



東岳集團有限公司

DONGYUE GROUP LIMITED

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

股份代號 Stock Code: 0189



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目錄

CONTENT

- 2 主席報告書
CHAIRMAN'S STATEMENT
- 10 管理層討論與分析
MANAGEMENT DISCUSSION AND ANALYSIS
- 22 董事及高層管理人員履歷
DIRECTORS' AND SENIOR MANAGEMENT'S PROFILE
- 27 董事會報告
REPORT OF THE DIRECTORS
- 42 企業管治報告
CORPORATE GOVERNANCE REPORTS
- 62 環境、社會及管治報告
ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT
- 102 獨立核數師報告
INDEPENDENT AUDITOR'S REPORT
- 111 綜合損益及其他全面收入報表
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
- 112 綜合財務狀況表
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
- 114 綜合權益變動表
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
- 115 綜合現金流量表
CONSOLIDATED STATEMENT OF CASH FLOWS
- 117 綜合財務報表附註
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
- 219 五年財務概要
FIVE-YEAR FINANCIAL SUMMARY
- 221 公司資料
CORPORATE INFORMATION

A photograph of Chairman Zhang Jianhong, a middle-aged man with dark hair, wearing a dark suit, a light blue striped shirt, and a light blue tie. He is standing with his arms crossed in a lush green field with small white and purple flowers. In the background, there are several large wind turbines under a clear blue sky with some light clouds. The overall scene conveys a sense of environmental friendliness and sustainable development.

主席報告書 Chairman's Statement

ZHANG JIANHONG Chairman
張建宏 主席

2017年中國國內經濟形勢走好，積極適應經濟發展新常態，主動引導和推動經濟結構優化升級，GDP同比增長達到6.9%。然而，雖然整體經濟形勢穩定增長，氟硅化工行業卻面臨著巨大的挑戰。採礦業和化工行業受供給側改革影響，企業因行政化去產能無法擴張，且環保形勢也限制了部分氟硅化工企業的發展。然而，本公司憑借長期以來發展起來的產業鏈和環保設施基礎，在行業嚴峻的挑戰下，業績實現了突破性的增長。

In 2017, China's economic development has entered a new normal. The government has since been actively upgrading of economic structure. Its 2017 GDP expanded by 6.9% year-on-year, underlying a strong national economic development. Although the overall economy achieved a stable growth, the fluorosilicone chemical industry encountered great challenges. Considering the supply-side reform, enterprises in the mining and chemical industries were unable to increase production; and the development of some fluorosilicone chemical enterprises were also restricted under current environmental protection trend. Facing the challenging environment, the Group still achieved a breakthrough in performance owing to its industry chains and environmental friendly infrastructures developed for a long time.



1. 業績全面大幅增長

本回顧期內，集團收益達到人民幣10,137,137,000元，較去年人民幣7,969,773,000元增長27.19%，毛利率達到30.23%，較去年同期增長9.64個百分點，淨利潤達到1,681,799,000元，同比增長173%。該業績創造了本公司2011年以來最好業績。本回顧期內，氟硅行業所有產品價格都有不同幅度的增長，該現象是由供需兩端變化共同作用的成果。供給方面，由於受到環保壓力的影響，國內氟硅化工行業部分企業生產受到影響，同時原材料企業的生產也無法完全滿足氟硅化工行業生產的需求，從而導致市場供給不足，使得行業市場價格有較大幅度增長，而供給側改革又影響了企業新產能的擴張情況，使得供給方面一時無法滿足市場需求；需求方面，隨著國內外經濟形勢的好轉，市場需求回暖，更加推動產品價格的

1. Overall performance recorded significant growth

During the period under review, the Group achieved a revenue of approximately RMB10,137,137,000, representing an increase of 27.19% over RMB7,969,773,000 in the previous year, our gross profit margin was 30.23%, representing a year-on-year increase of 9.64 percentage points, and our net profit amounted to RMB1,681,799,000, an increase of 173% year on year. This has been the best performance of the Company since 2011. During the period under review, as a result of the combined effect of the changes in supply and demand, the prices of all the products in the fluorosilicone industry experienced increases to different extents. As for the supply, the production of some enterprises in the domestic fluorosilicone chemical industry was affected by the pressure from environmental protection; at the same time, the production of raw material enterprises could not fully meet the demands of the fluorosilicone chemical industry either. This resulted in insufficient supply in the market, which in turn led to a significant increase in the market price of the industry. In

增長。本公司在行業形勢的變化下，憑藉以往發展而來的產業鏈及環保優勢，滿產滿銷，又受益於價格大幅度的增長，使得業績也隨之有突破性的增長。

2. 抓住市場機遇，發揮產業鏈優勢

2017年，氟硅行業市場受環保政策影響較大，原材料供給短缺，行業生產受到限制。在該情況下，本集團產業鏈優勢可發揮明顯作用。在供應方面，本集團產業鏈延伸到原材料的生產，在當前形勢下保障原材料的供應；在生產方面，本集團的產業鏈已拓展到副產品及廢棄物的處理，從而使環保問題不會成為生產的絆腳石；在市場方面，本集團完整的氟硅化工產業鏈能夠把握住整個氟硅化工行業的市場利潤。因此，本集團在本回顧期內，能夠充分發揮產業鏈優勢，在市場供給短缺，產品價格大幅增長的情況下，把握住市場的變化，從氟硅化工行業的原材料到下游高端材料的每個環節獲取利潤。這也是本集團能夠在本回顧年度內業績大幅增長的主要原因之一。

fact, the expansion of new production capacities of relevant enterprises was affected by the supply-side reform, which made the supply unable to catch up with the demands of the market in time. On the other hand, demand has been increasing thanks to the rebound of global economies. As such, product price was further elevated. Despite the changing industry landscape, the Company was still able to achieve breakthrough performance – The Company leveraged its advantages on industry chains and environmental protection infrastructures, produced and sold in its full capacity during the period under review, and also benefited from the significant increase in product prices.

2. Capitalized market opportunities and leveraged advantages of industry chain

In 2017, the fluorosilicone industry was significantly affected by the environmental protection policy, leading to a supply shortage of raw materials and restriction in production. Under such backdrop, the competitive advantages in industry chain of the Group were fully leveraged. On the supply side, the industry chain of the Group has extended to the production of raw materials, guaranteeing the supply of raw materials under the then circumstances. On the production side, the industry chain of the Group has extended to by-products and waste treatment, easing the pressure from environmental protection issues. In terms of market, the comprehensive fluorosilicone industry chain of the Group allowed it to capture the profit of the whole fluorosilicone chemical industry. Therefore, during the period under review, the Group has fully demonstrated its strength of industry chain. By capitalizing the changes of market, the Group captured profit at every production link of the fluorosilicone chemical industry, from raw materials to downstream high-end materials, under the background of supply shortages and soaring product prices. It is one of the main reasons attributable to the significant growth of the Group during the year under review.

3. 堅持科技創新，保證行業領先地位

本回顧期內，本集團共完成新產品研發、技術改造及工藝提升項目5項，新產品包括高粘度DS202C等，皆屬於較為高端的氟硅化工產品，用於替代國外同等高端產品，打破國外企業市場壟斷，市場反應強烈。另外，本集團還完成節能環保與自動化提升項目25項。期內，本集團共獲批專利22項，並新申請專利10項。憑借上述研發成果，本集團進一步邁向高端氟硅化工領域，向世界級氟硅行業巨頭靠攏。

4. 保證安全環保生產

回顧期內，本集團安全環保設施穩定運行，杜邦安全管理提升項目和各項環保工作的紮實推進，為本集團正常生產經營保駕護航。本集團長期以來一直堅持以高標準的安全環保措施進行生產，配套設施完善，相關工作人員業務素質高，從而使得本集團在2017年的環保壓力下大大獲益。

3. Scientific and technological innovations secured a leading position in the industry

During the period under review, the Group completed a total of 5 projects in respect of the research and development of new products, improvement of technology and enhancement of process. These new products, including high-viscosity DS202C, are all high-end fluorosilicone chemical products which are used to substitute similar high-end foreign products. These products rival their foreign counterparts/actually can break the foreign monopoly and are highly embraced by the market. In addition, the Group also accomplished 25 projects of energy conservation and environmental protection and automation enhancement. During the period under review, the Group was granted approval of 22 patents and submitted a total of 10 new patents applications. Thanks to the research and development achievements above, the Group further marched towards the high-end fluorosilicone chemical sector and narrowed the gap with the international giant companies in the fluorosilicone industry.

4. Guaranteeing safe and environment-friendly production

During the period under review, the Group's safe and environmental protection facilities operated stably; meanwhile, the advanced projects under the "DuPont Safety Management" model and various environmental protection work were promoted solidly, providing guarantees for the normal production and operation of the Group. Benefitting from its long-term perseverance in high-standard safe and environmental protection measures for production, sound supporting facilities and relevant staff with high professional qualities, the Group managed to record great performance when facing the pressure by environmental protection in 2017.

5. 園區經濟進一步升級

回顧期內，本集團所在的山東東岳氟硅材料產業園區正式升級為淄博東岳經濟開發區，本集團也成為帶動當地經濟發展的重點企業之一。

6. 膜材料業務獨立發展

回顧期內，本集團發揮膜技術全球領先的優勢，投資創建山東東岳未來氫能材料有限公司，整合資源全力迎接全球氫能源時代的到來。標誌著東岳膜材料正式進入產業化階段。

7. 東岳30週年慶典盛大召開

回顧期內，在東岳30週年到來之時，本集團舉辦的中國氟硅產業發展大會暨東岳30週年慶典在山東省淄博市成功召開，大大提升了東岳的行業地位和社會地位，讓社會各界人士更加直觀的認識東岳、瞭解東岳，讓我們的合作夥伴對與東岳的長久合作充滿了信心和期待。

8. 提升智能信息化水平

2017年是本集團智能信息化建設進程最大、成效最好的一年。本年度內，集團實施信息化改造，信息化規劃編製開始正式實施，搭建起集團智能信息化框架，完善升級17套DCS系統，更新智能化設備4200多台套。並且，在東岳成立30年慶典來臨之際，集團建成集團智能化管控中心，成為集團智能信息化的中樞系統。

5. Upgraded economic development of the park

During the period under review, Dongyue Fluoro Silicone Material Industry Park in Shandong where the Group locates was officially upgraded to Zibo Dongyue Economic Development Zone. The Group has become a key driver for the local economic development.

6. Membrane material business becomes a separate business division

During the period under review, riding on its global leading position in the membrane technology, the Group established Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd, in order to integrate resources to embrace the era of hydrogen energy. This represents that the membrane materials of Dongyue enters into a phase of large-scale commercial production.

7. Dongyue celebrated its thirtieth anniversary

During the period under review, the Group successfully held the Development Conference of the Fluorosilicone Industry in China and celebrated the Thirtieth Anniversary of Dongyue in Zibo city, Shandong Province. This has greatly enhanced Dongyue's industry leadership and its corporate citizenship and allowed the public to learn about Dongyue. Our partners are now more confident in Dongyue and looking forward to the long-term cooperation with Dongyue.

8. Upgraded intelligent and informational system

2017 marked the year of the Group achieving the greatest and the best progress in the establishment of intelligent and informational system. During the year, the Group has implemented the informatization reform by adopting the information-based production planning, establishing the intelligent informatization framework of the Group, upgrading 17 DCS systems and updating more than 4,200 sets of intelligent facilities. In addition, in celebrating the 30th anniversary of Dongyue, the Group has established its intelligent management center, becoming the hub system for the Group's intelligent and informational reform.

9. 進一步優化員工崗位設置，提高員工待遇

回顧期內，本集團進一步優化崗位設置，員工崗位操作更加規範，制度執行更加到位。同時，本集團更加關注員工的待遇問題，職工薪酬同比提高，兌現員工福祉與集團效益掛鉤的承諾。

2017年本集團已實現良好的業績，而我們不能因此而感到滿足，2018年仍要做好進一步的戰略部署：

1. 推動新建項目審批

2017年行業內整體供給不足，在該狀態下，正是本集團進一步佔領市場的最佳時機。目前本集團已處於滿產滿銷狀態，且已計劃進行部分產品的擴產項目。2018年，集團將加快推進計劃項目的審批，完成項目的建設，盡快實現新建項目的產出。

2. 抓緊市場風向標

2017年，氟硅行業市場出現較大供不應求的現象，對於行業龍頭企業來說，這是一次不可多得的機遇。2018年市場延續上一年的景氣度，將給本集團帶來更大的機會，本集團將緊緊抓住市場的風向標，把握來之不易的市場機遇，加大投入，搶佔市場，贏得更好的業績。

9. Optimized job design and improved employee benefits

During the period under review, the Group further optimized its job design with advanced standardized operation and systems. Meanwhile, the Group put more focus on employees benefits than before. The salaries of employees were increased year on year; and the Group fulfilled its commitment to link the welfare of employees with the performance of the Group.

The Group did achieve a good result in 2017. However, we aim for continuous great performance. The Group has made the following strategic deployment for 2018:

1. Speed up the approval of new projects

The insufficient supply across the industry in 2017 has in fact created the best opportunity for the Group to take up more market shares. Currently, the Group produces at its full capacity and plans to expand the production of certain products. In 2018, the Group will accelerate the approval of planned projects, complete the construction of these projects and put them into operation as soon as possible.

2. Keep up with the market trend

In 2017, the fluorosilicone market experienced a material undersupply, which represented a rare opportunity for leading enterprises in the industry. It is expected the market will remain prosperous in 2018, bringing more opportunities to the Group. The Group will keep up with the market trend to capture the unique opportunities in the market, and put more efforts in production to take up market shares and achieve better performance.

3. 繼續加大科技創新力度

本集團一直以來以科技創新為集團最重要的發展策略。2018年，本集團將仍然延續該發展策略，確保研發投入穩定增加，保證本集團的工藝水平及研發平台處於行業領先地位。除增加研發投入外，集團將進一步關注科研人才，用優越的條件吸引科研人才，用優秀的平台培養科研人才，打造專業的科技團隊，為公司在產品、工藝、技術、環保、安全等各方面保持行業領先地位而打下堅實的基礎。

4. 堅持實施「實業+投資」策略

本集團自去年實行「實業+投資」策略，已初步進行了部分戰略部署，例如成立的山東東岳未來氫能材料有限公司即是為膜材料的發展提供的運營保障。2018年，本集團將繼續遵循「實業+投資」策略，建設完善的投資平台與投資策略，用投資支持實業，用實業保障投資，相輔相成，再創佳績。

3. STRENGTHENED TECHNOLOGICAL INNOVATION EFFORTS

The Group has taken technological innovation as its most important development strategy. In 2018, by constantly implementing such development strategy, the Group will ensure the stable increment in research and development investment and ensure the process level and the research and development platform are at the leading position among the peers. In addition to increasing investment in research and development, the Group will also attach more attention to develop its scientific talents by attracting them with favorable conditions and providing cultivation through outstanding platform, to establish a professional scientific team and lay a solid foundation for the Group to maintain its leading position in the industry in respect of product, process, technology, environment and safety.

4. Stick to the implementation of “business + investment” strategy

Since the implementation of the “business + investment” strategy last year, the Group has initially carried out some strategic deployment. For example, Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd is established to provide operational guarantees for the development of membrane materials. In 2018, the Group will continue to implement the “business + investment” strategy to establish an improved investment platform and investment strategy. With investments and business supplementary to each other, the Group is poised to achieve excellent results in future.

5. 保證嚴格環保生產指標

2017年，本集團因一直以來在環保生產上嚴格管理，在國內目前的大環境下，體現出巨大的環保生產優勢。2018年本集團依然會堅持按照嚴格的環保指標進行生產，順應國內大環境的趨勢，響應政府「綠水青山就是金山銀山」的號召，提高環保的社會責任感。

6. 深化「學台塑」和「學杜邦」管理

近三年來，集團先後實施「學台塑」與「學杜邦」政策，強化信息化、智能化管理，增強安全環保生產管理，已獲得顯著的管理效果。2018年，集團將進一步落實該兩項政策，以先進的管理，保障整體的生產經營。

2018年是全面貫徹十九大精神的開局之年，也是東岳開啟宏偉藍圖的開局之年，我們將團結一心，不馳於空想，不驚於虛聲，堅持創新，保持清醒，擁抱新時代，再接再厲，推動公司新發展，肩負新責任，不忘初心，開啟壯闊新徵程。同時，我們也將以更加優異的效益，為廣大股東和投資者帶來滿意的回報。

5. Ensure strict environmental friendly production indicators

In 2017, the strict management of environment-friendly production of the Group has presented the Group with huge advantages in environment-friendly production in the current situation in China. In 2018, the Group will continue to operate under strict compliance of environmental indicators, follow the trend of macro environment in China and respond to the government's advocate of "lucid waters and lush mountains are invaluable assets (綠水青山就是金山銀山)", thus enhancing its social responsibility in environmental protection.

6. Deepen "Benchmarking Formosa Plastics" and "Benchmarking DuPont" management

In the last three years, the Group has implemented the policies of "Benchmarking Formosa Plastics" and "Benchmarking DuPont" successively to strengthen information and intelligent management and enhance the management of safe and environment-friendly production. These led to significant improvement of the management effectiveness. In 2018, the Group will further implement these two policies, and ensure the overall excellent production and operation with advanced management.

2018 marks the beginning of the application of the guiding principles from the 19th National Congress of the Communist Party of China, and is also the first year for Dongyue to implement its development plan. We will unite as one, work hard and stick to innovation to embrace the new era, and make persistent efforts to promote the further development of the Company and shoulder new responsibilities with our original intentions to start a new and grand journey. Meanwhile, we will also bring satisfactory returns to the shareholders and better performance to investors.

管理層討論與分析

Management Discussion and Analysis

財務回顧

業績摘要

截至2017年12月31日止年度，本集團錄得人民幣約10,137,137,000元的收益，較去年人民幣7,969,773,000元增加27.19%。毛利率增加至30.23%（2016年：20.59%）及經營溢利率為22.21%（2016年：13.14%）。於回顧年度內，本集團錄得除稅前溢利約人民幣2,141,773,000元（2016年：除稅前溢利人民幣862,114,000元）及淨溢利約人民幣1,681,799,000元（2016年：淨溢利人民幣615,466,000元），而本公司擁有人應佔綜合溢利約為人民幣1,601,397,000元（2016年：溢利人民幣588,154,000元）。每股基本盈利為人民幣0.76元（2016年：基本盈利人民幣0.28元）。

董事會建議向於2018年6月4日名列本公司股東名冊的股東派付末期股息每股0.30港元（2016年：0.10港元）。

FINANCIAL REVIEW

Results Highlights

For the year ended 31 December 2017, the Group recorded revenue of approximately RMB10,137,137,000, representing an increase of 27.19% over RMB7,969,773,000 in the previous year. The gross profit margin increase to 30.23% (2016: 20.59%) and the operating results margin was 22.21% (2016: 13.14%). During the year under review, the Group recorded profit before tax of approximately RMB2,141,773,000 (2016: profit before tax of RMB862,114,000), and net profit of approximately RMB1,681,799,000 (2016: net profit of RMB615,466,000), while consolidated profit attributable to the Company's owners was approximately RMB1,601,397,000 (2016: profit of RMB588,154,000). Basic earnings per share was RMB0.76 (2016: basic earning of RMB0.28).

The Board recommended the payment of a final dividend of HK\$0.30 (2016: HK\$0.10) per share to the shareholders whose names appear on the register of members of the Company on 4 June 2018.



分部收益及經營業績

本集團截至2017年12月31日止年度及截至2016年12月31日止年度按呈報及經營分部分類的收益及業績的比較載列如下：

Segment Revenue and Operating Results

Set out below is the comparison, by reportable and operating segments, of the Group's revenue and results for the year ended 31 December 2017 and the year ended 31 December 2016:

呈報及經營分部	Reportable and Operating Segments	截至2017年12月31日止年度 For the year ended 31 December 2017			截至2016年12月31日止年度 For the year ended 31 December 2016		
		收益 Revenue 人民幣千元 RMB'000	業績 Results 人民幣千元 RMB'000	經營溢利率 Operating Results Margin	收益 Revenue 人民幣千元 RMB'000	業績 Results 人民幣千元 RMB'000	經營溢利率 Operating Results Margin
高分子材料	Polymers	2,927,843	605,053	20.67%	2,187,639	245,119	11.20%
有機硅	Organic Silicone	2,428,256	433,836	17.87%	1,684,716	81,204	4.82%
製冷劑	Refrigerants	2,502,275	588,442	23.52%	1,828,048	193,196	10.57%
二氯甲烷、聚氯乙烯(「PVC」)及燒鹼	Dichloromethane, Polyvinyl Chloride ("PVC") and Liquid Alkali	1,604,099	354,554	22.10%	1,211,244	145,147	11.98%
開發物業	Property development	285,510	32,648	11.43%	871,162	308,204	35.38%
其他	Others	389,154	237,215	60.96%	186,964	74,646	39.93%
綜合	Consolidated	10,137,137	2,251,748	22.21%	7,969,773	1,047,516	13.14%

收益及經營業績分析

於本回顧期內，國內外經濟形勢持續走好，對於氟硅化工行業市場需求有一定的刺激作用；而與此同時，國內的環保壓力越來越大，造成氟硅化工行業供給短缺。需求的旺盛與供給的短缺，共同推動產品價格大幅增長，行業景氣度提升。東岳作為行業龍頭企業，把握住市場機遇，於回顧期內業績獲得大幅提升。

從集團的業務來看，大部分分部業績有不同程度的增長，其中增長較大的分部為有機硅分部和製冷劑分部。有機硅業務增長尤其突出，成為本集團利潤增長極大的貢獻者。

Analysis of Revenue and Operating Results

During the period under review, global economies maintained good momentum, which contributed to the demand of fluorosilicone chemical industry to a certain extent. In the meantime, the increasing pressure in respect of domestic environmental protection led to a short supply in fluorosilicone chemical industry. Pushed by abundant demand and shortage of supply, product prices accelerated substantially and the industry saw favorable growth. As one of the leading enterprises, Dongyue capitalised on the market opportunities and gained considerable advancement during the period under review.

Regarding to the operation of the Group, most of its segments recorded different level of development. In particular, the Group's organic silicone and refrigerant segments achieved a greater portion of growth. The performance of organic silicone segment was outstanding and has become a key contributor to the Group's profit growth.

本集團年內良好的業績是集團園區化、產業鏈的優勢體現。目前，東岳園區內完善的環保設備能夠集中處理廢水、廢渣、廢氣，並實現園區內資源循環利用，從而在環保壓力日趨嚴格的情況下，讓東岳穩定生產。面對市場原材料供給不足的情況，東岳完善的產業鏈能夠保障東岳各種產品滿負荷生產。憑借這些優勢，東岳能夠在國內市場的多方面壓力下，仍然保持行業龍頭地位，創造突破性的業績提升。

含氟高分子材料

本回顧期內，含氟高分子材料分部收益為人民幣2,927,843,000元，較去年同期增長33.84%（2016年為人民幣2,187,639,000元），佔集團總收益的28.88%（2016年為27.45%）。其分部業績為盈利人民幣605,053,000元，較去年同期盈利人民幣245,119,000元增長146.84%。

本年度含氟高分子材料分部業績大幅提升的主要原因在於上游原材料價格的拉升，主要原材料R22的價格較2016年同比增長50%以上。且原材料市場供應不足，同時又加之環保因素的影響，導致含氟高分子材料行業市場也出現供給不足問題。而本年內該行業市場需求隨國內經濟形勢的變化增長，更加劇市場供不應求的現象，進一步推動價格的提升。由於本集團產業鏈優勢，該分部原材料為本集團自給自足，原材料的供應並未出現短缺，保障該分部廠區幾乎全年滿產滿銷。

該分部中，產能最大的產品PTFE為該分部業績增長的最大貢獻者，收益同比增長50.41%。而一直收益金額較小的FEP、VDF等產品，本回顧期內收益也皆有較大增長。

The impressive results of the Group in 2017 demonstrated its strength in utilizing industry park and industry chain. Currently, the comprehensive environmental facilities in the industry park are able to proceed the centralised collection and treatment of waste water, waste slag and exhaust, and the re-use of resources within the park. Thus, Dongyue would be able to maintain stable production under the intensified regulation due to the increasing pressure of environmental protection. Facing the supply shortage of raw materials in the market, the comprehensive industry chain of Dongyue enables itself to run in full operation for all of its products. By leveraging its advantages, Dongyue is able to consolidate its leading position in the industry and make breakthroughs in performance in the midst of suffering pressures from domestic market.

Fluoropolymer

During the period under review, the fluorine-containing polymers segment's revenue was RMB2,927,843,000, representing a year-on-year increase of 33.84% (2016: RMB2,187,639,000), accounting for 28.88% (2016: 27.45%) of the Group's total revenue. The results of the segment recorded a profit of RMB605,053,000, representing an increase of 146.84% as compared with RMB245,119,000 in the same period of the previous year.

During the year, the fluorine-containing polymers segment attained significant progress because of the surge of upstream raw materials prices. Among which, the prices of raw materials R22 has increased by more than 50% as compared with that of 2016. In addition, with the supply shortage in raw materials market and with the environmental protection purpose, there is also a supply shortage in the fluorine-containing polymers market. During the year, the domestic demand of the industry has increased according to the development of domestic economy, which intensified the level of supply shortage and drove up the prices. Riding on its strength in the industry chain, the Group was able to self-supply part of the raw materials and has not experienced any shortage of raw materials, guaranteeing the whole-year full operation of this segment in the park.

Among such segment, PTFE, a product with the largest capacity, is the largest contributor of profit growth of the segment, up 50.41% of revenue as compared with that of the previous year. For FEP, VDF and other products, usually contributing lesser revenue, have also achieved a relatively greater progress during the period under review.

本集團依賴內部提供R22生產TFE（一種碳氟化合物），本集團利用TFE生產有關高分子材料產品，如PTFE（一種高度抵抗溫度轉變、絕緣、耐老化及耐化學品的合成含氟物高分子，用作塗層物料及可進一步加工成高端精細化學品，並可廣泛應用於化學、建築、電器與電子及汽車工業）及HFP（一種重要的有機氟化工單體，可用作生產多種精細化學品）。此外，本集團製冷劑分部提供R22及R142b作為生產多種下游含氟高分子精細化學品（包括FEP（PTFE改良物料，以HFP混入TFE而生產，主要用於鋪設電線絕緣層、薄壁管、熱能伸縮管、水泵、閥門及水管）、FKM（氟橡膠，一種專門氟化物料，基於其優異機械特性以及卓越的抗油、抗化學物質以及抗熱特性，主要用於航天、汽車、機器及石油化學）、PVDF（以R142b生產VDF，再把VDF聚合製成的氟碳，主要用於氟塗層樹脂、氟化粉末塗層樹脂及鋰電池電極黏合物料）及VDF的原料，華夏神州已從事生產上述產品。其他氟化精細化學品（包括PPVE、PSVE、HFPO）組成華夏神州另一主要生產類別。

製冷劑

於本回顧年內，製冷劑分部收益為人民幣2,502,275,000元，較去年人民幣1,828,048元增長36.88%，佔集團總收益的24.68%（2016年為22.94%）；而該分部業績為盈利人民幣588,442,000元，同比增長204.58%（2016年為盈利人民幣193,196,000元）。

The Group relies on the internal supply of R22 for the production of TFE (a fluorocarbon), which is used by the Group for the production of polymers products such as PTFE (a synthetic fluoropolymer with high level of resistance to temperature changes, electrical insulation, aging and chemical resistant that is used as a coating material and can also be further processed into high-end fine chemicals which can be widely applied in the chemicals, construction, electrical and electronics and automotive industries) and HFP (an important organic fluorochemical monomer, which can be used to produce various fine chemicals). Furthermore, the refrigerants segment of the Group supplied R22 and R142b as the raw materials for the production of a variety of downstream fluoropolymer fine chemicals including FEP (modified materials of PTFE, produced with HFP added in TFE, mainly used in the lining for wire insulation layer, thin-walled tube, heat shrinkable tubes, pumps, valves and pipes), FKM (Fluorine Rubber, a specialized fluorinated material, which is mainly used in the fields of aerospace, automotives, machinery and petro-chemistry because of its superior mechanical property, and excellent oil, chemical and heat resistance), PVDF (fluorocarbon made with R142b to produce VDF, mainly used as a fluorine coating resin, fluorinated powder coating resin and lithium battery electrode binding material) and VDF, in which Huaxia Shenzhou has been engaging. Other fluorinated fine chemicals, including PPVE, PSVE, HFPO, formed another major production category of Huaxia Shenzhou.

Refrigerants

During the year, the revenue from refrigerant segment was RMB2,502,275,000, representing an increase of 36.88% as compared with RMB1,828,048 in the previous year, accounting for 24.68% (2016: 22.94%) of the Group's total revenue; the results of the segment recorded a profit of RMB588,442,000, representing a year-on-year increase of 204.58% (2016: profit of RMB193,196,000).

該分部於年內產品價格有較大幅度增長，其原主要為環保政策的影響。環保壓力的增強導致行業內上游原材料供給短缺，且在製冷劑的生產過程中，副產品的處理也成為行業生產受限的一大問題之一。本集團由於其產業鏈的優勢，原材料供給並未出現大量短缺現象，而園區一體化的廢棄物處理設施也能夠很好地消化副產品。因此，本集團於本年度內，製冷劑分部的生產並未受到限制。而行業產品價格的大幅提升，使得本集團獲得較高的收益及利潤。

製冷劑分部年內R22收益增長30.52%，因為其目前仍然為空調、冰箱等製冷設備的最主要製冷劑之一。而作為替代R22的另兩種產品，R32和R410a也分別增長62.06%和93.61%。由於R22屬於受配額限制的產品，R32和R410a成為最重要的替代品。目前國內最新款式的空調、冰箱等製冷設備，已開始大量使用該兩種產品，這也是該兩種產品業績大幅上漲的原因之一。而本集團目前也有計劃準備增加R32產品的產能。

本集團的R22產能為全球最高。作為本集團的核心製冷劑產品，R22是中國最為廣泛使用的製冷劑，普遍用於家用電器。此外，R22已成為生產含氟物高分子（即PTFE、HFP及其他下游氟化學品）及R125的主要原材料。R125及R32為其他類型的綠色製冷劑（如R410a）的主要製冷劑混合物，以取代R22。目前，R410a為一種主要取代製冷劑，並已廣泛使用於變頻空調及其他綠色家用電器。R134a已廣泛使用於汽車空調的製冷及空調系統，而R152a為本集團另一種主要製冷劑產品，並能用作發泡劑、氣霧劑及清潔劑。R142b除可用作製冷劑、溫度控制介質及航空推進劑中間體外，亦可作為生產VDF的主要原材料之一。

During the year, there was a considerable increase in the product price of this segment, mainly due to the impact from the environmental policies. The increased stress arising from environmental protection led to supply shortage of the upstream raw materials in the industry. Moreover, processing of by-products during the process of production of refrigerant has become a challenge of the industry which caused hindrance on production. Nonetheless, capitalizing on its advantages of industrial chain, the Group did not experience much supply shortage of raw materials, and its integrated waste processing facilities in the park are able to treat by-products well. Therefore, the production of refrigerant segment of the Group was not restricted during the year, while benefited from the substantial increase of product price in the industry, the Group recorded higher revenue and profit.

In 2017, revenue from R22 of the refrigerant segment recorded an increase of 30.52%. This is because R22 currently remains to be one of the main refrigerants for air-conditioners, refrigerators and other refrigeration equipment. R32 and R410a, being two substitute products of R22, recorded increases of 62.06% and 93.61%, respectively. As R22 is subject to a quota system, R32 and R410a became the most important substitutes, and have been heavily used in the newest air-conditioners, refrigerators and other refrigeration equipment, which is one of the reasons for the sharp increase in the performance of the two products. The Group also has a plan to expand the production capacity of R32.

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

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

有機硅

於本年度內，有機硅分部收益由去年的人民幣1,684,716,000元，增長44.13%至人民幣2,428,256,000元，佔集團總收益的23.95%（2016年為21.14%）。該分部業績為盈利人民幣433,836,000元，較去年盈利人民幣81,204,000元增長434.25%。

本年內有機硅市場形勢有大幅轉好，產品價格大幅增長，市場需求也穩步提升。有機硅市場價格增長原因也主要歸結於環保壓力的影響，行業普遍開工不足，供給大量短缺。在該大環境的條件下，本集團依舊憑借優秀的園區化和產業鏈優勢，滿產滿銷，充分利用好市場的變化，贏得效益的大幅增長。

本集團於年內根據市場情況調整有機硅分部的銷售情況。因硅橡膠於年內價格水平較高，且供給明顯不足，本集團據此減少DMC銷售，增加硅橡膠的生產和銷售。因此，有機硅分部本年內硅橡膠各產品收入皆有較大幅度增長，而DMC雖然價格也有較大增長，但收入同比卻變化不大。

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

Organic Silicone

During the year, the organic silicone segment's revenue grew by 44.13% to RMB2,428,256,000 from RMB1,684,716,000 in the previous year, accounting for 23.95% (2016: 21.14%) of the Group's total revenue. The segment recorded revenue of RMB433,836,000, representing an increase of 434.25% as compared with RMB81,204,000 in the previous year.

The market conditions of organic silicone improved significantly during the year, as demonstrated by a substantial rise in product prices and steady increase in market demand. The rise in market price of organic silicone was primarily attributable to higher requirements on environmental protection, which resulted in insufficient operation in the industry and significant supply shortage. Under this circumstance, the Group still managed to take its advantages of excellent development of industrial parks and industry chain to fully achieve both production and sales targets. Capturing opportunities brought by changes in market conditions, the Group successfully secured substantial growth in results of operation.

The Group adjusted the sales of organic silicone segment during the year to keep abreast with the market conditions. Due to higher price level of organic silicone and supply shortage during the year, the Group reduced the sales of DMC and increased the production and sales of organic silicone accordingly. As a result, silicone rubber products of organic silicone segment saw a significant increase in income for the year. Although the price of DMC recorded a relatively substantial increase, the income remained constant on a year-on-year basis.

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

二氯甲烷、PVC及燒鹼

於回顧年度內，該分部收益由去年人民幣1,211,244,000元，增長32.43%至人民幣1,604,099,000元，佔集團總收益的15.82%（2016年為15.20%）。該分部錄得業績盈利人民幣354,554,000元，同比增長144.27%（2016年為盈利人民幣145,147,000元）。

該分部業績增長主要原因在於回顧年內國內經濟形勢趨於好轉，大宗化工產品需求旺盛，價格迅速提升。年內，PVC收入同比增長8.02%，二氯甲烷收入同比增長22.64%，燒鹼收入同比增長65.97%。

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

Dichloromethane, PVC and Liquid Alkali

During the year under review, the segment's revenue increased by 32.43% to RMB1,604,099,000 from RMB1,211,244,000 in the previous year, accounting for 15.82% (2016: 15.20%) of the Group's total revenue. The results of the segment recorded a profit of RMB354,554,000, representing a year-on-year increase of 144.27% (2016: a profit of RMB145,147,000).

The growth of the segment's results was mainly attributable to the gradual recovery of the domestic economy during the year under review, which resulted in the increasing demands in bulk chemical products and therefore accelerated the increase in prices. During the year, a year-on-year growth of 8.02% was recorded in the revenue of PVC, a year-on-year growth of 22.64% was recorded in the revenue of dichloromethane and a year-on-year growth of 65.97% was recorded in the revenue of liquid alkali.

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

物業開發

年內，物業開發已完成部分為東岳國際項目，項目(其中)包括兩個相互毗鄰地塊的住宅部分，位於中國山東省淄博市桓台縣柳泉北路以西、桓台大道以北及公園路以南，地塊總面積為189,381平方米。住宅部分總面積為157,187平方米，本集團計劃於住宅部分興建23幢住宅樓房，總規劃建築面積約296,000平方米。

該項目於2017年已進入銷售尾聲，僅剩少量剩餘房源，截至年底已全部銷售。因此該項目於2017年收益及業績皆有較大幅度降低。該分部年內收益為人民幣285,510,000元，較去年人民幣871,162,000元降低67.23%，佔集團總收益的2.82%(2016年為10.93%)；而本年度該分部業績錄得盈利人民幣32,648,000元(2016年為盈利人民幣308,204,000元)，同比減少89.41%。

目前，該分部已收購兩個新項目(見本集團於2017年6月28日所刊登公告)，但項目現仍處於建設階段，尚未實現收益。

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

Property Development

During the year, the portion completed under the property development is the Dongyue International Project, which comprises, among others, residential portion of two parcels of land which are adjacent to each other. They are located at the west of Liuquan North Road, the north of Huantai Avenue and the south of Gongyuan Road, Huantai County, Zibo City, Shandong Province, the PRC with a total site area of 189,381 square metres. The total gross floor area (GFA) of the residential portion is 157,187 square metres, upon which the Group planned to construct 23 residential blocks with a total planned GFA of approximately 296,000 square metres.

The sale of the project has come to an end in 2017, with only a small amount of unsold properties left. Thereafter, the remaining properties were all sold out by the end of 2017. As such, both the revenue and results of the project experienced a significant increase in 2017. The segment recorded revenue of RMB285,510,000 for the year, representing a decrease of 67.23% as compared with RMB871,162,000 in the previous year, accounting for 2.82% (2016: 10.93%) of the Group's total revenue. During the year, the results of the segment recorded a profit of RMB32,648,000 (2016: a profit of RMB308,204,000), representing a year-on-year decrease of 89.41%.

Currently, the segment acquired 2 new projects (refer to the announcement published by the Group on 28 June 2017). However, there is no revenue achieved on the ground that the projects are still under construction.

其他

該分部包括生產及銷售本集團各經營分部其他副產品，如氟化氫銨、氫氟酸、溴素等，以及於年內新開展的大宗商品貿易活動產生的收益。

於回顧年度內，該分部收益錄得人民幣389,154,000元，較去年人民幣186,964,000元增長108.14%。該分部業績錄得盈利人民幣237,215,000元(2016年為人民幣74,646,000元)，同比增長217.79%。本回顧年度內，該分部業績增長與國內經濟形勢好轉有關。另外，新開展的大宗商品貿易活動也為該分部收益的增長帶來貢獻，佔比達到該分部收益的25%以上。

分銷及銷售開支

於回顧年度內，分銷及銷售開支由去年的人民幣283,058,000元增加10.92%至人民幣313,959,000元，此乃由於銷售過程中所產生的運輸成本增加。

行政開支

於回顧年度內，行政開支自去年的人民幣387,610,000元大幅增加69.33%至人民幣656,333,000元，大幅增加主要因為(i)僱員薪金增加及(ii)出售資產的損失增加。

融資成本

於回顧年度內，融資成本自去年的人民幣166,229,000元減少32.09%至人民幣112,890,000元，此乃主要由於本集團在回顧年度內維持充足的現金流量，本集團因而減少借貸金額所致。

Others

This segment included the revenue from the production and sale of the Group's other by-products of the various operating segments, such as Ammonium Bifluoride, Hydrofluoric Acid, Bromine and etc., and the revenue from the newly commenced bulk commodities trading activities during the year.

During the year under review, the segment recorded a revenue of RMB389,154,000, representing an increase of 108.14% as compared with RMB186,964,000 in the previous year. The results of the segment recorded a profit of RMB237,215,000 (2016: RMB74,646,000), representing a year-on-year growth of 217.79%. During the year under review, the growth of the segment's results was attributable to the improvement in the domestic economic conditions. In addition, the newly commenced bulk commodities trading activities also contributed to the growth of the segment's results, accounting for over 25% of the same.

Distribution and Selling Expenses

During the year under review, the distribution and selling expenses increased by 10.92% to RMB313,959,000 from RMB283,058,000 of the previous year, which is attributable to an increase in transportations cost during sales process.

Administrative Expenses

During the year under review, the administrative expenses increased significantly by 69.33% to RMB656,333,000 from RMB387,610,000 of the previous year. The reasons for the substantial increase include: (i) an increase in employees' salaries and (ii) an increase in loss from disposal of assets.

Finance Costs

During the year under review, the finance costs decreased by 32.09% to RMB112,890,000 from RMB166,229,000 of the previous year. This was mainly attributable to the decrease in the amount of the borrowings of the Group during the year under review, considering the sufficient cashflow maintained by the Group.

資本性支出

截至2017年12月31日止年度，本集團資本性支出合共約為人民幣834,226,000元(2016年：人民幣457,737,000元)。本集團的資本性支出主要用於添置固定資產(包括本集團用於有關集團技術改造，提升智能化及信息化的設備及設施及經營擴張)。

流動資金及財務資源

本集團保持穩健的財務狀況，具備健全的營運資金管理及雄厚的經營現金流量。於2017年12月31日，本集團的權益總額達人民幣7,312,411,000元，較於2016年12月31日增加28.60%。於2017年12月31日，本集團的銀行結餘及現金總額達人民幣1,471,116,000元(2016年12月31日：人民幣2,082,361,000元)。本集團的銀行結餘及現金減少主要原因有兩點，其一為因現金充足，公司主動壓縮銀行貸款規模，提前償還銀行貸款；其二為銀行承兌匯票額度有較大增長。於回顧年度，本集團之經營活動產生現金淨流入合共人民幣1,122,187,000元(截至2016年12月31日止年度：人民幣1,546,155,000元)。於2017年12月31日，本集團之流動比率⁽¹⁾為1.61(2016年12月31日：1.16)。經營性現金流量淨額同比减少主要原因是本期物業開發分部新併購兩家房產公司，物業開發支出增加所致。

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

股本結構

於回顧年度內，本公司並無購回或註銷任何本公司上市證券。本公司於2017年12月31日的已發行股份數目為2,111,689,455股。

Capital Expenditure

For the year ended 31 December 2017, the Group's aggregate capital expenditure was approximately RMB834,226,000 (2016: RMB457,737,000). The Group's capital expenditure is mainly for the acquisition of fixed assets including the equipment and facilities for the improvement of technology and upgrading the intelligence system of the Group and operation expansion.

Liquidity and Financial Resources

The Group's financial position is sound with healthy working capital management and strong operational cash flow. As at 31 December 2017, the Group's total equity amounted to RMB7,312,411,000, representing an increase of 28.60% as compared with that as at 31 December 2016. As at 31 December 2017, the Group's bank balances and cash totaled RMB1,471,116,000 (31 December 2016: RMB2,082,361,000). The decrease in the Group's bank balances and cash is mainly attributable to the active reduction of the size of bank loans by the Company through repaying bank loans in advance owing to sufficient cash, and the significant increase in bills receivable. During the year under review, the Group generated a total of RMB1,122,187,000 (for the year ended 31 December 2016: RMB1,546,155,000) cash inflow from its operating activities. The current ratio⁽¹⁾ of the Group as at 31 December 2017 was 1.61 (31 December 2016: 1.16). The year-on-year decrease in net operating cash flows is mainly attributable to the increase in property development expenditures as a result of the acquisition of two real estate companies by the property development segment.

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

Capital Structure

During the year under review, the Company did not repurchase or cancel any of the Company's listed securities. The number of issued shares of the Company was 2,111,689,455 as at 31 December 2017.

管理層討論與分析 Management Discussion and Analysis

於2017年12月31日，本集團借貸金額合共為人民幣1,820,821,000元（2016年12月31日：人民幣2,729,700,000元）。本集團之負債比率⁽²⁾為4.56%（2016年12月31日：10.22%）。負債比率大幅降低主要由於(i)年內溢利增加及(ii) 2017年尚未償還貸款結餘減少。

本集團的借貸行為並無特定季節性。於2017年12月31日，本集團的借貸包括非流動部分（一年以上）及流動部分（一年以內）。借貸非流動部分約人民幣744,800,000元，須於一年以上及五年以內全數償還。借貸流動部分約為人民幣1,076,021,000元。本集團的借貸按固定利率和浮動利率計息。截至2017年12月31日止年度，浮動利率借貸及固定利率借貸的加權平均實際年利率分別為5.36%（2016年：6.35%）及5.01%（2016年：5.78%）。於2017年12月31日，本集團借貸的19.61%（2016年12月31日：18.99%）為定息借貸。

於2017年及2016年12月31日，本集團之借貸僅以人民幣計值。

附註：

(1) 流動比率=流動資產÷流動負債

(2) 負債比率=債務淨額÷總資本

債務淨額=總借貸－銀行結餘及現金

總資本=債務淨額+權益總額

集團結構

於回顧年度內，本集團結構並無任何重大變化。

As at 31 December 2017, the borrowings of the Group totaled RMB1,820,821,000 (31 December 2016: RMB2,729,700,000). The gearing ratio⁽²⁾ of the Group was 4.56% (31 December 2016: 10.22%). The significant lower gearing ratio is mainly attributable to (i) an increase in profit during the year and (ii) a decrease in outstanding loan balance in 2017.

The Group had no particular seasonal pattern of borrowing. As at 31 December 2017, the Group's borrowings comprised non-current portion (over 1 year) and current portion (within 1 year). The non-current portion of borrowings amounted to approximately RMB744,800,000 which are repayable in full after one year but not exceeding five years. The current portion of borrowings amounted to approximately RMB1,076,021,000. The Group's borrowings were made at fixed interest rates and floating rates. The weighted average effective interest rates on floating rate borrowings and fixed rate borrowings for the year ended 31 December 2017 were 5.36% (2016: 6.35%) and 5.01% (2016: 5.78%) per annum, respectively. As at 31 December 2017, 19.61% (31 December 2016: 18.99%) of the Group's borrowings bear fixed interest rates.

As at 31 December 2017 and 2016, the Group's borrowings were denominated in RMB only.

Notes:

(1) Current Ratio = Current Assets ÷ Current Liabilities

(2) Gearing Ratio = Net Debt ÷ Total Capital

Net Debt = Total Borrowing – Bank Balances and Cash

Total Capital = Net Debt + Total Equity

Group Structure

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

資產抵押

於2017年12月31日，本集團以賬面值合共約人民幣167,586,000元(2016年12月31日：人民幣8,669,000元)的若干物業、機器、設備及預付租金及以人民幣32,860,000元(2016年12月31日：人民幣106,703,000元)之銀行存款用作本集團借貸及應付票據的抵押。

匯率波動風險及相關對沖活動

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

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

僱員及薪酬政策

於2017年12月31日，本集團共聘用5,862名僱員(2016年12月31日：5,660名)。本集團按業績及員工表現實施薪金政策及獎金。本集團亦有提供社會保險及退休金等福利，以確保薪酬競爭力。

Charge on Assets

As at 31 December 2017, the Group had certain property, plant and equipment and lease prepayments with an aggregate carrying value of approximately RMB167,586,000 (31 December 2016: RMB8,669,000), and bank deposits of RMB32,860,000 (31 December 2016: RMB106,703,000), which were pledged to secure the Group's borrowings and the bills payable of the Group.

Exposure to Fluctuations in Exchange Rates and Related Hedges

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

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

Employees and Remuneration Policy

The Group had 5,862 employees in total as at 31 December 2017 (31 December 2016: 5,660). The Group implemented its remuneration policy and bonus based on the performance of the Group and its employees. The Group provided benefits such as social insurance and pensions to ensure remuneration competitiveness.

董事及高層管理人員履歷

Directors' and Senior Management's Profile

董事

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

執行董事

張建宏先生，58歲，於2006年7月獲委任為本公司主席、行政總裁及執行董事。張先生自1986年10月起已在本公司及其附屬公司(統稱「本集團」)及其前身公司工作，有超過30年化工業及高分子材料行業經驗。張先生亦為本公司附屬公司東岳化工、東岳高分子及東岳有機硅的主席以及本公司附屬公司東岳氟硅、東營東岳鹽業及東岳精細化工的董事。此外，張先生為中國民生投資股份有限公司董事及戰略委員會主席。張先生獲得經濟學碩士學位，為高級政工師。張先生於1978年至1982年在中國人民解放軍海軍服役。張先生現任全國工商聯副主席、中國氟硅材料工業協會副理事長及山東省政協常委，獲得「第四屆全國非公有經濟人士優秀社會主義事業建設者」、「首屆中國石油和化學工業風雲人物」、「中國品牌國際市場十大傑出人物」、「全國優秀復員退伍軍人」及香港雜誌《資本才俊》「年度傑出CEO」等榮譽稱號。

傅軍先生，61歲，傅先生於2006年7月獲委任為本公司的執行董事，曾為東岳化工、東岳高分子、東岳有機硅及東岳氟硅的董事。傅先生是新華聯控股有限公司(「新華聯控股」)的董事會主席兼總裁，並為新華聯國際投資有限公司(「新華聯國際」)(本公司之一主要股東)的董事。傅先生擁有工商管理碩士學位，為高級經濟師。傅先生有超過28年企業管理及業務策劃的經驗。傅先生曾任湖南省醴陵市經濟委員會副主任、湖南省

Directors

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

Executive directors

Mr. ZHANG Jianhong, aged 58, was appointed as the chairman, chief executive officer and executive director of the Company in July 2006. He has been with the Company and its subsidiaries (collectively the "Group") and its predecessors since October 1986 and has over 30 years of experience in the chemical industry. He is also the chairman of Dongyue Chemicals, Dongyue Polymers and Dongyue Organic Silicone, and a director of Dongyue F&S, Dongying Dongyue Salt and Dongyue Precision Chemicals, all of which are the Company's subsidiaries. In addition, Mr. Zhang is the director and the chairman of the Strategy Committee of China Minsheng Investment Company Limited (中國民生投資股份有限公司). Mr. Zhang is a senior officer of political affairs with a postgraduate degree in economics. He had served the People's Liberation Army Navy from 1978 to 1982. Mr. Zhang currently serves as Vice Chairman of All-China Federation of Industry and Commerce (全國工商聯), Deputy Director of China Fluorine and Silicon Material Industry Association (中國氟硅材料工業協會) and a standing committee member of Chinese People's Political Consultative Conference of Shandong Province (山東省政協). He has obtained the honorary titles of National Outstanding Builder of Socialism in the Non-Public Economy (Fourth Session), Powerful Figure of China Petroleum and Chemical Industry (First Session), Top 10 Outstanding Figures of Chinese Brands in the International Market, National Outstanding Demobilized Soldier, and Most Outstanding CEO of the Year chosen by a Hong Kong magazine "Capital CEO" ("資本才俊").

Mr. FU Kwan, aged 61, was appointed as the executive director of the Company in July 2006. He is formerly a director of Dongyue Chemicals, Dongyue Polymers, Dongyue Organic Silicone and Dongyue F&S. Mr. Fu is the chairman of the board of directors and the president of Macro-Link Holding Limited ("Macrolink Holding") and is a director of Macro-Link International Investment Co. Ltd. ("Macrolink International"), a substantial shareholder of the Company. Mr. Fu is a senior economist with a postgraduate degree in business administration. Mr. Fu has over 28 years of experience in corporate

醴陵市外貿局局長及第十屆全國工商聯副主席，現時為中國人民政治協商會議委員、北京湖南企業商會名譽會長、中國民間商會副會長及全國工商聯參政議政委員會主任。傅先生亦於2003年獲得中國職業經理人協會評為「中國十大傑出企業家」。此外，傅先生現時擔任新華聯文化旅遊發展股份有限公司(該公司於深圳證券交易所上市)的董事。傅先生擁有新華聯控股直接4.25%及間接90%權益，該公司全資擁有新華聯國際。新華聯國際是新絲路文旅有限公司的主要股東，後者在香港聯合交易所有限公司(「聯交所」)上市。

management and business strategy planning. Mr. Fu was the deputy director of the Economic Committee of Liling City, Hunan Province, head of the Foreign Trade Bureau of Liling City, Hunan Province and the vice chairman of the 10th China Federation of Industry & Commerce, and is a committee member of the Chinese People Political & Consultative Conference, the honorary chairman of Chamber of Commerce of Beijing and Hunan Enterprises (北京湖南企業商會), vice chairman of China Civil Chamber of Commerce (中國民間商會) and director of political affairs committee of China Federation of Industry and Commerce (全國工商聯參政議政委員會). Mr. Fu has also been awarded the "Top 10 Outstanding Entrepreneurs in China Certificate" in 2003 by the China Professional Managers Association. In addition, Mr. Fu is the director of Macrolink Culturaltainment Development Co., Ltd. (新華聯文化旅遊發展股份有限公司), a company listed on the Shenzhen Stock Exchange. Mr. Fu owns a direct 4.25% and an indirect 90% interest in Macrolink Holding, which wholly owns Macrolink International. Macrolink International is a substantial shareholder of New Silkroad Culturaltainment Limited, a company listed on the Stock Exchange of Hong Kong Limited (the "HKSE").

劉傳奇先生，68歲，於2006年7月獲委任為本公司執行董事。彼自1986年10月起已在本集團及其前身公司工作，累積超過30年化工業經驗，現擔任本公司附屬公司東岳化工、東岳高分子、東岳氟硅、東岳有機硅、東營東岳鹽業、華夏神舟、東岳精細化工及曾擔任淄博東岳氯源董事。劉先生亦曾為東岳化工總經理及現為本集團總裁。劉先生為高級政工師，曾於2002年獲淄博市工會授予「振興淄博勞動獎章」獎項。

Mr. LIU Chuanqi, aged 68, was appointed as the executive director of the Company in July 2006. He has been with the Group and its predecessors since October 1986. Mr. Liu has over 30 years of experience in the chemical industry and is a director of Dongyue Chemicals, Dongyue Polymers, Dongyue F&S, Dongyue Organic Silicone, Dongying Dongyue Salt, Huaxia Shenzhou and Dongyue Precision Chemicals and was a director of Zibo Dongyue Lvyuan, all of which are the Company's subsidiaries. He is also formerly the general manager of Dongyue Chemicals and currently the president of the Group. He is a senior officer of political affairs, and was awarded "Medal for Enhancing the Labour Force of Zibo City" in 2002 by the Zibo City Labour Union.

張哲峰先生，43歲，於2017年5月獲委任為本公司執行董事、副總裁兼首席財務官。張先生曾於2006年至2007年任本集團財務總監。彼於2008年2月至2016年2月任新華聯礦業有限公司之財務總監及總經理。新華聯礦業有限公司為新華聯控股有限公司(亦為本公司的主要股東新華聯實業投資有限公司的控股公司)之附屬公司。張先生於2003年畢業於湖南大學。彼亦為中國註冊會計師協會會員及中國註冊稅務師。張先生於會計及財務領域擁有逾20年的經驗。

Mr. ZHANG Zhefeng, aged 43, was appointed as the executive director, vice president and chief financial officer of the Company in May 2017. Mr. Zhang was the financial controller of the Group from 2006 to 2007. He has served as the financial controller and general manager of MacroLink Mineral Co., Ltd. (新華聯礦業有限公司) from February 2008 to February 2016. MacroLink Mineral Co., Ltd. is a subsidiary of MacroLink Holding Limited (新華聯控股有限公司), which is also the holding company of Macro-Link Industrial Investment Limited, the substantial shareholder of the Company. Mr. Zhang graduated in the Hunan University in 2003. He is also a member of the Chinese Institute of Certified Public Accountants and a registered tax agent in the PRC. Mr. Zhang has more than 20 years of experience in accounting and finance.

董事及高層管理人員履歷

Directors' and Senior Management's Profile

張必書先生，48歲，於2017年5月獲委任為本公司執行董事。張先生現任新華聯集團高級副總裁、首席會計師兼化工與輪胎事業部總裁。於早年間，張先生曾任湖南省益陽製藥廠財務科科長及湖南省益陽稅務局科長及副局長。彼於2004年10月加入新華聯集團。彼曾任新華聯集團財務副總監、新華聯偉鴻食品有限公司董事長、佳遠鈷業控股有限公司董事兼總經理及新華聯集團財務總監兼投資事業部總監。張先生於2005年獲得內蒙古大學工商管理碩士學位。彼亦為中國註冊會計師及註冊稅務師。

張建先生，45歲，於2006年7月獲委任為本公司執行董事。彼自2006年2月起已在本集團工作。張先生在投資銀行及企業融資方面有超過20年經驗，持有中國江西財經大學經濟學及法律學學位以及香港中文大學工商管理碩士學位。張先生現任新華聯集團高級副總裁兼陶瓷與裝備事業部總裁，亦是新絲路文旅有限公司(該公司於聯交所上市)的執行董事，科達潔能股份有限公司(該公司於上海證券交易所上市)的副董事長及新華聯文化旅遊發展股份有限公司(該公司於深圳證券交易所上市)的執行董事。

獨立非執行董事

丁良輝先生，MH、FCCA、FCPA (PRACTISING)、ACA、CTA (HK)、FHKIoD，64歲，於2007年11月獲委任為本公司獨立非執行董事。丁先生為執業會計師，自1987年起擔任丁何關陳會計師行之執行合夥人。丁先生為中國人民政治協商會議第九、第十及第十一屆福建省委員會委員。丁先生現為周生生國際集團有限公司之非執行董事，及六間聯交所上市公司之獨立非執行董事，分別為北京同仁堂科技發展股份有限公司、通達集團控股有限公司、新絲路文旅有限公司、科聯系統集團有限公司、天虹紡織集團有限公司及中駿置業控股有限公司。除上述者外，丁先生於過去3年內並無擔任其他上市公司董事職務。

Mr. ZHANG Bishu, aged 48, was appointed as the executive director of the Company in May 2017. Mr. Zhang is currently the senior vice president, chief accountant and the president of the chemical and tyre business department of the Macro-Link Group. In his earlier years, Mr. Zhang served as the chief of the finance section of Hunan Yiyang Pharmaceutical Company (湖南省益陽製藥廠) and the section chief and deputy secretary of the Hunan Yiyang Tax Bureau. He joined the Macro-Link Group in October 2004. He has since served as the deputy financial officer of the Macro-Link Group, the chairman of Macro-Link Weihung Food Company Ltd. (新華聯偉鴻食品有限公司), the director and the general manager of Jiayuan Cobalt Holdings (佳遠鈷業控股有限公司) and the financial officer and the chief officer of the investment department of the MacroLink Group. Mr. Zhang obtained a master's degree in business administration from the Inner Mongolian University in 2005. He is also a certified accountant and registered tax agent in the PRC.

Mr. ZHANG Jian, aged 45, was appointed as the executive director of the Company in July 2006 and has been with the Group since February 2006. Mr. Zhang has more than 20 years of experience in the investment banking and corporate finance. Mr. Zhang holds a bachelor degree in Economics and Law from Jiangxi University of Finance and Economics and a Master degree in Business Administration from The Chinese University of Hong Kong. Mr. Zhang is currently the senior vice president of the Marco-Link Group and the president of its ceramic and equipment business department, as well as an executive director of New Silkroad Culturaltainment Limited (a company listed on the HKSE), the vice-chairman of Keda Clean Energy Co. Ltd. (a company listed on the Shanghai Stock Exchange), and an executive director of Macrolink Culturaltainment Development Co., Ltd. (新華聯文化旅遊發展股份有限公司) (a company listed on the Shenzhen Stock Exchange).

Independent non-executive directors

Mr. TING Leung Huel, Stephen MH, FCCA, FCPA (PRACTISING), ACA, CTA (HK), FHKIoD, aged 64, was appointed as an independent non-executive director of the Company in November 2007. Mr. Ting is a certified public accountant and has been the managing partner of Messrs Ting Ho Kwan & Chan, Certified Public Accountants (Practising) since 1987. Mr. Ting is a member of the 9th, 10th and 11th Chinese People Political Consultative Conference, Fujian Province. Mr. Ting is currently a non-executive director of Chow Sang Sang Holdings International Limited and an independent non-executive director of six companies listed on the HKSE, namely Tong Ren Tang Technologies Company Limited, Tongda Group Holdings Limited, New Silkroad Culturaltainment Limited, Computer and Technologies Holdings Limited, Texhong Textile Group Limited and China SCE Property Holdings Limited. Save for the aforesaid, Mr. Ting does not have any other directorships in listed companies during the past 3 years.

岳潤棟先生，75歲。岳先生於2007年11月獲委任為本公司獨立非執行董事，自此之後任職本集團至今。岳先生在化工行業已累積逾40年經驗。岳先生曾任瀋陽化工研究院技術員、專題組長及副主任、晨光化工研究院院長及成都有機硅研究中心院長。岳先生也曾出任藍星化工科技總院院長及中國氟硅有機材料工業協會理事長、教授級高級工程師。岳先生現為中國氟硅有機材料工業協會名譽理事長。

Mr. YUE Rundong, aged 75, was appointed as an independent non-executive director of the Company in November 2007 and has been with the Group since then. Mr. Yue has more than 40 years of experience in the chemical industry. He was the technician, project leader and deputy director of research department of Shen Yang Chemical Research Institute, the dean of Chen Guang Chemical Research Institute and the dean of Chengdu Silicone Research Centre. Mr. Yue has taken the post of the dean of Bluestar Institute of Chemical Technology, the standing chairman and professorate senior engineer of China Association of Organic Fluorine and Silicone Material Industry. Mr. Yue is currently the honorary standing chairman of China Association of Organic Fluorine and Silicone Material Industry.

楊曉勇先生，62歲，於2014年8月獲任為本公司獨立非執行董事，在含氟高分子材料及有機硅材料工業領域有累積超過30年的工作經驗。楊先生於1982年取得華東理工大學化學工程學士學位。楊先生曾任職於中藍晨光化工研究設計院有限公司，擔任總工程師以及國家有機硅工程技術研究中心主任、國家合成樹脂品質監督檢驗中心主任、中國氟硅有機材料工業協會有機硅專業委員會秘書長等職。楊先生現為中國氟硅有機材料工業協會副理事長、專家委員會主任、有機硅專業委員會主任、《有機硅材料》主編。此外，楊先生現時分別擔任湖北興發化工集團股份有限公司(該公司於上海證券交易所上市)及寧波潤禾高新材料科技股份有限公司(該公司於深圳證券交易所上市)的獨立董事。

Mr. YANG Xiaoyong, aged 62, was appointed as an independent non-executive director of the Company in August 2014. Mr. Yang has over 30 years of experience in fluoropolymer and organic silicone industries. Mr. Yang obtained a bachelor degree in chemical engineering from East China Institute of Technology in 1982. Mr. Yang served at China Bluestar Chengrand Research Institute of Chemical Industry as chief engineer and director of National Organic Silicone Engineering and Technological Research Centre and National Synthetic Resin Quality Supervision and Inspection Centre, and the chief secretary of the Organic Silicone Professional Committee of China Association of Fluorine and Silicone Industry and so forth. Mr. Yang is currently vice chairman of China Association of Fluorine and Silicone Industry, director of the Expert Committee and the Professional Committee of Silicone, and editor of Silicone Material. In addition, Mr Yang is currently an independent director of Hubei Xingfa Chemicals Group Co., Ltd (湖北興發化工集團股份有限公司), a company listed on the Shanghai Stock Exchange, and an independent director of Ningbo Runbe High-Tech Materials Co., Ltd (寧波潤禾高新材料科技股份有限公司), a company listed on the Shenzhen Stock Exchange.

高層管理人員

王維東先生，54歲，自1996年9月起至今任職於本集團，負責技術研發及公司管理事宜，期間全面主持氟硅公司、有機硅公司的籌建工作，歷任東岳氟硅、有機硅公司總經理，擁有超過30年的化工製造管理經驗，彼現時出任本集團總裁、東岳化工總經理、東岳集團各附屬公司董事。王先生曾獲石油和化工工業協會「全國化工優秀科技工作者」、「傑出貢獻企業家」和山東省「優秀企業家」等稱號。王先生持有上海交通大學工商管理碩士學位。

李玉文先生，50歲，自2002年3月至今，任職於本集團，彼現時出任本集團副總裁、黨委副書記、紀委書記。2009年，彼獲得教授級高級政工師職稱，2018年1月獲得北京外國語學院本科學歷。

公司秘書

鍾德麗女士，36歲，為本公司的全職公司秘書。鍾女士於2015年3月20日加入本集團，主要負責本公司的公司秘書事宜，其於會計、企業融資及策略投資方面擁有15年經驗。於加入本公司前，鍾女士曾在一間國際知名會計公司的審計及財務諮詢部工作，以及任職於一間香港上市藍籌公司的收購合併部，及分別任職於兩間香港上市公司的會計財務部及策略投資部。鍾女士於香港中文大學獲取工商管理學系(主修專業會計學)學士學位，及於倫敦大學獲取法律學士學位。鍾女士為英國特許公認會計師公會資深會員及香港會計師公會會員。

Senior management

Mr. WANG Weidong, aged 54, has worked for the Group since September 1996 and is responsible for technology R&D and corporate management matters. During the period, he chaired the overall preparation works for incorporation of fluorosilicone companies as well as organic silicone companies. He then acted as the general manager of fluorosilicone companies as well as organic silicone companies of Dongyue. He has over 30 years' experience for manufacture and management in the chemical industry. He is currently the president of the Group, the general manager of Dongyue Chemicals, the director of the subsidiaries of Dongyue Group. Mr. Wang also received various awards such as the nationwide outstanding chemical engineer (全國化工優秀科技工作者) from Petroleum and Chemical Industry Federation (石油和化工工業協會), Outstanding Contribution Entrepreneurs (傑出貢獻企業家) and Shandong Outstanding Entrepreneurs (山東省優秀企業家). Mr. Wang holds a master degree in business administration from Shanghai Jiao Tong University.

Mr. LI Yuwen, aged 50, has worked for the Group since March 2002 until now. He currently serves as the deputy president, the deputy secretary to the communist party committee and secretary to the disciplinary committee of the Group. He obtained the title of senior political scientist of professor level in 2009 and graduated from Beijing Foreign Languages Institute with a bachelor's degree in January 2018.

Company secretary

Ms. CHUNG Tak Lai, aged 36, is a full time company secretary of the Company. She joined the Group on 20 March 2015. Ms. Chung is primarily responsible for company secretarial matters of the Company. Ms. Chung has 15 years of work experience in accounting, corporate finance and strategic investment. Prior to joining the Company, Ms. Chung had worked in the audit and financial advisory divisions of a leading international accounting firm; merger and acquisition team of a Hong Kong listed blue-chip company; finance and accounting; and strategic investment divisions of two listed companies in Hong Kong respectively. Ms. Chung holds a bachelor degree of business administration, majoring in professional accountancy from the Chinese University of Hong Kong and a bachelor degree of laws from the University of London. Ms. Chung is a fellow member of the Association of Chartered Certified Accountants and a member of the Hong Kong Institute of Certified Public Accountants.

董事會報告

Report of the Directors

董事會謹此提呈東岳集團有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至2017年12月31日止年度之董事會報告及經審核財務報表。

主要業務

本公司的主要業務為投資控股。附屬公司的主要業務載於財務報表附註36。年內，本集團主要業務的性質並無顯著變化。

業績及分派

本集團於年內的業績載於第112頁的綜合損益及其他全面收入報表。

董事不建議派付截至2017年6月30日止六個月的中期股息(截至2016年6月30日止六個月：無)。

董事現建議向於2018年5月29日名列本公司股東名冊(「股東名冊」)的股東派付2017年度末期股息每股0.3港元(「末期股息」)(約相等於每股人民幣0.24元)(2016年：每股0.10港元，約相等於每股人民幣0.08元)。末期股息須得到將於2018年5月24日舉行之應屆股東週年大會(「股東週年大會」)上本公司股東之批准。

暫停辦理股份過戶登記手續

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

本公司將於2018年5月18日至2018年5月24日(包括首尾兩日)期間暫停辦理股份過戶登記手續，期間概不會辦理股份過戶登記手續。若要符合出席股東週年大會並於會上投票的資格，所有股份過戶文件連同有關股票，最遲須於2018年5月17日下午4時30分前送交本公司的股份過戶登記處香港分處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。

The Directors present their report together with the audited financial statements of Dongyue Group Limited (the "Company") and its subsidiaries (collectively the "Group") for the year ended 31 December 2017.

Principal activities

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in note 36 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Results and appropriations

The results of the Group for the year are set out in the consolidated statement of profit or loss and other comprehensive income on page 112.

The Directors did not recommend the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

The Directors now recommend the payment of a final dividend of HK\$0.3 per share (the "Final Dividend") (approximately equivalent to RMB0.24 per share) (2016: HK\$0.10 per share, approximately equivalent to RMB0.08 per share), in respect of the year 2017, to the shareholders whose names appear on the register of members of the Company (the "Register") on 29 May 2018. The Final Dividend is subject to the approval of the members of the Company at the forthcoming annual general meeting (the "AGM") to be held on 24 May 2018.

Closure of the Register

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

The Register will be closed from 18 May 2018 to 24 May 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, all share transfers, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 17 May 2018.

本公司將於2018年5月30日至6月1日(包括首尾兩日)期間暫停辦理股份過戶登記手續，期間概不會辦理股份過戶登記手續。若要符合收取末期股息的資格，所有過戶文件連同有關股票必須在2018年5月29日下午4時30分前送交卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓。

儲備

本集團於年內的儲備變動載於第114頁的綜合權益變動表。

物業、機器及設備

本集團物業、機器及設備的變動詳情載於財務報表附註15。

股本

本公司股本的變動詳情載於財務報表附註30。

可供分派儲備

於2017年12月31日，本公司按照開曼群島公司法(2003年修訂本)計算的可供分派予股東的儲備為人民幣3,953,266,000元，其中633,506,837港元(約相等於人民幣513,140,538元)擬作為末期股息。

優先購買權

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

購買、出售或贖回上市證券

年內，於截至2017年12月31日止年度，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

The Register will be closed from 30 May to 1 June 2018, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the entitlement to the Final Dividend, all share transfers, accompanied by the relevant share certificates, must be lodged with Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 29 May 2018.

Reserves

Movements in the reserves of the Group during the year are set out in the consolidated statement of change in equity on page 114.

Property, plant and equipment

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

Share capital

Details of the movements in the share capital of the Company are set out in note 30 to the financial statements.

Distributable reserves

As at 31 December 2017, the Company's reserves available for distribution to shareholders as computed in accordance with the Companies Law (2003 Revision) of the Cayman Islands amounted to RMB3,953,266,000, of which HK\$633,506,837 (approximately equivalent to RMB513,140,538) has been proposed as Final Dividend.

Pre-emptive right

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

Purchase, sale or redemption of listed securities

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2017.

購股權

購股權計劃

根據本公司全體股東於2007年11月16日以書面決議案批准的購股權計劃(「計劃」)，本公司可向(其中包括)本公司的董事及本集團僱員授出購股權認購股份，以表揚彼等對本集團作出的貢獻。根據計劃，董事會(「董事會」)可酌情邀請任何合資格參與者接納購股權以認購本公司股份，該等股份加上任何其他購股權計劃的股份總數，不得超過不時已發行股份的30%。因行使根據計劃及任何其他計劃授出的所有購股權而可能發行的股份總數，合共不得超過股份首次開始於聯交所買賣當日已發行股份數目的10%，惟根據載於計劃的條件獲股東進一步批准者則除外。於任何12個月期間內，因行使根據計劃及任何其他計劃授出的所有購股權(包括已獲行使或尚未行使的購股權)而已發行及將會發行予每名參與者的股份總數，不得超過本公司已發行股本的1%。

有關授出購股權的要約(「要約」)必須於要約日期起計28天內獲接納，並支付1.00港元代價。購股權行使價將按下列最高者釐定：(i)聯交所每日報價表所列股份於緊接要約日期前五個營業日的平均收市價；(ii)聯交所每日報價表所列股份於要約日期的收市價；及(iii)股份的面值。根據計劃及任何其他計劃可供發行的股份總數，合共不得超過208,000,000股股份，佔於上市日期全部已發行股本的10%，惟獲股東進一步批准者則除外。購股權的行使期由授出日期起計最多達10年，而購股權的行使須受計劃的條款及條件以及董事會可能規定的任何授出條件所限制。除非本公司在股東大會上以決議案終止計劃，否則計劃將於2007年11月16日起計10年期間內一直生效及有效。

Share options

Share option scheme

Pursuant to the share option scheme approved by a written resolution of all shareholders of the Company on 16 November 2007 (the "Scheme"), the Company may grant to, among others, the Directors of the Company and employees of the Group, for the recognition of their contribution of the Group, options to subscribe for the Shares. According to the Scheme, the board of Directors (the "Board") may, at its discretion, invite any eligible participants to take up options to subscribe for Shares of the Company, which when aggregated with any other share option scheme, shall not exceed 30% of the Shares in issue from time to time. The total number of Shares which may be issued upon exercise of all options to be granted under the Scheme and any other scheme must not, in aggregate, exceed 10% of the number of Shares in issue as at the date on which dealings in the Shares first commence on the HKSE unless further shareholders' approval had been obtained pursuant to the conditions set out in the Scheme. The total number of Shares in issue and to be issued upon exercise of all option under the Scheme and any other schemes (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company.

The offer for the grant of options (the "Offer") must be taken up within 28 days from the date of Offer, with a payment of HK\$1.00 as consideration. The exercise price of the share option will be determined at the highest of (i) the average closing prices of Shares as stated in the HKSE's daily quotations sheets for the five trading days immediately preceding the date of the Offer; (ii) the closing price of Shares as stated in the HKSE's daily quotations sheet on the date of the Offer; and (iii) the nominal value of the Shares. The total number of Shares which may fall to be issued under the Scheme and any other scheme must not, in aggregate, exceed 208,000,000 which represents 10% of the total issued share capital as at the listing date unless further shareholders' approval is obtained. The share options are exercisable at any time during a period of not more than 10 years from the date of grant, subject to the terms and conditions of the Scheme and any conditions of grant as may be stipulated by the Board. Unless terminated by the Company by resolution in general meeting, the Scheme shall be valid and effective for a period of 10 years from 16 November 2007.

根據計劃授出的全部購股權已於2016年6月2日到期；及計劃亦已於2017年11月15日到期。於截至2017年12月31日止財政年度，概無根據計劃授出購股權，亦無計劃項下之購股權已行使、失效或註銷。於2017年12月31日，並無計劃下尚未行使之購股權。

購股權公平值的相關會計政策載於財務報表附註3。

董事

截至2017年12月31日止年度及截至本報告日期止，董事包括：

執行董事

張建宏先生(主席兼行政總裁)
傅軍先生
劉傳奇先生
崔同政先生(副總裁兼首席財務官)
(於2017年5月2日辭任)
張哲峰先生(副總裁兼首席財務官)
(於2017年5月2日獲委任)
馮建軍先生(於2017年5月2日辭任)
張必書先生(於2017年5月2日獲委任)
張建先生

獨立非執行董事

丁良輝先生
岳潤棟先生
楊曉勇先生

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

All share options granted under the Scheme has expired on 2 June 2016, and the Scheme has also expired on 15 November 2017. During the financial year ended 31 December 2017, no share options were granted, exercised, lapsed or cancelled under the Scheme. As at 31 December 2017, there was no outstanding share options under the Scheme.

The related accounting policy for the fair value of the share options are set out in note 3 to the financial statements.

Directors

The Directors during the year ended 31 December 2017 and up to the date of this report were:

Executive Directors

Mr. Zhang Jianhong (Chairman and Chief Executive Officer)
Mr. Fu Kwan
Mr. Liu Chuanqi
Mr. Cui Tongzheng (Vice President and Chief Financial Officer)
(resigned on 2 May 2017)
Mr. Zhang Zhefeng (Vice President and Chief Financial Officer)
(appointed on 2 May 2017)
Mr. Feng Jianjun (resigned on 2 May 2017)
Mr. Zhang Bishu (appointed on 2 May 2017)
Mr. Zhang Jian

Independent non-executive Directors (“INEDs”)

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

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

董事的服務合約

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

董事於合約的權益

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

董事購入股份的權利

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

董事及高層管理人員履歷詳情

本公司董事及本集團高層管理人員的履歷詳情載於第22至26頁。

Directors' service contracts

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

Directors' interests in contracts

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

Director's rights to acquire shares

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

Biographical details of Directors and senior management

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

董事的薪酬

各董事的薪酬乃經參考董事的職務、責任、表現以及本集團的業績釐定。

董事的薪酬詳情載於財務報表附註11。

企業管治常規

本公司企業管治常規的詳情載於第42至61頁。

環境、社會及管治常規

本公司環境、社會及管治常規的詳情載於第62至101頁。

Remuneration of the Directors

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

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

Corporate governance practice

Details of the corporate governance practice of the Company are set out on pages 42 to 61.

Environmental, Social and Governance practice

Details of the environmental, social and governance practice of the Company are set out on pages 62 to 101.

權益披露

(a) 董事及主要行政人員於股份、相關股份及債權證的權益及淡倉

於2017年12月31日，本公司董事及主要行政人員及彼等各自的聯繫人於本公司或其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及第8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關規定被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條須記錄於該條所述登記冊的權益或淡倉，或根據上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉如下：

Disclosure of interests

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

As at 31 December 2017, the interests or short positions of the Directors and the chief executive of the Company and their respective associates in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which were required to be notified to the Company and the HKSE pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") to be notified to the Company and the HKSE were as follows:

董事姓名 Name of Director	權益性質 Nature of interest	股份或相關股份數目 Number of Shares or underlying Shares	佔已發行股本百分比 % of issued share capital
張建宏先生 Mr. Zhang Jianhong	企業權益 ⁽¹⁾ Corporate interest ⁽¹⁾	178,277,273 (L)	8.44 (L)
	實益權益 Beneficial interest	7,147,636 (L)	0.34 (L)
傅軍先生 Mr. Fu Kwan	企業權益 ⁽²⁾ Corporate interest ⁽²⁾	616,646,818 (L)	29.20 (L)
劉傳奇先生 Mr. Liu Chuanqi	企業權益 ⁽³⁾ Corporate interest ⁽³⁾	75,634,000 (L)	3.58 (L)
	實益權益 Beneficial interest	6,353,454 (L)	0.30 (L)
張建先生 Mr. Zhang Jian	實益權益 Beneficial interest	397,091 (L)	0.02 (L)
張哲峰先生 Mr. Zhang Zhefeng	實益權益 Beneficial interest	4,000,000 (L)	0.19 (L)
張必書先生 Mr. Zhang Bishu	實益權益 Beneficial interest	1,130,000 (L)	0.05 (L)

附註：

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

除上文所披露者外，於 2017 年 12 月 31 日，本公司當時的董事或主要行政人員或彼等各自的聯繫人概無於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)的股份、相關股份及債權證中擁有任何根據證券及期貨條例第 XV 部第 7 及第 8 分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例有關規定被當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第 352 條須記錄於該條所述登記冊的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

Notes:

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

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

(b) 主要股東及其他人士於股份、相關股份及債權證的權益及淡倉

於2017年12月31日，就本公司董事及主要行政人員所知，下列人士(並非本公司的董事或主要行政人員)於本公司的股份或相關股份中擁有記錄於根據證券及期貨條例第336條須予存置的登記冊內或根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的權益或淡倉：

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

As at 31 December 2017, so far as is known to the Directors and the chief executive of the Company, the following persons (not being a Director or chief executive of the Company) had an interest or a short position in the Shares or underlying Shares of the Company as recorded in the register required to be kept under Section 336 of the SFO or which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

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

附註：

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

Notes:

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

(c) 於2017年12月31日於本集團其他成員公司的權益 (c) Interests in other members of the Group as at 31 December 2017

本公司附屬公司名稱	該附屬公司的主要股東名稱	權益性質	佔有關附屬公司已發行股本／註冊資本百分比
Name of the Company's subsidiary	Name of substantial shareholder of such subsidiary	Nature of interest	% of issued share capital/registered capital of such subsidiary
山東東岳氟硅材料有限公司 (「東岳氟硅」)	山東省高新技術投資有限公司	公司	16.78
Shandong Dongyue Fluo-Silicon Materials Co., Ltd. ("Dongyue F&S")	Shandong Hi Tech Investment Co., Ltd.	Corporate	16.78
內蒙古東岳金峰氟化工有限公司	赤峰金峰銅業有限公司	公司	49
Inner Mongolia Dongyue Peak Fluorine Chemicals Co., Ltd.	Chifeng Peak Copper Co., Ltd.	Corporate	49
赤峰華昇礦產有限公司	赤峰金峰銅業有限公司	公司	20
Chifeng HuaSheng Mining Co., Ltd.	Chifeng Peak Copper Co., Ltd.	Corporate	20
東營東岳鹽業有限公司 (「東營東岳鹽業」)	新華聯產業投資有限公司 (「新華聯產業投資」)	公司	40
Dongying Dongyue Salt Co., Ltd. ("Dongying Dongyue Salt")	Macro-Link Asset Investment Co., Ltd. ("Macrolink Asset Investment")	Corporate	40
東營東岳精細化工有限公司	新華聯產業投資 ¹		
Dongying Dongyue Precision Chemicals Co., Ltd.	Macrolink Asset Investment ¹		
	東營海潤投資中心(有限合夥)	公司	15.79
	Dongying Hai Run Investment LLP	Corporate	15.79
山東東岳汶河氟材料有限公司	山東萊蕪汶河化工有限公司	公司	49
Shandong Dongyue Wenhe Fluorine Chemicals Co., Ltd.	Shandong Lai Wu Wen He Chemicals Co., Ltd.	Corporate	49
山東東岳未來氫能材料有限公司	霍爾果斯旭日股權投資合夥企業	有限合夥	30
Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd.	Huoer Guosi Xuri Equity Investment Partnership	Limited partnership	30
	新華聯控股有限公司	公司	30
	Marco-link Holdings Limited	Corporate	30

附註：

- (1) 新華聯產業投資持有東營東岳鹽業的40%權益，而東營東岳鹽業擁有東營東岳精細化工有限公司的59.21%權益，本公司及東營海潤投資中心(有限合夥)則分別擁有餘下25%及15.79%權益。因此，新華聯產業投資間接擁有東營東岳精細化工有限公司超過10%權益。

除上文所披露者外，就本公司董事及主要行政人員所知，於2017年12月31日，概無任何其他人士(並非本公司的董事或主要行政人員)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部條文須向本公司披露的任何權益或淡倉，或直接或間接擁有附有權利可在任何情況下於本集團任何其他成員公司股東大會上投票的任何類別股本面值10%或以上權益。

董事於競爭性業務的權益

於截至2017年12月31日止年度，本公司董事概無擁有與本集團業務直接或間接存在競爭或可能存在競爭的任何業務的權益。

管理合約

本年度內並無訂立或存在與本集團全部或任何重大部分業務有關的管理及行政合約。

主要供應商及客戶

本年度本集團主要供應商及客戶應佔的購買及銷售百分比如下：

購買

—最大供應商	7.86%
—五大供應商(合併計算)	18.73%

銷售

—最大客戶	3.33%
—五大客戶(合併計算)	8.40%

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

Note:

- (1) Macrolink Asset Investment is a 40% equity holder in Dongying Dongyue Salt which, in turn, owns 59.21% of Dongying Dongyue Precision Chemicals Co., Ltd., with the remaining 25% and 15.79% owned by the Company and Dongying Hai Run Investment LLP respectively. Consequently, Macrolink Asset Investment indirectly owns more than 10% of Dongying Dongyue Precision Chemicals Co., Ltd.

Saved as disclosed above, so far as is known to the Directors and the chief executive of the Company, as at 31 December 2017, no other person (other than the Directors or the chief executive of the Company) had any interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Directors' interests in competing business

During the year ended 31 December 2017, none of the Directors of the Company was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

Management contracts

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

Major suppliers and customers

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

Purchases

– the largest supplier	7.86%
– five largest suppliers combined	18.73%

Sales

– the largest customer	3.33%
– five largest customers combined	8.40%

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

關連交易

除下文所披露者外，本集團於本年度並無進行須根據聯交所證券上市規則（「上市規則」）第14A章的規定匯報的關連交易。

本集團於截至2017年12月31日止年度訂立不屬於上市規則第14A.33條項下的持續關連交易詳情載列如下：

2017年的持續關連交易

Continuing connected transactions for the year 2017

	年度上限 Annual Cap (人民幣百萬元) (RMB million)	實際金額 Actual (人民幣百萬元) (RMB million)
向東營東岳鹽業採購工業鹽的架構協議（「東營東岳鹽業協議」）（附註1）	44	26
新華聯控股集團財務有限公司提供存款服務及貸款服務的財務服務主協議（「財務服務協議」）（附註2）	380	375

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

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

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

Connected transactions

Save as disclosed below, during the year, the Group had not entered into connected transactions that are subject to be reported under Chapter 14A of the Rules Governing the Listing of Securities on the HKSE (the "Listing Rules").

Details of the continuing connected transactions entered into by the Group during the year ended 31 December 2017 not falling under Rule 14A.33 of the Listing Rules are set out below:

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

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

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

附註2：於2017年12月18日，本公司與新華聯控集團財務有限責任公司（「新華聯財務」）訂立金融服務主協議，據此，新華聯財務同意於2017年12月18日至2018年12月17日的一年內，在日常業務過程中按正常商業條款向本集團提供存款服務及貸款服務。有關詳情載於本公司日期為2017年12月18日之公告。

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

就存款服務而言，根據金融服務主協議規定，本集團根據該協議存入並留在新華聯財務的存款利率：(i) 根據中國人民銀行不時頒佈的同類存款利率釐定；及(ii) 不比中國國內主要商業銀行同類存款的現行利率低。

就貸款服務而言，根據金融服務主協議：(i) 新華聯財務向本集團提供的貸款利率將不高於中國國內主要商業銀行於同期就同類貸款所提供的利率；及(ii) 本集團將不會以其資產就新華聯財務所提供的貸款及借貸作出抵押。

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

董事會已就上述持續關連交易委聘本公司核數師。

Note 2: On 18 December 2017, the Company and Marco-link Holding Finance Company Limited (the "Marco-link Finance") entered into the Financial Services Master Agreement, pursuant to which Marco-link Finance has agreed to provide the Group with deposit services and loan services on normal commercial terms in its ordinary and usual course of business for a term of one year from 18 December 2017 to 17 December 2018. Details of the FS Agreement are set out in the Company's announcement dated 18 December 2017.

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

For the deposit services, pursuant to the FS Agreement, the rate at which interest will accrue on any deposit placed and maintained by the Group with Marco-link Finance under the FS Agreement shall (i) be determined based on the interest rate prescribed by the People's Bank of China from time to time for the same type of deposit; and (ii) shall not be lower than the prevailing interest rates offered by major commercial banks in the PRC for the same type of deposit.

For the loan services, pursuant to the FS Agreement, (i) the interest rate for loans to be provided by Marco-link Finance to the Group will not be higher than the prevailing interest rates offered by major commercial banks in the PRC for the same type of loan; and (ii) the loans and borrowings to be provided by Marco-link Finance will not be secured by the assets of the Group.

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

The Board engaged the auditors of the Company in respect of the aforesaid continuing connected transactions.

足夠公眾持股量

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

核數師

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

獲准許彌償條文

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

代表董事會

主席
張建宏

中華人民共和國，2018年3月29日

Sufficiency of public float

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

Auditors

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

Permitted Indemnity Provision

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

On behalf of the Board

Zhang Jianhong
Chairman

The People's Republic of China, 29 March 2018

企業管治報告

Corporate Governance Reports

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

董事會已檢討本公司的企業管治常規，並採納及改進各項程序及文書處理方式，詳情載於本報告。據董事所盡知及盡信，本公司於截至2017年12月31日止年度及截至本報告日期採納並一直遵守上市規則附錄14所載的企業管治守則(「守則」)的守則條文，惟關於主席與行政總裁的角色偏離守則除外，有關詳情披露於本報告下文相關段落。

董事會

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

除崔同政先生及馮建軍先生於2017年5月2日辭任本公司執行董事職務並自當日起生效以及張哲峰先生及張必書先生於同一日獲委任為本公司執行董事外，截至2017年12月31日止年度及截至本報告日期，董事會的架構並無任何變動，現時由九名董事組成，其成員載列如下：

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

The Board has reviewed the corporate governance practices of the Company with the adoption and improvement of the various procedures and documentation which are detailed in this report. To the best knowledge and belief of the Directors, the Company has adopted and complied with the code provisions of the Corporate Governance Code contained in Appendix 14 of the Listing Rules (the "Code") during the year ended 31 December 2017 and up to the date of this report, except for deviation regarding the roles of chairman and chief executive officer, the details of which have been disclosed in the relevant paragraphs below in this report.

The Board

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

During the year ended 31 December 2017 and up to the date of this report, except that Mr. Cui Tongzheng and Mr. Feng Jianjun resigned from their offices as the Company's Executive Director with effect from 2 May 2017 and that Mr. Zhang Zhefeng and Mr. Zhang Bishu were appointed as the Company's Executive Directors with effect from the same date., there was no change in the structure of the Board, which currently comprises nine Directors and its composition is set out as follows:

執行董事：

張建宏先生(主席兼行政總裁)
傅軍先生
劉傳奇先生
崔同政先生(副總裁兼首席財務官)
(於2017年5月2日辭任)
張哲峰先生(副總裁兼首席財務官)
(於2017年5月2日獲委任)
馮建軍先生(於2017年5月2日辭任)
張必書先生(於2017年5月2日獲委任)
張建先生

獨立非執行董事：

丁良輝先生
楊曉勇先生
岳潤棟先生

董事簡歷詳情載於本年報第22至26頁「董事及高層管理人員履歷」一節。

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

Executive Directors (“EDs”):

Mr. Zhang Jianhong (Chairman and Chief Executive Officer)
Mr. Fu Kwan
Mr. Liu Chuanqi
Mr. Cui Tongzheng (Vice President and Chief Financial Officer)
(resigned on 2 May 2017)
Mr. Zhang Zhefeng (Vice President and Chief Financial Officer)
(appointed on 2 May 2017)
Mr. Feng Jianjun (resigned on 2 May 2017)
Mr. Zhang Bishu (appointed on 2 May 2017)
Mr. Zhang Jian

Independent non-executive Directors (“INEDs”):

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

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

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

於回顧年度，董事會定期開會討論本集團整體策略以及營運與財務表現，並審閱及批准本集團年度及中期業績以及企業管治、業務營運、財務、資本、薪酬、收購及成立合資公司。於回顧年度，共舉行八次董事會會議及一次股東週年大會（「股東週年大會」）。除股東週年大會外，本公司並無召開其他股東大會。各董事出席董事會會議及股東週年大會的情況載於下文。此外，若干有關訂立貸款框架協議及向合資公司出售資產的事宜乃透過董事的書面決議案予以處理。

During the year under review, the Board was met regularly to discuss the overall strategy as well as the operation and financial performance of the Group, and to review and approve the Group's annual and interim results, as well as corporate governance, business operations, financial, capital, remuneration, acquisition and formation of joint ventures. During the year under review, eight Board meetings and an annual general meeting ("AGM") were held. Apart from the AGM, no other general meetings were held by the Company. The attendance of each Director at the Board meetings and the AGM is set out as follows. In addition, certain matters relating to entering of the loan framework agreement and disposal of assets to the joint venture were dealt with by written resolutions of the directors.

年內，各董事出席董事會會議的情況載列如下：

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

		出席／舉行 董事會會議次數 Number of Board meetings attended/held	出席股東 週年大會 Attendance of the AGM
執行董事：	EDs:		
張建宏先生	Mr. Zhang Jianhong	8/8	✓
傅軍先生	Mr. Fu Kwan	1/8*	✗
劉傳奇先生	Mr. Liu Chuanqi	6/8*	✗
崔同政先生(於2017年5月2日辭任)	Mr. Cui Tongzheng (resigned on 2 May 2017)	3/8	✗
張哲峰先生(於2017年5月2日獲委任)	Mr. Zhang Zhefeng (appointed on 2 May 2017)	5/8	✓
馮建軍先生(於2017年5月2日辭任)	Mr. Feng Jianjun (resigned on 2 May 2017)	2/8	✗
張必書先生(於2017年5月2日獲委任)	Mr. Zhang Bishu (appointed on 2 May 2017)	3/8	✗
張建先生	Mr. Zhang Jian	7/8	✓
獨立非執行董事：	INEDs:		
丁良輝先生	Mr. Ting Leung Huel, Stephen	8/8	✓
楊曉勇先生	Mr. Yang Xiaoyong	7/8	✓
岳潤棟先生	Mr. Yue Rundong	8/8	✓

* 傅先生及劉先生委任代表於彼等缺席期間代其出席董事會會議。

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

截至2017年12月31日止年度，董事會處理之事項主要涉及本集團整體策略、年度及中期業績、風險管理、股息政策、企業管治、資本、財務、投資及薪酬。董事會已將本集團之日常業務營運委派受董事會監督的高層管理人員負責。此外，於2017年12月6日，本公司主席與全體獨立非執行董事展開討論，就本集團業務發展及內部監控事宜交換意見，並無其他執行董事出席。

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

自2012年4月起，在協助董事履行各自於上市規則下規定的責任時，董事已獲提供月度更新資料，詳細載列對本集團的表現、狀況及前景作出平衡而易於理解的評估，並獲提供適當保險，以保障彼等在履行各自責任時免受針對彼等的法律行動所導致的潛在風險。

董事的持續專業發展

本公司會告知董事有關法律、規則及法規的修訂或更新資訊。此外，本公司會向董事提供彼等發展及更新專業技能所需書面材料。於2017年7月26日，本公司組織董事參加了有關上市規則的內部研討會(「研討會」)。

During the year ended 31 December 2017, the Board has dealt with matters covering mainly the Group's overall strategy, annual and interim results, risk management, dividend policies, corporate governance, capital, financial, investment and remuneration. The Board has delegated the day-to-day operations of the Group to the senior management under the supervision of the Board. In addition, on 6 December 2017, the Chairman held the discussion with all the INEDs without the presence of other EDs to exchange views on matters concerning the business development and internal control of the Group.

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

In facilitating the Directors to discharge their responsibilities as stipulated under the Listing Rules, starting from April 2012, the Directors have been provided with monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail and with appropriate insurance cover to protect them from potential risks arising from legal actions against them while they discharge their duties.

Directors' continuous professional development

The Directors are briefed on the amendments to or updates on the relevant laws, rules and regulations. In addition, the Directors are provided with written materials to develop and refresh their professional skills. On 26 July 2017, the Company organized for the Directors an in-house workshop (the "Workshop") on the Listing Rules.

根據本公司存置的記錄，董事於回顧年內已接受下列持續專業發展方面的培訓：

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

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

執行董事：

張建宏先生
傅軍先生
劉傳奇先生
張哲峰先生
張必書先生
張建先生

EDs:

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

✓
✓
✓
✓
✓
✓

獨立非執行董事：

丁良輝先生
楊曉勇先生
岳潤棟先生

INEDs:

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

✓
✓
✓

董事在企業管治中的責任

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

Directors' responsibilities in corporate governance

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

更多詳情載於本報告「企業管治委員會」一節中相關段落內。

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

董事進行證券交易

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

主席與行政總裁的角色

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

董事的委任及重選

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

Directors' securities transactions

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

Roles of chairman and chief executive officer

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

Appointment and re-election of Directors

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

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

根據本公司組織章程細則(「章程細則」)，當時三分之一董事，或倘董事人數並非三之倍數，則最接近但不少於三分之一人數，須於各股東週年大會按照章程細則條文輪值退任。因此，全體董事均須依據章程細則於股東週年大會輪值退任並重選連任。

董事委員會

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

薪酬委員會

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

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

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

Board committees

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

Remuneration committee

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

截至2017年12月31日止年度，薪酬委員會曾舉行一次會議，各成員的出席情況載列如下：

During the year ended 31 December 2017, one meeting of the Remuneration Committee was held. The attendance of each member is set out as follows:

會議出席情況
Attendance of
the meeting

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

會議批准了截至2017年12月31日止財政年度的執行董事及本集團高層管理人員的薪酬。成員亦批准了向董事會提供獨立非執行董事薪酬的建議。此外，委員會成員已討論並審閱了董事及本集團高層管理人員的薪酬及本集團薪酬相關事宜。

During the meeting, the remuneration of the EDs and the Group's senior management for the financial year ended 31 December 2017 was approved. The members also approved the recommendation to the Board to the remuneration for the INEDs. In addition, the members discussed and reviewed the remuneration for the Directors and the Group's senior management and the Group's remuneration related matters.

高層管理人員於截至2017年12月31日止年度的薪酬範圍載列如下：

The remuneration of the members of the senior management by band for the year ended 31 December 2017 is set out below:

薪酬範圍(港元)	人數
Remuneration bands (HKD)	Number of persons
7,000,001港元至7,500,000港元	1
11,500,001港元至12,000,000港元	1

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

Further particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in notes 11 and 12 to the financial statements.

審核委員會

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

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

截至2017年12月31日止年度，審核委員會曾舉行五次會議，各成員的出席情況如下：

委員會成員：

丁良輝先生
楊曉勇先生
岳潤棟先生

本公司外聘核數師及本集團有關管理人員亦曾出席該等會議。

Audit committee

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

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

The Audit Committee held five meetings during the year ended 31 December 2017 and the attendance of each member is set out as follows:

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

Committee member:

Mr. Ting Leung Huel, Stephen 5/5
Mr. Yang Xiaoyong 5/5
Mr. Yue Rundong 5/5

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

於截至2017年12月31日止財政年度舉行的會議上，審核委員會已履行以下各項工作：

- 就本集團於截至2015及2016年12月31日止年度的財務報表召開審核前會議；
- 討論及審閱審核工作、內部監控、風險管理及財務報告事項，包括於提交董事會批准前審閱年報／中期報告、賬目及相關的業績公告；
- 批准外聘核數師就截至2016年12月31日止財政年度提供審核及非審核服務的酬金及其相關委聘條款；及
- 檢討外部審核結果、本集團採納的會計原則及慣例、上市規則及有關財務申報的法定守規事項。

此外，於2018年1月5日，審核委員會就本集團截至2017年12月31日止財政年度的財務報表的審核與外聘核數師舉行審核前會議。審核委員會亦於2018年3月23日與管理層舉行會議，以審閱本集團採納的會計準則及慣例，並討論有關內部監控及財務申報的事宜，包括審閱本集團截至2017年12月31日止年度的年度業績，然後才呈交董事會批准。

During the meetings held in the financial year ended 31 December 2017, the Audit Committee has performed the works which are set out as follows:

- perform pre-audit meeting in respect of the financial statements of the Group for the year ended 31 December 2015 and 2016;
- discuss and review auditing, internal controls, risk management and financial reporting matters including the review of the annual/ interim reports, accounts and the related results announcements, before recommending them to the Board for approval;
- approve the remuneration for the audit and non-audit services provided by the external auditors and its relevant terms of engagement in respect of the financial year ended 31 December 2016; and
- review the external audit findings, the accounting principles and practices adopted by the Group, the Listing Rules and statutory compliance in relation to the financial reporting.

In addition, on 5 January 2018, the Audit Committee conducted pre-audit meeting with the external auditors in respect of the audit of the financial statements of the Group for the financial year ended 31 December 2017. The Audit Committee also had a meeting with management on 23 March 2018 to review the accounting standards and practices adopted by the Group and to discuss matters regarding internal control and financial reporting including the review of the Group's annual results for the year ended 31 December 2017 before proposing to the Board for approval.

提名委員會

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

於截至2017年12月31日止年度，提名委員會舉行一次會議，各成員的出席情況如下：

Nomination committee

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

The Nomination Committee held one meeting during the year ended 31 December 2017 and the attendance of each member is set out as follows:

會議出席情況 Attendance of the meeting

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

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

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

此外，有關董事會成員多元化政策的概要載列如下：

A. 政策聲明

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

B. 可測量目標

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

C. 監察及匯報

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

D. 檢討本政策

提名委員會將於適當時候檢討本政策，並向董事會提出任何擬定更改建議以供審批。

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

A. Policy Statement

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

B. Measurable Objectives

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

C. Monitoring and Reporting

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

D. Review of the Policy

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

董事會已於截至2017年12月31日止年度採納以下可測量目標：

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

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

The Board has adopted the following measurable objectives during the year ended 31 December 2017:

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

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

企業管治委員會

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

Corporate Governance Committee

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

會議出席情況 Attendance of the meeting

委員會成員：
張建宏先生
劉傳奇先生
張必書先生

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

✓
✓
✓

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

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

風險管理委員會

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

Risk Management Committee

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

風險管理委員會於回顧年度內舉行了三次會議。各成員的出席情況載列如下：

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

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

委員會成員：

丁良輝先生
楊曉勇先生
岳潤棟先生

Committee member:

Mr. Ting Leung Huel, Stephen 3/3
Mr. Yang Xiaoyong 2/3
Mr. Yue Rundong 3/3

於截至2017年12月31日止財政年度舉行的會議中，各成員於提交董事會批准前，討論及審閱了有關本公司內部監控措施及政策及其實施情況的事宜以及內部監控報告(由獨立諮詢公司編製)。

During the meetings held in the financial year ended 31 December 2017, the members discussed and reviewed matters relating to the Company's internal control measures and policies and its implementation, and the internal control report (prepared by the independent consulting firm), before recommending them to the Board for approval.

董事及外聘核數師各自的責任

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

風險管理及內部監控

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

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

本公司已設立內部審核功能。公司亦開展對風險管理的梳理，程序主要包括：

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

Respective responsibilities of Directors and external auditors

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

Risk management and internal control

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

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

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

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

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

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

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

以下列出公司對於有關處理及發放內幕消息的程序和內部監控措施：

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

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

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

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

外聘核數師的酬金

截至2017年12月31日止年度，外聘核數師提供審核服務的酬金總額為2,600,000港元(約為人民幣2,106,000元)。

External auditor's remuneration

For the year ended 31 December 2017, the total remuneration for the audit services provided by the external auditors amounted to HK\$2,600,000 (approximately RMB2,106,000).

截至2017年12月31日止年度，外聘核數師提供許可非審核服務的酬金總額約為600,000港元(約為人民幣486,000元)，可用於審閱截至2017年6月30日止六個月期間本集團中期財務報告。

For the year ended 31 December 2017, the total remuneration for the permissible non-audit services provided by the external auditors amounted to approximately HK\$600,000 (approximately RMB486,000) which is for the review of the interim financial report of the Group for the six months period ended 30 June 2017.

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

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

股東的權利

股東召開股東特別大會(「股東特別大會」)的程序

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

Shareholders' rights

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

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

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

股東於股東大會上提交議案的程序

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

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

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

股東提名他人參選董事的程序

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

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

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

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

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

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

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

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

股東向董事會進行查詢的程序

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

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

股東亦可於本公司任何股東大會上向董事會作出查詢。

投資者關係

溝通渠道

為建立並維持與股東的持續關係，本公司已建立各種渠道促進及加強溝通：

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

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

Procedures for directing Shareholders' enquiries to the Board

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

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

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

Investor relations

Communication channels

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

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

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

本公司章程文件的變動

於回顧年度及直至本報告日期，本公司章程文件並無任何變動。

代表董事會

主席
張建宏

中華人民共和國，2018年3月29日

Change in the constitutional documents of the Company

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

On behalf of the Board

Zhang Jianhong
Chairman

The People's Republic of China, 29 March 2018

環境、社會及管治報告

Environmental, Social and Governance Report

1. 關於本報告

報告時間範圍

2017年1月1日至2017年12月31日，部分內容超出上述範圍。

報告發佈週期

東岳集團有限公司環境、社會及管治報告為年度報告，每年定期發佈。

報告覆蓋範圍

報告內容覆蓋東岳集團有限公司集團總部及下屬企業，下屬企業包括：

山東東岳化工有限公司、山東東岳高分子材料有限公司、山東東岳氟硅材料有限公司、山東東岳有機硅材料有限公司、山東華夏神州新材料有限公司、內蒙古東岳金峰氟化工有限公司、內蒙古東岳氟材料有限公司、赤峰華晟礦產有限公司、東營東岳鹽業有限公司、東營東岳精細化工有限公司、山東東岳汶河氟材料有限公司、山東東岳聯邦置業有限公司、桓台東岳國際貿易有限公司、香港泰力國際貿易有限公司、山東東岳大眾貿易有限公司、國鳴投資管理有限公司、山東東岳未來氫能材料有限公司

報告編製依據

報告編製參考香港聯合交易所《環境、社會及管治報告指引》。

1. About the Report

Time Frame

From 1 January 2017 to 31 December 2017, partial contents are beyond the above time frame.

Publication Cycle

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

Scope of report

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

Shangdong Dongyue Chemical Co., Limited, Shandong Dongyue Polymers Co., Limited, Shandong Dongyue Fluo-Silicon Materials Co., Ltd., Shandong Dongyue Organosilicon Materials Co., Ltd., Shandong Huaxia Shenzhou New Materials Co., Ltd., Inner Mongolia Dongyue Peak Fluorine Chemicals Co., Ltd., Inner Mongolia Dongyue Fluorine Chemicals Co., Ltd., Chifeng HuaSheng Mining Co., Ltd., Dongying Dongyue Salt Co., Ltd., Dongying Dongyue Precision Chemicals Co., Ltd., Shandong Dongyue Wenhe Fluorine Chemicals Co., Ltd., Shandong Dongyue Union Property Co., Ltd., Huangtai Dongyue International Trade Co., Ltd., Hong Kong Trulene International Trade Co., Ltd. Shandong Dongyue Public Trading Company Limited (山東東岳大眾貿易有限公司), Guoming Investment Management Company Limited (國鳴投資管理有限公司) and Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd.

Basis of preparation

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

報告指代說明

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

報告數據說明

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

報告獲取方式

本報告為中英文版，電子版下載地址如下：

香港交易所網站
<http://sc.hkex.com.hk>

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

Explanations on Short Names

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

Explanations on Data

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

Access to report

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

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

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

2. 重大性議題判定

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

2. Determination of Major Issues

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

利益相關方 Stakeholders	期望與要求 Expectations and requirements	溝通與回應方式 Ways of communication and response
政府與監管機構 Government and regulators	貫徹落實國家政策及法律法規 促進地方經濟發展 帶動地方就業 安全生產 Implementing the national policies, laws and regulations Promoting local economic development Driving local employment Production safety	上報文件 建言獻策 專題匯報 檢查督查 Submitting the documents Offering advice and suggestions Special subject report Inspection & supervision
股東 Shareholders	收益回報 合規運營 Returns on investment Compliant operation	公司公告 專題匯報 實地考察 Company announcement Special subject report Field investigation
客戶及合作夥伴 Customers and partners	依法履約 誠信經營 優質產品與服務 推動行業發展 Fulfilling the contractual obligations in accordance with the law Integrity operation Quality products and services Promoting industry development	商務溝通 顧客反饋 交流研討 洽談合作 Business communication Customer feedback Exchange & discussion Negotiation & cooperation

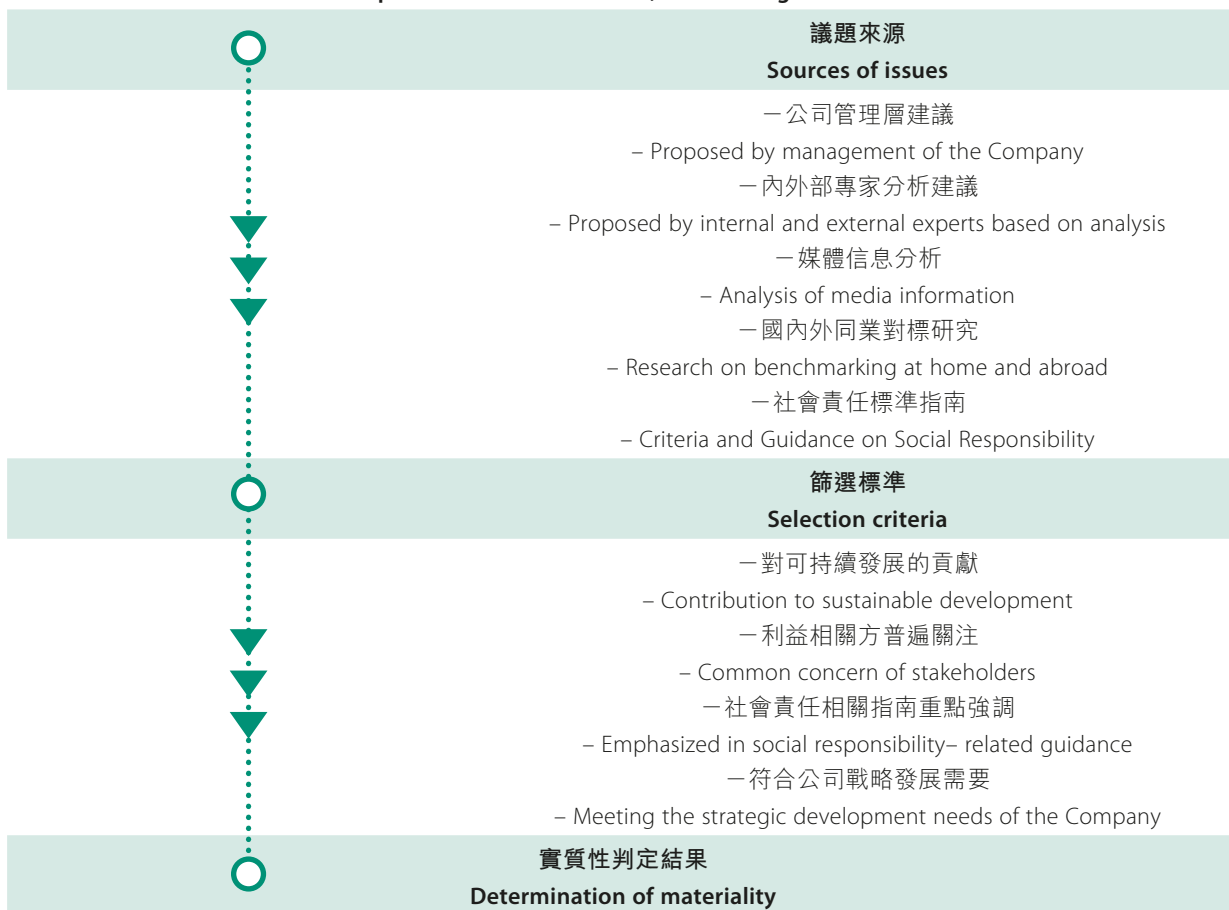
利益相關方 Stakeholders	期望與要求 Expectations and requirements	溝通與回應方式 Ways of communication and response
環境 Environment	合規排放 節能減排 保護生態 Compliant emission Energy conservation and emission reduction Protecting the ecology	工作匯報 報表報送 調研檢查 Work report Filing and submission Investigation & inspection
員工 Employees	權益維護 職業健康 薪酬福利 職業發展 Rights and interests protection Occupational health Salaries and benefits Career development	職工代表大會 集體協商 民主溝通平台 Workers' congress Collective consultation Democratic communication platform
社區及公眾 Community and the public	改善社區環境 參與公益事業 信息公開透明 Improving the community environment Participating in public welfare undertakings Open and transparent information	公司網站 公司公告 採訪交流 Company website Company announcement Interview & exchange

為提升報告的針對性與回應性，本集團依據香港聯合交易所《環境、社會及管治報告指引》及全球報告倡議組織《可持續發展報告指南》(G4.0)的要求，識別可持續發展議題並進行重大性判定，確保報告披露的信息全面覆蓋公司發展和利益相關方關注的重點議題。

In order to enhance the pertinence and responsiveness of the report, the Group identified the subject of sustainable development and determined the significance in accordance with the requirements of Hong Kong Stock Exchange's Environmental, Social and Governance Reporting Guide (ESG Guide) and Global Reporting Initiative's Sustainability Reporting Guidelines (G4.0), to ensure that the information disclosed in the report covers the key issues which are related with the Company's development and the stakeholders are concerned about.

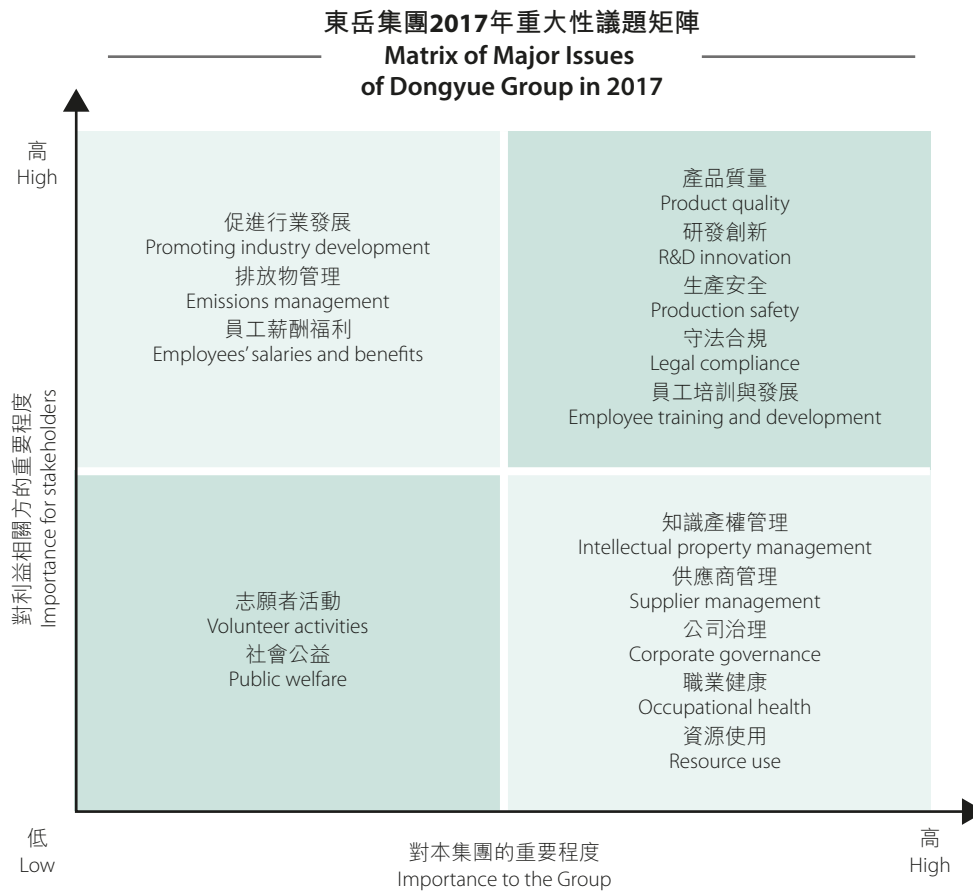
環境、社會及管治議題篩選流程

Selection process of environmental, social and governance issues



2017年，東岳集團重大性議題判定結果如下：

In 2017, the major issues of Dongyue Group are determined as follows:



3. 責任運營

東岳集團始終認為負責任地運營不僅是保證企業自身穩健發展的基石，也是對供應商、客戶等產業鏈上下游利益相關方的履責與回應。2017年，集團充分發揮監督職能，設立審計稽核處、集團黨委紀律檢查委員會、質量監督辦公室等機構，全面實現集團日常監督檢查、組織紀律檢查、生產經營監督的全方位全過程覆蓋。

3.1 誠信合規

集團將誠信合規作為企業發展的根本。2017年，全面完善反貪污腐敗的監督機制，持續強化制度建設，制定了《東岳集團風險管理手冊》、《東岳集團反舞弊行為管理規定》等防風險反舞弊制度並頒布《內部審計章程》。公司還制訂了更為完善的內控制度，梳理發佈了《東岳集團風險清單徵求意見稿》、《內部審計工作職責》、《內部審計崗位職責》等監督制度，並開展了物資採購、生產經營、往來賬款、費用管理等審計項目，提出各項管理建議21項，改善了治理結構，有效促進了管理改進。

3. Responsible Operation

Dongyue Group has always believed that responsible operation is not only the foundation stone of steady development for the enterprise itself, but also the performance of duties and response to upstream and downstream stakeholders in the industry chain of suppliers and customers etc. In 2017, the Group has given full play to the surveillance function, set up the Auditing Dept, Commission for Discipline Inspection of Group Party Committee, Quality Supervision Office etc., so as to achieve fully the universal and overall process coverage ranging from routine supervision and inspection, organizational discipline inspection to production and operation supervision.

3.1 Integrity and compliance

The Group takes integrity and compliance as the foundation of enterprise development. In 2017, it has perfected comprehensively the supervision mechanism against corruption, continued strengthening the institutional improvement, developed the Dongyue Group Risk Management Manual, Dongyue Group Regulations on Anti-fraud Management and other systems against risks and frauds, and further issued the Internal Audit Charter. Moreover, the Company has formulated a better internal control system, sorted out and issued the Dongyue Group Risk List Draft for Comments, Responsibilities of Internal Audit, Job Responsibilities of Internal Audit etc. and undertaken the supplies purchasing, production operation, current accounts, expense management and other audit projects, and put forward 21 management proposals, which have improved the governance structure and effectively promoted the management improvement.

此外，公司注重員工及管理層的思想教育，通過一系列廉潔從業監督及廉潔自律宣傳教育活動，充分提高公司內部員工對誠信合規的認知，進一步加強公司反腐倡廉文化建設。公司要求管理幹部及重點關鍵崗位人員填寫《幹部思想作風自查自糾確認表》，簽訂《幹部廉潔自律保證承諾書》，並配合公檢法和工商部門對集團幹部和關鍵崗位員工本人及親屬的信息進行核查。同時，公司組織員工觀看學習反腐專題片《作風建設永遠在路上——落實八項規定精神正風肅紀紀實》、《打鐵還需自身硬》和《巡視利劍》，全面提高員工的反腐廉潔意識。

報告期內，本集團未發生貪污訴訟案件。

In addition, the Company has valued the ideological education to employees and managements, fully improved the cognition of internal employees to good faith compliance by a series of clean conduct supervision and honesty and self-discipline education campaigns, and further strengthened the corporate culture construction of combating corruption and upholding integrity. The Company has asked the managerial cadres and personnel in key position to fill out the Confirmation of Self-examination and Self-correction for Ideological Styles of Cadres, sign the Undertaking of Integrity and Self-discipline for Cadres, and cooperated with the public security organs and industry and commerce departments to check the information of cadres and personnel in key position as well as their relatives. Meantime, the Company has organized the employees to watch and study the anti-corruption feature programs, "Style construction is always on the road--Documentary of implementing the eight-point decision on improving Party conduct and enforcing Party discipline", "To forge iron, one must be strong", "Disciplinary inspections have cut like a blade through corruption and misconduct", to raise the employees' awareness of anti-corruption in an all-round way.

During the reporting period, the Group has not seen any corruption cases.

3.2 保證產品質量

本集團從原材料採購、生產製造、質量檢測等各個環節對生產運營流程進行嚴格把控，制定《質量體系管理手冊》《質量管理制度》以及《質量管理考核實施辦法》來說明及定義各單位職責及質量管控程序，對質量事故處理進行了明確的規範，充分保障原煤、原鹽、電石、螢石粉四大主要固體生產材料的質量穩定。公司嚴格執行產品檢驗流程，按照成品檢驗程序及國家標準對產品進行取樣分析，並按照《不合格品控制管理程序》對生產的不合格品進行處理，確保向客戶提供高質量的產品。2017年，本集團共計回收產品35.04噸。

3.3 提供優質服務

本集團始終堅持為客戶提供完善的服務支持。公司通過多種渠道與客戶建立長期穩定的聯繫，如電話、郵件溝通、客戶拜訪、組織客戶年會等，在充分瞭解客戶需求的基礎上，提供專業服務，一站式為客戶提供從需求分析至收貨付款的解決方案。

3.2 Ensuring product quality

The Group has, in terms of raw material purchasing, manufacturing and quality inspection etc., made strict control to the production and operation process, developed the Quality System Management Manual, Quality Management System and Measures for the Implementation of Quality Management Assessment to illustrate and define the responsibilities and quality management procedures for each entity, set a clear specification to the handling of quality accidents, and fully guaranteed the quality stability of four main solid materials including raw coal, crude salt, calcium carbide and fluorite powder. The Company has strictly executed the product inspection process, carried out sampling analysis to products following the finished product inspection procedures and national standards, and disposed the unaccepted products in accordance with the Nonconforming Product Control & Management Procedures to ensure the provision of high-quality products to customers. In 2017, the Group has recovered products of 35.04t in total.

3.3 Provision of quality service

The Group is always adhering to provision of perfect service supports to customers. The Company has, through a variety of channels, maintained the long-term and stable contact with customers, such as phone call, mail communication, customer visit, customer annual meeting etc., and on the basis of fully understanding customer needs, provided customers with professional services and one-stop solutions from the demand analysis to cash on delivery.

公司重視客戶的反饋意見，制定《客戶投訴管理辦法》對出現的客戶投訴進行調查、原因分析、措施制定、將處理意見反饋給客戶，並對相關措施進行持續追蹤及改進。公司建立了完善的客戶滿意度調查機制，每年對關鍵客戶發送《客戶滿意度調查表》，並綜合分析客戶在產品質量、產品穩定、產品服務的及時性、產品事故服務的及時性、價格的合理性、產品交付的及時性、服務態度等方面的滿意程度。基於調查結果，公司深入探討現存主要問題的內外部原因及改進方法，並進行相應的工作部署以全面提升客戶體驗。

3.4 加強供應鏈管理

集團建立並持續鞏固供應商選擇機制，依據制定的《供應商管理制度》及《東岳集團物資採購流程》對供應鏈進行有效管理。公司通過專業媒體、專業網站、同行介紹、行業協會、展覽會等多渠道多平台尋找優質供應商。公司全面考察供應商生產工藝、研發能力、生產控制、質量體系以及安全環保體系等，並組建調查小組對新開發供應商進行實地考察以確保其具有招投標、詢比價資格。同時公司加強維繫與供應商的合作關係，積極與供應商開展各種形式的交流，並通過技術支持幫助供應商成長，與供應商互惠互利、合作共贏。截至報告期末，本集團共有供應商686家，其中368家位於山東省內，其他主要供應商分別位於江蘇、浙江、上海、河北、遼寧、北京等22個省市。

The Company has valued the feedbacks from customers, and developed the Customer Complaint Management Measures to make investigation, reason analysis and formulation of measures to the customer complaints, feed back the handling suggestions to customers, and keep tracking and improving such measures. The Company has established a sound customer satisfaction survey mechanism, sent the Customer Satisfaction Questionnaire to key customers annually, made comprehensive analysis to the customer satisfaction on the product quality, product stability, timeliness of product service, timeliness of product accident service, rationality of prices, timeliness of product delivery, service attitude etc. Based on the results of survey, the Company conducted in-depth discussions to the internal/external causes and improved methods of main problems, and made proper work arrangements to improve the customer experience in an all-round way.

3.4 Strengthening supply chain management

The Group has established and steadily consolidated the supplier selection mechanism, and made effective management to the supply chain in line with the Supplier Management System and Dongyue Group Materials Purchasing Process. The Company has sought high-quality suppliers by means of professional media, professional website, peer introduction, industry association, exhibition and other channels and platforms. The Company will make survey to the supplier's production process, R&D capability, production control, quality system and SHE system etc. and establish a survey team to the new suppliers for field visit, so as to ensure they are qualified for bidding and tendering, enquiry and comparison. Meanwhile, the Company has enhanced its maintenance of partnership with suppliers, actively carried out different forms of exchange with suppliers, and helped the suppliers grow by the technical support, so as to achieve the mutual benefits and win-win cooperation with suppliers. As at the end of the reporting period, the Group has 686 suppliers, 368 of which are in Shandong Province, and other major suppliers in 22 provinces and cities including Jiangsu, Zhejiang, Shanghai, Hebei, Liaoning and Beijing.

4. 科技創新

本集團圍繞「中國製造2025」國家戰略，優化現有氟硅產業鏈，推動循環化、高端化發展，積極推進新能源、新環保配套材料深加工及裝備產業，提高園區外部資源整合能力與產業輻射能力，同時努力推進新一代複合材料等氟硅前沿領域創新資源集聚，搶佔未來氟硅及高端延伸產業全優勢地位。2017年東岳集團總計研發投入為人民幣9,460.9萬元。

4.1 鼓勵科技創新

本集團以優化氟化工、有機硅產業層次，發展氟材料下游加工製造業為目標，加大技術研發投入，優化管理水平，制定並執行《東岳集團新、改、擴建項目投資管理辦法》。同時，集團持續加強對知識產權的管理，建立完善的專利管理體系，並指導下屬各公司進行《企業知識產權管理規範(20490-2013)》知識產權管理規範標準管理體系的認證工作，使集團知識產權管理逐步標準化。集團針對專利的申請、評審、獎勵等方面，制定了四項管理制度，包括東岳集團專利管理制度、發明創新申報流程、專利評審制度、東岳集團科技創新獎勵辦法。

4. Scientific and Technological Innovation

Focusing on the national strategy of “Made in China 2025”, the Group has optimized the existing fluorosilicon industrial chain, accelerated the cyclic and high-end development, actively advanced the deep processing and equipment industry of new energy, new environmental supporting materials, enhanced the external resource integration and industrial radiation capacities of the park, and in the meantime, strived to boost the innovative resource clusters in the fluorosilicon frontiers of new generation of composite materials, and seize the full advantage of future fluorosilicon and high-end extended industry. In 2017, Dongyue Group invested an aggregate of RMB94,609,000 in research and development.

4.1 Encouraging technological innovation

Targeted to optimize the fluorine chemical, organosilicone industrial levels and develop the downstream processing manufacturing industry of fluorine materials, the Group has increased the technical R&D inputs, optimized the management level, prepared and implemented the Measures for Investment Management of New, Reconsideration and Expansion Projects of Dongyue Group. Meanwhile, the Group continuously enhanced the management to intellectual property, established a sound patent management system, and guided the subsidiaries in the certification of standard management system of intellectual property management norm in accordance with Enterprise Intellectual Property Management (20490-2013), for the gradual standardization of the Group's intellectual property management. The Group has, in respect to the application for, review and award of a patent, developed four management systems, including Dongyue Group patent management system, invention and innovation application process, patent review system and Dongyue Group science and technology innovation award measures.

專利申請授權情況
Patent application authorization

- 申請發明專利30項(其中2項指定美國申請);
Applied 30 patents for invention (including 2 patents designated to be applied in the U.S.);
- 授權29項,其中發明專利26項,實用新型1項,國外授權2項;
Authorized 29 patents, including 26 patents for invention, 1 utility model and 2 licensing;
- 截至報告期末,集團共申請專利482項,持有效專利331項。
As at the end of the reporting period, the Group has applied for a total of 482 patents, including 331 patents in force.

政策利用情況
Policy application

- 獲得專利資助政策支持78萬元。其中,省資助22.4萬元,高新區資助52.6萬元,縣專利獎3萬元。
Obtained the patent subsidy support of RMB780,000, including RMB224,000 of provincial grants, RMB526,000 of High-tech Zone grants and RMB30,000 of County patent award.

知識產權信息利用
Intellectual property information utilization

- 燃料電池膜項目分別列入國家專利微導航項目和山東省專利微導航項目,並被列入國家專利信息利用能力建設試點項目;
Fuel cell membrane project included in the national patent micronavigation project and Shandong patent micronavigation project, and listed among the national patent information utilization capacity building pilot project;
- 燃料電池膜專利群被省市知識產權局推薦為山東省高價值專利。
Fuel cell membrane patent pool recommended as the high-value patent in Shandong by the provincial and municipal Intellectual Property Offices.

專利業務培訓
Patent business training

- 聘請代理公司的資深代理人到公司進行了專利檢索和技術交底書撰寫培訓;
Invited a senior agent from agency company to the Company and conduct training in terms of the patent retrieval and technical disclosure writing;
- 組織5人參加了國家局審查員執教的專利挖掘與佈局實戰強化培訓班。
Organized 5 persons to attend the intensive training in terms of patent mining and portfolio by examiners from National Patent Office.

知識產權管理體系認證
Intellectual property management system certification

- 東岳高分子材料有限公司獲得知識產權管理規範貫標認證證書;
Dongyue Polymer Material Co., Ltd. won the standardization and identification certificate of intellectual property management practices;
- 山東華夏神舟新材料有限公司被國知局認定為國家級知識產權示範企業;
Shandong Huaxia Shenzhou New Material Co., Ltd. accredited as the "National Intellectual Property Demonstration Enterprise" by State Intellectual Property Office;
- 東岳高分子材料有限公司被省知識產權局認定為山東省知識產權示範企業。
Dongyue Polymer Material Co., Ltd. accredited as the "Shandong Intellectual Property Demonstration Enterprise" by Intellectual Property Office of Shandong Province.

專利獎項
Patent award

- 《一種用於太陽能背板膜的聚偏氟乙烯樹脂的制備方法》獲得中國專利優秀獎;
A Preparation Method of PVDF Resin for Solar Backing Membrane won the National Outstanding Innovation;
- 《一種含氟彈性體的制備方法》獲得淄博市專利三等獎。
A Preparation Method of Fluoroelastomer won the third prize of patent in Zibo City.

4.2 應用創新成果

集團以市場為導向，堅持統籌推進和重點突破相結合的研發方式，2017年以氯鹼膜、燃料電池膜、ETFE塗料穩定化生產為主要目標，進一步完善質量管理體系建設，推動創新產品形成穩定化生產、優化生產技術提升生產效率，同時開拓研發產品配套技術為其提供有力支撐，以實現科技創新向縱深推進。

- **創新成果擴大**

集團圍繞市場應用反饋，在氯鹼離子膜和燃料電池膜成功研發的基礎上，深入實施技術提升，形成穩定化生產，並加大國內外市場推廣力度使研究成果能更廣泛地運用於市場。2017年集團根據氯鹼離子膜的市場需求，推出2806系高電密膜產品，並建立多台套工業示範裝置，已實現國內外十餘家氯鹼企業工業裝置應用。在燃料電池膜領域，公司成功開發出三種新樣品送至AFCC進行性能評價，在AFCC使用壽命加速實驗中成功突破6000小時，達到國際領先水平，當前東岳燃料電池膜已進入批量化試產階段。此外，東岳集團成功研發塗料級ETFE樹脂，形成牌號DS4051、DS4052的靜電噴塗塗料產品和牌號為DS4061的滾塗塗料產品，得到客戶應用認可。

4.2 Applying the innovation achievements

Being market-oriented, the Group has adhered to the combined R&D approach of overall advancing and key breakthrough, and in 2017, taking the stabilized manufacturing of chloralkali membrane, fuel cell membrane and ETFE coating as the primary target, further improved the construction of quality management system, spurred the innovative products to form the steady production, optimized the production technology and increased the production efficiency; meanwhile, it has developed the R&D product matching technology to provide a strong support, thereby bringing forth the wider and deeper innovation.

- **Expansion of innovation results**

Centering on the feedbacks from market application, the Group has, based upon the successful R&D of chlor-alkali ion membrane and fuel cell membrane, deeply carried out the skill upgrading to form the stabilized manufacturing, and increased the marketing efforts at home and abroad, making the research results widely applied to the market. In 2017, the Group has, based on the market needs of chloralkali ion membrane, launched the 2806 series high current density membrane products, and set up multiple sets of industrial demonstration units, which have been applied to more than ten chloralkali enterprises at home and abroad. In the fuel cell membrane field, the Company has successfully developed three new samples, which are sent to AFCC for evaluation of properties, and exceeded 6,000h successfully in the AFCC accelerated life test, reaching the international leading level, and so far, Dongyue fuel cell membrane has been in batch trial production. Besides, Dongyue Group has successfully developed the coating ETFE resin, forming the DS4051 and DS4052 electrostatic spraying coating products and DS4061 roller coating products, applied and recognized by customers.

- **優化生產效率**

為配合成果應用推廣，集團2017年順利完成對中試車間的技改項目，該項目通過技術改造，有效解決六氟環氧丙烷精餾系統產能瓶頸、T1質量不穩定等問題，實現產量銷量新突破。此外，公司加強完善平台建設，已完成儀器平台建設方案制定及部分儀器購置，實現了與AFCC在膜性能測試方向對標以及氯鹼膜、ETFE性能的快速考評，解除了單一依賴測試數據指導生產的弊端，實現研發與生產週期的縮短。

- **開拓配套技術**

集團為配套現有研發產品，持續開拓創新技術，在新樹脂單體、X膜材料利用等離子體接枝改性技術等方面都取得了突出進展：新樹脂單體已開展反應歷程與機理研究，以及綠色替代和回收套用反應溶劑研究，將能為樹脂配套提供更優質的單體產品，降低生產成本，為膜產業化穩定的發展做好原料儲備基礎；X膜材料利用等離子體接枝改性技術，打通實驗室制備工藝流程，並且在中試產品的開發過程中穩步推進，優化燃料電池膜開發的配套工作。

此外，公司長期以來承擔了多項國家級、省級重點研發計劃，協同行業及科研院所優勢人才、資金及設備資源，推進氟硅行業高新技術發展革新。

- **Optimization of production efficiency**

To match up the application and extension of achievements, the Group has, in 2017, successfully completed the technological upgrading to pilot plant, which has, with technical transformation, effectively solved the capacity bottlenecks of HFPO distillation system, unstable T1 quality and other problems, achieving new breakthroughs in yields and sales. In addition, the Company has made great efforts in perfecting the platform construction, already completed the formulation of instrument platform construction solutions and purchasing of some instruments, achieved the benchmarking with AFCC in the membrane property testing direction as well as the rapid evaluation to chloralkali membrane and ETFE properties, eliminated the drawbacks of production guidance with single dependence on the test data, shortening R&D and production cycles.

- **Development of supporting technology**

To match with the existing R&D products, the Group has continuously developed the innovative technology, made prominent progress in the new resin monomer and graft modification technology of X-film material using plasma: new resin monomer has been studied the reaction process and mechanism, as well as green substitution and recycling of reactive solvents, so as to provide better resin-supporting monomer products, reduce the production cost, and lay a foundation of material reserves for the development of membrane industrialization stability; the graft modification technology of X-film material using plasma has opened up the laboratory preparation process, pushed forward steadily in the development of pilot products, and optimized the matching work for development of fuel cell membrane.

Moreover, the Company has long undertaken a plurality of national, provincial key R&D programs, synergized such superior resources as talents, funds and equipment of industry and scientific research institutions, and promoted the development and innovation of high and new technology in the fluorosilicone industry.

4.3 構築人才高地

高端人才的培養與引進是科技研發的基石也是企業創新發展的源源動力。集團設有科技創新激勵機制，制定《科研獎勵管理辦法》《研究院科研成果獎勵及優秀科研人才評選辦法》等一系列措施以激發科研人才的積極性與創造性。截至報告期末，東岳研究院共有人員171人，其中博士研究生7人，碩士研究生20人。

集團長期以來立足產業需求，積極整合內外部人才資源，與知名高校進行緊密合作，拓展「產學研用政金服」渠道，推動企業高端化研發進展。截至報告期末，集團已與北京化工大學共同組建氟硅材料研發中心，與杭州師範大學共同組建有機硅材料技術中心。同時，本年度集團在與各高校進行研發項目合作上也取得了卓越成效：

- 與北京化工大學共同承擔國家重點研發計劃「高性能聚氯乙烯制備關鍵技術」，研究開發高交換容量全氟磺酸樹脂合成關鍵工藝技術，制備新一代氯鹼工業用離子膜，使國產膜綜合性能達到國外最新一代產品水平。
- 與上海交通大學就新一代燃料電池質子膜技術研發，在已研究成功的第一代全氟磺酸質子膜的基礎上，進一步對增強材料、成膜聚合物進行新的設計和深入研究，優化成膜溶劑體系，開發出成品率高、尺寸穩定、長壽命、高性能的燃料電池質子膜，在國際上取得燃料汽車用質子膜技術和產品雙優勢。

4.3 Building the talent highland

The cultivation and introduction of high-end talents are the cornerstone of technical R&D, and also the source power of innovative development of an enterprise. The Group has established the technical innovation incentive mechanism, and formulated a series of measures, such as Management Measures of Rewards for Science Research and Methods of Rewards for Achievements in Scientific Research and Selection of Outstanding Scientific Talents in Research Institute to stimulate the motivation and creativity of scientific research talents. As at the end of reporting period, Dongyue Research Institute has 171 employees, including 7 doctoral candidates and 20 postgraduate students.

For a long time, the Group has, relying on the industrial demand, actively integrated the internal and external talent resources, collaborated closely with well-known colleges and universities, expanded the channels of “industry-college-institute-user-government-service”, and moved forward the high-end R&D of enterprises. As at the end of reporting period, the Group has co-built a fluorosilicone material R&D center with Beijing University of Chemical Technology, and an organosilicon material technology center with Hangzhou Normal University. Meanwhile, in 2017, the Group has achieved remarkable results in the R&D project cooperation with colleges and university:

- Assumed with Beijing University of Chemical Technology the national key R&D program titled “Key Technology for Preparation of High-performance PVC”, R&D of key technology for synthesis of high-capacity PFSA, preparation of new generation of ionic membrane for chloralkali industry, making the overall properties of domestic membrane reach the foreign level of the latest generation of products.
- Based on the first generation of PFSAPEM, further made new design and in-depth study on the reinforcing materials and film-forming polymers jointly with Shanghai Jiaotong University concerning the technical R&D of new generation of fuel cell proton membrane, optimized the film-forming solvent system, developed the fuel cell proton membrane with high yield, stable dimension, long life and high property, gaining double advantages of proton membrane technology and products for fuel vehicles in the world.

- 一 與中國科學院蘭州化學物理研究所合作開發航天技術用潤滑油，2017年已完成部分探索實驗，該類潤滑油及其潤滑脂產品可實現我國該類產品的國產化和自主供給，解決我國航空、航天、核電、軍工裝備長壽命潤滑的難題，打破國外對我們的技術封鎖。

4.4 推動行業進步

本集團在關注自身發展的同時，也致力於帶動全行業協同發展。多年來，公司致力於通過整合行業科技資源與技術，搭建與科研院所、行業協會、權威專家聯絡和合作的平台，建立協同創新機制，以打通科技和經濟轉移轉化的通道，實現合作研究、成果與資源共享。作為氟硅協會副理事長單位、中國石油和化學工業聯合會理事單位、氟塑料加工協會理事長單位、膜工業協會副秘書長單位，集團多次組織、主持國內氟硅行業的學術交流會議。此外，集團積極參與國家省部級標準的制定與修改，2017年共組織起草國家標準2項¹、行業標準2項²，參與行業團體標準制定共17項。

- 1：東岳集團2017年參與起草的國家標準為：《分離膜中全氟辛烷磺酰基化合物和全氟辛酸的測定液相色譜—串聯質譜法》《製冷劑用氟代烴水分測定通用方法》
- 2：東岳集團2017年參與起草的行業標準為：《混合製冷劑R404系列》《混合製冷劑R410系列》

- Cooperated with Lanzhou Institute of Chemical Physics, Chinese Academy of Sciences to develop the lubricants for space technology, and completed a part of probe tests in 2017; such lubricants and grease products may achieve the home-made and independent supply, solving our difficulties in long life lubrication of aviation, aerospace, nuclear power and military equipment, and breaking the foreign blockade on our techniques.

4.4 Promoting industry progress

The Group exerts itself to drive the synergetic development of the whole industry while focusing on the self-development. Over the years, the Company has, by integrating the industry-wide scientific resources and technologies, tried very hard to build a liaison and cooperation platform with the research institutes, industry associations, authority experts, established a collaborative innovation mechanism to get through the channel for technological and economic transfer and conversion, achieving the cooperative study, sharing of results and resources. As the Vice President Unit of Fluorosilicone Association, Directory Membership Unit of CPCIF, President Unit of Fluoroplastics Processing Association and Vice Secretary-General Unit of Membrane Industry Association, the Group has organized and presided over the academic exchange conferences of domestic fluorosilicone industry for several times. Furthermore, the Group has taken an active part in the formulation and revision of national and provincial standards, and in 2017, organized the drafting of 2 national standards¹ and 2 industry standards², and involved in the enactment of 17 industry group standards.

- 1: In 2017, Dongyue Group has participated in the drafting of two national standards, namely *Determination of Perfluorooctane Sulfonates and Perfluorooctanoic Acid in Separation Membrane – LC-MS/MS and Fluorinated Olefins Refrigerant Use – General Method for the Determination of Water*
- 2: In 2017, Dongyue Group has participated in the drafting of two industrial standards, namely *Mixed Refrigerants R404 Series and Mixed Refrigerants R410 Series*

4.5 智能信息化管控

集團自2014年開始著手推進東岳氟化工智能製造項目，提升公司整體智能信息化管理，以實現東岳「裝置自動化、管控信息化、運行智能化、集成高效化」的智能信息化管控目標。2017年，公司建成數字化智能管控中心，即集生產調度、安全環保、能源管控、設備保養、經營管控五位一體的綜合管控系統平台。該系統平台集成整合了全公司的可編程邏輯控制器系統(DCS/PLC)、寶信能源管理系統(EMS)、台塑設備保養系統(FEMS)與現場管理系統(FLOW)、用友企業資源計劃系統(ERP)、生產製造執行系統(MES)以及全公司離散儀表、視頻監控等數據及信息，將對全集團的生產經營發揮積極作用。

與此同時，集團對所有裝置和大型設備進行了全自動化改造，對分散控制系統(DCS)進行了全自動化控制優化，實現了園區管控的兩級物聯，實現了由傳統生產控制模式向智能化生產模式轉變，由高耗能發展模式向綠色節能製造模式轉變，由傳統經營管理模式向信息化、協同化、智慧化模式的創新轉變。

4.5 Intelligent information control

Since 2014, the Group has got down to pushing forward Dongyue Fluorine Chemical Intelligent Manufacturing Project, and enhanced the corporate holistic intelligent informatization management, to realize the intelligent control goals of "plant automation, control informatization, intelligent operation and high-efficient integration" set by Dongyue Group. In 2017, the Company has built the digital intelligent control center, which is a synthesized control system platform integrating the production scheduling, safety and environmental protection, energy control, equipment maintenance, operation management. The system platform has integrated the Company's programmable logic controller system (DCS/PLC), Baoxin energy management system (EMS), Formosa Plastics equipment maintenance system (FEMS) and field management system (FLOW), Yonyou enterprise resource planning system (ERP), manufacturing execution system (MES) as well as the discrete instrument, video monitoring and other data & information, playing a positive role in the Group's production and operation.

In the meantime, the Group has made fully automatic transformation to all plants and large equipment, and fully automatic control optimization to the distributed control system (DCS), achieved the two-level linkage for park control, changed the traditional production control mode into intelligent production mode, the energy-intensive development pattern into the green energy efficient manufacturing model, and the traditional operation management mode into the informationized, synergized and smart innovation.

5. 安全保障

本集團深知安全生產為關乎企業生存發展的生命線，將其列為公司經營管理首要任務，基於安全文化與安全管理架構的建立與完善，不斷加強危險源的識別與控制，嚴格實施全方位安全風險防控措施，提升員工安全責任意識與技能，打造責任明晰、全員參與、全過程覆蓋、具有東岳特色的安全生產管理體系。本著「零事故、零容忍」的決心與行動，2017年，本集團未發生任何人身傷亡安全事故。

5.1 安全文化與管理

本集團視安全文化與管理為安全生產的基礎工程與核心框架，以濃厚的安全文化促使員工在生產活動中自覺主動地採取安全行為、化解安全風險，以完善的安全管理體系指導員工有條不紊地進行安全生產工作。

5. Safety Guarantee

The Group knows very well the fact that the production safety is the lifeline relating to the survival and development of an enterprise, and ranks it as top priority of corporate operation and management; based on the establishing and perfection of safety culture and management framework, the Group has continuously strengthened the hazard identification and control, strictly enforced the all-round prevention and control measures against safety risks, raised the employees' safety awareness and skills, built the production safety management system with clear responsibility, total involvement, whole process coverage and Dongyue characteristics. Thanks to our determination and action of "zero accident and zero tolerance", the Group has not suffered from any casualty safety accident in 2017.

5.1 Safety culture and management

Regarding the safety culture and management as the basic engineering and core framework, the Group has, with strong safety culture, urged employees to consciously and actively take the safety behaviors and dissolve safety risks, and guided them to carry out production safety systematically with the sound safety management system.

安全文化

本集團將生產安全視為企業核心價值，致力於建設具有東岳特色的安全管理文化。為了紮實提升安全管理水平，集團從領導力、員工責任、風險控制三個維度，提出十大安全管理原則。

Safety culture

The Group has taken production safety as the core value of an enterprise, and devoted to building the safety management culture with Dongyue characteristics. To solidly boost the safety management level, the Group has proposed ten safety management principles from the leadership, employee responsibility and risk control.

領導力

Leadership

- 各級管理層對各自轄區的安全直接負責
Managements at all levels are directly responsible for the safety in their jurisdiction
- 各級管理層採取可視化行動履行安全責任
Managements at all levels take visual actions to perform the safety responsibilities

員工責任

Employee responsibility

- 安全是僱傭員工的首要條件
Safety is the first and foremost condition to hire an employee
- 員工必須接受嚴格的安全培訓
Employees must receive strict safety training
- 員工直接參與是關鍵
Direct employee involvement is the key

風險控制

Risk control

- 所有事故都是可以預防的
All accidents are preventable
- 作業過程中所有的風險應得到識別和控制
All risks in the operation shall be identified and controlled
- 發現安全隱患必須更正
Any potential safety hazards found must be corrected
- 沒有許可，沒有作業
No permits, no operations
- 工作外的安全同樣重要
Safety out of work is equally important

安全管理架構

本集團以《安全生產法》及其他相關法規和標準為準繩，通過制定清晰的安全政策目標及管理制度，將安全與職業健康管理植根在運營中每個細節。

為統籌優勢資源投入安全管理，本集團成立了以董事長為主任、總裁為副主任、集團副總裁、各部門負責人和各公司總經理組成的安全生產委員會（「安委會」）。安委會定期召開例會溝通集團範圍內安全生產管理運行情況，研究近階段安全生產存在的問題並制定對應措施。

為落實各級安全責任，2017年，集團完成各公司RACI（職能職責分配）矩陣和屬地車間、職能部門職責修訂，完成一、二、三級屬地劃分圖繪製和公示，屬地管理架構初步形成；強化屬地責任、直線責任意識，明確「我的屬地我做主，我的屬地我負責」。

Safety management framework

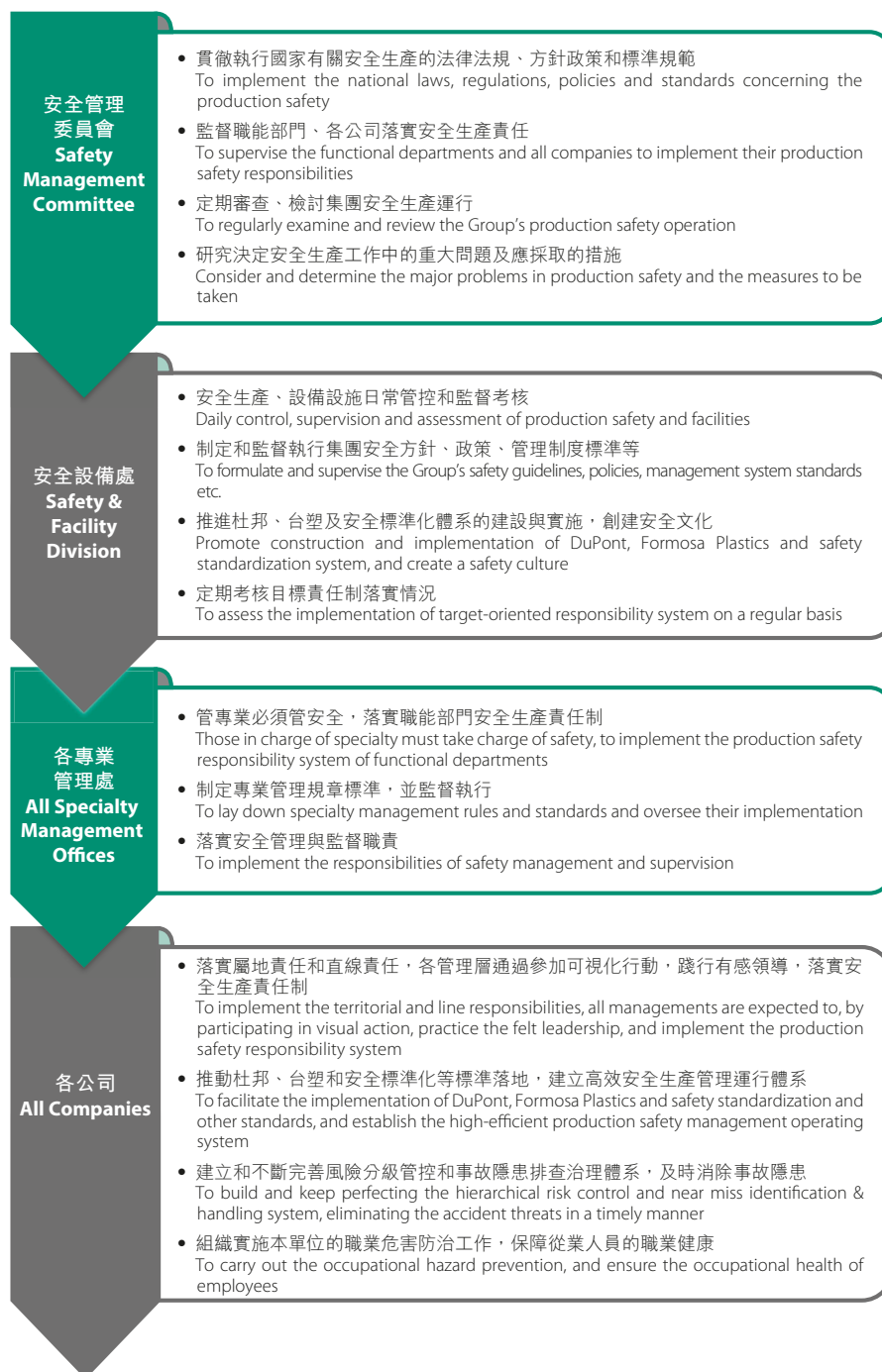
The Group has, subject to Production Safety Law and other relevant regulations and standards, rooted the safety and occupational health management in every detail of operation by developing clear safety policy goals and management system.

To coordinate the advantage resources to be put in safety management, the Group has set up the Production Safety Committee ("PSC") consisting of Chairman as Director, CEO as Vice Director, Group Vice President, all department heads and General Managers of all subsidiaries as members. The PSC holds regular meetings to acquaint themselves with the production safety management performance within the Group, look into the problems in the production safety recently and lay down countermeasures.

In view of implementing the safety responsibilities at all levels, the Group has, in 2017, revised RACI (task and responsibility assignment) matrixes of all companies and responsibilities of territorial workshops and functional departments, and completed the rendering and public disclosure of level I, II and III territorial zoning map, and the territorial management framework has taken initial shape; the Group has intensified the awareness of territorial and linear responsibilities, making explicit "I'll make the decision and take charge of my territory".

圖：東岳集團安全健康管理架構

Chart: Safety and health management framework of Dongyue Group



5.2 風險防範與控制

本集團高度重視安全風險防範與控制，持續開展各層級隱患排查與整改，本報告期內共實施3326次隱患排查，隱患整改率達98%；在日常運營中，本集團以工藝與作業安全管控、事故應急與演練、承包商安全管理等舉措全方位控制安全生產風險。2017年，結合智能管控中心建設，集團對現有安全管理系統平台進行改進，實現自動統計和分析功能，優化隱患排查、事故事件要素信息化，完善用數據管理安全，提高安全管理工作效率。

工藝安全管理

集團實時改善工藝安全管理，堅決防止工藝安全事故的發生。2017年，集團各公司根據現場實際流程更新現有工藝和儀表流程圖紙，進一步梳理工藝安全信息清單，劃分文檔管理責任；使用安全保護層(LOPA)技術，以改進危險和可操作性分析(HAZOP)的質量，使偏差、後果、原因分析更準確、清晰，增加「本質風險分析」和「殘餘風險分析」；優化和修訂《變更管理(MOC)的制度》，大檢修前各公司辨識、評審變更項目，按照新的變更流程改進變更管理。

5.2 Risk prevention and control

The Group has paid high attention to the safety risk prevention and control, continuously carried out the identification and rectification of hidden dangers at all levels, and implemented 3,326 times of identification in the reporting period, with a rectification rate of up to 98%; in the daily operation, the Group has controlled the safety production risks in an all-round way by taking the process and job safety control, accident emergency and exercise, contractor safety management and other measures. In 2017, the Group has, combined with the construction of intelligent control center, improved the existing safety management system platform, realized the automatic statistics and analysis function, optimized the identification of hidden dangers, informatization of accident/incident elements, management safety of data for perfection, and increased the safety management efficiency.

Process safety management

The Group has improved in real time the process safety management, resolutely preventing the occurrence of any process safety accident. In 2017, the Group and subsidiaries have, following the actual field process, updated the existing process and instrument diagrams, further sorted out the process safety information list, and divided the document management responsibilities; they utilized the layer of protection analysis (LOPA) technology to improve the quality of hazard and operability study (HAZOP), making the deviation, consequence and cause analysis more accurate and clearer, and adding the "essential risk analysis" and "residual risk analysis"; they optimized and revised the Management of Change (MOC) System, identified and reviewed the change projects before each overhaul, and improved the MOC following the new change process.

作業安全管控

集團制定有周詳的作業管理標準，各公司在作業過程中持續強化對標準的評估與分析，及時發現並解決標準執行中的問題，並適時開展專題改進措施。2017年集團重點對高危作業進行管控強化，修訂了動火作業、高處作業、吊裝作業、受限空間、管線打開、挖掘作業等10項管理標準，並制定相關工機具檢查表和高危作業審核表。新標準更突出作業的提前計劃及風險分析、人員的充分溝通及作業條件的準備、風險控制措施的現場驗證及屬地對作業的管理責任；此外，集團編製《高危違紀行為紀律處罰規定》，鼓勵和獎勵行為規範員工，對違規者採取罰款、紀律處分直至解除勞動合同的處罰，提高員工紅線意識和紀律執行力。

針對化工企業特性，2017年集團編寫《高毒物質手冊》，督促各公司根據自身工藝特徵與作業環境着手開展氯、氟化氫、八氟異丁烯高危物質標準手冊的編製，規範統一各公司間同類高毒物質的個人防護與應急措施等操作。

Job safety control

The Group has laid down detailed job management standards, to which all companies have continuously strengthened the evaluation and analysis in their operation, timely found and solved the problems in the execution, and taken the specific improvement measures in due time. In 2017, the Group has emphasized the intensified control to high-risk operations, revised the hot work, work at heights, lifting operation, confined space, line break, excavation operation and other 4 management standards, and formulated the Machines & Tools Checklists and High-risk Operation Checklist. The new standards have highlighted more the early planning and risk analysis of operations, full communication of personnel and preparation of operating conditions, field verification of risk control measures and the management responsibility of territory to operation; besides, the Group has prepared the Regulations on Disciplinary Punishment for High-risk Violations, encouraged and rewarded the well-behaved employees, taken punishment to violators ranging from the penalty, disciplinary action to the dissolution of the labor contract, and improved the employees' red line consciousness and disciplined execution.

Targeted at the chemical enterprise characteristics, the Group has prepared the Highly Toxic Materials Manual in 2017, urged all companies to commence the preparation of chlorine, HF, OFIB highly hazardous chemicals standard manuals in line with their own process features and operating environments, which are to unify the personal protection and emergency measures etc. against the similar highly toxic substances among all companies.

事故應急與演練

本集團根據相關法規要求，定期修訂事故綜合應急預案、專項預案和現場處置方案，各公司在集團層面應急預案基礎上制定相應級別的公司應急預案，強化應急預案演練，提升公司、崗位突發事件應急能力與員工自防自救能力。集團總部與各公司每年至少組織兩次公司級綜合應急演練，各車間每月組織一次專項應急演練，各崗位每月至少組織兩次現場處置方案演練。2017年共組織各層次安全相關演練499次，58,568人次員工參加，其中，消防演練224次，20,326人次參加。

承包商安全管理

承包商安全亦為公司安全生產的重要組成部分，本集團專門制定《東岳集團承包商管理流程》，要求承包商和本集團實施同樣的安全紀律標準、培訓標準和管控標準。在實際操作中，集團通過內外管控結合的方式，加強承包商安全風險管控，不僅對承包商實行定期專項檢查與全流程監管提升，還借助政府、中介等外部力量對承包商進行整頓。集團統一承包商檢查標準，各公司制定承包商綜合檢查表，每月至少組織一次專項檢查，並對查出的問題及時落實整改措施形成閉環。對於作業項目，集團建立職責矩陣，進場前制定安全施工方案，組織作業風險分析、作業前培訓和安全交底、工機具檢查等，作業過程中相關部門每天檢查審核高危作業、組織承包商培訓。

Accident emergency and exercise

According to relevant regulatory requirements, the Group has revised regularly the comprehensive emergency plans, special emergency plans and on-site disposal programs for accidents, all companies are required to, on the basis of the Group's emergency plans, prepare the corresponding corporate emergency plans, strengthen the emergency plan exercise, and improved the emergency response capability of companies and positions and employees' self-defense and self-rescue ability. The headquarters of the Group and all companies shall organize annually at least two comprehensive emergency exercises at the company level, all workshops shall organize monthly a special emergency exercise, and all positions organize two exercises of site disposal programs every month. In 2017, 499 safety exercises have been organized at all levels, with 58,568 person-times of employees involved, including 224 fire drills, with 20,326 person-times of employees involved.

Contractor safety management

The contractor safety is also an important component of production safety, and the Group has specially formulated the Dongyue Group Contractor Management Process, in which the contractor is required to implement the same safety discipline standards, training standards and control standards as the Group. In the actual operation, the Group has, by combining with internal and external controls, strengthened the contractor safety risk controls. The Company not only made special inspection and full process supervision ascending on a regular basis, but also rectified the contractors by virtue of such external forces as government and intermediaries. The Group has unified the contractor inspection standards, all companies are expected to prepare the Comprehensive Checklist for contractors, organize at least a special inspection monthly, and take timely rectification measures against the problems found, forming a closed loop. For the operation project, the Group has established the responsibility matrix, developed proposals for construction safety before mobilization, organized the job risk analysis, pre-job training and safety disclosure, machines (tools) inspection etc., and in the operation, relevant departments shall daily inspect and examine the high-risk operations, and organize the contractor training.

2017年，承包商個人防護用品使用逐漸規範，安全隔離、作業監護等方面有較大改善，入廠安全培訓合格率趨向100%；年度檢修期間，承包商共有2,676人次進入現場，沒有發生損工以上事故。

5.3 職業健康與防護

集團高度重視員工職業健康管理工作，每年會基於往年經驗總結與實際情況來制定並實施職業病防治計劃，不斷完善職業病防治措施，提高職業病防治管理水平。年度職業健康管理工作主要包括三個方面：通過現場職業危害監測，並基於此不斷提升裝置自動化、智能化水平，採取嚴格的密閉隔離措施，減少人員接觸職業危害因素；組織職業病防治專項培訓，提供完善的職業健康防護裝備和應急器材，提高員工勞動防護意識和水平；組織員工年度體檢，建立健康檔案，切實提高員工的職業安全健康水平。2017年員工職業健康查體率100%，職業病發病率為零。

5.4 意識建立與培訓

在貫徹實施安全管理的過程中，員工安全意識與相關技能的提升至關重要。2017年，集團主要從培訓、宣傳與獎勵三個方面對員工進行安全教育。

In 2017, the contractor's PPE use has been standardized, safety isolation and operation monitoring etc. have been improved largely, and the eligibility of in-plant safety training tends to be 100%; during the annual overhaul, the contractors have 2,676 employees mobilized, without any lost-time incident or above.

5.3 Occupational health and protection

The Group highly values the employees' occupational health management, and every year, formulates and implements the occupational disease prevention plans based on the previous experience summary and practical situation, constantly improves the occupational disease prevention measures, and raises the occupational disease prevention and management level. The annual occupational disease management mainly includes the following: by the field monitoring of occupational hazards, and based on this, constantly improving the plant automation, intelligent level, taking strictly closed isolation measures, minimizing the employees' exposure to occupational hazard factors; organizing the occupational disease prevention training, providing perfect occupational health protective equipment and emergency instruments, raising the employees' labor protection awareness and levels; organizing employees to make yearly physical examination, establishing health records, and effectively improving their occupational safety and health levels. In 2017, the employees' occupational health examination rate is 100%, with zero incidence of occupational diseases.

5.4 Awareness building and training

When implementing the safety management, the improvement of employees' safety awareness and skills is of great importance. In 2017, the Group has conducted safety education to employees mainly from training, publicity and reward.

集團建立完善培訓體系，以全面滿足員工安全培訓需求。針對所有員工，集團持續進行風險分級管控、隱患排查、未遂事件匯報培訓，使員工掌握危害辨識、風險評估工具。針對不同崗位員工，集團制定崗位培訓方案，在此基礎上，2017年各公司細化崗位技能需求，編製完成崗位技能需求矩陣，下一步將通過崗位能力評估、對比差距形成個性化和針對性培訓計劃，為改進培訓打好基礎。此外，集團改進培訓模式，建立內訓師制度，組織內訓師進行技能訓練，截至報告期末，已培養36名內訓師。

集團開展安全宣傳活動，以營造安全文化氛圍，促進各級員工建立安全風險意識。2017年集團組織了安全演講比賽「安全在我心中」與風險管控和隱患排查知識競賽，員工參與度高；策劃實施「安全里程碑」活動，設定零事故目標的持續天數，如若發生員工與承包商損工事件、一級工藝安全事故、一級環境事故、一級火險事故等任一事件，則天數清零，並對事件進行分析和改善。

集團採取多種獎勵機制，以激勵安全管理推進工作。設立「學杜邦」專項獎勵基金，用於獎勵一線員工安全經驗分享、風險管控與隱患排查、優秀培訓課件製作等；「五個一」活動獎勵旨在鼓勵各公司高管、中層管理人員踐行有感領導；即時安全獎，大拇指獎，鼓勵員工規範作業行為，養成良好作業習慣。

The Group has built a complete training system to satisfy the employees' safety training needs in an all-round way. For all employees, the Group has continuously carried out training regarding the hierarchical control of risks, identification of hidden dangers, and reporting of near-miss accidents, making them master the hazard identification and risk assessment tools. For employees from different positions, the Group has formulated the position training programs, and on this basis, all companies have in 2017 detailed the position skill needs, prepared the position skill needs matrix, and will further form the personalized and targeted training plans by job competency assessment and gap contrast, laying a foundation for improvement of training. In addition, the Group has improved the training pattern, built the internal trainer system, and organized the internal trainer to have skill training; as at the end of reporting period, the Group has cultivated 36 internal trainers.

The Group has launched safety campaigns to create an atmosphere of safety culture, so that employees at all levels are facilitated to build their safety risk awareness. In 2017, the Group has organized the safety speech contest titled "Safety in My Heart" and the knowledge contest on risk control and near miss identification, with high employee involvement; it further planned and performed the "Safety Milestone" activity, setting the lasting days of zero accident goal, in case of any of the lost-time incident, level I process safety incident, level I environmental accident and level I fire accident, the lasting days are reset, making analysis and improvement to such accidents.

The Group has adopted a plurality of reward mechanisms, to encourage the advancing of safety management. It has set up the special incentive fund of "Taking after DuPont" to reward the safety experience sharing, risk control and near miss identification, excellent training courseware making etc. of front-line employees; the "Five Ones" activity reward is aimed at encouraging the senior executives and middle managements of all companies to practice the felt leadership; Instant Security Award and Thumb Award are to encourage employees to standardize their operation behaviors and develop good work habits.

6. 節能環保

本集團嚴格遵守國家有關環境保護的法律法規，以ISO14001環境管理為依據，制定更為嚴格的內控標準與完善的環境管理體系，在此基礎上，集團大力開展節能減排改造，降低資源消耗，消除和減少環境污染，各項節能環保指標處於全國同行先進水平。

6.1 降低碳排放

為響應國家節能減排的號召，集團制定了《能源目標指標和節能績效評估管理辦法》，實時監測能耗來源與狀況，通過推進節能舉措與使用再生清潔能源，致力構建環境友好型企業。

2017年集團下屬公司開展了多樣化的環保改造，例如，對車間直冷系統進行改造，將製冷機組合理匹配使用，停用多餘的製冷機組，製冷用電單耗較2016年降低34.39度／噸；加裝餘熱回收裝置，對生產過程中產生的蒸汽、高溫煙氣與熱爐渣進行餘熱回收，從而有效減少能源使用。集團亦積極探索清潔能源的使用，參與寧夏及西部地區風電和太陽能發電的跨省直供電季度、月度的雙邊和競價交易，2017年集團的風能和太陽能跨省電力交易量為747,450,000度，極大降低了燃煤電力的消耗。

6. Energy Conservation and Environmental Protection

In strict accordance with national laws and regulations concerning environmental protection, the Group has, based upon the ISO14001 environmental management, developed the stricter internal control standard and sound environmental management system; on this basis, the Group has vigorously carried out the energy conservation and emission reduction transformation, reduced the resource consumption, eliminated and minimized the environmental pollution, thereby making all energy conservation and environmental protection indexes in the advanced level of industry nationwide.

6.1 Reducing carbon emissions

In response to the national call on energy conservation and emission reduction, the Group has formulated the Energy Target and Energy Conservation Performance Evaluation Management Measures, monitored in real time the source and situation of energy consumption, and dedicated to building an environment-friendly enterprise by boosting the energy saving measures and the utilization of renewable clean energy.

In 2017, the Group's subsidiaries have carried out diversified environmental renovation, for instance, modifying the workshop refrigerating system, achieving the reasonable and matching use of refrigerating units, shutting down the redundant units, so that the electricity consumption for refrigeration has reduced by 34.39kWh/t in comparison with that of 2016; retrofitting the waste heat recovery device, carrying out waste heat recovery to the steam, high-temperature flue gas and hot slag in the production process, so as to effectively minimize the energy use. The Group has also actively explored the use of clean energy, and involved in the quarterly and monthly bilateral and bidding trading of trans-provincial straight power supply from wind power and solar power generation in Ningxia and West China; in 2017, the Group has a trans-provincial power trading volume from wind power and solar power generation of 747,450,000kWh, greatly reducing the consumption of coal-fired power.

本集團產品主要為製冷劑、高分子材料、有機硅、二氯甲烷、聚氯乙烯及燒鹼等化工材料，生產製造過程中主要能源消耗為電和煤。本年度，集團二氧化碳排放當量為1,422,930.6噸，二氧化碳排放密度為1.4噸／萬元營業收入產值；能源節約量達10,264噸標煤，實現二氧化碳減排22,683.44噸。

近兩年集團能源使用情況如下：

The Group's products are mainly refrigerant, high polymer material, organosilicon, dichloromethane, PVC and caustic soda etc., and the major energy consumption in the production process is electricity and coal. In 2017, the Group's CO₂ equivalent was 1,422,930.6t, with its CO₂ intensity amounting to 1.4t/10,000 RMB of output value; the Group's energy conservation is up to 10,264t standard coal, with CO₂ emission reduction of 22,683.44t.

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

使用種類 Use type		2016年消耗量 Consumption in 2016	2017年消耗量 Consumption in 2017
電網耗電量 Grid power consumption	外購電 Purchased electricity	1,333,253,764度 1,333,253,764kWh	1,399,634,177度 1,399,634,177kWh
耗煤量 Coal consumption	總煤耗量 Total coal consumption	605,355噸 605,355t	610,129噸 610,129t
	發電量 Generating capacity	169,380,000度 169,380,000kWh	154,800,000度 154,800,000kWh
汽油 Gasoline		78,089升 78,089L	121,911升 121,911L
柴油 Diesel		4,887升 4,887L	5,392.06升 5,392.06L
綜合能源消耗量 Comprehensive energy consumption		623,198噸標煤 623,198t standard coal	643,860噸標煤 643,860t standard coal

6.2 水資源管理

本集團在生產運營過程中提倡節約用水與循環用水，努力提升水資源利用率。公司嚴格控制生產用水和生活用水的使用量，各車間負責各自轄區內用水設備及管路，要求無跑冒滴漏。公司組織安裝廢水回收系統或水循環使用系統，盡量搜集車間用的可回收廢水，對排往淨水站進行回收和處理，並根據生產需求優先使用處理後的中水。此外，隨著水資源匱乏與環保呼聲的提高，旗下公司也積極探索水處理技術，開展黃河水處理項目，處理之後的黃河水能達到工藝用純水制水標準。為了鼓勵員工節約用水，集團制定了《用水管理規定》，並通過監督、宣傳等形式提高員工節水意識。本年度，集團耗水總量為1,460萬噸，耗水密度為14.4噸／萬元營業收入，水資源節約量為45,632噸。

6.2 Water resource management

The Group has advocated the water conservation and recycling in the production operation, working hard to improve the utilization factor of water resources. The Company has strictly controlled the consumption of process water and domestic water, all workshops are held liable for the water equipment and pipelines under their jurisdiction, which shall be free from any leakage and venting. The Company has organized to install the wastewater reclamation system or water recycling system, tried hard to collect the recyclable waste water for workshop, recycled and treated the water discharged to the water purification station, and preferred to use the reclaimed water treated based on production requirements. In addition, with the higher voice for water resources shortage and environmental protection, the subsidiary companies are actively exploring the water treatment technology, and undertaking the water treatment project of Yellow River, so that the treated Yellow River water can meet the process water-making standard from pure water. To encourage the employees to save water, the Group has formulated the Water Use Management Regulations, and raised their water-saving awareness by supervision and publicity campaign etc. In 2017, the Group has consumed water of 14,600,000t in total, with water consumption intensity of 14.4t/RMB10,000 revenue, and saved water resources of 45,632t.

6.3 排放物管理

本集團注重規範排放物管理，嚴格按照相關法律法規的要求，採取合適的處理措施將生產過程對環境的影響降至最低。

固體廢棄物管理

本集團採取有效措施確保固體廢棄物落實無害化處理或綜合利用。對化工公司最常見的固廢硫酸鈣廢渣與電石渣，集團各公司採取資源化綜合再利用，其中硫酸鈣廢渣作為建築石膏，電石渣一部分作為電廠脫硫劑，一部分轉化為無水氯化鈣產品，綜合利用率為100%。危險廢棄物繼續嚴格遵守國家環保部《工業危險廢棄物產生單位規範化管理指標》，執行季度申報，做好處置台賬，集團各公司建設配套項目危險廢物的焚燒爐，通過焚燒等措施處理約90%的危險廢棄物，不能自行處置的危險廢棄物嚴格執行危險廢棄物轉移五聯單手續合規處置。在規範化管理基礎上，各公司安全環保科對本公司危險廢物現場管理從生產環節、儲運環節加強管理，防治環境風險。本年度，集團委託有資質的第三方處置有害廢棄物617.64噸，產生密度為0.0006噸／萬元營業收入。

6.3 Emissions management

The Group has highly valued the standardized emissions management, and in strict accordance with applicable laws and regulations, taken appropriate treatment measures to minimize the impacts of production process on the environment.

Solid waste management

The Group has taken effective measures to ensure the solid wastes are subject to innocent treatment or integrated utilization. For the most common calcium sulfate residue and acetylene sludge in chemical enterprises, the Group and all companies have employed the comprehensive reuse of resources, with calcium sulfate slag functioning as gypsum and part of carbide slag functioning as desulfurization agent for power plants and as anhydrous calcium chloride, at a utilization ratio of 100%. The hazardous wastes shall, in strict accordance with the Standardized Management Indexes for Generators of Industrial Hazardous Wastes by Ministry of Environmental Protection, be quarterly reported, and kept the disposal accounts; the Group and all companies have built incinerators for hazardous waste to dispose around 90% of hazardous wastes by incineration and other measures, and those unable to be self-disposed shall be in strict accordance with the compliance disposal of five duplicates for transfer of hazardous wastes. On the basis of standardized management, Safety and Environmental Protection Divisions from all companies have reinforced the site management of hazardous wastes in the production, storage and transportation process, to prevent environmental risks. In 2017, the Group has entrusted qualified third parties to dispose hazardous wastes of 617.64t, with a generation intensity of 0.0006t/RMB10,000 revenue.

近兩年集團固體廢棄物排放情況如下：

The emissions of solid wastes of the Group in the recent two years are shown as follows:

排放物種類 Type of emissions		2016年排放量 Emissions in 2016	2017年排放量 Emissions in 2017
所產生有害廢棄物總量 Total hazardous wastes	廢機油 Waste oil	90噸 90t	99.59噸 99.59t
	廢催化劑 Dead catalyst	394噸 394t	285.79噸 285.79t
	焚燒裝置殘渣 Incinerator residue	5噸 5t	20噸 20t
	HW11類危險廢棄物 (未經焚燒直接外運的部分) HW11 hazardous wastes (directly transported without incineration)	52噸 ³ 52t ³	160.68噸 160.68t
	HW45類危險廢棄物(噸) HW45 hazardous wastes (t)	835噸 835t	51.58噸 51.58t
所產生無害廢棄物總量 Total non-hazardous wastes	細硅粉 Fine silicon powder	800噸 800t	0噸 0t
	電廠灰渣 Cinder of power plant	181,606.5噸 181,606.5t	183,038.7噸 183,038.7t
	電子垃圾 E-waste	1.2噸 1.2t	1.26噸 1.26t
	生活垃圾 Household refuse	48噸 48t	50噸 50t
	辦公垃圾 Office waste	12噸 12t	13噸 13t
	其他廢棄物 Other wastes	350,000噸 (電石渣) 350,000t (acetylene sludge)	343,071噸 (電石渣) 343,071t (acetylene sludge)

3：此處與2016年報告中數據不同，因2016年數據為產生總量，包括焚燒量，而本次統計數據為未經焚燒直接外運部分。

3: The information disclosed herein is not the same as that in 2016 annual report, which represents total emissions (including incineration), while this statistics represents the portion directly transported without incineration.

廢水管理

集團對園區廢水實行分質處理，分級考核。各公司廢水從產生源頭開始，將廢水分為氨氮廢水、含氟廢水、高COD廢水，分別委託環保設計廠家建設設計氨氮廢水處理裝置、脫氟廢水處理裝置、三效蒸發或高級氧化處理裝置，完成一級處置；各處理裝置處理完畢後匯入公司綜合污水處理（二級處理）、然後匯入集團污水處理（三級處理），嚴格按照標準要求進行達標排放。公司廢水排放均實現在線實時監測，排放量為1.2萬噸／天。

近兩年集團廢水排放情況如下：

排放物種類 Type of emissions	2016年排放量 Discharge in 2016	2017年排放量 Discharge in 2017
廢水排放總量 Total discharge of wastewater	3,960,000噸 3,960,000t	3,300,000噸 3,300,000t
COD排放量 COD emissions	178.2噸 178.2t	128.7噸 128.7t
氨氮排放量 Ammonia nitrogen emissions	17.82噸 17.82t	12.87噸 12.87t

Wastewater management

The Group has carried out the grading treatment to wastewater in the park, subject to hierarchical evaluation. Wastewater from all companies has, from the source, been divided into ammonia wastewater, fluoride wastewater and high COD wastewater, which are subject to primary disposal by entrusting the environmental protection design manufacturers to build and design the ammonia wastewater treatment plant, defluorination wastewater treatment plant and triple effect evaporation or advanced oxidation processing plant respectively; after the primary treatment, the wastewater is converged to the companies' synthetical sullage treatment (secondary treatment) and then to the Group's sewage treatment (tertiary treatment), for the up-to-standard discharge in strict accordance with the standard requirements. The Company has achieved the online real-time monitoring to the wastewater discharge, at a discharge of 12,000t/d..

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

廢氣管理

本集團通過加強環保投入、技術改造等方式確保廢氣達標排放。集團各公司目前的廢氣污染物主要為二氧化硫、氮氧化物、粉塵及揮發性有機物等工業排放物。

近兩年集團廢氣排放情況如下：

排放物種類 Type of emissions	2016年排放量 Emissions in 2016	2017年排放量 Emissions in 2017
二氧化硫排放量 SO ₂ emissions	1,413噸 1,413t	175噸 175t
氮氧化物排放量 NO _x emissions	694噸 694t	316.1噸 316.1t
粉塵排放量 Dust emissions	182噸 182t	114.67噸 114.67t
揮發性有機物 Volatile organic compound	87噸 87t	76.98噸 76.98t

2017年集團重點實施了洩漏檢測與修復(LDAR)項目、年焚燒3000噸HFC-23 氫氟碳化物減排項目和電廠超低排放改造工程3項減排工程，有效減少對當地區域大氣環境的污染。洩漏檢測與修復(LDAR)項目總計完成實施受控密封點172,113個，修復後實現VOCS減排55.923噸；年焚燒3000噸HFC-23 氫氟碳化物減排項目是通過焚燒分解HFC23，進而減少其溫室效應，每年減排的二氧化碳當量為3,813萬噸；電廠超低排放改造工程項目是在原脫硫脫硝工程達標排放的基礎上對環保設施進行深度治理改造，改造後每年可減排二氧化硫129噸，氮氧化物112噸。

Exhaust gas management

The Group has ensured the exhaust emission on standard by increasing the investment in environmental protection and technical transformation etc. At present, the waste gas pollutants from the Group and all companies are dominantly SO₂, NO_x, dust and volatile organic compound etc.

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

In 2017, the Group has implemented intensively the leak detection and repair (LDAR) project, emission reduction project with annual incineration of 3,000t HFC-23 hydrofluorocarbons, and renovation project for ultra-low emissions of power plant, thereby minimizing effectively the pollution to the atmospheric environment in local areas. The LDAR project has completed 172,113 controlled seal points in total, and after repair, achieved the VOCS emission reductions of 55.923t; the emission reduction project with annual incineration of 3,000t HFC-23 hydrofluorocarbons has incinerated and decomposed HFC23 to reduce the greenhouse effect, and the CO₂ equivalent reduced annually is 38.13 million tons; the ultra-low emissions project of power plant is the in-depth retrofitting to environmental protection facilities based upon the up-to-standard discharge of existing desulfurization and denitrification works, and the retrofitted facilities may annually reduce SO₂ emissions by 129t, and NO_x 112t.

通過各類措施，本報告期內集團廢氣減排情況如下：

With various measures, the Group's emission reductions in the reporting period are shown below:

減排物種類 Type of emission reductions	減排量 Emission reductions
二氧化硫減排量 SO ₂ emissions	38,381.4噸 38,381.4t
氮氧化物減排量 NOx emissions	727.7噸 727.7t
粉塵減排量 Dust emissions	81,350.5噸 81,350.5t

7. 和諧發展

集團重視人才與社會發展，對內維護員工合法權益，秉持「以效益體現價值，用財富回報才智」的人才理念，打造和諧人文環境；對外積極投身公益事業，用力所能及的行動與力量回饋社會。

7. Harmonious Development

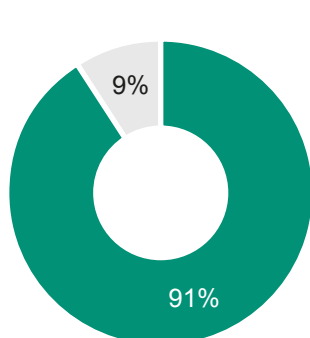
The Group has highly valued the talent and social development, internally safeguarded the employees' legitimate rights and interests, adhered to the talent concept of "Reflecting values with benefits, and using wealth to return intelligence", and created a harmonious cultural environment; externally, it has actively involved in the public welfare undertakings, giving back to the community in its own action and power.

7.1 尊重員工權益

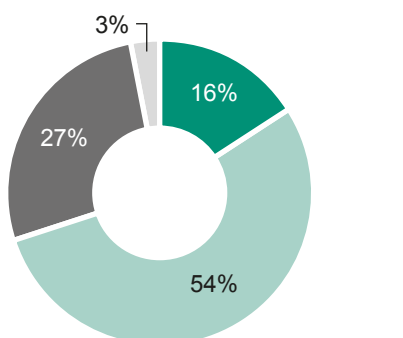
本集團嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等相關法律法規，尊重並重視所有員工的合法權益，在招聘、薪酬、培訓、陞遷等事宜上杜絕一切形式由於性別、地域、民族、宗教、年齡、政治立場等方面引起的不平等現象發生，確保所有員工均享有公平、公正、無歧視的待遇與工作環境。對於基本的勞工議題，如僱傭童工和強制勞工等，集團無論是在規章制度或是監察機制方面都採取零容忍的態度，杜絕任何勞工問題的可能性。截至報告期末，東岳集團員工總人數為5,409人，其中本地戶籍員工佔比為87%。

7.1 Respecting employees' rights and interests

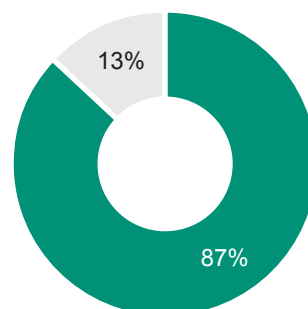
The Group has, in strict accordance with the Labor Law of the People's Republic of China, the Labor Contract Law of the People's Republic of China and other laws and regulations, respected and valued the legitimate rights and interests of all employees, and completely eradicated any form of inequities arising from the gender, territory, nationality, religion, age, political affiliation and other aspects in terms of the recruitment, remuneration, training and promotion etc., ensuring all employees enjoy the fair, equitable and prejudice-free treatment and work environment. For the basic labor issues, such as hiring child laborers and forced labour etc. the Group has taken a zero tolerance attitude no matter in the rules and regulations or supervisory mechanism, putting an end to the possibility of any labor issues. As at the end of the reporting period, Dongyue Group has a total number of 5,409 employees, 87% of which are local residents.



■ 男性員工
Male employees
■ 女性員工
Female employees



■ 30週歲以下
Under 30
■ 31-40週歲
Aged between 31-40
■ 41-50週歲
Aged between 41-50
■ 50週歲以上
Aged over 50



■ 本地戶籍員工
Local residents
■ 外地戶籍員工
Non-local residents

7.2 助力員工發展

集團建立清晰完善的職業晉陞路徑，制定《集團幹部員工職級晉陞管理》以保障晉陞的公平與透明。集團將員工職級晉陞劃分為幹部晉陞、職稱晉陞、員工晉陞、高學歷和專業性人才晉陞四類通道，遵照績效有限、德能兼備和能升能降的原則，將企業發展與員工的職業生涯設計有效結合，給全集團各個崗位上的員工提供暢通的晉陞通道，充分調動員工的工作積極性和創造性。

為配合人才發展機制，建設學習型組織，本集團制定《集團新職工培訓指導意見》、《崗位培訓考試考核指導意見》、《員工轉崗培訓管理規定》等培訓相關制度文件，以多層次、多類型培訓幫助集團員工提高專業化和知識化水平。在培訓管理機制上，集團建立起四級培訓管理體系。2017年，集團按照制定年度培訓計劃，圍繞各職能部門的「按需培訓」展開，完成培訓11場；圍繞職工安全、崗位專業技能、高危風險作業、特種培訓、外協人員管理等專業技能展開，完成培訓51場，參與培訓人數累計6,100餘人。

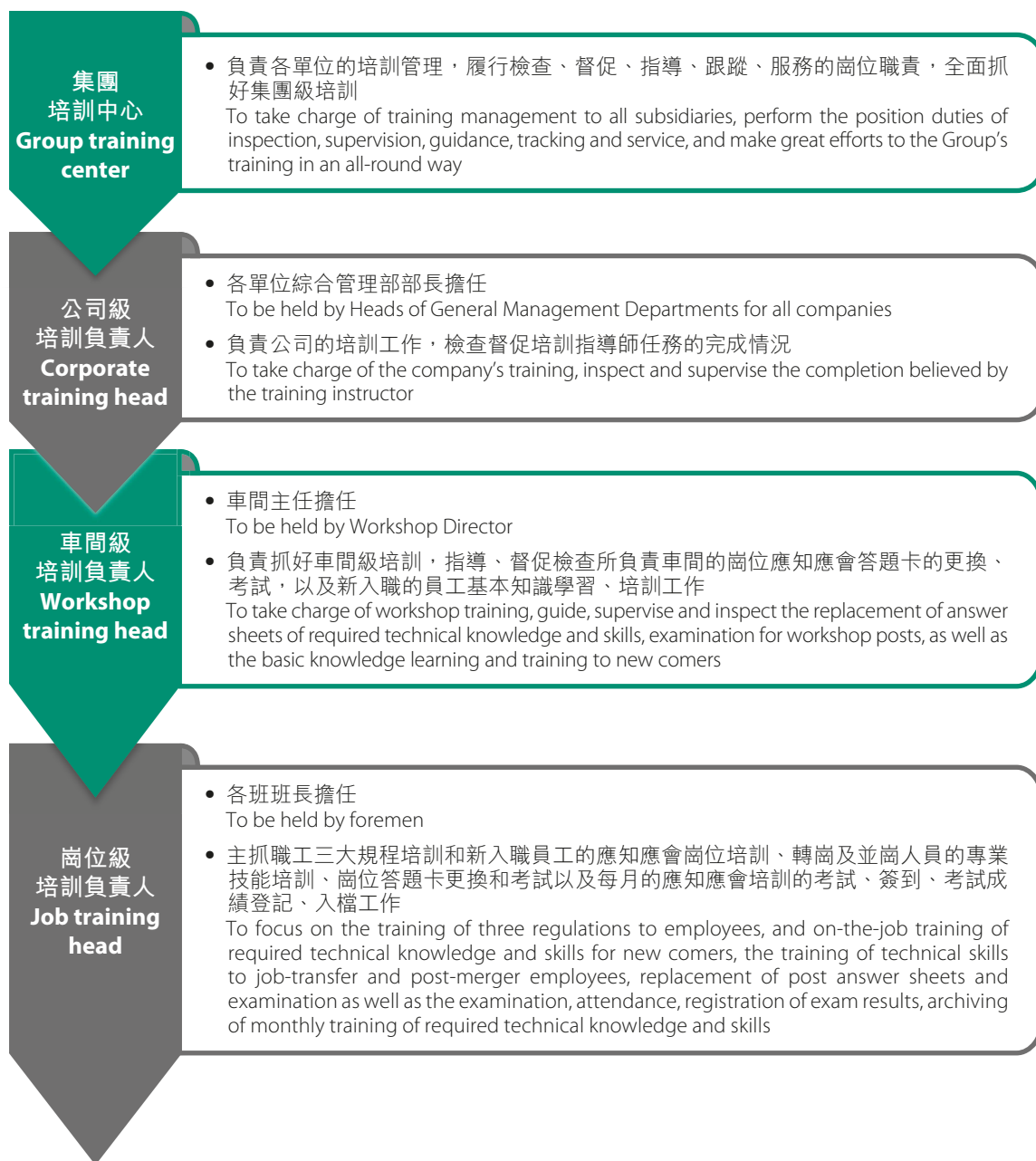
7.2 Helping staff development

The Group has created a clear and perfect career advancement path, developed the Rank Promotion Management for Group Cadres and Employees to ensure the guarantee the fairness and transparency. The Group has divided the rank promotion into the cadre promotion, job title promotion, employee promotion, promotion for highly educated and professional talents, and following the principles of giving priority to performance, equal stress on integrity and ability, and ready to accept promotion or demotion, combined effectively the enterprise development with the employees' career design, and offered an unobstructed promotion channel to employees on all positions of the Group, fully mobilizing their working enthusiasm and creativity.

To match up the talent development mechanism and build a learning organization, the Group has formulated the Guidelines for the New Employee Training, Guidelines for On-the-Job Training Examination and Assessment, Regulations on Management of Employee Job-transfer Training and other training-related system documents, and helped all employees improve their professional and knowledge levels with multi-level and multi-type training. In the training management mechanism, the Group has set up the 4-level training management system. In 2017, the Group has put forward the annual training plans, and conducted 11 training centering on the "On-demand training" of all functional departments, and 51 training on the worker safety, professional job skills, high-risk operations, special training, outsourcing personnel management etc., involving 6,100 trainees in total.

圖：東岳集團四級培訓管理體系

Chart: 4-level training management system of Dongyue Group



此外，集團持續推動創新交流機制制度化，打造專業交流平台，促進員工互相學習。2017年，集團內部經驗創新交流會共召開了21場，編輯、印發交流簡報13期。其中，進行了專題技術交流20項，實現內部經驗分享50條，達成會議成果21項，收集了合理化建議32條，提出專業化建議53條。

7.3 關愛員工生活

員工的身心健康對工作效能尤其重要，集團為員工安排各項動靜俱備的活動，關懷員工娛樂需要。2017年東岳集團先後組織了職工「時光·印象·三十年，光影·鏡頭·看發展」攝影展，職工迎廠慶書畫展、慶廠慶詩歌朗誦會、職工子女才藝展示、「思享匯」幹部員工思想交流、「岳動青春健康跑」幹部職工越野賽等一系列活動，增強員工歸屬感、增進團隊凝聚力。集團還舉辦了「東岳十大傑出青年」、「優秀團幹部」等評選活動，做事跡報告會，以激發幹部員工工作熱情。

同時，東岳集團專門設立愛心基金用於幫扶困難員工，集團高管從薪酬中捐獻一定比例的資金充實愛心基金，每年總額為30-50萬元。2017年春節期間，集團組織走訪困難職工87名，向每名困難職工送去慰問金1,000元及春節物資。

In addition, the Group has pushed continuously forward the institutionalization of innovation exchange mechanism, created a professional communication platform and facilitated the employees to learn from each other. In 2017, the Group has convened 21 internal experience innovation exchange meetings, edited and printed 13 issues of exchange bulletins. Of which, it has made 20 technical exchanges, shared 50 internal experiences, achieved 21 conference results, collected 32 rationalization proposals, and put forward 53 professional suggestions.

7.3 Care for employees' life

As the employees' physical and mental health is particularly crucial to the task performance, the Group has launched activities with motion and stillness features, caring for their recreation needs. In 2017, Dongyue Group has organized successively a series of activities, including the staff photography exhibition of "Time Impression 30 Years, Shadow Lens Seeing Development", the painting and calligraphy exhibition and poetry reading for celebrating the factory anniversary, the talent show for staff's children, "Thinking, sharing & converging" exchange of thoughts between cadres and employees, Dongyue cross country race titled "Vibrant Youth, Healthy Running" for cadres and employees, so as to strengthen the employees' sense of belonging and the team cohesiveness. The Group has further held the "Dongyue Ten Outstanding Young Persons", "Elite League Cadres" and other selection activities, and given the deeds reports, to arouse the work enthusiasm of cadres and employees.

Meanwhile, Dongyue Group has specially set up love funds to assist the needy employees, the Group's top executives have donated from their remunerations a proportion of money to replenish these love funds, annually RMB300,000-500,000 in total. During the 2017 Spring Festival, the Group has paid a visit to 87 needy employees, sending each the consolation money of RMB1,000 and the Spring Festival supplies.

7.4 支持公益事業

集團關心民生福祉，通過慈善捐款、志願者服務與支持社區建設等方式，積極支持公益事業。截至報告期末，東岳集團已累計向教育、交通、衛生等社會公益事業、光彩事業和災區捐款達1.78億元。在2017年慈善一日捐活動中，集團募集款項30萬元。為規範集團公益捐款的使用，集團先後設立了四大公益基金，用於支持教育、養老和員工關愛，每年捐款額達300萬元。

7.4 Supporting public welfare

The Group is concerned about the people's well-being, and actively supports the public welfare undertakings by means of charitable donation, volunteer service and support to community building etc. As at the end of reporting period, Dongyue Group has donated accumulatively RMB178 million to the education, transportation, health and other social and public welfare undertakings, glorious cause and disaster areas. In the 2017 Charity Day Donation, the Group has raised RMB300,000. To regulate the use of public welfare donation, the Group has founded four public welfare funds to support the education, pension and employee care, with an annual donation of up to RMB3 million.

表 東岳集團四大公益基金

Table Four Public Welfare Funds of Dongyue Group

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

在志願者活動方面，2017年集團先後組織員工到唐山鎮敬老院為老人們表演節目以及到桓台縣兒童福利院進行慰問。集團亦積極參與社區維護與建設，一直支持並參與周邊社區消防救援工作。此外，由於集團電廠路口事故頻發，為確保來往行人安全，經由與相關政府部門溝通，最終決定由集團自行增設交通信號燈和標識牌，集團保衛處及時配合協調氟硅公司做好紅綠燈增設的招投標工作，並已完成紅綠燈加設工作。

In terms of volunteer activity, the Group has, in 2017, organized successively employees to put on performance for the elderly in Tangshan Town Nursing Home and condole to Huantai County Children Welfare. The Group has actively participated in the community maintenance and construction, always supported and involved in the surrounding community fire rescues. Furthermore, accidents have happened frequently at the intersection of power plant, and to ensure the pedestrian safety, the Group has, after communication with government departments concerned, finalized to set additional traffic lights and signboards at its own expense; the Group's Security Department has timely cooperated and harmonized with the fluorosilicone company to do well in the bidding and tendering of adding traffic lights, and completed the erection of traffic lights.

獨立核數師報告

Independent Auditor's Report



致東岳集團有限公司全體股東
(於開曼群島註冊成立的有限公司)

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

意見

吾等已審核第111至218頁所載東岳集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於2017年12月31日的綜合財務狀況表及截至該日止年度的綜合損益及其他全面收入報表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表已遵照國際會計準則理事會(「國際會計準則理事會」)頒佈的國際財務報告準則真實公平地反映貴集團於2017年12月31日之綜合財務狀況及其於截至該日止年度之綜合財務表現及綜合現金流量及該等綜合財務報表已按照香港《公司條例》的披露規定妥為編製。

Opinion

We have audited the consolidated financial statements of Dongyue Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 111 to 218, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

獨立核數師報告

Independent Auditor's Report

意見的基礎

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

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

獨立核數師報告

Independent Auditor's Report

關鍵審計事項

關鍵審計事項是根據吾等的專業判斷，認為對截至2017年12月31日止年度的綜合財務報表的審計最為重要的事項。該等事項是在吾等審計整體綜合財務報表及出具意見時進行處理的，吾等不會對該等事項提供單獨的意見。

Key audit matter 關鍵審計事項

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

As at 31 December 2017, the Group had trade receivables of approximately RMB1,626 million, net of impairment.

We had identified impairment of trade receivables as a key audit matter because significant judgements had to be made for the assessment of the recoverability for each debtor including trading history, credit history and estimated future cash flow. Management has concluded that no impairment of trade receivables was recognised in the Group's consolidated profit or loss during the year ended 31 December 2017.

於2017年12月31日，貴集團扣除減值後之貿易應收款項約為人民幣1,626百萬元。

由於評估每位債務人的可收回性須作出重大判斷方可完成，包括貿易歷史、信用歷史及估計未來現金流量，故吾等將貿易應收款項減值識別為關鍵審計事項。管理層總結，於截至2017年12月31日止年度，並無於貴集團綜合損益內確認任何貿易應收款項減值。

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2017. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Our audit procedures to address the impairment of trade receivables included the following:

- Testing the accuracy of the ageing of receivables balances on a sample basis;
- Testing on large individual aged receivables balances, understanding the rationale for management's provisioning decisions by reference to payment patterns during the year as well as other information available; and
- Assessing the level of cash collected by the business after the year end of past due receivable balances to consider any additional provisioning requirements.

吾等處理貿易應收款項減值的審計程序包括以下：

- 按樣本基準測試應收款項餘額賬齡的準確性；
- 測試單項金額較大且賬齡較長的應收款項餘額，透過參考年內的付款模式及其他現有資料瞭解管理層撥備決定之理據；及
- 評估於年末之後業務從逾期應收款項餘額中收回之現金水平，以考慮是否作出額外撥備要求。

獨立核數師報告

Independent Auditor's Report

Key audit matter

關鍵審計事項

Impairment assessment of available-for-sale investments

可供出售投資減值評估

As at 31 December 2017, the Group had available-for-sale investments with the carrying amount of RMB1,221 million, and no impairment has been made in the consolidated statement of profit or loss and other comprehensive income during the year ended 31 December 2017.

The Group recognises impairment for available-for-sale investments in the consolidated statement of profit or loss and other comprehensive income when there is objective evidence of impairment, which includes when there has been a significant or prolonged decline in the fair value of the investments. The impairment recognised in the consolidated statement of profit or loss and other comprehensive income is the cumulative difference between cost and fair value. The impairment assessment for available-for-sale investments is significant and determination of whether there is objective evidence of impairment involves significant management judgement.

於2017年12月31日，貴集團持有賬面值為人民幣1,221百萬元之可供出售投資，且於截至2017年12月31日止年度概無於綜合損益及其他全面收入報表內計提任何減值。

貴集團於出現客觀減值證據時（包括投資之公平值出現大幅或持續下跌時）於綜合損益及其他全面收入報表內就可出售投資確認減值。於綜合損益及其他全面收入報表內確認之減值為成本與公平值之累計差異。可供出售投資減值評估屬重大及釐定是否出現客觀減值憑證須管理層作出重大判斷。

How the key audit matter was addressed in our audit

吾等的審計如何處理關鍵審計事項

Our audit procedures to address the impairment assessment of available-for-sale investments included the following:

- We discussed with management whether there was any objective evidence of impairment of individual available-for-sale investment as at 31 December 2017 and critically challenged management's assertions and conclusions;
- We assessed whether there was objective evidence of impairment for the available-for-sale investments where there was a cumulative loss as at 31 December 2017; and
- We obtained the latest financial information of the investees, and performed certain procedures to assess the reasonableness of the view of the management that whether the impairment of the available-for-sale investments made by management was sufficient.

吾等對可供出售投資減值評估執行的審計程序包括以下：

- 吾等與管理層討論有無個別可供出售投資於2017年12月31日出現減值的任何客觀證據，並嚴苛質疑管理層的主張及結論；
- 吾等評估有無客觀減值證據證明可供出售投資於2017年12月31日出現累計虧損；及
- 吾等已獲得被投資方最近期的財務資料，並已進行若干程序，以評估管理層的意見是否合理以及管理層作出的可供出售投資減值是否充足。

獨立核數師報告

Independent Auditor's Report

Key audit matter 關鍵審計事項

Business acquisition 業務收購

During the year ended 31 December 2017, the Group completed the acquisition of Shandong Boda Real Estate Development Co., Ltd., and Zhangjiajie Xinye Real Estate Development Co., Ltd., both are private entities established in the PRC and engaged in real estate development business.

We had identified business acquisition as a key audit matter because significant management judgement for purchase price allocation (e.g. property for sale and remaining goodwill balance) and special attention on accounting treatment were required.

截至2017年12月31日止年度，本集團完成收購山東博大房地產開發有限公司及張家界鑫業房地產開發有限公司（均為於中國成立的私人實體且從事房地產開發業務）。

吾等認為企業收購屬關鍵審核事項，原因為管理層曾就購買價分配（即作出售用途之物業及商譽之其餘餘額）運用重要判斷，且需要作特殊的會計處理。

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

Our major audit procedures to address the business acquisition included the following:

- We examined the sales and purchase agreement for the acquisition and enquired the management the basis determination of completion date of acquisition and tested the supporting thereof;
- We tested the purchase price allocation in which we especially focused on the valuation of net assets amount and the property for sale amount. We particularly focused on the related fair value adjustments;
- We discussed with management and the independent external valuer engaged by the Company in relation to the methodology and assumptions adopted in arriving at the forecast in valuing the property for sale amount, to see whether the methodology and assumptions were reasonable;
- We checked on a sample basis the accuracy and reliance of the input data used;
- We assessed the competency of the independent external valuer taking into account its experiences and qualifications; and
- We tested the adequacy of the related disclosures.

吾等對企業收購採取的主要審核程序如下：

- 吾等核查有關收購事項之買賣協議並向管理層查詢收購事項的完成日期的釐定基準以及對有關支持資料進行測試；
- 吾等測試購買價的分配情況，就此，吾等尤為關注資產淨額及作出售用途之物業之金額的估值。吾等尤為關注相關公平值調整；
- 吾等與管理層及 貴公司聘請的獨立外部估值師就對作出售用途之物業之金額進行估值時達致預測所採納的方法及假設進行討論，以了解方法及假設是否合理；
- 吾等抽樣檢查所使用的輸入數據之準確性及可信度；
- 吾等評估獨立外部估值師的能力，並考慮其經驗及資質；及
- 吾等測試相關披露是否充分。

獨立核數師報告

Independent Auditor's Report

綜合財務報表及其核數師報告以外的信息

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

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

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

董事及管治層就綜合財務報表承擔的責任

董事須負責根據國際會計準則理事會頒佈的國際財務報告準則及香港《公司條例》的披露規定編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

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

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

獨立核數師報告

Independent Auditor's Report

管治層須負責監督貴集團的財務報告過程。

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

核數師就審核綜合財務報表承擔的責任

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

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

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

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，作為吾等意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計及相關披露的合理性。
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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.

獨立核數師報告

Independent Auditor's Report

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果吾等認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或假若有關的披露不足，則修改吾等之意見。吾等的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構及內容，包括披露，以及綜合財務報表是否中肯反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。吾等負責貴集團審計的方向、監督及執行。吾等為審計意見承擔全部責任。
- 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.

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

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

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

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

獨立核數師報告

Independent Auditor's Report

從與管治層溝通的事項中，吾等確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律法規不允許公開披露該等事項，或在極端罕見的情況下，如果合理預期在吾等報告中溝通某事項造成的負面後果超過產生的公眾利益，吾等決定不應在報告中溝通該事項。

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr. Yip Kai Yin with practising certificate number P05131.

開元信德會計師事務所有限公司
執業會計師

香港
九龍尖沙咀
天文台道8號10樓

2018年3月29日

Elite Partners CPA Limited
Certified Public Accountants

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

29 March 2018

綜合損益及其他全面收入報表

Consolidated Statement of Profit or Loss and Other Comprehensive Income

截至2017年12月31日止年度
For the year ended 31 December 2017

		附註	2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
		Notes		
收益	Revenue	6	10,137,137	7,969,773
銷售成本	Cost of sales		(7,072,865)	(6,328,718)
毛利	Gross profit		3,064,272	1,641,055
其他收入	Other income	7	225,467	186,667
分銷及銷售開支	Distribution and selling expenses		(313,959)	(283,058)
行政開支	Administrative expenses		(656,333)	(387,610)
可供出售投資減值	Impairment of available-for-sale investment		–	(42,324)
無形資產減值	Impairment of intangible assets		(17,485)	–
研究及開發開支	Research and development expenses		(94,609)	(73,947)
融資成本	Finance costs	8	(112,890)	(166,229)
應佔聯營公司業績	Share of results of associates		47,310	(12,440)
除稅前溢利	Profit before tax		2,141,773	862,114
所得稅開支	Income tax expense	9	(459,974)	(246,648)
年內溢利及全面收入總額	Profit and total comprehensive income for the year	10	1,681,799	615,466
下列各方應佔溢利及全面收入總額：	Profit and total comprehensive income attributable to:			
– 本公司擁有人	– Owners of the Company		1,601,397	588,154
– 非控股股東權益	– Non-controlling interests		80,402	27,312
			1,681,799	615,466
每股盈利	Earnings per share	13		
– 基本(人民幣)	– Basic (RMB)		0.76	0.28
– 攤薄(人民幣)	– Diluted (RMB)		0.76	0.28

綜合財務狀況表

Consolidated Statement of Financial Position

於2017年12月31日

At 31 December 2017

	附註	2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000	
	Notes			
非流動資產	Non-current assets			
物業、機器及設備	Property, plant and equipment	15	3,804,155	3,874,258
購買物業、機器及設備之 預付款項	Prepayments for purchase of property, plant and equipment		50,013	8,682
預付租金	Prepaid lease payments	16	466,666	472,533
土地租金預付款項	Prepayment for land lease		–	82,000
無形資產	Intangible assets	17	81,647	107,225
於聯營公司的權益	Interests in associates	18	–	10,283
可供出售投資	Available-for-sale investments	19	1,221,292	1,152,959
遞延稅項資產	Deferred tax assets	20	246,398	451,653
商譽	Goodwill	21	123,420	85,894
收購聯營公司支付之 按金	Deposit paid for acquisition of associates		–	59,800
			5,993,591	6,305,287
流動資產	Current assets			
存貨	Inventories	22	989,229	710,968
作出售用途之物業	Properties for sale	23	1,805,943	407,220
預付租金	Prepaid lease payments	16	14,754	13,603
貿易及其他應收款項	Trade and other receivables	24	1,970,471	1,208,975
委託貸款	Entrusted loans	25	–	30,000
已抵押銀行存款	Pledged bank deposits	26	32,860	106,703
銀行結餘及現金	Bank balances and cash	26	1,471,116	2,082,361
			6,284,373	4,559,830
流動負債	Current liabilities			
貿易及其他應付款項	Trade and other payables	27(a)	2,345,168	1,950,444
來自預售物業之按金	Deposits from pre-sale of properties	27(b)	359,918	98,527
借貸	Borrowings	28	1,076,021	1,797,700
稅項負債	Tax liabilities		94,485	61,534
遞延收入	Deferred income	29	25,359	27,925
			3,900,951	3,936,130
流動資產淨值	Net current assets		2,383,422	623,700
總資產減流動負債	Total assets less current liabilities		8,377,013	6,928,987

綜合財務狀況表
Consolidated Statement of Financial Position

於2017年12月31日
At 31 December 2017

		附註 Notes	2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
資本及儲備	Capital and reserves			
股本	Share capital	30	200,397	200,397
儲備	Reserves		6,509,335	5,187,611
本公司擁有人應佔權益	Equity attributable to the owners of the Company		6,709,732	5,388,008
非控股股東權益	Non-controlling interests		602,679	298,243
總權益	Total equity		7,312,411	5,686,251
非流動負債	Non-current liabilities			
遞延收入	Deferred income	29	227,721	252,057
遞延稅項負債	Deferred tax liabilities	20	92,081	58,679
借貸	Borrowings	28	744,800	932,000
			1,064,602	1,242,736
			8,377,013	6,928,987

第111至218頁之綜合財務報表經董事會於2018年3月29日批准及授權刊發，並由下列人士代表簽署：

The consolidated financial statements on pages 111 to 218 were approved and authorised for issue by the Board of Directors on 29 March 2018 and are signed on its behalf by:

張建宏
Zhang Jianhong
董事
Director

張哲峰
Zhang Zhefeng
董事
Director

綜合權益變動表

Consolidated Statement of Changes in Equity

截至2017年12月31日止年度

For the year ended 31 December 2017

		本公司擁有人應佔							非控股股東權益		總計
		Attributable to owners of the Company									
		股本	股份溢價	購股權儲備	合併儲備	股本儲備	法定盈餘儲備	保留盈利	總計	非控股股東權益	總計
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	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
		Share Capital	Share premium	Share option reserve	Merger reserve	Capital reserve	Statutory Surplus reserve	Retained earnings	Total	Non-controlling interests	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
					(附註a)	(附註b)	(附註c)				
					(Note a)	(Note b)	(Note c)				
2016年1月1日結餘	Balance at 1 January 2016	200,540	1,226,972	391,844	(32,210)	101,534	737,882	2,174,977	4,801,539	270,836	5,072,375
年內溢利及全面收入總額	Profit and total comprehensive income for the year	-	-	-	-	-	-	588,154	588,154	27,312	615,466
轉撥	Transfer	-	-	-	-	506	-	-	506	95	601
購股權失效	Lapsed of share options	-	-	(391,844)	-	-	-	391,844	-	-	-
購回及註銷股份	Shares repurchased and cancelled	(143)	(2,048)	-	-	-	-	-	(2,191)	-	(2,191)
2016年12月31日結餘	Balance at 31 December 2016	200,397	1,224,924	-	(32,210)	102,040	737,882	3,154,975	5,388,008	298,243	5,686,251
年內溢利及全面收入總額	Profit and total comprehensive income for the year	-	-	-	-	-	-	1,601,397	1,601,397	80,402	1,681,799
轉撥	Transfer	-	-	-	-	660	75,100	(75,100)	660	124	784
非控股股東權益注資	Capital contribution from non-controlling interests	-	-	-	-	-	-	-	-	223,910	223,910
業務合併	Business combination	-	-	-	-	10,376	-	-	10,376	-	10,376
已宣派股息	Dividends declared	-	-	-	-	-	-	(290,709)	(290,709)	-	(290,709)
2017年12月31日結餘	Balance at 31 December 2017	200,397	1,224,924	-	(32,210)	113,076	812,982	4,390,563	6,709,732	602,679	7,312,411

附註：

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

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

Notes:

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

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

綜合現金流量表

Consolidated Statement of Cash Flows

截至2017年12月31日止年度
For the year ended 31 December 2017

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
經營活動	OPERATING ACTIVITIES		
除稅前溢利	Profit before tax	2,141,773	862,114
調整項目：	Adjustments for:		
融資成本	Finance costs	112,890	166,229
利息收入	Interest income	(8,583)	(32,512)
遞延收入變現 (撥回)/確認貿易應收款項減值	Realisation of deferred income (Reversed)/Recognition of impairment on trade receivables	(28,022)	(30,333)
折舊及攤銷	Depreciation and amortisation	702,523	721,030
撥回預付租金	Release of prepaid lease payments	13,856	13,469
撇減存貨	Write-down of inventories	4,129	5,200
應佔聯營公司業績	Share of results of associates	(47,310)	12,440
可供出售投資股息收入	Dividend income from available-for-sale investments	(135,685)	(14,768)
出售物業、機器及設備虧損	Loss on disposals of property, plant and equipment	196,076	35,910
無形資產減值	Impairment of intangible assets	17,485	-
於聯營公司之投資減值	Impairment of investment in associates	-	995
可供出售投資減值	Impairment of available-for-sale investments	-	42,324
收購聯營公司之收益	Gain on acquisition of associate	-	(22,723)
營運資金變動前之經營現金流量	Operating cash flows before movements in working capital	2,946,591	1,782,126
存貨增加	Increase in inventories	(282,390)	(2,707)
貿易及其他應收款項(增加)/減少	(Increase)/decrease in trade and other receivables	(598,676)	160,427
作出售用途之在建物業(增加) /減少	(Increase)/decrease in properties under development for sale	(165,931)	380,209
貿易及其他應付款項減少	Decrease in trade and other payables	(819,898)	(243,252)
來自預售物業之按金增加/(減少)	Increase/(decrease) in deposits from pre-sale of properties	261,391	(324,143)
遞延收入增加	Increase in deferred income	1,119	17,509
經營所得現金	Cash generated from operations	1,342,206	1,770,169
已付所得稅及預扣稅	Income taxes and withholding tax paid	(220,019)	(224,014)
經營活動所得現金淨額	NET CASH FROM OPERATING ACTIVITIES	1,122,187	1,546,155

綜合現金流量表 Consolidated Statement of Cash Flows

截至2017年12月31日止年度
For the year ended 31 December 2017

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
投資活動	INVESTING ACTIVITIES		
向第三方提供委託貸款	Entrusted loans to third parties	–	(284,500)
購買物業、機器及設備	Purchase of property, plant and equipment	(830,345)	(448,779)
收取/(支付)預付土地租金	Receipt/(payment) for prepaid land lease	72,860	(98,998)
購買無形資產	Purchase of intangible assets	(3,881)	(360)
第三方償還委託貸款	Repayment of entrusted loans from third parties	–	590,800
已收利息	Interest received	8,583	32,512
解除已抵押銀行存款所得款項	Proceeds from release of pledged bank deposits	73,843	6,511
出售物業、機器及設備所得款項	Proceeds from disposals of property, plant and equipment	3,839	1,564
可供出售投資股息收入	Dividend income from available-for-sale investments	135,685	14,768
收購一間附屬公司所收取之按金	Deposit received for acquisition of a subsidiary	–	165,897
收購聯營公司之退款/ (所支付之按金)	Refund of /(deposit paid for) acquisition of associates	59,800	(52,550)
收購附屬公司的現金流出	Cash outflow from acquisition of subsidiaries	(29,290)	–
購買可供出售投資	Purchase of available-for-sale investments	(68,333)	–
投資活動所用現金淨額	NET CASH USED IN INVESTING ACTIVITIES	(577,239)	(73,135)
融資活動	FINANCING ACTIVITIES		
借貸所得款項	Proceeds from borrowings	1,227,000	1,249,787
償還借貸	Repayment of borrowings	(2,213,879)	(1,939,452)
已付利息	Interest paid	(112,890)	(166,229)
購回及註銷股份	Shares repurchased and cancelled	–	(2,191)
已派付股息	Dividends paid	(290,707)	–
非控股股東權益注資	Capital contribution from non-controlling interests	234,283	–
融資活動所用現金淨額	NET CASH USED IN FINANCING ACTIVITIES	(1,156,193)	(858,085)
現金及等同現金項目增加淨額	NET INCREASE IN CASH AND CASH EQUIVALENTS	(611,245)	614,935
年初現金及等同現金項目	CASH AND CASH EQUIVALENT AT BEGINNING OF THE YEAR	2,082,361	1,467,426
年末現金及等同現金項目	CASH AND CASH EQUIVALENTS AT END OF THE YEAR		
即：	represented by:		
銀行結餘及現金	Bank balances and cash	1,471,116	2,082,361

綜合財務報表附註

Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

1. 一般資料

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

本公司為一間投資控股公司，其附屬公司的主要業務載於附註36。

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

本公司主要營業地點於年報「公司資料」一節中披露。

綜合財務報表以本公司及其附屬公司之功能貨幣人民幣(「人民幣」)呈列。

1. General

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

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 36.

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

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

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

2. 應用新訂及經修訂之會計準則

於截至2017年12月31日止本年度強制生效的國際財務報告準則的修訂及一項新詮釋

於本年度，本集團已首次應用以下由國際會計準則理事會（「國際會計準則理事會」）頒佈的國際財務報告準則（「國際財務報告準則」）的修訂本及一項新詮釋。

國際會計準則 第7號(修訂本)	披露計劃
國際會計準則 第12號(修訂本)	就未變現虧損作出 遞延稅項資產之確認

於本年度應用國際財務報告準則的修訂及詮釋對本集團本年度及過往年度之財務表現及狀況及／或於該等綜合財務報表所載之披露並無重大影響。

2. Application of new and revised accounting standards

Amendments to IFRSs and a new interpretation that are mandatorily effective for the current year ended 31 December 2017

In the current year, the Group has applied for the first time in the current year the following amendments and a new interpretation to International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB").

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses

The application of the amendments to IFRSs and the interpretation in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂之會計準則 (續)

已頒佈但未生效的新訂及經修訂準則、詮釋及修訂本

本集團並無提早應用以下已頒佈但尚未生效之新訂及經修訂國際財務報告準則：

國際財務報告準則第9號	金融工具 ¹
國際財務報告準則第15號	客戶合約收益 ¹
國際財務報告準則第16號	租賃 ²
國際財務報告詮釋委員會詮釋第22號	外幣交易及預付代價 ¹
國際財務報告準則(修訂本)	國際財務報告準則2014年至2016年週期之年度改進 ¹
國際財務報告準則第2號(修訂本)	分類及計量以股份為基礎的付款交易 ¹
國際財務報告準則第4號(修訂本)	與國際財務報告準則第4號保險合約一併應用國際財務報告準則第9號金融工具 ¹
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合資公司之間的資產出售或投入 ⁴
國際會計準則第40號(修訂本)	轉換投資物業 ¹

- 1 於2018年1月1日或之後開始之年度期間生效
- 2 於2019年1月1日或之後開始之年度期間生效
- 3 於2020年1月1日或之後開始之年度期間生效
- 4 於有待確定日期或之後開始之年度期間生效

董事預期應用國際財務報告準則的新訂及經修訂準則(下文所載者除外)對綜合財務報表並無重大影響。

2. Application of new and revised accounting standards (Continued)

New and revised standards, interpretations and amendments issued but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments ¹
IFRS 15	Revenue from Contracts with Customers ¹
IFRS 16	Leases ²
IFRIC 22	Foreign Currency Transactions and Advance Consideration ¹
Amendments to IFRSs	Annual Improvements to IFRSs 2014-2016 Cycle ¹
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions ¹
Amendments to IFRS 4	Applying IFRS 9 Financial instruments with IFRS 4 Insurance Contracts ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or its Joint Venture ⁴
Amendments to IAS 40	Transfers of Investment Property ¹

- 1 Effective for annual periods beginning on or after 1 January 2018
- 2 Effective for annual periods beginning on or after 1 January 2019
- 3 Effective for annual periods beginning on or after 1 January 2020
- 4 Effective for annual periods beginning on or after a date to be determined

The Directors anticipate that the application of the new and revised IFRSs, other than those set out below, will have no material impact on the consolidated financial statements.

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

3. 主要會計政策

合規聲明

綜合財務報表乃根據國際會計準則理事會頒佈的國際財務報告準則編製。另外，綜合財務報表包括香港聯合交易所有限公司證券上市規則及香港《公司條例》規定之適用披露。

編製基準

綜合財務報表乃以歷史成本法編製。歷史成本一般按交換貨品之代價之公平值計算。

公平值指於計量日期市場參與者於有秩序交易中出售一項資產可收取或轉讓一項負債須支付之價格，不論該價格是否直接可觀察或可使用其他估值方法作出估計。倘市場參與者於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公平值時會考慮該等特點。該等綜合財務報表中作計量及／或披露用途的公平值乃按此基準釐定，惟屬於國際財務報告準則第2號範圍的以股份付款的交易、屬於國際會計準則第17號範圍內的租賃交易，以及與公平值有部分相若地方但並非公平值的計量，譬如國際會計準則第2號內的可變現淨值或國際會計準則第36號的使用價值除外。

主要會計政策載列如下。

3. Significant accounting policies

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRSs issued by IASB. In addition, the consolidated financial statements include applicable disclosures required by The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies are set out below.

3. 主要會計政策(續)

綜合基準

綜合財務報表包括本公司及由本公司及其附屬公司控制的實體(包括結構性實體)的財務報表。當本公司具備以下條件時，即具有控制權：

- 有控制被投資方的權力；
- 可或有權自其與被投資方的關係中獲得不同回報；及
- 有能力運用其權力影響其回報。

倘事實和情況顯示上述的三項控制因素之一項或多項出現變動，本集團會重新評估其是否控制被投資方。

附屬公司於本集團取得該附屬公司的控制權時綜合入賬，並於本集團喪失對該附屬公司的控制權時終止綜合入賬。具體而言，自本集團取得控制權當日起直至本集團不再控制附屬公司當日，於年內收購或出售的附屬公司收支均計入綜合損益及其他全面收入報表。

損益及其他全面收入各部分歸屬至本公司擁有人及非控股股東權益。附屬公司的全面收入總額歸屬至本公司擁有人及非控股股東權益，即使此舉會導致非控股股東權益出現虧絀結餘。

附屬公司的財務報表於必要時會進行調整，以使其會計政策與本集團的會計政策一致。

與本集團成員間的交易有關的所有集團內部的資產及負債、股權、收入、開支及現金流量均於綜合賬目時悉數對銷。

3. Significant accounting policies (Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. 主要會計政策(續)

綜合基準(續)

本集團於現有附屬公司的擁有權權益變動

倘本集團於現有附屬公司的擁有權權益變動並無導致本集團失去對附屬公司的控制權，則入賬列作股本交易。本集團的權益及非控股股東權益的賬面值會進行調整，以反映其於附屬公司的相關權益變動。非控股股東權益賬面值與已付或已收代價公平值之間的任何差額直接於權益確認，並歸屬於本公司擁有人。

當本集團失去一間附屬公司之控制權，盈虧於損益內確認，並按：(i)已收代價公平值及任何保留權益公平值總額與(ii)附屬公司之資產(包括商譽)及負債以及任何非控股股東權益之先前賬面值之差額計算。所有先前於其他全面收入確認之有關該附屬公司之款項，將按猶如本集團已直接出售該附屬公司之相關資產或負債入賬(即按適用國際財務報告準則之規定/許可條文重新分類至損益或轉撥至另一類權益)。於失去控制權當日於前附屬公司保留之任何投資之公平值將根據國際會計準則第39號，於其後入賬時被列作初步確認之公平值，或(如適用)於初步確認時被列作於聯營公司之投資成本。

3. Significant accounting policies (Continued)

Basis of consolidation (Continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, the cost on initial recognition of an investment in an associate.

3. 主要會計政策(續)

業務合併

業務收購乃採用收購法入賬。於業務合併轉撥之代價按公平值計量，按本集團所轉撥之資產、本集團對被收購方原擁有人產生之負債及本集團於交換被收購方之控制權所發行之股權於收購日期之公平值之總和計算。與收購有關之成本一般於產生時在損益中確認。

於收購日期，所收購可識別資產及所承擔負債按其於收購日期之公平值確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之資產或負債分別根據國際會計準則第12號「所得稅」及國際會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份支付款項安排或本集團就替換被收購方以股份支付款項安排而訂立之以股份支付款項安排有關的負債或股本工具於收購日期根據國際財務報告準則第2號「以股份支付款項」計量（見下文會計政策）；及
- 根據國際財務報告準則第5號「持作出售之非流動資產及已終止經營業務」分類為持作出售之資產（或出售組合）根據該項準則計量。

3. Significant accounting policies (Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 “Income Taxes” and IAS 19 “Employee Benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 “Share-based Payment” at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.

3. 主要會計政策(續)

業務合併(續)

商譽是以所轉撥之代價、非控股股東權益於被收購方中所佔金額，及收購方以往持有被收購方權益(如有)之公平值之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。倘經過重估後，所收購之可識別資產與所承擔負債於收購日期之淨額高於所轉撥之代價、非控股股東權益於被收購方中所佔金額及收購方以往持有被收購方權益(如有)之公平值之總和，則差額即時於損益內確認為議價收購收益。

屬現時擁有之權益且於清盤時令持有人有權按比例分佔實體淨資產之非控股股東權益，可初步按公平值或非控股股東權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他種類的非控股股東權益乃按其公平值或(如適用)另一項國際財務報告準則指定之基準計量。

倘本集團於業務合併中轉讓之代價包括或然代價安排產生之資產或負債，則或然代價按其於收購日期之公平值計量，並計入於業務合併轉讓之代價之一部分。符合資格為計量期間調整之或然代價公平值變動將予追溯調整，相應調整就商譽作出。計量期間調整為於「計量期間」(不可超過自收購日期起計一年)取得有關於收購日期已存在之事實及情況之額外資料產生之調整。

3. Significant accounting policies (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments made against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

3. 主要會計政策(續)

業務合併(續)

不符合計量期間調整資格之或然代價公平值變動後續會計處理取決於如何將或然代價分類。分類為權益之或然代價不會於後續報告日期重新計量，其後續結算亦於權益內入賬。分類為資產或負債之或然代價將根據國際會計準則第39號或國際會計準則第37號「撥備、或然負債及或然資產」(如適用)於後續報告日期重新計量，相應之盈虧於損益內確認。

如業務合併乃分階段達成，本集團以往所持的被收購方股權於收購日期(即本集團取得控制權當日)按公平值重新計量，所產生的盈虧(如有)在損益中確認。如出售於被收購方權益，以往在其他全面收入中確認的從該等權益於收購日期前產生的金額重新分類至損益(如此處理方法合適)。

倘業務合併之最初入賬於合併發生之報告期末尚未完成，則本集團將報告未完成列賬項目之臨時金額。該等臨時金額乃於計量期間內作出調整(見上文)，而新增資產或負債則獲確認以反映關於在收購日期已存在之事實及情況之新資訊，而當時如獲知該等資訊則可能對於該日期確認之金額造成影響。

3. Significant accounting policies (Continued)

Business combinations (Continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", as appropriate, with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquire is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquire prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

3. 主要會計政策(續)

商譽

收購業務所產生之商譽按收購業務日期確立之成本(見上文會計政策)減累計減值虧損(如有)列賬。

為進行減值測試，商譽被分配至預期可得益於合併之協同效應之本集團各現金產生單位(或多組現金產生單位)。

獲分配商譽的現金產生單位會每年作減值測試，並於有跡象顯示有關單位可能減值時進行更頻繁測試。就於某一報告期間進行之收購所產生之商譽而言，獲分配商譽之現金產生單位於該報告期間結算日之前作減值測試。倘現金產生單位的可收回款額低於其賬面值，則首先分配減值虧損以減少分配予該單位的任何商譽的賬面值，然後按比例根據有關單位內各資產的賬面值分配至其他資產。商譽的任何減值虧損直接於損益中確認。商譽之已確認減值虧損不會於其後期間撥回。

於出售有關現金產生單位時，在釐定出售的溢利或虧損時將計入應佔的商譽款額。

本集團對於收購一間聯營公司所產生商譽之政策如下。

3. Significant accounting policies (Continued)

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described below.

3. 主要會計政策(續)

於聯營公司的投資

聯營公司為本集團具有重大影響力的實體。重大影響力指參與被投資方財務及營運政策決定的權力，但並非控制或共同控制該等政策。

聯營公司的業績以及資產及負債以權益會計法於該等綜合財務報表入賬。作權益會計法用途之聯營公司之財務報表乃按與本集團就同類交易及同類情況下事項之統一會計政策編製。根據權益法，於聯營公司的投資初步按成本於綜合財務狀況表確認，並於其後就確認本集團應佔該聯營公司的損益及其他全面收入予以調整。當本集團應佔聯營公司的虧損超出本集團於該聯營公司的權益(包括實質上成為本集團於該聯營公司投資淨額一部分的任何長期權益)時，本集團取消確認其應佔的進一步虧損。僅於本集團已產生法定或推定責任，或已代表該聯營公司支付款項的情況下，方會確認額外虧損。

於一間聯營公司的投資於被投資方成為一間聯營公司之日採用權益法入賬。在收購於一間聯營公司的投資時，投資成本超過本集團應佔該被投資方可識別資產及負債公平值淨值的任何部分確認為商譽，並計入投資的賬面值。本集團應佔可識別資產及負債的公平淨值超過投資成本的任何部分，於重新評估後在投資被收購的期間即時於損益確認。

3. Significant accounting policies (Continued)

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策(續)

於聯營公司的投資(續)

國際會計準則第39號的規定應用於釐定是否有必要確認有關本集團於一間聯營公司之投資的任何減值虧損。如有需要，投資(包括商譽)的全部賬面值會根據國際會計準則第36號「資產減值」作為一項單一資產，透過比較其可收回金額(使用價值與公平值兩者中的較高者減出售成本)與其賬面值作減值測試。任何已確認減值虧損構成投資的部分賬面值。減值虧損的任何轉回根據國際會計準則第36號確認，惟以投資的可收回金額隨後增加為限。

自投資不再為聯營公司當日起，或倘投資(或相關部分)被分類為持作出售，本集團不再使用權益法。當本集團保留於前聯營公司的權益，且保留權益為金融資產時，則本集團於當日按公平值計量保留權益，而公平值則被視為根據國際會計準則第39號初步確認時的公平值。聯營公司於終止使用權益法當日的賬面值與任何保留權益的公平值及出售聯營公司部分權益所得任何所得款項之間的差額，乃於釐定出售聯營公司的盈虧時計入。此外，倘該聯營公司直接出售有關資產或負債，本集團或須按相同基準將先前就該聯營公司於其他全面收入確認的所有金額入賬。因此，倘該聯營公司先前於其他全面收入中確認的盈虧會被重新分類為出售有關資產或負債的損益，本集團會在權益法終止時，將盈虧由權益重新分類至損益(作為重新分類調整)。

3. Significant accounting policies (Continued)

Investments in associates (Continued)

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. 主要會計政策(續)

於聯營公司的投資(續)

當本集團削減於一間聯營公司的所有權權益但繼續使用權益法時，倘以往於其他全面收入確認有關削減所有權權益的盈虧部分將於出售相關資產或負債時重新分類至損益，則本集團會將該盈虧重新分類至損益。

當集團實體與本集團的一間聯營公司進行交易(例如出售或注入資產)時，因與聯營公司進行交易而產生的損益會於本集團的綜合財務報表內確認，惟僅以於與本集團並無關連的聯營公司權益為限。

收益確認

收益按已收或應收代價的公平值計量，指於一般業務過程中銷售貨品所應收的款項，已扣除折扣及銷售相關稅項。

銷售貨品的收益會在貨品交付後和所有權移交後，屆時符合以下所有條件時獲確認：

- 本集團已將貨品擁有權的重大風險及回報轉嫁予買家；
- 本集團並無對已售貨品保留一般與擁有權有關的持續管理權或有效控制權；
- 收益金額能夠可靠地計量；
- 與交易有關的經濟利益可能流入本集團；及
- 就交易產生或將產生的成本能夠可靠地計量。

3. Significant accounting policies (Continued)

Investments in associates (Continued)

When the Group reduces its ownership interest in an associate or but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold in the normal course of business, net of discounts and sales related taxes.

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

3. 主要會計政策(續)

收益確認(續)

具體而言，日常業務過程中銷售物業所得收益於有關物業竣工並交付予買家時方予確認。於符合上述收益確認標準前自買家收取之按金及分期付款已計入綜合財務狀況表之流動負債中。

當經濟利益可能流入本集團及收益金額能夠可靠計量時，則金融資產的利息收入予以確認。金融資產的利息收入乃參考未償還本金及適用實際利率按時間基準累計，有關利率為將估計未來所收現金按金融資產估計可使用年期準確貼現為初步確認時該資產賬面淨值的利率。

投資所得股息收入在股東收取付款的權利確立時(倘很可能有經濟利益流入本集團而收入金額能可靠計量時)確認。

3. Significant accounting policies (Continued)

Revenue recognition (Continued)

Specifically, revenue from sales of properties in the ordinary course of business is recognised when the respective properties have been completed and delivered to the buyers. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated statements of financial position under current liabilities.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

3. 主要會計政策(續)

租賃

倘租賃條款將所有權絕大部分風險及回報轉嫁予承租人，則租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為承租人

經營租賃付款於租賃期內按直線法確認為開支，惟倘有其他系統基準能更清晰呈列從租賃資產獲得經濟利益的時間模式則除外。經營租賃產生的或然租金於產生期間確認為開支。

借貸成本

借貸成本直接源自收購、建造或生產合資格資產，而該等資產需要一段長時間方可供用作擬定用途或出售。借貸成本會加入作該等資產的成本，直至資產大致上可供用作擬定用途或出售為止。尚未用於合資格資產的特定借貸作暫時投資賺取的投資收入，於合資格資本化的借貸成本中扣除。

所有其他借貸成本均於產生期間在損益中確認。

3. Significant accounting policies (Continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

3. 主要會計政策(續)

政府補貼

在合理地保證本集團會遵守政府補貼的附帶條件，以及將會得到補助前，不會確認政府補貼。

政府補貼乃按系統基準，於本集團將有關補助擬補償的有關成本確認為開支的期間內，於損益中確認。具體而言，以要求本集團購買、建造或收購非流動資產為主要條件的政府補貼乃於綜合財務狀況表中確認為遞延收入，並在相關資產的可使用年期內按系統及合理基準轉撥至損益中。

作為已產生的開支或虧損的補償或就給予本集團即時財政支持目的，且無日後相關成本的應收政府補貼，乃於其成為可收取的期間內於損益中確認。

退休福利成本

國家管理退休福利計劃及強制性公積金計劃的付款於僱員提供有權享有供款的服務時作為開支予以確認。

3. Significant accounting policies (Continued)

Government grant

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants of which the primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expenses when employees have rendered service entitling them to the contributions.

3. 主要會計政策(續)

稅項

所得稅開支指即期應付稅項及遞延稅項的總和。

即期應付稅項按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收入報表中呈報的溢利不同，此乃由於前者不包括其他年度的應課稅或可扣稅收入或開支項目，並且不包括從未課稅或可扣稅的項目。本集團的即期稅項負債採用於報告期末已制定或實質制定的稅率計算。

遞延稅項按綜合財務報表的資產及負債賬面值與用以計算應課稅溢利相應稅基的暫時差額確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產一般在很可能出現可利用暫時差額扣稅的應課稅溢利時就所有可扣減暫時差額確認。若於一項交易中，因商譽或因業務合併以外原因首次確認其他資產及負債而引致的暫時差額既不影響應課稅溢利，亦不影響會計溢利，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司及聯營公司的投資而引致的應課稅暫時差額而確認，惟若本集團可控制暫時差額的撥回及暫時差額很有可能不會於可見將來撥回的情況除外。因與有關投資及權益相關的可扣減暫時差額而產生的遞延稅項資產僅在可能產生足夠應課稅溢利以動用暫時差額利益並預期可在可見將來撥回時確認。

3. Significant accounting policies (Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

3. 主要會計政策(續)

稅項(續)

遞延稅項資產的賬面值於報告期末作檢討，並在不再可能會有足夠應課稅溢利令全部或部分資產價值被收回時作調減。

遞延稅項資產及負債乃按預期於負債獲償還或資產變現期間的適用稅率(以報告期末已制定或實質制定的稅率(及稅法)為基準)計算。

遞延稅項負債及資產的計算，反映本集團於報告期末所預期對收回或結算其資產及負債的賬面值的方式所產生的稅項結果。

即期及遞延稅項於損益中確認，惟當其與其他全面收入確認或直接於權益確認的項目相關時除外，於該情況下，即期及遞延稅項亦分別於其他全面收入確認或直接於權益確認。倘因業務合併初步會計處理產生即期稅項或遞延稅項，則稅務影響將包括在業務合併之會計處理中。

3. Significant accounting policies (Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively. Where the current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for business combination.

3. 主要會計政策(續)

外幣

編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(即外幣)進行的交易以其各自的功能貨幣(即有關實體經營所在的主要經濟環境的貨幣)按交易日期的適用匯率入賬。於報告期末，以外幣計值的貨幣項目乃按當日的適用匯率重新換算。以外幣計值並以歷史成本計量的非貨幣項目不會重新換算。

因結算貨幣項目及重新換算貨幣項目而產生的匯兌差額，於產生期間在損益中確認。

物業、機器及設備

物業、機器及設備包括持作生產或供應貨品或服務或作行政用途的樓宇(下文所述的在建工程除外)，乃按成本減其後累計折舊及累計減值虧損(如有)在綜合財務狀況表內列賬。

用於生產、供應或行政用途的在建工程以成本減任何已確認減值虧損列賬。成本包括專業費及(就合資格資產而言)根據本集團會計政策資本化的借貸成本。有關物業在完工並可用作擬定用途時分類為物業、機器及設備的適當類別。該等資產按與其他物業資產的相同基準在可用作擬定用途時開始計算折舊。

3. Significant accounting policies (Continued)

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Property, plant and equipment

Property, plant and equipment including buildings held for use in the production or supply of goods or services or for administrative purposes (other than construction in progress as described below), are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Construction in progress for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

3. 主要會計政策(續)

物業、機器及設備(續)

折舊利用直線法確認，以在估計可使用年期内撇銷物業、機器及設備項目(在建工程除外)的成本，再減去其剩餘價值。估計可使用年期、剩餘價值和折舊方法會在各報告期末進行檢討，而任何估計變動的影響則按前瞻基準入賬。

物業、機器及設備項目於出售後或當預期持續使用該資產將不會產生未來經濟利益時取消確認。於物業、機器及設備項目出售或報廢時所產生的任何盈虧(以出售所得款項與資產賬面值的差額計算)會於損益中確認。

供自用的租賃土地

倘一項租賃同時包括土地及樓宇部分，則本集團會分別依照各部分擁有權隨附的絕大部分風險及回報是否已轉移至本集團，評估各部分分類應被界定為融資或是經營租賃，除非兩個部分被清楚確定為經營租賃，於此情況下，整份租賃歸類為經營租賃。具體而言，最低租金(包括任何一筆過支付的預付款項)會按訂立租賃時租賃土地部分與樓宇部分租賃權益的相關公平值，按比例於土地與樓宇部分之間分配。

倘能可靠地分配這些付款，則入賬列為經營租賃的租賃土地權益將於綜合財務狀況表內列作「預付租金」，並於租賃期內以直線法攤銷入賬。倘未能可靠地於土地及樓宇部分之間分配租金，則整項租賃一般會分類為融資租賃，並入賬列作物業、機器及設備。

3. Significant accounting policies (Continued)

Property, plant and equipment (Continued)

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leasehold land for own use

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of these payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

3. 主要會計政策(續)

無形資產

個別收購的無形資產

個別收購且具備有限可使用年期的無形資產按成本減累計攤銷及任何累計減值虧損入賬。具備有限可使用年期的無形資產攤銷於其估計可使用年期內以直線法作出撥備。估計可使用年期及攤銷方法會在各報告期末進行檢討，而任何估計變動的影響則按前瞻基準入賬。

研究及開發開支

研究活動的支出於產生期間確認為開支。

因開發活動(或內部項目開發階段)而從內部產生的無形資產僅會在符合以下所有條件時方予以確認：

- 完成無形資產使其可供使用或銷售的技術可行性；
- 完成無形資產使其可供使用或銷售的意向；
- 使用或銷售無形資產的能力；
- 無形資產如何產生未來經濟利益；
- 有否足夠技術、財務和其他資源以完成其開發，並使用或銷售無形資產；及
- 能夠可靠計量開發無形資產時的所用開支。

3. Significant accounting policies (Continued)

Intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at costs less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effective of any changes in estimate being accounted for on a prospective basis.

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development activities (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

3. 主要會計政策(續)

無形資產(續)

研究及開發開支(續)

就內部產生的無形資產初步確認的金額為無形資產首次符合上述確認條件當日起所產生的開支總和。倘並無內部產生的無形資產可予確認，開發開支會於產生期間在損益中扣除。初步確認後，內部產生的無形資產乃按成本減累計攤銷及累計減值虧損(如有)，以個別收購無形資產的相同基準呈報。

在業務合併中收購之無形資產

在業務合併中收購之無形資產乃與商譽分開確認，並按其於收購日期之公平值(被視為其成本)初步確認。

初步確認後，在業務合併中收購之有限可使用年期之無形資產按成本減累計攤銷及任何累計減值虧損，以個別收購無形資產的相同基準呈報。

取消確認無形資產

無形資產於出售或預期不會自使用或出售產生未來經濟利益時取消確認。取消確認無形資產所產生收益或虧損按出售所得款項淨額與資產賬面值間之差額計量，並於取消確認資產時於綜合損益及其他全面收入報表內確認。

3. Significant accounting policies (Continued)

Intangible assets (Continued)

Research and development expenditure (Continued)

The amount initially recognised for internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible asset is reported at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately.

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

3. 主要會計政策(續)

無形資產(續)

探礦權

探礦權於初步確認時按成本確認。初步確認後，探礦權按成本減任何累計減值虧損列賬。

探礦權包括探礦權之成本、尋找自然資源以及確定開採該等資源在技術及商業上是否可行而產生之開支。

當有證據顯示開採自然資源在技術及商業上均屬可行時，過往已確認之探礦權會重新分類為無形或有形資產。該等資產於重新分類前須通過減值評估。

探礦權之減值

探礦權之賬面值每年均作檢討。於出現下列事件或情況變化(此列不能盡錄)之一顯示賬面值或不能收回時，按照國際會計準則第36號「資產減值」作出減值測試。

- 本集團於特定區域之勘探權之期限已經屆滿或將於近期屆滿，並預期不會續期。
- 對進一步勘探及評估特定區域自然資源之大量開支既無預算，亦無規劃。
- 於特定區域勘探及評估自然資源並無發現商業上可行之大量自然資源，且本集團已決定終止於特定區域之該等活動。

3. Significant accounting policies (Continued)

Intangible assets (Continued)

Exploration rights

Exploration rights are recognised at cost on initial recognition. Subsequent to initial recognition, Exploration rights are stated at cost less any accumulated impairment losses.

Exploration rights include the cost of exploration rights and the expenditures incurred in the search for natural resources as well as the determination of the technical feasibility and commercial viability of extracting those resources.

When the technical feasibility and commercial viability of extracting natural resources become demonstrable, previously recognised exploration rights are reclassified as either intangible or tangible assets. These assets are assessed for impairment before reclassification.

Impairment of exploration rights

The carrying amount of the exploration rights is reviewed annually. When one of the following events or changes in circumstances, which is not exhaustive, indicate that the carrying amount may not be recoverable has occurred, impairment test is performed in accordance with IAS 36 "Impairment of assets".

- the period for which the Group has the right to explore in the specific area has expire during the period or will expire in the near future, and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of natural resources in the specific area is neither budgeted nor planned.
- exploration for and evaluation of natural resources in the specific area have not led to discovery of commercially viable quantities of natural resources and the Group has decided to discontinue such activities in the specific area.

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

3. 主要會計政策(續)

無形資產(續)

探礦權之減值(續)

- 充分數據表明，儘管於特定區域之開發可能會繼續進行，但勘探及評估資產之賬面值不可能於成功開發或銷售中全面收回。

倘一項資產之賬面值超出其可收回金額時，則減值虧損於損益內確認。

存貨

存貨於各報告日期末按成本與可變現淨值的較低者列賬。成本採用加權平均法計算。可變現淨值指存貨的估計售價減所有估計完成成本及進行銷售所必需的成本。

作出售用途之物業

日常業務過程中作出售用途之竣工物業及在建物業計入流動資產，並按成本及可變現淨值中較低者列賬。成本包括土地預付租金及物業開發成本。物業開發成本包括建築成本、按照本集團會計政策資本化之借貸成本及開發期間產生之直接應佔成本。開發各階段各單位成本乃採用加權平均法釐定。

可變現淨值考慮最終預期實現之價格，扣除適用銷售開支及預期竣工成本。

3. Significant accounting policies (Continued)

Intangible assets (Continued)

Impairment of exploration rights (Continued)

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Inventories

Inventories are stated at the lower of cost and net realisable value at the end of each reporting date. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Properties for sale

Completed properties and properties under development for sale in the ordinary course of business are included in current assets and stated at the lower of cost and net realisable value. Cost comprises both the prepaid lease payments for land and development costs for the properties. Development costs of properties comprise construction costs, borrowing costs capitalised according to the Group's accounting policy and directly attributable costs incurred during the development period. Cost of each unit in each phase of development is determined using the weighted average method.

Net realisable value takes into account the price ultimately expected to be realised, less applicable selling expenses and the anticipated costs to completion.

3. 主要會計政策(續)

作出售用途之物業(續)

本集團於擬將物業用途由日常業務過程中出售改為持有以賺取租金或／及作資本增值，將該物業自存貨轉撥至投資物業，物業用途改變之證明為與另一訂約方訂立經營租約。該物業於轉撥當日的公平值與其過往賬面值之間的任何差額於損益內確認。

金融工具

當集團實體成為工具合約條文的訂約方時，金融資產及金融負債於綜合財務狀況表內確認。

金融資產及金融負債初步按公平值計量。收購或發行金融資產及金融負債的直接應佔交易成本加入或自初步確認之金融資產或金融負債(倘合適)的公平值扣除。

金融資產

本集團的金融資產歸入下列兩個類別中的其中一個類別，即貸款及應收款項與可供出售投資。分類乃根據金融資產的性質及目的於初步確認時確定。

3. Significant accounting policies (Continued)

Properties for sale (Continued)

The Group transfers a property from inventories to investment property when there is a change of intention to hold the property to earn rentals or/and for capital appreciation rather than for sale in ordinary course of business, which is evidenced by the commencement of an operating lease to another party. Any difference between the fair value of the property at the date of transfer and its previous carrying amount is recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial assets

The Group's financial assets are classified into one of the two categories, including loans and receivables and available-for-sale investments. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

實際利息法

實際利息法是一種計算金融資產的攤銷成本及於有關期間攤分利息收入的方法。實際利率是於初步確認時準確地透過金融資產預計年期或(如適用)於較短期間內將估計日後現金收款(包括屬整體實際利率一部分的所有已付或已收費用、交易成本及其他溢價或折讓)貼現為賬面淨值的利率。

債務工具的利息收入按實際利息基準確認。

貸款及應收款項

貸款及應收款項為附帶固定或可釐定付款的非衍生性質金融資產，而其在活躍市場並無報價。於初步確認後，貸款及應收款項(包括貿易及其他應收款項、委託貸款、已抵押銀行存款、銀行結餘及現金)採用實際利息法按攤銷成本減任何已識別減值虧損(見下文有關金融資產減值的會計政策)列賬。

可供出售投資

並無活躍市場報價且其公平值未能可靠計量的可供出售股本投資，以及與該等無報價股本工具有關連且必須以交付該等無報價股本工具方式結算的衍生工具，乃於報告期末按成本減任何已識別減值虧損(見下文有關金融資產減值的會計政策)計量。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables, entrusted loans, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment of financial assets below).

Available-for-sale instruments

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment of financial assets below).

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值

金融資產於報告期末評估是否出現減值跡象。若有客觀證據顯示金融資產的估計未來現金流量因於初步確認該金融資產後發生一項或多項事件而受到影響，則認為金融資產出現減值。

就可供出售股本投資而言，如該證券的公平值顯著或持續下降至低於其成本，可被視為減值的客觀證據。

就所有其他金融資產而言，減值的客觀證據可包括：

- 發行人或對手方出現重大財政困難；或
- 違約，例如延遲或拖欠支付利息及本金；或
- 借款人將面臨破產或財務重組；或

就若干金融資產類別(如貿易應收款項)，被評估為非個別減值的資產另外按整體基準進行減值評估。應收款項組合的客觀減值證據可包括本集團的過往收款經驗、組合內超出90日或180日平均信貸期的逾期付款次數增加，以及與應收款項逾期有關的全國或地方經濟狀況明顯改變。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For available-for-sale equity investments, a significant or prolonged decline in the fair value of the security below its costs is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 90 days or 180 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就按攤銷成本列賬的金融資產而言，已確認的減值虧損金額為資產賬面值與按金融資產原訂實際利率貼現的估計未來現金流量現值之間的差額。

就按成本列賬的金融資產而言，減值虧損金額按資產賬面值與按類似金融資產的現行市場回報率貼現的估計未來現金流量現值之間的差額計量。該減值虧損將不會於往後期間撥回(見下文會計政策)。

就所有金融資產而言，金融資產賬面值會直接因減值虧損而作出扣減，貿易及其他應收款項除外，其賬面值乃透過使用撥備賬目作出扣減。撥備賬目的賬面值變動於損益中確認。倘貿易應收款項被視為無法收回，則與撥備賬目撇銷。其後收回過往撇銷的款項與撥備賬目沖銷。撥備賬目賬面值變動於損益中確認。

就按攤銷成本計量的金融資產而言，倘於往後期間，減值虧損金額減少，而有關減少客觀上與確認減值虧損後發生的事件相關聯，則先前確認的減值虧損透過損益撥回，惟該資產於減值撥回當日的賬面值不得超過未確認減值時的攤銷成本。

可供出售股本投資的減值虧損將不會於往後期間透過損益中撥回。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment losses on available-for-sale equity investments will not be reversed through profit or loss in subsequent periods.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具

由集團實體發行的金融負債及股本工具按所訂立的合約安排內容以及金融負債與股本工具的定義分類為金融負債或股本工具。

股本工具

股本工具是證明本集團在扣除其所有負債後的資產剩餘權益的任何合約。本集團發行的股本工具確認為已收所得款項(扣除直接發行成本)。

購回本公司本身股本工具直接於股本內確認及扣除。於購買、出售、發行或註銷本公司本身股本工具時，不會於損益中確認盈虧。

金融負債

金融負債(包括貿易及其他應付款項及借貸)其後採用實際利息法按攤銷成本計量。

實際利息法

實際利息法是一種計算金融負債的攤銷成本及於有關期間攤分利息開支的方法。實際利率是按金融負債的預計年期或(倘適用)較短期間將估計未來現金付款(包括所支付或收取構成實際利率組成部分的所有費用、交易成本及其他溢價或折讓)準確貼現至初步確認時的賬面淨值的利率。

利息開支按實際利息基準確認。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities (including trade and other payables and borrowings) are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

3. 主要會計政策(續)

金融工具(續)

取消確認

本集團僅於自資產收取現金流量的合約權屆滿或其向另一實體轉讓金融資產及該資產所有權絕大部分風險及回報時方會取消確認金融資產。倘本集團既無轉讓亦無保留所有權絕大部分風險及回報並繼續控制該已轉讓資產，則本集團會繼續就其持續參與的部分確認資產，並確認相關負債。倘本集團保留所轉讓金融資產所有權絕大部分風險及回報，則本集團會繼續確認該項金融資產，亦會確認已收所得款項的有抵押借貸。

於取消確認全部金融資產時，資產賬面值與已收及應收代價的總和之間的差額於損益中確認。

當且僅當本集團的責任獲解除、取消或屆滿時，本集團方會取消確認金融負債。已取消確認金融負債的賬面值與已付及應付代價之間的差額在損益中確認。

3. Significant accounting policies (Continued)

Financial instruments (Continued)

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognized in profit or loss.

3. 主要會計政策(續)

商譽以外有形及無形資產減值

於報告期末，本集團會檢討其有形及無形資產的賬面值，以確定該等資產是否出現任何減值虧損跡象。倘存在任何該等跡象，會對有關資產的可收回金額進行估計，以確定減值虧損(如有)的程度。

倘不能估計單一資產的可收回金額，則本集團會估計其資產所屬現金產生單位的可收回金額。於可識別合理和一貫分配基準的情況下，企業資產亦會被分配到個別的現金產生單位，否則，則分配至可識別合理及一貫分配基準的最小組別現金產生單位。

可收回金額為公平值減銷售成本與使用價值的較高者。評估使用價值時，估計未來現金流量乃使用稅前貼現率貼現至其現值，該貼現率反映目前市場對資金時間值的評估以及尚未調整估計未來現金流量的資產的特有風險。

倘估計資產(或現金產生單位)的可收回金額低於其賬面值，則將資產(或現金產生單位)的賬面值減至其可收回金額。減值虧損即時在損益中確認。

3. Significant accounting policies (Continued)

Impairment on tangible and intangible assets other than goodwill

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating-units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

3. 主要會計政策(續)

商譽以外有形及無形資產減值(續)

倘減值虧損於其後撥回，則資產賬面值將增至其經修訂估計可收回金額，惟增加的賬面值不得超過資產(若於過往年度並無確認減值虧損而應釐定)的賬面值。減值虧損撥回即時確認為收入。

以股份為基準支付交易

以股權結算以股份支付的交易

購股權

就授出符合指定歸屬條件的購股權而言，所獲服務的公平值參考授出日期所授出的購股權公平值釐定，並於歸屬期間按直線法支銷，並相應調增權益(購股權儲備)。

於報告期末，本集團會修訂其對預計最終歸屬購股權的估計數目。修訂最初估計的影響(如有)在損益中確認，以使累計開支反映經修訂估計，並對購股權儲備作出相應調整。

行使購股權時，先前於購股權儲備確認的金額將轉撥至股份溢價賬。當購股權於歸屬日期後被沒收或於屆滿日期仍未獲行使，則之前已於購股權儲備內確認的金額將繼續保留於購股權儲備內。

3. Significant accounting policies (Continued)

Impairment on tangible and intangible assets other than goodwill (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Share based payment transactions

Equity-settled share-based payment transactions

Share options

For grants of share options that are conditional upon satisfying specified vesting conditions, the fair value of services received is determined by reference to the fair value of share options granted at the grant date and is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share option reserve).

At the end of reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will continue to be held in share option reserve.

4. 估計不確定性的主要來源

於應用附註3所述的本集團會計政策時，本公司董事須就並不容易從其他來源顯示的資產及負債的賬面值作出估計及假設。估計及相關假設乃根據過往經驗及其他被認為相關的因素作出。實際結果可能與該等估計不同。

估計及相關假設會持續檢討。倘會計估計的修訂僅對估計修訂的期間構成影響，則有關修訂於該期間確認，或倘有關修訂對本期間及未來期間均構成影響，則修訂會於該修訂期間及未來期間確認。

以下為有關未來的主要假設及於報告期末估計不確定性的其他主要來源，有關假設及不確定性會造成重大風險，引致須於下一財政年度對資產及負債的賬面值作出重大調整。

貿易應收款項的呆壞賬撥備

本集團管理層根據附註3所列的會計政策評估貿易應收款項的可收回性並釐定減值撥備。該估計乃以客戶信貸記錄及當時市況為依據。因此，管理層定期檢討債務人的還款狀況，並重估撥備是否充足。

4. Key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concurring the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Allowance for bad and doubtful debts on trade receivables

The Group's management assesses the recoverability and determines the provision for impairment of trade receivables in accordance with the accounting policy stated in note 3. Such estimation is based on the credit history of its customers and the current market conditions. Management reviews the debtor settlement status periodically and reassesses the sufficiency of provision accordingly.

4. 估計不確定性的主要來源(續)

物業、機器及設備的可使用年期

本集團管理層釐定物業、機器及設備的估計可使用年期及相關折舊費用。此項估計乃依據所預測的產品壽命週期以及物業、機器及設備的經濟壽命，並可能因技術革新和競爭對手因應對行業衰退週期而採取的行動而有重大改變。當可使用年期少於先前估計年期，管理層將增加折舊費用，或撤銷或撇減已停用或出售的技術過時或非策略性資產。於2017年12月31日，物業、機器及設備的賬面總值為人民幣3,804,155,000元(2016年：人民幣3,874,258,000)。進一步詳情披露於綜合財務報表附註15。

4. Key sources of estimation uncertainty (Continued)

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on projected product lifecycles and economic life of property, plant and equipment. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write off or write down technically obsolete or non-strategic assets that have been abandoned or sold. The aggregate carrying value of property, plant and equipment at 31 December 2017 is RMB3,804,155,000 (2016: RMB3,874,258,000). Further details are disclosed in note 15 to the consolidated financial statements.

4. 估計不確定性的主要來源(續)

遞延稅項資產

倘本集團管理層認為未來很有可能出現可動用可扣減暫時差額、稅項虧損或稅項抵免予以抵銷的應課稅溢利，則會確認與若干可扣減暫時差額及稅項虧損有關的遞延稅項資產。倘預期金額與原訂估計有別，該等差額會影響遞延稅項資產的確認。

探礦權

本集團的探礦權具有有限的有效期限，到期後本集團將須申請重續。本集團於2017年10月重續探礦權，為期兩年，至2019年10月止。經核查中國適用法律法規後，倘本集團根據適用中國法律法規向有關中國政府部門遞交相關申請文件，本公司董事預期並無任何重大法律障礙可能妨礙本集團重續其探礦權。因此，本公司董事相信本集團將能於2019年10月探礦權到期後以較小成本向相關政府部門重續探礦權。此外，本公司董事通過估計資產的可收回金額評估探礦權減值。

4. Key sources of estimation uncertainty (Continued)

Deferred tax assets

Deferred tax assets relating to certain deductible temporary differences and tax losses are recognised as the Group's management considers it is probable that the future taxable profit will be available against which the deductible temporary differences, tax losses or tax credit can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets.

Exploration rights

The Group's exploration rights have a finite validity period, after which the Group will need to apply for renewal. The Group's exploration rights were renewed in October 2017 for a period of two years till October 2019. Having checked the applicable laws and regulations in the PRC, the directors of the Company anticipate that there is no material legal impediments would prevent the Group from renewing its exploration rights provided that the Group submits the relevant application documents in compliance with the applicable PRC laws and regulations to the relevant PRC government authority. Accordingly, the directors of the Company believe the Group will be able to renew the exploration rights with the relevant government authority upon the expiry of the exploration rights in October 2019 at insignificant cost. In addition, the directors of the Company assess the impairment of the exploration rights by estimating the recoverable amount of the assets.

4. 估計不確定性的主要來源(續)

估計商譽減值

確定商譽是否減值須估計獲分配有關商譽之現金產生單位使用價值。在計算使用價值時，本集團須估計現金產生單位預期產生的未來現金流量，以及選擇合適的貼現率以計算現值。倘實際產生的未來現金流量少於預期數額，則可能會產生重大減值虧損。

5. 資本風險及財務風險管理目標及政策

本集團進行資本管理，以確保本集團旗下各實體能夠持續經營業務，同時透過優化債務及股本結餘爭取利益有關方回報最大化。本集團的整體策略與去年保持不變。

本集團的資本結構包括於附註28披露的借貸、已抵押銀行存款、銀行結餘及現金及本公司擁有人應佔權益(包含股本、股份溢價、儲備及保留盈利)。

董事按每半年一次的基準審閱資本架構。作為是項審閱的部分，董事考慮資本成本及各類資本的相關風險。根據董事的建議，本集團將透過派付股息、發行新股及發行新債或贖回現有債項以平衡其整體資本架構。

4. Key sources of estimation uncertainty (Continued)

Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

5. Capital risk and financial risk management objectives and policies

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of borrowings disclosed in note 28, pledged bank deposits, bank balances and cash and equity attributable to owners of the Company, comprising share capital, share premium, reserves and retained earnings.

The directors review the capital structure on a semi-annual basis. As a part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

5. 資本風險及財務風險管理目標及政策(續)

(a) 金融工具的種類

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
金融資產	Financial assets		
貸款及應收款項(包括已抵押銀行存款、銀行結餘及現金)	Loans and receivables (including pledged bank deposits, bank balances and cash)	3,429,326	3,458,941
可供出售投資	Available-for-sale investments	1,221,292	1,152,959
		4,650,618	4,611,900
金融負債	Financial liabilities		
攤銷成本	Amortised cost	3,084,119	3,816,216

(b) 財務風險管理目標及政策

本集團的主要金融工具包括貿易及其他應收款項、已抵押銀行存款、銀行結餘及現金、貿易及其他應付款項和借貸。此等金融工具的詳情於各附註披露。此等金融工具的相關風險包括市場風險(貨幣風險及利率風險)、信貸風險及流動資金風險。減低此等風險的政策載於下文。本集團管理層負責管理及監察此等風險，以確保及時以及有效地執行適當措施。

5. Capital risk and financial risk management objectives and policies (Continued)

(a) Categories of financial instruments

(b) Financial risk management objectives and Policies

The Group's major financial instruments include trade and other receivables, pledged bank deposits, bank balances and cash, trade and other payables and borrowings. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The Group's management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

5. 資本風險及財務風險管理目標
及政策(續)

(b) 財務風險管理目標及政策(續)

市場風險

(i) 貨幣風險

中國附屬公司的功能貨幣為人民幣，且大多數交易以人民幣結算。然而，本集團自海外客戶賺取收益及結算向海外供應商購買機器及設備的應付款項時均收取外幣(主要為美元「美元」)。

本集團並無制訂任何對沖政策管理因進行外幣交易而產生的風險。為減少持有外幣的風險，本集團經考慮不久將來的外幣付款安排後，通常會在款項收訖後隨即將外幣兌換成人民幣。

5. Capital risk and financial risk management
objectives and policies (Continued)

(b) Financial risk management objectives and
Policies (Continued)

Market risks

(i) Currency risk

The functional currencies of the PRC subsidiaries are RMB with most of the transactions settled in RMB. However, foreign currency (mainly the United States dollar "US\$") were received when the Group earned revenue from overseas customers and when settling payables for purchases of machinery and equipment from the overseas suppliers.

The Group does not have any hedging policy to manage the risk arising from foreign currency transactions. In order to reduce the risk of holding foreign currencies, the Group normally converts the foreign currencies into RMB upon receipt while taking into account its foreign currencies payment schedule in the near future.

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(i) 貨幣風險(續)

於報告日期，本集團的外幣計值貨幣資產及貨幣負債的賬面值如下：

		資產 Assets		負債 Liabilities	
		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000	2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
美元	US\$	379,160	593,559	26,737	24,046

於2017年12月31日，如人民幣兌美元升值／貶值10%，而所有其他可變因素維持不變，年度除稅後溢利將上升／下降人民幣35,240,000元(2016年：下降／上升人民幣56,951,000元)，主要因為換算以美元計值的銀行結餘及現金、貿易及其他應收款項及以美元計值的借貸的匯兌收益／虧損所致。

管理層認為，年結日的風險不能反映年內風險，故敏感度分析不能代表固有外匯風險。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies (Continued)

Market risks (Continued)

(i) Currency risk (Continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

At 31 December 2017, if RMB had strengthened/weakened by 10% against US\$ with all other variables held constant, post-tax profit for the year would have been RMB35,240,000 higher/lower (2016: RMB56,951,000 lower/higher), mainly as a result of foreign exchange gains/losses on translation of US\$ denominated bank balances and cash, trade and other receivables and US\$ denominated borrowings.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險

本集團面臨與定息銀行借貸(有關該等借貸的詳情見附註28)及委託貸款有關的公平值利率風險。於2017年12月31日,本集團20%(2016年:19%)的借貸為定息借貸。

本集團亦面臨與銀行存款、委託貸款及浮息借貸(有關該等借貸的詳情見附註28)有關的現金流量利率風險。

本集團的現金流量利率風險主要集中於分別來自本集團人民幣借貸及美元借貸的市場存款利率以及中國官方貸款利率、恆生銀行同業拆息(「恆生銀行同業拆息」)及倫敦銀行同業拆息(「倫敦銀行同業拆息」)的波動。

下文敏感度分析乃根據銀行結餘及浮息借貸所面臨的利率風險釐定。分析乃基於報告期末的財務餘額而編製。管理層對利率合理可能變動的評估,乃基於上升或下跌10及25個基點(2016年:10及25個基點)。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies (Continued)

Market risks (Continued)

(ii) Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (see note 28 for details of these borrowings) and entrusted loans. At 31 December 2017, 20% (2016: 19%) of the Group's borrowings bear fixed interest rates.

The Group is also exposed to cash flow interest rate risk in relation to bank deposits, entrusted loans and variable-rate borrowings (see note 28 for details of these borrowings).

The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the market deposit rate and the PRC official lending rate, Hang Seng Interbank Offered Rate ("HIBOR") and London Inter-Bank Offer Rate ("LIBOR") arising from the Group's RMB borrowings and USD borrowings respectively.

The sensitivity analyses below have been determined based on the exposure to interest rates for bank balances and variable-rate borrowings. The analysis is prepared on the financial balance at the end of reporting period. 10 and 25 basis points (2016: 10 and 25 basis points) increase or decrease is used which represents management's assessment of the reasonably possible change in interest rate.

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

(ii) 利率風險(續)

就本集團面臨的銀行存款利率風險而言，如利率已上升／下跌10個基點(2016年：10個基點)，而所有其他可變因素維持不變，則本集團於截至2017年12月31日止年度的除稅後溢利將增加／減少人民幣1,098,000元(2016年：人民幣1,658,000元)。

此外，就本集團面臨的浮息借貸利率風險而言，如利率已上升／下跌25個基點(2016年：25個基點)，而所有其他可變因素維持不變，則本集團於截至2017年12月31日止年度的除稅後溢利將減少／增加人民幣2,745,000元(2016年：人民幣4,146,000元)，乃主要由於浮動利率借貸的利息開支增加／減少所致。

管理層認為，年結日的風險不能反映年內風險，故敏感度分析不能代表固有利率風險。

信貸風險

已抵押銀行存款、銀行結餘及現金、貿易及其他應收款項(不包括預付款項)的賬面值代表本集團所承擔金融資產的最高信貸風險。本集團信貸風險管理措施的目標在於控制可收回款項的潛在風險。本集團大部分現金及等同現金項目存放於中國境內多家管理層認為信貸質素為高的主要金融機構。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies (Continued)

Market risks (Continued)

(ii) Interest rate risk (Continued)

In relation to the Group's exposure to interest rates risk on bank deposits, if interest rates had been 10 basis points (2016: 10 basis points) higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2017 would increase/decrease by RMB1,098,000 (2016: RMB1,658,000).

Furthermore, in relation to the Group's exposure to interest rates risk on variable-rate borrowings, if interest rates had been 25 basis points (2016: 25 basis points) higher/lower and all other variables held constant, the Group's post-tax profit for the year ended 31 December 2017 would decrease/increase by RMB2,745,000 (2016: RMB4,146,000), mainly as a result of higher/lower interest expenses on floating rate borrowings.

In management's opinion, the sensitivity analysis is unrepresentative of the inherent interest rate risk as the year end exposure does not reflect the exposure during the year.

Credit risk

The carrying amounts of pledged bank deposits, bank balances and cash and trade and other receivables (except for prepayments), represent the Group's maximum exposure to credit risk in relation to financial assets. The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. Most of the Group's cash and cash equivalents are held in major financial institutions in the PRC, which management believes are of high credit quality.

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

本集團亦訂有政策確保產品銷售予具有適當信貸記錄的客戶，而本集團亦會評估客戶的信貸狀況及財務實力以及考慮相關客戶的過往交易記錄。客戶一般獲授少於90日或180日的信貸期，而本集團一般不要求客戶提供抵押品或任何信用增級。有關貿易及其他應收款項的賬齡分析載於綜合財務報表附註24。本集團管理層定期根據客戶的過往還款記錄、逾期時間、財務實力及有否交易爭議，對能否收回貿易應收款項進行整體及個別評估。

流動資金風險

在管理流動資金風險時，本集團監控並維持管理層視為足以應付本集團營運所需及降低現金流量波動影響的現金及等同現金項目水平。

管理層監控銀行借貸的使用情況。本集團依賴銀行借貸作為流動資金的主要來源。於2017年12月31日，本集團未動用的銀行借貸額度為人民幣2,991,000,000元(2016年：人民幣806,724,000元)。詳情載列於附註28。

流動資金及利率風險表

下表載列本集團非衍生金融負債的剩餘合約到期詳情。列表乃根據本集團可能被要求付款的最早日期的金融負債未貼現現金流量編製。利息及本金現金流量均已列於表內。

5. Capital risk and financial risk management objectives and policies (Continued)

(b) Financial risk management objectives and Policies (Continued)

Credit risk (Continued)

The Group also has policies in place to ensure that sales of products are made to customers with an appropriate credit history and the Group assesses the credit worthiness and financial strength of its customers as well as considering prior dealing history with the customers. Generally, customers are granted with credit periods less than 90 days or 180 days and the Group usually does not require collaterals nor any credit enhancement from its customers. An aging analysis of trade and other receivables is set out in note 24 to the consolidated financial statements. The Group's management makes periodic collective assessment as well as individual assessment on the recoverability of trade receivables based on historical payment records, the length of the overdue period, the financial strength of the customers and whether there are any trade disputes with them.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

Management monitors the utilisation of bank borrowings. The Group relies on bank borrowings as a significant source of liquidity. As at 31 December 2017, the Group had available undrawn borrowing facilities of RMB2,991,000,000 (2016: RMB806,724,000). Details of which are set out in note 28.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

截至2017年12月31日止年度
For the year ended 31 December 2017

5. 資本風險及財務風險管理目標及政策(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

流動資金及利率風險表(續)

		加權平均利率 %	1個月內 人民幣千元	1至3個月 人民幣千元	3個月至1年 人民幣千元	1年至5年 人民幣千元	未貼現現金 流量總額 人民幣千元	於2017年 12月31日 的賬面值 人民幣千元 Carrying amount at 31 December 2017 RMB'000
		Weighted average interest rate %	Less than 1 month RMB'000	1-3 months RMB'000	3 months to 1 year RMB'000	1 year to 5 years RMB'000	Total undiscounted cash flows RMB'000	
於2017年12月31日	31 December 2017							
貿易及其他應付款項	Trade and other payables	-	700,218	931,715	341,196	15,258	1,988,387	1,988,387
借貸	Borrowings							
一定息	- fixed rates	5.01%	849	127,264	162,200	80,415	370,728	357,000
一浮息	- variable rates	6.92%	5,013	64,121	785,104	696,112	1,550,350	1,463,821
			706,080	1,123,100	1,288,500	791,785	3,909,465	3,809,208

		加權平均利率 %	1個月內 人民幣千元	1至3個月 人民幣千元	3個月至1年 人民幣千元	1年至5年 人民幣千元	未貼現現金 流量總額 人民幣千元	於2016年 12月31日 的賬面值 人民幣千元 Carrying amount at 31 December 2016 RMB'000
		Weighted average interest rate %	Less than 1 month RMB'000	1-3 months RMB'000	3 months to 1 year RMB'000	1 year to 5 years RMB'000	Total undiscounted cash flows RMB'000	
於2016年12月31日	31 December 2016							
貿易及其他應付款項	Trade and other payables	-	610,672	737,069	192,587	19,621	1,559,949	1,559,949
借貸	Borrowings							
一定息	- fixed rates	5.78	1,722	282,560	186,167	61,260	531,709	518,300
一浮息	- variable rates	6.35	57,626	231,343	1,133,373	901,814	2,324,156	2,211,400
			670,020	1,250,972	1,512,127	982,695	4,415,814	4,289,649

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

5. 資本風險及財務風險管理目標及政策(續)

(c) 公平值

董事認為於綜合財務報表內確認的金融資產及金融負債的賬面值與其公平值相若。

6. 收益及分部資料

收益指來自貨品及物業銷售的收益。

本集團業務乃按產品及物業開發的類型劃分。向本公司董事會(即總營運決策人)報告以作資源分配及分部表現評估的資料亦按產品及物業開發的類型呈列。此乃本集團之構造基礎。

本集團之經營及呈報分部如下：

- 製冷劑；
- 高分子材料；
- 有機硅；
- 二氯甲烷、PVC及燒鹼；
- 物業開發－在中國山東省及湖南省發展住宅物業；及
- 其他業務－生產及銷售製冷劑分部、高分子材料分部、有機硅分部及二氯甲烷、PVC及燒鹼分部的副產品。

5. Capital risk and financial risk management objectives and policies (Continued)

(c) Fair value

The directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values.

6. Revenue and segment information

Revenue represents revenue arising on sales of goods and properties.

The Group's operations are organised based on the different types of products and property development. Information reported to the board of directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of products and property development. This is the basis upon which the Group is organised.

The Group's operating and reportable segments are as follows:

- Refrigerants;
- Polymers;
- Organic silicone;
- Dichloromethane, PVC and liquid alkali;
- Property development – development of residential properties at Shandong and Hunan Province, the PRC; and
- Other operations – manufacturing and sales of side-products of refrigerants segment, polymers segment, organic silicone segment and dichloromethane, PVC and liquid alkali segment.

6. 收益及分部資料(續)

分部收益及業績

本集團按呈報及經營分部的收益及業績的分析如下。

2017年

		製冷劑 人民幣千元	高分子材料 人民幣千元	有機硅 人民幣千元	二氯甲烷、 PVC及燒鹼 人民幣千元	物業開發 人民幣千元	呈報分部總額 人民幣千元	其他業務 人民幣千元	對銷 人民幣千元	總額 人民幣千元
		Refrigerants RMB'000	Polymers RMB'000	Silicone RMB'000	Dichloromethane PVC and liquid alkali RMB'000	Property development RMB'000	Reportable segments' total RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
對外銷售	External sales	2,502,275	2,927,843	2,428,256	1,604,099	285,510	9,747,983	389,154	-	10,137,137
分部間的銷售	Inter-segment sales	1,387,964	-	-	4,608	-	1,392,572	729,764	(2,122,336)	-
總收益—分部收益	Total revenue – segment revenue	3,890,239	2,927,843	2,428,256	1,608,707	285,510	11,140,555	1,118,918	(2,122,336)	10,137,137
分部業績	SEGMENT RESULTS	588,442	605,053	433,836	354,554	32,648	2,014,533	237,215	-	2,251,748
未分配企業開支	Unallocated corporate expenses									(44,395)
未分配其他收入	Unallocated other income									(112,890)
融資成本	Finance costs									47,310
應佔聯營公司業績	Share of results of associates									
除稅前溢利	Profit before tax									2,141,773

6. Revenue and segment information (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

2017

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

6. 收益及分部資料(續)

分部收益及業績(續)

2016年

		製冷劑 人民幣千元	高分子材料 人民幣千元	有機硅 人民幣千元	二氯甲烷、 PVC及燒鹼 人民幣千元	物業開發 人民幣千元	呈報分部總額 人民幣千元	其他業務 人民幣千元	對銷 人民幣千元	總額 人民幣千元
		Refrigerants RMB'000	Polymers RMB'000	Organic Silicone RMB'000	Dichloromethane PVC and liquid alkali RMB'000	Property development RMB'000	Reportable segments' total RMB'000	Other operations RMB'000	Eliminations RMB'000	Total RMB'000
對外銷售	External sales	1,828,048	2,187,639	1,684,716	1,211,244	871,162	7,782,809	186,964	-	7,969,773
分部間的銷售	Inter-segment sales	1,044,368	-	-	2,999	-	1,047,367	520,778	(1,568,145)	-
總收益—分部收益	Total revenue – segment revenue	2,872,416	2,187,639	1,684,716	1,214,243	871,162	8,830,176	707,742	(1,568,145)	7,969,773
分部業績	SEGMENT RESULTS	193,196	245,119	81,204	145,147	308,204	972,870	74,646	-	1,047,516
未分配企業開支	Unallocated corporate expenses									(21,573)
未分配其他收入	Unallocated other income									14,840
融資成本	Finance costs									(166,229)
應佔聯營公司業績	Share of results of associates									(12,440)
除稅前虧損	Loss before tax									862,114

分部業績指在並無分配未分配其他收入、中央行政成本、董事薪金、應佔聯營公司業績及融資成本下，各分部的業績。此乃向總營運決策人呈報資料以作資源分配及表現評估的計量項目。由於有關資產及負債的分部資料並非向總營運決策人呈報以作資源分配及表現評估的項目，故並無呈列該等資料。

分部間的銷售乃按現行市價計費。

6. Revenue and segment information
(Continued)

Segment revenues and results (Continued)

2016

Segment results represent the results of each segment without allocation of unallocated other income, central administration costs, directors' salaries, share of result of associates and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and performance assessment. No segment information on assets and liabilities is presented as such information is not reported to the chief operating decision maker for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

6. 收益及分部資料(續)

實體整體披露

有關按產品分類之製冷劑分部來自外來客戶的收益資料

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
二氟一氯甲烷(HCFC-22)	Monochlorodifluoromethane (HCFC-22)	696,063	457,124
四氟乙烷(R134a)	Tetrafluoroethane (R134a)	169,015	186,082
五氟乙烷(R125)	Pentafluoroethane (R125)	83,596	69,047
R439A	R439A	2,089	1,647
R410a	R410a	569,788	294,294
R413A	R413A	33,382	34,648
R142b	R142b	123,424	42,540
R152a	R152a	164,597	148,298
R22	R22	302,045	307,584
R32	R32	180,088	111,127
其他	Others	178,188	175,657
		2,502,275	1,828,048

有關按產品分類之高分子材料分部來自外來客戶的收益資料

6. Revenue and segment information (Continued)

Entity-wide disclosures

Information about revenue from refrigerants segment by products from external customers

Information about revenue from polymers segment by products from external customers

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
聚四氟乙烯(PTFE)	Polytetrafluoroethylene (PTFE)	1,551,160	1,031,301
六氟丙烯(HFP)	Hexafluoropropylene (HFP)	256,997	317,249
八氟環丁烷	Perfluorocyclobutane	76,114	48,091
全聚氟乙丙烯(FEP)	Fluorinated ethylene propylene (FEP)	34,099	18,505
聚偏氟乙烯(PVDF)	Polyvinylidene fluoride (PVDF)	360,039	341,332
氟橡膠(FKM)	Fluorine rubber (FKM)	152,550	110,028
偏氟乙烯(VDF)	Vinylidene fluoride (VDF)	49,968	17,722
其他	Others	446,916	303,411
		2,927,843	2,187,639

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

6. 收益及分部資料(續)

實體整體披露(續)

有關按產品分類之有機硅分部來自外來客戶的收益資料

6. Revenue and segment information
(Continued)

Entity-wide disclosures (Continued)

Information about revenue from organic silicone segment by products from external customers

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
DMC(二甲基硅氧烷混合環體)	DMC (Dimethylcyclsiloxane)	290,488	292,216
107硅橡膠	107 Silicone Rubber	927,718	472,796
生膠	Raw Vulcanizate	405,291	252,938
D3(六甲基環三硅氧烷)	D3 (Hexamethylcyclotrisiloxane)	–	168
混煉膠	Gross Rubber	92,138	55,586
氣相白炭黑	Gaseous Silica	120,248	106,488
DMC水解物	DMC Hydrolysate	140,494	117,893
三甲基氯硅烷	Trimethylchlorosilane	65,970	50,909
甲基氫二氯硅烷	Methyldichlorosilane	4,296	1,958
綫性結構DMC	DMC Lineament	181,568	168,814
D4(八甲基環四硅氧烷)	D4 (Octamethyl Cyclotetrasiloxane)	18,080	51,837
其他	Others	181,965	113,113
		2,428,256	1,684,716

截至2017年12月31日止年度
For the year ended 31 December 2017

6. 收益及分部資料(續)

實體整體披露(續)

有關按產品分類之二氯甲烷、PVC及燒鹼分部來自外來客戶的收益資料

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
PVC	PVC	615,980	570,223
二氯甲烷	Dichloromethane	214,516	174,921
燒鹼	Liqui alkali	773,603	466,100
		1,604,099	1,211,244

有關按產品分類之其他經營分部來自外來客戶的收益資料

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
AHF(無水氟化氫)	AHF (Anhydrous Fluoride)	41,793	418
氟化氫銨	Ammonium Bifluoride	59,234	49,445
氫氟酸	Hydrofluoric Acid	43,612	32,592
溴素	Bromine	70,745	61,054
其他	Others	173,770	43,455
		389,154	186,964

有關主要客戶資料

截至2017年及2016年12月31日止兩個年度各年概無來自單一客戶之收益佔本集團總銷售額的10%以上。

6. Revenue and segment information (Continued)

Entity-wide disclosures (Continued)

Information about revenue from dichloromethane, PVC and liquid alkali segment by products from external customers

Information about revenue from other operations segment by products from external customers

Information about major customers

There was no revenue from a single customer that contributed over 10% of the total sales of the Group during each of the two years ended 31 December 2017 and 2016.

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

6. 收益及分部資料(續)

地區資料

本集團來自外來客戶之收益按客戶地區詳情如下：

6. Revenue and segment information (Continued)

Geographical information

The Group's revenue from external customers by geographical location of customers is detailed below:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
中國	PRC	8,212,343	6,528,302
亞洲(除中國外)	Asia (except PRC)		
– 日本	– Japan	354,951	314,240
– 南韓	– South Korea	361,571	269,765
– 印度	– India	27,176	15,178
– 新加坡	– Singapore	23,936	20,554
– 泰國	– Thailand	37,576	41,193
– 阿拉伯聯合酋長國	– United Arab Emirates	104,323	65,207
– 巴基斯坦	– Pakistan	21,359	16,528
– 馬來西亞	– Malaysia	33,266	25,979
– 菲律賓	– Philippines	6,574	7,667
– 越南	– Viet Nam	20,724	14,614
– 土耳其	– Turkey	65,698	37,763
– 其他國家	– Other countries	61,456	65,670
小計	Subtotal	1,118,610	894,358

截至2017年12月31日止年度
For the year ended 31 December 2017

6. 收益及分部資料(續)

地區資料(續)

6. Revenue and segment information (Continued)

Geographical information (Continued)

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
美洲	America		
– 美國	– United States of America	365,765	197,721
– 巴西	– Brazil	103,264	96,390
– 其他國家	– Other countries	27,866	20,498
小計	Subtotal	496,895	314,609
歐洲	Europe		
– 意大利	– Italy	131,929	96,625
– 英國	– England	13,820	2,995
– 俄羅斯	– Russia	41,900	27,406
– 德國	– Germany	29,192	25,884
– 法國	– France	8,110	8,621
– 其他國家	– Other countries	21,015	13,826
小計	Subtotal	245,966	175,357
非洲	Africa		
– 南非	– South Africa	23,867	17,907
– 埃及	– Egypt	6,659	4,645
– 尼日利亞	– Nigeria	18,524	16,019
– 其他國家	– Other countries	8,164	9,782
小計	Subtotal	57,214	48,353
其他國家/地區	Other countries/regions	6,109	8,794
		10,137,137	7,969,773

所有本集團之非流動資產均位於中國。

All of the non-current assets of the Group are located in the PRC.

綜合財務報表附註

Notes to the Consolidated Financial Statements

截至2017年12月31日止年度

For the year ended 31 December 2017

6. 收益及分部資料(續)

其他分部資料

	製冷劑 人民幣千元	高分子材料 人民幣千元	有機硅 人民幣千元	二氯甲烷、 PVC及燒鹼 人民幣千元	物業開發 人民幣千元	呈報及經營 分部總額 人民幣千元	其他業務 人民幣千元	總額 人民幣千元
	Refrigerants RMB'000	Polymers RMB'000	Organic Silicone RMB'000	Dichloromethane PVC and liquid alkali RMB'000	Property development RMB'000	and operating segment total RMB'000	Other operations RMB'000	Total RMB'000
2017年								
物業、機器及設備折舊	231,944	165,460	131,223	123,466	5,457	657,550	32,985	690,535
無形資產攤銷	701	10,258	125	538	300	11,922	66	11,988
(撥回)確認貿易應收款項 減值	(18,122)	(137)	980	(3,914)	-	(21,193)	(1,348)	(22,541)
已確認為開支之研究及 開發成本	5,774	79,462	7,988	735	-	93,959	650	94,609
撇減存貨	2,528	-	-	1,525	-	4,053	76	4,129
出售物業、機器及設備 虧損(收益)	29,971	35,145	112,105	18,856	(95)	195,982	94	196,076
撥回預付租金	3,125	5,199	3,129	1,308	-	12,761	1,095	13,856

	製冷劑 人民幣千元	高分子材料 人民幣千元	有機硅 人民幣千元	二氯甲烷、 PVC及燒鹼 人民幣千元	物業開發 人民幣千元	呈報及經營 分部總額 人民幣千元	其他業務 人民幣千元	總額 人民幣千元
	Refrigerants RMB'000	Polymers RMB'000	Organic Silicone RMB'000	Dichloromethane PVC and liquid alkali RMB'000	Property development RMB'000	and operating segment total RMB'000	Other operations RMB'000	Total RMB'000
2016年								
物業、機器及設備折舊	237,768	178,117	137,794	119,712	1,353	674,744	35,159	709,903
無形資產攤銷	416	10,302	125	252	-	11,095	33	11,128
(撥回)確認貿易應收款項 減值	17,306	87	61	4,376	-	21,830	921	22,751
已確認為開支之研究及 開發成本	4,403	66,370	2,078	576	-	73,427	520	73,947
撇減存貨	1,517	-	-	3,615	-	5,132	68	5,200
出售物業、機器及設備 虧損(收益)	10,254	7,599	15,394	2,075	-	35,322	588	35,910
撥回預付租金	2,944	5,132	3,132	1,192	-	12,400	1,069	13,469

截至2017年12月31日止年度
For the year ended 31 December 2017

7. 其他收入

7. Other income

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
政府補貼	Government grants	70,042	66,906
銀行存款利息收入	Bank deposits interest income	8,583	9,211
委託貸款利息收入	Interest income on entrusted loan	–	23,299
來自可供出售投資之股息收入	Dividend income from available-for-sale investments	135,685	14,768
匯兌收益	Exchange gain	–	29,037
其他利息收入	Other interest income	2,080	13,224
其他	Others	9,077	30,222
		225,467	186,667

附註：

- (a) 政府補貼主要用作研究活動開支，在產生期間內確認為開支。

Notes:

- (a) The government grants are mainly for the expenditures on research activities which are recognised as expenses in the period in which they are incurred.

8. 融資成本

8. Finance costs

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
利息：	Interest on:		
須於五年內全部償還之銀行貸款	Bank loans wholly repayable within five years	111,648	167,025
須於五年內償還之其他借貸	Other borrowings repayable within five years	1,242	858
借貸成本總額	Total borrowings costs	112,890	167,883
減：物業、機器及設備撥充資本金額	Less: Amounts capitalised for property, plant and equipment	–	(1,654)
		112,890	166,229

8. 融資成本(續)

截至2017年12月31日止年度，並無借貸成本被撥充資本。年內撥充資本之借貸成本乃於一般借貸中產生，乃將截至2016年12月31日止年度合資格資產開支乘以加權平均資本化比率每年4.71%計算。

8. Finance costs (Continued)

During the year ended 31 December 2017, no borrowing costs was capitalised. Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a weighted average capitalisation rate of 4.71% per annum to expenditure on qualifying assets for the year ended 31 December 2016.

9. 所得稅開支

9. Income tax expense

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
中國企業所得稅(「企業所得稅」)	PRC enterprise income tax ("EIT")		
– 當前年度	– Current year	201,034	174,774
– 過去年度超額撥備	– Over provision in prior years	(1,134)	(16,866)
– 土地增值稅(「土地增值稅」)	– Land Appreciation Tax ("LAT")	12,091	73,573
		211,991	231,481
遞延稅項支出(附註20)	Deferred tax charge (note 20)		
– 中國附屬公司可分派溢利之預扣稅	– Withholding tax for distributable profits of PRC subsidiaries	48,042	18,742
– 其他	– Others	199,941	(3,575)
		247,983	15,167
所得稅開支總額	Total income tax expense	459,974	246,648

9. 所得稅開支(續)

本年度稅項開支與綜合損益及其他全面收入報表的除稅前溢利的對賬如下：

9. Income tax expense (Continued)

The tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
除稅前溢利	Profit before tax	2,141,773	862,114
以(25%)企業所得稅稅率計算的稅項支出(附註a)	Tax charge at enterprise income tax rate of (25%) (Note a)	(497,685)	(215,528)
按優惠稅率計算的所得稅	Income tax on concessionary rate	(29,263)	11,643
不可課稅收入的稅項影響	Tax effect of income not taxable for tax purpose	45,749	2,440
所佔聯營公司業績的稅項影響	Tax effect of share of result of associates	-	-
不可扣稅開支的稅項影響	Tax effect of expenses not deductible for tax purpose	(14,724)	(8,840)
未確認稅項虧損的稅項影響	Tax effect of tax losses not recognized	(12,492)	(7,997)
利用先前未確認稅項虧損的稅項影響	Tax effect of utilization of tax losses previously not recognized	85,629	26,689
過去年度撥備不足/(超額撥備)	Under/(over) provision in respect of prior years	2,095	16,866
中國附屬公司可供分派盈利的遞延稅項(附註b)	Deferred tax on distributable earnings of PRC subsidiaries (Note b)	(48,042)	(18,742)
土地增值稅(附註c)	LAT (Note c)	(12,090)	(73,573)
土地增值稅的稅項影響	Tax effect of LAT	3,022	18,393
其他	Others	17,827	2,001
本年度稅項開支	Tax expense for the year	(459,974)	(246,648)

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

9. 所得稅開支(續)

附註：

- (a) 25%適用企業所得稅稅率指本公司主要附屬公司山東東岳化工有限公司(「東岳化工」)、山東東岳高分子材料有限公司(「東岳高分子」)、山東東岳有機硅材料有限公司(「東岳有機硅」)、山東東岳氟硅材料有限公司(「東岳氟硅」)及山東東岳聯邦置業有限公司(「聯邦置業」)的相關所得稅稅率。山東華夏神州新材料有限公司(「華夏神州」)的所得稅稅率為15%，乃因其已取得高新技術企業資格。
- (b) 根據財政部及國家稅務總局聯合發出財稅2008第1號文件，中國實體自2008年1月1日起所產生溢利中分派的股息，須根據《外商投資企業和外國企業所得稅法》第3及27條以及《外商投資企業和外國企業所得稅法實施細則》第91條的規定繳納企業所得稅。附屬公司未分派盈利的遞延稅項資產／負債人民幣48,042,000元(2016年：人民幣18,742,000元)已計入年內損益。
- (c) 土地增值稅是就土地價值的升值按30%到60%的累進稅率徵收，即物業銷售所得款項減可扣減支出，包括土地使用權的成本及所有物業開發支出。

遞延稅項詳情載於附註20。

9. Income tax expense (Continued)

Notes:

- (a) Applicable enterprise income tax rate of 25% represents the relevant income tax rate of Shandong Dongyue Chemicals Co., Ltd. ("Dongyue Chemicals"), Shandong Dongyue Polymers Co., Ltd. ("Dongyue Polymers"), Shandong Dongyue Organosilicon Materials Co., Ltd. ("Dongyue Organosilicon"), Shandong Dongyue Fluo-Silicon Materials Co., Ltd. ("Dongyue Fluo-Silicon") and Shandong Dongyue Union Property Co., Ltd. ("Union Property") which are the major subsidiaries of the Company. The income tax rate of Shandong Huaxia Shenzhou New Materials Co., Ltd. ("Huaxia Shenzhou") is 15% as it obtained the qualification as a high and new technology enterprise.
- (b) According to a joint circular of Ministry of Finance and State Administration of Taxation, Cai Shui 2008 No.1, dividend distributed out of the profits generated since 1 January 2008 held by the PRC entity shall be subject to EIT pursuant to Articles 3 and 27 of the Income Tax Law Concerning Foreign Investment Enterprises and Foreign Enterprises and Article 91 of the Detailed Rules for the Implementation of the Income Tax Law for Enterprises with Foreign Investment and Foreign Enterprises. Deferred tax asset/liability of RMB48,042,000 (2016: RMB18,742,000) on the undistributed earnings of subsidiaries has been charged to profit or loss for the year.
- (c) LAT is levied at progressive rates ranging from 30% to 60% on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including cost of land use rights and all property development expenditures.

Details of deferred taxation are set out in note 20.

截至2017年12月31日止年度
For the year ended 31 December 2017

10. 年內溢利及全面收入總額

年內溢利及全面收入總額已扣除／(計入)下列各項：

10. Profit and total comprehensive income for the year

Profit and total comprehensive income for the year has been arrived at after charging/(crediting) the following items:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
短期僱員福利	Short-term employee benefits	556,339	517,284
退休福利	Post-employment benefits	78,537	84,101
其他員工福利	Other staff welfare	38,952	39,135
總員工成本	Total staff costs	673,828	640,520
已確認為開支之存貨成本	Cost of inventories recognised as an expense	5,423,309	5,597,486
物業、機器及設備折舊	Depreciation of property, plant and equipment	690,535	709,903
無形資產攤銷(計入銷售成本)	Amortisation of intangible assets (included in cost of sales)	11,988	11,128
核數師酬金	Auditor's remuneration	2,988	2,252
匯兌虧損／(收益)淨額	Net foreign exchange losses/(gains)	31,460	(29,037)
(撥回)／確認貿易應收款項減值	(Reversal)/Recognition of impairment on trade receivables	(22,541)	22,751
已確認為開支之研究及開發成本	Research and development costs recognized as an expense	94,609	73,947
撇減存貨(計入銷售成本)	Write-down of inventories (included in cost of sales)	4,129	5,200
撥回預付租金	Release of prepaid lease payments	13,856	13,469
出售物業、機器及設備虧損	Loss on disposals of property, plant and equipment	196,076	35,910
無形資產減值	Impairment of intangible assets	17,485	–
可供出售投資減值	Impairment of available-for sale-investments	–	42,324

附註：以上員工成本包括董事酬金。

Notes: Directors' emoluments are included in the above staff costs.

實際已付的酌情花紅為人民幣14,143,000元
(2016年：人民幣10,699,000元)。

The actual discretionary bonus paid was RMB14,143,000 (2016: RMB10,699,000).

11. 董事及主要行政人員薪酬

向董事及主要行政人員已付或應付薪酬如下：

2017年

		袍金 人民幣千元	薪金 人民幣千元	酌情花紅 (附註) 人民幣千元	退休計劃供款 人民幣千元	股權結算 之以股份 支付開支 人民幣千元	其他福利 人民幣千元	總計 人民幣千元
		Fees RMB'000	Salary RMB'000	Discretionary bonus (Note) RMB'000	Pension scheme contributions RMB'000	Equity-settled share-based payment expense RMB'000	Other benefits RMB'000	Total RMB'000
執行董事	Executive Directors							
張建宏先生	Mr. Zhang Jianhong	144	6,000	7,691	-	-	-	13,835
傅軍先生	Mr. Fu Kwan	144	-	-	-	-	-	144
劉傳奇先生	Mr. Liu Chuanqi	72	-	108	-	-	-	180
崔同政先生(於2017年 5月2日辭任)	Mr. Cui Tongzheng (resigned on 2 May 2017)	48	800	1,021	5	-	-	1,874
馮建軍先生(於2017年 5月2日辭任)	Mr. Feng Jianjun (resigned on 2 May 2017)	48	-	-	-	-	-	48
張建先生	Mr. Zhang Jian	144	-	-	-	-	-	144
張哲峰先生(於2017年 5月2日獲委任)	Mr. Zhang Zhefeng (appointed on 2 May 2017)	96	1,200	5,323	-	-	-	6,619
張必書先生(於2017年 5月2日獲委任)	Mr. Zhang Bishu (appointed on 2 May 2017)	96	-	-	-	-	-	96
獨立非執行董事	Independent Non-executive Directors							
丁良輝先生	Mr. Ting Leung Huel, Stephen	364	2,300	-	-	-	-	2,664
岳潤棟先生	Mr. Yue Run Dong	188	250	-	-	-	-	438
楊曉勇先生	Mr. Yang Xiaoyong	188	250	-	-	-	-	438
		1,532	10,800	14,143	5	-	-	26,480

11. Directors' and chief executive's emoluments

The emoluments paid or payable to the directors and the chief executive were as follows:

2017

11. 董事及主要行政人員薪酬(續) 11. Directors' and chief executive's emoluments (Continued)

2016年

2016

		袍金 人民幣千元	薪金 人民幣千元	酌情花紅 (附註) 人民幣千元	退休計劃供款 人民幣千元	股權結算 之以股份 支付開支 人民幣千元	其他福利 人民幣千元	總計 人民幣千元
		Fees RMB'000	Salary RMB'000	Discretionary bonus (Note) RMB'000	Pension scheme contributions RMB'000	Equity-settled share-based payment expense RMB'000	Other benefits RMB'000	Total RMB'000
執行董事	Executive Directors							
張建宏先生	Mr. Zhang Jianhong	144	6,000	6,342	-	-	-	12,486
傅軍先生	Mr. Fu Kwan	144	-	-	-	-	-	144
劉傳奇先生	Mr. Liu Chuanqi	144	-	17	4,983	-	-	5,144
崔同政先生	Mr. Cui Tongzheng	144	2,400	4,339	9	-	3	6,895
馮建軍先生(於2015年 3月16日獲委任)	Mr. Feng Jianjun (appointed on 16 March 2015)	144	-	-	-	-	-	144
張建先生	Mr. Zhang Jian	144	-	-	-	-	-	144
獨立非執行董事	Independent Non-executive Directors							
丁良輝先生	Mr. Ting Leung Huel, Stephen	283	-	-	-	-	-	283
岳潤棟先生	Mr. Yue Run Dong	158	-	-	-	-	-	158
楊曉勇先生	Mr. Yang Xiaoyong	158	-	-	-	-	-	158
		1,463	8,400	10,698	4,992	-	3	25,556

張建宏先生亦為本公司行政總裁，上文所披露的薪酬包括其作為行政總裁提供服務的薪酬。

Mr. Zhang Jianhong is also the Chief Executive of the Company and his emoluments disclosed above include those for services rendered by him as the Chief Executive.

年內，本集團並無向董事或五名最高薪人士支付酬金以招攬其加盟本集團或作為加入本集團的獎金或離職補償。概無主要行政人員或任何董事放棄截至2017年12月31日及2016年12月31日止兩個年度的任何酬金。

During the year, no remuneration was paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. Neither the chief executive nor any of the directors waived any emoluments for the two years ended 31 December 2017 and 31 December 2016.

附註：酌情花紅乃根據董事的個人表現而釐定。

Note: Discretionary bonus is determined based on the individual performance of the directors.

綜合財務報表附註

Notes to the Consolidated Financial Statements

截至2017年12月31日止年度

For the year ended 31 December 2017

12. 僱員薪酬

本集團五名最高薪人士當中，三名(2016年：三名)為本公司董事，其薪酬已載列於上文附註11中。其餘兩名(2016年：兩名)人士的薪酬如下：

12. Employees' emoluments

Of the five individuals with the highest emoluments in the Group, three (2016: three) were directors of the Company whose emoluments are included in note 11 above. The emoluments of the remaining two (2016: two) individuals were as follows:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
薪金	Salary	16,476	11,426
退休計劃供款	Pension scheme contributions	14	14
股權結算之以股份支付開支	Equity-settled share-based payment expense	-	-
		16,490	11,440

僱員薪酬介乎以下組別：

Their emoluments were within the following bands:

		僱員人數 No. of employees	2017年 2017	2016年 2016
1,500,001港元至2,000,000港元	HK\$1,500,001 to HK\$2,000,000		-	1
7,000,001港元至7,500,000港元	HK\$7,000,001 to HK\$7,500,000		1	-
11,000,001港元至11,500,000港元	HK\$11,000,001 to HK\$11,500,000		-	1
11,500,001港元至12,000,000港元	HK\$11,500,001 to HK\$12,000,000		1	-

13. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按下列數據計算：

		2017年 千 2017 '000	2016年 千 2016 '000
就每股基本及攤薄盈利而言的本年度本公司擁有人應佔盈利 (人民幣)	Earnings for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share (RMB)	1,601,397	588,154
就每股基本及攤薄盈利而言的普通股加權平均數	Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	2,111,689	2,111,795

由於本公司尚未行使購股權的行使價高於股份平均市價，故計算截至2017年及2016年12月31日止年度的每股攤薄盈利時並無假設該等購股權獲悉數行使。

13. Earnings per share

The calculation of basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

The computation of diluted earnings per share for the years ended 31 December 2017 and 2016 does not assume the exercise of all of the Company's outstanding share options as the exercise prices of those options are higher than the average market price of the shares.

14. 股息

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
年內已派付的股息：2017年：2016年末期股息每股0.1港元及2015年末期股息每股0.05港元(2016年：零)	Dividends paid during the year: 2017: 2016 final dividend HK\$0.1 per share and 2015 final dividend HK\$0.05 per share (2016: nil)	273,928	—

截至2017年12月31日止年度，董事已建議宣派截至2017年12月31日止年度末期股息每股0.3港元總計633,507,000港元，相當於人民幣529,548,000元(2016年：董事已建議宣派截至2016年12月31日止年度末期股息每股0.1港元總計211,169,000港元，相當於人民幣187,307,000元，並已於股東大會上獲股東批准)。

14. Dividends

A final dividend of HK\$0.3 per share amounting to HK\$633,507,000 in respect of the year ended 31 December 2017, equivalent to RMB529,548,000 has been proposed by the directors during the year ended 31 December 2017. (2016: A final dividend of HK\$0.1 per share, amounting to HK\$211,169,000 in respect of the year ended 31 December 2016, equivalent to RMB187,307,000 has been proposed by the directors and has been approved by the shareholders in general meeting.)

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

15. 物業、機器及設備

15. Property, plant and equipment

		樓宇 人民幣千元	機器及設備 人民幣千元	汽車 人民幣千元	傢私及裝置 人民幣千元	在建工程 人民幣千元	總計 人民幣千元
		Buildings	Plant and machinery	Motor vehicles	Furniture and fittings	Construction in progress	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
成本	COST						
於2016年1月1日	At 1 January 2016	1,556,454	6,427,630	45,355	437,237	70,607	8,537,283
添置	Additions	61,502	107,852	2,524	35,855	232,646	440,379
轉撥	Transfer	11,761	117,169	-	25,933	(154,863)	-
撤銷	Written off	-	-	-	-	(654)	(654)
出售時抵銷	Eliminated on disposals	(3,469)	(105,991)	(551)	(1,497)	-	(111,508)
於2016年12月31日	At 31 December 2016	1,626,248	6,546,660	47,328	497,528	147,736	8,865,500
添置	Additions	303,286	204,161	17,704	80,430	213,432	819,013
透過收購附屬公司添置	Addition through acquisition of subsidiary	-	-	2,077	2,051	-	4,128
轉撥	Transfer	38,895	188,299	-	14,602	(241,796)	-
出售時抵銷	Eliminated on disposals	(29,284)	(723,474)	(8,593)	(18,908)	-	(780,259)
於2017年12月31日	At 31 December 2017	1,939,145	6,215,646	58,516	575,703	119,372	8,908,382
累計折舊及減值	ACCUMULATED DEPRECIATION AND IMPAIRMENT						
於2016年1月1日	At 1 January 2016	468,392	3,551,156	38,870	297,608	-	4,356,026
本年度開支	Charge for the year	106,447	546,215	2,783	54,458	-	709,903
出售時抵銷	Eliminated on disposals	(1,022)	(71,869)	(514)	(1,282)	-	(74,687)
於2016年12月31日	At 31 December 2016	573,817	4,025,502	41,139	350,784	-	4,991,242
本年度開支	Charge for the year	91,004	539,063	4,893	55,575	-	690,535
出售時抵銷	Eliminated on disposals	(10,874)	(541,562)	(7,272)	(17,842)	-	(577,550)
於2017年12月31日	At 31 December 2017	653,947	4,023,003	38,760	388,517	-	5,104,227
賬面值	CARRYING VALUES						
於2017年12月31日	At 31 December 2017	1,285,198	2,192,643	19,756	187,186	119,372	3,804,155
於2016年12月31日	At 31 December 2016	1,052,431	2,521,158	6,189	146,744	147,736	3,874,258

15. 物業、機器及設備(續)

於2017年12月31日，本集團的若干樓宇尚未辦理房產權證，其賬面值為人民幣280,968,000元(2016年12月31日：人民幣155,402,000元)。

物業、機器及設備採用直線法於下列估計可使用年內按其成本減剩餘價值計算折舊：

樓宇	20年或租期(以較短者為準)
機器及設備	5-10年
汽車	5年
傢私及裝置	5年

本集團已抵押賬面值分別為人民幣5,337,000元(2016年：人民幣6,048,000元)及人民幣零元(2016年：人民幣零元)的樓宇、機器及設備，為本集團銀行貸款及其他貸款作抵押。

樓宇位於中國土地上及根據中期租賃持有。

15. Property, plant and equipment (Continued)

As at 31 December 2017, the Group had not obtained the building ownership certificates for certain buildings with carrying values of RMB280,968,000 (31 December 2016: RMB155,402,000).

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives as follows:

Buildings	Shorter of 20 years or the terms of lease
Plant and machinery	5-10 years
Motor vehicles	5 years
Furniture and fittings	5 years

The Group has pledged buildings and plant and machinery with carrying amount of RMB5,337,000 (2016: RMB6,048,000) and RMBnil (2016: RMBnil) respectively, to secure bank loans and other loans of the Group.

The buildings are situated on land in the PRC and held under medium-term lease.

16. 預付租金

本集團的預付租金為報告目的所作的分析如下：

16. Prepaid lease payments

The Group's prepaid lease payments are analysed for reporting purpose as follows:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
為報告目的所作的分析如下：	Analysed for reporting purpose as:		
— 即期部分	— Current portion	14,754	13,603
— 非即期部分	— Non-current portion	466,666	472,533
		481,420	486,136

該金額指於中國為期20至50年的中期土地使用權。

The amounts represent the medium-term land use rights situated in the PRC for a period of 20 to 50 years.

16. 預付租金(續)

本集團已抵押賬面總值人民幣2,701,000元的預付租金，為本集團的銀行及其他貸款作抵押(2016年：人民幣2,621,000元)。

16. Prepaid lease payments (Continued)

The Group has pledged prepaid lease payments with the aggregate carrying amount of RMB2,701,000 to secure bank and other loans (2016: RMB2,621,000) of the Group.

17. 無形資產

17. Intangible assets

		專有技術 人民幣千元 Proprietary Technologies RMB'000	軟件 人民幣千元 Software RMB'000	探礦權 人民幣千元 Exploration rights RMB'000	總計 人民幣千元 Total RMB'000
成本	COST				
於2016年1月1日、 2016年12月31日及 2017年1月1日	At 1 January 2016, 31 December 2016 and 1 January 2017	128,512	1,723	80,000	210,235
添置	Additions	-	3,881	-	3,881
收購附屬公司	Acquisition of subsidiary	-	14	-	14
於2017年12月31日	At 31 December 2017	128,512	5,618	80,000	214,130
攤銷及減值	AMORTISATION AND IMPAIRMENT				
於2016年1月1日	At 1 January 2016	51,410	472	40,000	91,882
本年度開支	Charge for the year	10,861	267	-	11,128
於2016年12月31日	At 31 December 2016	62,271	739	40,000	103,010
本年度開支	Charge for the year	10,826	1,162	-	11,988
減值	Impairment	-	-	17,485	17,485
於2017年12月31日	At 31 December 2017	73,097	1,901	57,485	132,483
賬面值	CARRYING VALUES				
於2017年12月31日	At 31 December 2017	55,415	3,717	22,515	81,647
於2016年12月31日	At 31 December 2016	66,241	984	40,000	107,225

17. 無形資產(續)

本集團所有無形資產均向第三方購買。

專有技術及電腦軟件許可證具有確定的可使用年期，並按直線法分別於5年至10年及3年至5年攤銷。

於2012年，本集團以總代價人民幣80,000,000元向第三方收購中國內蒙古自治區兩個礦場的探礦權。本公司董事預測礦場的螢石資源豐富(螢石為本集團製冷劑業務的主要原材料)。收購礦場將使本集團能夠以合理的成本取得穩定的高質量螢石資源供應。

根據中國探礦及採礦權的有關規定，只要勘探仍在進行且已繳納申請費，本集團即可延長探礦權有效期。於2017年10月，本集團成功將探礦權重續兩年延至2019年10月。由於重續探礦權後該兩個礦場的採礦面積縮小，本公司董事認為，於截至2017年12月31日止年度已確認減值人民幣17,485,000元(2016年：零)。

17. Intangible assets (Continued)

All of the Group's intangible assets were acquired from third parties.

Proprietary technologies and computer software licences have definite useful lives and are amortised on a straight-line basis over 5 to 10 years and 3 to 5 years respectively.

During 2012, the Group acquired exploration rights of two mines from third parties in Inner Mongolia Autonomous Region in the PRC for a total consideration of RMB80 million. The directors of the Company expected that the mines are abundant with fluor spar resources, which is a major raw material for the refrigerant business of the Group. The acquisition of the mines will enable the Group to secure a reliable supply of high quality fluor spar resources at a reasonable cost.

According to the regulations on exploration and mining rights in the PRC, the Group can extend the exploration rights as long as the survey is in process and the application fee is submitted. In October 2017, the Group extended the exploration rights for a period of two years till October 2019. Due to decrease in mining areas of the two mines upon renewal of the exploration rights, the directors of the Company considered that impairment of RMB17,485,000 was recognised during the year ended 31 December 2017 (2016: Nil).

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

18. 於聯營公司的權益

18. Interests in associates

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
於中國非上市聯營公司的投資成本	Cost of investments in associates unlisted in the PRC	981	981
應佔收購後(虧損)/溢利，扣除已收股息	Share of post-acquisition (loss)/profits, net of dividends received	19,688	10,297
分階段收購後之公平值收益	Fair value gain upon step acquisition	37,919	–
分階段收購後取消確認	Derecognition upon step acquisition	(57,593)	–
撤銷	Written off	(995)	(995)
		–	10,283

於2017年及2016年12月31日，本集團聯營公司的詳情如下：

The details of the Group's associates at 31 December 2017 and 2016 are as follows:

實體名稱 Name of entity	業務架構形式 Form of business structure	成立國家 Country of establishment	主要營業地點 Principal place of operation	所持股份類別 Class of share held	本集團持有的註冊資本 Registered capital held by the Group		本集團所持投票權比例 Proportion of voting rights held by the Group		主要業務 Principal activity
					2017年 2017	2016年 2016	2017年 2017	2016年 2016	
張家界鑫業房地產開發有限公司 Zhangjiajie Xinye Real Estate Development Co., Ltd.	有限公司 Limited liability company	中國 PRC	中國 PRC	註冊資本 Registered capital	不適用 N/A	44%	不適用 N/A	44%	房地產開發 (附註a) Real Estate Development
赤峰北方東岳新材料發展有限公司 Chifeng North Dongyue New Material Development Co., Ltd.	有限公司 Limited liability company	中國 PRC	中國 PRC	註冊資本 Registered capital	49%	49%	49%	49%	製造及銷售氟石膏混凝土膨脹劑 (附註b) Production and sales of fluorogypsum

18. 於聯營公司的權益(續)

附註：

- (a) 於2016年1月8日，本公司的附屬公司山東東岳聯邦置業有限公司與獨立第三方(作為賣方)訂立協議，以人民幣1元之代價收購張家界鑫業房地產開發有限公司(「張家界」) 44%的股權。張家界在湖南省從事房地產開發業務。本集團持有張家界44%的股權及將投資入賬列為一間聯營公司的權益。應佔張家界收購後溢利視乎投資者實際注資比例而定。因此，2016年本集團應佔張家界收購後溢利乃按44%的基準計算。

於2017年8月21日，本集團進一步收購張家界56%股權，張家界成為本集團的間接全資附屬公司。

- (b) 於2011年2月18日，本公司的附屬公司內蒙古東岳金峰氟化工有限公司與一名獨立第三方訂立協議，成立北方東岳。本集團能夠對北方東岳行使重大影響，因為其有權按照該公司組織章程細則委任該公司五名董事中的兩名。北方東岳已於截至2016年12月31日止年度終止其業務。

所有聯營公司採用權益法於該等綜合財務報表入賬。根據國際財務報告準則編製的財務資料概要載列如下。

張家界

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
總資產	Total assets	N/A 不適用	581,529
總負債	Total liabilities	N/A 不適用	558,159
淨資產	Net assets	N/A 不適用	23,370
本集團應佔淨資產	Net assets attributable to the Group	N/A 不適用	10,283

18. Interests in associates (Continued)

Notes:

- (a) On 8 January 2016, Shandong Dongyue Union Property Co., Ltd., a subsidiary of the Company, entered into an agreement with independent third parties, as vendors, to acquire 44% equity interest in Zhangjiajie Xinye Real Estate Development Co., Ltd. (張家界鑫業房地產開發有限公司) ("Zhangjiajie") at a consideration of RMB1. Zhangjiajie is engaged in real estate development business in Hu Nan. The Group held 44% equity interest in Zhangjiajie and accounted for the investment as interest in an associate. The share of post-acquisition profits of Zhangjiajie depends on the proportion of actual capital contribution by investors. As a result, the Group's share of post-acquisition profits of Zhangjiajie was calculated on a 44% basis in 2016.

On 21 August 2017, the Group further acquired 56% equity interest in Zhangjiajie and Zhangjiajie became an indirect wholly-owned subsidiary of the Group.

- (b) On 18 February 2011, Inner Mongolia Dongyue Peak Fluorine Chemicals Co. Ltd., a subsidiary of the Company, entered into an agreement with an independent third party to establish North Dongyue. The Group is able to exercise significant influence over North Dongyue because it has the power to appoint two out of five directors of that company under the Articles of the Association of that company. North Dongyue has ceased its business during the year ended 31 December 2016.

All of the associates are accounted for using the equity method in these consolidated financial statements. Summarised financial information is set out below and is prepared in accordance with IFRSs.

Zhangjiajie Xinye

18. 於聯營公司的權益(續)

張家界(續)

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
收益	Revenue	-	-
聯營公司擁有人應佔年度溢利	Profit for the year attributable to owner of the associate	21,342	(28,272)
本集團應佔溢利	Group's share of profit	9,391	(12,440)

上述財務資料概要與於聯營公司權益的賬面值的對賬於綜合財務報表內確認：

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
張家界的淨資產	Net assets of Zhangjiajie	N/A 不適用	23,370
本集團於張家界的所有權權益比例	Proportion of Group's ownership interest in Zhangjiajie	N/A 不適用	44%
本集團於張家界權益的賬面值	Carrying amount of the Group's interest in Zhangjiajie	N/A 不適用	10,283
北方東岳的淨資產	Net assets of North Dongyue	-	-
本集團於北方東岳所有權權益比例	Proportion of Group's ownership interest in North Dongyue	49%	49%
本集團於北方東岳權益的賬面值	Carrying amount of the Group's interest in North Dongyue	-	-

19. 可供出售投資

19. Available-for-sale investments

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
非上市股本證券，按成本列賬	Unlisted equity securities, at cost		
– 淄博張店滙通小額貸款有限公司(「張店滙通」)(附註a)	– Zibo ZhangDian Huitong Microfinance Co., Ltd. (“ZhangDian Huitong”) (Note a)	26,703	26,703
– 山東半島藍色經濟投資基金有限公司(「SPOBE」)(附註b)	– Shandong Peninsula Ocean Blue Economic Investment Co., Ltd. (“SPOBE”) (Note b)	74,589	126,256
– 中國民生投資股份有限公司(「中民投」)(附註c)	– China MinSheng Investment Co., Ltd. (“CMIC”) (Note c)	1,000,000	1,000,000
– 泰合資產管理有限公司(「泰和」)(附註d)	– Taihe Asset Management Co. Ltd. (“Taihe”) (Note d)	120,000	–
		1,221,292	1,152,959

上述非上市投資是指於私人實體的股本投資，於報告期末按成本減去減值計量，由於合理公平值的估算範圍比較寬，本公司董事認為其公平值無法可靠計量。

The above unlisted investments represent equity investments in private entities. They are measured at cost less impairment at the end of the reporting period because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

附註：

Notes:

- (a) 張店滙通為在中國成立的私人實體，主要在中國山東省從事借貸業務。本集團於張店滙通持有15%的股本權益，本公司董事認為，人民幣40,000,000元的減值已於截至2016年12月31日止年度確認。
- (b) SPOBE為一間於開曼群島註冊成立的私人實體。SPOBE主要從事投資活動。於截至2011年12月31日止年度，本公司與SPOBE訂立認購協議，認購20,000,000股SPOBE股份，總代價為20,000,000美元(相等於人民幣126,256,000元)，從而持有20,000,000股股份，相當於SPOBE 18.18%的股權。於截至2017年12月31日止年度，本公司自SPOBE收取退回資本約人民幣51,667,000元。

- (a) Zhangdian Huitong is a private entity and was established in the PRC. Zhangdian Huitong is principally engaged in the money lending business in Shandong Province, the PRC. The Group holds 15% of the equity interest in ZhangDian Huitong, the directors of the Company considered that impairment of RMB40 million was recognised during the year ended 31 December 2016.
- (b) SPOBE is a private entity that was incorporated in the Cayman Islands. SPOBE is principally engaged in investment activities. During the year ended 31 December 2011, the Company entered into a subscription agreement with SPOBE to subscribe for 20,000,000 shares in SPOBE at a total consideration of US\$20,000,000 (equivalent to RMB126,256,000) and held 20,000,000 shares which represented 18.18% equity interest in SPOBE. During the year ended 31 December 2017, the Company received capital refund of approximately RMB51,667,000 from SPOBE.

綜合財務報表附註 Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

19. 可供出售投資(續)

附註:(續)

- (c) 中民投為一間於中國成立的私人實體，主要從事股權投資和資產管理。於2014年5月9日，本集團認購中民投1,000,000,000股股份，相當於中民投2%的股權，代價為人民幣1,000,000,000元。
- (d) 泰合為一間於中國成立的私人實體，主要從事(其中包括)資產管理以及中國山東省境內金融企業不良資產批量轉讓業務。本集團與其他合營夥伴成立泰和，其註冊資本為人民幣10,000,000,000元，其中本集團將出資人民幣600,000,000元，佔泰合的註冊資本總額6%。於2017年12月31日，本集團已支付人民幣120,000,000元。

19. Available-for-sale investments (Continued)

Notes: (Continued)

- (c) CMIC is a private entity and was established in the PRC. CMIC is principally engaged in equity investment and assets management. On 9 May 2014, the Group subscribed for 1,000,000,000 shares in CMIC, which represented 2% equity interest in CMIC, at a consideration of RMB1,000,000,000.
- (d) Taihe is a private entity and was established in the PRC. Taihe was principally engaged in interalia, asset management and bulk transfer of non-performing assets of financial enterprises in Shandong Province, the PRC. The Group and other partners established Taihe and the registered capital amount of Taihe was RMB10,000 million, of which the Group will contribute RMB600 million, representing 6% of the total registered capital of Taihe. As at 31 December 2017, the Group has paid RMB120 million.

20. 遞延稅項

為財務報告所作的遞延稅項結餘分析如下：

20. Deferred taxation

The following is an analysis of the deferred tax balances for financial reporting purpose:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
遞延稅項資產	Deferred tax assets	246,398	451,653
遞延稅項負債	Deferred tax liabilities	(92,081)	(58,679)
		154,317	392,974

截至2017年12月31日止年度
For the year ended 31 December 2017

20. 遞延稅項(續)

年內已確認的主要遞延稅項資產(負債)及其變動如下:

20. Deferred taxation (Continued)

The following are the major deferred tax assets (liabilities) recognised and movements thereon for the year:

		中國附屬公司 可供分派溢利	折舊撥備	僱員福利 應計費用	預付租金的 政府補貼	收購合資格 物業、機器 及設備的 稅項抵免	資本化利息	稅項虧損	業務合併 的公平值調整	其他	總計
		Distributable Profits of PRC Subsidiaries	Depreciation allowance	Accrual for employee benefits	Government grants on prepaid lease payments	Tax credit on acquisition of qualified property, plant and equipment	Capitalised interest	Tax losses	Fair value adjustment on business combination	Others	Total
		人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000	人民幣千元 RMB'000
於2016年1月1日	At 1 January 2016	(42,309)	14,822	27,847	47,384	17,500	(3,645)	17,388	-	324,154	403,141
已付股息預扣稅	Dividend withholding tax paid	5,000	-	-	-	-	-	-	-	-	5,000
於損益確認(扣除)計入	(Charge) Credit recognised in Profit or loss	(18,742)	607	10,008	(1,527)	-	1,514	(15,855)	-	8,828	(15,167)
於2016年12月31日	At 31 December 2016	(56,051)	15,429	37,855	45,857	17,500	(2,131)	1,533	-	332,982	392,974
已付股息預扣稅	Dividend withholding tax paid	33,456	-	-	-	-	-	-	-	-	33,456
於損益確認(扣除)計入	(Charge) Credit recognised in Profit or loss	(48,042)	(344)	16,578	(3,257)	-	1,106	91,954	-	(305,978)	(247,983)
收購一間附屬公司	Acquisition of a subsidiary	-	-	-	-	-	-	-	(24,130)	-	(24,130)
於2017年12月31日	At 31 December 2017	(70,637)	15,085	54,433	42,600	17,500	(1,025)	93,487	(24,130)	27,004	154,317

於2017年12月31日，本集團可用作抵銷未來溢利的未動用稅項虧損為人民幣424,842,000元(2016年：人民幣144,154,000元)，已就其中為數人民幣374,876,000元(2016年：人民幣6,133,000元)的虧損確認遞延稅項資產。由於不確定有關集團實體的應課稅溢利是否可用未動用稅項虧損抵扣，所以並無於餘下未動用稅項虧損人民幣49,966,000元(2016年：人民幣138,021,000元)中確認遞延稅項資產。未確認稅項虧損包括虧損人民幣374,876,000元及人民幣49,967,000元，分別將於2021年及2022年屆滿(2016年：人民幣69,096,000元及人民幣37,664,000元將分別於2019年及2020年屆滿)。

At 31 December 2017, the Group had unused tax losses of RMB424,842,000 (2016: RMB144,154,000) available for offset against future profits of which a deferred tax asset has been recognised in respect of RMB374,876,000 (2016: RMB6,133,000) of such losses. No deferred tax asset has been recognised in the remaining unused tax losses of RMB49,966,000 (2016: RMB138,021,000) as it is uncertain whether taxable profit of the corresponding group entities will be available against which the unused tax losses can be utilised. Included in unrecognised tax losses are losses of RMB374,876,000 and RMB49,967,000 that will expire in 2021 and 2022 respectively (2016: RMB69,096,000 and RMB37,664,000 that will expire in 2019 and 2020 respectively).

21. 商譽

21. Goodwill

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
成本	COST		
於1月1日	At 1 January	85,894	85,894
收購附屬公司(附註)	Acquisition of subsidiaries (note)	37,526	–
於12月31日	At 31 December	123,420	85,894

為進行減值測試，人民幣37,526,000元(2016年：零)及人民幣1,354,000元(2016年：人民幣1,354,000元)之商譽已分別分配予三個現金產生單位(現金產生單位)，即四間中國附屬公司：物業開發分部的張家界鑫業房地產開發有限公司(「張家界」)、山東博大房地產開發有限公司(「博大」)、高分子材料分部的華夏神舟及製冷劑分部的東營東岳鹽業有限公司(「東岳鹽業」)。於截至2017年12月31日止年度，本集團管理層確定並未出現任何商譽減值。

物業開發分部

張家界及博大的可收回金額乃根據使用價值計算釐定。計算乃根據管理層已批准的五年期財務預算的預計現金流量及貼現率16.60%得出。五年期以後的現金流量採用3%的穩定增長率推斷。該增長率乃基於相關行業增長預測，且不超過有關行業的平均長期增長率。使用價值計算的其他主要假設乃與(包括預算銷售額及毛利率在內的)現金流量估計有關。該項估計乃基於張家界及博大的過往表現及管理層對市場發展的預測。管理層相信，該等假設可能合理出現的任何變動均不會導致相關附屬公司的賬面總值超過可收回總金額。

For the purpose of impairment testing, goodwill of RMB37,526,000 (2016: Nil) and RMB1,354,000 (2016: RMB1,354,000) have been allocated to three cash generating units (CGUs) representing four PRC subsidiaries, Zhangjiajie Xinye Real Estate Development Co., Ltd., ("Zhangjiajie"), Shandong Boda Real Estate Development Co., Ltd. ("Boda") in the property development segment, Huaxia Shenzhou in the polymers segment and Dongying Dongyue Salt Co., Ltd. ("Dongyue Salt") in the refrigerants segment. During the year ended 31 December 2017, management of the Group determines that there is no impairment of goodwill.

Property development segment

The recoverable amount of Zhangjiajie and Boda has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and a discount rate of 16.60%. Cash flows beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash flows which include budgeted sales and gross margins. Such estimation is based on past performance of Zhangjiajie and Boda and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of related subsidiaries to exceed the aggregate recoverable amount.

21. 商譽(續)

高分子材料分部

華夏神舟的可收回金額乃根據使用價值計算釐定。計算乃根據管理層已批准的五年期財務預算的預計現金流量及貼現率16.60%得出。五年期以後的現金流量採用3%的穩定增長率推斷。該增長率乃基於相關行業增長預測，且不過有關行業的平均長期增長率。使用價值計算的其他主要假設乃與(包括預算銷售額及毛利率在內的)現金流量估計有關。該項估計乃基於華夏神舟的過往表現及管理層對市場發展的預測。管理層相信，該等假設可能合理出現的任何變動均不會導致華夏神舟的賬面總值超過其可收回總金額。

21. Goodwill (Continued)

Polymers segment

The recoverable amount of Huaxia Shenzhou has been determined based on a value in use calculation. That calculation uses cash flow projections based on financial budgets approved by management covering a five-year period and a discount rate of 16.60%. Cash flows beyond the five-year period are extrapolated using a steady 3% growth rate. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry. Other key assumptions for the value in use calculations relate to the estimation of cash flows which include budgeted sales and gross margins. Such estimation is based on past performance of Huaxia Shenzhou and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Huaxia Shenzhou to exceed the aggregate recoverable amount of Huaxia Shenzhou.

22. 存貨

22. Inventories

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
原材料及消耗品	Raw materials and consumables	392,785	323,770
在製品	Work in progress	75,462	67,988
製成品	Finished goods	520,982	319,210
		989,229	710,968

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

23. 作出售用途之物業

23. Properties for sale

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
作出售用途之竣工物業	Completed property for sale	567,927	318,134
作出售用途之在建物業	Property under development for sale	1,238,016	89,086
		1,805,943	407,220

於截至2012年12月31日止年度，本集團管理層決定將位於中國山東省桓台縣的兩塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已於2012年施工。整個項目分為五期，而第一期已於截至2014年12月31日止年度竣工，第二期已於截至2015年12月31日止年度竣工。第三期及第四期已於截至2016年12月31日止年度竣工。餘下一期預計將於未來年度內完工。

During the year ended 31 December 2012, the Group's management decided to develop residential properties on two parcels of lands which are situated in Huantai Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was commenced in 2012. The whole project is divided into five phases and phase 1 was completed during the year end 31 December 2014 and phase 2 was completed during the year ended 31 December 2015. Phase 3 and Phase 4 were completed during the year ended 31 December 2016. The remaining one phase was expected to be completed in the coming years.

於截至2017年12月31日止年度，本集團收購兩間附屬公司，即山東博大房地產開發有限公司(「博大」)及張家界鑫業房地產開發有限公司(「張家界」)，其作出售用途之物業之建設工程如下：

During the year ended 31 December 2017, the Group acquired two subsidiaries, Shandong Boda Real Estate Development Co., Limited. ("Boda") and Zhangjiajie Xinye Real Estate Development Co., Limited. ("Zhangjiajie"), which had the following construction works of properties for sale:

博大

Boda

1. 位於中國山東省張店的一塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已於2012年施工。項目名稱為盛景瀾庭，整個項目分為兩期，第一期已於截至2017年12月31日止年度竣工，而餘下一期預計將於2019年完工。

1. Residential properties on a parcel of land which are situated in Zhangdian Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was commenced in 2012. The project was named Sheng Jing Lan Ting and the whole project is divided into two phases, phase 1 was completed as at the year ended 31 December 2017 and the remaining one phase was expected to be completed in 2019.

23. 作出售用途之物業(續)

博大(續)

2. 位於中國山東省德州的一塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已於2008年施工。項目名稱為盛雅依水苑，整個項目已於截至2017年12月31日止年度竣工。
3. 位於中國山東省德州的一塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已經施工。項目名稱為盛景御園—中央公館，整個項目預計將於2021年完工。
4. 位於中國山東省德州的一塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已經施工。項目名稱為翰林院，整個項目預計將於2022年完工。

張家界

位於中國湖南省張家界的一塊土地開發用作出售用途之住宅物業，且有關開發計劃已獲中國相關部門批准。該建設工程已於2012年施工。項目名稱為瀟湘華府，整個項目分為兩期，第一期第一階段已於截至2017年12月31日止年度竣工，而第一期第二階段及第二期預計將分別於2020年及2023年完工。

於2017年12月31日，作出售用途之在建物業的賬面值約人民幣420,369,000元(2016年：人民幣零元)預期將於報告期末起計十二個月內竣工。

本集團已抵押賬面值約人民幣159,548,000元(2016年：零)的作出售用途之物業，以取得本集團之銀行貸款。

23. Properties for sale (Continued)

Boda (Continued)

2. Residential properties on a parcel of land which are situated in Dezhou Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was commenced in 2008. The project was named Shengya Yishui Yuan and the whole project was completed as at the year ended 31 December 2017.
3. Residential properties on a parcel of land which are situated in Dezhou Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was under projection. The project was named Shengjing Yuyuan-Zhongyang Gongguan and the whole project was expected to be completed in 2021.
4. Residential properties on a parcel of land which are situated in Dezhou Shandong, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was under projection. The project was named Hanlinyuan and the whole project was expected to be completed in 2022.

Zhangjiajie

Residential properties on a parcel of land which are situated in Zhangjiajie Hunan, the PRC for sale and the relevant development plan had been approved by relevant authority in the PRC. The construction work was commenced in 2012. The project was named Xiaoxiang Huafu and the whole project is divided into two phases, part 1 of phase 1 was completed as at the year ended 31 December 2017, the part 2 of phase 1 was expected to be completed in 2020 and phase 2 was expected to be completed in 2023.

At 31 December 2017, the carrying amount of properties under development for sale of approximately RMB420,369,000 (2016: RMBnil) are expected to be completed within twelve months from the end of reporting period.

The Group has pledged properties for sale with carrying amount of approximately RMB159,548,000 (2016: nil) to secure bank loans of the Group.

24. 貿易及其他應收款項

24. Trade and other receivables

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
貿易應收款項	Trade receivables	1,628,794	1,146,024
減：呆賬撥備	Less: allowance for doubtful debts	(3,128)	(25,669)
		1,625,666	1,120,355
原材料預付款	Prepayments for raw materials	43,106	25,851
應收增值稅	Value added tax receivables	27,381	5,629
應收股息	Dividend receivable	35,685	–
按金及其他應收款項	Deposits and other receivables	238,633	57,140
		1,970,471	1,208,975

貿易應收款項包括於2017年12月31日達人民幣1,350,000,000元之應收票據(2016年：人民幣882,106,000元)。

Included in the trade receivables are bills receivable amounting to RMB1,350,000,000 at 31 December 2017 (2016: RMB882,106,000).

本集團給予客戶之貿易應收款項信貸期一般為少於90日，應收票據一般於90日內或180日內到期。根據發票日期(亦與收益確認日期相若)，本集團於報告期末確認之貿易應收款項(扣除呆賬撥備)的賬齡分析呈列如下。

Customers are generally granted with credit period of less than 90 days for trade receivables. Bills receivables are generally due in 90 days or 180 days. The following is an aging analysis of trade receivables, net of allowance for doubtful debts presented based on the invoice date, also approximate the date of revenue recognition, which are recognised by the Group at the end of the reporting period.

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
90日內	Within 90 days	1,095,087	873,868
91日至180日	91-180 days	509,743	209,690
180日以上	Above 180 days	20,836	36,797
		1,625,666	1,120,355

24. 貿易及其他應收款項(續)

在承接任何新客戶前，本集團會調查新客戶的信譽及評估潛在客戶的信貸質素和確定客戶的信用額度。客戶的信用額度和信用評級每年複核兩次。99% (2016年：98%) 未逾期亦未減值之貿易應收款項擁有信譽調查的良好信用評級。本集團視乎客戶合約金額、信用及聲譽提供多種還款期。

本集團之貿易應收款項結餘包括賬面總值為人民幣2,138,000元(2016年：人民幣47,523,000元)之賬款，於報告日為已逾期而本集團並無就其減值虧損作出撥備。本集團並未就此等結餘獲得任何擔保或信用增級。

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
91日至180日	91-180 days	1,150	10,726
181日以上	Over 181 days	988	36,797
		2,138	47,523

由於信貸質素並無顯著變化且本集團認為該等款項仍可收回，本集團未對上述金額計提撥備。本公司董事認為該等款項信貸質素良好。

24. Trade and other receivables (Continued)

Before accepting any new customer, the Group conducts research on the creditworthiness of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. 99% (2016: 98%) of the trade receivables that are neither past due nor impaired have the high ranking record attributable under the research on the creditworthiness. The Group offers various settlement terms which vary depending on the size of contract, credibility and reputation of the customers.

Included in the Group's trade receivable balance are debtors with the aggregate carrying amount of RMB2,138,000 (2016: RMB47,523,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral or credit enhancements over these balances.

Allowance of the above amount has not been made by the Group as there has not been a significant change in the credit quality and the amounts are still considered recoverable. The directors of the Company consider they are in good credit quality.

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

24. 貿易及其他應收款項(續)

呆賬撥備變動

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
年初結餘	Balance at beginning of the year	25,669	2,918
年內(撥回)/撥備	(Reversed)/Provided during the year	(22,541)	22,751
年終結餘	Balance at end of the year	3,128	25,669

以上撥備為被視為不可收回的貿易應收款項的減值。

以相關集團實體的功能貨幣以外的貨幣列值的本集團應收賬款載列如下：

24. Trade and other receivables (Continued)

Movement in the allowance for doubtful debts

The above allowance represents impairment for trade receivables which are considered not recoverable.

The Group's account receivables that are denominated in currencies other the functional currencies of the relevant group entities are set out below:

		美元 千元 US\$ '000	人民幣 千元 RMB '000
於2017年12月31日	As at 31 December 2017	26,959	176,155
於2016年12月31日	As at 31 December 2016	18,093	125,513

25. 委託貸款

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
委託貸款	Entrusted loans	-	30,000

25. Entrusted loans

26. 已抵押銀行存款／銀行結餘及現金

為應付票據、信用證及按揭貸款作抵押的已抵押銀行存款分別為人民幣16,500,000元、人民幣5,204,000元及人民幣11,156,000元(2016年：人民幣85,000,000元、人民幣3,160,000元及人民幣18,540,000元)。

已抵押銀行存款及銀行結餘按浮動利率計息。已抵押銀行存款及銀行結餘於2017年12月31日的加權平均實際利率分別為1.81%(2016年：1.65%)及0.48%(2016年：0.42%)。

以相關集團實體的功能貨幣以外的貨幣列值的本集團銀行結餘載列如下：

26. Pledged bank deposits/bank balances and Cash

Pledged bank deposits amounting to RMB16,500,000, RMB5,204,000 and RMB11,156,000 (2016: RMB85,000,000, RMB3,160,000 and RMB18,540,000) have been pledged to secure the bills payable, letter of credit and mortgage loan, respectively.

Pledged bank deposits and bank balances carry variable interest rates. The weighted average effective interest rates on pledged bank deposits and bank balances as at 31 December 2017 were 1.81% (2016: 1.65%) and 0.48% (2016: 0.42%) respectively.

The Group's bank balances that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

		美元 千元 US\$ '000	人民幣 千元 RMB '000
於2017年12月31日	As at 31 December 2017	31,068	203,005
於2016年12月31日	As at 31 December 2016	67,317	466,911
		港元 千元 HK\$ '000	人民幣 千元 RMB '000
於2017年12月31日	As at 31 December 2017	35,385	29,579
於2016年12月31日	As at 31 December 2016	22,890	20,475

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

27. 貿易及其他應付款項及來自預售物業之已收按金
27. Trade and other payables & deposits received from pre-sale of properties

(a) 貿易及其他應付款項

(a) Trade and other payables

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
貿易應付款項	Trade payables	1,263,298	1,086,516
預收客戶款項	Receipt in advance from customers	161,515	107,609
應付職工薪酬(附註i)	Payroll payable (Note i)	249,871	173,293
物業、機器及設備的應付款項 (附註ii)	Payable for property, plant and equipment (Note ii)	267,703	109,072
其他應付稅項	Other tax payables	137,265	108,939
與物業開發項目有關的其他按金	Other deposits in relation to property development project	58,000	58,000
作出售用途之在建物業的應付施工 成本	Construction cost payables for properties under development for sale	–	191,982
其他應付及應計款項(附註iii)	Other payables and accruals (Note iii)	207,516	115,033
總計	Total	2,345,168	1,950,444

附註：

Notes:

- (i) 於2017年12月31日，應付職工薪酬包括一項為中國附屬公司僱員社保基金撥備人民幣60,503,000元(2016年：人民幣56,869,000元)。撥備金額指本集團中國附屬公司僱員的全數社保基金責任，乃按國家相關社保法規釐定，並按基數乘以社保比率計算。社保基數乃僱員在前一年度平均工資，不得少於當地社保局每年頒佈的下限。
- (ii) 收購物業、機器及設備的應付款項將於機器及設備安裝完成後三個月內支付，並將於年內計入新增在建工程。
- (iii) 其他應付及應計款項包括新收購附屬公司博大應付獨立第三方款項約人民幣62,961,000元。於報告日期，博大結清約人民幣19,105,000元。

- (i) As at 31 December 2017, included in the payroll payable is a provision for social insurance fund for employees of the PRC subsidiaries amounting to RMB60,503,000 (2016: RMB56,869,000). The amount of the provision represents the Group's entire obligation for social insurance fund for employees of PRC subsidiaries and is determined based on the relevant national regulations on social insurance and calculated based on the basic counting unit multiplied by the social insurance rate. The basic counting unit for social insurance shall be the average wages of an employee in the preceding year and shall not be less than the minimum limit promulgated by the local social insurance bureau each year.
- (ii) The payable for acquisition of property, plant and equipment will be settled in three months after the completion of installation of the plant and machinery which is recorded in the addition of construction in progress during the year.
- (iii) Included in other payables and accruals was approximately RMB62,961,000 due by the newly acquired subsidiary, Boda to independent third parties. As at the report date, approximately RMB19,105,000 has been settled.

27. 貿易及其他應付款項及來自預售物業之已收按金(續)

(a) 貿易及其他應付款項(續)

貿易應付款項包括達人民幣42,313,000元(2016年：人民幣201,000,000元)之應付票據。應付票據由本集團的已抵押銀行存款作為抵押。

採購貨品的平均信貸期為90日。本集團已制訂適當財務風險管理政策，以確保所有應付款項於信貸期限內清償。

根據發票日期，貿易應付款項的賬齡分析呈列如下：

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
30日內	Within 30 days	700,218	610,672
31日至90日	31-90 days	414,142	263,635
91日至180日	91-180 days	124,607	158,432
181日至365日	181-365 days	9,073	34,155
1年至2年	1-2 years	7,402	12,194
超過2年	More than 2 years	7,856	7,428
		1,263,298	1,086,516

本集團以相關集團實體之功能貨幣以外之貨幣計值的貿易及其他應付款項載列如下：

		美元 千元 US\$ '000	人民幣 千元 RMB '000
於2017年12月31日	As at 31 December 2017	4,092	26,737
於2016年12月31日	As at 31 December 2016	3,466	24,039

27. Trade and other payables & deposits received from pre-sale of properties (Continued)

(a) Trade and other payables (Continued)

Included in the trade payables are bills payable amounting to RMB42,313,000 (2016: RMB201,000,000). Bills payable are secured by the Group's pledged bank deposits.

The average credit period on purchase of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit timeframe.

The following is an analysis of trade payables by age, presented based on invoice date:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
30日內	Within 30 days	700,218	610,672
31日至90日	31-90 days	414,142	263,635
91日至180日	91-180 days	124,607	158,432
181日至365日	181-365 days	9,073	34,155
1年至2年	1-2 years	7,402	12,194
超過2年	More than 2 years	7,856	7,428
		1,263,298	1,086,516

The Group's trade and other payables that are denominated in currencies other the functional currencies of the relevant group entities are set out below:

		美元 千元 US\$ '000	人民幣 千元 RMB '000
於2017年12月31日	As at 31 December 2017	4,092	26,737
於2016年12月31日	As at 31 December 2016	3,466	24,039

27. 貿易及其他應付款項及來自預售物業之已收按金(續)

(b) 來自預售物業之已收按金

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
來自預售物業之已收按金(附註)	Deposits received from pre-sale of properties (Note)	359,918	98,527

附註：該金額為中國預售物業產生的預收客戶款項。

27. Trade and other payables & deposits received from pre-sale of properties (Continued)

(b) Deposits received from pre-sale of properties

Note: The amount represents the receipt in advance from customers arising from the pre-sale of properties in the PRC.

28. 借貸

28. Borrowings

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
無抵押銀行貸款	Unsecured bank loans	1,738,000	2,689,700
有抵押銀行貸款	Secured bank loans	82,821	40,000
		1,820,821	2,729,700
須於以下期限內償還的賬面值：	Carrying amount repayable:		
1年內	Within one year	1,076,021	1,797,700
多於1年但不超過2年	More than one year, but not exceeding two years	674,800	932,000
多於2年但不超過5年	More than two years, but not more than five years	70,000	–
		1,820,821	2,729,700
減：列於流動負債下的1年內到期款項	Less: amount due within one year shown under current liabilities	1,076,021	1,797,700
1年後到期款項	Amount due after one year	744,800	932,000

28. 借貸(續)

於2017年12月31日，人民幣82,821,000元(2016年：人民幣40,000,000元)的有抵押銀行貸款由本集團賬面總值為人民幣5,337,000元(2016年：人民幣6,048,000元)的樓宇、賬面總值為人民幣2,701,000元(2016年：人民幣2,621,000元)的預付租金以及人民幣159,548,000元(2016年：人民幣零元)的作出售用途之物業作為抵押。該等有抵押銀行貸款按年息4.35%至6.37%(2016年：4.35%至5.22%)計息。

本集團定息借貸風險及合約到期日(或重新定價日)如下：

28. Borrowings (Continued)

As at 31 December 2017, secured bank loans of RMB82,821,000 (2016: RMB40,000,000) were secured by the Group's buildings with the aggregate carrying amount of RMB5,337,000 (2016: RMB6,048,000), prepaid lease payments with the aggregate carrying amount of RMB2,701,000 (2016: RMB2,621,000), and property for sale of RMB159,548,000 (2016: RMBnil). The secured bank loans carry interest at 4.35% to 6.37% (2016: 4.35% to 5.22%) per annum.

The exposures of the Group's fixed-rate borrowings and the contractual maturity dates (or repricing dates) are as follows:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
定息借貸：	Fixed-rate borrowings:		
1年內	Within one year	280,200	458,300
多於1年但不超過2年	In more than one year but not more than two years	76,800	60,000
		357,000	518,300

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

28. 借貸(續)

此外，本集團的浮息借貸如下：

於2017年12月31日 的貸款金額	利率
人民幣1,463,821,000元	標準貸款利率加0%至15% (本年度適用的利率：4.35%至6.37%)
於2016年12月31日 的貸款金額	利率
人民幣2,211,400,000元	標準貸款利率加0%至15% (本年度適用的利率：4.35%至6.46%)

浮動利率根據標準貸款利率及倫敦銀行同業拆息／香港銀行同業拆息變動。標準貸款利率由中國人民銀行頒佈。倘中國人民銀行頒佈的借貸利率變動，則按標準貸款利率計息的借貸利息將重新設定。按倫敦銀行同業拆息計息的借貸利息將於每個季度重新設定及按香港銀行同業拆息計息的借貸利息將於每月重新設定。

利息每3至12個月重新定價。

28. Borrowings (Continued)

In addition, the Group has following variable-rate borrowings:

Loan amount as at 31 December 2017	Interest rate
RMB1,463,821,000	Standard lending rate plus 0% to 15% (current year applied rate: 4.35% to 6.37%)
Loan amount as at 31 December 2016	Interest rate
RMB2,211,400,000	Standard lending rate plus 0% to 15% (current year applied rate: 4.35% to 6.46%)

The variable interest rates change in accordance with the standard lending rate and the LIBOR/HIBOR. The standard lending rate is promulgated by the People's Bank of China. The interest of borrowing at standard lending rate will be reset when there is a change in the borrowing rate promulgated by the People's Bank of China. The interest of borrowings at LIBOR is reset on a quarterly basis and the interest of borrowings at HIBOR is reset on a monthly basis.

Interest is repriced every 3 to 12 months.

28. 借貸(續)

實際利率(亦相等於約定利率)範圍如下：

		2017年 2017	2016年 2016
實際利率：	Effective interest rate:		
定息借貸	Fixed-rate borrowings	4.35% to 5.67% 4.35%至5.67%	4.35% to 6.3% 4.35%至6.3%
浮息借貸	Variable-rate borrowings	4.35% to 6.37% 4.35%至6.37%	4.35% to 6.46% 4.35%至6.46%

以相關集團實體的功能貨幣以外的貨幣列值的本集團借貸載列如下：

於截至2017年12月31日止年度，本集團取得金額為人民幣220,000,000元(2016年：人民幣1,757,700,000元)的新無抵押短期銀行貸款及金額為人民幣698,000,000元(2016年：人民幣932,000,000元)的無抵押長期銀行貸款。

於報告期末，本集團有以下未提取借貸額度：

The ranges of effective interest rates (which are also equal to contracted interest rates) are as follows:

The Group's borrowings that are denominated in currencies other than the functional currencies of the relevant group entities are set out below:

During the year ended 31 December 2017, the Group obtained new unsecured short-term bank loans in the amount of RMB220,000,000 (2016: RMB1,757,700,000) and unsecured long-term bank loans in the amount of RMB698,000,000 (2016: RMB932,000,000).

As at the end of the reporting period, the Group has the following undrawn borrowing facilities:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
於1年內屆滿	Expiring within one year	2,726,000	806,724
超過1年屆滿	Expiring beyond one year	265,000	–
		2,991,000	806,724

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

29. 遞延收入

遞延收入指預收政府補貼，並須符合政府訂立的條件。

年內遞延收入的變動如下：

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
於1月1日	At 1 January	279,982	292,806
添置	Additions	1,120	17,509
轉撥至損益	Release to profit or loss	(28,022)	(30,333)
於12月31日	At 31 December	253,080	279,982

為報告所作的分析如下：

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
即期部分	Current portion	25,359	27,925
非即期部分	Non-current portion	227,721	252,057
		253,080	279,982

29. Deferred income

Deferred income represents government grants received in advanced and subject to fulfillment of conditions set by government.

Movements of deferred income during the year are as follows:

Analysed for reporting purposes as follows:

30. 股本

30. Share capital

		股份數目 千股 Number of shares '000	股本 人民幣千元 Share capital RMB'000
每股0.1港元的普通股 法定：	Ordinary shares of HK\$0.1 each Authorised:		
於2016年1月1日	At 1 January 2016	2,113,391	200,540
購回及註銷股份(附註)	Share repurchased and cancelled (note)	(1,702)	(143)
於2016年12月31日，於2017年 1月1日及於2017年12月31日	At 31 December 2016, at 1 January 2017 and at 31 December 2017	2,111,689	200,397

附註：於截至2016年12月31日止年度，本公司透過香港聯合交易所有限公司購回其本身股份如下：

Note: During the year ended 31 December 2016, the Company repurchased its own shares through The Stock Exchange of Hong Kong Limited as follows:

購回日期	每股0.1港元的 普通股數目	最高 港元	最低 港元	已付總代價 港元
Date of repurchase	No. of ordinary shares of HK\$0.1 each	Highest HK\$	Lowest HK\$	Aggregate consideration paid HK\$
20/1/2016	260,000	1.58	1.58	412,280
21/1/2016	492,000	1.56	1.55	773,484
26/1/2016	950,000	1.51	1.46	1,423,481
	1,702,000			2,609,245

以上股份於購回後註銷。

The above shares were cancelled upon repurchase.

於截至2016年12月31日止年度，已支付總金額2,609,245港元(相等於人民幣2,192,000元)以購回上述股份。

The total amount of HK\$2,609,245, equivalent to RMB2,192,000 was paid to repurchase the above shares during the year ended 31 December 2016.

於截至2016年12月31日止年度，概無本公司附屬公司購買、出售或贖回本公司任何上市證券。

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

31. 以股份支付的款項

本公司首次公開發售前購股權計劃及購股權計劃(「計劃」)乃根據於2007年11月16日通過的決議案而獲採納，其首要目的為獎勵董事及合資格僱員。根據計劃，本公司董事會可向合資格僱員(包括本公司及其附屬公司的董事及僱員)授出購股權以認購本公司股份。

於2017年及2016年12月31日，首次公開發售前購股權計劃下的已授出及尚未行使購股權概無涉及任何股份。

購股權的指定類別詳情如下：

購股權類別	授出日期	歸屬期	行使期	行使價	於授出日期 的公平值
Option type	Date of grant	Vesting period	Exercise period	Exercise price	Fair value at grant date
首次公開發售前購股權計劃：					
Pre-IPO Share Option Scheme:					
購股權計劃：					
Share Option Scheme:					
授予董事的購股權					
Options to directors					
購股權A	1/6/2011	01/06/2011至01/06/2012	01/06/2012至01/06/2016	8.13港元	3.067港元
Option A	1/6/2011	01/06/2011 to 01/06/2012	01/06/2012 to 01/06/2016	HK\$8.13	HK\$3.067
購股權B	1/6/2011	01/06/2011至01/06/2013	01/06/2013至01/06/2016	8.13港元	3.201港元
Option B	1/6/2011	01/06/2011 to 01/06/2013	01/06/2013 to 01/06/2016	HK\$8.13	HK\$3.201
購股權C	1/6/2011	01/06/2011至01/06/2014	01/06/2014至01/06/2016	8.13港元	3.314港元
Option C	1/6/2011	01/06/2011 to 01/06/2014	01/06/2014 to 01/06/2016	HK\$8.13	HK\$3.314
購股權D	1/6/2011	01/06/2011至01/06/2015	01/06/2015至01/06/2016	8.13港元	3.411港元
Option D	1/6/2011	01/06/2011 to 01/06/2015	01/06/2015 to 01/06/2016	HK\$8.13	HK\$3.411

31. Share-based payments

The Company's Pre-IPO Share Option Scheme and Share Option Scheme (the "Schemes") were adopted pursuant to a resolution passed on 16 November 2007 for the primary purpose of providing incentives to directors and eligible employees. Under the Schemes, the board of directors of the Company may grant options to eligible employees, including directors and employees of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2017 and 2016, none of share in respect of which options had been granted and remained outstanding under the Pre-IPO Share Option Scheme.

Details of specific categories of options are as follows:

31. 以股份支付的款項(續)

31. Share-based payments (Continued)

購股權類別	授出日期	歸屬期	行使期	行使價	於授出日期的 公平值
Option type	Date of grant	Vesting period	Exercise period	Exercise price	Fair value at grant date
首次公開發售前購股權計劃： Pre-IPO Share Option Scheme:					
購股權計劃： Share Option Scheme:					
授予僱員的購股權 Options to employees					
購股權E	1/6/2011	01/06/2011至01/06/2012	01/06/2012至01/06/2016	8.13港元	3.067港元
Option E	1/6/2011	01/06/2011 to 01/06/2012	01/06/2012 to 01/06/2016	HK\$8.13	HK\$3.067
購股權F	1/6/2011	01/06/2011至01/06/2013	01/06/2013至01/06/2016	8.13港元	3.201港元
Option F	1/6/2011	01/06/2011 to 01/06/2013	01/06/2013 to 01/06/2016	HK\$8.13	HK\$3.201
購股權G	1/6/2011	01/06/2011至01/06/2014	01/06/2014至01/06/2016	8.13港元	3.314港元
Option G	1/6/2011	01/06/2011 to 01/06/2014	01/06/2014 to 01/06/2016	HK\$8.13	HK\$3.314
購股權H	1/6/2011	01/06/2011至01/06/2015	01/06/2015至01/06/2016	8.13港元	3.411港元
Option H	1/6/2011	01/06/2011 to 01/06/2015	01/06/2015 to 01/06/2016	HK\$8.13	HK\$3.411

下表披露截至2016年12月31日止年度的購股權變動：

The following table discloses the movement of the share options during the year ended 31 December 2016:

購股權類別	Option type	於2016年1月1日 尚未行使 千股	已沒收 千股	於2016年12月31日 尚未行使 千股
		Outstanding at 1.1.2016 '000	Forfeited '000	Outstanding at 31.12.2016 '000
購股權A	Option A	8,000	(8,000)	—
購股權B	Option B	8,000	(8,000)	—
購股權C	Option C	8,000	(8,000)	—
購股權D	Option D	8,000	(8,000)	—
購股權E	Option E	25,975	(25,975)	—
購股權F	Option F	25,975	(25,975)	—
購股權G	Option G	25,975	(25,975)	—
購股權H	Option H	25,975	(25,975)	—
		135,900	(135,900)	—
2016年年終時可行使	Exercisable at the end of the year 2016			—
加權平均行使價	Weighted average exercise price	HK\$8.13 8.13港元		HK\$8.13 8.13港元

32. 承擔

本集團尚未償還的承擔如下：

32. Commitments

The Group had outstanding commitments as follows:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
資本承擔	Capital Commitments		
有關收購物業、機器及設備的資本支出，已訂約但未在綜合財務報表內撥備	Capital expenditure in respect of acquisition of property, plant and equipment contracted for but not provided in the consolidated financial statements	–	14,204
有關作出售用途之物業的資本支出，但未在綜合財務報表內撥備	Capital expenditure in respect of properties for sale but not provided in the consolidated financial statements	219,000	–
有關可供出售投資的資本支出，已訂約但未在綜合財務報表內撥備	Capital expenditure in respect of available-for-sale investments contracted for but not provided in the consolidated financial statements	480,000	–
其他承擔	Other Commitments		
有關作出售用途之在建物業的施工承擔，已訂約但未在綜合財務報表內撥備	Construction commitment contracted in respect of properties under development for sale contracted for but not provided in the consolidated financial statements	230,618	70,681
		929,618	84,885

33. 租賃承擔

本集團作為承租人

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
年內已付經營租賃最低租金付款：			
物業	Minimum lease payments paid under operating leases during the year: Premises	2,717	1,978
租賃土地	Leasehold land	4,437	3,113
		7,154	5,091

於報告期末，本集團根據不可撤銷經營租賃承擔日後最低租金付款，其到期情況如下：

At the end of the reporting date, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
1年內	Within one year	7,431	6,256
第2年至第5年(包括首尾兩年)	In the second and fifth inclusive	26,004	25,024
超過5年	Over five years	42,084	48,339
		75,519	79,619

經營租賃付款主要指本集團就若干土地應付的租金。租約經商討平均為期20年。

Operating lease payments mainly represent rentals payable by the Group for certain lands. Leases are negotiated for an average term of 20 years.

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

34. 關連人士交易

年內，除綜合財務報表所載列者外，本集團曾進行下列關連人士交易：

(a) 購買原材料

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
非控股股東權益	Non-controlling interest	3,651	1,780

(b) 主要管理人員薪酬

年內，董事及其他主要管理人員的酬金如下：

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
短期僱員福利	Short-term employee benefits	42,950	32,892
退休福利	Post-employment benefits	18	5,006
		42,968	37,898

(c) 存放於主要股東的銀行存款及相關利息收入

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
於12月31日的銀行存款金額	Bank deposit amount at 31 December	175,004	–
年內利息收入	Interest income during the year	4	–

34. Related party transactions

Other than set out in the consolidated financial statements, the Group entered into the following related party transactions during the year:

(a) Purchase of raw materials

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
Non-controlling interest		3,651	1,780

(b) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
Short-term employee benefits		42,950	32,892
Post-employment benefits		18	5,006
		42,968	37,898

(c) Bank deposit placed to major shareholder and related interest income

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
Bank deposit amount at 31 December		175,004	–
Interest income during the year		4	–

35. 退休福利計劃

本集團在中國的僱員乃中國各個地方政府營運的國家退休福利計劃的成員。本集團須向計劃供款指定百分比(按薪酬成本計算)，作為有關福利的資金。本集團的唯一責任是對該等計劃作出指定供款。

35. Retirement benefits plans

The employees of the Group in the PRC are members of state-managed retirement benefit schemes operated by the respective local governments in the PRC. The Group is required to contribute a specified percentage of payroll costs to the schemes to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions.

36. 本公司附屬公司詳情

36. Particulars of subsidiaries of the company

附屬公司名稱 Name of subsidiary	註冊成立或登記/ 營運國家 Country of incorporation or registration/ operation	所持股份類別 Class of share held	已發行/註冊繳足股本 Paid up issued/ registered share capital	本公司所持所有權權益比例 Proportion ownership interest held by the Company				本公司所持投票權比例 Proportion of voting power held by the Company		主要業務 Principal activities
				直接 Directly		間接 Indirectly		2017年 2017	2016年 2016	
				2017年 2017	2016年 2016	2017年 2017	2016年 2016			
				%	%	%	%	%	%	
東岳高分子 Dongyue Polymers	中國 PRC	註冊資本 Registered capital	人民幣641,360元 RMB641,360	100.00	100.00	-	-	100.00	100.00	製造及銷售聚四氟乙烯 Manufacture and sale of polytetrafluoroethylene
東岳化工 Dongyue Chemicals	中國 PRC	註冊資本 Registered capital	人民幣340,000元 RMB340,000	-	-	100.00	100.00	100.00	100.00	製造及銷售製冷劑 Manufacture and sale of refrigerant
東岳鹽業 Dongyue Salt	中國 PRC	註冊資本 Registered capital	人民幣80,000元 RMB80,000	-	-	60.00	60.00	60.00	60.00	生產及銷售鹽 Production and sales of salt
東營東岳精細化工有限公司 Dongying Dongyue Precision Chemicals Co., Ltd	中國 PRC	註冊資本 Registered capital	人民幣12,667元 RMB12,667	25.00	25.00	59.21	59.21	84.21	84.21	生產及銷售溴素 Production and sales of bromine
東岳氟硅 Dongyue Fluor-Silicon	中國 PRC	註冊資本 Registered capital	人民幣400,000元 RMB400,000	69.79	69.79	13.43	13.43	83.22	83.22	製造及銷售甲烷氯化物 Manufacture and sales of methane chloride

綜合財務報表附註

Notes to the Consolidated Financial Statements

截至2017年12月31日止年度

For the year ended 31 December 2017

36. 本公司附屬公司詳情(續)

36. Particulars of subsidiaries of the company
(Continued)

附屬公司名稱 Name of subsidiary	註冊成立或登記/ 營運國家 Country of incorporation or registration/ operation	所持股份類別 Class of share held	已發行/註冊繳足股本 Paid up issued/ registered share capital	本公司所持所有權權益比例 Proportion ownership interest held by the Company				本公司所持投票權比例 Proportion of voting power held by the Company		主要業務 Principal activities		
				直接 Directly		間接 Indirectly		2017年 2017	2016年 2016		2017年 2017	2016年 2016
				2017年 2017	2016年 2016	2017年 2017	2016年 2016					
				%	%	%	%	%	%			
				千元 '000								
HongKong TaiLi International Trading Co., Ltd.	香港 HK	註冊資本 Registered capital	100港元 HKD100	100.00	100.00	-	-	100.00	100.00	銷售化工產品 Sale of chemical products		
東岳有機硅 Dongyue Organosilicon	中國 PRC	註冊資本 Registered capital	人民幣650,000元 RMB650,000	84.00	84.00	16.00	16.00	100.00	100.00	製造及銷售有機硅材料 Manufacture and sale of organosilicon material		
內蒙古東岳金峰氟化工有限公司 Inner Mongolia Dongyue Peak Fluorine Chemicals Co., Ltd.	中國 PRC	註冊資本 Registered capital	人民幣70,000元 RMB70,000	-	-	51.00	51.00	51.00	51.00	製造及銷售無水氟化氫 Manufacture and sale of anhydrous fluoride		
赤峰華昇礦產有限公司 Chifeng HuaSheng Mining Co., Ltd.	中國 PRC	註冊資本 Registered capital	人民幣9,000元 RMB9,000	-	-	80.00	80.00	80.00	80.00	製造及銷售螢石 Manufacture and sale of fluorite		
內蒙古東岳氟材料有限公司 Inner Mongolia Dongyue Fluorine Chemicals Co., Ltd.	中國 PRC	註冊資本 Registered capital	人民幣50,000元 RMB50,000	-	-	100.00	100.00	100.00	100.00	製造及銷售螢石 Manufacture and sale of fluorite		
山東東岳汶河氟材料有限公司 Shandong Dongyue Wenhe Fluorine Chemicals Co., Ltd.	中國 PRC	註冊資本 Registered capital	人民幣115,700元 RMB115,700	-	-	51.00	51.00	51.00	51.00	製造及銷售硅橡膠 Manufacture and sale of silicone rubber		

截至2017年12月31日止年度
For the year ended 31 December 2017

36. 本公司附屬公司詳情(續)

36. Particulars of subsidiaries of the company (Continued)

附屬公司名稱 Name of subsidiary	註冊成立或登記/ 營運國家 Country of incorporation or registration/ operation	所持股份類別 Class of share held	已發行/註冊繳足股本 Paid up issued/ registered share capital	本公司所持所有權權益比例 Proportion ownership interest held by the Company				本公司所持投票權比例 Proportion of voting power held by the Company		主要業務 Principal activities
				直接 Directly		間接 Indirectly		2017年 2017	2016年 2016	
			千元 '000	2017年 %	2016年 %	2017年 %	2016年 %	2017年 %	2016年 %	
山東東岳聯邦置業有限公司 (附註a)	中國	註冊資本	人民幣80,000元	-	-	64.00	100.00	64.00	100.00	物業開發
Shandong Dongyue Union Property Co., Ltd. (Note a)	PRC	Registered capital	RMB80,000							Property development
山東博大房地產開發有限公司 (附註c)	中國	註冊資本	人民幣50,000元	-	-	100.00	不適用	100.00	不適用	物業開發
Shandong Boda Real Estate Development Co., Ltd. (Note c)	PRC	Registered capital	RMB50,000				N/A		N/A	Property development
張家界鑫業房地產開發有限公司 (附註c)	中國	註冊資本	人民幣80,000元	-	-	100.00	44.00	100.00	44.00	物業開發
Zhangjiajie Xinye Real Estate Development Co., Ltd. (Note c)	PRC	Registered capital	RMB80,000							Property development
桓台東岳國際貿易有限公司	中國	註冊資本	人民幣5,000元	-	-	100.00	100.00	100.00	100.00	銷售化工產品
Huangtai Dongyue International Trade Co., Ltd.	PRC	Registered capital	RMB5,000							Sale of chemical products
華夏神舟	中國	註冊資本	人民幣10,000元	-	-	100.00	100.00	100.00	100.00	製造及銷售含氟高分子 化學品
Huaxia Shenzhou	PRC	Registered capital	RMB10,000							Manufacture and sale of fluoropolymer

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

36. 本公司附屬公司詳情(續)

36. Particulars of subsidiaries of the company
(Continued)

附屬公司名稱 Name of subsidiary	註冊成立或登記/ 營運國家 Country of incorporation or registration/ operation	所持股份類別 Class of share held	已發行/註冊繳足股本 Paid up issued/ registered share capital	本公司所持所有權權益比例 Proportion ownership interest held by the Company		本公司所持投票權比例 Proportion of voting power held by the Company		主要業務 Principal activities		
				直接 Directly	間接 Indirectly					
			千元 '000	2017年 2017 %	2016年 2016 %	2017年 2017 %	2016年 2016 %			
山東東岳大眾貿易有限公司 (附註b) Shandong Dongyue Mass Trade Co., Ltd. (山東東岳大眾貿易 有限公司) (Note b)	中國 PRC	註冊資本 Registered capital	人民幣20,000元 RMB20,000	-	-	60.00	不適用 N/A	60.00	不適用 N/A	貨物及技術進出口 Import and export of goods and technologies
國鳴投資有限公司(附註b) Guoming Investment Co., Ltd. (國鳴投資有限公司) (Note b)	中國 PRC	註冊資本 Registered capital	人民幣30,000元 RMB30,000	-	-	100.00	不適用 N/A	100.00	不適用 N/A	投資管理 Investment management
山東東岳未來氫能材料有限公司 (附註b) Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd. (山東東岳未來氫能材料有限公司) (Note b)	中國 PRC	註冊資本 Registered capital	人民幣100,000元 RMB100,000	-	-	40.00	不適用 N/A	40.00	不適用 N/A	生產及銷售氫能材料 Production and sales of hydrogen energy materials

於年終，附屬公司概無發行任何債務證券。
所有中國附屬公司均為國內企業。

None of the subsidiaries had issued any debt securities at the end of the year. All the PRC subsidiaries are domestic enterprises.

附註：

Notes:

(a) 山東東岳聯邦置業有限公司於截至2017年12月31日止年度增加非控股股東注資。

(a) Shandong Dongyue Union Property Co., Ltd. has increased capital contribution from non-controlling shareholder during the year ended 31 December 2017.

36. 本公司附屬公司詳情(續)

附註：(續)

- (b) 山東東岳大眾貿易有限公司於2017年9月22日成立。

國鳴投資有限公司的股權已於2017年10月31日轉讓予本集團。

山東東岳未來氫能材料有限公司於2017年12月19日成立。

- (c) 山東博大房地產開發有限公司已由本集團於2017年6月28日收購，成為本集團的間接全資附屬公司。

張家界鑫業房地產開發有限公司已由本集團於2017年8月21日收購，成為本集團的間接全資附屬公司。

36. Particulars of subsidiaries of the company (Continued)

Notes: (Continued)

- (b) Shandong Dongyue Mass Trade Co., Ltd. has been set up on 22 September 2017.

The equity shares of Guoming Investment Co., Ltd. has been transferred to the Group on 31 October 2017.

Shandong Dongyue Future Hydrogen Energy Materials Co., Ltd. has been set up on 19 December 2017.

- (c) Shandong Boda Real Estate Development Co., Ltd. has been acquired by the Group as indirectly wholly owned subsidiary on 28 June 2017.

Zhangjiajie Xinye Real Estate Development Co., Ltd. has been acquired by the Group as indirectly wholly owned subsidiary on 21 August 2017.

綜合財務報表附註

Notes to the Consolidated Financial Statements

截至2017年12月31日止年度

For the year ended 31 December 2017

37. 業務合併

博大

茲提述日期為2017年6月28日的公告，本公司完成對山東博大房地產開發有限公司(「博大」)的收購。博大是一間於山東省從事房地產開發業務的私人實體。完成收購之後，博大自2017年6月28日起成為本公司的間接全資附屬公司。

37. Business combination

Boda

Reference to the announcement on 28 June 2017, the Company completed the acquisition of Shandong Boda Real Estate Development Co., Ltd. ("Boda"), a private entity engaged in real estate development business in Shandong. Following the acquisition, Boda became an indirect wholly-owned subsidiary of the Company since 28 June 2017.

		金額 人民幣千元 Amount RMB'000
收購以下各項的資產淨值：	Net assets acquired of:	
物業、機器及設備	Property, plant and equipment	811
貿易及其他應收款項	Trade and other receivables	103,870
作出售用途之物業	Property for sale	815,637
銀行結餘及現金	Bank balance and cash	1,891
貿易應付款項	Trade payable	(17,251)
應計及其他應付款項	Accrual and other payable	(928,332)
應付稅項	Tax payable	(13,451)
所承擔負債淨額	Net liabilities assumed	(36,825)
收購之商譽	Goodwill on acquisition	36,826
		1
以下列方式支付代價：	Consideration satisfied by:	
現金	Cash	1
收購產生之現金流入淨額	Net cash inflow arising on acquisition	
收購現金及銀行結餘	Cash and bank balances acquired	1,890

37. 業務合併(續)

博大(續)

於截至2017年12月31日止年度，博大向本集團收益貢獻約人民幣6,154,000元，而自收購日期至2017年12月31日止期間向本集團業績貢獻虧損合共約人民幣18,074,000元。倘合併於截至2017年12月31日止年度年初發生，本集團截至2017年12月31日止年度的收益將約為人民幣10,137,137,000元，而截至2017年12月31日止年度的溢利及全面收入總額將約為人民幣1,699,732,000元。

張家界

於2017年8月21日，本公司完成對張家界鑫業房地產開發有限公司(「張家界」)的收購。張家界是一間於湖南省從事房地產開發業務的私人實體。完成收購之後，張家界自2017年8月21日起成為本公司的間接全資附屬公司。

37. Business combination (Continued)

Boda (Continued)

During the year ended 31 December 2017, Boda contributed approximately RMB6,154,000 to the Group's revenue and loss of approximately RMB18,074,000 to the Group's results in aggregate for the period from the date of acquisition to 31 December 2017. Had the combination taken place at the beginning of the year ended 31 December 2017, the Group's revenue for the year ended 31 December 2017 would have been approximately RMB10,137,137,000 and profit and total comprehensive income for the year ended 31 December 2017 would have been approximately RMB1,699,732,000.

Zhangjiajie

On 21 August 2017, the Company completed the acquisition of Zhangjiajie Xinye Real Estate Development Co., Ltd. ("Zhangjiajie"), a private entity engaged in real estate development business in Hunan. Following the acquisition, Zhangjiajie became an indirect wholly-owned subsidiary of the Company since 21 August 2017.

金額
人民幣千元
Amount
RMB'000

收購以下各項的資產淨值：	Net assets acquired of:	
物業、機器及設備	Property, plant and equipment	521
無形資產	Intangible asset	14
貿易及其他應收款項	Trade and other receivables	36,409
作出售用途之物業	Property for sale	417,155
遞延稅項資產	Deferred tax asset	9,247
銀行結餘及現金	Bank balance and cash	42,820
貿易應付款項	Trade payable	(2,728)
應計及其他應付款項	Accrual and other payable	(267,096)
銀行借貸	Bank borrowing	(78,000)
應付稅項	Tax payable	(3,320)
遞延稅項負債	Deferred tax liability	(24,129)

綜合財務報表附註
Notes to the Consolidated Financial Statements

截至2017年12月31日止年度
For the year ended 31 December 2017

37. 業務合併(續)

張家界(續)

37. Business combination (Continued)

Zhangjiajie (Continued)

		金額 人民幣千元 Amount RMB'000
收購資產淨值	Net assets acquired	130,893
收購之商譽	Goodwill on acquisition	700
		131,593
以下列方式支付代價：	Consideration satisfied by:	
現金	Cash	74,000
於聯營公司投資之公平值	Fair value of investment in associate	57,593
		131,593
收購產生之現金流出淨額：	Net cash outflow arising on acquisition:	
已付現金	Cash paid	74,000
收購之現金及銀行結餘	Cash and bank balances acquired	(42,820)
		31,180

於截至2017年12月31日止年度，張家界向本集團收益貢獻約人民幣83,881,000元，而自收購日期至2017年12月31日止期間向本集團業績貢獻虧損合共約人民幣9,246,000元。倘合併於截至2017年12月31日止年度年初發生，本集團截至2017年12月31日止年度的收益將約為人民幣10,348,547,000元，而截至2017年12月31日止年度的溢利及全面收入總額將約為人民幣1,679,391,000元。

During the year ended 31 December 2017, Zhangjiajie contributed approximately RMB83,881,000 to the Group's revenue and loss of approximately RMB9,246,000 to the Group's results in aggregate for the period from the date of acquisition to 31 December 2017. Had the combination taken place at the beginning of the year ended 31 December 2017, the Group's revenue for the year ended 31 December 2017 would have been approximately RMB10,348,547,000 and profit and total comprehensive income for the year ended 31 December 2017 would have been approximately RMB1,679,391,000.

38. 本公司財務狀況表概況

38. Summarised statement of financial position of the Company

		2017年 人民幣千元 2017 RMB'000	2016年 人民幣千元 2016 RMB'000
於附屬公司的投資	Investments in subsidiaries	1,524,547	1,524,547
可供出售投資	Available-for-sale investments	74,589	126,256
銀行結餘及現金	Bank balances and cash	85,707	36,324
其他流動資產	Other current assets	134,425	219
其他流動負債	Other current liabilities	(9,583)	(7,532)
		1,809,685	1,679,814
股本	Share capital	200,397	200,397
儲備(附註)	Reserves (Note)	1,609,288	1,479,417
		1,809,685	1,679,814

經董事會於2018年3月29日批准及授權刊發。

Approved and authorised for issue by the board of directors on 29 March 2018.

張建宏
Zhang Jianhong
董事
Director

張哲峰
Zhang Zhefeng
董事
Director

綜合財務報表附註

Notes to the Consolidated Financial Statements

截至2017年12月31日止年度

For the year ended 31 December 2017

38. 本公司財務狀況表概況(續)

附註：

儲備變動：

		股份溢價 人民幣千元 Share premium RMB'000	購股權儲備 人民幣千元 Share option reserve RMB'000	資本儲備 人民幣千元 Capital reserve RMB'000	保留盈利 人民幣千元 Retained earnings RMB'000	總計 人民幣千元 Total RMB'000
2016年1月1日結餘	Balance at 1 January 2016	1,226,972	391,844	200,344	(375,505)	1,443,655
年內溢利及全面收入 總額	Profit and total comprehensive income for the year	-	-	-	37,810	37,810
購股權失效	Lapsed of share options	-	(391,844)	-	391,844	-
購回及註銷股份	Shares repurchased and cancelled	(2,048)	-	-	-	(2,048)
2016年12月31日結餘	Balance at 31 December 2016	1,224,924	-	200,344	54,149	1,479,417
年內溢利及全面收入 總額	Profit and total comprehensive income for the year	-	-	-	403,799	403,799
已付股息	Dividends paid	-	-	-	(273,928)	(273,928)
2017年12月31日結餘	Balance at 31 December 2017	1,224,924	-	200,344	184,020	1,609,288

38. Summarised statement of financial position of the Company (Continued)

Note:

Movement in the reserves:

39. 批准綜合財務報表

董事會於2018年3月29日批准及授權刊發綜合財務報表。

39. Approval of the consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the board of directors on 29 March 2018.

五年財務概要

Five-Year Financial Summary

資產及負債

Assets and liabilities

於12月31日

As at 31 December

		2013年 人民幣千元 2013 RMB'000	2014年 人民幣千元 2014 RMB'000	2015年 人民幣千元 2015 RMB'000	2016年 人民幣千元 2016 RMB'000	2017年 人民幣千元 2017 RMB'000
資產總額	Total Assets	10,032,631	12,003,560	11,500,728	10,865,117	12,277,964
負債總額	Total Liabilities	(4,521,803)	(6,105,756)	(6,428,353)	(5,178,866)	(4,965,553)
		5,510,828	5,897,804	5,072,375	5,686,251	7,312,411
本公司擁有人應佔權益	Equity attributable to Owners of the Company	5,266,849	5,640,807	4,801,539	5,388,008	6,709,732
非控股股東權益	Non-controlling interests	243,979	256,997	270,836	298,243	602,679
		5,510,828	5,897,804	5,072,375	5,686,251	7,312,411

財務業績

Financial results

截至12月31日止年度

Year ended 31 December

		2013年 人民幣千元 2013 RMB'000	2014年 人民幣千元 2014 RMB'000	2015年 人民幣千元 2015 RMB'000	2016年 人民幣千元 2016 RMB'000	2017年 人民幣千元 2017 RMB'000
收益	Revenue	6,782,814	7,599,696	7,032,486	7,969,773	10,137,137
銷售成本	Cost of sales	(5,686,752)	(6,383,611)	(5,863,519)	(6,328,718)	(7,072,865)
毛利	Gross profit	1,096,062	(1,216,085)	1,168,967	1,641,055	3,064,272
其他收入	Other income	178,186	290,501	343,949	186,667	225,467
分銷及銷售開支	Distribution and selling expenses	(253,976)	(251,209)	(251,284)	(283,058)	(313,959)
行政開支	Administrative expenses	(298,483)	(289,791)	(261,116)	(387,610)	(656,333)
可供出售投資減值	Impairment of available-for-sale investments	-	-	-	(42,324)	-
無形資產減值	Impairment of intangible assets	-	-	(40,000)	-	(17,485)
撇銷資產	Assets written off	-	-	(1,478,200)	-	-
研究及開發開支	Research and development expenses	(71,668)	(73,398)	(69,797)	(73,947)	(94,609)
融資成本	Finance costs	(89,065)	(201,441)	(208,663)	(166,229)	(112,890)
應佔聯營公司業績	Share of results of associates	445	283	(573)	(12,440)	47,310
除稅前溢利	Profit before tax	561,501	691,030	(796,717)	862,114	2,141,773
所得稅開支	Income tax expense	(124,275)	(194,034)	115,780	(246,648)	(459,974)
本年度溢利及全面收入總額	Profit and total comprehensive income for the year	437,226	496,996	(680,937)	615,466	1,681,799
下列各方應佔溢利及全面收入 (開支)總額：	Profit and total comprehensive income (expense) attributable to:					
本公司擁有人	Owners of the Company	465,898	483,276	(690,479)	588,154	1,601,397
非控股股東權益	Non-controlling interests	(28,672)	13,720	9,542	27,312	80,402
		437,226	496,996	(680,937)	615,466	1,681,799

註冊辦事處

Vistra (Cayman) Limited
P.O Box 31119
Grand Pavillion, Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

Registered office

Vistra (Cayman) Limited
P.O Box 31119
Grand Pavillion, Hibiscus Way
802 West Bay Road
Grand Cayman, KY1-1205
Cayman Islands

中國總辦事處及主要營業地點

中國
山東省
淄博市
東岳氟硅材料產業園

Head office and principal place of business in the PRC

Dongyue International Fluoro
Silicone Material Industry Park
Zibo City
Shandong Province the PRC

香港主要營業地點

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告士打道151號
資本中心
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Principal place of business in Hong Kong

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網址

www.dongyuechem.com

Website address

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董事

執行董事

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

Directors

Executive directors

Mr. ZHANG Jianhong (*Chairman and Chief Executive Officer*)
Mr. FU Kwan
Mr. LIU Chuanqi
Mr. ZHANG Zhefeng (*Vice President and Chief Financial Officer*)
Mr. ZHANG Bishu
Mr. ZHANG Jian

獨立非執行董事

丁良輝先生
楊曉勇先生
岳潤棟先生

Independent non-executive directors

Mr. TING Leung Huel, Stephen
Mr. Yang Xiaoyong
Mr. YUE Rundong

公司秘書

鍾德麗女士

Company secretary

Ms. Chung Tak Lai

授權代表

傅軍先生
鍾德麗女士

Authorized representatives

Mr. FU Kwan
Ms. CHUNG Tak Lai

審核委員會

丁良輝先生(主席)
楊曉勇先生
岳潤棟先生

Audit committee

Mr. TING Leung Huel, Stephen (Chairman)
Mr. YANG Xiaoyong
Mr. YUE Rundong

薪酬委員會

楊曉勇先生(主席)
丁良輝先生
張建宏先生

Remuneration committee

Mr. YANG Xiaoyong (Chairman)
Mr. TING Leung Huel, Stephen
Mr. ZHANG Jianhong

提名委員會

張建宏先生(主席)
丁良輝先生
楊曉勇先生

Nomination committee

Mr. ZHANG Jianhong (Chairman)
Mr. TING Leung Huel, Stephen
Mr. YANG Xiaoyong

企業管治委員會

張建宏先生(主席)
劉傳奇先生
張必書先生

Corporate Governance Committee

Mr. ZHANG Jianhong (Chairman)
Mr. LIU Chuanqi
Mr. ZHANG Bishu

風險管理委員會

丁良輝先生(主席)
楊曉勇先生
岳潤棟先生

Risk Management Committee

Mr. Ting Leung Huel, Stephen (*Chairman*)
Mr. Yang Xiaoyung
Mr. Yue Rundong

股份過戶登記總處

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Cayman Islands

Principal share registrar and transfer office

SMP Partners (Cayman) Limited
Royal Bank House
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Grand Cayman KY1-1110
Cayman Islands

香港股份過戶登記分處

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Zibo Shandong Province PRC

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Investor relations consultant

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Sheung Wan, Hong Kong

核數師

開元信德會計師事務所有限公司
執業會計師

Auditors

Elite Partners CPA Limited
Certified Public Accountants

外部法律顧問

諾頓羅氏富布萊特香港
貝克·麥堅時律師行，香港

External legal advisor

Norton Rose Fulbright Hong Kong
Baker & McKenzie Hong Kong

股份代號

189

Stock code

189

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