remuneration Committee comprises three members, namely Mr. YU Miao (chairman), Mr. HO Kenneth Kai Chung, Mr. Xiao Yongzheng (resigned on 10 January 2019) and Mr. ZHU Lin (designated on 10 January 2019), all of which are independent non-executive Directors as at the date of this report.

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

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

薪酬委員會

薪酬委員會由三名成員組成，即于淼先生（主席）、何啟忠先生、肖勇政先生（於二零一九年一月十日辭任）及朱霖先生（於二零一九年一月十日獲調任），於本報告日期，三位委員均為獨立非執行董事。

薪酬委員會的主要職責如下：

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



Report of Corporate Governance 企業管治報告

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

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

During the Reporting Period, the Remuneration Committee held two meetings to discuss and consider the following:

- the 2019 and 2020 remuneration packages of Directors and senior management;
- the employee remuneration policies and structure of the Group; and
- the cash bonus plan of the Group for the year 2019.

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

Name of members ¹	委員姓名 ¹	Actual attendance/Required attendance 已出席次數／應出席次數
Mr. YU Miao	于淼先生	2/2
Mr. HO Kenneth Kai Chung	何啟忠先生	2/2
Mr. ZHU Lin	朱霖先生	2/2

¹ Mr. Xiao Yongzheng ceased to be the member of the Remuneration Committee on 10 January 2019 and therefore did not attend any meeting during the Reporting Period.

ESG COMMITTEE

The Company approved the establishment of the ESG Committee on 20 December 2019. The ESG Committee consists of five members, namely Ms. DUAN Weihua (chairman of the committee, chief development officer of the Group), Mr. DUAN Weidong (general manager of the dye division), Mr. LIU Wei (general manager of the pigment division), Mr. YANG Fuguang (administrative director of Tongguang manufacturing base) and Mr. SHI Bingfeng (general production manager of Tsaker Dongao production base), all of which are management members of the Company with relevant environmental, social and governance knowledge and experience.

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

薪酬委員會的書面職權範圍於聯交所及本公司網站可供查閱。

於報告期內，薪酬委員會曾舉行2次薪酬委員會會議以討論及考慮以下內容：

- 董事及高級管理層的二零一九年及二零二零年薪酬待遇；
- 本集團員工薪酬政策及架構；及
- 本集團二零一九年度現金激勵計劃。

各薪酬委員會成員出席該等會議的情況載於下表：

Name of members ¹	委員姓名 ¹	Actual attendance/Required attendance 已出席次數／應出席次數
Mr. XIAO Yongzheng	肖勇政先生	0/2

¹ 肖勇政先生於二零一九年一月十日不再擔任薪酬委員會成員，所以於報告期內並沒有出席任何會議。

ESG委員會

本公司於二零一九年十二月二十日批准成立ESG委員會。ESG委員會由五名成員組成，即段衛華女士（委員會主席，本集團首席發展官）、段衛東先生（染料事業部總經理）、劉偉先生（顏料事業部總經理）、楊福廣先生（東光生產基地行政總監）及石炳峰先生（彩客東奧生產基地生產總經理），五位委員均為具有相關環境、社會及管治方面知識及經驗的本公司管理人員。

Report of Corporate Governance 企業管治報告

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

ESG委員會的主要職責如下：

1. to identify related issues that have a significant impact on the Group's operations and/or the interests of other important stakeholders in relation to environmental, social and governance aspects;
1. 就環境、社會及管治方面識別對本集團營運及／或其他重要利益相關方的權益構成重大影響的相關事宜；
2. to provide guidance for and review the Company's environmental, social and governance vision, goals and strategies, and make recommendations to the Board to approve relevant environmental, social and governance initiatives;
2. 為本公司的環境、社會及管治願景、目標及策略提供指導且對其進行檢討，並向董事會提出建議，以批准相關的環境、社會及管治舉措；
3. to monitor and review emerging environmental, social and governance trends and issues, provide guidance for the development of the Company's environmental, social and governance vision based on relevant circumstances, and provide advisory opinions on management of the current and emerging issues that affect Company's environmental, social and governance;
3. 監察並檢討環境、社會及管治的新興趨勢及問題，根據相關情況為本公司環境、社會及管治願景的發展提供指導，並就管理影響本公司環境、社會及管治的當前及新興事項提供諮詢意見；
4. to review and adopt risk assessment of the Company's impact on health, safety, environment and society;
4. 就本公司對健康、安全、環境及社會造成的影響檢討並採納風險評估；
5. to set the Company's environmental, social and governance goals, indicators, key performance indicators and measures, monitor the implementation of relevant measures, and evaluate the effectiveness of relevant measures;
5. 設定本公司環境、社會及管治目標、指標、關鍵績效指標及措施，監督有關舉措的實行，衡量有關舉措的成效；
6. to adopt and update the policies on production safety, environmental protection, social responsibility management and corporate governance of the Company when necessary;
6. 於必要時採納並更新有關本公司生產安全、環保、社會責任管理及企業管治的政策；
7. to assist the Board in preparing the annual environmental, social and governance report in accordance with the disclosure requirements of the Listing Rules and the Environmental, Social and Governance Reporting Guide (set forth in Appendix 27 to the Listing Rules) for its consideration, approval and disclosure;
7. 協助董事會根據上市規則的披露規定及《環境、社會及管治報告指引》(載於上市規則附錄二十七)編製年度環境、社會及管治報告，以供其考慮及批准披露；



Report of Corporate Governance 企業管治報告

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| <p>8. to review and monitor the Company's environmental, social and governance policies and practices to ensure compliance with legal and regulatory requirements;</p> <p>9. to review and evaluate the performance and terms of reference of the committee to ensure that the committee operate at optimal efficacy and recommend changes that it deems appropriate for the approval of the Board; and</p> <p>10. other matters authorized by the Board related to health, safety, environment, social responsibility and corporate governance.</p> | <p>8. 檢討並監察有關本公司的環境、社會及管治政策及常規，以確保遵守法律及規管規定；</p> <p>9. 檢討並評估委員會的表現及職權範圍，以確保委員會的運作能發揮最大成效，並建議其認為合適的變動以供董事會批准；及</p> <p>10. 董事會授權有關健康、安全、環境、社會責任及企業管治的其他事項。</p> |
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REMUNERATION OF SENIOR MANAGEMENT

The remuneration of senior management of the Company (including three Directors, whose biographies are set out on pages 91 to 92 of this annual report) during the Reporting Period falls under the following bands:

高級管理層的薪酬

於報告期內，本公司的高級管理層（包括3名董事，彼等之履歷載於本年報第91至第92頁）的薪金等級載列如下：

Band of remuneration (RMB)	薪金等級 (人民幣)	Number of individuals 人數
Over RMB1,500,000	人民幣1,500,000元以上	1
RMB1,000,001 to RMB1,500,000	人民幣1,000,001元至人民幣1,500,000元	1
RMB0 to RMB1,000,000	人民幣0元至人民幣1,000,000元	2

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

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



DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

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

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

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

The statement by the independent auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the Independent Auditor's Report on page 150 of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL

Responsibility of the Board

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

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

董事有關財務報表的財務申報責任

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

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

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

獨立核數師就彼等有關本公司綜合財務報表的申報責任作出的聲明載於本年報第150頁的獨立核數師報告。

風險管理及內部監控

董事會責任

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

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



Report of Corporate Governance 企業管治報告

Internal audit department

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

Risk management and internal control system

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

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

內審部

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

風險管理及內部監控系統

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

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

Report of Corporate Governance 企業管治報告

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

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

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

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

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

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

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

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

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

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



Report of Corporate Governance 企業管治報告

AUDITOR'S REMUNERATION

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

Type of services	服務類別	Amount (RMB) 金額(人民幣元)
Audit services	核數服務	2,745,000
Non-audit services in relation to:	關於以下各項的非審核服務：	
Interim results reviewing	中期業績審閱	700,000
Agreed upon procedure	議定程序	150,000
Taxation consulting	稅務諮詢	—*
Total	總計	3,595,000

* As at the date of this annual report, the Company and Ernst & Young Tax Services Limited were still negotiating the tax-related charges for the year ended 31 December 2019 (for the year ended 31 December 2018: USD4,516.84).

核數師酬金

就核數師於報告期內向本公司提供的核數及非核數服務之酬金載列如下：

* 於本年度報告的日期，本公司與安永稅務及諮詢有限公司就截至二零一九年十二月三十一日止年度稅務相關服務費用正在協商中（截至二零一八年十二月三十一日止年度：4,516.84美元）。

COMPANY SECRETARIES

Ms. YANG Xue was appointed as the joint company secretary of the Company on 26 July 2018, and is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed.

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

For the year ended 31 December 2019, Ms. YANG Xue and Ms. LEUNG Suet Lun have undertaken no less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

公司秘書

楊雪女士於二零一八年七月二十六日獲委任為本公司的聯席公司秘書，負責就企業管治事宜向董事會提出建議，並確保遵循董事會的政策及程序、適用法律、規則及法規。

為維持良好的企業管治並確保符合上市規則及適用香港法律，本公司亦委聘達盟香港有限公司（公司秘書服務提供商）梁雪綸女士為本公司的另一位聯席公司秘書，協助楊雪女士履行彼作為本公司其中一名聯席公司秘書的職責。楊雪女士為本公司的主要聯絡人。

截至二零一九年十二月三十一日止年度，楊雪女士及梁雪綸女士已符合上市規則第3.29條進行不少於15小時的相關專業培訓。



DIVIDEND POLICY

On 30 November 2018, the Board approved and adopted a dividend policy (the “**Dividend Policy**”).

According to the Dividend Policy, the Company may distribute dividends in (i) cash; (ii) shares; or (iii) a combination of cash or shares. When deciding whether to propose/declare dividends and in determining the dividend amount, the Board will take into consideration, amongst others, the general financial position, operating results, liquidity position and capital requirements of the Group, and the distribution shall be made in accordance with applicable rules and regulations (including the Companies Law of the Cayman Islands) and subject to restrictions under the Articles of Association.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group’s business, performance and strategies. The Company also recognises the importance of timely and non-selective disclosure of information on the Company, which will enable Shareholders and investors to make the informed investment decisions.

The annual general meetings of the Company provide opportunity for Shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees of the Company will attend the annual general meetings to answer Shareholders’ questions. The external auditor will also attend the annual general meetings to answer questions about the conduct of the audit, the preparation and content of the auditor’s report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a Shareholders’ communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at <http://www.tsaker.com>, where the up-to-date information on the Company’s business operations and developments, financial information, corporate governance practices and other information are available for public access.

股息政策

於二零一八年十一月三十日，董事會批准及採納股息政策（「**股息政策**」）。

根據股息政策，本公司可以以(i)現金；(ii)股票；或(iii)現金或股票的組合分配股息。在決定是否建議派發／宣派股息及在釐定股息金額時，董事會將考慮（其中包括）本集團的一般財務狀況、經營業績、流動資金狀況及資本需求，並須根據適用規則及規例（包括開曼群島公司法）及組織章程細則項下的任何限制進行利潤分配。

與股東的溝通及投資者關係

本公司認為，與股東的有效溝通對加強投資者關係及使投資者了解本集團的業務、表現及策略非常重要。本公司亦深信及時與非選擇性地披露本公司數據以供股東及投資者作出知情投資決策的重要性。

本公司股東週年大會提供股東與董事直接溝通的機會。本公司主席及本公司各董事會委員會主席將出席股東週年大會解答股東提問。外部核數師亦將出席股東週年大會，並解答有關審計行事、核數師報告的編製及內容、會計政策及核數師獨立性的提問。

為促進有效的溝通，本公司採納股東通訊政策，旨在建立本公司與股東的相互關係及溝通，並設有網站(<http://www.tsaker.com>)，本公司會於網站刊登有關其業務營運及發展的最新數據、財務資料、企業管治常規及其他資料，以供公眾人士讀取。



Report of Corporate Governance 企業管治報告

SHAREHOLDERS' RIGHTS

To safeguard the Shareholders' interests and rights, a separate resolution will be proposed for each issue at general meetings, including the election of individual Directors.

All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and the poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each general meeting.

CONVENING AN EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS

According to the Articles of Association, Shareholders may put forward proposals for consideration at general meetings of the Company. Any one or more member(s) of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or any one of the joint company secretaries of the Company to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within 21 days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board to convene such general meeting shall be reimbursed to the requisitionist(s) by the Company.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Cayman Islands Companies Law. However, Shareholders who wish to propose resolutions may follow article 12.3 of the Articles of Association for requisitioning an extraordinary general meeting and including a resolution at such meeting. The requirements and procedures are set out in the section headed "CONVENING AN EXTRAORDINARY GENERAL MEETING AND PUTTING FORWARD PROPOSALS" in this annual report.

股東權利

為保障股東的利益及權利，本公司會於股東大會上就各事項（包括選舉個別董事）提呈獨立決議案。

於股東大會上提呈的所有決議案將根據上市規則以投票方式進行表決，投票結果將於各股東大會舉行後及時於本公司及聯交所網站刊登。

召開股東特別大會及提呈建議

根據組織章程細則，股東可於本公司股東大會上提出建議以供考慮。任何一位或以上於遞呈要求當日持有本公司有權於本公司股東大會上投票並繳足股本不少於十分之一的股東，有權隨時透過向董事會或本公司任何一名聯席公司秘書發出書面要求召開本公司股東特別大會，以處理有關要求中指明的任何事項；上述會議應於相關要求遞呈後兩個月內舉行。倘遞呈後21日內董事會未有召開該大會，則遞呈要求人士可自行按正常程序召開大會，而遞呈要求人士因董事會未有召開股東大會而合理產生的所有開支應由本公司向要求人士作出償付。

於股東大會上提呈議案的程序

開曼群島公司法並無規定允許股東於股東大會上提呈新的決議案。然而，擬提呈決議案的股東可按本公司組織章程細則第12.3條，要求召開股東特別大會並於會上提呈決議案。本年報「召開股東特別大會及提呈建議」一節載列有關的要求及程序。

Report of Corporate Governance 企業管治報告

ENQUIRIES TO THE BOARD

Shareholders who intend to put forward their enquiries about the Company to the Board could send their enquiries to the capital market department of the Company at its headquarters through email at ir@tsaker.com.

CONSTITUTIONAL DOCUMENTS

There was no change in the Articles of Association during the Reporting Period.

向董事會提出查詢

股東如欲向董事會作出有關本公司的查詢，可透過電郵向本公司總部之資本市場部查詢，電郵地址為 ir@tsaker.com。

章程文件

於報告期間組織章程細則並無修訂。





Independent Auditor's Report

獨立核數師報告



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

安永會計師事務所
香港中環添美道1號
中信大廈22樓

Tel 電話: +852 2846 9888
Fax 傳真: +852 2868 4432
ey.com

To the shareholders of Tsaker Chemical Group Limited
(Incorporated in the Cayman Islands with limited liability)

致彩客化學集團有限公司全體股東
(於開曼群島註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of Tsaker Chemical Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 158 to 285, which comprise the consolidated statement of financial position as at 31 December 2019, 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 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

意見

我們已審核第158至285頁所載彩客化學集團有限公司(「貴公司」)及其附屬公司「貴集團」的綜合財務報表，包括於二零一九年十二月三十一日的綜合財務狀況報表，及截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表須承擔的責任」一節中作進一步闡述。根據香港會計師公會的《專業會計師道德守則》(「守則」)，我們獨立於貴集團，並已履行守則中的其他道德責任。我們相信，我們獲得的審計憑證能充足及適當地為我們的意見提供基礎。



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

關鍵審計事項

根據我們的專業判斷，關鍵審計事項為該等對本期綜合財務報表的審計最為重要的事項。這些事項均在我們審計整體綜合財務報表及出具意見時進行處理，而我們不會對這些事項提供單獨的意見。我們對下述每一事項在審計中是如何處理的描述也以此為背景。

我們已履行本報告「核數師就審計綜合財務報表須承擔的責任」一節所述的責任，包括與這些關鍵審計事項相關的責任。因此，我們的審計包括執行為應對綜合財務報表重大錯報風險的評估而設的程序。審計程序的結果，包括應對下述關鍵審計事項所執行之程序，為我們就隨附的綜合財務報表的審計意見提供基礎。



Key audit matter (continued)

Recognition of deferred tax assets

Several of the Company's subsidiaries had accumulated tax losses of RMB38,228,000 as at 31 December 2019. The Group has recognised deferred tax assets of RMB8,020,000 against the tax losses to the extent that the realisation of the related tax benefits through future taxable profits is probable.

Recognition of deferred tax assets requires critical management judgement about the likelihood and magnitude of creating future taxable profits to offset the tax losses, including expectations for future sales and margin developments and overall market and economic conditions. Actual profits are likely to be different from those forecasts since anticipated events frequently do not occur as expected and unforeseen events may arise, and their impact on estimates and forecasts may be material.

The Group's accounting policies and disclosures regarding the deferred tax assets are included in Note 2.4 *Summary of significant accounting policies*, Note 3 *Significant accounting judgements and estimates* and Note 27 *Deferred tax* to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures included, amongst others, evaluating the assumptions used in projecting the expected future taxable profits such as sales volume, sales price and margin, by comparing these key inputs with the Group's historical data and economic forecasts as well as by reviewing supporting documents for those assumptions made such as sales contracts and budgets prepared by management, and assessing the income tax rate applicable to the deferred tax assets to be recognised. We involved our tax experts to assist us with the corporate income tax reconciliation review. We also reviewed the adequacy of disclosures made in the Group's consolidated financial statements in respect of the recognition of deferred tax assets.

關鍵審計事項 (續)

遞延稅項資產確認

於二零一九年十二月三十一日，貴公司若干附屬公司的累計稅務虧損為人民幣38,228,000元。貴集團就稅務虧損已確認的遞延稅項資產為人民幣8,020,000元，該確認以相關稅務虧損對應的稅項利益很可能透過日後應課稅溢利實現為限。

確認遞延稅項資產需要對未來應稅溢利的可能性和幅度作出重要的管理判斷，以抵銷稅務虧損，包括對未來銷售和溢利變動情況的預期以及整體市場和經濟狀況的預期。實際溢利可能與那些預測不同，因為預期事件經常不會如預期發生，並且可能出現未預見的事件，並且它們對估計及預測的影響可能是重大的。

貴集團有關遞延稅項資產之會計政策及披露載於綜合財務報表附註2.4 *主要會計政策概要*、附註3 *主要會計判斷及估計* 以及附註27 *遞延稅項*。

我們的審計如何處理該事項

我們的審計程序包括 (其中包括) 評估用於預測未來應課稅溢利的假設，如銷售量、銷售價格、毛利等，方式為將此等關鍵假設與貴集團的歷史數據及經濟預測進行比較，審查諸如銷售合同、管理層編製的預算等假設的支持文件，以及評估適用於將予確認的遞延稅項資產的所得稅率。我們邀請稅務專家協助我們進行企業所得稅調節審查。我們亦審查貴集團綜合財務報表就確認遞延稅項資產所作出披露之適當性。



Key audit matter (continued)
Withholding tax for retained profits of subsidiaries

As at 31 December 2019, the majority of retained profits of the Group were generated from subsidiaries located in Mainland China. Distribution of such profits is subject to withholding income tax. Based on management's estimation of profits to be distributed in the foreseeable future, dividends of RMB242,880,000 will be distributed from Mainland China to overseas holding companies. Therefore, deferred tax liability of RMB12,144,000 was recognised for the retained profits generated from subsidiaries located in Mainland China. Management expects that except for the aforementioned dividends, the remaining retained profits will be used for the subsidiaries' continuing reinvestment.

The process to determine the provision for withholding taxes for retained profits is complex and involves significant management's estimates and judgement on the cash flow forecasts of overseas holding companies, as well as the subsidiaries in Mainland China.

The Group's accounting policies and disclosures regarding the deferred tax liabilities are included in Note 2.4 *Summary of significant accounting policies*, Note 3 *Significant accounting judgements and estimates* and Note 27 *Deferred tax* to the consolidated financial statements.

How our audit addressed the key audit matter

Our audit procedures included, amongst others, evaluating management's assumptions and estimates in relation to the likelihood of the subsidiaries in Mainland China to distribute a dividend in the foreseeable future through comparison with their development, investment as well as dividend plans. We also assessed the cash demands of the overseas holding companies by reviewing the cash flow forecasts, liquidity analysis and other commitments. We obtained management's representation with respect to the distribution plan of the subsidiaries' retained profits. We also reviewed the adequacy of disclosures made in the Group's consolidated financial statements in respect of the withholding tax for the subsidiaries' retained profits.

關鍵審計事項 (續)
附屬公司保留溢利的預扣稅

於二零一九年十二月三十一日，貴集團大多數保留溢利乃產生自位於中國大陸的附屬公司。該等溢利之分派需預扣所得稅。根據管理層對可見未來將予分派溢利的估計，中國大陸的附屬公司將向海外控股公司派發為數人民幣242,880,000元之股息。因此，就位於中國大陸之附屬公司產生之保留溢利確認遞延稅項負債人民幣12,144,000元。管理層預期，除上述股息外，餘下保留溢利將用作附屬公司之持續再投資之用。

確認保留溢利的預扣稅撥備的程序乃屬複雜，涉及管理層對海外控股公司以及中國大陸附屬公司的現金流預測的重大估計及判斷。

貴集團有關遞延稅項負債之會計政策及披露載於綜合財務報表附註2.4 *主要會計政策概要*、附註3 *主要會計判斷及估計*及附註27 *遞延稅項*。

我們的審計如何處理該事項

我們的審計程序包括（其中包括）透過比較中國大陸附屬公司發展、投資及股息計劃評估管理層，就中國大陸附屬公司於可見的未來宣派股息的可能性所用的假設及估計。我們亦透過審閱現金流量預測、流動性分析及其他承諾，評估海外控股公司的資本需求。我們取得管理層就附屬公司保留溢利分配計劃的聲明。我們亦審查貴集團綜合財務報表就附屬公司保留溢利之預扣稅作出之披露之充分性。



Other information included in the Annual Report

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

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

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

年報包括的其他資料

貴公司董事須對其他資料負責。其他資料包括刊載於年報內的所有資料，惟不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表發表的意見並不涵蓋其他資料，而我們亦不會就此發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他資料，從而在此過程中考慮其他資料是否與綜合財務報表或我們在審計過程中獲悉的資料存在重大不符或似乎存在重大錯誤陳述的情況。基於我們已執行的工作，倘我們認為此其他資料存在重大錯誤陳述，則我們須報告該事實。我們就此並無任何事項需報告。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露要求擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所必需的內部監控負責。

在編製綜合財務報表時，貴公司董事須負責評估貴集團持續經營之能力，並披露與持續經營有關之事項（如適用）。除非董事有意將貴集團清盤，或停止運營，或除此之外並無其他實際可行之辦法，否則貴公司董事須採用以持續經營為基礎之會計法。



Responsibilities of the directors for the consolidated financial statements (continued)

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

董事就綜合財務報表須承擔的責任 (續)

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

核數師就審計綜合財務報表須承擔的責任

我們的目標為對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向整體股東作出本報告，除此以外不可用作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔法律責任。

合理保證為高水準的保證，但不能保證按照香港審計準則進行的審計將在某一重大錯誤陳述存在時總能發現。錯誤陳述可由欺詐或錯誤引起，倘合理預期有關錯誤陳述單獨或匯總起來可能影響綜合財務報表使用者根據該等綜合財務報表作出的經濟決定，則被視作重大。

作為根據香港審計準則進行審計的一部分，我們會在審計過程中運用專業判斷及保持專業懷疑態度。我們亦會：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，並獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部監控之上，因此未能發現由於欺詐而導致的重大錯誤陳述的風險高於未能發現由於錯誤而導致的重大錯誤陳述的風險。



Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- 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.
- 核數師就審計綜合財務報表須承擔的責任 (續)
- 了解與審計相關的內部監控，以設計適當的審計程序，但目的並非對貴集團內部監控的有效性發表意見。
 - 評價董事所採用的會計政策是否恰當及所作出的會計估計和相關披露是否合理。
 - 對董事採用持續經營為會計基礎是否恰當作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定因素，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定因素，則須在核數師報告中提請注意綜合財務報表中的相關披露，或倘有關的披露不足，則須修訂意見。我們的結論是基於核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
 - 評價綜合財務報表的整體呈報、結構和內容，包括披露，以及綜合財務報表是否以中肯呈報的方式反映有關交易和事項。
 - 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責指導、監督及執行貴集團審計工作。我們為審計意見承擔全部責任。



Auditor's responsibilities for the audit of the consolidated financial statements *(continued)*

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Bennett S.H. Wai.

Ernst & Young
Certified Public Accountants

Hong Kong

25 March 2020

核數師就審計綜合財務報表須承擔的責任 (續)

我們就 (其中包括) 審計的計劃範圍、時間安排及重大審計發現 (包括我們在審計中識別出內部控制的任何重大缺陷) 與貴公司審核委員會溝通。

我們亦向貴公司審核委員會提交聲明, 說明我們已符合有關獨立性的相關專業道德要求, 並就有可能合理地被認為會影響我們獨立性的所有關係和其他事項, 以及相關的防範措施 (如適用) 與他們溝通。

從與審核委員會溝通的事項中, 我們決定哪些事項對本期綜合財務報表的審計最為重要, 因而構成關鍵審計事項。除非法律法規不允許公開披露這些事項, 或在極端罕見的情況下, 我們認為披露這些事項所造成的負面後果合理預期將可能超過公眾知悉事項的利益而不應在報告中披露, 否則我們會在核數師報告中描述這些事項。

出具本獨立核數師報告的審計項目合夥人是韋少雄先生。

安永會計師事務所
執業會計師

香港

二零二零年三月二十五日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
REVENUE	收益	5	1,818,347	1,515,882
Cost of sales	銷售成本		(777,390)	(991,789)
Gross profit	毛利		1,040,957	524,093
Other income and gains	其他收入及收益	5	9,517	11,488
Selling and distribution expenses	銷售及分銷開支		(44,914)	(48,462)
Administrative expenses	行政開支		(188,357)	(131,617)
Other expenses	其他開支		(15,466)	(5,528)
Impairment losses on property, plant and equipment	物業、廠房及設備減值 虧損		(52,035)	(719)
Finance costs	財務成本	6	(31,661)	(22,785)
Exchange losses, net	匯兌虧損淨額		(8,402)	(17,555)
PROFIT BEFORE TAX	除稅前溢利	7	709,639	308,915
Income tax expense	所得稅開支	10	(191,355)	(86,098)
PROFIT FOR THE YEAR	年內溢利		518,284	222,817
OTHER COMPREHENSIVE INCOME	其他全面收益			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):	可能於其後期間重新分類至 損益的其他全面收益 (扣除稅項):			
Exchange differences on translation of foreign operations	換算海外業務的匯兌差額		8,396	7,016
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods (net of tax):	將於其後期間不會重新 分類至損益的其他全面 收益(扣除稅項):			
Equity investments designated at fair value through other comprehensive income ("FVOCI")	指定按公允價值計量且其變動 計入其他全面收益 (「按公允價值計量且其變動 計入其他全面收益」) 之股權投資		(4,715)	(1,041)

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Continued)

綜合損益及其他全面收益表 (續)

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

	Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	年內其他全面收益， 扣除稅項	3,681	5,975
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收益總額	521,965	228,792
Profit attributable to:	下列人士應佔溢利：		
Owners of the parent	母公司擁有人	517,927	222,901
Non-controlling interests	非控股權益	357	(84)
		518,284	222,817
Total comprehensive income attributable to:	下列人士應佔全面收益總額：		
Owners of the parent	母公司擁有人	521,608	228,876
Non-controlling interests	非控股權益	357	(84)
		521,965	228,792
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通股權益擁有人 應佔每股盈利		
Basic and diluted (expressed in RMB per share)	基本及攤薄 (按每股人民幣列示)	13	0.21

Consolidated Statement of Financial Position

綜合財務狀況表

31 December 2019
二零一九年十二月三十一日

			31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
	Notes 附註			
NON-CURRENT ASSETS		非流動資產		
Property, plant and equipment	14	物業、廠房及設備	1,521,318	1,496,085
Right-of-use assets	15(b)	使用權資產	83,907	–
Prepaid land lease payments		預付土地租賃款項	–	76,063
Intangible assets	17	無形資產	22,726	3,086
Equity investments designated at FVOCI	16	指定按公允價值計量且其變動計入其他全面收益之股權投資	51,230	9,287
Deferred tax assets	27	遞延稅項資產	39,912	23,931
Restricted cash	22	受限現金	–	9,598
Other non-current assets		其他非流動資產	5,884	16,045
Total non-current assets		非流動資產總值	1,724,977	1,634,095
CURRENT ASSETS		流動資產		
Inventories	18	存貨	274,208	209,998
Trade receivables	19	貿易應收款項	203,276	186,316
Notes receivable	20	應收票據	82,761	68,224
Prepayments and other receivables	21	預付款項及其他應收款項	187,438	266,073
Restricted cash	22	受限現金	3,896	20,170
Cash and cash equivalents	22	現金及現金等價物	104,844	124,275
Total current assets		流動資產總值	856,423	875,056
CURRENT LIABILITIES		流動負債		
Trade payables	23	貿易應付款項	283,273	345,506
Other payables and accruals	24	其他應付款項及應計費用	119,807	100,910
Contract liabilities		合約負債	16,088	7,755
Interest-bearing bank and other borrowings	25	計息銀行及其他借款	264,274	230,806
Income tax payable		應付所得稅	42,849	52,475
Current portion of long-term borrowings	25	長期借款的即期部分	19,646	134,020
Total current liabilities		流動負債總值	745,937	871,472

Consolidated Statement of Financial Position (Continued)

綜合財務狀況表 (續)

31 December 2019
二零一九年十二月三十一日

			31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
		Notes 附註		
NET CURRENT ASSETS	流動資產淨值		110,486	3,584
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		1,835,463	1,637,679
NON-CURRENT LIABILITIES	非流動負債			
Deferred income	遞延收入	26	23,434	23,316
Deferred tax liabilities	遞延稅項負債	27	12,144	8,087
Interest-bearing bank and other borrowings	計息銀行及其他借款	25	29,885	286,391
Lease liabilities	租賃負債	15(c)	3,559	-
Total non-current liabilities	非流動負債總額		69,022	317,794
Net assets	資產淨值		1,766,441	1,319,885
EQUITY	權益			
Equity attributable to owners of the parent	母公司擁有人應佔權益			
Share capital	股本	28	67,088	67,491
Treasury shares	庫存股份		-	(11,031)
Reserves	儲備	29	1,699,077	1,262,636
			1,766,165	1,319,096
Non-controlling interests	非控股權益		276	789
Total equity	權益總額		1,766,441	1,319,885

Ge Yi
戈弋
Director
董事

Bai Kun
白崑
Director
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔											
		Share capital	Treasury shares	Share premium	Capital reserve	Safety production fund	Statutory reserve	Fair value reserve of financial assets at FVOCI 按公允價值計量且其變動計入其他全面收益之金融資產之公允價值儲備	Translation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	庫存股份	股份溢價	資本儲備	安全生產基金	法定儲備	儲備	匯兌儲備	保留溢利	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2019	於二零一九年一月一日	67,491	(11,031)	650,828	(105,764)	48,223	79,249	(1,005)	46,518	544,587	1,319,096	789	1,319,885
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	517,927	517,927	357	518,284
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	-	-	(4,715)	8,396	-	3,681	-	3,681
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(4,715)	8,396	517,927	521,608	357	521,965
Repurchase of own shares	購回自有股份	-	(7,882)	-	-	-	-	-	-	-	(7,882)	-	(7,882)
Acquisition of non-controlling interests	收購非控股權益	-	-	-	(130)	-	-	-	-	-	(130)	(870)	(1,000)
Dividend distributed to shareholders (Note 12)	分派予股東的股息 (附註12)	-	-	-	-	-	-	-	-	(66,527)	(66,527)	-	(66,527)
Cancellation of own shares	註銷自有股份	(403)	18,913	(18,510)	-	-	-	-	-	-	-	-	-
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	52,220	-	-	(52,220)	-	-	-
Appropriation to safety production fund	撥入安全生產基金	-	-	-	-	6,327	-	-	-	(6,327)	-	-	-
At 31 December 2019	於二零一九年十二月三十一日	67,088	-	632,318*	(105,894)*	54,550*	131,469*	(5,720)*	54,914*	937,440*	1,766,165	276	1,766,441

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Attributable to owners of the parent 母公司擁有人應佔											
		Share capital	Treasury shares	Share premium	Capital reserve	Safety production fund	Statutory reserve	Fair value reserve of financial assets at FVOCI	Translation reserve	Retained profits	Total	Non-controlling interests	Total equity
		股本	庫存股份	股份溢價	資本儲備	安全生產基金	法定儲備	按公允價值計量且其變動計入其他全面收益之金融資產之公允價值儲備	匯兌儲備	保留溢利	總計	非控股權益	權益總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	67,491	-	650,828	(308,202)	43,875	92,520	2,675	39,502	555,179	1,143,868	645	1,144,513
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	222,901	222,901	(84)	222,817
Other comprehensive income for the year	年內其他全面收益	-	-	-	-	-	-	(1,041)	7,016	-	5,975	-	5,975
Total comprehensive income for the year	年內全面收益總額	-	-	-	-	-	-	(1,041)	7,016	222,901	228,876	(84)	228,792
Repurchase of own shares	購回自有股份	-	(11,031)	-	-	-	-	-	-	-	(11,031)	-	(11,031)
Capital injection from non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	-	-	228	228
Transfer of fair value reserve upon the disposal of financial assets at FVOCI	於出售按公允價值計量且其變動計入其他全面收益之金融資產時轉讓公允價值儲備	-	-	-	-	-	-	(2,639)	-	2,639	-	-	-
Dividend distributed to shareholders (Note 12)	分派予股東的股息 (附註12)	-	-	-	-	-	-	-	-	(42,617)	(42,617)	-	(42,617)
Transfer to statutory reserve	轉撥至法定儲備	-	-	-	-	-	19,729	-	-	(19,729)	-	-	-
Appropriation to safety production fund	轉撥至安全生產基金	-	-	-	-	4,348	-	-	-	(4,348)	-	-	-
Conversion into a joint stock company with limited liability of a subsidiary	轉換為附屬公司之股份有限公司	-	-	-	202,438	-	(33,000)	-	-	(169,438)	-	-	-
At 31 December 2018	於二零一八年十二月三十一日	67,491	(11,031)	650,828*	(105,764)*	48,223*	79,249*	(1,005)*	46,518*	544,587*	1,319,096	789	1,319,885

These reserve accounts comprise the consolidated reserves of RMB1,699,077,000 and RMB1,262,636,000 in the consolidated statements of financial position as at 31 December 2019 and 31 December 2018, respectively.

該等儲備賬包括列於綜合財務狀況表內分別為二零一九年十二月三十一日及二零一八年十二月三十一日之綜合儲備人民幣1,699,077,000元及人民幣1,262,636,000元。



Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註			
CASH FLOWS FROM OPERATING ACTIVITIES		經營活動所得現金流量		
Profit before tax		除稅前溢利	709,639	308,915
Adjustments for:		就下列各項作出調整：		
Finance costs	6	財務成本	31,661	22,785
Exchange losses/(gains), net		匯兌虧損/(收益)淨額	990	(906)
Interest income	5	利息收入	(410)	(999)
Dividend income from equity investments at FVOCI		按公允價值計量且其變動計入其他全面收益之股權投資之股息收入	(2,399)	-
Loss on disposal of items of property, plant and equipment	7	出售物業、廠房及設備項目的損失	5,410	1,987
Depreciation of property, plant and equipment	14	物業、廠房及設備折舊	67,647	60,528
Depreciation of right-of-use assets	15(b)	使用權資產折舊	4,961	-
Amortisation of prepaid land lease payments	15(a)	預付土地租賃款項攤銷	-	4,573
Amortisation of intangible assets	17	無形資產攤銷	1,101	74
Amortisation of other non-current assets		其他非流動資產攤銷	-	5,272
Amortisation of deferred income		遞延收入攤銷	(3,081)	(2,128)
Impairment of trade receivables	7	貿易應收款項減值	23	15
Impairment of property, plant and equipment	7	物業、廠房及設備減值	52,035	719
Write-down of inventories to net realisable value	7	存貨撇減至可變現淨值	1,991	1,686
			869,568	402,521
Increase in inventories		存貨增加	(66,200)	(96,717)
(Increase)/decrease in trade and notes receivables		貿易應收款項及應收票據(增加)/減少	(92,113)	73,684
Decrease/(increase) in prepayments and other receivables		預付款項及其他應收款項減少/(增加)	85,953	(86,605)
Decrease in trade payables		貿易應付款項減少	(15,582)	(2,891)
Increase/(decrease) in other payables and accruals		其他應付款項及應計費用增加/(減少)	22,136	(10,761)
Increase in contract liabilities		合約負債增加	8,333	-
Increase in restricted cash		受限現金增加	(2,922)	(95)

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

		Notes 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash generated from operations	經營產生的現金		809,173	279,136
Interest received	已收利息		410	999
Interest paid	已付利息		(29,723)	(22,901)
Income tax paid	已付所得稅		(214,943)	(40,583)
Net cash flows from operating activities	經營活動所得現金流量淨額		564,917	216,651
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動所得現金流量			
Dividends received from equity investments at FVOCI	已收按公允價值計量且其變動計入其他全面收益之股權投資之股息	5	2,399	-
Proceeds on disposal of available-for-sale investments	出售可供出售投資所得款項		-	1,964
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目		(153,437)	(464,459)
Proceeds on disposal of joint ventures	出售合營企業所得款項		-	300
Purchases of intangible assets	購買無形資產		(20,742)	(1,948)
Proceeds on disposal of items of property, plant and equipment	出售物業、廠房及設備項目所得款項		1,521	453
Purchases of equity investments designated at FVOCI	購買指定按公允價值計量且其變動計入其他全面收益之股權投資		(46,658)	(3,275)
Proceeds from government grants	政府補助所得款項		3,200	3,892
Net cash flows used in investing activities	投資活動所用現金流量淨額		(213,717)	(463,073)



Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2019
截至二零一九年十二月三十一日止年度

			2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註			
CASH FLOWS FROM FINANCING ACTIVITIES		融資活動所得現金流量		
Proceeds from bank loans and other borrowings		銀行貸款及其他借款所得款項		
	30		339,459	254,402
Decrease/(increase) in restricted cash for bank loans and other borrowings		銀行貸款及其他借款之受限現金減少/(增加)		
	30		28,793	(4,356)
Acquisition of non-controlling interests/capital contribution from non-controlling interests		收購非控股權益/ 非控股權益注資		
			(1,000)	228
Repurchase of own shares		購回自有股份		
			(7,882)	(11,031)
Repayment of bank loans and other borrowings		償還銀行貸款及其他借款		
	30		(662,126)	(186,622)
Principal portion of lease liabilities		租賃負債之本金部分		
	30		(358)	-
Dividend paid		已付股息		
	12		(66,527)	(42,617)
Net cash flows (used in)/from financing activities		融資活動(所用)/所得現金流量淨額		
			(369,641)	10,004
NET DECREASE IN CASH AND CASH EQUIVALENTS		現金及現金等價物減少淨額		
			(18,441)	(236,418)
Cash and cash equivalents at beginning of the period		期初現金及現金等價物		
	22		124,275	359,787
Effect of foreign exchange rate changes, net		匯率變動的淨影響		
			(990)	906
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		年末現金及現金等價物		
	22		104,844	124,275



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office address of the Company is P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands.

The Company is an investment holding company. During the year, the Company's subsidiaries were involved in the following principal activities:

- manufacture and sale of dye and agricultural chemical intermediates
- manufacture and sale of pigment intermediates
- environmental technology consultancy services
- manufacture and sale of battery materials

In the opinion of the Directors, the de facto controller of the Company is Mr. Ge Yi, who holds 51.36% voting right of the Company.

1. 公司及本集團資料

本公司為一家於開曼群島註冊成立的有限公司。本公司註冊辦事處的地址是P.O. Box 472, 2nd Floor, Harbour Place, 103 South Church Street, George Town, Grand Cayman, KY1-1106, Cayman Islands。

本公司為一家投資控股公司。於年內，本公司的附屬公司主要從事以下活動：

- 染料及農業化學品中間體的生產和銷售
- 顏料中間體的生產和銷售
- 環保技術諮詢服務
- 電池材料的生產和銷售

董事認為，本公司最終控制者為戈弋先生，後者持有本公司51.36%的投票權。



1. CORPORATE AND GROUP INFORMATION

(continued)

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place and date of incorporation/ establishment 註冊成立/成立地點及日期	Issued ordinary/ registered share capital 已發行普通股/ 註冊股本	Percentage of equity interest attributable to the Company		Principal activities 主要業務
			Direct 直接	Indirect 間接	
Tsaker Chemical (Hongkong) Co., Limited (Tsaker Hongkong) 彩客化學(香港)有限公司(彩客香港)	Hong Kong 2 September 2010 香港 二零一零年九月二日	HK\$34,174,000 34,174,000港元	100	—	Investment holding and sale of chemicals 投資控股及化學品銷售
Tsaker Chemical Industry (Cangzhou) Group Limited (Tsaker Chemical Industry) 彩客化工集團(滄州)有限公司(彩客化工)*	Hebei, People's Republic of China ("PRC") 28 September 2017 中華人民共和國(「中國」)河北 二零一七年九月二十八日	RMB70,000,000 人民幣70,000,000元	—	100	Investment Holding 投資控股
Tsaker Chemical (Cangzhou) Co., Limited (Tsaker Cangzhou) 彩客化學(滄州)有限公司(彩客滄州)*	Hebei, PRC 23 September 2005 中國河北 二零零五年九月二十三日	RMB55,000,000 人民幣55,000,000元	—	100	Production and sale of chemicals 化學品生產和銷售
Hebei Tsaker Chemical Co., Limited (Hebei Tsaker) 河北彩客化學股份有限公司(河北彩客)**	Hebei, PRC 7 May 2013 中國河北 二零一三年五月七日	RMB130,000,000 人民幣130,000,000元	—	100	Production and sale of chemicals 化學品生產和銷售
Tsaker Chemical (Dongying) Co., Limited (Tsaker Dongying) 彩客化學(東營)有限公司(彩客東營)**	Shandong, PRC 20 May 2014 中國山東 二零一四年五月二十日	RMB250,000,000 人民幣250,000,000元	—	100	Production and sale of chemicals 化學品生產和銷售
Tsaker Technology (Beijing) Co., Limited (Tsaker Beijing) 彩客科技(北京)有限公司(彩客北京)**	Beijing, PRC 17 October 2013 中國北京 二零一三年十月十七日	RMB100,000,000 人民幣100,000,000元	—	100	Technical support and sale of chemicals 技術支援和化學品銷售
Shandong Tsaker Dongao Chemicals Co., Limited (Tsaker Dongao) 山東彩客東奧化學有限公司(彩客東奧)**	Shandong, PRC 15 March 2004 中國山東 二零零四年三月十五日	RMB200,000,000 人民幣200,000,000元	—	100	Production and sale of chemicals and leasing 化學品生產和銷售及租賃
Tsaker Chemical (Xiajin) Company Limited (Tsaker Xiajin) 彩客化學(夏津)有限公司(彩客夏津)**	Shandong, PRC 2 December 2016 中國山東 二零一六年十二月二日	RMB10,000,000 人民幣10,000,000元	—	100	Production and sale of chemicals 化學品生產和銷售
Tsaker Chemical (Singapore) Private Co., Limited (Tsaker Singapore) 彩客化學(新加坡)私人有限公司(彩客新加坡)	Singapore, 8 July 2016 新加坡, 二零一六年七月八日	USD7,500 7,500美元	—	100	Sale of chemicals 化學品銷售

1. 公司及本集團資料(續)

有關附屬公司資料

本公司主要附屬公司的詳情載列如下：



1. CORPORATE AND GROUP INFORMATION*(continued)***Information about subsidiaries** *(continued)*

The above table lists the subsidiaries of the Group which, in the opinion of the Directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

* Registered as wholly-foreign-owned enterprises under PRC law

** Registered as limited liability companies under PRC law

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention except for equity investment which have been measured at fair value. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2019. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

1. 公司及本集團資料 (續)**有關附屬公司資料 (續)**

上表載列之本集團附屬公司，乃董事認為對本年度業績有重大影響或構成本集團淨資產之主要部份。董事認為提供其他附屬公司之詳情會令此等資料過於冗長。

* 根據中國法律註冊成為外商獨資企業

** 根據中國法律註冊成為有限公司

2.1 編製基準

本財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）（包括香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則及香港公司條例披露要求編製。除按公允價值計量之股權投資外，財務報表已根據歷史成本慣例編製而成，以人民幣（「人民幣」）呈列，而當中所有金額均湊整至最接近的千位，惟另有註明者除外。

合併基準

綜合財務報表包括本公司及其附屬公司（統稱為「本集團」）截至二零一九年十二月三十一日止年度的財務報表。附屬公司指由本公司直接或間接控制之實體（包括結構性實體）。控制權指倘本集團能夠或有權從參與投資對象的業務中分享其非固定回報，並能夠通過其對投資對象的權力（即令本集團現時能夠指導投資對象相關活動的現有權利）影響回報金額。



2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1 編製基準 (續)

合併基準 (續)

倘本公司直接或間接擁有投資對象中少於大多數的投票權或類似權利，本集團將於評估其是否對投資對象擁有權力時考慮所有相關事實及情況，包括：

- (a) 與投資對象其他投票權持有人的合約安排；
- (b) 來自其他合約安排的權利；及
- (c) 本集團的投票權及潛在投票權利。

附屬公司與本公司之財務報表之報告期間相同，並採用一致之會計政策編製。附屬公司之業績由本集團獲得控制權當日起綜合入賬，直至有關控制權終止當日為止。

損益及其他全面收益之各個組成部份歸屬於本集團母公司之擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間之交易之集團內部公司間資產及負債、權益、收益、開支及現金流量會於綜合計算時全數抵銷。



2.1 BASIS OF PREPARATION (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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

Comparative information

Certain Comparative amounts for the year ended 31 December 2018 have been reclassified to conform with the current year's presentation.

2.1 編製基準 (續)

合併基準 (續)

倘事實及情況顯示上文附屬公司之會計政策所述三項控制因素之一項或多項出現變化，本集團會重新評估其是否控制被投資方。並無失去控制權之附屬公司擁有權益變動作為權益交易入賬。

倘本集團失去對附屬公司之控制權，則終止確認(i)該附屬公司之資產(包括商譽)及負債；(ii)任何非控股股東權益之賬面值及(iii)於權益內記錄之累計匯兌差額；及確認(i)已收代價之公允價值；(ii)所保留任何投資之公允價值及(iii)損益表中任何因此產生之盈餘或虧損。先前已於其他全面收益內確認之本集團應佔部份重新分類至損益或保留溢利(如適當)。基準與本集團直接出售相關資產或負債所需使用之基準相同。

比較資料

截至二零一八年十二月三十一日止年度的若干比較金額已予重新分類，以符合本年度之呈列方式。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
<i>Annual Improvements to HKFRSs 2015-2017 Cycle</i>	Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23

Except for the amendments to HKAS 19, amendments to HKAS 28, and amendments to HKFRS 3, HKFRS 11 in *Annual Improvements to HKFRSs 2015-2017 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the new and revised HKFRSs are described below:

2.2 會計政策及披露之變動

本集團於本年度財務報表首次採納以下新訂及經修訂香港財務報告準則。

香港財務報告準則第9號之修訂	具負補償之預付款特性
香港財務報告準則第16號	租賃
香港會計準則第19號之修訂	計劃修訂、縮減或結算
香港會計準則第28號之修訂	於聯營公司及合營企業之長期權益
香港（國際財務報告詮釋委員會）— 詮釋第23號	所得稅處理之不確定性
香港財務報告準則二零一五年至二零一七年週期的年度改進	香港財務報告準則第3號、香港財務報告準則第11號、香港會計準則第12號及香港會計準則第23號之修訂

除與編製本集團財務資料無關的香港會計準則第19號之修訂、香港會計準則第28號之修訂、香港財務報告準則第3號之修訂及香港財務報告準則二零一五年至二零一七年週期的年度改進內之香港財務報告準則第11號外，新訂及經修訂香港財務報告準則之性質及影響說明如下：

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (a) HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a lease*, HK(SIC)-Int 15 *Operating Leases – Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and lease liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in HKAS 17.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 January 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained profits at 1 January 2019, and the comparative information for 2018 was not restated and continued to be reported under HKAS 17 and related interpretations.

2.2 會計政策及披露之變動 (續)

- (a) 香港財務報告準則第16號取代香港會計準則第17號租賃、香港（國際財務報告詮釋委員會）— 詮釋第4號釐定安排是否包括租賃、香港（準則詮釋委員會）— 詮釋第15號經營租賃— 優惠及香港（準則詮釋委員會）— 詮釋第27號評估涉及租賃法律形式交易之內容。該準則載列確認、計量、呈列及披露租賃的原則，並要求承租人以單一資產負債表模式列明所有租賃，以確認使用權資產及租賃負債，惟若干確認豁免除外。香港財務報告準則第16號大致沿用香港會計準則第17號項下之出租人的會計處理方式。出租人將繼續使用與香港會計準則第17號相似的原則將租賃分類為經營或融資租賃。

本集團使用經修訂追溯法採納香港財務報告準則第16號，並於二零一九年一月一日首次應用。根據此方法，已追溯應用該準則，並將首次採納的累計影響確認為對二零一九年一月一日之保留溢利期初結餘的調整，且二零一八年的比較資料繼續根據香港會計準則第17號及相關詮釋呈報但未予以重列。



2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

New definition of a lease

Under HKFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 January 2019.

2.2 會計政策及披露之變動 (續)

(a) (續)

租賃之新定義

根據香港財務報告準則第16號，倘合約為換取代價而給予在一段時間內控制可識別資產使用的權利，則該合約為租賃或包含租賃。倘客戶有權從使用可識別資產中獲得絕大部分經濟利益以及擁有指示使用可識別資產的權利，則表示擁有控制權。本集團選擇應用過渡性的實際權宜辦法以允許該準則僅適用於先前於首次應用日期已根據香港會計準則第17號及香港（國際財務報告詮釋委員會）-詮釋第4號確定為租賃之合約。根據香港會計準則第17號及香港（國際財務報告詮釋委員會）-詮釋第4號未確定為租賃的合約未予以重新評估。因此，香港財務報告準則第16號項下的租賃定義僅適用於在二零一九年一月一日或之後訂立或變更的合約。



2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases*Nature of the effect of adoption of HKFRS 16*

The Group has lease contracts for various items of property, machinery and other equipment. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less (“short-term leases”) (elected by class of underlying asset). Instead of recognising rental expenses under operating leases on a straight-line basis over the lease term commencing from 1 January 2019, the Group recognises depreciation (and impairment, if any) of the right-of-use assets and interest accrued on the outstanding lease liabilities (as finance costs).

Impact on transition

Lease liabilities at 1 January 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 January 2019. The right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the statement of financial position immediately before 1 January 2019.

2.2 會計政策及披露之變動 (續)

(a) (續)

作為承租人 – 之前劃分為經營租賃的租賃*採用香港財務報告準則第16號的影響性質*

本集團擁有各類物業、機器及其他設備的租賃合約。作為承租人，本集團先前根據評估租賃是否將其資產所有權的絕大部分回報及風險轉予本集團將租賃分類為融資租賃或經營租賃。根據香港財務報告準則第16號，本集團就所有租賃應用單一的方法確認及計量使用權資產和租賃負債，惟就低價值資產租賃（按個別租賃基準選擇）及租期12個月或以下之租賃（「短期租賃」）（按相關資產類別選擇）之兩項選擇性豁免除外。本集團確認使用權資產的折舊（及減值（如有））及未償付租賃負債的應計利息（作為財務成本），而非於二零一九年一月一日起計的租期內以直線法確認經營租賃項下的租賃開支。

過渡期的影響

於二零一九年一月一日的租賃負債按剩餘租賃款項，經使用二零一九年一月一日的增量借款利率折現後的現值予以確認。使用權資產按就緊接二零一九年一月一日前財務狀況表內已確認租賃相關的任何預付或應計租賃款項金額作出調整後的租賃負債金額計量。



2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

As a lessee – Leases previously classified as operating leases (continued)

All these assets were assessed for any impairment based on HKAS 36 on that date. The Group elected to present the right-of-use assets separately in the statement of financial position.

Due to the fact that all existing operating lease contracts, where the Group acts as a lessee, would be terminated within 12 months at the date of initial application, the impact of adoption of HKFRS 16 was minimal as at 1 January 2019 except for some reclassification from prepaid land lease payments to right-of-use assets.

Financial impact at 1 January 2019

The impact arising from the adoption of HKFRS 16 at 1 January 2019 was as follows:

2.2 會計政策及披露之變動 (續)

(a) (續)

作為承租人 – 之前劃分為經營租賃的租賃 (續)

所有該等資產於該日根據香港會計準則第36號就任何減值作出評估。本集團選擇於財務狀況表中單獨列示使用權資產。

由於本集團作為承租人之所有現有經營租賃合約於首次應用日期起計12個月終止，採納香港財務報告準則第16號之影響於二零一九年一月一日甚微，惟若干預付土地租賃款項重新分類為使用權資產除外。

於二零一九年一月一日之財務影響

於二零一九年一月一日採納香港財務報告準則第16號產生的影響如下：

	Increase/ (decrease) RMB' 000 增加／ (減少) 人民幣千元
Assets	
Increase in right-of-use assets	80,429
Decrease in prepaid land lease payments (non-current portion)	(76,063)
Decrease in current portion of prepaid land lease payments recorded in prepayments and other receivables	(4,366)
Increase in total assets	—
Liabilities	
Increase in total liabilities	—

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(a) (continued)

Financial impact at 1 January 2019 (continued)

The lease liabilities as at 1 January 2019 reconciled to the operating lease commitments as at 31 December 2018 are as follows:

		RMB' 000 人民幣千元
Operating lease commitments as at 31 December 2018	於二零一八年十二月三十一日的經營租賃承擔	4,353
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 December 2019	減：與短期租賃及剩餘租期於二零一九年十二月三十一日或之前屆滿的租賃相關承擔	(4,353)
Lease commitments as at 1 January 2019 under HKFRS 16	香港財務報告準則第16號項下於二零一九年一月一日之租賃承擔	-
Weighted average incremental borrowing rate as at 1 January 2019	於二零一九年一月一日的加權平均增量借款利率	7.9%
Lease liabilities as at 1 January 2019	於二零一九年一月一日之租賃負債	-

(b) HK(IFRIC)-Int 23 addresses the accounting for income taxes (current and deferred) when tax treatments involve uncertainty that affects the application of HKAS 12 (often referred to as "uncertain tax positions"). The interpretation does not apply to taxes or levies outside the scope of HKAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The interpretation specifically addresses (i) whether an entity considers uncertain tax treatments separately; (ii) the assumptions an entity makes about the examination of tax treatments by taxation authorities; (iii) how an entity determines taxable profits or tax losses, tax bases, unused tax losses, unused tax credits and tax rates; and (iv) how an entity considers changes in facts and circumstances. The interpretation did not have any impact on the financial position or performance of the Group.

2.2 會計政策及披露之變動 (續)

(a) (續)

於二零一九年一月一日之財務影響 (續)

於二零一九年一月一日的租賃負債與於二零一八年十二月三十一日的經營租賃承擔對賬如下：

(b) 香港(國際財務報告詮釋委員會)－詮釋第23號提供倘稅項處理涉及影響香港會計準則第12號的應用的不確定性(通常稱之為「不確定稅務狀況」)，對所得稅(即期及遞延)的會計處理方法。該詮釋不適用於香港會計準則第12號範圍外的稅項或徵稅，尤其亦不包括與不確定稅項處理相關的權益及處罰相關規定。該詮釋具體處理(i)實體是否考慮對不確定稅項進行單獨處理；(ii)實體對稅務機關的稅項處理檢查所作的假設；(iii)實體如何釐定應課稅溢利或稅項虧損、稅基、未動用稅項虧損、未動用稅收抵免及稅率；及(iv)實體如何考慮事實及情況變動。該詮釋並未對本集團的財務狀況或表現產生任何影響。



2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

- (c) Amendments to HKFRS 9 allow financial assets with prepayment features that permit or require either the borrower or the lender to pay or receive reasonable compensation for the early termination of a contract to be measured at amortised cost or at fair value through other comprehensive income, rather than at fair value through profit or loss. The amendments clarify that a financial asset passes the “solely payments of principal and interest on the principal amount outstanding” criterion regardless of an event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for that early termination. The amendments did not apply to the Group as the Group does not have any debt instruments with prepayment features along with compensation for early termination. In addition, as clarified in the amendments to the basis for conclusions on HKFRS 9, the gain or loss arising on modification of a financial liability that does not result in derecognition (calculated by discounting the change in contractual cash flows at the original effective rate) is immediately recognised in profit or loss. The Group’s current accounting policy is consistent with this clarification and therefore the adoption of the amendments did not have any impact on the Group’s financial statements.

2.2 會計政策及披露之變動 (續)

- (c) 香港財務報告準則第9號之修訂，允許具有提早還款特性的金融資產允許或要求借款人或貸款人在提前終止合約的情況下，支付或收取合理賠償。賠償的金額需按攤銷成本或按公允價值計入其他全面收益（而非按公允價值計量且其變動計入損益）計量。該修訂澄清一項金融資產的通過標準，即不考慮導致提前終止合約的事件或情況以及不論任何一方支付或接受提早終止的合理補償的前提下，「僅為支付本金及未償還本金利息」。由於本集團並無任何具有提早還款特性及提早終止補償的債務工具，故該修訂並不適用於本集團。此外，如該修訂在香港財務報告準則第9號的結論基礎上澄清，因不導致終止確認的金融負債的修改而產生的收益或虧損（按原實際利率對合約現金流量變動予以折現計算），即時於損益內確認。本集團當前會計政策乃與該澄清一致，因而採納該修訂未對本集團之財務資料產生任何影響。



2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

(d) *Annual Improvements to HKFRSs 2015-2017 Cycle* sets out amendments to HKAS 12 and HKAS 23. Details of the amendments are as follows:

- HKAS 12 Income Taxes: Clarifies that an entity recognises all income tax consequences of dividends in profit or loss, other comprehensive income or equity, depending on where the entity recognised the originating transaction or event that generated the distributable profits giving rise to the dividends. The amendments did not have any impact on the Group's financial statements.
- HKAS 23 Borrowing Costs: Clarifies that an entity treats as part of general borrowings any specific borrowing originally made to develop a qualifying asset, and that is still outstanding, when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete. The amendments did not have any impact on the Group's financial statements.

2.2 會計政策及披露之變動 (續)

(d) 香港財務報告準則二零一五年至二零一七年週期的年度改進載有香港會計準則第12號及香港會計準則第23號之修訂。有關該等修訂之詳情如下：

- 香港會計準則第12號所得稅：澄清實體於損益、其他全面收益或權益內確認股息的所有所得稅後果取決於該實體於何處確認產生可供分派溢利而引致股息的原先交易或事件。該修訂並未對本集團的財務資料產生任何影響。
- 香港會計準則第23號借款成本：澄清當為使資產達致擬定用途或銷售的必要活動絕大部分已完成時，實體將部分普通借款視作原為開發合資格資產而作出且仍尚未償還的任何專項借款。該修訂並未對本集團的財務資料產生任何影響。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 3 *Definition of a Business*¹

Amendments to HKFRS 9, HKAS 39 and HKFRS 7 *Interest Rate Benchmark Reform*¹

Amendments to HKFRS 10 and HKAS 28 (2011) *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*³

HKFRS 17 *Insurance Contracts*²

Amendments to HKAS 1 and HKAS 8 *Definition of Material*¹

¹ Effective for annual periods beginning on or after 1 January 2020

² Effective for annual periods beginning on or after 1 January 2021

³ No mandatory effective date yet determined but available for adoption

Further information about those HKFRSs that are expected to be applicable to the Group is described below.

2.3 已頒佈但尚未生效之香港財務報告準則

本集團於本財務報表中尚未應用以下已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則 業務的定義¹
第3號之修訂

香港財務報告準則 利率基準變革¹
第9號、香港會計
準則第39號及香港
財務報告準則
第7號之修訂

香港財務報告準則 投資者及其聯營公
司或合營企業之間
第10號及香港 的資產出售或注資³
會計準則第28號
(二零一一年)
之修訂

香港財務報告準則 保險合約²
第17號

香港會計準則 重大的定義¹
第1號及香港會計
準則第8號之修訂

¹ 對始於二零二零年一月一日或其後之年度期間生效

² 對始於二零二一年一月一日或其後之年度期間生效

³ 尚未釐定強制生效日期但可供採納

有關預期適用於本集團之香港財務報告準則之進一步資料於下文載列。



2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group expects to adopt the amendments prospectively from 1 January 2020. Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港財務報告準則第3號之修訂澄清及對業務之定義提供額外指引。該修訂澄清，對於被視為業務的一組整合的活動及資產而言，須至少包括一項投入及一項實質性過程，兩者可以共同顯著促進創造產出之能力。一項業務可以不具備創造產出所需的所有投入及過程。該修訂刪除對市場參與者購買業務並繼續創造產出的能力的評估，取而代之，重點關注所取得的投入及實質性過程是否能夠共同顯著促進創造產出之能力。該修訂亦縮小產出之定義，重點關注於提供予客戶之貨品或服務、投資收入或來自日常活動之其他收入。此外，該修訂提供指引，以供評估所取得之過程是否屬實質性過程，並引入可選的公允價值集中度測試，以容許對所取得之一組活動及資產是否不屬於業務進行簡化評估。本集團預期自二零二零年一月一日起前瞻性採納該修訂。由於該修訂前瞻性適用於首次應用日期或之後發生的交易或其他事項，本集團於過渡日期將不會受到該修訂的影響。



2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

(continued)

Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. The Group expects to adopt the amendments prospectively from 1 January 2020. The amendments are not expected to have any significant impact on the Group's financial statements.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fair value measurement

The Group measures its equity investments at fair value at the end of each reporting period.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2.3 已頒佈但尚未生效之香港財務報告準則 (續)

香港會計準則第1號及香港會計準則第8號之修訂對重大予以新定義。新定義列明，倘資料遭忽略、錯報或隱瞞時可合理預期會影響一般用途財務報表主要使用者根據該等財務報表作出的決定，則有關資料屬重大。該等修訂澄清重大與否視乎資料的性質或幅度。倘可合理預期會影響主要使用者的決定，則資料錯報屬重大。本集團預期自二零二零年一月一日起前瞻性採納該等修訂。該等修訂預期不會對本集團的財務資料產生任何重大影響。

2.4 重大會計政策概要

公允價值計量

本集團於各報告期末按公允價值計量其股權投資。

公允價值乃於計量日期按照市場參與者之間的正常交易出售資產應收到或轉讓負債應支付的價格。公允價值計量基於以下推定：出售資產或轉讓負債的交易發生在資產或負債的主要市場，或若無主要市場，則發生在對該資產或負債最有利的市場。本集團必須可進入該主要市場或最有利市場。資產或負債的公允價值採用市場參與者在對資產或負債定價時會採用的假設（假定市場參與者以其最佳經濟利益行事）計量。

非金融資產的公允價值計量計及市場參與者透過以最佳方式盡可能利用該資產或將該資產售予會以最佳方式盡可能利用該資產的另一名市場參與者產生經濟利益的能力。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***Fair value measurement** *(continued)*

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial information on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 重大會計政策概要 (續)**公允價值計量 (續)**

本集團採用適合相關情況的估值技術，對於該等估值技術，具有充分的數據用於計量公允價值，盡可能利用相關可觀察輸入數據，並盡可能減少對不可觀察輸入數據的使用。

於財務資料中計量或披露其公允價值的所有資產及負債按下述公允價值層級分類，以對公允價值計量整體屬重要的最低級輸入數據為基礎：

- 第1級 – 基於相同資產或負債的活躍市場報價（未經調整）
- 第2級 – 基於具有以下特徵的估值技術：該估值技術中對公允價值計量屬重要的最低級輸入數據可直接或間接觀察
- 第3級 – 基於具有以下特徵的估值技術：該估值技術中對公允價值計量屬重要的最低級輸入數據不可觀察

對於以經常性基準在財務資料確認的資產及負債，本集團可透過於各報告期末重新評估分類（基於對公允價值計量整體屬重要的最低級輸入數據）確定該架構中不同層級之間是否發生轉換。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.4 重大會計政策概要 (續)

非金融資產減值

倘一項資產(存貨、遞延稅項資產及金融資產除外)存在減值跡象,或需要進行年度減值測試,則會估計資產的可收回金額。資產可收回金額按該資產或現金產生單位的使用價值及公允價值減出售成本兩者中的較高金額計算,並按個別資產釐定,除非該資產不能產生基本上獨立於其他資產或資產組別所產生現金流入,否則可收回金額將按該資產所屬現金產生單位釐定。

減值虧損僅於資產賬面值超過其可收回金額時方會確認。評估使用價值時,估計未來現金流量採用反映當前市場對資金時間價值及資產特定風險的評估之稅前折現率貼現至其現值。減值虧損按與該減值資產功能相符的開支類別於產生期間從損益扣除。

於各報告期末,將就是否有跡象顯示之前確認的減值虧損可能已不存在或可能減少作出評估。倘存在上述跡象,則會估計可收回金額。就之前確認的資產(商譽除外)減值虧損僅於用以釐定該資產可收回金額的估計出現變動時方予撥回,惟撥回金額不得超過倘過往年度並無就該資產確認減值虧損情況下原應釐定的賬面值(扣除任何折舊/攤銷)。該等減值虧損撥回計入產生期間的損益內。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Related parties**

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
- (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

2.4 重大會計政策概要 (續)**關聯方**

以下人士將被視為與本集團有關聯：

- (a) 倘為符合下列任何條件的人士或其近親：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響力；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 該人士為符合下列任何條件的實體：
- (i) 該實體與本集團屬同一集團的成員公司；
 - (ii) 實體為另一實體（或另一實體的母公司、附屬公司或同系附屬公司）的聯營公司或合營公司；
 - (iii) 該實體與本集團為同一第三方的合營公司；
 - (iv) 實體為一名第三方實體的合營公司，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為本集團或與本集團有關聯的實體就僱員利益設立的離職後福利計劃；
 - (vi) 該實體由(a)項所列人士控制或共同控制；
 - (vii) (a)(i)項所列人士對該實體具有重大影響力或為該實體（或該實體的母公司）的主要管理層成員；及
 - (viii) 實體、或一間集團之任何成員公司（為集團之一部份）向本集團或本集團之母公司提供主要管理人員服務。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	5%
Machines and equipment	9% to 19%
Office equipment	18% to 32%
Motor vehicles	9% to 24%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

2.4 重大會計政策概要 (續)

物業、廠房及設備及折舊

除在建工程外，物業、廠房及設備乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本，包括其購買價及使該資產達至營運狀況及地點作擬定用途之任何直接應佔成本。

物業、廠房及設備項目投產後所產生的支出，如維修及保養費用，一般於產生期間自損益扣除。於符合確認準則的情況下，用於重大檢測的支出將於該資產的賬面值中撥充資本，列作重置項目。倘物業、廠房及設備多數部份均需不時更換，則本集團會將該等部份確認為擁有特定可使用年期的個別資產，並予以相應折舊。

每項物業、廠房及設備項目之折舊以直線法按其成本值以估計可用年期撇銷至其剩餘價值。就此目的而採用之主要年率如下：

樓宇	5%
機器及設備	9%至19%
辦公設備	18%至32%
汽車	9%至24%

倘一項物業、廠房及設備各部份之可使用年期並不相同，該項目各部份之成本將按合理基礎分配，而每部份將作個別折舊。剩餘價值、可用年期及折舊方法於最少每屆財政年度結算日予以複議，在適當情況下加以調整。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Property, plant and equipment and depreciation** (continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, machinery and equipment under construction or installation, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Technological know-how

Purchased technological know-hows are stated at cost less any impairment losses and are amortised on the straight-line basis over their estimated useful lives of 10 years.

2.4 重大會計政策概要 (續)**物業、廠房及設備及折舊 (續)**

一項物業、廠房及設備(包括初步確認之任何重大部份)於出售或估計其使用或出售不再產生經濟利益時,將終止確認。於資產終止確認年度因其出售或報廢並在損益表確認之任何盈虧乃有關資產之出售所得款項淨額與賬面值之差額。

在建工程乃指在建設或安裝過程中的樓宇、機器及設備,其乃按成本減減值虧損列賬,並無折舊。成本包括工程的直接成本及建設期間有關借款的資本化借貸成本。完成及備用時,在建工程重新分類至物業、廠房及設備的適當分類。

無形資產 (商譽除外)

所單獨收購的無形資產於首次確認時按成本計量。於業務合併時取得的無形資產成本為其於收購日期的公允價值。無形資產的可使用年期乃評估為有限或無限。可使用年期為有限的無形資產隨後在可使用的經濟年期內作攤銷,並在有跡象顯示無形資產可能減值時進行減值評估。可使用年期為有限的無形資產的攤銷期和攤銷法至少於各財政年度末作檢討。

非專利技術

所購買之非專利技術按成本減任何減值虧損列賬,並按直線法於其十年之估計可用年期內攤銷。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets (other than goodwill) (continued)

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Leases (applicable from 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2.4 重大會計政策概要 (續)

無形資產 (商譽除外) (續)

研發成本

所有研究成本會於產生時自損益扣除。

就開發新產品的項目產生的開支僅於本集團可在技術上可完成無形資產以使其可供使用或出售、有意完成並有能力使用或出售資產、可展示該資產如何產生未來經濟利益、具有可用資源完成項目及有能力可靠計量開發成本時撥充資產及延付。不符合該等標準的產品開發開支於產生時列為開支。

租賃 (自二零一九年一月一日起適用)

本集團於合約簽訂時評估合約是否為或包含租賃。倘合約賦予權利於一段時間內控制已識別資產的用途的權利以換取代價，則該合約為租賃或包含租賃。

本集團作為承租人

除短期租賃及低價值資產租賃外，本集團就所有租賃採用單一確認及計量方法。本集團根據付出的租賃款項確認租賃負債，而使用權資產指可使用相關資產的權利。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Leases (applicable from 1 January 2019)** (continued)**(a) Right-of-use assets**

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	6 to 50 years
Office premises	2 years
Machinery, equipment and plant	2 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

2.4 重大會計政策概要 (續)**租賃 (自二零一九年一月一日起適用) (續)****(a) 使用權資產**

於租賃開始日期 (即相關資產可供使用日期) 確認使用權資產。使用權資產按成本減任何累計折舊及任何減值虧損計量，並就任何重新計量租賃負債作出調整。使用權資產成本包括已確認租賃負債款額、已產生初步直接成本及於開始日期或之前作出的租賃付款減任何已收取的租賃優惠。使用權資產於資產租期及估計可使用年期 (以較短者為準) 按直線法折舊：

租賃土地	6至50年
辦公物業	2年
機器、設備及廠房	2年

倘租賃資產之所有權於租期結束時轉讓至本集團或成本反映購買權的行使，折舊則使用資產的估計可使用年期計算。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable from 1 January 2019) (continued)

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

2.4 重大會計政策概要 (續)

租賃 (自二零一九年一月一日起適用) (續)

(b) 租賃負債

於租賃開始日期按租期內將作出的租賃付款現值確認租賃負債。租賃付款包括定額付款 (含實質定額款項) 減任何租賃優惠應收款項、取決於指數或利率的可變租賃款項以及預期根據剩餘價值擔保支付的金額。租賃付款亦包括本集團合理確定行使的購買選擇權的行使價及在租期反映本集團行使終止租賃選擇權時，有關終止租賃的罰款。不取決於指數或利率的可變租賃付款在出現觸發付款的事件或條件的期間內確認為開支。

於計算租賃付款的現值時，由於租賃隱含利率無法確定，本集團應用租賃開始日期的增量借款利率計算。於開始日期後，租賃負債金額的增加反映了利息的增長，其減少則關乎所作出的租賃付款。此外，倘出現修訂、租期變動、租賃付款變動 (如指數或利率變動引起的未來租賃付款出現變動) 或購買相關資產的選擇權評估變動，則重新計量租賃負債的賬面值。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Leases (applicable from 1 January 2019)** (continued)**(c) Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Leases (applicable before 1 January 2019)

Leases that transfer substantially all the rewards and risks of ownership of assets to the Group, other than legal title, are accounted for as finance leases. At the inception of a finance lease, the cost of the leased asset is capitalised at the present value of the minimum lease payments and recorded together with the obligation, excluding the interest element, to reflect the purchase and financing. Assets held under capitalised finance leases, including prepaid land lease payments under finance leases, are included in property, plant and equipment, and depreciated over the shorter of the lease terms and the estimated useful lives of the assets. The finance costs of such leases are charged to the statement of profit or loss so as to provide a constant periodic rate of charge over the lease terms.

Assets acquired through hire purchase contracts of a financing nature are accounted for as finance leases, but are depreciated over their estimated useful lives.

2.4 重大會計政策概要 (續)**租賃 (自二零一九年一月一日起適用) (續)****(c) 短期租賃及低價值資產租賃**

本集團將短期租賃確認豁免應用於機器及設備的短期租賃 (即自租賃開始日期起計租期為12個月或以下，並且不包含購買權的租賃)。短期租賃及低價值資產租賃之租賃付款於租期內使用直線法確認為開支。

租賃 (於二零一九年一月一日前適用)

凡將資產擁有權絕大部份回報及風險轉移至本集團之租賃 (不包括法定業權) 皆列作融資租賃。在融資租賃開始時，租賃資產之成本按最低租賃付款額的現值撥充資本，並連同承擔 (不包括利息部分) 列賬，以反映購買及融資。根據撥充資本的融資租賃持有的資產 (包括融資租賃項下之預付土地租賃款項) 均計入物業、廠房及設備，並按資產的租期與估計可使用年期之較短者折舊。該等租賃的融資成本乃於損益表中扣除，以便得出租期內的固定扣費比率。

透過融資性質之租購合約所收購之資產列作融資租賃，但按其估計可使用年期折舊。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (applicable before 1 January 2019) (continued)

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases net of any incentives received from the lessor are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

2.4 重大會計政策概要 (續)

租賃 (於二零一九年一月一日前適用) (續)

資產所有權之絕大部分回報及風險仍歸予出租人之租賃列作經營租賃。當本集團作為出租人時，本集團根據經營租賃所租賃之資產計入非流動資產，而經營租賃項下之應收租金乃按直線法於租期內計入損益表。當本集團為承租人，根據經營租賃應付之租金（扣除已收出租人之優惠）乃按直線法於租期內計入損益表。

經營租賃項下之預付土地租賃款項初步按成本列賬，其後按直線法於租期內確認。

投資及其他金融資產

初步確認及計量

金融資產於初步確認時分類為其後按攤銷成本、按公允價值計量且其變動計入其他全面收益及按公允價值計量且其變動計入損益計量。

於初步確認時，金融資產分類取決於金融資產的合約現金流量特點及本集團管理該等金融資產的業務模式。除並無重大融資成分或本集團已應用未調整重大融資成分影響的可行權宜方法的貿易應收款項外，本集團初步按公允價值加上（倘金融資產並非按公允價值計量且其變動計入損益）交易成本計量金融資產。並無重大融資成分或本集團已應用可行權宜方法的貿易應收款項根據下文就「收益確認」所載之政策按香港財務報告準則第15號釐定的交易價格計量。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Investments and other financial assets** (continued)**Initial recognition and measurement** (continued)

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest (“SPPI”) on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group’s business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

2.4 重大會計政策概要 (續)**投資及其他金融資產** (續)**初步確認及計量** (續)

為使金融資產按攤銷成本或按公允價值計量且其變動計入其他全面收益進行分類及計量，需產生純粹為支付本金及未償還本金利息（「SPPI」）的現金流量。現金流量並非僅可用作償還本金及未償還本金利息之金融資產分類為按公允價值計量且其變動計入損益分類及計量，而不論業務模式。

本集團管理金融資產的業務模式指其如何管理其金融資產以產生現金流量。業務模式確定現金流量是否來自收集合約現金流量、出售金融資產，或兩者兼有。按攤銷成本分類及計量之金融資產於旨在持有金融資產以收回合約現金流量之業務模式內持有，而按公允價值計量且其變動計入其他全面收益進行分類及計量之金融資產於旨在持有以收集合約現金流量及出售金融資產之業務模式內持有。並未於上述業務模式內持有的金融資產按公允價值計量且其變動計入損益分類及計量。

所有一般買賣的金融資產於交易日期（即本集團承諾購買或出售資產的日期）確認。一般買賣指須於按照市場規定或慣例普遍設定的期間內交付資產的金融資產買賣。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through other comprehensive income (debt instruments)

For debt investments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is recycled to profit or loss.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (續)

其後計量

金融資產的其後計量取決於以下分類：

按攤銷成本列賬之金融資產 (債務工具)

按攤銷成本列賬之金融資產其後使用實際利率法計量，並可能受減值影響。當資產終止確認、修訂或減值時，收益及虧損於損益內確認。

按公允價值計量且其變動計入其他全面收益的金融資產 (債務工具)

就按公允價值計量且其變動計入其他全面收益的債務投資而言，利息收入、外匯重估及減值虧損或撥回於損益中確認，並按與按攤銷成本列賬之金融資產相同的方式計量。其餘公允價值變動於其他全面收益中確認。終止確認時，於其他全面收益中確認的累計公允價值變動將重新計入損益。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (續)

其後計量 (續)

指定按公允價值計量且其變動計入其他全面收益的金融資產 (股權投資)

於初步確認時，本集團可選擇於股權投資符合香港會計準則第32號金融工具：呈報項下的股權定義且並非持作買賣時，將其股權投資不可撤回地分類為指定按公允價值計量且其變動計入其他全面收益的股權投資。分類乃按個別工具基準釐定。

該等金融資產的收益及虧損概不會被重新計入損益。當確立支付權時，與股息相關的經濟利益很可能流入本集團且股息的金額能夠可靠計量時將股息於損益中確認為其他收入，惟當本集團於作為收回金融資產一部份成本的所得款項中獲益時則除外，於此等情況下，該等收益於其他全面收益入賬。指定按公允價值計量且其變動計入其他全面收益的股權投資不受減值評估影響。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Subsequent measurement (continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are also recognised as other income in profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2.4 重大會計政策概要 (續)

投資及其他金融資產 (續)

其後計量 (續)

按公允價值計量且其變動計入損益的金融資產

按公允價值計量且其變動計入損益的金融資產按公允價值於綜合財務狀況表列賬，而公允價值變動淨額於損益中確認。

該類別包括本集團並無不可撤銷地選擇按公允價值計量且其變動計入其他全面收益進行分類的衍生工具及股權投資。分類為按公允價值計量且其變動計入損益的金融資產的股權投資的股息亦在支付權確立時，與股息相關的經濟利益很可能流入本集團且股息的金額能夠可靠計量時亦於損益中確認為其他收入。

終止確認金融資產

金融資產（或（如適用）一項金融資產的一部份或一組同類金融資產之一部份）主要在下列情況下終止確認（即，自本集團的綜合財務狀況表中剔除）：

- 收取該項資產現金流量的權利已屆滿；或
- 本集團已轉讓收取資產現金流量的權利，或已承擔責任根據「轉手」安排向第三方支付全數所得現金流量，且並無重大延誤；並且(a)已轉讓該資產的絕大部份風險及回報；或(b)並無轉讓或保留該資產的絕大部份風險及回報，但已轉讓該資產的控制權。

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Derecognition of financial assets** (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2.4 重大會計政策概要 (續)**終止確認金融資產 (續)**

倘本集團已轉讓收取資產現金流量的權利，或已簽署轉手安排，其將評估是否仍保留該資產擁有權的風險及回報以及保留的程度。倘本集團並無轉讓或保留該資產絕大部份風險及回報，亦無轉讓該資產的控制權，則所轉讓資產將以本集團所持續涉及的資產為限而確認。在該情況下，本集團亦確認相關負債。所轉讓資產及相關負債均根據能反映本集團所保留權利及責任的基準計量。

以對所轉讓資產作出擔保的形式持續涉及的資產按資產原有賬面值與本集團應須償還的最高代價金額兩者的較低者計量。

金融資產減值

本集團確認對並非按公允價值計量且其變動計入損益的所有債務工具預期信貸虧損（「預期信貸虧損」）的撥備。預期信貸虧損乃基於根據合約到期的合約現金流量與本集團預期收取的所有現金流量之間的差額而釐定，並以原實際利率的近似值貼現。預期現金流量將包括出售所持抵押的現金流量或組成合約條款的其他信貸提升措施。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

For debt investments at fair value through other comprehensive income, the Group applies the low credit risk simplification. At each reporting date, the Group evaluates whether the debt investments are considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the external credit ratings of the debt investments. In addition, the Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

2.4 重大會計政策概要 (續)

金融資產減值 (續)

一般方法

預期信貸虧損分兩個階段進行確認。就自初步確認起未有顯著增加的信貸風險而言，預期信貸虧損提供予由未來十二個月內可能發生違約事件而導致的信貸虧損（十二個月預期信貸虧損）。就自初步確認起經已顯著增加的信貸風險而言，不論何時發生違約，於餘下風險年期內的預期信貸虧損均須計提虧損撥備（全期預期信貸虧損）。

於各報告日期，本集團評估金融工具之信貸風險自初步確認以來是否顯著增加。於作出此項評估時，本集團會將金融工具於報告日期發生違約的風險與金融工具於初步確認日期發生違約的風險進行比較，並考慮無需付出不必要成本或精力即可獲得的合理可靠資料，包括過往及前瞻性資料。

就按公允價值計量且其變動計入其他全面收益的債務投資而言，本集團採用低信貸風險簡化法。於各報告日期，本集團會利用無需付出不必要成本或精力即可獲得的所有合理可靠資料評估債務投資是否可被視為低信貸風險。於作出此項評估時，本集團將重新評估債務投資的外部信用評級。此外，本集團認為倘合約付款逾期超過30日，則信貸風險大幅增加。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Impairment of financial assets** (continued)**General approach** (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Debt investments at fair value through other comprehensive income and financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables and contract assets which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

2.4 重大會計政策概要 (續)**金融資產減值** (續)**一般方法** (續)

倘合約付款逾期90日，則本集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料反映，在沒有計及本集團持有的任何信貸提升措施前，本集團不大可能悉數收到未償還合約款項，則本集團亦可認為金融資產違約。倘無合理預期收合同約現金流量，則會撤銷該金融資產。

按公允價值計量且其變動計入其他全面收益的債務投資及按攤銷成本列賬的金融資產於一般方法下會產生減值，除採用簡化方法計量的貿易應收款項及合約資產外，該等債務投資及金融資產將按以下階段分類以計量預期信貸虧損，詳情如下。

- 第1階段 – 自初步確認以來信貸風險並無顯著增加且虧損撥備乃按相當於十二個月預期信貸虧損計量的金融工具
- 第2階段 – 自初步確認以來信貸風險顯著增加但並無信貸減值金融資產且虧損撥備乃按相當於全期預期信貸虧損計量的金融工具
- 第3階段 – 於報告日期已發生信貸減值（但並非購買或源生信貸減值）且虧損撥備乃按相當於全期預期信貸虧損計量的金融資產



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest-bearing bank and other borrowings and leases liabilities.

2.4 重大會計政策概要 (續)

金融資產減值 (續)

簡化方法

就並無重大融資成分或本集團已應用未調整重大融資成分影響的可行權宜方法的貿易應收款項，本集團採用簡化方法計算預期信貸虧損。根據簡化方法，本集團將不追蹤信貸風險的變化，而是於各報告日期根據全期預期信貸虧損確認虧損撥備。本集團已設立根據本集團過往信貸虧損經驗計算的撥備矩陣，並按與債務人相關之前瞻性因素及經濟環境調整。

金融負債

初步確認及計量

金融負債乃於初步確認時分類為按公允價值計量且其變動計入損益之金融負債、貸款及借款、應付款項或指定為有效對沖中的對沖工具的衍生工具（倘適用）。

所有金融負債初步以公允價值確認，如為貸款及借款以及應付款項，則扣除直接應佔交易成本。

本集團之金融負債包括貿易及其他應付款項、計息銀行及其他借款和租賃負債。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Financial liabilities** (continued)**Subsequent measurement**

The subsequent measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortised cost (loans and borrowings)

After initial recognition, interest-bearing bank and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.4 重大會計政策概要 (續)**金融負債 (續)****其後計量**

金融負債之其後計量取決於其如下分類：

按攤銷成本計量之金融負債 (貸款及借款)

初步確認後，計息銀行及其他借款其後以實際利率法按攤銷成本計量，除非貼現之影響並不重大，此時則按成本列賬。有關收益及虧損於負債終止確認時及透過實際利率攤銷程序在損益中確認入賬。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可分割部份之費用或成本後計算。實際利率攤銷計入損益之財務成本內。

終止確認金融負債

金融負債於負債之責任已解除或註銷或屆滿時終止確認。

當現有金融負債為同一貸款人以條款明顯不同之負債取代時，或現有負債之條款有重大修改時，有關替換或修改則被視為終止確認原有負債並確認一項新負債，而有關賬面值之差額乃於損益中確認。

抵銷金融工具

倘有現行可強制執行之法律權利抵銷已確認金額，並且擬以淨額基準進行結算或同時將資產變現及清償負債，方可將金融資產與金融負債抵銷，淨額於財務狀況表呈報。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Treasury shares

Own equity instruments which are reacquired and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.4 重大會計政策概要 (續)

庫存股份

本公司或本集團重新購入及持有的本身股權工具(庫存股份)按成本於權益中直接確認。就購買、銷售、發行或註銷本集團本身的股權工具而言，毋須於損益內確認收益或虧損。

存貨

存貨乃按成本值與可變現淨值兩者中較低者列賬。成本值按加權平均法計算，倘為在製產品及成品，則包括直接材料、直接勞力及其他適當比例開支。可變現淨值乃根據估計銷售價減除任何達致完成及出售所招致之估計成本計算。

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，以及可隨時轉換為已知數額現金並於購入後一般在三個月內到期，且沒有重大價值變動風險之短期及高度流通投資，再扣除在要求時須償還及構成本集團現金管理方面一個完整部份之銀行透支。

就綜合財務狀況表而言，現金及現金等價物包括並無限制用途之手頭及銀行現金(包括定期存款)以及性質與現金類似的資產。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Provisions**

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

The Group provides for warranties in relation to the sale of certain environmental technology equipment for general repairs of defects occurring during the warranty period. Provisions for these assurance-type warranties granted by the Group are recognised based on past experience of the level of repairs and returns, discounted to their present values as appropriate.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 重大會計政策概要 (續)**撥備**

倘因過往事件而導致本集團須承擔現時法定或推定責任，且日後大有可能因履行有關責任而導致資源流失，則須就此確認撥備，惟有關責任數額須能夠可靠估計。

倘貼現影響重大，則確認撥備之數額為預期日後履行有關責任所需開支於報告期末之現值。倘已貼現之現值隨時間而有所增加，則該等增幅將於損益中列作財務成本。

本集團就銷售的若干環保技術設備於保修期內發生缺陷之一般維修提供保證。本集團授出的該等保險型保證的撥備按維修及退貨水平之過往經驗確認，並貼現至適當的現值。

所得稅

所得稅包括即期稅項及遞延稅項。涉及於損益以外確認之項目之所得稅於損益以外確認，即於其他全面收益或直接於權益中確認。

即期稅項資產及負債以預期由稅務機關退稅或付給稅務機關之金額，基於截至報告期末已頒佈或實質上已頒佈之稅率（及稅法），並經考慮本集團經營業務所在國家當前之詮釋及慣例計量。

遞延稅項乃使用負債法，就於報告期末資產及負債之稅基與其就財務報告而言之賬面值之間之所有暫時性差異作出撥備。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2.4 重大會計政策概要 (續)

所得稅 (續)

所有應課稅暫時性差異均被確認為遞延稅項負債，惟：

- 倘若遞延稅項負債是由非業務合併交易中初步確認商譽或資產或負債而產生，及於交易時，遞延稅項負債對會計溢利或應課稅溢利或虧損均無影響；及
- 就與於附屬公司之投資有關之應課稅暫時性差異而言，倘暫時性差異之回撥時間為可以控制，而暫時性差異於可見將來可能不會回撥。

遞延稅項資產會就所有可扣減之暫時性差異、結轉未運用稅項抵免及未運用稅務虧損確認入賬。確認遞延稅項資產的前提是有可能有應課稅溢利可用於抵銷可扣減之暫時性差異，結轉未運用稅項抵免及未運用稅務虧損可予動用，惟：

- 遞延稅項資產與初步確認一項交易（並非業務合併）之資產或負債所產生之可扣減暫時性差異有關，而於交易時，遞延稅項資產對會計溢利或應課稅溢利或虧損均無影響；及
- 就與於附屬公司之投資有關之可扣減暫時性差異而言，遞延稅項資產僅會於暫時性差異可能於可見將來將會回撥及應課稅溢利可用於抵銷暫時性差異時確認。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Income tax** (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.4 重大會計政策概要 (續)**所得稅 (續)**

遞延稅項資產之賬面值會於各報告期末檢討，並減至不再可能有足夠應課稅溢利令全部或部分遞延稅項資產得以動用為止。未確認之遞延稅項資產會於各報告期末重新評估，並於可能有足夠應課稅溢利令全部或部分遞延稅項資產得以收回時確認。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質上已頒佈之稅率（及稅法），按預期於資產變現或負債償還期間適用之稅率計量。

倘及僅當本集團擁有可依法執行的權利，可於預期須清償或收回大額遞延稅項負債或資產的每個未來期間，抵銷與同一稅務機關向相同應課稅實體或不同應課稅實體徵收的所得稅有關的即期稅項資產與即期稅項負債及遞延稅務資產與遞延稅項負債，以按淨額基準結清即期稅項負債及資產，或同時變現資產及清償負債，則遞延稅項資產可與遞延稅項負債抵銷。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

(a) Sale of industrial products

Revenue from the sale of industrial products is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the industrial products.

2.4 重大會計政策概要 (續)

政府補助

倘有合理保證可收到政府補助且能夠滿足所附的所有條件，則政府補助按其公允價值確認。若補助與開支項目有關，其將於其擬補償的成本開銷期間按系統基準確認為收入。

若補助與資產有關，其公允價值將貸計至遞延收入賬目並於相關資產的預期可使用年期按年度等額款項發放至損益作為其他收入。

收益確認

來自與客戶訂立之合約的收益

來自與客戶訂立之合約的收益於貨物或服務的控制權已按本集團預期有權就該等貨物或服務獲得之代價金額轉讓予客戶時確認。

(a) 銷售工業產品

銷售工業產品的收益於資產控制權轉讓予客戶的時間點確認，通常於交付工業產品時確認。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Revenue from contracts with customers (continued)

(b) Provision of consultancy and maintenance services

The Group provides consultancy and maintenance services that are bundled together with the sale of environmental technology equipment to customers. The consultancy and maintenance services can be obtained from other providers and do not significantly customise or modify the environmental technology equipment.

Contracts for bundled sales of environmental technology equipment and consultancy and maintenance services are comprised of two performance obligations because the promises to transfer the environmental technology equipment and provide consultancy and maintenance services are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative standalone selling prices of the environmental technology equipment and consultancy and maintenance services.

Revenue from provision of consultancy and maintenance services is recognised over time. The Group also determines that the customer benefits from the consultancy and maintenance services evenly throughout the year. Consequently, the Group concludes that the best measure of progress towards complete satisfaction of the performance obligation over time is a time-based measure and it recognises revenue on a straight-line basis throughout the year.

2.4 重大會計政策概要 (續)

收益確認 (續)

來自與客戶訂立之合約的收益 (續)

(b) 提供諮詢及運維服務

本集團向客戶提供諮詢及運維服務，該服務與銷售環保技術設備捆綁銷售。諮詢及運維服務可從其他供應商取得，不會大幅定製或調整環保技術設備。

捆綁銷售環保技術設備以及諮詢及運維服務的合約包括兩類履約責任，原因為承諾轉讓環保技術設備與提供諮詢及運維服務可予區分及單獨識別。因此，交易價按環保技術設備以及諮詢及運維服務的相關單獨銷售價分配。

提供諮詢及運維服務所得收益隨著時間確認。本集團亦確定整個年度來自諮詢及運維服務的客戶利益。因此，本集團認為，隨著時間完成履約責任的最佳進度衡量標準乃為基於時間的衡量標準，並於整個年度使用直線法確認收益。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Dividend income is recognised when the shareholders' right to receive payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Pension scheme

Employees of the Group's subsidiaries in Mainland China are members of the state-sponsored pension scheme operated by the Mainland China government. The subsidiaries are required to contribute a certain percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit scheme is to make the required contributions. The contributions are charged to profit or loss as they become payable.

2.4 重大會計政策概要 (續)

收益確認 (續)

其他收入

利息收入按應計基準及以實際利率法，透過採用將金融工具在預期可使用年期或較短期間（如適用）的估計未來現金收入準確貼現至金融資產的賬面淨值之比率予以確認。

股息收入於股東收取款項的權利確立時確認。有關股息的經濟利益可能將流入本集團，且股息的金額可予可靠計量。

合約負債

倘本集團於向其客戶轉讓相關貨物或服務前收到客戶付款或付款到期（以較早者為準），則於此時確認合約負債。合約負債於本集團於合約履行時（即向客戶轉讓相關貨物或服務之控制權時）確認為收益。

退休金計劃

本集團位於中國大陸之附屬公司的僱員為中國大陸政府營運的國家贊助退休金計劃的成員。附屬公司須以薪金成本之若干百分比向退休福利計劃供款，以為該等福利提供資金。本集團與退休福利計劃有關的唯一責任是作出所需的供款。供款於其應付時從損益扣除。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Where funds have been borrowed generally, and used for the purpose of obtaining qualifying assets, a capitalisation rate of 6.61% has been applied to the expenditure on the individual assets (2018: 6.02%).

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in Note 12 to the financial statements.

Interim dividends and special dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends and special dividends. Consequently, interim dividends and special dividends are recognised immediately as liabilities when they are proposed and declared.

2.4 重大會計政策概要 (續)

借款成本

收購、興建或生產須經過長時間方可作擬定用途或銷售之合資格資產的直接應佔借貸成本資本化為該等資產之成本的一部份。在該等資產基本可作擬定用途或銷售時，停止將借貸成本予以資本化。有關借款等待用於合資格資產的期間作短期投資之投資收入所得可用於扣減已資本化之借貸成本。所有其他借貸成本均須於產生期間列作開支。借貸成本包括利息以及實體借入資金所產生的其他相關成本。

如資金乃屬一般貸款並用作購置合資格資產，則其開支按6.61%（二零一八年：6.02%）的利率資本化於個別資產支出。

股息

末期股息經股東於股東大會上批准後方確認為負債。建議末期股息於財務資料附註12披露。

由於公司組織章程大綱及細則授予董事會權力宣派中期股息及特別股息，則同時建議派發及宣派中期股息及特別股息。因此，中期股息及特別股息於建議派發及宣派時即時確認為負債。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies

These financial statements are presented in RMB. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is US dollars. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2.4 重大會計政策概要 (續)

外幣

本財務報表以人民幣呈列。本集團旗下各實體有各自的功能貨幣，計入各實體財務報表的項目以該功能貨幣計量。本公司功能貨幣為美元。本集團實體記錄的外幣交易初步按交易日適用的相關功能貨幣匯率入賬。以外幣計值的貨幣資產及負債按報告期末功能貨幣適用匯率換算。償付或換算貨幣項目產生的差額會在損益確認。

償付或換算貨幣項目產生的差額會在損益確認。

按歷史成本列賬以外幣計值的非貨幣項目以初步交易日期的匯率換算。以外幣按公允價值計量的非貨幣項目按釐定公允價值當日的匯率換算。換算非貨幣項目產生的收益或虧損按確認該項目的公允價值變動產生的收益或虧損處理（即其公允價值收益或虧損已於其他全面收益或損益確認的項目，其換算差額亦分別於其他全面收益或損益內確認）。



2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain entities within the Group are currencies other than RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into RMB at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the translation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the weighted average exchange rates for the year.

2.4 重大會計政策概要 (續)

外幣 (續)

就釐定於初步確認時用於非貨幣性資產或非貨幣性負債終止確認時產生的有關資產、開支或收入之關於預付或預收代價之匯率，初步交易日期為本集團初步確認由預付或預收代價產生的非貨幣性資產或非貨幣性負債之日期。倘存在多個預付或預收款項，則本集團須釐定每次支付或收到預付代價的交易日期。

本集團若干實體的功能貨幣為人民幣以外的貨幣。於報告期末，該等實體的資產及負債按報告期末適用的匯率換算為人民幣，而其損益按該年度的加權平均匯率換算為人民幣。

所產生匯兌差額於其他全面收益確認及於匯兌儲備累計。出售海外業務時，與該特定海外業務有關的其他全面收益部份於損益中確認。

就綜合現金流量表而言，海外附屬公司之現金流量已按年內加權平均匯率換算成人民幣。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgement, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- (i) Identifying performance obligations in a bundled sale of environmental technology equipment and consultancy and maintenance services

The Group provides consultancy and maintenance services that are sold bundled together with the sale of environmental technology equipment to customers. The consultancy and maintenance services are a promise to transfer services in the future and are part of the negotiated exchange between the Group and the customer.

3. 重要會計判斷及估計

編製本集團之財務報表時，管理層須作出會影響所呈報收入、開支、資產及負債金額及其相關披露及或有負債披露之判斷、估計及假設。有關該等假設及估計之不確定性或會導致須就日後受影響之資產或負債賬面值作出重大調整。

判斷

在應用本集團的會計政策時，除涉及估計的判斷外，管理層亦作出下列判斷，其對財務報表的已確認金額影響至為重大：

來自與客戶訂立之合約的收益

本集團將採用以下對釐定來自與客戶訂立之合約的收益的金額及時間有重大影響的判斷：

- (i) 確認捆綁銷售環保技術設備以及諮詢及運維服務的履約責任

本集團向客戶提供諮詢及運維服務，該服務與銷售環保技術設備捆綁銷售。諮詢及運維服務為日後轉讓服務的承諾，為本集團與客戶之間協商的交易。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)**Judgements** (continued)**Revenue from contracts with customers** (continued)

(i) (continued)

The Group determined that both environmental technology equipment and consultancy and maintenance services are each capable of being distinct. The Group also determined that the promises to transfer the environmental technology equipment and to provide consultancy and maintenance services are distinct within the context of the contract. The environmental technology equipment and consultancy and maintenance services are not inputs to a combined item in the contract. The Group is not providing a significant integration service because the presence of the environmental technology equipment and consultancy and maintenance services together in the contract does not result in any additional or combined functionality and neither the equipment nor the consultancy and maintenance modifies or customises the other. In addition, the environmental technology equipment and consultancy and maintenance services are not highly interdependent or highly interrelated, because the Group would be able to transfer the environmental technology equipment even if the customer declined consultancy and maintenance and would be able to provide consultancy and maintenance services in relation to equipment sold by other distributors. Consequently, the Group has allocated a portion of the transaction price to the environmental technology equipment and the consultancy and maintenance services based on relative standalone selling prices.

3. 重要會計判斷及估計 (續)**判斷** (續)**來自與客戶訂立之合約的收益** (續)

(i) (續)

本集團確認環保技術設備及提供諮詢及運維服務可予區分。本集團亦確認在合約內，承諾轉讓環保技術設備與提供諮詢及運維服務有所區分。環保技術設備與提供諮詢及運維服務並非合約綜合項目內的輸入資料。本集團並未提供重大整合服務，原因為合約內環保技術設備連同諮詢及運維服務的存在不會產生任何額外或合併功能，且設備以及諮詢及環保不會相互調整或定製。此外，環保技術設備與諮詢及運維服務並非高度相互獨立或高度相互關聯，原因為儘管客戶拒絕諮詢及運維服務，本集團能轉讓環保技術設備，並能就其他分銷商出售的設備提供諮詢及運維服務。因此，本集團按相關單獨售價分配部分交易價於環保技術設備以及諮詢及運維服務。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Revenue from contracts with customers (continued)

- (ii) Determining the timing of satisfaction of consultancy and maintenance services

The Group concluded that revenue for consultancy and maintenance services is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The fact that another entity would not need to re-perform the consultancy and maintenance that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group determined that the input method is the best method in measuring the progress of the consultancy and maintenance services because there is a direct relationship between the Group's effort (i.e., labour hours incurred) and the transfer of services to the customer. The Group recognises revenue on the basis of the labour hours expended relative to the total expected labour hours to complete the services.

3. 重要會計判斷及估計 (續)

判斷 (續)

來自與客戶訂立之合約的收益 (續)

- (ii) 釐定諮詢及運維服務的履約時間

本集團認為諮詢及運維服務的收益將於一段時間內確認，因為客戶同時接收及使用本集團所提供的利益。另一實體無需重新進行本集團迄今為止提供的諮詢及運維，這一事實表明客戶於本集團履約時同時接收及使用本集團履約所提供的利益。

本集團確定輸入法是衡量諮詢及運維服務進度的最佳方法，因為本集團的努力（即產生的工時）與向客戶轉讓服務間存在直接關係。本集團按相對於完成服務的預計總勞動時數所花費的工時來確認收益。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)**Judgements** (continued)**Deferred tax liabilities**

The Group has recognised deferred tax liabilities of RMB12,144,000 (2018: RMB8,087,000) for portion of its foreign-invested subsidiaries' undistributed earnings. Under the prevailing income tax law of the PRC and its relevant regulations, dividends paid by PRC enterprises out of profits earned after 31 December 2007 to non-PRC tax resident investors are subject to PRC withholding tax of 10%. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group in the past was charged with withholding tax at a rate of 5% when those PRC subsidiaries distributed profits to their holding companies outside Mainland China. Therefore, the Group applied 5% to provide for withholding taxes on retained profits to be distributed (Note 27).

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences or tax losses can be utilised. Management's estimation is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with tax planning strategies (Note 27).

3. 重要會計判斷及估計 (續)**判斷 (續)****遞延稅項負債**

本集團就海外投資附屬公司之未分配盈利確認遞延稅項負債人民幣12,144,000元(二零一八年：人民幣8,087,000元)。根據中國現行所得稅法及其相關規定，於二零零七年十二月三十一日以後中國企業以所賺取溢利派付予非中國稅務居民投資者的股息，須按10%稅率繳納中國預扣稅。倘中國與境外投資者所在的司法權區有稅務條約，則可採用較低的5%預扣稅率。本集團過去在中國附屬公司向中國境外控股公司分派溢利時，按5%的稅率支銷預扣稅。因此，本集團就將予分派的保留溢利，按5%作預扣稅撥備(附註27)。

估計不明朗因素

有關未來之主要假設以及其他於報告期末會為下個財政年度資產與負債賬面值帶來重大調整風險之主要估計不明朗因素描述如下。

遞延稅項資產

所有可扣稅暫時性差異及未動用稅項虧損僅於可能有未來應課稅溢利可抵銷可扣稅暫時性差異或可動用稅項虧損的情況下始入賬確認為遞延稅項資產。在決定可確認的遞延稅項資產金額時，管理層須根據可能的時間、未來應課稅溢利的水平連同稅項計劃戰略作出估計(附註27)。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Provision for expected credit losses on trade receivables and prepayments and other receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and prepayments and other receivables. The provision rates are based on ageing for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic products) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and prepayments and other receivables is disclosed in Note 19 and Note 21 to the financial statements.

3. 重要會計判斷及估計 (續)

估計不明朗因素 (續)

貿易應收款項、預付款項及其他應收款項之預期信貸虧損撥備

本集團採用撥備矩陣計量貿易應收款項、預付款項及其他應收款項的預期信貸虧損。撥備率乃以具類似虧損模式的若干客戶群分組的賬齡為基準。

撥備矩陣最初基於本集團觀察所得的歷史違約率。本集團將校準矩陣以透過前瞻性資料調整歷史信貸虧損經驗。例如，倘預期經濟狀況（即國內生產總值）預計於明年惡化，可能導致製造業違約數目增加，則調整歷史違約率。於各報告日期將更新觀察所得的歷史違約率並分析前瞻性估計的變化。

對觀察所得的歷史違約率、預期經濟狀況及預期信貸虧損間的相關性予以評估為一項重要評估。預期信貸虧損金額對環境變化及預期經濟條件的變化敏感。本集團的歷史信貸虧損經驗及對經濟狀況的預測亦無法代表客戶未來實際違約情況。有關本集團貿易應收款項、預付款項及其他應收款項的預期信貸虧損資料於財務資料附註19及附註21中披露。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)**Estimation uncertainty** (continued)**Property, plant and equipment – recoverable amount**

In accordance with the Group's accounting policy, each asset or cash-generating unit is evaluated every reporting period to determine whether there are any indications of impairment. If any such indication exists, an estimate of recoverable amount is performed and an impairment loss is recognised to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash-generating group of assets is measured at the higher of fair value less costs of disposal and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties.

Value in use is generally determined as the present value of the estimated future cash flows of those expected to arise from the continued use of the asset in its present form and its eventual disposal. Present values are determined using a risk-adjusted pre-tax discount rate appropriate to the risks inherent in the asset. Future cash flow estimates are based on expected production and sales volumes, selling prices (considering current and historical prices, price trends and related factors) and operating costs. This policy requires management to make these estimates and assumptions which are subject to risk and uncertainty; hence there is a possibility that changes in circumstances will alter these projections, which may impact on the recoverable amount of the assets. In such circumstances, some or all of the carrying value of the assets may be impaired and the impairment would be charged against profit or loss.

3. 重要會計判斷及估計 (續)**估計不明朗因素** (續)**物業、廠房及設備 – 可收回金額**

根據本集團之會計政策，每項資產或現金產生單位於各報告期間評估，以確定是否存在任何減值跡象。若存在任何該等跡象，將估算可收回金額，並在賬面值超過可收回金額的情況下確認減值虧損。資產或現金產生單位的可收回金額按公允價值減出售成本及使用價值兩者中之較高金額計量。

公允價值按於了解及自願之各方之間的公平交易中出售資產可獲得的金額釐定。

使用價值通常按透過以現有形式繼續使用資產及其最終出售預期可產生的估計未來現金流的現值釐定。現值使用適用於資產固有風險的風險調整稅前貼現率釐定。未來現金流基於預期的生產和銷售量、售價（考慮當前及歷史價格、價格趨勢及相關因素）及營運成本估計。該政策要求管理層作出之估計及假設存在風險及不確定性。因此，有可能相關情況出現變化，導致更改該等預測，這可能會影響資產的可收回金額。在該等情況下，資產的部份或所有賬面值可能減值，該減值將自損益中扣除。



3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Property, plant and equipment – estimated useful lives and residual values

The Group's management determines the estimated useful lives and residual values (if applicable) and consequently related depreciation/amortisation charges for its property, plant and equipment. These estimates are based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives, and it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold.

Actual economic lives may differ from estimated useful lives and actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore in depreciation/amortisation expense in future periods.

3. 重要會計判斷及估計 (續)

估計不明朗因素 (續)

物業、廠房及設備 – 估計可使用年期及剩餘價值

本集團管理層釐定物業、廠房及設備項目的估計可使用年期及剩餘價值(若適用)，並隨後釐定相關折舊／攤銷費用。該等估計乃基於有關具有類似性質及功能的物業、廠房及設備的實際可使用年期的過往經驗。若可使用年期少於先前估計的年限，管理層將增加折舊／攤銷費用，並撇銷或撇減已廢棄或出售的技術過時或非戰略資產。

實際經濟壽命可能有別於估計可使用年期，實際剩餘價值可能有別於估計剩餘價值。定期檢討可能導致可折舊年限及剩餘價值變更以及未來期間的折舊／攤銷開支變更。



4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and has four (2018: four) reportable operating segments as follows:

- (a) the dye and agricultural chemical intermediates segment produces dye intermediate products for the use in production of dye related products and products for the use in the production of agricultural chemicals;
- (b) the pigment intermediates segment produces pigment intermediate products for the use in the production of pigments;
- (c) the environmental technology consultancy service segment engages in environmental protection; and
- (d) the battery materials segment engages in the manufacture and sale of battery materials.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated mainly based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that interest income, finance costs and other unallocated expenses of the Company and corporate expenses are excluded from such measurement.

The measurement of segment assets and liabilities is same as total assets and total liabilities for the consolidated statement of financial position, excluding unallocated corporate assets and liabilities as these assets and liabilities are managed on a group basis.

4. 經營分部資料

出於管理之目的，本集團按其產品劃分為業務單位，並有以下四個（二零一八年：四個）可呈報經營分部：

- (a) 染料及農業化學品中間體分部生產用於染料相關產品生產的染料中間體產品及用於農業化學品生產的產品；
- (b) 顏料中間體分部生產用於顏料生產的顏料中間體產品；
- (c) 環保技術諮詢服務分部從事環保業務；及
- (d) 電池材料分部從事電池材料之生產及銷售。

管理層獨立監察本集團的經營分部業績，以就資源分配及表現評估作出決策。分部表現主要基於可呈報分部溢利／虧損評估，此即對經調整除稅前溢利／虧損的計量。經調整除稅前溢利／虧損按與本集團除稅前溢利一致的方式計量，惟本公司利息收入、財務成本及其他未分配開支除外，企業開支未計入有關計量。

分部資產及負債乃按與綜合財務狀況表內資產總值及負債總額相同的方式計量，惟按集團基準進行管理的未分配企業資產及負債除外。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2019

4. 經營分部資料 (續)

截至二零一九年十二月三十一日止年度

		Dye and agricultural chemical intermediates 染料及農業化學品中間體 RMB'000 人民幣千元	Pigment intermediates 顏料中間體 RMB'000 人民幣千元	Environmental technology consultancy service 環保技術諮詢服務 RMB'000 人民幣千元	Battery materials 電池材料 RMB'000 人民幣千元	Total segments 分部總值 RMB'000 人民幣千元
Segment revenue (Note 5)	分部收益 (附註5)					
Revenues from external customers	來自外部客戶的收益	1,509,631	263,188	37,093	8,435	1,818,347
Intersegment sales	分部間銷售	3,337	-	5,369	-	8,706
Total revenue	總收益	1,512,968	263,188	42,462	8,435	1,827,053
<i>Reconciliation</i>	<i>對賬</i>					
Elimination of intersegment sales	分部間銷售對銷					(8,706)
Revenue from continuing operations	來自持續經營業務之收益					1,818,347
Segment results	分部業績	743,363	48,121	4,697	(56,063)	740,118
Including:	包括:					
Interest income	利息收入	229	115	-	6	350
Finance costs	財務成本	(20,980)	(660)	(3)	(148)	(21,791)
<i>Reconciliation</i>	<i>對賬</i>					
Interest income	利息收入					60
Finance costs	財務成本					(9,870)
Elimination of intersegment results	分部間業績對銷					(2,989)
Corporate and other unallocated expenses	企業及其他未分配開支					(17,680)
Profit before tax	除稅前溢利					709,639
Segment assets	分部資產	2,045,358	286,549	116,427	372,750	2,821,084
<i>Reconciliation</i>	<i>對賬</i>					
Elimination of intersegment receivables	分部間應收款項對銷					(868,477)
Corporate and other unallocated assets	企業及其他未分配資產					632,995
Elimination of inventories due to unrealised gains	因未變現收益而對銷存貨					(4,202)
Total assets	資產總值					2,581,400
Segment liabilities	分部負債	906,711	125,693	12,867	398,907	1,444,178
<i>Reconciliation</i>	<i>對賬</i>					
Elimination of intersegment payables	分部間應付款項對銷					(868,477)
Corporate and other unallocated liabilities	企業及其他未分配負債					239,258
Total liabilities	負債總額					814,959
Other segment information	其他分部資料					
Impairment losses recognised in profit or loss	於損益內確認的減值虧損	11,091	7,428	-	35,530	54,049
Depreciation and amortisation	折舊及攤銷	47,818	15,345	4,817	5,333	73,313
Capital expenditure*	資本開支*	117,050	15,179	1,138	38,898	172,265

* Capital expenditure consists of additions to property, plant and equipment and intangible assets.

* 資本開支包括添置物業、廠房及設備以及無形資產。

31 December 2019
二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

Year ended 31 December 2018

4. 經營分部資料 (續)

截至二零一八年十二月三十一日止年度

		Dye and agricultural chemical intermediates 染料及農業化學品中間體 RMB'000 人民幣千元	Pigment intermediates 顏料中間體 RMB'000 人民幣千元	Environmental technology consultancy service 環保技術諮詢服務 RMB'000 人民幣千元	Battery materials 電池材料 RMB'000 人民幣千元	Total segments 分部總值 RMB'000 人民幣千元
Segment revenue (Note 5)	分部收益 (附註5)					
Revenues from external customers	來自外部客戶的收益	1,212,082	262,479	38,315	3,006	1,515,882
Intersegment sales	分部間銷售	69,836	68,521	1,315	-	139,672
Total revenue	總收益	1,281,918	331,000	39,630	3,006	1,655,554
<i>Reconciliation</i>	<i>對賬</i>					
Elimination of intersegment sales	分部間銷售對銷					(139,672)
Revenue from continuing operations	來自持續經營業務之收益					1,515,882
Segment results	分部業績	332,926	43,522	(18,448)	(11,145)	346,855
Including:	包括:					
Interest income	利息收入	928	24	5	14	971
Finance costs	財務成本	(3,482)	(1,019)	-	(5)	(4,506)
<i>Reconciliation</i>	<i>對賬</i>					
Interest income	利息收入					28
Finance costs	財務成本					(18,279)
Elimination of intersegment results	分部間業績對銷					(7,702)
Corporate and other unallocated expenses	企業及其他未分配開支					(11,987)
Profit before tax	除稅前溢利					308,915
Segment assets	分部資產	1,662,417	446,340	64,013	350,479	2,523,249
<i>Reconciliation</i>	<i>對賬</i>					
Elimination of intersegment receivables	分部間應收款項對銷					(998,767)
Corporate and other unallocated assets	企業及其他未分配資產					988,065
Elimination of inventories due to unrealised gains	因未變現收益而對銷存貨					(3,396)
Total assets	資產總值					2,509,151
Segment liabilities	分部負債	993,327	237,010	13,756	327,085	1,571,178
<i>Reconciliation</i>	<i>對賬</i>					
Elimination of intersegment payables	分部間應付款項對銷					(998,767)
Corporate and other unallocated liabilities	企業及其他未分配負債					616,855
Total liabilities	負債總額					1,189,266
Other segment information	其他分部資料					
Impairment losses recognised in profit or loss	於損益內確認的減值虧損	2,421	8	(12)	3	2,420
Depreciation and amortisation	折舊及攤銷	45,852	14,320	4,669	334	65,175
Capital expenditure	資本開支	408,891	17,257	745	13,141	440,034



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

4. OPERATING SEGMENT INFORMATION

(continued)

Geographical information

(a) Revenue from external customers

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mainland China	中國大陸	972,743	928,642
Indonesia	印度尼西亞	189,131	36,936
India	印度	173,122	164,078
United States	美國	144,833	94,429
Germany	德國	136,053	97,556
Brazil	巴西	63,559	28,331
Spain	西班牙	60,260	43,207
Taiwan, China	中國台灣	26,662	70,436
Turkey	土耳其	14,681	4,180
Japan	日本	12,178	17,240
Italy	意大利	10,353	17,597
Korea	韓國	1,227	7,292
Other countries/regions	其他國家／地區	13,545	5,958
		1,818,347	1,515,882

The revenue information above is based on the locations of the customers.

The Group's non-current assets are substantially located in Mainland China.

4. 經營分部資料 (續)

地理資料

(a) 來自外部客戶的收益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mainland China	中國大陸	972,743	928,642
Indonesia	印度尼西亞	189,131	36,936
India	印度	173,122	164,078
United States	美國	144,833	94,429
Germany	德國	136,053	97,556
Brazil	巴西	63,559	28,331
Spain	西班牙	60,260	43,207
Taiwan, China	中國台灣	26,662	70,436
Turkey	土耳其	14,681	4,180
Japan	日本	12,178	17,240
Italy	意大利	10,353	17,597
Korea	韓國	1,227	7,292
Other countries/regions	其他國家／地區	13,545	5,958
		1,818,347	1,515,882

上述收益資料乃根據客戶所在位置編製。

本集團的非流動資產絕大部份位於中國大陸。



4. OPERATING SEGMENT INFORMATION*(continued)***Geographical information** *(continued)***Information about major customers**

In 2019, revenue of RMB260,738,000 was derived from sales from the dye and agricultural chemical intermediates segment to a single customer.

In 2018, revenue of RMB219,745,000 was derived from sales from the dye and agricultural chemical intermediates segment to another single customer.

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

4. 經營分部資料 (續)**地理資料 (續)****主要客戶資料**

於二零一九年，人民幣260,738,000元的收益來自染料及農業化學品中間體分部對一名客戶的銷售。

於二零一八年，人民幣219,745,000元的收益來自染料及農業化學品中間體分部對另一名客戶的銷售。

5. 收益、其他收入及收益

收益分析如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<i>Revenue from contracts with customers</i> 來自與客戶訂立之合約的收益	1,818,347	1,515,882



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers

(a) Disaggregated revenue information

For the year ended 31 December 2019

5. 收益、其他收入及收益 (續)

來自與客戶訂立之合約的收益

(a) 經分拆收益資料

截至二零一九年十二月三十一日止年度

Segments	分部	Dye and agricultural chemical intermediates	Pigment intermediates	Environmental technology consultancy service	Battery materials	Total
		染料及農業化學品中間體 RMB'000 人民幣千元	顏料中間體 RMB'000 人民幣千元	環保技術諮詢服務 RMB'000 人民幣千元	電池材料 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
Types of goods or services	貨物或服務類型					
Sale of chemical intermediates and battery materials	銷售化學品中間體及電池材料	1,509,631	263,188	-	8,435	1,781,254
Sale of environmental technology equipment	銷售環保技術設備	-	-	33,079	-	33,079
Provision of consultancy and maintenance services	提供諮詢及運維服務	-	-	4,014	-	4,014
Total revenue from contracts with customers	來自與客戶訂立之合約的收益總額	1,509,631	263,188	37,093	8,435	1,818,347
Geographical markets	地區市場					
Mainland China	中國大陸	753,662	173,553	37,093	8,435	972,743
Indonesia	印度尼西亞	189,131	-	-	-	189,131
India	印度	113,505	59,617	-	-	173,122
United States	美國	128,261	16,572	-	-	144,833
Germany	德國	135,761	292	-	-	136,053
Brazil	巴西	63,559	-	-	-	63,559
Spain	西班牙	60,260	-	-	-	60,260
Taiwan, China	中國台灣	26,662	-	-	-	26,662
Turkey	土耳其	14,681	-	-	-	14,681
Japan	日本	-	12,178	-	-	12,178
Italy	意大利	10,353	-	-	-	10,353
Korea	韓國	1,227	-	-	-	1,227
Other countries/regions	其他國家／地區	12,569	976	-	-	13,545
Total revenue from contracts with customers	來自與客戶訂立之合約的收益總額	1,509,631	263,188	37,093	8,435	1,818,347
Timing of revenue recognition	收益確認時間					
Goods transferred at a point in time	於某個時點轉讓之貨物	1,509,631	263,188	33,079	8,435	1,814,333
Services transferred over time	隨時間轉讓之服務	-	-	4,014	-	4,014
Total revenue from contracts with customers	來自與客戶訂立之合約的收益總額	1,509,631	263,188	37,093	8,435	1,818,347

31 December 2019
二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers (continued)

(a) Disaggregated revenue information (continued)

For the year ended 31 December 2018

Segments	分部	Dye and agricultural chemical intermediates 染料及農業化學品中間體 RMB'000 人民幣千元	Pigment intermediates 顏料中間體 RMB'000 人民幣千元	Environmental technology consultancy service 環保技術諮詢服務 RMB'000 人民幣千元	Battery materials 電池材料 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Types of goods or services	貨物或服務類型					
Sale of chemical intermediates and battery materials	銷售化學品中間體及電池材料	1,212,082	262,479	-	3,006	1,477,567
Sale of environmental technology equipment	銷售環保技術設備	-	-	33,294	-	33,294
Provision of consultancy and maintenance services	提供諮詢及運維服務	-	-	5,021	-	5,021
Total revenue from contracts with customers	來自與客戶訂立之合約的收益總額	1,212,082	262,479	38,315	3,006	1,515,882
Geographical markets	地區市場					
Mainland China	中國大陸	696,320	191,001	38,315	3,006	928,642
Indonesia	印度尼西亞	36,936	-	-	-	36,936
India	印度	123,192	40,886	-	-	164,078
United States	美國	82,254	12,175	-	-	94,429
Germany	德國	96,958	598	-	-	97,556
Brazil	巴西	28,331	-	-	-	28,331
Spain	西班牙	43,207	-	-	-	43,207
Taiwan, China	中國台灣	70,436	-	-	-	70,436
Turkey	土耳其	4,180	-	-	-	4,180
Japan	日本	-	17,240	-	-	17,240
Italy	意大利	17,597	-	-	-	17,597
Korea	韓國	7,292	-	-	-	7,292
Other countries/regions	其他國家／地區	5,379	579	-	-	5,958
Total revenue from contracts with customers	來自與客戶訂立之合約的收益總額	1,212,082	262,479	38,315	3,006	1,515,882
Timing of revenue recognition	收益確認時間					
Goods transferred at a point in time	於某個時點轉讓之貨物	1,212,082	262,479	33,294	3,006	1,510,861
Services transferred over time	隨時間轉讓之服務	-	-	5,021	-	5,021
Total revenue from contracts with customers	來自與客戶訂立之合約的收益總額	1,212,082	262,479	38,315	3,006	1,515,882

5. 收益、其他收入及收益 (續)

來自與客戶訂立之合約的收益 (續)

(a) 經分拆收益資料 (續)

截至二零一八年十月三十一日止年度



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers (continued)

(a) Disaggregated revenue information (continued)

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of chemical intermediates	2,696	4,485
Consultancy and maintenance services	3,705	-
	6,401	4,485

(b) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods, including chemical intermediates, battery materials and environmental technology equipment

The performance obligation is satisfied upon delivery of the industrial products and payment is generally due within 30 to 90 days from delivery, except for new customers and small-sized customers, where payment in advance is normally required.

5. 收益、其他收入及收益 (續)

來自與客戶訂立之合約的收益 (續)

(a) 經分拆收益資料 (續)

下表載列本報告期間確認的收益金額，當中包括於報告期初合約負債：

(b) 履約責任

有關本集團履約責任的資料概述如下：

銷售貨物 (包括化學品中間體、電池材料及環保技術設備)

履約責任於交付工業產品後履行，支付一般於交付起30至90日到期，除新客戶及小型客戶通常須提前付款外。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers (continued)

(b) Performance obligations (continued)

Provision of consultancy and maintenance services

Revenue from provision of consultancy and maintenance services is recognised over time and on a straight-line basis throughout the year.

The amounts of transaction prices allocated to the remaining performance obligations (partially unsatisfied) as at 31 December are as follows:

5. 收益、其他收入及收益 (續)

來自與客戶訂立之合約的收益 (續)

(b) 履約責任 (續)

提供諮詢及運維服務

提供諮詢及運維服務所得收益隨著時間確認，並於整個年度使用直線法確認。

於十二月三十一日，配發予餘下履約責任（部份未履約）的交易金額如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Amounts expected to be recognised as revenue:	預計確認為收益之金額：		
Within one year	一年內	4,527	7,480
After one year	一年以上	187	3,027
		4,714	10,507



5. REVENUE, OTHER INCOME AND GAINS

(continued)

Revenue from contracts with customers (continued)

(b) Performance obligations (continued)

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to consultancy and maintenance services, of which the performance obligations that are to be satisfied within two years. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year.

Other income and gains

5. 收益、其他收入及收益 (續)

來自與客戶訂立之合約的收益 (續)

(b) 履約責任 (續)

預期於一年後確認為收益之配發予餘下履約責任的交易金額與諮詢及運維服務相關，其中履約責任將在兩年內達成。配發予餘下履約責任的所有其他交易金額預期於一年內確認為收益。

其他收入及收益

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	410	999
Dividend income from equity investments at FVOCI	按公允價值計量且其變動計入其他全面收益之股權投資之股息收入	2,399	-
Government grants*	政府補助*	3,453	5,753
Sale of materials and scrap	銷售材料及廢料	2,789	4,413
Others	其他	466	323
		9,517	11,488

* For the year ended 31 December 2019, government grants amounting to RMB3,453,000 (2018:RMB5,753,000) were recognised as income for the year necessary to compensate the costs and facilitate the Group's development. There are no unfulfilled conditions or contingencies attached to the grants.

* 截至二零一九年十二月三十一日止年度，政府補助人民幣3,453,000元（二零一八年：人民幣5,753,000元）確認為年內收入，用以補足成本及促進本集團的發展。該等補助並無附帶任何未達成的條件或或然事項。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

6. FINANCE COSTS

An analysis of finance costs is as follows:

6. 財務成本

財務成本分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest on bank loans and other borrowings	銀行貸款及其他借款利息	42,484	38,411
Interest on lease liabilities	租賃負債利息	81	-
Other finance costs	其他財務成本	9,388	9,400
Less: Interest capitalised	減：資本化利息	(20,292)	(25,026)
		31,661	22,785

The weighted average interest rate of capitalisation for the year ended 31 December 2019 was 6.61% (for the year ended 31 December 2018: 6.02%).

截至二零一九年十二月三十一日止年度資本化金額的加權平均利率為6.61%（截至二零一八年十二月三十一日止年度：6.02%）。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

7. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging:

7. 除稅前溢利

本集團的除稅前溢利乃經扣除以下各項得出：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Notes 附註		
Cost of inventories sold	已售存貨的成本	775,653	988,558
Cost of services provided	提供服務成本	1,737	3,231
Depreciation of property, plant and equipment	物業、廠房及設備折舊	67,647	60,528
Depreciation of right-of-use assets (2018: amortisation of land lease payments)	使用權資產折舊 (二零一八年： 土地租賃款項攤銷)	4,961	4,573
Amortisation of intangible assets	無形資產攤銷	1,101	74
Research and development costs	研發成本	18,894	15,404
Lease payments not included in the measurement of lease liabilities	不計入計量租賃負債的 租賃付款	1,246	-
Auditor's remuneration	核數師薪酬	3,595	6,395
Employee benefit expense (excluding directors' and chief executive's remuneration):	僱員福利開支(不包括 董事及主要行政人員的 薪酬):		
Wages and salaries	工資及薪金	117,527	99,529
Pension and other social insurances	退休金及其他社會保險	33,574	26,331
Exchange losses, net	匯兌虧損淨額	8,402	17,555
Dividend income from equity investments at FVOCI	按公允價值計量且其變動 計入其他全面收益之 股權投資之股息收入	2,399	-
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損	52,035	719
Loss on disposal of items of property, plant and equipment	出售物業、廠房及設備 項目的虧損	5,410	1,987
Impairment of trade receivables	貿易應收款項減值	23	15
Write-down of inventories to net realisable value	存貨撇減至可變現淨值	1,991	1,686



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及主要行政人員的薪酬

於本年度根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部規定所披露之董事及主要行政人員薪酬載列如下：

		Group 本集團	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fees	袍金	1,250	875
Other emoluments:	其他酬金：		
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	4,626	2,303
Performance related bonuses*	表現花紅*	1,701	766
Pension scheme contributions	退休金計劃供款	393	336
		6,720	3,405
		7,970	4,280

* Certain directors of the Company are entitled to bonus payments which are determined as a percentage of the profit after tax of the Group.

* 本公司若干董事可獲發根據本集團除稅後溢利某一個百分比計算之花紅。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mr. Ho Kenneth Kai Chung	何啟忠先生	350	175
Mr. Zhu Lin	朱霖先生	350	175
Mr. Yu Miao	于淼先生	350	175
		1,050	525

There were no other emoluments payable to the independent non-executive directors during the year (2018: Nil).

8. 董事及主要行政人員的薪酬 (續)

(a) 獨立非執行董事

年內已付獨立非執行董事之袍金載列如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Mr. Ho Kenneth Kai Chung	何啟忠先生	350	175
Mr. Zhu Lin	朱霖先生	350	175
Mr. Yu Miao	于淼先生	350	175
		1,050	525

於年內，並無應付獨立非執行董事的其他酬金（二零一八年：無）。



8. DIRECTORS' AND CHIEF EXECUTIVE'S
REMUNERATION (continued)(b) Executive directors and non-executive
directors

8. 董事及主要行政人員的薪酬 (續)

(b) 執行董事及非執行董事

2019	二零一九年	Salaries, allowances and benefits				Performance related bonuses	Pension scheme contributions	Total
		Fees	in kind					
		袍金	實物福利	薪金、津貼及	表現花紅	退休金計劃供款	合計	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Executive directors:	執行董事：							
Mr. Ge Yi	戈弋先生	-	3,582	600	185	4,367		
Mr. Bai Kun	白崑先生	-	851	413	110	1,374		
Ms. Zhang Nan	張楠女士	-	193	538	98	829		
		-	4,626	1,551	393	6,570		
Non-executive director:	非執行董事：							
Mr. Fontaine Alain Vincent	Fontaine Alain Vincent先生	200	-	150	-	350		
		200	-	150	-	350		
Total	合計	200	4,626	1,701	393	6,920		



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (continued)

(b) Executive directors and non-executive directors (continued)

8. 董事及主要行政人員的薪酬 (續)

(b) 執行董事及非執行董事 (續)

2018	二零一八年	Fees 袍金	Salaries, allowances and benefits in kind	Performance related bonuses	Pension scheme contributions	Total 合計
			薪金、津貼及 實物福利	表現花紅	退休金 計劃供款	
		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
Executive directors:		執行董事：				
	Mr. Ge Yi		1,212	200	125	1,537
	Ms. Duan Weihua ⁽¹⁾		74	140	18	232
	Mr. Bai Kun		850	200	122	1,172
	Ms. Jin Ping ⁽¹⁾		167	226	71	464
			2,303	766	336	3,405
Non-executive directors:		非執行董事：				
	Mr. Xiao Yongzheng ⁽²⁾	175	-	-	-	175
	Mr. Fontaine Alain Vincent	175	-	-	-	175
		350	-	-	-	350
Total	合計	350	2,303	766	336	3,755

(1) Resigned on 6 July 2018 from the position of director.

(1) 於二零一八年七月六日辭任董事。

(2) Resigned on 10 January 2019 from the position of director.

(2) 於二零一九年一月十日辭任董事。

There was no arrangement under which a director waived or agreed to waive any remuneration during the year (2018: Nil).

於年內，概無任何董事放棄或同意放棄任何薪酬安排（二零一八年：無）。

31 December 2019
二零一九年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2018: two directors), details of the remuneration for the year of the remaining three (2018: three) highest paid employees who are not directors of the Company are as follows:

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	655	543
Performance related bonuses 表現花紅	3,658	1,605
Pension scheme contributions 退休金計劃供款	160	185
	4,473	2,333

The numbers of non-director highest paid employees whose remuneration fell within the following bands are as follows:

	Number of employees 僱員人數	
	二零一九年 2019	二零一八年 2018
Nil to RMB1,000,000 零至人民幣1,000,000元	-	3
RMB1,000,000 to RMB1,500,000 人民幣1,000,000元至 人民幣1,500,000元	2	-
RMB1,500,000 to RMB2,000,000 人民幣1,500,000元至 人民幣2,000,000元	-	-
RMB2,000,000 to RMB2,500,000 人民幣2,000,000元至 人民幣2,500,000元	1	-

No emoluments was paid by the Group to the directors or the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office during the year.

9. 五名最高薪酬僱員

於年內五名最高薪酬僱員包括兩名董事（二零一八年：兩名董事），並非本公司董事的餘下三名（二零一八年：三名）最高薪酬僱員於年內的薪酬詳情如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	655	543
Performance related bonuses 表現花紅	3,658	1,605
Pension scheme contributions 退休金計劃供款	160	185
	4,473	2,333

薪酬介乎以下範圍的非董事最高薪酬僱員的人數如下：

	Number of employees 僱員人數	
	二零一九年 2019	二零一八年 2018
Nil to RMB1,000,000 零至人民幣1,000,000元	-	3
RMB1,000,000 to RMB1,500,000 人民幣1,000,000元至 人民幣1,500,000元	2	-
RMB1,500,000 to RMB2,000,000 人民幣1,500,000元至 人民幣2,000,000元	-	-
RMB2,000,000 to RMB2,500,000 人民幣2,000,000元至 人民幣2,500,000元	1	-

於年內，本集團並無向任何董事或五名最高薪酬僱員支付任何薪酬作為吸引加入本集團或加入本集團時的獎勵或作為離職補償。



10. INCOME TAX

Cayman Islands

Under the current income tax laws of the Cayman Islands, the Company is not subject to tax on any income or capital gain.

Hong Kong

Under the current income tax laws of Hong Kong, companies are subject to Hong Kong profits tax at 16.5% on assessable profits arising in or derived from Hong Kong, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime effective from the year of assessment 2018/2019. The first HK\$2,000,000 (2018: Nil) of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

Singapore

Under the current income tax laws of Singapore, companies are subject to Singapore profits tax at 17.0% on assessable profits arising in or derived from Singapore.

Mainland China

The Company's subsidiaries in Mainland China are subject to income tax at 25% unless otherwise specified.

Under the prevailing PRC Corporate Income Tax Law and the relevant regulations, any dividends paid by the Company's PRC subsidiaries from their earnings derived after 1 January 2008 to the Company's Hong Kong subsidiary are subject to a 5% or 10%, depending on the applicability of the Sino-Hong Kong tax treaty, PRC dividend withholding tax. For the Group, the historical applicable rate is 5%. The Group is therefore liable for withholding taxes on retained earnings distributable by those subsidiaries established in the PRC in respect of their earnings generated from 1 January 2008.

10. 所得稅

開曼群島

根據開曼群島的現行所得稅法，本公司毋須就任何收入或資本收益繳納稅金。

香港

根據香港現行所得稅法，公司須就在香港產生或來自香港的應課稅溢利按16.5%的稅率繳納香港利得稅，惟本集團一間屬於自二零一八年／二零一九年評估年度生效的利得稅兩級制項下合資格實體的附屬公司除外。該附屬公司的首2,000,000港元（二零一八年：無）應課稅溢利以8.25%的稅率繳稅，而餘下應課稅溢利以16.5%的稅率繳稅。

新加坡

根據新加坡現行所得稅法，公司須就在新加坡產生或來自新加坡的應課稅溢利按17.0%的稅率繳納新加坡利得稅。

中國大陸

本公司於中國大陸附屬公司須按25%的稅率繳納所得稅（另有規定者除外）。

根據現行中國企業所得稅法及其相關法規，於二零零八年一月一日後，本公司之中國附屬公司須向本公司之香港附屬公司所派付之任何自其盈利衍生之股息為5%或10%，視乎中港稅收協定中國股息預扣稅之適用情況。就本集團而言，過往適用稅率為5%。因此，本集團就自二零零八年一月一日產生之盈利由該等於中國成立之附屬公司可予分派之保留盈利承擔預扣稅之義務。



31 December 2019
二零一九年十二月三十一日

10. INCOME TAX (continued)

Mainland China (continued)

10. 所得稅(續)

中國大陸(續)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current – Mainland China	即期 – 中國大陸		
Charge for the year	年內支出	191,339	74,953
Underprovision in prior years	過往年度撥備不足	4,598	–
Current – Elsewhere	即期 – 其他地方	7,342	3,073
Deferred (note 27)	遞延(附註27)	(11,924)	8,072
Total tax charge for the year	年內稅項支出總額	191,355	86,098

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for Mainland China, in which the majority of the Company's subsidiaries are domiciled, to the tax expense at the effective tax rate is as follows:

採用中國大陸(本公司大部份附屬公司所在地)法定稅率計算的除稅前溢利適用的稅項開支與按實際稅率計算的稅務開支對賬如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit before tax	除稅前溢利	709,639	308,915
Tax at the statutory income tax rate (25%)	按法定所得稅稅率(25%)計算的稅項	177,409	77,229
Effect of different tax rates	稅率差異的影響	1,080	735
Non-deductible expenses	不可扣減開支	2,373	3,110
Income not subject to tax	毋須課稅的收入	(630)	(172)
Additional deduction of research and development costs	研發成本加計扣減	(3,404)	(2,677)
Adjustments in respect of current tax of previous periods	有關過往期間的即期稅項的調整	4,598	–
Tax losses utilised from previous periods	動用過往期間的稅項虧損	(186)	(789)
Temporary differences (including tax losses) not recognised	未確認之暫時性差額(包括稅項虧損)	875	575
Withholding tax	預扣稅	9,240	8,087
Total income tax expense	所得稅開支總額	191,355	86,098



11. ARRANGEMENTS WITH CHINA NATIONAL OFFSHORE OIL SALE (BEIJING) CO., LTD.

The Group entered into arrangements with China National Offshore Oil Sale (Beijing) Co., Ltd. ("CNOOC"), an unrelated party, for the sale of products. Based on these arrangements, CNOOC is considered as the agent for and on behalf of the Group in the respective sale transactions.

In the sale arrangements, the Group has latitude in establishing prices and the primary responsibility for providing the goods to the customer, and bears inventory risk during shipment and credit risk for the amount receivable from end customers. Accordingly, the Group recognises revenue from the sale of products based on the respective amounts billed to end customers. Under all the above-mentioned arrangements, CNOOC provides certain administrative work and financing service (on improving the Group's working capital management) in return for service and interest charges, respectively. The financing service under the arrangements of sale of products is related to expediting settlement of receivables. The service charges paid on administrative work relating to the sale of products form part of the selling and distribution expenses of the Group. Financing charges are recognised during the years ended 31 December 2019 and 2018 as other finance costs in profit or loss.

12. DIVIDENDS

11. 與中海油銷售(北京)股份有限公司的安排

本集團與中海油銷售(北京)股份有限公司(「中海油銷售(北京)」,一名非關聯方)就銷售產品訂立安排。根據該等安排,中海油銷售(北京)就各項銷售交易中被視為本集團的代理人。

在銷售安排中,本集團可自由制定價格,其主要責任為向客戶提供貨物、在船運中承擔存貨風險及就應收終端客戶的應收款項承擔信貸風險。因此,本集團根據向終端客戶發出票據的各自金額確認來自銷售產品的收益。根據所有上述安排,中海油銷售(北京)提供若干行政工作及融資服務(就提高本集團營運資金管理)以分別換取服務及利息收費。銷售產品安排項下的融資服務與促進應收款項的交收有關。就有關銷售產品的行政工作所支付的服務收費構成本集團的銷售及分銷開支的一部份。融資收費於截至二零一九年及二零一八年十二月三十一日止年度均確認為損益中的其他財務成本。

12. 股息

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	<i>Notes</i> 附註		
Final dividend proposed after the end of the reporting period of RMB0.092 per share (2018: RMB0.064 per share)	(a)	95,532	66,527
Special dividend approved by the Board after the end of the reporting period of RMB0.058 per share (2018: Nil)	(b)	60,227	-
		155,759	66,527

12. DIVIDENDS (continued)

Note:

- (a) The Directors recommend a final dividend of RMB0.092 (2018: RMB0.064) per ordinary share in respect of the year ended 31 December 2019. The proposed dividend was not recognised as a liability as at the end of the reporting period, since it is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.
- (b) The Board has resolved, after the reporting period, to declare and pay a special dividend of RMB0.058 per share (the "Special Dividend"). The Special Dividend was not recognised as a liability as the end of the reporting period.

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 1,039,263,000 (2018: 1,044,197,000) in issue during the year.

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2019 and 2018.

The calculations of basic and diluted earnings per share are based on:

12. 股息 (續)

附註：

- (a) 截至二零一九年十二月三十一日止年度，董事建議派發末期股息每股普通股人民幣0.092元（二零一八年：人民幣0.064元）。建議股息並未於報告期末確認為負債，原因為其須待本公司股東於應屆股東週年大會上批准後方可作實。
- (b) 董事會在報告期後議決派付特別股息每股人民幣0.058元（「特別股息」）。特別股息於報告期末並未確認為負債。

13. 母公司普通股權益擁有人應佔每股盈利

每股基本盈利乃基於母公司普通股權益擁有人應佔年內溢利及年內已發行普通股加權平均數1,039,263,000股（二零一八年：1,044,197,000股）計算。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無具潛在攤薄影響之已發行普通股。

每股基本及攤薄盈利乃基於以下各項計算：

		2019 二零一九年	2018 二零一八年
Earnings	盈利		
Profit for the year attributable to ordinary equity holders of the parent (RMB'000)	母公司普通股權益持有者應佔年內溢利（人民幣千元）	517,927	222,901
Shares	股份數目		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation ('000)	用於計算每股基本盈利的年內已發行普通股加權平均數（千股）	1,039,263	1,044,197



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

		Buildings	Machinery and equipment	Office equipment	Motor vehicles	Construction in progress	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2019	二零一九年十二月三十一日						
At 31 December 2018 and 1 January 2019:	於二零一八年十二月三十一日及 二零一九年一月一日：						
Cost	成本	403,664	537,158	14,431	2,866	902,176	1,860,295
Accumulated depreciation and impairment	累計折舊及減值	(86,179)	(262,204)	(13,349)	(2,478)	-	(364,210)
Net carrying amount	賬面淨值	317,485	274,954	1,082	388	902,176	1,496,085
At 1 January 2019, net of accumulated depreciation and impairment	於二零一九年一月一日， 扣除累計折舊及減值	317,485	274,954	1,082	388	902,176	1,496,085
Additions	添置	134	15,856	1,669	1,885	132,302	151,846
Disposals	出售	(180)	(6,373)	(10)	(368)	-	(6,931)
Depreciation provided during the year	年內提撥的折舊	(15,211)	(51,454)	(586)	(396)	-	(67,647)
Impairment	減值	(337)	(16,165)	-	-	(35,533)	(52,035)
Transfers	轉固	72,322	228,979	1,123	-	(302,424)	-
At 31 December 2019, net of accumulated depreciation and impairment	於二零一九年十二月三十一日， 扣除累計折舊及減值	374,213	445,797	3,278	1,509	696,521	1,521,318
At 31 December 2019:	於二零一九年十二月三十一日：						
Cost	成本	475,688	759,899	17,180	3,104	732,054	1,987,925
Accumulated depreciation and impairment	累計折舊及減值	(101,475)	(314,102)	(13,902)	(1,595)	(35,533)	(466,607)
Net carrying amount	賬面淨值	374,213	445,797	3,278	1,509	696,521	1,521,318

14. PROPERTY, PLANT AND EQUIPMENT*(continued)***Impairment assessment in 2019**

In accordance with the Group's accounting policies, each asset or cash-generating unit ("CGU") is evaluated at least annually at the end of each reporting period, to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

As at 31 December 2019, attributed to a sluggish market demand and a continuously insufficient capacity utilisation rate in two production lines, which were TCCBM CGU (a production line in pigment intermediates segment manufacturing TCCBM) and NMP CGU (a production line in dye and agricultural chemical intermediates segment manufacturing NMP), management has performed impairment assessments by comparing the carrying values of the assets of these CGUs with their recoverable amounts. The recoverable amounts were estimated based on their values in use ("VIU") as determined by discounting the future cash flows to be generated from the continuing use of these CGUs. The pre-tax discount rates of TCCBM CGU and NMP CGU were 22.55% and 14.27% respectively. Key assumptions used for the VIU calculations are unit selling price, production volumes, unit cost as well as residual values. Based on the above-mentioned impairment assessments, the recoverable amounts, carrying amounts and impairment provision of the TCCBM CGU and the NMP CGU as at 31 December 2019 are as follows:

		Recoverable amounts	Carrying amounts	Impairment provision
		可收回金額	賬面值	減值撥備
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
TCCBM CGU	TCCBM現金產生單位	3,522	10,966	7,444
NMP CGU	NMP現金產生單位	9,361	17,447	8,086

14. 物業、廠房及設備 (續)**二零一九年之減值評估**

根據本集團之會計政策，每項資產或現金產生單位（「現金產生單位」）至少於各報告期末進行評估，以釐定有否出現任何減值跡象。倘出現任何減值跡象，則正式估計可收回金額。

於二零一九年十二月三十一日，由於市場低迷及兩條生產線（即TCCBM現金產生單位（製造TCCBM的顏料中間體分部的一條生產線）及NMP現金產生單位（製造NMP的染料及農業化學品中間體分部的一條生產線））的產能利用率持續不足，管理層對比該等現金產生單位資產的賬面值與其可收回金額，進行減值評估。可收回金額乃按照持續使用該等現金產生單位產生的未來現金流量貼現釐定的使用價值（「使用價值」）估計。TCCBM現金產生單位和NMP現金產生單位的稅前折現率分別為22.55%以及14.27%。使用價值計算所用主要假設為單位售價、產量、單位成本及殘值。根據上述減值評估，TCCBM現金產生單位及NMP現金產生單位於二零一九年十二月三十一日之可收回金額、賬面值及減值撥備如下：



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT

(continued)

Impairment assessment in 2019 (continued)

As at 31 December 2019, certain equipment used for researching and testing during the construction of the production line of battery materials would be no longer used along with the completion of the construction. An impairment provision of RMB35,533,000 was made based on fair values less costs to sell. The fair value was derived from market quotations. The fair values less costs to sell, carrying amount and impairment provision as at 31 December 2019 are as follows:

	Fair values less cost to sell 公允價值減 出售成本 RMB'000 人民幣千元	Carrying amounts 賬面值 RMB'000 人民幣千元	Impairment provision 減值撥備 RMB'000 人民幣千元	
Certain equipment of construction in process	在建工程若干設備	2,000	37,533	35,533

14. 物業、廠房及設備 (續)

二零一九年之減值評估 (續)

於二零一九年十二月三十一日，於建設電池材料生產線時用作研究及檢測之若干設備於建設完成時不再使用。人民幣35,533,000元之減值撥備乃基於公允價值減出售成本作出。公允價值乃源自市場報價。於二零一九年十二月三十一日，公允價值減出售成本、賬面值及減值撥備如下：



31 December 2019
二零一九年十二月三十一日14. PROPERTY, PLANT AND EQUIPMENT
(continued)

14. 物業、廠房及設備 (續)

		Buildings	Machinery and equipment	Office equipment	Motor vehicles	Construction in progress	Total
		樓宇	機器及設備	辦公設備	汽車	在建工程	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
31 December 2018	二零一八年十二月三十一日						
At 31 December 2017 and 1 January 2018:	於二零一七年十二月三十一日及 二零一八年一月一日:						
Cost	成本	332,925	496,659	13,051	2,821	582,758	1,428,214
Accumulated depreciation and impairment	累計折舊及減值	(71,219)	(224,408)	(10,678)	(2,171)	-	(308,476)
Net carrying amount	賬面淨值	261,706	272,251	2,373	650	582,758	1,119,738
At 1 January 2018, net of accumulated depreciation and impairment	於二零一八年一月一日， 扣除累計折舊及減值	261,706	272,251	2,373	650	582,758	1,119,738
Additions	添置	-	6,967	691	45	432,331	440,034
Disposals	出售	-	(2,438)	(2)	-	-	(2,440)
Depreciation provided during the year	年內提撥的折舊	(14,960)	(42,564)	(2,697)	(307)	-	(60,528)
Impairment	減值	-	(719)	-	-	-	(719)
Transfers	轉固	70,739	41,457	717	-	(112,913)	-
At 31 December 2018, net of accumulated depreciation and impairment	於二零一八年十二月三十一日， 扣除累計折舊及減值	317,485	274,954	1,082	388	902,176	1,496,085
At 31 December 2018:	於二零一八年十二月三十一日:						
Cost	成本	403,664	537,158	14,431	2,866	902,176	1,860,295
Accumulated depreciation and impairment	累計折舊及減值	(86,179)	(262,204)	(13,349)	(2,478)	-	(364,210)
Net carrying amount	賬面淨值	317,485	274,954	1,082	388	902,176	1,496,085



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

14. PROPERTY, PLANT AND EQUIPMENT

(continued)

Included in the property, plant and equipment as at 31 December 2019 and 2018 were certain buildings with net book values of RMB2,046,000 and RMB2,471,000, respectively, of which the property certificates have not been obtained.

The Directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The Directors are also of the opinion that the aforesaid matter will not have any significant impact on the Group's financial position for the year.

15. LEASES

The Group as a lessee

The Group has lease contracts for various items of plant and machinery, office premises and other equipment used in its operations. Lump sum payments were made upfront to acquire the leased land from the owners with lease periods of 6 to 50 years, and no ongoing payments will be made under the terms of these land leases. The lease of plant and machinery and the lease of office premises have lease terms of two years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

14. 物業、廠房及設備 (續)

於二零一九年及二零一八年十二月三十一日的物業、廠房及設備包括賬面淨值分別為人民幣2,046,000元及人民幣2,471,000元的若干尚未取得房產證的樓宇。

董事認為本集團有權合法及有效佔用及使用上述樓宇。董事亦認為上述事宜將不會對本集團於年內財務狀況造成任何重大影響。

15. 租賃

本集團作為承租人

本集團擁有所用於其營運之廠房及機器、辦公物業及其他設備多個項目的租賃合約。已提前作出一次性付款以向業主獲取租賃土地，租期為6至50年，根據該等土地租賃的條款，將不會繼續支付任何款項。廠房及機器以及辦公物業的租期為2年。一般而言，本集團不可向本集團以外人士轉讓及分租租賃資產。



31 December 2019
二零一九年十二月三十一日

15. LEASES (continued)

The Group as a lessee (continued)

(a) Prepaid land lease payments (before 1 January 2019)

		RMB'000 人民幣千元
Carrying amount at 1 January 2018	於二零一八年一月一日之賬面值	85,002
Recognised in profit or loss during the year	年內於損益中確認	(4,573)
Carrying amount at 31 December 2018	於二零一八年十二月三十一日之賬面值	80,429

(b) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

15. 租賃 (續)

本集團作為承租人 (續)

(a) 預付土地租賃款項 (二零一九年一月一日之前)

		RMB'000 人民幣千元
Carrying amount at 1 January 2018	於二零一八年一月一日之賬面值	85,002
Recognised in profit or loss during the year	年內於損益中確認	(4,573)
Carrying amount at 31 December 2018	於二零一八年十二月三十一日之賬面值	80,429

(b) 使用權資產

本集團使用權資產的賬面值及年內變動如下：

		Prepaid land lease payment 預付土地 租賃款項 RMB'000 人民幣千元	Office premises 辦公物業 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
As at 1 January 2019	於二零一九年一月一日	80,429	-	-	80,429
Addition	添置	-	1,171	7,268	8,439
Depreciation charge	折舊開支	(4,573)	(388)	-	(4,961)
As at 31 December 2019	於二零一九年 十二月三十一日	75,856	783	7,268	83,907



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

15. LEASES (continued)

The Group as a lessee (continued)

(c) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

		2019 二零一九年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	-
New leases	新租賃	8,439
Accretion of interest recognised during the year	年內已確認利息增幅	81
Payments	付款	(439)
Carrying amount at 31 December	於十二月三十一日之賬面值	8,081
Analysed into:	分析為：	
Current portion	即期部分	4,522
Non-current portion	非即期部分	3,559

(d) The amounts recognised in profit or loss in relation to leases are as follows:

(d) 於損益中確認的租賃相關款項如下：

		2019 二零一九年 RMB'000 人民幣千元
Interest on lease liabilities	租賃負債利息	81
Depreciation charge of right-of-use assets	使用權資產折舊開支	4,961
Expense relating to short-term leases and other leases with remaining lease terms ended on or before 31 December 2019 (included in cost of sales)	與短期租賃及餘下租期於二零一九年十二月三十一日或之前到期的其他租賃有關的開支(計入銷售成本)	1,246
Total amount of recognised in profit or loss	損益中確認款項總額	6,288

Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

16. EQUITY INVESTMENTS DESIGNATED AT FVOCI 16. 指定按公允價值計量且其變動計入其他全面收益之股權投資

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Equity investments designated at FVOCI	指定按公允價值計量且其變動計入其他全面收益之股權投資		
Quoted equity investments, at fair value:	按公允價值計量之有報價股權投資：		
Investment managed by an investment agency	由投資代理管理之投資	8,413	9,287
Equity investment in a listed company	於上市公司之股權投資	25,897	-
Unquoted equity investment, at fair value	按公允價值計量之無報價股權投資	16,920	-
Total	總計	51,230	9,287

The above equity investments were irrevocably designated at FVOCI as the Group considers these investments to be strategic in nature.

In 2019, the Group recognised a loss of RMB4,715,000 to other comprehensive income regarding the fair value change of equity investments designated at FVOCI (2018: a loss of RMB1,041,000).

上述股權投資不可撤銷地指定為按公允價值計量且其變動計入其他全面收益，因為本集團認為該等投資在性質上屬策略投資。

於二零一九年，本集團就有關指定按公允價值計量且其變動計入其他全面收益之股權投資之公允價值變動之其他全面收益確認虧損人民幣4,715,000元（二零一八年：虧損人民幣1,041,000元）。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

17. INTANGIBLE ASSETS

17. 無形資產

		Technological		Total 總計
		Software 軟件	Know-how 非專利技術	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
31 December 2019				
Cost at 1 January 2019, net of accumulated amortisation	二零一九年十二月三十一日 於二零一九年一月一日之成本， 扣除累積攤銷	3,086	–	3,086
Additions	添置	166	20,575	20,741
Amortisation provided during the year	年內攤銷撥備	(319)	(782)	(1,101)
At 31 December 2019	於二零一九年十二月三十一日	2,933	19,793	22,726
At 31 December 2019:	於二零一九年十二月三十一日：			
Cost	成本	3,333	20,575	23,908
Accumulated amortisation	累計攤銷	(400)	(782)	(1,182)
Net carrying amount	賬面淨值	2,933	19,793	22,726
31 December 2018				
At 1 January 2018:	於二零一八年一月一日：			
Cost	成本	1,220	–	1,220
Accumulated amortisation	累計攤銷	(7)	–	(7)
Net carrying amount	賬面淨值	1,213	–	1,213
Cost at 1 January 2018, net of accumulated amortisation	於二零一八年一月一日之成本， 扣除累計攤銷	1,213	–	1,213
Additions	添置	1,947	–	1,947
Amortisation provided during the year	年內攤銷撥備	(74)	–	(74)
At 31 December 2018	於二零一八年十二月三十一日	3,086	–	3,086
At 31 December 2018 and at 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日			
Cost	成本	3,167	–	3,167
Accumulated amortisation	累計攤銷	(81)	–	(81)
Net carrying amount	賬面淨值	3,086	–	3,086

Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

18. INVENTORIES

18. 存貨

		31 December 2019	31 December 2018
		二零一九年 十二月三十一日	二零一八年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Raw materials	原材料	41,814	44,338
Work in progress	在製品	17,231	26,937
Finished goods	製成品	217,154	140,409
		276,199	211,684
Less: Impairment provision	減：減值撥備	(1,991)	(1,686)
		274,208	209,998

As at 31 December 2019, none of the Group's inventories was pledged as security for the Group's bank loans (2018: Nil).

於二零一九年十二月三十一日，本集團存貨概無被抵押作本集團銀行貸款的抵押品（二零一八年：無）。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

19. TRADE RECEIVABLES

19. 貿易應收款項

		31 December 2019	31 December 2018
		二零一九年 十二月三十一日	二零一八年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	204,059	187,076
Impairment	減值	(783)	(760)
		203,276	186,316

The Group's trading terms with its customers are mainly on credit, except for new customers and small-sized customers, where payment in advance is normally required. The credit period is generally one month for domestic customers, extending up to three months for overseas customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control on certain of its outstanding receivables.

Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

除新客戶及小型客戶通常須提前付款外，本集團與其客戶的主要交易條款為信貸。就國內客戶而言，信貸期一般為一個月，對於海外客戶則延長至最多三個月。每位客戶均有最大信貸上限。本集團力求對若干尚未收回的應收款項保持嚴格監控。

逾期結餘由高級管理層定期審閱。鑒於前文所述及本集團的貿易應收款項牽涉到大量不同客戶，本集團並無重大信貸集中風險。本集團並未就其貿易應收款項結餘持有任何抵押品或其他提高信貸工具。貿易應收款項為不計息。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

19. TRADE RECEIVABLES (continued)

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Within 1 month	一個月內	108,563	79,625
1 month to 2 months	一個月至兩個月	44,606	50,558
2 months to 3 months	兩個月至三個月	20,345	23,283
3 months to 4 months	三個月至四個月	60	9,789
Over 4 months	四個月以上	29,702	23,061
		203,276	186,316

The movement in the loss allowance for impairment of trade receivables is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
At the beginning of year	於年初	760	745
Impairment provided	已計提減值	23	15
At end of year	於年末	783	760

19. 貿易應收款項 (續)

於各報告日期末的貿易應收款項的賬齡分析
(基於發票日期並經扣除虧損撥備) 如下:

貿易應收款項減值虧損撥備的變動如下:



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

19. TRADE RECEIVABLES (continued)

The increase (2018: increase) in the loss allowance was due to a net increase (2018: decrease) in the gross carrying amount after the settlement of trade receivables and origination of new trade receivables.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if the Group is satisfied that recovery of the amount is remote.

The Group applies the simplified approach to the provision for expected credit losses prescribed by HKFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. To measure the expected credit loss on trade receivables, trade receivables have been grouped based on shared credit risk characteristics and the ageing.

19. 貿易應收款項 (續)

虧損撥備增加(二零一八年：增加)乃由於因結算貿易應收款項及產生新的貿易應收款項後賬面總額淨增加(二零一八年：減少)所致。

於各報告日期均採用撥備矩陣進行減值分析，以計量預期信貸虧損。該計算反映或然率加權結果、貨幣時值及於報告日期可得的有關過往事項、當前條件及未來經濟條件預測的合理及可靠資料。一般而言，倘本集團認為收回款項之機會甚微則會撇銷貿易應收款項。

本集團就香港財務報告準則第9號規定的預期信貸虧損撥備採納簡化方法，該方法允許就所有貿易應收款項採用全期預期虧損撥備。為計量貿易應收款項的預期信貸虧損，本集團按照共同信貸風險特徵及賬齡將貿易應收款項分組。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

19. TRADE RECEIVABLES (continued)

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 December 2019

		Within 1 year 一年內	Between 1 and 2 years 一年至 兩年	Between 2 and 3 years 兩年至 三年	Over 3 years 三年以上	Total 合計
Expected credit loss rate	預期信貸虧損率	0.01%	0.35%	1.61%	100.00%	-
Gross carrying amount (RMB'000)	總賬面值 (人民幣千元)	186,012	9,964	7,469	614	204,059
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	14	35	120	614	783

19. 貿易應收款項 (續)

有關本集團採用撥備矩陣計量的貿易應收款項的信貸風險資料載列如下：

於二零一九年十二月三十一日

As at 31 December 2018

		Within 1 year 一年內	Between 1 and 2 years 一年至 兩年	Between 2 and 3 years 兩年至 三年	Over 3 years 三年以上	Total 合計
Expected credit loss rate	預期信貸虧損率	0.02%	1.21%	3.81%	100.00%	-
Gross carrying amount (RMB'000)	總賬面值 (人民幣千元)	177,658	8,721	83	614	187,076
Expected credit losses (RMB'000)	預期信貸虧損 (人民幣千元)	38	105	3	614	760



20. NOTES RECEIVABLE

Notes receivable of the Group are all bank acceptance notes and are usually settled within six months from their respective dates of issue. None of the notes receivable as at the end of the years ended 31 December 2019 or 2018 was past due or impaired.

Transferred financial assets that are not derecognised in their entirety:

The Group endorsed certain notes receivable accepted by banks in Mainland China (the “Endorsed Notes”) with aggregate carrying amounts of RMB23,767,000 and RMB40,221,000 as at 31 December 2019 and 2018, respectively, to certain of its suppliers in order to settle trade payables due to such suppliers (the “Endorsement”). In the opinion of the Directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Notes, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Notes and the associated other payables. Subsequent to the Endorsement, the Group did not retain any rights to the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. None of the Endorsed Notes settled during the year have been recouped as at the end of the year.

20. 應收票據

本集團的應收票據均為銀行承兌票據，並通常於其各自發行日期起六個月內結算。於截至二零一九年或二零一八年十二月三十一日止年度末，概無應收票據逾期或減值。

未全部終止確認的已轉讓金融資產：

本集團背書若干獲中國大陸銀行接納的應收票據（「背書票據」）予其若干供貨商，以支付結欠該等供貨商的貿易應付款項，於二零一九年及二零一八年十二月三十一日的總賬面值分別為人民幣23,767,000元及人民幣40,221,000元（「背書」）。董事認為，本集團實質上仍保留風險及回報，當中包括相關背書票據的違約風險，因此，本集團持續確認背書票據的全額賬面值及相關其他應付款項。背書後，本集團並無保留任何使用背書票據的任何權利，包括出售、轉讓或抵押背書票據予任何其他第三方。於年末，概無於年內結算的背書票據被追索。



20. NOTES RECEIVABLE (continued)

Transferred financial assets that are derecognised in their entirety:

The Group endorsed certain notes receivable accepted by banks in Mainland China (the “Derecognised Notes”) to certain of its suppliers in order to settle the trade payables due to such suppliers with aggregate carrying amounts of RMB401,492,000 and RMB280,589,000 as at 31 December 2019 and 2018, respectively. The Derecognised Notes have a maturity from one to six months at the end of the respective reporting periods. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Notes have a right of recourse against the Group if the PRC banks default (the “Continuing Involvement”). In the opinion of the Directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Notes. Accordingly, it has derecognised the full carrying amounts of the Derecognised Notes and the associated trade payables. The maximum exposure to loss from the Group’s Continuing Involvement in the Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the Directors, the fair values of the Group’s Continuing Involvement in the Derecognised Notes are not significant.

For the years ended 31 December 2019 and 2018, the Group has not recognised any gain or loss on the dates of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the years ended 31 December 2019 and 2018 or cumulatively.

20. 應收票據 (續)

全部終止確認的已轉讓金融資產：

本集團向其若干供應商就獲中國大陸的銀行接納的若干應收票據（「解除確認票據」）背書，以結算於二零一九年及二零一八年十二月三十一日賬面值總額分別為人民幣401,492,000元及人民幣280,589,000元的應付該等供應商的貿易應付款項。於各報告期末，解除確認票據的到期日介乎一至六個月。根據中國的票據法，在中國的銀行違約的情況下，解除確認票據的持有人對本集團有追索權（「持續責任」）。董事認為，本集團已轉讓有關解除確認票據的幾乎所有風險及回報。因此，其已解除確認解除確認票據的全部賬面值及相關貿易應付款項。本集團於解除確認票據的持續責任及購回該等解除確認票據的未貼現現金流量產生的最大虧損風險等於其賬面值。董事認為，本集團於解除確認票據的持續責任的公允價值並不重大。

截至二零一九年及二零一八年十二月三十一日止年度，本集團並無於轉讓解除確認票據日期確認任何損益。於截至二零一九年及二零一八年十二月三十一日止年度或累計過程中均概無確認持續責任產生的損益。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

21. PREPAYMENTS AND OTHER RECEIVABLES

21. 預付款項及其他應收款項

		31 December 2019	31 December 2018
		二零一九年 十二月三十一日	二零一八年 十二月三十一日
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Advance to suppliers	給予供應商的墊款	121,563	141,964
Prepaid land lease payments	預付土地租賃款項	-	4,366
Deductible value added tax	可扣減增值稅	24,658	69,248
Other receivables	其他應收款項	41,217	50,495
		187,438	266,073

For the financial assets above, an impairment analysis is performed at each reporting date by considering the probability of default by applying a loss rate approach with reference to the historical loss record of the Group. The loss rate is adjusted to reflect the current conditions and forecasts of future economic conditions, as appropriate. For other receivables above, they have specific due dates or settlement schedule. Management considers the probability of default as minimal.

Deductible value added tax are to be deducted in next year. Advance to suppliers and other receivables are unsecured and interest-free.

就上述金融資產而言，本集團已於各報告日期進行減值分析，方式為參考本集團歷史虧損記錄使用虧損率方法考慮違約概率。虧損率已作調整，以反映當前狀況及未來經濟狀況預付（倘適用）。就上述其他應收款項而言，其擁有具體逾期日期或結算計劃。管理層認為違約的可能性甚低。

可減扣增值稅將於下一年度減扣。給予供應商的墊款及其他應收款項無抵押且免息。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

22. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

22. 現金及現金等價物以及受限現金

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	108,740	154,043
Less: Restricted cash-current	減：受限現金－即期	(3,896)	(20,170)
Restricted cash-non current	受限現金－非即期	-	(9,598)
Cash and cash equivalents	現金及現金等價物	104,844	124,275
Denominated in RMB	以人民幣計值	100,249	75,818
Denominated in other currencies	以其他貨幣計值	4,595	48,457
Cash and cash equivalents	現金及現金等價物	104,844	124,275

Note:

(a) As at 31 December 2019, the Group's bank balances of approximately RMB821,000 were deposited as a guarantee fund for the salary of rural workers pursuant to the related government regulations.

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances and restricted bank deposits are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents and the restricted bank deposits approximate to their fair values.

附註：

(a) 於二零一九年十二月三十一日，本集團之銀行結餘約人民幣821,000元已存入銀行，根據相關政府法規作為農民工薪金之保證基金。

人民幣不能自由兌換成其他貨幣。然而，根據中國大陸的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權經營外匯業務之銀行將人民幣兌換成其他貨幣。銀行現金根據每日銀行存款利率按浮動利率計息。銀行結餘及受限制銀行存款乃存放於聲譽卓著且並無近期違約記錄的銀行。現金及現金等價物以及受限制銀行存款的賬面值與其公允價值相若。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

23. TRADE PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date is as follows:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Within 1 month	一個月內	150,792	128,829
1 month to 2 months	一個月至兩個月	17,303	50,580
2 months to 3 months	兩個月至三個月	4,223	22,120
Over 3 months	三個月以上	110,955	143,977
		283,273	345,506

The trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days.

貿易應付款項為不計息，並通常按30日至90日的付款期限結算。

24. OTHER PAYABLES AND ACCRUALS

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Accrued salaries, wages and benefits	應計薪金、工資及福利	54,124	36,634
Due to related parties	應付關聯方款項	-	123
Payables under the Endorsement	背書項下的應付款項	23,767	40,221
Current portion of lease liabilities	租賃負債的即期部分	4,522	-
Other payables	其他應付款項	37,394	23,932
		119,807	100,910

The above amounts are unsecured, interest-free and have no fixed terms of repayment.

以上款項均無擔保、不計息且無固定償還期限。

23. 貿易應付款項

於各報告期末貿易應付款項之賬齡分析（根據發票日期計算）載列如下：

24. 其他應付款項及應計費用

Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

25. 計息銀行及其他借款

		31 December 2019 二零一九年十二月三十一日			31 December 2018 二零一八年十二月三十一日		
		Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元	Effective interest rate (%) 實際利率(%)	Maturity 到期日	RMB'000 人民幣千元
Current	即期						
Bank loans – secured	銀行貸款 – 有抵押	4.61-7.20	2020	264,274	4.52-7.20	2019	309,438
Other borrowings – secured	其他借款 – 有抵押	10.83-13.45	2020	19,646	10.83-10.84	2019	55,388
				283,920			364,826
Non-current	非即期						
Bank loans – secured	銀行貸款 – 有抵押			–	5.29	2020	274,528
Other borrowings – secured	其他借款 – 有抵押	10.83-13.45	2022	29,885	10.83-10.84	2020	11,863
				29,885			286,391
Total	合計			313,805			651,217
Analysed into:	分析如下：						
Bank loans and other borrowings repayable:	須於以下時間償還的 銀行貸款及其他借款：						
Within one year	一年內			283,920			364,826
In the second year	第二年			27,748			286,391
In the third to fifth years, inclusive	第三年至第五年 (包括首尾兩年)			2,137			–
				313,805			651,217



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

25. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

Notes:

- (a) The Group had unutilised banking facilities of RMB39,881,000 in aggregate as at 31 December 2019 (2018: Nil).
- (b) Certain of the Group's interest-bearing bank and other borrowings as at 31 December 2019 were secured by:
- (i) certain of the Group's property, plant and equipment of RMB110,925,000 as at 31 December 2019 (2018: RMB175,202,000);
- (ii) certain of the Group's right-of-use assets of RMB52,323,000 (2018: prepaid land lease payment of RMB48,072,000); and
- (iii) certain of the Group's account receivables of RMB40,707,000 (2018: Nil).
- (c) Except for a bank loan of RMB90,274,000, which is denominated in United States dollars, all the interest-bearing bank and other borrowings are denominated in RMB.

25. 計息銀行及其他借款 (續)

附註：

- (a) 合共於二零一九年十二月三十一日，本集團合共擁有尚未使用之銀行授信額度人民幣39,881,000元（二零一八年：無）。
- (b) 本集團於二零一九年十二月三十一日之若干計息銀行及其他借款以下列各項作抵押：
- (i) 本集團於二零一九年十二月三十一日為數人民幣110,925,000元之若干物業、廠房及設備（二零一八年：人民幣175,202,000元）；
- (ii) 本集團為數人民幣52,323,000元之若干使用權資產（二零一八年：預付土地租賃款項人民幣48,072,000元）；及
- (iii) 本集團為數人民幣40,707,000元之若干貿易應收款項（二零一八年：無）；
- (c) 除人民幣90,274,000元之銀行貸款以美元計值外，所有計息銀行及其他借款以人民幣計值。

26. DEFERRED INCOME

26. 遞延收入

	31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Government grants	23,434	23,316

27. DEFERRED TAX

The components of deferred tax assets of the Group are as follows:

27. 遞延稅項

本集團遞延稅項資產之組成部份載列如下：

		Impairment of inventories	Impairment of trade receivables	Impairment of property, plant and equipment	Government grants	Accrued expenses	Change of tax base of property, plant and equipment/ intangible assets 物業、廠房及 設備／無形 資產之稅基	Tax losses	Unrealized profits	Total
		存貨減值 RMB'000 人民幣千元	貿易應收 款項減值 RMB'000 人民幣千元	物業、廠房及 設備之減值 RMB'000 人民幣千元	政府補助 RMB'000 人民幣千元	應計開支 RMB'000 人民幣千元	變動 RMB'000 人民幣千元	稅項虧損 RMB'000 人民幣千元	未變現溢利 RMB'000 人民幣千元	合計 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	421	191	1,711	5,643	3,558	3,496	8,911	-	23,931
Deferred tax credited/(charged) to profit or loss during the year (Note 10)	年內計入損益/ (自損益中扣除)之 遞延稅項(附註10)	76	6	12,595	171	(169)	(1,018)	(891)	5,211	15,981
At 31 December 2019	於二零一九年十二月三十一日	497	197	14,306	5,814	3,389	2,478	8,020	5,211	39,912
At 1 January 2018	於二零一八年一月一日	209	187	1,531	5,202	2,657	4,616	9,514	-	23,916
Deferred tax credited/(charged) to profit or loss during the year (Note 10)	年內計入損益/ (自損益中扣除)之 遞延稅項(附註10)	212	4	180	441	901	(1,120)	(603)	-	15
At 31 December 2018	於二零一八年十二月三十一日	421	191	1,711	5,643	3,558	3,496	8,911	-	23,931



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

27. DEFERRED TAX (continued)

The Group has unrecognised tax losses arising from entities operating in Mainland China of RMB6,148,000 (2018: RMB2,757,000) that will expire in three to five years, for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses and deductible temporary differences as it is considered not probable that sufficient taxable profits will be available against which the unused tax losses can be utilised by the Group.

The component of deferred tax liabilities of the Group is as follows:

27. 遞延稅項 (續)

本集團於中國大陸經營之實體產生之未確認稅項虧損人民幣6,148,000元(二零一八年: 人民幣2,757,000元)(將於三至五年內屆滿), 對未來應課稅溢利產生沖銷。尚未就該等虧損及可減扣暫時差額確認遞延稅項資產, 原因為其認為可能將不會有充足應課稅溢利可用作對本集團可使用的未動用稅項虧損的抵銷。

本集團遞延稅項負債之組成部份載列如下:

		Withholding tax 預扣稅 RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	-
Deferred tax credited to profit or loss during the year (Note 10)	計入年內損益的遞延稅項 (附註10)	8,087
As at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	8,087
Deferred tax charged to profit or loss during the year (Note 10)	於年內損益內扣除的遞延稅項 (附註10)	4,057
As at 31 December 2019	於二零一九年十二月三十一日	12,144



27. DEFERRED TAX (continued)

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributable by those subsidiaries established in Mainland China. As at 31 December 2019, the subsidiaries of the Company located in Mainland China had retained profits of RMB907,437,000. Based on the management's estimation of profits to be distributed in foreseeable future, dividends of RMB242,880,000 will be distributed from Mainland China to overseas holding companies. Therefore, deferred tax liability of RMB12,144,000 was recognised for the retained profits generated from subsidiaries located in Mainland China. Management expects that except for the aforementioned dividends, the remaining retained profits will be used for the subsidiaries' continuing reinvestment.

27. 遞延稅項 (續)

根據中國企業所得稅法，於中國大陸成立的外商投資企業向外商投資者宣派的股息，須按10%的稅率徵收預扣稅。該規定自二零零八年一月一日起生效，並適用於二零零七年十二月三十一日後的盈利。倘中國大陸與外商投資者所在司法權區已簽訂稅務協議，則可採用較低的5%的預扣稅率。因此，本集團須就在中國大陸成立的附屬公司所產生的盈利而分配的股息履行徵收預扣稅的義務。於二零一九年十二月三十一日，本公司位於中國大陸的附屬公司錄得保留溢利人民幣907,437,000元。根據管理層對可見未來將予分派的溢利的估計，中國大陸的附屬公司將向海外控股公司派發人民幣242,880,000元的股息。因此，遞延所得稅負債人民幣12,144,000元確認為位於中國大陸之附屬公司產生之保留溢利。管理層預期，除上述股息外，餘下保留溢利將用作附屬公司的持續投資之用。

29. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

Statutory reserve

In accordance with the PRC regulations and the articles of association of the companies now comprising the Group, before distributing the net profit of each year, companies of the Group registered in the PRC are required to set aside 10% of their statutory net profit for the year after offsetting any prior year's losses as determined under relevant PRC accounting standards to the statutory surplus reserve fund. When the balance of this reserve reaches 50% of each company's share capital, any further appropriation is optional. The statutory surplus reserve fund can be utilised to offset prior years' losses or to issue bonus shares. However, the statutory surplus reserve fund must be maintained at a minimum of 25% of each entity's share capital after such issuance.

Safety production fund

Pursuant to certain regulations issued by the Ministry of Finance and the State Administration of Work Safety of the PRC, the Group is required to set aside an amount to a safety production fund at certain percentages (less than RMB10 million: 4%; from RMB10 million to RMB100 million: 2%; from RMB100 million to RMB1 billion: 0.5%; greater than RMB1 billion: 0.2%) of the previous year's operating revenue. The fund can be used for improvements of safety, and is not available for distribution to shareholders. The balance of the safety production fund in equity represents the safety fund that was set aside but not yet used.

Capital reserve

Share capital of the Group's subsidiaries before the incorporation of the Company is recorded as capital reserve.

Capital reserve also included the difference between the consideration paid by the Company for the acquisition of subsidiaries pursuant to the Reorganisation and the net assets of the subsidiaries being acquired at the time of the Reorganisation.

29. 儲備

本集團於當前年度及過往年度的儲備金額及其變動於綜合權益變動表內呈列。

法定儲備

根據中國法規及本集團現時旗下公司之組織章程細則，每年分派純利前，本集團在中國註冊的公司須於抵銷根據相關中國會計準則所釐定的往年虧損後，將其年度法定純利的10%撥至法定盈餘儲備基金。當該儲備的結餘達至各公司股本的50%時，各公司可選擇是否繼續進行撥資。法定盈餘儲備基金可用於抵銷往年的虧損或發行紅股。然而，該法定盈餘儲備基金必須至少維持在發行後該實體股本的25%。

安全生產基金

根據中國財政部及國家安全生產監督管理總局頒佈的若干法規，本集團需按特定百分比從上一年度之經營收益撥出一定金額（人民幣100萬元以下：4%，人民幣100萬元至人民幣1000萬元：2%，人民幣1000萬元至人民幣1億元：0.5%，人民幣1億元以上：0.2%）至安全生產基金。該安全生產基金可用於改善生產安全條件但不可用於向股東進行分派。權益中餘下的安全生產基金指已撥出但尚未使用的安全基金。

資本儲備

本集團附屬公司於本公司註冊成立前之股本乃入賬列作資本儲備。

資本儲備亦包括本公司根據重組收購附屬公司支付的代價與於重組時被收購附屬公司的資產淨值之間的差額。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of RMB8,439,000 and RMB8,439,000, respectively, in respect of lease arrangements for plant and equipment and office premises. (2018: Nil)

(b) Changes in liabilities arising from financing activities

2019

30. 綜合現金流量表附註

(a) 主要非現金交易

年內，本集團就廠房及設備以及辦公物業之租賃安排分別擁有使用權資產及租賃負債之非現金添置為人民幣8,439,000元及人民幣8,439,000元（二零一八年：無）。

(b) 融資活動所產生的負債變動

二零一九年

		Interest-bearing bank and other borrowings (non-current) 計息銀行及其他借款（非即期） RMB'000 人民幣千元	Interest-bearing bank and other borrowings (current) 計息銀行及其他借款（即期） RMB'000 人民幣千元	Lease liabilities 租賃負債 RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	286,391	364,826	–
New leases	新租賃	–	–	8,439
Changes from financing cash flows	融資現金流量變動	(256,506)	(80,906)	(358)
Interest expense	利息開支	–	–	81
Interest paid classified as operating cash flows	分類為經營現金流量之已付利息	–	–	(81)
At 31 December 2019	於二零一九年十二月三十一日	29,885	283,920	8,081



30. NOTES TO THE CONSOLIDATED STATEMENT
OF CASH FLOWS (continued)(b) Changes in liabilities arising from financing activities
(continued)

2018

		Interest-bearing bank and other borrowings (non-current) 計息銀行及 其他借款 (非即期) RMB'000 人民幣千元	Interest-bearing bank and other borrowings (current) 計息銀行及 其他借款 (即期) RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	387,421	194,576
Changes from financing cash flows	融資現金流量變動	(101,030)	170,250
At 31 December 2018	於二零一八年十二月三十一日	286,391	364,826

Changes in assets arising from financing activities

2019

		Other non-current assets 其他 非流動資產 RMB'000 人民幣千元	Restricted cash (current) 受限現金 (即期) RMB'000 人民幣千元	Restricted cash (non-current) 受限現金 (非即期) RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	16,045	20,170	9,598
Less: Changes from financing cash flows	減：融資現金流量變動	14,745	19,195	9,598
Less: Decrease classified as operating cash flows	減：分類為經營現金流量減少	(4,075)	(2,921)	-
Less: Decrease classified as investing cash flows	減：分類為投資現金流量減少	(509)	-	-
At 31 December 2019	於二零一九年十二月三十一日	5,884	3,896	-

30. 綜合現金流量表附註 (續)

(b) 融資活動所產生的負債變動 (續)

二零一八年

		Interest-bearing bank and other borrowings (non-current) 計息銀行及 其他借款 (非即期) RMB'000 人民幣千元	Interest-bearing bank and other borrowings (current) 計息銀行及 其他借款 (即期) RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	387,421	194,576
Changes from financing cash flows	融資現金流量變動	(101,030)	170,250
At 31 December 2018	於二零一八年十二月三十一日	286,391	364,826

融資活動所產生的資產變動

二零一九年

		Other non-current assets 其他 非流動資產 RMB'000 人民幣千元	Restricted cash (current) 受限現金 (即期) RMB'000 人民幣千元	Restricted cash (non-current) 受限現金 (非即期) RMB'000 人民幣千元
At 1 January 2019	於二零一九年一月一日	16,045	20,170	9,598
Less: Changes from financing cash flows	減：融資現金流量變動	14,745	19,195	9,598
Less: Decrease classified as operating cash flows	減：分類為經營現金流量減少	(4,075)	(2,921)	-
Less: Decrease classified as investing cash flows	減：分類為投資現金流量減少	(509)	-	-
At 31 December 2019	於二零一九年十二月三十一日	5,884	3,896	-



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

30. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

(b) Changes in liabilities arising from financing activities (continued)

2018

		Other non-current assets 其他非流動資產 RMB'000 人民幣千元	Restricted cash (current) 受限現金 (即期) RMB'000 人民幣千元	Restricted cash (non-current) 受限現金 (非即期) RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	13,303	17,868	7,449
Less: Changes from financing cash flows	減：融資現金流量變動	(1,441)	(2,207)	(2,149)
Less: Decrease classified as operating cash flows	減：分類為經營現金流量減少	(1,301)	(95)	-
At 31 December 2018	於二零一八年十二月三十一日	16,045	20,170	9,598

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

30. 綜合現金流量表附註 (續)

(b) 融資活動所產生的負債變動 (續)

二零一八年

	Other non-current assets 其他非流動資產 RMB'000 人民幣千元	Restricted cash (current) 受限現金 (即期) RMB'000 人民幣千元	Restricted cash (non-current) 受限現金 (非即期) RMB'000 人民幣千元
At 1 January 2018	13,303	17,868	7,449
Less: Changes from financing cash flows	(1,441)	(2,207)	(2,149)
Less: Decrease classified as operating cash flows	(1,301)	(95)	-
At 31 December 2018	16,045	20,170	9,598

(c) 租賃現金流出總額

計入現金流量表之租賃現金流出總額如下：

		2019 二零一九年 RMB'000 人民幣千元
Within operating activities	經營活動內	81
Within investing activities	投資活動內	-
Within financing activities	融資活動內	358
		439

Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

31. CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2019 (2018: Nil).

32. COMMITMENTS

(a) The Group had the following capital commitments at the end of the reporting period:

Contracted, but not provided for: 已訂約但並未撥備:

Plant and machinery	廠房及機器	144,688	126,965
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(b) Operating lease commitments as at 31 December 2018

At 31 December 2018, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

Within one year	一年內	4,353
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	-

4,353

31. 或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債(二零一八年：無)。

32. 承擔

(a) 本集團於報告期末的資本承擔載列如下：

31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
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(b) 於二零一八年十二月三十一日之經營租賃承擔

於二零一八年十二月三十一日，本集團未來所有不可撤銷經營租賃承擔最低金額如下：

31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

33. RELATED PARTY TRANSACTIONS

- (a) In addition to the transactions detailed elsewhere in these consolidated financial statements, the Group had the following transactions with related parties during the year:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Purchases of products and services:	購買產品及服務：		
Cangzhou Qianshengyuan Hotel Management Co., Ltd.	滄州千盛源酒店管理有限公司	256	148
Cangzhou Aomu Agricultural Development Co., Ltd.	滄州澳牧農業發展有限公司	227	-
Dongguang No. 29 Hotel Co., Ltd.	東光縣府前二十九號大酒店有限公司	-	194
Huage Holdings Group Co., Ltd. ("Huage Holdings")	華戈控股集團有限公司 (「華戈控股」)	210	-
Cangzhou Wugu Food Technology Co., Ltd.	滄州五谷食尚食品科技有限公司	600	478

Note:

- (i) The purchases from the related parties were made according to the published prices and conditions offered by the related parties to their major customers.
- (ii) These related parties are all entities controlled by close family members of the de facto controller of the Group.
- (b) Outstanding balance with a related party:

The Group had outstanding balance with the following related party:

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Other payables and accruals:	其他應付款項及應計費用：		
Huage Holdings	華戈控股	-	123
		-	123

The above balance is unsecured, non-interest-bearing and repayable on demand.

33. 關聯方交易

- (a) 除該等綜合財務報表其他部份詳述的交易外，本集團曾於年內與關聯方進行以下交易：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Purchases of products and services:	購買產品及服務：		
Cangzhou Qianshengyuan Hotel Management Co., Ltd.	滄州千盛源酒店管理有限公司	256	148
Cangzhou Aomu Agricultural Development Co., Ltd.	滄州澳牧農業發展有限公司	227	-
Dongguang No. 29 Hotel Co., Ltd.	東光縣府前二十九號大酒店有限公司	-	194
Huage Holdings Group Co., Ltd. ("Huage Holdings")	華戈控股集團有限公司 (「華戈控股」)	210	-
Cangzhou Wugu Food Technology Co., Ltd.	滄州五谷食尚食品科技有限公司	600	478

附註：

- (i) 來自關聯方之採購乃按關聯方向其主要客戶提供的已公佈價格及條件作出。
- (ii) 該等關聯方均為本集團實際控制者的緊密家庭成員控制的全部實體。
- (b) 與關聯方之間的未結算結餘：

本集團與以下關聯方之間有未結算的結餘：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Other payables and accruals:	其他應付款項及應計費用：		
Huage Holdings	華戈控股	-	123
		-	123

以上結餘為無抵押、不計息及須按要求償還。

Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

33. RELATED PARTY TRANSACTIONS (continued)

- (c) Guarantees received from related parties
- As at 31 December 2019, none of the bank loans was guaranteed by related parties.
- (d) Compensation of key management personnel of the Group

33. 關聯方交易 (續)

- (c) 關聯方提供的擔保
- 於二零一九年十二月三十一日，概無銀行貸款由關聯方提供擔保。
- (d) 本集團主要管理人員的酬金：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Compensation paid to key management personnel (Note 8)	向主要管理人員支付的酬金 (附註8)	6,720	3,405

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of each reporting period are as follows:

2019

34. 按類別劃分的金融工具

各類金融工具於各報告期末的賬面值載列如下：

二零一九年

		Financial assets at FVOCI 按公允價值計量 且其變動計入 其他全面收益之 金融資產 RMB'000 人民幣千元	Financial assets at amortised cost 按攤銷成本 列賬之 金融資產 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Financial assets 金融資產				
Trade receivables	貿易應收款項	—	203,276	203,276
Notes receivables	應收票據	—	82,761	82,761
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	—	39,178	39,178
Restricted cash	受限現金	—	3,896	3,896
Cash and cash equivalents	現金及現金等價物	—	104,844	104,844
Equity investments designated at FVOCI	指定按公允價值計量且其變動計入其他全面收益之股權投資	51,230	—	51,230
Financial assets included in other non-current assets	計入其他非流動資產的金融資產	—	5,200	5,200
		51,230	439,155	490,385



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

34. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

2019

34. 按類別劃分的金融工具 (續)

二零一九年

Financial liabilities				Financial liabilities at amortised cost
金融負債				按攤銷成本列賬之金融負債
				RMB'000
				人民幣千元
Trade payables	貿易應付款項			283,273
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債			65,683
Interest-bearing bank and other borrowings	計息銀行及其他借款			313,805
Lease liabilities (non-current portion)	租賃負債 (非即期部分)			3,559
				666,320
<hr/>				
2018		二零一八年		
		Financial assets at FVOCI	Financial assets at amortised cost	Total
		按公允價值計量且其變動計入其他全面收益之金融資產	按攤銷成本列賬之金融資產	合計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<hr/>				
Trade receivables	貿易應收款項	-	186,316	186,316
Notes receivables	應收票據	-	68,224	68,224
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	-	50,495	50,495
Restricted cash	受限現金	-	29,768	29,768
Cash and cash equivalents	現金及現金等價物	-	124,275	124,275
Equity investments designated at FVOCI	指定按公允價值計量且其變動計入其他全面收益之股權投資	9,287	-	9,287
Financial assets included in other non-current assets	計入其他非流動資產的金融資產	-	14,744	14,744
		9,287	473,822	483,109

Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

34. FINANCIAL INSTRUMENTS BY CATEGORY

(continued)

2018

34. 按類別劃分的金融工具 (續)

二零一八年

		Financial liabilities at amortised cost 按攤銷成本列賬之金融負債 RMB'000 人民幣千元
Financial liabilities 金融負債		
Trade payables	貿易應付款項	345,506
Financial liabilities included in other payables and accruals	計入其他應付款項及應計費用的金融負債	64,276
Interest-bearing bank and other borrowings	計息銀行及其他借款	651,217
		<hr/>
		1,060,999



35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13 “Fair Value Measurement”. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs, i.e., unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs, i.e., observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

At 31 December 2019 and 31 December 2018, the financial instruments of the Group carried at fair value were equity investments designated at FVOCI. These instruments fall into Level 1 and level 3 of the fair value hierarchy described above, respectively.

35. 金融工具之公允價值及公允價值等級制度

(a) 按公允價值計量的金融資產及負債

公允價值等級

下表列示於報告期末按經常性基準計量的金融工具公允價值，且分類為香港財務報告準則第13號「公允價值計量」界定的三級公允價值層級。本集團參照以下估值方法所採用的輸入數據的可觀察程度及重要性，釐定公允價值計量所應被分類的層級：

- 第一層級估值：僅使用第一層級輸入數據（即相同資產或負債於計量日於活躍市場的未經調整報價）計量的公允價值。
- 第二層級估值：使用第二層級輸入數據（即未能達到第一層級標準且未使用重大不可觀察輸入數據的可觀察輸入數據）計量的公允價值。不可觀察輸入數據乃無法就其取得市場數據的輸入數據。
- 第三層級估值：使用重大不可觀察輸入數據計量的公允價值。

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團按公允價值列賬之金融工具為指定按公允價值計量且其變動計入其他全面收益的股權投資。該等工具分別列入上述公允價值等級之第一層級及第三層級。



31 December 2019
二零一九年十二月三十一日

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

Financial assets:
Quoted equity investments at fair value
Unquoted equity investments at fair value

金融資產：
有報價股權投資，按公允價值計量
無報價股權投資，按公允價值計量

35. 金融工具之公允價值及公允價值等級制度 (續)

(a) 按公允價值計量的金融資產及負債 (續)

公允價值等級 (續)

Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日之公允價值計量分類為			
Fair value at 31 December 2019 於二零一九年十二月三十一日之公允價值 RMB'000 人民幣千元	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	相同資產於活躍市場之報價之公允價值 (第一層級) RMB'000 人民幣千元	重大可觀察輸入數據 (第二層級) RMB'000 人民幣千元	重大不可觀察輸入數據 (第三層級) RMB'000 人民幣千元
34,310	34,310	-	-
16,920	-	-	16,920
51,230	34,310	-	16,920

34,310	34,310	-	-
16,920	-	-	16,920
51,230	34,310	-	16,920

Fair value measurements as at 31 December 2018 categorised into 於二零一八年十二月三十一日之公允價值計量分類為

Fair value at 31 December 2018 於二零一八年十二月三十一日之公允價值 RMB'000 人民幣千元	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	相同資產於活躍市場之報價 (第一層級) RMB'000 人民幣千元	重大可觀察輸入數據 (第二層級) RMB'000 人民幣千元	重大不可觀察輸入數據 (第三層級) RMB'000 人民幣千元
9,287	9,287	-	-

Financial assets:
Quoted equity investments in listed companies, at fair value

金融資產：
於上市公司之有報價股權投資，按公允價值計量

9,287 9,287 - -



35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

Fair value hierarchy (continued)

The fair values of listed equity investments are based on quoted market prices. The Group invests in unlisted investments, which represent an investment to a fund. The Group has estimated the fair value of the investment based on net assets of the underlying project of the fund given that the underlying project was still under early stage of development. The Directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

(b) Fair values of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost were not materially different from their fair values as at 31 December 2019 and 31 December 2018.

35. 金融工具之公允價值及公允價值等級制度 (續)

(a) 按公允價值計量的金融資產及負債 (續)

公允價值等級 (續)

上市股權投資之公允價值以有報價市價為基準。本集團於非上市投資之投資指於基金之投資。本集團估計，鑒於相關項目仍處於初期發展階段，投資的公允價值乃以基金的相關項目的資產淨值為基準。董事認為，估值技術產生的估計公允價值（於綜合財務狀況表內列賬）及公允價值的相關變動（於其他全面收益內列賬）乃屬合理，且其於報告期末為更為適當的價值。

(b) 按公允價值以外之價值列賬之金融資產及負債之公允價值

於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團按成本或攤銷成本列賬之金融工具之賬面值與其公允價值並無重大差異。



36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise bank loans, other financial liabilities and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and notes receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. Management reviews and agrees policies for managing each of these risks and they are summarised below.

Foreign currency risk

Substantially all sales and purchase transactions were denominated in RMB and United States dollars. Management has assessed the Group's exposure to foreign currency risk, by using a sensitivity analysis on the change in foreign exchange rate of the United States dollars, to which the Group is mainly exposed during the years ended 31 December 2019 and 2018.

As at 31 December 2019, if RMB had strengthened/weakened by 5% against the United States dollar with all other variables held constant, the profit for the year would have been approximately RMB739,538 (2018: RMB14,334,300) lower/higher, mainly as a result of foreign exchange losses/gains arising from translations of United States dollar-denominated trade receivables and bank loans.

Credit risk

The Group trades only with related parties and recognised creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

36. 財務風險管理目標及政策

本集團的主要金融工具包括銀行貸款、其他金融負債以及現金及銀行結餘。該等金融工具的主要目標乃為本集團的業務籌集資金。本集團擁有各種其他金融資產及負債，例如直接來自業務營運的貿易應收款項及應收票據以及貿易應付款項。

來自本集團金融工具的主要風險為外幣風險、信貸風險及流動資金風險。管理層審閱及協定管理各項風險的政策，該等政策概述如下。

外幣風險

幾乎所有買賣交易均以人民幣及美元列值。管理層已通過使用美元外匯匯率變動（本集團於截至二零一九年及二零一八年十二月三十一日止年度主要面臨此種風險）的敏感度分析評估本集團面臨的外幣風險。

於二零一九年十二月三十一日，倘人民幣兌美元升值／貶值5%，而所有其他變數保持不變，年內溢利將減少／增加約人民幣739,538元（二零一八年：人民幣14,334,300元），此乃主要由換算以美元計值的貿易應收款項及銀行貸款產生的外匯虧損／收益所致。

信貸風險

本集團僅與關聯方及聲譽卓著的第三方交易。按照本集團的政策，所有擬以信貸條款進行交易的客戶，必須通過信貸核實程序。此外，本集團持續監察應收結餘的情況，而本集團的壞賬風險並不重大。



36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Maximum exposure and year-end staging

The table below shows the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

Maximum exposure and year-end staging as at 31 December 2019

36. 財務風險管理目標及政策 (續)

最高風險及年末賬齡

下表列示基於本集團信貸政策（主要基於過往到期資料，惟其他資料毋須付出過多成本或努力即可得除外）之信貸質素及最高信貸風險以及於十二月三十一日之年末賬齡分析：

最高風險及於二零一九年十二月三十一日之年末賬齡

		12-month ECLs		Lifetime ECLs		
		十二個月預期信貸虧損		全期預期信貸虧損		
		Stage 1	Stage 2	Stage 3	Simplified approach	Total
		第一階段	第二階段	第三階段	簡化方法	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Trade receivables*	貿易應收款項*	-	-	-	204,059	204,059
Notes receivables	應收票據	82,761	-	-	-	82,761
Financial assets included in prepayments and other receivables	計入預付款項及其他應收款項之金融資產					
- Normal	- 正常	39,178	-	-	-	39,178
Financial assets included in Other non-current assets	計入其他非流動資產之金融資產	5,200	-	-	-	5,200
Restricted cash	受限現金	3,896	-	-	-	3,896
Cash and cash equivalents	現金及現金等價物	104,844	-	-	-	104,844
		235,879	-	-	204,059	439,938

* For trade receivable to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 19 to the financial statements.

* 就本集團使用簡化法作出減值的貿易應收款項而言，有關撥備矩形之資料於財務資料附註19內披露。



36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Maximum exposure and year-end staging** (continued)**Maximum exposure as at 31 December 2018****36. 財務風險管理目標及政策** (續)**最高風險及年末賬齡** (續)**於二零一八年十二月三十一日之最高風險**

		12-month ECLs 十二個月預期 信貸虧損	Lifetime ECLs 全期預期信貸虧損			Total 合計
		Stage 1 第一階段 RMB'000 人民幣千元	Stage 2 第二階段 RMB'000 人民幣千元	Stage 3 第三階段 RMB'000 人民幣千元	Simplified approach 簡化方法 RMB'000 人民幣千元	
Trade receivables*	貿易應收款項*	-	-	-	187,076	187,076
Bills receivable	應收票據	68,224	-	-	-	68,224
Financial assets included in prepayments and other receivables	計入預付款項 及其他應收款項之 金融資產					
- Normal	- 正常	50,495	-	-	-	50,495
Restricted cash	受限現金	29,768	-	-	-	29,768
Cash and cash equivalents	現金及現金等價物	124,275	-	-	-	124,275
		272,762	-	-	187,076	459,838

Further quantitative data in respect of the Group's exposure to credit risk arising from trade receivables are disclosed in note 19 to the financial statements.

有關本集團貿易應收款項產生之信貸風險涉及的定量數據詳情於財務資料附註19內披露。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Liquidity risk

The management of the Group aims to maintain sufficient cash and cash equivalents and the Group has available funding through an adequate amount of committed credit facilities to meet its commitments.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

36. 財務風險管理目標及政策 (續)

流動資金風險

本集團管理層旨在維持充足的現金及現金等價物，且本集團透過充足的已承擔信貸融資擁有可動用的資金，以滿足其承擔。

本集團金融負債於各報告期間末的到期情況(根據已訂約但未貼現付款計算)如下：

		As at 31 December 2019 於二零一九年十二月三十一日					
		On demand	Less than 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
		按要求	少於六個月	十二個月	一年至兩年	兩年以上	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	-	209,871	120,217	27,748	2,137	359,973
Lease liabilities	租賃負債	-	2,375	2,375	4,310	-	9,060
Trade payables	貿易應付款項	170,859	112,414	-	-	-	283,273
Other payables and accruals	其他應付款項及應計費用	65,683	-	-	-	-	65,683
		236,542	324,660	122,592	32,058	2,137	717,989



36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)**Liquidity risk (continued)**

		As at 31 December 2018 於二零一八年十二月三十一日					
		On demand	Less than 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
		按要求	少於六個月	十二個月	一年至兩年	兩年以上	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	-	160,948	159,007	379,680	-	699,635
Trade payables	貿易應付款項	128,829	216,677	-	-	-	345,506
Other payables and accruals	其他應付款項及應計費用	64,276	-	-	-	-	64,276
		193,105	377,625	159,007	379,680	-	1,109,417

Interest-bearing bank and other borrowings include the principal and the interest.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year.

36. 財務風險管理目標及政策 (續)**流動資金風險 (續)**

		As at 31 December 2018 於二零一八年十二月三十一日					
		On demand	Less than 6 months	6 to 12 months	1 to 2 years	Over 2 years	Total
		按要求	少於六個月	十二個月	一年至兩年	兩年以上	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Interest-bearing bank and other borrowings	計息銀行及其他借款	-	160,948	159,007	379,680	-	699,635
Trade payables	貿易應付款項	128,829	216,677	-	-	-	345,506
Other payables and accruals	其他應付款項及應計費用	64,276	-	-	-	-	64,276
		193,105	377,625	159,007	379,680	-	1,109,417

計息銀行及其他借款包括本金及利息。

資本管理

本集團資本管理的主要目標為保障本集團能夠持續經營，並維持合理的資本比率以支持其業務及儘量提升股東價值的能力。

本集團根據經濟狀況的變動及相關資產的風險性質管理其資本架構及作出調整。為維持或調整資本架構，本集團可調整支付予股東的股息、向股東退回資本或發行新股。本集團並無受任何外部強加的資本要求所限。於年內，管理資本的目標、政策或過程並無變動。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Capital management (continued)

The Group's strategy was to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its business. The gearing ratios were as follows:

36. 財務風險管理目標及政策 (續)

資本管理 (續)

本集團的策略為將資產負債比率維持在健康資本水平，以支持其業務。本集團採取的主要策略包括但不限於審閱未來現金流量要求及於債務到期時按時間表還款的能力、維持可動用銀行融資在合理水平以及調整投資計劃及融資計劃（如需要），以確保本集團擁有合理水平的資本支持其業務。資產負債比率載列如下：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
Total debt	債務總額	313,805	651,217
Total equity	權益總額	1,766,441	1,319,885
Gearing ratio	資產負債比率	17.76%	49.34%

Total debt comprises interest-bearing bank and other borrowings.

債務總額包括計息銀行及其他借款。



37. EVENTS AFTER THE REPORTING PERIOD

The impact from novel coronavirus (COVID-19)

Since early January 2020, COVID-19 outbreak has spread across Mainland China and beyond, causing certain impact on the business operations of the Group. Due to the controls implemented by the government, the Group has to delay the resumption plan after the Spring Festival. Upon the effective control of this epidemic in Mainland China, the Group has resumed production by the end of February 2020. The Group considers this epidemic to be a non-adjusting post balance sheet event and will monitor the developments of COVID-19 situation closely, assess and react actively to its impact on the financial position and operating results of the Group.

37. 報告期後事項

新型冠狀病毒 (COVID-19) 之影響

自二零二零年一月上旬以來，新型冠狀病毒 (COVID-19) 已在中國大陸及其他國家和地區蔓延，對本集團的生產運營產生影響。由於政府的控制措施，本集團不得不推遲春節後的複產計劃。隨著中國大陸疫情得以有效控制，本集團自二零二零年二月末起已恢復生產。本集團認為此疫情是資產負債表後的非調整性事件，並將密切監視COVID-19的發展，評估其對本集團財務狀況和經營結果的影響並作出積極反應。



Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

38. 本公司財務狀況表

本公司於報告期末的財務狀況表相關資料載列如下：

		31 December 2019 二零一九年 十二月三十一日 RMB'000 人民幣千元	31 December 2018 二零一八年 十二月三十一日 RMB'000 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investment in a subsidiary	投資一間附屬公司	80,303	80,303
Equity investments designated at FVOCI	指定按公允價值計量 且其變動計入其他 全面收益之股權投資	25,897	-
Total non-current assets	非流動資產總值	106,200	80,303
CURRENT ASSETS	流動資產		
Due from subsidiaries	應收附屬公司款項	666,777	683,292
Restricted cash	受限現金	9	-
Dividend receivable	應收股息	18,851	-
Cash and cash equivalents	現金及現金等價物	556	2,425
Total current assets	流動資產總值	686,193	685,717
CURRENT LIABILITIES	流動負債		
Other payables and accruals	其他應付款項及應計費用	14,230	6,046
NET CURRENT ASSETS	流動資產淨值	671,963	679,671
Net assets	資產淨值	778,163	759,974
EQUITY	權益		
Share capital	股本	67,088	67,491
Treasury shares	庫存股份	-	(11,031)
Reserves (Note)	儲備(附註)	711,075	703,514
Total equity	權益總額	778,163	759,974

Notes to Financial Statements

財務資料附註

31 December 2019
二零一九年十二月三十一日

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note:

A summary of the Company's reserves is as follows:

38. 本公司財務狀況表 (續)

附註：

本公司儲備概述如下：

		Attributable to owners of the parent 母公司擁有人應佔				Total
		Share premium	Translation reserve	Retained profits	Fair value reserve of financial assets at FVOCI	
		股份溢價	匯兌儲備	保留溢利	公允價值儲備	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	650,827	35,095	(51,633)	-	634,289
Profit for the year	本年度溢利	-	-	-	-	-
Other comprehensive income for the year:	本年度其他全面收益：	-	-	78,265	-	78,265
Exchange differences on translation of foreign operations	換算外國業務的匯兌差額	-	33,577	-	-	33,577
Total comprehensive income for the year	本年度全面收益總額	-	33,577	78,265	-	111,842
Dividend distributed to the shareholders	已分派予股東的股息	-	-	(42,617)	-	(42,617)
At 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及 二零一九年一月一日	650,827	68,672	(15,985)	-	703,514
Profit for the year	本年度溢利	-	-	83,467	-	83,467
Other comprehensive income for the year:	本年度其他全面收益：	-	-	-	(1,771)	(1,771)
Exchange differences on translation of foreign operations	換算外國業務的匯兌差額	-	10,902	-	-	10,902
Total comprehensive income for the year	本年度全面收益總額	-	10,902	83,467	(1,771)	92,598
Dividend distributed to shareholders	已分派予股東的股息	-	-	(66,527)	-	(66,527)
Cancellation of own shares	註銷自有股份	(18,510)	-	-	-	(18,510)
At 31 December 2019	於二零一九年十二月三十一日	632,317	79,574	955	(1,771)	711,075

39. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 25 March 2020.

39. 批准財務報表

此等財務報表已於二零二零年三月二十五日獲董事會核准並授權刊發。



Definitions 釋義

「股東週年大會」 「AGM」	指	本公司將於二零二零年六月十二日舉行的股東週年大會 annual general meeting of our Company to be held on 12 June 2020
「組織章程細則」 「Articles of Association」	指	本公司組織章程細則(經不時修訂)，於二零一五年六月十二日經股東書面決議案批准並自上市日期起生效 the articles of association of our Company (as amended from time to time), approved by the written resolutions of the Shareholders on 12 June 2015 and effective from the Listing Date
「審核委員會」 「Audit Committee」	指	董事會審核委員會 audit committee of the Board
「董事會」 「Board」	指	本公司董事會 the board of Directors
「Cavalli」 「Cavalli」	指	Cavalli Enterprises Inc.，於二零一一年三月十一日在英屬處女群島註冊成立的有限公司，由我們的執行董事、主席、行政總裁戈弋先生全資擁有 Cavalli Enterprises Inc., a company incorporated in the British Virgin Islands with limited liability on 11 March 2011, wholly-owned by Mr. Ge Yi, our executive Director, Chairman and Chief Executive Officer
「本公司」或「我們」或「彩客化學」 「Company」, 「our」, 「our Company」, 「we」, 「us」 or 「Tsaker Chemical」	指	彩客化學集團有限公司*，一家於二零一四年十月二十九日於開曼群島註冊成立的有限公司 Tsaker Chemical Group Limited (彩客化學集團有限公司*)，a company incorporated in the Cayman Islands with limited liability on 29 October 2014
「公司條例」 「Companies Ordinance」	指	香港法例第622章公司條例 Companies Ordinance (Cap. 622 of the Laws of Hong Kong)
「DATA」 「DATA」	指	2,5-二芳氨基-1,4-苯二甲酸，用作喹吡啶酮顏料的中間體 2,5-Dianilinoterephthalic acid, which is used as an intermediate of quinacridone pigments

* 僅供識別

* For identification purpose only



「不競爭契據」 「Deed of Non-competition」	指	本公司與戈先生及Cavalli訂立日期為二零一五年六月十二日的不競爭契據 the deed of non-competition dated 12 June 2015 entered into between our Company, Mr. Ge and Cavalli
「董事」 「Director(s)」	指	本公司董事 the director(s) of our Company
「DMAS」 「DMAS」	指	乙酰基丁二酸二甲酯，用於生產食品黃色顏料、農藥、其他食品添加劑 Dimethyl acetylsuccinate, which is used for the production of food yellow pigments, agricultural chemicals, and other food additives
「DMSS」 「DMSS」	指	1,4-環己二酮-2,5-二甲酸二甲酯，用於生產喹吖啶酮顏料及感光聚合物 Dimethyl 1,4-Cylohexanedione-2,5-dicarboxylate, which is used for the production of quinacridone pigments and photosensitive polymer
「東奧生產廠房」	指	於二零一六年五月四日由彩客東營收購的生產廠房（位於中國山東省東營市），包括與（其中包括）PNT、ONT、MNT、OT及NMP（一硝基甲苯的設計年總產能為80,000噸）生產相關的生產廠房、土地、設備及設施等所有現有資產
「Dongao Production Plant」		the production plant (including all the existing assets including factory premises, land, equipment and facilities in relation to the production of, among others, PNT, ONT, MNT, OT and NMP with an aggregate annual designed production capacity of 80,000 tonnes of mononitrotoluene) which is acquired by Tsaker Dongying on 4 May 2016 and located in Dongying, Shandong Province, the PRC
「東光生產廠房」 「Dongguang Production Plants」	指	北東光生產廠房及南東光生產廠房（定義見招股說明書）的統稱 collectively, the North Dongguang Production Plant and the South Dongguang Production Plant (as defined in the Prospectus)
「東營生產廠房」	指	預期將由彩客東營營運的生產廠房，目前正在中國山東省東營籌備建設，將主要從事生產DSD酸及其他染料及顏料中間體
「Dongying Production Plant」		the production plant which is expected to be operated by Tsaker Dongying and currently under preparation for construction in Dongying, Shandong Province, the PRC, and will primarily engage in the production of DSD Acid and other dye and pigment intermediates
「DSD酸」	指	4,4'-二氨基二苯乙烯-2,2'-二磺酸，用作染料、熒光增白劑及殺蟲劑的中間體
「DSD Acid」		4,4'-Diaminostilbene-2,2'-disulfonic acid, which is used as an intermediate of dyes, fluorescent whitening agents and pesticides
「本集團」 「Group」	指	本公司及不時的附屬公司 our Company and our subsidiaries from time to time



Definitions

釋義

「港元」或「港幣」 「HK\$」or「Hong Kong dollars」or 「HK dollars」	指	香港法定貨幣港元 Hong Kong dollars, the lawful currency of Hong Kong
「香港」 「Hong Kong」	指	香港特別行政區 the Hong Kong Special Administrative Region of the PRC
「除草劑」 「herbicides」	指	用於殺滅或抑制多餘植物生長的化學藥劑 a chemical agent used to kill or inhibit the growth of unwanted plants
「華戈控股」 「Huage Holdings」	指	華戈控股集團有限公司，於一九九九年十二月六日根據中國法律成立的公司，由戈弋先生的妹妹戈虹女士控制 Huage Holdings Group Co., Ltd. (華戈控股集團有限公司), a company established under the laws of the PRC on 6 December 1999 and was controlled by Ms. Ge Hong, the sister of Mr. Ge Yi
「獨立第三方」 「independent third party(ies)」	指	獨立於本公司及其任何附屬公司董事、主要行政人員或主要股東及彼等各自的聯繫人士且與他們並無關連(定義見上市規則)的一名或多名人士、一間或多間公司 a person, persons, company or companies which is or are independent of, and not connected with (within the meaning under the Listing Rules), any directors, chief executive or substantial Shareholders of our Company, any of its subsidiaries or any of their respective associate(s)
「中間體」 「intermediates」	指	作為生產其他化學品的原材料化學物 chemicals that are used as raw materials to produce other chemical products
「ISO14001:2004」 「ISO14001:2004」	指	於二零零四年制定及於二零零九年及二零一一年經修訂的國際標準組織環境管理體系標準 International Organization for Standardization standard for environmental management systems as enacted in 2004 and amended in 2009 and 2011
「ISO9001」 「ISO9001」	指	國際標準化組織就設計、開發、生產、安裝及服務方面的質量保證而頒佈的質量管理體系模型 quality management systems model published by International Organization for Standardization for quality assurance in design, development, production, installation and servicing
「上市」 「Listing」	指	股份於聯交所主板上市 listing of the Shares on the Main Board of the Stock Exchange



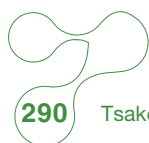
「上市日期」 「Listing Date」	指	二零一五年七月三日 3 July 2015
「上市規則」 「Listing Rules」	指	聯交所證券上市規則 the Rules Governing the Listing of Securities on the Stock Exchange
「MNT」	指	3-硝基甲苯或間硝基甲苯，用作農藥中間體、醫藥中間體及染料及顏料中間體
「MNT」		3-nitrotoluene or meta-nitrotoluene, which is used as agricultural chemical intermediates, pharmaceutical intermediates, and dye and pigment intermediates
「標準守則」 「Model Code」	指	上市規則附錄十所載「上市發行人董事進行證券交易的標準守則」 the「Model Code for Securities Transactions by Directors of Listed Issuers」as set out in Appendix 10 to the Listing Rules
「戈弋先生」或「戈先生」 「Mr. Ge Yi」or「Mr. Ge」	指	戈弋，我們的控股股東之一（定義見上市規則）、執行董事、主席兼行政總裁 Ge Yi (戈弋), one of our controlling shareholders (as defined in the Listing Rules), an executive Director, our Chairman and Chief Executive Officer
「一硝基甲苯」 「mononitrotoluene」	指	PNT、ONT及MNT PNT, ONT and MNT
「NMP」	指	N-甲基-2-吡咯烷酮，用於清潔能源行業，包括鋰電池生產、高分子聚合物材料及醫藥行業
「NMP」		N-methyl-2-pyrrolidone, which is used in the clean energy industry, including lithium battery manufacturing, high polymer material industry and pharmaceutical industry, etc.
「提名委員會」 「Nomination Committee」	指	董事會提名委員會 nomination committee of the Board
「OBA」 「OBA」	指	廣泛應用於紙張、清潔劑及紡織品生產的光學增白劑 optical brightening agents that are widely adopted in the production of paper, detergent and textile
「OBA資產租賃協議」 「OBA Assets Leasing Agreement」	指	彩客夏津與夏津縣振華日期為二零一六年十二月二十一日訂立的經營租賃協議 the operating lease agreement dated 21 December 2016 entered into between Tsaker Xiajin and Xiajin Zhenhua



Definitions

釋義

「ONT」	指	2-硝基甲苯或鄰硝基甲苯，用作農藥中間體的原材料，尤其是除草劑、醫藥中間體、染料及顏料中間體等
「ONT」		2-nitrotoluene or ortho-nitrotoluene, which is used as the raw materials for intermediates for agricultural chemicals, in particular herbicides, pharmaceutical intermediates, dye and pigment intermediates, etc.
「OT」	指	鄰甲苯胺，ONT的下游產品，主要用作農藥(尤其是除草劑)的中間體
「OT」		ortho-toluidine, a downstream product of ONT, primarily applied as an intermediate for agricultural chemicals, especially herbicides
「PNT」	指	4-硝基甲苯或對硝基甲苯，用作染料中間體及顏料中間體的原材料，包括DSD酸
「PNT」		4-nitrotoluene or para-nitrotoluene, which is used as the raw materials for dye intermediates and pigment intermediates, including DSD Acid
「中國」或「中國大陸」	指	中華人民共和國，除非文義另有所指，否則不包括香港、中國澳門特別行政區及台灣
「PRC」or「China」or「Mainland China」		the People's Republic of China, which excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, unless otherwise indicated
「招股說明書」 「Prospectus」	指	本公司日期為二零一五年六月二十三日的招股說明書 the prospectus of the Company dated 23 June 2015
「薪酬委員會」 「Remuneration Committee」	指	董事會薪酬委員會 remuneration committee of the Board
「報告期」 「Reporting Period」	指	自二零一九年一月一日起至二零一九年十二月三十一日期間 the period from 1 January 2019 to 31 December 2019
「回顧年」 「Review Year」	指	自二零一九年一月一日至二零一九年十二月三十一日 from 1 January 2019 to 31 December 2019
「人民幣」 「RMB」	指	中國法定貨幣人民幣 Renminbi, the lawful currency of the PRC
「證監會」 「SFC」	指	香港證券及期貨事務監察委員會 the Securities and Futures Commission of Hong Kong
「股份」 「Share(s)」	指	本公司之股份 the share(s) of the Company



「股東」 「Shareholder(s)」	指	本公司股東 the shareholder(s) of the Company
「聯交所」 「Stock Exchange」	指	香港聯合交易所有限公司 The Stock Exchange of Hong Kong Limited
「噸」 「tonnes」	指	公噸 metric tonnes
「彩客北京」 「Tsaker Beijing」	指	彩客科技(北京)有限公司，於二零一三年十月十七日根據中國法律成立的公司並為本公司間接全資附屬公司 Tsaker Technology (Beijing) Co., Ltd. (彩客科技(北京)有限公司), a company established under the laws of the PRC on 17 October 2013, and an indirectly wholly-owned subsidiary of our Company
「彩客滄州」 「Tsaker Cangzhou」	指	彩客化學(滄州)有限公司，於二零零五年九月二十三日根據中國法律成立的公司及本公司間接全資附屬公司 Tsaker Chemical (Cangzhou) Co., Ltd. (彩客化學(滄州)有限公司), a company established under the laws of the PRC on 23 September 2005, and an indirectly wholly-owned subsidiary of our Company
「彩客東奧」 「Tsaker Dongao」	指	山東彩客東奧化學有限責任公司，於二零零四年三月十五日根據中國法律成立的公司並為本公司的間接全資附屬公司 Shandong Tsaker Dongao Chemicals Co., Ltd. (山東彩客東奧化學有限責任公司), a company established under the laws of the PRC on 15 March 2004, and an indirectly wholly-owned subsidiary of our Company
「河北彩客」 「Hebei Tsaker」	指	河北彩客化學股份有限公司，於二零一三年五月七日根據中國法律成立的公司及本公司間接全資附屬公司 Hebei Tsaker Chemical Co., Ltd. (河北彩客化學股份有限公司), a company established under the laws of the PRC on 7 May 2013, and an indirectly wholly-owned subsidiary of our Company
「彩客東營」 「Tsaker Dongying」	指	彩客化學(東營)有限公司，於二零一四年五月二十日根據中國法律成立的公司及本公司間接全資附屬公司 Tsaker Chemical (Dongying) Co., Ltd. (彩客化學(東營)有限公司), a company established under the laws of the PRC on 20 May 2014, and an indirectly wholly-owned subsidiary of our Company



Definitions

釋義

「彩客香港」	指	彩客化學(香港)有限公司，於二零一零年九月二日在香港註冊成立的有限公司並為本公司間接全資附屬公司
「Tsaker Hong Kong」		Tsaker Chemical (Hong Kong) Co., Ltd. (彩客化學(香港)有限公司), a company incorporated in Hong Kong with limited liability on 2 September 2010, and an indirectly wholly-owned subsidiary of our Company
「彩客夏津」	指	彩客化學(夏津)有限公司，於二零一六年十二月二日根據中國法律成立的公司，本公司的間接全資附屬公司
「Tsaker Xiajin」		Tsaker Chemical (Xiajin) Co., Ltd.* (彩客化學(夏津)有限公司), a company established under the laws of the PRC on 2 December 2016, and an indirectly wholly-owned subsidiary of our Company
「美元」 「US\$」or「US Dollar」or「USD」	指	美國法定貨幣美元 United States dollars, the lawful currency of the United States of America
「夏津振華」 「Xiajin Zhenhua」	指	夏津縣振華化學科技有限公司，根據中國法律成立的公司，獨立第三方 Xiajin Zhenhua Chemical & Technology Company Limited* (夏津縣振華化學科技有限公司), a company established under the laws of the PRC and an independent third party

* 僅供識別

* For identification purpose only





TSAKER

Color the World

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