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EcoGreen International Group Limited

中怡國際集團有限公司

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock code: 2341; Website: www.ecogreen.com)

(股份代號：2341；網址：www.ecogreen.com)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

截至二零一九年十二月三十一日止之
全年業績公佈

FINANCIAL HIGHLIGHTS

財務摘要

(All amounts in RMB million unless otherwise stated)

(除另有指名者外，所有款額以百萬元人民幣列值)

		2019 二零一九年	2018 二零一八年	Change 變動
Revenue	收入	2,423	2,198	+10%
Gross profit	毛利	520	532	-2%
Operating profit	經營溢利	367	416	-12%
EBITDA	未扣除利息、稅項、折舊及攤銷前盈利	483	462	+5%
Adjusted EBITDA*	經調整未扣除利息、稅項、折舊及攤銷前盈利*	445	476	-7%
Profit for the year attributable to owners of the Company	本公司持有人年度利潤			
– Reported profit for the year	– 年度賬面利潤	230	215	+7%
– Non-GAAP underlying profit for the year**	– 非公認會計原則之年度基本利潤**	257	285	-10%
Basic earnings per share (RMB cents)	每股基本盈利(人民幣分)			
– Based on reported profit for the year	– 以年度賬面利潤計算	29.67	27.78	+7%
– Based on Non-GAAP underlying profit for the year**	– 以非公認會計原則之年度基本利潤計算**	33.13	36.74	-10%
Final dividend per share (HK cents)	每股末期股息(港幣仙)	4.8	4.1	+17%
Net asset value per share (RMB)	每股資產淨值(人民幣)	2.96	2.70	+10%

* Details of the adjusted EBITDA is set out in Note 2.

** Non-GAAP financial measures were adopted in order to have more clearly illustration of the financial results by excluding the impact of net foreign exchange loss of RMB26.86 million (2018: RMB69.48 million) on financing activities for the year ended 31 December 2019.

These unaudited non-GAAP financial measures should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with Hong Kong Financial Reporting Standard ("HKFRS"). Please see "Non-GAAP Financial Measures" as set out on page 13 for details.

* 經調整之未扣除利息、稅項、折舊及攤銷前盈利的詳情載於附註2。

** 藉排除於二零一九年十二月三十一日止年度之財務活動內的淨匯兌損失共人民幣2,686萬元(二零一八年：人民幣6,948萬元)，非公認會計原則財務計量之採用以更清晰呈列財務業績。

該等未經審核非公認會計原則財務計量應被視為根據香港財務報告準則編製的本公司財務業績的補充分析而非替代計量。詳情請參閱載於第13頁之「非公認會計原則財務計量」。

CHAIRMAN'S STATEMENT

Review

On behalf of the board of directors (the "Board"), I would like to report the annual results of the Group for the year ended 31 December 2019 (the "Year") to the shareholders. During the Year, the Group's turnover rose by 10% to approximately RMB2,423 million. Reported profit for the year attributable to owners of the Company increased by 7% to RMB230 million. Earnings before interest, taxes, depreciation and amortization ("EBITDA") increased by 5% to RMB483 million. Basic earnings per share for the Year amounted to RMB29.67 cents (2018: RMB27.78 cents).

In appreciation of the shareholders' support, the Board resolved to declare a final dividend of HK4.8 cents per share for the Year, which is subject to the shareholders' approval at the forthcoming annual general meeting (the "AGM") of the Company. The proposed final dividend and the interim dividend of HK1.7 cents would bring the total dividend per share for the Year to HK6.5 cents (2018: HK5.6 cents).

The year 2019 was a year of turmoil. In the first half of the year, with the continuing economic recovery in the US and Europe, the global consumption of necessity goods and related businesses maintained a growth momentum. China's "supply-side structural reform" and new environmental policies have contributed to survival of the fittest in the supply chain and the thriving external demand, all of which drove the Group's surging businesses. In the second half of the year, with the escalating international trade conflicts, rising transaction risks and costs, the global supply chain was faced with different degrees of challenges and disruptions. In the environment full of risks and opportunities, the Group faced with various challenges in its operation. Grasping the market opportunities, the Group positioned itself as a reliable supplier of "safe production, stable supply and superb quality" and continued to gain trust and recognition from both new and old clients. Sales quantity and product types considerably increased

主席報告書

回顧

本人謹代表董事會，向各股東報告本集團截至二零一九年十二月三十一日止年度之業績。年內，集團營業額約為24.23億元人民幣，與二零一八年相比上升10%；本公司股東應佔賬面利潤為人民幣2.30億元，較去年上升7%。未扣除利息、稅項、折舊和攤銷前盈利(「EBITDA」)為人民幣4.83億元，較二零一八年同比上升5%，而本年度每股基本盈利為人民幣29.67分(二零一八年：人民幣27.78分)。

為了回報廣大股東的支持，董事會建議宣派本年度末期股息每股港幣4.8仙，惟須待股東於應屆股東周年大會批准。連同中期股息每股港幣1.7仙，本年度的股息分派總額為每股港幣6.5仙(二零一八年：每股港幣5.6仙)。

二零一九年仍然是一個動蕩的年份。上半年，全球經濟在歐美的持續復甦之下，消費必需品等業務仍保持著增長的勢頭，中國經濟在厲行「供給側改革」以及環保新政之餘，供應鏈的汰劣留良和外部需求的旺盛，使得本集團的業務保持了較為強勁的勢頭。進入下半年後，隨著國際貿易磨擦的升級，交易風險和成本的上升，全球供應鏈受到了不同程度的挑戰和衝擊。在風險和機會並存的環境中，本集團在經營上經受了各種挑戰，把握住市場機會，以一個「安全生產、穩定供應、優良品質」可靠供應商的夥伴身份，繼續贏

and all the three main businesses recorded growth. At the same time, the strategic development and construction of the new production bases in Gulei and Changtai have made concrete progresses.

Entering the new year of 2020, although unfortunately China was impacted by the epidemic of the era, the novel coronavirus pneumonia (COVID-19), at the end of January and has been through a historic anti-epidemic spiral, the Group was fully supported by the local government and both joint hand-in-hand to triumph in the first phase of anti-epidemic work. The Group has implemented and executed stringent anti-epidemic measures regulated by the Chinese government, ensuring staff safety and normal production. In early February, the Group successfully commenced and completed on schedule the yearly maintenance and technological advancement project in Haicang, and full resumption of work has been commenced on 6 March 2020. The raw materials and finished products pre-stored for the yearly maintenance and technological advancement have guaranteed stable supply to clients during the suspension of production in the anti-epidemic work. While the epidemic is mitigated in mainland China, the Group has immediately and successfully resumed work, successfully providing a stable supply to its clients in China and worldwide.

As a leading fine chemicals enterprise in the international market, even though the operation of its two main businesses, "Scent & Taste" and "Specialties" faced heightened challenges in China due to the new environmental policies, the Group continued to be the role model in green measures within the industry in mainland China resulting from its business advancements and strict operational standards over the years. The Group's Haicang production base was honoured with "Green Factory" by the country's Ministry of Industry and Information Technology and was the only green chemicals production enterprise in Fujian Province awarded with this certification. Meanwhile, the Group as a whole was awarded by Hong Kong's Green Council for the "Corporate Green Governance Award" in 2019. All these honours commended the Group's dedication and efforts on green and safety measures over the years, and recognized the Group's corporate mission of "Ecogreen and Ecofriendly" and "Commitment to bringing health and well-being to the globe". These achievements enhanced the strong vitality of the Group's sustainable development and compliance to safety production, and at the same time offered new opportunities for the enterprise's future expansion of green operation and financing.

得新老客戶的信任和認同，產品銷售的數量和品類有了可喜的增加，三大類業務均錄得增長。同時，在古雷、長泰兩個新產區的策略性發展和建設上也取得了堅實的進步。

進入二零二零新年之初，儘管中國不幸地首先在1月底遭受到新冠肺炎之世紀疫情影響，全國經歷了一場歷史性的抗疫風暴，本集團在當地政府的全力支持下，上下一心，取得了防疫抗疫第一階段的勝利，並嚴格實施及執行中國政府規定的一切相關防疫措施，以保證員工安全和生產正常。本集團於二月上旬順利開啟並按時完成海滄年度大修及技改項目，並在三月六日開始了全面的復產。為年度大修及技改預先儲備的原料和產成品，在停產抗疫期間保障了客戶的供應。在內地疫情舒緩後，本集團的極速和順利復工，亦為中國以及全球客戶提供了穩定的供應。

作為一家國際市場具領先地位的精細化工企業，本集團的香原料及特殊化學品兩大業務的經營在中國經受了嚴厲的環保新政的考驗，經過連年的業務精進和嚴謹經營，在環保方面繼續成為國內的同行樣板。本集團的海滄廠區，在二零一九年獲得了國家工信部頒發「綠色工廠」的認證，這是福建省內唯一一家獲得該項認證的化工類綠色製造企業。同時，本集團作為一個整體，還獲得了香港環保促進會的二零一九年度「綠色企業大獎」。所有這些榮譽是對本集團多年來在環保、安全上用心和努力的嘉許，也是對了本集團力行之「Ecogreen, Eco-friendly」「愛地球，愛眾生」企業宗旨的認同！這些成績，提升了本集團在可持續性發展和安全合規生產上的強大生命力，同時也為企業在未來拓展綠色經營和融資提供了新的機會。

In its core business, the Group's "Scent & Taste" business had an outstanding performance during the Year. The petroleum-based aroma chemical products recorded growth in both the price and sales volume. The sales volume of the naturals-based products also recorded growth despite its fluctuating price. The total sales revenue in "Scent & Taste" business increased by 12% year-on-year, mainly attributable to the growth in global demands, integrating global supply chain, and the continuous supply shortage of various aroma chemical products in the first half of 2019 due to serious safety incidents of overseas major peers in 2018. In such operation background, the Group effectively increased the composite production output through powerful measures such as timely increase in production capacity, expansion of outsourced production and technological advancements. The Group will continue to advance its "Scent & Taste" business with stringent quality control and guaranteed supply, striving to be the leading "Scent & Taste" total solutions supplier in the global market.

In its "Naturals" business, the Group produces three major categories of products, namely natural food ingredients, natural essential oil, and natural extracts. During the Year, the three sub-business segments as a whole recorded steady growth of 3% in revenue. Among them, the sales of seafood extract (fresh oysters) products recorded over 70% growth and the Group has become the largest supplier to China's largest soy sauce manufacturing enterprise. Many of the products within the categories of natural food ingredients and natural extracts also fall into the "Taste" business, which can tailored-made clients' various demand on "Taste" products with differentiated solutions, together with the "Taste" products in the Group's synthetic scent product category. Upon completion of Phase II upgrade of Changtai production base in 2020, the "Naturals" business will be equipped with new production facilities and capacity. The Phase II Changtai production base will replace the existing Xinglin Plant and will be upgraded to be a new plant of larger scale to meet the food production standards of the "SC" certificate, and thus providing key ingredients of taste and nutrition to frozen food, fast food and pet nutrition food industries. During the Year, the upgrade project of Changtai has been successfully planned and has started to be implemented. The natural essential oil production line was officially put into operation on 5 March 2020, while the food ingredient production will commence operation in the third quarter of 2020. The sales of natural extracts will be multiplied in the next three years after putting the new production lines into operation.

核心業務方面，「芳香和味道」類別的業務在回顧年內表現優秀。以石油基為原料的香原料產品在量價上均獲得增長，而以天然基為原料的產品儘管價格較為波動但銷售數量仍獲得提升，全年總體銷售收入比二零一八年增加了12%，主要是得益於環球需求增長、全球供應鏈的整合、和國外主要同業在二零一八年因重大安全事故導致多類香原料產品供應短缺，並在二零一九上半年持續。在這樣的經營背景下，本集團通過及時的調增產能、擴大外聯生產、技術升級等有力舉措，有效地增加了集團的綜合產出。本集團將會在「芳香」及「味道」上持續精進，嚴控品質、確保供應，致力成為一家全球市場領先的「芳香和味道」綜合供應商。

在「天然產物」業務上，本集團的產品包含了「天然食品配料」、「天然精油」與「天然提取物」三組類別。年內，三組業務綜合錄得穩定的增長3%。其中，蠔汁產品業績增長超過70%，並已成為中國最大的蠔油製造企業的最大供應商。天然食品配料和天然提取物類別中很多的產品也是「味道」組分，它們可與本集團合成香原料類別中的「味道」產品同時為不同客戶在「味道」方面的需求提供差異性的解決方案。在長泰廠區第二期二零二零年完成後，天然產物業務將會獲得全新的生產裝置和產能，以替代現有的杏林工廠，並升級為更大規模符合食品規範SC認證的新廠房，為冷凍食品、快餐、寵物營養食品等產業提供關鍵的味道及營養組分和配料。年內，長泰的升級改造項目順利通過了規劃和開始實施，其中天然植物精油生產線於二零二零年三月五日正式投料生產，而食品配料生產車間也將於二零二零年第三季度中投用，預期在新生產線全部落成投產後，天然提取物在未來三年將獲業務倍增。

In its “Specialities” business, the Group has drawn a new blueprint for the business development in Gulei Chemical Industrial Park. Gulei, as the Group’s largest business project and value investment, will be constructed and put into operation in different phases. The Group has planned to invest RMB1.5 billion in Phase I Gulei. As at the end of 2019, construction of the storage tanks and main facilities have been completed and the essential equipment in the main units has been properly installed. Installation of all equipment is planned to be completed in the second quarter of 2020, and trial production is planned to start in the third quarter of the year. Hydrogenated hydrocarbon resin, which is highly favored in the market, will be produced in Phase I to provide key components to the newly emerging daily consumption necessities.

The Group carried out its major strategic planning in Gulei Chemical Industrial Park to adapt itself to the upcoming changes in the global economy, and to meet China’s new environmental policies. The industrial park will also enable the Group to fully capitalize on the integrated supply chain for oil refinery and petrochemical business and the technological advancement, so that it can better meet the changes in the industries demand. It will do so by optimising the product mix of aroma chemicals and functional materials for international and domestic markets, thus achieving synergy between the supply chains for natural and petroleum-based resources. Among the different planned phases, Phase I Gulei will mainly focus on the production of the new functional materials product – hydrogenated hydrocarbon resin. Meanwhile, several production facilities will be built to produce new functional chemicals and new product portfolio under “Scent & Taste”. The Group will thereby achieve higher level of synergies in its business resources and technologies, for building and actualizing the multi-industries development in Gulei. Gulei production base will become the Group’s core production base that drives its future robust business development and rapid business expansion. Although Phase I Gulei will not be able to completely meet the planned progress to begin operation on 1 June 2020, with the sprint in the last quarter of 2019, it is with good foundation to be completed and put into operation for hydrogenated hydrocarbon resin in the third quarter of 2020.

在「特殊化學品」上，本集團在古雷化工園區規劃了一個全新的產業發展藍圖。古雷是本集團發展史上最大的產業項目和價值投資，將分期進行建設和投產。古雷第一期計劃投資十五億人民幣。到二零一九年底為止，罐區及主要配套的工程已經完成，主車間的重要設備已經安裝到位，計劃在二零二零年第二季度完成所有設備設施的安裝，第三季度開始試生產。第一階段的產品是市場需求強盛的氫化石油樹脂，為新興的日用消費必需品提供關鍵組分。

本集團在古雷化工園區的佈局，是因應全球未來經濟格局變化的一項重大策略性產業決策。考慮了中國環保新政的要求，充分利用了大型石化園區煉化一體化的供應鏈優勢，結合技術的進步和行業需求的變化，優化國際與內銷市場產品結構組合，突出了集團在天然基資源與石油基資源供應鏈協同下的「香原料產業與功能材料產業的發展戰略」。在分期規劃中，古雷第一期的重點是推出新的「功能材料」類產品-氫化石油樹脂。同時，建設多組生產裝置，製造新的功能化學品以及「芳香及味道」的新產品組合。由此，本集團將在更高水準上實現資源與產業的協同發展。基於資源和技術協同的多產業整合發展計劃也將在古雷逐步實現，古雷廠區將被打造成本集團未來的產業發展、業務快速擴張之核心產業基地。雖然，古雷一期在進度上未能完全按照預期於二零二零年六月一日達成中交投產，但經二零一九年最後一季的衝刺，已為二零二零年第三季度完成氫化石油樹脂的建成投產奠定了良好的基礎。

OUTLOOK

2020 is a year of grand challenges globally. Global economy and society are now facing huge disruptions. Apart from the escalating China-US trade conflicts and geopolitical frictions, the unexpected global outbreak of novel coronavirus pneumonia epidemic in the beginning of the year has caused immense setbacks for the lives and properties in many countries worldwide. It has paused global production and supply on a large scale, leading to a sharp devaluation in various assets and the financial market turmoil, making it a catastrophe to human. Due to the serious impact brought about by the epidemic, it is expected that the global operating environment in 2020 will be considerably harsh. For corporate and business owners, it will be a huge challenge for them to overcome the disruptions caused by the epidemic. Fortunately, governments of various countries has been proactively putting huge resources and financial support to combat the epidemic, help the people and stimulate the economy in order to prevent or mitigate economic depression globally. The Group has also been proactively dedicating itself to the anti-epidemic work and resumption of production, so as to overcome the difficulties and to realise the Group's plans to resuming work and production and supplying to clients in the fastest and most precise way.

The Group's major production bases and operation are in Fujian Province, China. Currently, China is the fastest country overcoming the epidemic, and Fujian Province is a region with less severe impacts. Led by the management team and with the effort of all members, the Group has successfully commenced and completed on schedule the yearly maintenance and technological advancement for expanded production in Haicang Plant on 10 February 2020 and resumption of work has been commenced on 6 March 2020. Its production, construction and research and development have basically been resumed to the level before the epidemic. The Group's products are mainly key components to daily necessities, including washing agents, disinfectants, deodorants, food and personal hygiene products, which are in the elementary industry of anti-epidemic work. Amid the epidemic, demands for products of washing agents and disinfectants indeed showed a rising trend, and thus all of the Group's downstream clients of daily chemicals remained to have comprehensive production and operation as well as robust demands on raw materials. The Group will make the greatest effort to enhance its safety and green management as well as its production capacity and efficiency of core procedures, while integrating the anti-epidemic work. In a turbulent operating environment, the Group turning crisis into opportunity, by providing key support to the global anti-epidemic work, restoration of industry businesses and restructuring of supply chain with a safe, reliable and persistent production.

展望

二零二零年是全球面臨重大挑戰的一年，全球經濟以及社會正面對極大衝擊。除中美貿易爭端以及地緣政治磨擦可能加劇之外，年初不期而至的一場新冠肺炎疫情在全球的大爆發，已對全球多國人民的生命財產造成了巨大的傷害，停頓了全球大範圍的供應和製造，並對各類資產價值造成大幅減值，形成金融市場動蕩，是一場人類大災難。因為疫情的嚴重衝擊，二零二零年的全球經營環境預期相當嚴峻。對於企業和經營者而言，如何能從疫情之中走出傷害、將會是一個巨大考驗。可幸的是，以中國政府為首，各國政府積極地投入了巨額的資源以及財政支持對抗疫情、救助民衆、刺激經濟，以避免或減緩各國甚至全球經濟陷於衰退。本集團也在疫災中積極地投入防疫抗疫和復工自救，克服種種困難，實現最快、最精準的各項復工復產及客戶供應計劃。

本集團的主要生產和運營在中國福建，中國目前是最快最好地走出疫情的國家，而福建又是受災較輕的地區，在管理層的領導下，經全體同仁的努力，集團已在二零二零年二月十日順利啟動並按時完成海滄廠房年度大修與技改擴產，並於三月六日全面復產，無論生產、建設、研發都基本恢復到疫情之前的水準。本集團的產品主要是為生活必需品，包括洗滌、消毒、除臭、食品以及個人衛生材料提供關鍵組分，而這些行業正是防疫、抗疫的骨幹行業。疫情之下，洗滌、消毒類產品的需求反而呈現增長，集團下游日化類客戶均保持全面的生產運營以及旺盛的原料需求。本集團結合抗疫，將以最大的努力提升安全及環保的管理，提升核心流程的產能和效率，在動蕩的經營環境中，以安全可靠的持續性生產，為全球抗疫、產業重建和供應鏈重整作出關鍵支持，化「危」為「機」。

With the support of banks and shareholders, the Group will prudently speed up the construction and operation schedule of Gulei and Changtai. The functional materials project of Phase I Gulei has been steadily developing and the construction work has been fully completed. Construction of plants and installation of equipment have been substantially completed at the end of 2019; and the electromechanical facilities are planned to be installed in the second quarter of 2020. Trial productions are expected to commence in the third quarter of 2020. It is planned to introduce the high-end hydrogenated hydrocarbon resin products that are greatly welcomed by the market. Prioritising the market in China, such products will offer solutions for replacing the foreign imports for industries in hygiene materials, medical protection, automotive parts, electronic products and housecare products as well as newly emerging industries like new energy and 5G new raw materials. The designed production capacity of functional materials in Phase I Gulei is 30,000 tonnes, with production automation and safety management systems to achieve large scale production. Meanwhile, Phase I plants have left development space for the expansion of production to 60,000 tonnes in the next stage. In second stage of Phase I in Gulei, the Group will build a national level engineering and technology centre, to greatly enhance the Group's ability and speed in research and development on industrialization technologies. Meanwhile, the Group will build several sets of flexible multi-functional units in order to introduce more hot-selling functional chemicals and synthetic aroma chemicals to the market. Leveraging on the synergies of C5C9 resources and with the production of hydrogenated hydrocarbon resin products, they will together greatly facilitate the synergies and development of the Group's synthetic aroma chemical products.

Regarding the transformation and restructuring, and the technological advancements of Phase II in Changtai, the production lines for natural essential oil and oil extracts have been completed in late February 2020, and have commenced operation on 5 March. It is expected to complete the construction and installation of the three production lines in August 2020 that allows the Group to commence trial productions in the third quarter of the year. The completion of Phase II in Changtai will utterly upgrade the Group's production setup in its food ingredients business, increasing the number of product portfolio of food products, enhancing the product quality and production capacity as a whole, so as to create the conditions for robust sales revenue growth.

在銀行和股東的支持下，本集團將會謹慎地加快古雷、長泰的建設和投產。古雷一期的功能材料項目已在穩步發展，二零一九年底廠房土建與主要設備安裝已基本完成，計劃在二零二零年第二季度完成安裝機電儀及項目竣工，二零二零年第三季度進行試產，準備推出深受市場歡迎之高端氫化石油樹脂產品，以中國市場為優先，為衛生材料、醫療防護、汽車零件、電子產品和家庭護理品行業，以及新能源、5G新材料等新興產業提供「替代進口」的解決方案。古雷第一期的功能材料項目設計產能為三萬噸，配備生產自動化和安全管控系統，可實現規模化生產。同時，廠房預留了發展空間為下一階段適時擴產到六萬噸產能做出了準備。古雷第一期之第二階段，本集團將籌建國家級工程技術中心，大幅提升集團工業化技術研發能力和研發速度。集團將會同時建造多組柔性車間組合，以便推出更多市場熱銷的功能化學品和合成香原料。利用C5C9的資源協同，借助氫化石油樹脂產出，將極大促進本集團的合成香原料的協同發展。

長泰第二期的轉型改造和技術升級，其中的天然精油與精油提取物生產線已於二零二零年二月底完成，並於三月五日正式投料生產。預期將在二零二零年八月份完成三條食品生產線的建設和安裝，並於第三季度投料試產。長泰二期的完成，將徹底升級集團食品配料事業的生產體系，增加產品組合，提升產品品質和總體產能，為營收快速增長創造條件。

Facing the global spread of the epidemic and a turbulent market environment as well as the deeply-rooted restructuring changes in the global industry, the Group will continue to implement and realise the Group's strategy of "New EcoGreen" with perseverance, determination and confidence under prudent attitude and strenuous effort.

The Group will facilitate global procurement of raw materials to ensure a stable supply and balanced price in its main natural-based and petroleum-based raw materials. The Group will strengthen its presence in mainland China, accelerating the synergetic development of functional chemicals and functional materials. Leveraging on its new production capacity and innovative know-how as well as proactive cost management, the Group will make effort to introduce more hot-selling products to the market and increase its main products market share. Meanwhile, with regard to the impacts brought about by the epidemic and the resulting liquidity condition of its clients, the Group will reassess the credit status of every client and tighten the clients' credit management control, thereby strengthening the corporate financial liquidity in order to embrace the market challenges with a stable financial condition. The Group will continue to strengthen environmental and safety compliance in its operations, which will elevate the Group's green chemical production and sustainable operation to a new level, further comprehensively enhancing the green content from green technology to green manufacturing and green financing.

The Group will make effort to provide outstanding client services, highly efficient operation, persistent technological advancement, stringent cost management and strengthened application of information technologies, to overcome the difficulties brought about by the epidemic, and to explore opportunities and vigorously facilitate rapid business growth, enhancing EcoGreen's core competitiveness and increasing both the return to shareholders and the return on capital.

The Group will remain committed to the noble mission of "Commitment to bringing health and well-being to the globe" and continue to pursue the business vision of "Ecogreen and Ecofriendly". "Quest for merits and Strives to excel." This will also help the Group attain its goal and persistent growth in financial results and business performance.

面對正在全球蔓延的疫情以及動蕩的市場環境，全球行業深層次的競合格局也在變化中，本集團將沉靜面對，堅定信心，以更加謹慎的態度、更加精進的努力，繼續貫徹和實現集團的「新中怡」戰略。

本集團將會推動原材料的全球性採購，確保主要的天然基和石油基原料供應端的穩定和價格平衡。深耕內地市場，加速功能化學品與功能材料的產業協同發展。利用新增產能和創新工藝，積極地改善成本，努力推出更多的市場熱銷產品，提升主要產品的市場份額。同時根據疫情影響和客戶流動性情況，重新評估每個客戶的信用狀況，加強客戶信用和賬期管理，強化企業財務流動性，以穩健之財務迎接市場的挑戰。繼續加強環保合規和安全運營，將本集團的綠色化工製造和可持續經營提升到一個新的境界，從綠色技術、到綠色製造、再到綠色融資，將進一步全面發展和提升企業經營的綠色內涵。

本集團將努力以卓越的客戶服務、高效的營運、持續的技術改進、精緻的成本管理、和強化的資訊科技應用，克服疫情帶來的困難，發掘機會，大力推動業務的快速成長，提升企業的核心競爭力，增加股東的收益和資本的回報。

本集團將繼續秉承「成就眾生與地球健康平安之美」的崇高使命，並以「Ecogreen, Ecofriendly」、「愛地球，愛眾生」為事業宗旨，「向善向上，精進前行」，不懈努力地達成經營目標和保持經營績效的持續增長。

Lastly, on behalf of the Board, I would like to express my heartfelt gratitude to all our shareholders, customers, suppliers, banks and staff members for their trust and unwavering support, which have been the crucial elements of and motivation for the Group's success. I would also like to extend my sincere thanks to all the directors of the Company and the Group's advisors for their great support and valuable advice. And I wish everyone health and safety.

Yang Yirong

Chairman

Hong Kong, 31 March 2020

最後，本人謹代表董事會，對廣大股東、客戶、供應商、銀行及集團全體員工致以衷心謝意。大家對本集團一如以往的信任與支持是本集團事業取得成功的根本要素和動力。同時，也真誠感謝本公司董事以及本集團顧問給予大力支持和寶貴建議。並祝大家健康和平安。

主席

楊毅融

香港，二零二零年三月三十一日

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2019, the Group's revenue increased by 10% to approximately RMB2.42 billion. Growth in sales revenue is primarily attributed to the surge in selling price of the Group's products, together with the gentle increase of the sales volume during the year.

(i) Scent & Taste

"Scent & Taste" continued to be the Group's core product segment, and constituted a stable and major income source for the Group during the year under review. As key ingredients used in many daily consumer goods, "Scent and Taste" products witnessed rising market demand with a combined positive effect of its diversified applications and the development in the emerging markets.

During the year under review, the Group has launched and sold more than 100 types of "Scent" products to customers around the world and its revenue has recorded a 11% surge of revenue in last year. As the Group further expand its market share in the field of fragrance, important customers of the industry became more relied on the Company's integrated supply chain. In addition, the revenue of "Taste" products through provision of solutions increased by 54% over the last year.

For the year ended 31 December 2019, the revenue from the "Scent and Taste" sector increased by 12% to RMB1,649 million (2018: RMB1,471 million) and accounted for 68% of the Group's overall revenue (2018: 67%).

管理層討論及分析

財務回顧

收入

截至二零一九年十二月三十一日止年度，本集團營業額增加10%至約人民幣24.2億元。銷售收入的增長主要是由於本集團產品售價飆升所帶動，並且銷售量也有溫和的上升。

(i) 芳香及味道

「芳香及味道」類別仍是本集團之核心產品類別，為集團提供了穩定的主要收入。作為多種日常必需消費品的關鍵功能組份，本集團的芳香及味道產品因為應用廣泛及新興市場的發展而導致的市場需求仍然增加。

於本回顧年度內，集團已經推出超過100種「芳香」產品銷往全球客戶，收入比去年大幅上升11%；同時，集團繼續擴大在香料領域的市場份額，使本行業的重要客戶更多仰賴本公司整合供應鏈集成供應。以解決方案提供的「味道」產品其收入比去年增長54%。

截至二零一九年十二月三十一日止年度，「芳香及味道」產品類別的營業額增長12%至人民幣16.49億元（二零一八年：人民幣14.71億元），佔本集團營業額的68%（二零一八年：67%）。

(ii) *Naturals*

In respect of the “Naturals” products, apart from existing natural pharmaceutical raw materials, the Group has been actively engaged in the development of food additives business for the production of food ingredients, fast food, frozen food and pet nutrition food, which is produced with purification and bioconversion technologies from natural produces. Naturals mainly include seafood, meat and mushroom extracts.

For the year ended 31 December 2019, the total revenue from “Natural” products was RMB456 million (2018: RMB445 million), representing an increase of 3% from last year and accounting for 19% of the Group’s sales volume (2018: 20%).

(iii) *Specialties and Others*

Besides the chiral pharmaceuticals and specialty chemicals, the Group also applies similar advanced technologies of synthesis to produce agrochemical “Specialties” chemicals, which will be turned into a kind of eco-pesticide later. In terms of functional chemicals in “Others” segment, disinfectant chemicals maintained a steady stream of business; an expansion to include electronic chemicals is also in the works. Following the Group’s development in the supply chain of petroleum-based products, it is believed that the functional chemicals business will usher in a period of growth.

During the year under review, revenue of products in this category rose up by 12% to RMB317 million (2018: RMB283 million) and accounting for 13% (2018: 13%) of the Group’s sales volume.

(ii) 天然產物

「天然產物」除包涵了原有的天然藥物原料外，本集團已在積極地開發以天然物提純及轉化技術為基礎、應用於生產調味品、快速食品、冷凍調理食品及寵物營養食品的食品配料業務，主要是海鮮、肉類及食用菌等天然產物。

截至二零一九年十二月三十一日止年度，「天然產物」的總營業額為人民幣4.56億元（二零一八年：人民幣4.45億元），較去年增長3%，這業務佔集團銷售額的19%（二零一八年：20%）。

(iii) 特殊化學品及其他

「特殊化學品」類別包含了手性藥物原料、醫藥特殊化學品以及運用同類先進的合成技術生產並用於製造生態農藥之農用化學品特殊化學品。在「其他」類別的功能化學品方面，針對洗滌消毒產業的產品已經形成穩定業務，此外，也向電子化學品拓展。隨著集團未來加大在石油基產業鏈的發展，功能化學品業務將步入增長軌道。

於本回顧年度，此產品類別的營業額為人民幣3.17億元（二零一八年：人民幣2.83億元），較去年顯著增加12%，佔集團銷售額的13%（二零一八年：13%）。

Gross Profit

During the year under review, the Group's gross profit decreased by 2% to RMB520 million. Gross profit margin decreased from 24.2% in 2018 to 21.5% in 2019. By the products category, the gross profit margin of "Scent and Taste" decreased from 27.0% in 2018 to 22.4% in 2019, while "Naturals" stayed at 17.7% in 2018 and 17.6% this year. The profit margin of "Specialties and Others" increased from 20.0% in 2018 to 22.0% in 2019.

Operating Expense

For the year ended 31 December 2019, selling and marketing expenses accounted for 1.5% of the Group's turnover (2018: 1.4%) whereas the administrative expenses accounted for 4.5% of turnover (2018: 4.3%). Under the Group's effective cost-cutting measures, the operating expenses remained stable in these two years.

Other income and (losses)/gains, net

During the year, the depreciation of the Renminbi caused the Group to record a net exchange gain of RMB1.97 million (2018: RMB7.91 million) at operation and the Group restructured part of a plant resulting in written-off of certain property, plant and equipment amounting to RMB11.59 million. Overall, there was other income and net losses of RMB7.88 million in this year (2018: other income and net gains of RMB7.20 million).

Net finance expenses

As a significant portion of the Group's borrowings is denominated in USD and HKD, the fluctuation of the RMB during the year has led to the exchange loss of RMB26.86 million (2018: RMB69.48 million) mainly arising from bank borrowings denominated in foreign currency. During the year, borrowing costs attributable to the construction of Gulei and Changtai plants was capitalised. As the amount of construction in progress throughout this year was at a higher level than last year, the amount of interest capitalised was increased to RMB44.76 million (2018: RMB13.84 million). On the other hand, the higher borrowing rates in this year have resulted in an increase in interest expense to RMB101.6 million (2018: RMB88.1 million). As a whole, there was a decrease of net finance expenses to RMB42.3 million (2018: RMB100 million).

Taxation

Tax expense of the Group for 2019 was RMB97.4 million (2018: RMB101.6 million). Effective tax rate of the Group is 29.8% (2018: 32.1%).

毛利

回顧年內，本集團的毛利減少2%至人民幣5.20億元。本集團的毛利率由二零一八年的24.2%下調至二零一九年21.5%之水平。按本集團產品類別分析，「芳香及味道」的毛利率由二零一八年的27.0%下調至二零一九年的22.4%，而「天然產物」的毛利率保持平穩，分別為二零一八年的17.7%以及本年度的17.6%，「特殊化學品及其他」的產品類別之毛利率由二零一八年20.0%上升至二零一九年的22.0%。

經營開支

二零一九年銷售及市場推廣成本佔銷售百分比1.5%(二零一八年：1.4%)；二零一九年行政費用佔銷售額4.5%(二零一八年：4.3%)。在本集團積極實行成本控制的措施下，經營成本基本上保持穩定。

其他收入及(虧損)/收益－淨額

本年度內，人民幣貶值導致集團在經營層面錄得人民幣197萬元之淨匯兌收益(二零一八年：人民幣791萬元)及本集團重建一部份的廠房而引致約干物業、廠房及設備之撇銷金額共人民幣1,159萬元。總體而言，本年度共有其他收入及淨虧損共人民幣788萬元(二零一八年：其他收入及淨收益共人民幣720萬元)。

財務費用淨額

基於本集團的借貸主要以美元及港幣計值，人民幣於年內之波動導致美元列值之銀行貸款錄得匯兌虧損共人民幣2,686萬元(二零一八年：人民幣6,948萬元)。本年度內，歸功於古雷和長泰工廠建設的借貸成本需要資本化，由於本年度的在建工程金額高於去年水平，因此資本化的利息金額也增加至人民幣4,476萬元(2018年：人民幣1,384萬元)。另一方面，本年度較高的借貸利率，也令利息費用上升至人民幣1.016億元(二零一八年：人民幣8,810萬元)。整體而言，本集團錄得財務費用淨額減少至人民幣4,230萬元(二零一八年：人民幣1.00億萬元)。

稅項

二零一九年度本集團之稅項開支為人民幣9,740萬元(二零一八年：人民幣1.016億萬元)，有效稅率為29.8%(二零一八年：32.1%)。

Profit for the Year

Reported profit attributable to shareholders in 2019 was RMB230 million, representing an increase of 7% as compared to a profit of RMB215 million in 2018. Basic earnings per share was approximately RMB29.67 cents (2018: RMB27.78 cents). The EBITDA amounted to RMB483 million as compared to RMB462 million in 2018, representing an increase of 5%.

Non-GAAP underlying profit in 2019 was RMB257 million, representing a decrease of 10% as compared to the Non-GAAP underlying profit of RMB285 million in 2018. Basic earnings per share based on Non-GAAP underlying profit for the year was approximately RMB33.13 cents (2018: RMB36.74 cents).

Non-GAAP Financial Measures

To supplement the consolidated results of the Group prepared in accordance with HKFRS, non-GAAP underlying profit for the year have been presented in this announcement. The Company's management believes that the Non-GAAP financial measures provide investors with more clear view on the Group's financial results, and with useful supplementary information to assess the performance of the Group's strategic operations by excluding net foreign exchange loss of RMB26.86 million on financing activities for the year ended 31 December 2019 (2018: RMB69.48 million).

Nevertheless, the use of Non-GAAP financial measures has limitations as an analytical tool. It should be considered in addition to, not as a substitute for, analysis of the Company's financial performance prepared in accordance with HKFRS.

Liquidity, Financial Resources and Capital Structure

During the year under review, the Group's primary source of funding mainly included the cash generated from financing activities and internal resources. For the year ended 31 December 2019, net cash generated from operating activities amounted to RMB233 million (2018: RMB147 million of net cash used). The Group had net cash used in investing activities of RMB296 million (2018: RMB1,257 million). During the year under review, the net cash inflow generated from financing activities amounted to RMB123 million (2018: RMB414 million).

As at 31 December 2019, the average inventory turnover days, average trade receivable turnover days and average trade payable turnover days were 42 days, 146 days and 53 days (2018: 48 days, 123 days and 46 days), respectively.

本年度利潤

二零一九年度股東應佔賬面利潤為人民幣2.30億元，較二零一八年的人民幣2.15億元增長7%，每股基本收益約為人民幣29.67分（二零一八年：人民幣27.78分）。本年度的未扣除利息、稅項、折舊和攤銷前盈利（EBITDA）為人民幣4.83億元，較二零一八年的人民幣4.62億元上升5%。

二零一九年度非公認會計原則之基本利潤為人民幣2.57億元，較二零一八年的非公認會計原則之基本利潤為人民幣2.85億元下跌10%，以期內非公認會計原則之基本利潤計算之每股基本收益約為人民幣33.13分（二零一八年：人民幣36.74分）。

非公認會計原則財務計量

為補充根據香港財務報告準則編製的本集團綜合業績，非公認會計原則之年度基本利潤已於本公佈內呈列。本公司的管理層相信，藉排除於二零一九年十二月三十一日止年度之財務活動內的淨匯兌損失共人民幣2,686萬元（二零一八年：人民幣6,948萬元），非公認會計原則財務計量之採用以更清晰呈列財務業績，並為投資者評估本集團戰略性業務的表現提供有用的補充資料。

儘管如此，採用該等非公認會計原則財務計量作為分析工具具有局限性，並應被視為根據香港財務報告準則編製的本公司財務業績的補充分析而非替代計量。

流動資金、財務資源及資本結構

於回顧年內，本集團之基本資金來源主要來自融資活動及自有資金。截至二零一九年十二月三十一日止年度，本集團錄得經營活動所得現金淨額為人民幣2.33億元（二零一八年：所用現金為人民幣1.47億元）。本集團於投資活動上所用現金淨額為人民幣2.96億元（二零一八年：人民幣12.57億元）。於回顧年度內，本集團融資活動所得淨現金為人民幣1.23億元（二零一八年：人民幣4.14億元）。

於二零一九年十二月三十一日，存貨平均周轉天數、應收交易賬款平均周轉天數及應付交易賬款平均周轉天數分別為42天、146天及53天（二零一八年：分別為48天、123天及46天）。

The Group's financial position remains very solid and healthy during the year under review. As at 31 December 2019, the total shareholders' equity of the Group was RMB2.29 billion (2018: RMB2.10 billion). The net current assets and the current ratio of the Group as at 31 December 2019 were approximately RMB1,332 million (2018: RMB1,740 million) and 1.80 (2018: 2.4), respectively.

As at 31 December 2019, the Group had borrowings and bills payable of approximately RMB1,898 million and RMB250 million (2018: RMB1,716 million and RMB174 million), respectively. Among the Group's borrowing, outstanding short-term borrowings amounted to RMB1,351 million (2018: RMB972 million). As at 31 December 2019, the Group's ratio of borrowings to total equity, was approximately 83% (2018: 82%) and the Group's net debt, being pledged bank deposits, short-term bank deposits, cash and cash equivalents less borrowings and bills payable amounted to RMB590 million (2018: RMB296 million of net debt balance).

With its available banking facilities and its existing cash resources, the Group has very strong liquidity and sufficient financial resources to meet its commitments, working capital requirements and future investments for expansion.

Treasury Policies and Exposure to Fluctuations in Exchange Rates

Due to the combined factors that the sales and the purchases of raw materials of the Group are mainly denominated in USD and RMB, that the major production base is in China, that the Group's borrowings are primarily in USD, RMB and HKD, and that the consolidated financial statements are presented in RMB, exchange risks derived from the conversion from USD or HKD to RMB are involved. The Group will review its current hedging policy for foreign exchange in due course to further reduce foreign exchange risks in the short-to-long-term.

As at 31 December 2019, the Group's borrowings of approximately RMB503 million, RMB678 million and RMB717 million (2018: RMB466 million, RMB768 million and RMB482 million) were denominated in RMB, USD and HKD respectively.

Interest is mainly charged on a floating rate basis. It is expected that USD interest rates will be decreasing in 2020. The Group will continue to monitor the interest rates fluctuation in the market and take appropriate actions to minimize the interest rate risk.

本集團於回顧年內之財務狀況仍然保持相當穩健。於二零一九年十二月三十一日，本集團的股東權益總額為人民幣22.9億元(二零一八年：人民幣21.0億元)。本集團之流動資產淨值及流動比率分別約為人民幣13.32億元(二零一八年：人民幣17.40億元)及1.80(二零一八年：2.4)。

於二零一九年十二月三十一日，本集團之借貸及應付票據分別約為人民幣18.98億元及人民幣2.50億元(二零一八年：人民幣17.16億元及人民幣1.74億元)，於本集團的借貸當中，短期借貸為人民幣13.51億元(二零一八年：人民幣9.72億元)。於二零一九年十二月三十一日，本集團之負債權益比率約為83%(二零一八年：82%)，而本集團之淨債務結餘(即已抵押之銀行存款、短期銀行存款、現金及現金等價物減借貸及應付票據)則為人民幣5.90億元(二零一八年：人民幣2.96億元之淨債務結餘)。

憑藉備用銀行融資及現有現金資源，本集團具備充裕流動資金及充足財務資源，應付其承擔、營運資金需求及日後擴展投資。

庫務政策及外匯波動風險

集團之銷售及原料採購以美元及人民幣為主，而主要的生產基地於中國，集團之借貸也是以美元、人民幣及港元為主，合併財務報表並以人民幣為列值，故涉及美元或港元兌換人民幣所產生之匯兌風險。集團並會適時審視現行的外匯對沖政策以進一步減低近期、及遠期的外匯風險。

於二零一九年十二月三十一日，本集團約有人民幣5.03億元、人民幣6.78億元及人民幣7.17億元(二零一八年：人民幣4.66億元、人民幣7.68億元及人民幣4.82億元)之貸款分別以人民幣、美元及港幣列值。

利息主要以浮動利率計算，預期美元息口於二零二零年內將會調低，本集團將繼續留意市場的利率波動，並將於適當時間作出合適的安排以減低利率上升的風險。

CONSOLIDATED INCOME STATEMENT**– BY FUNCTION OF EXPENSE**

For the year ended 31 December 2019

合併利潤表**– 按費用的功能列報**

截至二零一九年十二月三十一日止年度

		Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
Revenue	收入	2	2,422,810	2,198,217
Cost of sales	銷售成本		(1,902,882)	(1,665,994)
Gross profit	毛利		519,928	532,223
Other income and (losses)/gains, net	其他收入及 (虧損)/收益－淨額		(7,878)	7,201
Selling and marketing costs	銷售及市場推廣成本		(35,442)	(31,029)
Administrative expenses	行政費用		(109,072)	(93,733)
Net (loss allowance)/reversal of loss allowance on financial assets	金融資產虧損 (撥備)/回撥淨額		(462)	1,530
Operating profit	經營溢利	3	367,074	416,192
Finance income	財務收益	4	41,755	43,433
Finance expenses	財務費用	4	(84,009)	(143,742)
Net finance expenses	財務費用淨額		(42,254)	(100,309)
Share of profit of an associate	應佔聯營利潤份額		1,638	966
Profit before taxation	除稅前利潤		326,458	316,849
Taxation	稅項	5	(97,418)	(101,558)
Profit for the year	年度利潤		229,040	215,291
Profit/(loss) attributable to:	利潤/(虧損)歸屬於：			
Owners of the Company	本公司擁有人		229,949	215,291
Non-controlling interests	非控股性權益		(909)	–
			229,040	215,291
Earnings per share attributable to owners of the Company for the year (expressed in RMB per share)	年度每股收益歸屬於本公司擁有人 (每股以人民幣列示)			
– Basic	– 基本	6	29.67 Cents 仙	27.78 Cents 仙
– Diluted	– 攤薄	6	29.67 Cents 仙	27.77 Cents 仙

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

合併綜合收益表

For the year ended 31 December 2019

截至二零一九年十二月三十一日止年度

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit for the year	年度利潤	229,040	215,291
Other comprehensive loss: Item that may be reclassified to profit or loss	其他綜合損失： 其後可能被重新分類為 損益項目		
Currency translation differences	外幣折算差額	(9)	(6)
Other comprehensive loss for the year	本年度其他綜合損失總額	(9)	(6)
Total comprehensive income for the year	本年度綜合收益總額	229,031	215,285
Total comprehensive income/(loss) attributable to:	綜合收益／(虧損)總額歸屬 於：		
Owners of the Company	本公司擁有着	229,940	215,285
Non-controlling interests	非控股性權益	(909)	-
		229,031	215,285

CONSOLIDATED BALANCE SHEET

合併資產負債表

As at 31 December 2019

於二零一九年十二月三十一日

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	Note 附註		
ASSETS			
Non-current assets			
Land use rights		–	39,424
Property, plant and equipment		1,317,753	934,193
Right-of-use assets		43,677	–
Intangible assets		192,614	160,875
Investment in an associate		10,334	8,696
Loan to an associate		–	3,000
Deferred income tax assets		4,907	4,889
Financial assets at fair value through other comprehensive income		200	200
Prepayments		32,116	27,820
		1,601,601	1,179,097
Current assets			
Inventories		196,601	245,778
Trade receivables and bills receivable	8	999,379	942,952
Prepayments and other receivables		329,076	237,607
Amount due from a related company		39	967
Derivative financial instruments		276	1,416
Pledged bank deposits		85,664	66,090
Short-term bank deposits		513,734	629,650
Cash and cash equivalents		958,126	897,903
		3,082,895	3,022,363
Total assets		4,684,496	4,201,460
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		75,380	75,380
Share premium		341,876	341,876
Other reserves		156,003	155,470
Retained earnings		1,718,479	1,523,113
		2,291,738	2,095,839
Non-controlling interests		4,056	–
Total equity		2,295,794	2,095,839

			2019	2018
		Note	二零一九年	二零一八年
		附註	RMB'000	RMB'000
			人民幣千元	人民幣千元
LIABILITIES	負債			
Non-current liabilities	非流動負債			
Borrowings	借貸		546,590	743,743
Lease liabilities	租賃負債		1,685	–
Deferred income tax liabilities	遞延所得稅負債		89,250	79,600
			637,525	823,343
Current liabilities	流動負債			
Trade payables and bills payable	應付賬款及應付票據	9	322,922	228,822
Current income tax liabilities	即期所得稅負債		23,248	23,153
Borrowings	借貸		1,351,189	972,007
Lease liabilities	租賃負債		3,546	–
Derivative financial instruments	衍生金融工具		1,172	1,516
Amount due to a related company	應付關聯方款項		2,309	644
Accruals and other payables	應計費用及其他應付款		46,765	56,106
Amount due to a director	應付一董事款項		26	30
			1,751,177	1,282,278
Total liabilities	總負債		2,388,702	2,105,621
Total equity and liabilities	總權益及負債		4,684,496	4,201,460

NOTES:

1. CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 January 2019:

- HKFRS 16 – Leases
- HKFRS 9 (Amendment) – Prepayment Features with Negative Compensation
- HKAS 19 (Amendment) – Plan Amendment, Curtailment or Settlement
- HKAS 28 (Amendment) – Long-term Interests in Associates or Joint Ventures
- HK(IFRIC)-Int 23-Uncertainty over Income Tax Treatments
- Annual Improvements to HKFRSs 2015 - 2017 Cycle

The Group had to change its accounting policies and make retrospective adjustments, where relevant, as a result of adopting HKFRS 16.

Save as disclosed below, the adoption of other amendments on standards and interpretation did not have any material impact on the consolidated financial statements of the Group for the year.

Adoption of HKFRS 16 Leases

The Group has adopted HKFRS 16 Leases from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing standard are therefore recognised in the opening balance sheet on 1 January 2019.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019 in each territory or region where the lease assets are located. The weighted average discount rate applied to the lease liabilities on 1 January 2019 was 5.18%.

附註：

1. 會計政策和披露的變動

本集團已於二零一九年一月一日開始的年度報告期間首次應用以下準則及修訂本：

- 香港財務報告準則第16號－租賃
- 香港財務報告準則第9號(修訂本)－具有負補償之提前還款特性
- 香港會計準則第19號(修訂本)－計劃修訂、縮減或結清
- 香港會計準則第28號(修訂本)－於聯營公司及合營企業的長期利益
- 香港(國際財務報告詮釋委員會)－詮釋第23號－所得稅處理的不確定性年度改進項目
- 香港財務報告準則2015 - 2017年週期之年度改進

因採納香港財務報告準則第16號，本集團改變其會計政策並作出相關的追溯調整。

除下文所披露者外，採納其他準則之修訂本及詮釋並未對本集團於年內之合併財務報表產生任何重大影響。

採納香港財務報告準則第16號「租賃」

本集團於二零一九年一月一日起採納香港財務報告準則第16號「租賃」，但本集團不會重列二零一八年報告期間可比較金額，此做法是該準則的特定過渡條款所允許的。新的租賃準則所導致的重新分類及調整已於二零一九年一月一日期初資產負債表中確認。

採納香港財務報告準則第16號後，本集團將原根據香港會計準則第17號「租賃」分類為經營租賃的租賃確認為租賃負債。此負債以剩餘租賃付款的現值計量，並採用承租人使用租賃資產所在的地區或國境並用二零一九年一月一日的增量借貸利率進行貼現。於二零一九年一月一日，適用於該等租賃負債的加權平均承租人的增量借款利率為5.18%。

The difference between the operating lease commitments disclosed as at 31 December 2018 and the lease liabilities recognised in the consolidated balance sheet upon the date of initial application mainly arose from the adjustments as a result of discounting the future lease payments to the present value upon adoption of HKFRS 16 and applying the practical expedient to account for those lease terms ends within 12 months of the date of initial application in the same way as short-term leases.

於二零一八年十二月三十一日披露的經營租賃承擔與首次應用日期計量在合併資產負債表中確認的租賃負債之間的差額主要是由於採用香港財務報告準則第16號將未來租賃付款貼現至現值而進行的調整及運用實際權宜方法就該等於首次應用日期起計剩餘租期不足12個月之經營租賃入賬作為短期租賃。

(a) *Measurement of lease liabilities*

(a) 計量租賃負債

		RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	於二零一八年十二月三十一日披露的經營租賃承擔	8,439
Discounted using the Group's incremental borrowing rate at the date of initial application	本集團於首次應用日期的增量借貸利率折現	7,962
Less:	減：	
Short-term leases recognised on a straight-line basis as expense	直線法確認的短期租賃開支	(491)
Low-value leases recognised on a straight-line basis as expense	直線法確認的低值租賃開支	(24)
		7,447
Lease liabilities recognised as at 1 January 2019	於二零一九年一月一日確認的租賃負債包括：	
Of which are:		
– Current lease liabilities	– 流動租賃負債	3,371
– Non-current lease liabilities	– 非流動租賃負債	4,076
		7,447

(b) *Measurement of right-of-use assets*

(b) 計量使用權資產

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the reclassifications from land use rights to right-of-use assets arising from the new leasing standards and therefore recognised in the opening balance sheet as at 1 January 2019.

使用權資產按等同於租賃負債的金額計量，並根據新租賃準則在期初之資產負債表中作出調整，將二零一九年一月一日土地使用權重新分類為使用權資產。

(c) *Adjustments recognised in the balance sheet on 1 January 2019*

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets – increase by RMB46,871,000
- Land use rights – decrease by RMB39,424,000
- Lease liabilities (current portion) – increase by RMB3,371,000
- Lease liabilities (non-current portion) – increase by RMB4,076,000

There was no impact on retained earnings on 1 January 2019.

(d) *Practical expedients applied*

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- reliance on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 January 2019;
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
- the use of hindsight in determining the lease term where the contract contains options to extend the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HKFRIC 4 Determining whether an Arrangement contains a Lease.

(c) 於二零一九年一月一日在資產負債表中確認的調整

於二零一九年一月一日，會計政策變更對資產負債表有如下影響：

- 使用權資產 – 增加人民幣46,871,000元
- 土地使用權 – 減少人民幣39,424,000元
- 租賃負債(流動部分) – 增加人民幣3,371,000元
- 租賃負債(非流動部分) – 增加人民幣4,076,000元

於二零一九年一月一日的保留盈利並沒有影響。

(d) 所應用的實際權宜法

在首次執行香港財務報告準則第16號的過程中，本集團使用了該準則允許採用的下列實務簡易處理方法：

- 對具有合理相符特徵的租賃組合採用單一折現率；
- 依賴先前關於租賃是否虧損的評估，作為進行減值審閱的替代方法 – 於二零一九年一月一日並沒有虧損性的合同；
- 截至二零一九年一月一日的剩餘租賃期短於12個月的經營租賃作為短期租賃處理；
- 首次應用日期計量使用權時扣除初始直接費用；以及
- 如果合同包含續租或終止租賃的選擇權，則可在確定租賃期時使用後見之明。

本集團已選擇不在首次應用日期重新評估一項合同是否為租賃合同或是否包含租賃。相反，對於在過渡日之前簽訂的合同，本集團根據香港會計準則第17號和香港財務報告解釋公告第4號一確定一項安排是否包含租賃評估。

2. SEGMENT INFORMATION

The segment information for the year ended 31 December 2019 is presented below:

2. 分部資料

截至二零一九年十二月三十一日止年度之分部資料呈列如下：

		Scent and Taste	Naturals	Specialties and Others	Unallocated	Total
		芳香及味道	天然產物	特殊化學品 及其他	未分配	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue	收入	1,649,071	456,380	317,359	-	2,422,810
Adjusted EBITDA	經調整EBITDA	318,592	65,966	60,087	-	444,645
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	-	-	-	(32,105)	(32,105)
Depreciation of right-of-use assets	使用權資產之折舊	-	-	-	(4,607)	(4,607)
Write-off of property, plant and equipment	物業、廠房及設備之報廢	-	-	-	(11,592)	(11,592)
Amortisation	攤銷	-	-	-	(17,795)	(17,795)
Provision for impairment of intangible assets	無形資產值撥備	-	-	-	(5,000)	(5,000)
Net losses on financial instruments	金融工具虧損淨額	-	-	-	(1,528)	(1,528)
Net finance expenses	財務費用淨額	-	-	-	(42,254)	(42,254)
Others	其他	-	-	-	(4,944)	(4,944)
Share of profit of an associate	應佔聯營收益	-	-	-	1,638	1,638
Taxation	稅項	-	-	-	(97,418)	(97,418)
Profit for the year	年度利潤	318,592	65,966	60,087	(215,605)	229,040

The segment information for the year ended 31 December 2018 is presented below:

截至二零一八年十二月三十一日止年度之
分部資料呈列如下：

		Scent and Taste	Naturals	Specialties and Others 特殊化學品 及其他	Unallocated 未分配	Total 總額	
		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	
Revenue	收入	1,470,695	444,954	282,568	–	2,198,217	
Adjusted EBITDA	經調整EBITDA	359,055	67,344	49,302	–	475,701	
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	–	–	–	(37,263)	(37,263)	
Amortisation	攤銷	–	–	–	(19,654)	(19,654)	
Net losses on financial instruments	金融工具虧損淨額	–	–	–	(2,632)	(2,632)	
Net finance expenses	財務費用淨額	–	–	–	(100,309)	(100,309)	
Others	其他	–	–	–	40	40	
Share of profit of an associate	應佔聯營收益	–	–	–	966	966	
Taxation	稅項	–	–	–	(101,558)	(101,558)	
Profit for the year	年度利潤	359,055	67,344	49,302	(260,410)	215,291	
				Asia (excluding Mainland China) 亞洲 (中國內地 除外)	North America 北美洲	Others/ Unallocated 其他/ 未分配	Total 總額
		Mainland China 中國內地	Europe 歐洲	Mainland China 中國內地	North America 北美洲	Others/ Unallocated 其他/ 未分配	Total 總額
		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
2019	二零一九年						
Revenue	收入	2,048,989	123,286	113,412	102,102	35,021	2,422,810
Non-current assets	非流動資產	1,594,578	–	1,916	–	5,107	1,601,601
Total assets	資產總值	4,580,818	3,395	94,900	–	5,383	4,684,496
Total liabilities	負債總額	387,355	722	12,424	–	1,988,201	2,388,702
2018	二零一八年						
Revenue	收入	1,767,849	137,220	148,902	110,032	34,214	2,198,217
Non-current assets	非流動資產	1,173,795	–	213	–	5,089	1,179,097
Total assets	資產總值	4,081,182	6,412	107,361	–	6,505	4,201,460
Total liabilities	負債總額	293,255	529	14,971	–	1,796,866	2,105,621

3. OPERATING PROFIT

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

3. 經營溢利

經營溢利已扣除/(計入)下列各項：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Amortisation of prepaid operating lease payments	預付經營租賃款項攤銷	-	899
Depreciation of property, plant and equipment	物業、廠房、設備之折舊	32,105	37,263
Depreciation of right-of-use assets	使用權資產之折舊	4,607	-
Amortisation of intangible assets	無形資產攤銷	17,795	18,755
Provision for impairment of intangible assets	無形資產減值撥備	5,000	-
Provision for impairment of inventories	存貨減值撥備	764	1,641
Derivative financial instruments (Note a):	衍生金融工具(附註a)：		
– Net realised losses	– 已變現虧損淨額	732	2,493
– Net fair value losses	– 公允淨值虧損	796	139
Net foreign exchange gains	淨匯兌收益	(1,973)	(7,908)
Write-off of property, plant and equipment	物業、廠房及設備之撇銷	11,592	-

4. NET FINANCE EXPENSES

4. 財務費用

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interest expense:	利息費用：		
– Bank borrowings	– 銀行借貸	(101,567)	(88,090)
– Government loans	– 政府貸款	-	(13)
– Lease liabilities	– 租賃負債	(340)	-
Net foreign exchange losses on financing activities	融資活動的淨匯兌虧損	(26,860)	(69,478)
Finance expenses	財務費用	(128,767)	(157,581)
Less: amounts capitalised on qualifying assets	減：合資格資產資本化數額	44,758	13,839
Total finance expenses	總財務費用	(84,009)	(143,742)
Finance income	財務收益		
– Interest income on bank deposits	– 短期銀行存款的利息收益	41,755	43,433
Net finance expenses	財務費用淨額	(42,254)	(100,309)

5. TAXATION

5. 稅項

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current tax	現有稅項		
– Mainland China corporate income tax for the year	– 本年度中國內地企業所得稅	87,390	87,288
– Under/(over) provision in previous year	– 以前年度少計/(多提)之所得稅	396	(511)
Total current tax	現有稅項總額	87,786	86,777
Deferred income tax	遞延所得稅項	9,632	14,781
		97,418	101,558

Notes:

附註：

(a) Hong Kong profits tax

No Hong Kong profits tax has been provided as the Group had no assessable profit arising in or derived from Hong Kong.

(a) 香港利得稅

由於本集團並無在香港獲得或賺取應課稅利潤，因此並無就香港利得稅作出撥備。

(b) Mainland China corporate income tax

The subsidiaries established in Mainland China are subject to Mainland China corporate income tax at a rate of 25% (2018: 25%). Xiamen Doingcom Chemicals Co. Ltd. was granted the High and New Technology Enterprise (“HNTE”) status in October 2018, being valid for 3 years, and therefore is entitled to a preferential tax rate of 15%.

(b) 中國內地企業所得稅

於中國內地成立之附屬公司須按25% (二零一八年：25%)之稅率繳納中國內地企業所得稅。於二零一八年十月，廈門中坤化學有限公司獲授予高新技術企業的地位，為期三年，因此可按優惠稅率15%繳稅。

(c) Overseas income taxes

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and, accordingly, is exempted from Cayman Islands income tax. The Company's subsidiaries established in the British Virgin Islands are incorporated under the International Business Companies Acts of the British Virgin Islands and, accordingly, are exempted from British Virgin Islands income tax.

(c) 海外所得稅

本公司根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得稅。本公司在英屬處女群島成立之附屬公司乃根據英屬處女群島國際商業公司法註冊成立，因此獲豁免繳納英屬處女群島所得稅。

(d) Withholding tax

Pursuant to the New Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between China and the jurisdiction of the foreign investors. Withholding taxes are payable on dividends distributed/to be distributed by those subsidiaries and an associate established in Mainland China in respect of earnings generated from 1 January 2008.

(d) 代扣所得稅

根據新稅法，自二零零八年一月一日起，自中國分配給外商投資者的股息應按10%的稅率代扣所得稅。該法令從二零零八年一月一日起生效，並適用於二零零七年十二月三十一日之後所產生利潤的分配。如果中國與外商投資者所在地區已達成稅收協定，則可採用更低的代扣所得稅稅率。本集團使用的稅率為10%。因此，自二零零八年一月一日起，本集團按照設立在中国的附屬公司及聯營企業所產生利潤確認遞延所得稅負債。

6. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit attributable to owners of the Company	利潤歸屬於本公司擁有人	229,949	215,291
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數 (千計)	775,059	775,059
Basic earnings per share (RMB per share)	每股基本收益(每股人民幣)	29.67 Cents 分	27.78 Cents 分

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The dilutive potential ordinary shares of the Company mainly comprise the share options. The number of shares that would have been issued assuming the exercise of the share options less the number of shares that could have been issued at fair value (determined as the average market price per share for the year) for the same total proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

6. 每股收益

基本

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

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit attributable to owners of the Company	利潤歸屬於本公司擁有人	229,949	215,291
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數 (千計)	775,059	775,059
Basic earnings per share (RMB per share)	每股基本收益(每股人民幣)	29.67 Cents 分	27.78 Cents 分

攤薄

攤薄每股收益假設所有可攤薄的潛在普通股被兌換後，根據已發行普通股的加權平均股數計算。本公司可攤薄的潛在普通股主要包括購股權。零代價發行的股份數目是基於假設行使了購股權後應該發行的股份數目減去假設按照公允價值(按照全年平均市場價格而定)發行並獲得相同股票發行收入的情況下，可能需要發行的股份數目後得到的。這一零代價發行的股份數目將構成加權平均普通股數目的一部分，將作為計算攤薄每股收益時所用的分母。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit attributable to owners of the Company	利潤歸屬於本公司擁有人	229,949	215,291
Weighted average number of ordinary shares in issue (thousands)	已發行普通股的加權平均數(千計)	775,059	775,059
Adjustments assuming the exercise of share options (thousands)	假設購股權被行使的調整(千計)	-	68
Weighted average number of ordinary shares for diluted earnings per share (thousands)	計算每股攤薄盈利的普通股的加權平均數(千計)	775,059	775,127
Diluted earnings per share (RMB per share)	每股攤薄收益(每股人民幣)	29.67 Cents 分	27.77 Cents 分

7. DIVIDENDS

A final dividend in respect of the year ended 31 December 2019 of HK4.8 cents per share, totalling approximately of RMB33,992,000, is to be proposed at the forthcoming annual general meeting. These consolidated financial statements do not reflect such dividend payable.

7. 股息

於即將舉行之股東週年大會上，有關截至二零一九年十二月三十一日止年度擬派末期股息每股4.8港仙，合共約人民幣33,992,000元。此合併財務報表並無反映此應付股息。

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Interim dividend paid of HK1.7 cents (2018: HK1.5 cents) per ordinary share	已派中期股息每股普通股1.7港仙 (二零一八年：1.5港仙)	11,893	10,146
Proposed final dividend of HK4.8 cents (2018: HK4.1 cents) per ordinary share	擬派末期股息每股普通股4.8港仙 (二零一八年：4.1港仙)	33,992	27,183
		45,885	37,329

8. TRADE RECEIVABLES AND BILLS RECEIVABLE

The credit period granted by the Group to its customers is between 60 and 90 days. For certain customers with good credit history, an extended period up to 180 days is allowed. The aging analysis of trade receivables and bills receivable is as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
0 to 30 days	0至30天	224,560	238,906
31 to 60 days	31至60天	201,455	201,838
61 to 90 days	61至90天	149,044	179,321
91 to 120 days	91至120天	173,054	157,649
121 to 150 days	121至150天	132,425	92,695
151 to 180 days	151至180天	97,705	64,248
181 to 365 days	181至365天	22,936	9,531
Over 365 days	365天以上	3,873	3,975
		1,005,052	948,163
Less: Loss allowance	減：虧損撥備	(5,673)	(5,211)
		999,379	942,952

The loss allowance for trade and bills receivables as at 31 December reconcile to the opening loss allowance as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Opening loss allowance at 1 January	截至一月一日的期初虧損撥備	5,211	6,741
Net loss allowance/(reversal of loss allowance) for trade receivables	應收賬款虧損撥備/(回撥)淨額	462	(1,530)
Closing loss allowance at 31 December	截至十二月三十一日的 期末虧損撥備	5,673	5,211

8. 應收賬款及應收票據

本集團給予其客戶之信貸期一般60至90天。對於有良好信貸歷史的客戶，集團容許達至180日的信貸期。應收賬款及應收票據之賬齡分析如下：

截至十二月三十一日的應收賬款及應收票據之虧損撥備與期初虧損撥備之對賬，如下：

9. TRADE PAYABLES AND BILLS PAYABLE

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade payables	應付賬款	73,098	55,190
Bills payable	應付票據	249,824	173,632
		322,922	228,822

The aging analysis of trade payables and bills payable based on invoice date were as follows:

應付賬款及應付票據跟據發票日期之賬齡分析如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
0 to 30 days	0至30天	46,044	71,482
31 to 60 days	31至60天	107,171	49,395
61 to 90 days	61至90天	82,358	40,357
91 to 180 days	91至180天	79,459	60,334
181 to 365 days	181至365天	4,580	1,533
Over 365 days	超過365天	3,310	5,721
		322,922	228,822

10. Events after the balance sheet date

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the region. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. As at the date on which the financial statements were authorised for issue, the Group was not aware of any material adverse effects on the financial statements as a result of the COVID-19 outbreak except that the construction of the Group's new plant in Gulei Chemical Industrial Park may experience certain delay.

10. 報告期後事項

在2020年初爆發2019年冠狀病毒疾病(「COVID-19爆發」)之後，該地區已採取並繼續實施一系列預防和控制措施。本集團將密切關注COVID-19疫情的發展，並評估其對本集團財務狀況和經營成果的影響。截至本財務報表獲批准發佈之日，本集團尚未意識到因COVID-19爆發而對財務報表造成任何重大不利影響，惟本集團在古雷化工園區的新工廠的建設可能會遇到有限程度的延遲。

FINAL DIVIDEND

The Board has proposed a final dividend of HK4.8 cents per share for the year ended 31 December 2019 payable to shareholders on the register of members of the Company on 25 July 2020.

Subject to approval of the proposed final dividend by the shareholders at the forthcoming annual general meeting of the Company to be held on 30 June 2020, the final dividend warrants will be despatched to the shareholders of the Company on or about 28 August 2020.

CLOSING OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 26 June 2020 to Tuesday, 30 June 2020, both days inclusive, during which no transfer of shares will be effected. In order to qualify for attendance of annual general meeting, all completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited no later than 4:30 p.m. on Thursday, 25 June 2020.

The register of members of the Company will also be closed from Wednesday, 23 July 2020 to Friday, 25 July 2020, both days inclusive, during which no transfer of shares will be effected. To rank for the proposed final dividend, all completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited no later than 4:30 p.m. on Tuesday, 22 July 2020.

CORPORATE GOVERNANCE

Throughout the year ended 31 December 2019, the Company has complied with the code provisions under the Corporate Governance Code as set out in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") except for the deviations from code provisions A.2.1 and A.5.1 as explained below.

末期股息

董事會建議派發截至二零一九年十二月三十一日止年度之末期股息每股4.8港仙，予於二零二零年七月二十五日名列本公司股東名冊之股東。

建議之末期股息，須待於本公司即將在二零二零年六月三十日舉行之應屆股東週年大會上獲股東批准後，方可作實。末期股息單將於二零二零年八月二十八日左右寄發予本公司股東。

暫停辦理股份過戶登記手續

本公司將於二零二零年六月二十六日(星期五)至二零二零年六月三十日(星期二)(包括首尾兩天)暫停辦理股東登記手續，期間概不會辦理任何股份過戶登記。為符合出席股東週年大會的資格，所有填妥之股份過戶表格連同有關股票，最遲必須於二零二零年六月二十五日(星期四)下午四時三十分之前，交回本公司之股份過戶登記處香港分處卓佳登捷時有限公司辦理登記。

本公司亦將於二零二零年七月二十三日(星期三)至二零二零年七月二十五日(星期五)(包括首尾兩天)暫停辦理股東登記手續，期間概不會辦理任何股份過戶登記。為符合收取建議之末期股息的資格，所有填妥之股份過戶表格連同有關股票，最遲必須於二零二零年七月二十二日(星期二)下午四時三十分之前，交回本公司之股份過戶登記處香港分處卓佳登捷時有限公司辦理登記。

企業管治

截至二零一九年十二月三十一日止年度內，本公司一直遵守聯交所證券上市規則(「上市規則」)附錄14所載之《企業管治守則》之守則條文，惟偏離下文闡述有關守則條文第A.2.1條及第A.5.1條除外。

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer (“CEO”) should be separate and should not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing. The Company does not presently have any officer with the title CEO. At present, Mr. Yang Yirong, being the Chairman and the President of the Company, is responsible for the strategic planning, formulation of overall corporate development policy and running the business of the Group as well as the duties of Chairman. The Board considered that, due to the nature and extent of the Group’s operations, Mr. Yang is the most appropriate chief executive because he possesses in-depth knowledge and experience in fine chemicals business and is able to ensure the sustainable development of the Group. Besides, he is the founder, the chairman and the controlling shareholder of the Group since its establishment and till now. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make the necessary amendments.

During the period from 28 March 2018 to 9 April 2019, the Board cannot met the requirements of the Listing Rules relating to the appointment of at least three INEDs. Pursuant to Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules and CG Code Provision A.5.1, (i) the Board is required to have at least three independent non-executive directors (“INED(s)”); (ii) the Board is required to have INEDs representing at least one third of the Board; (iii) the audit committee must comprise a minimum of three members, at least one of whom is an INED with appropriate professional qualifications or accounting or related financial management expertise; (iv) the remuneration committee must comprise by a majority of INEDs and (v) the nomination committee must comprise by a majority of INEDs.

Dr. Lin David Ying Tsung (“Dr. Lin”) was redesignated as executive director on 28 March 2018. On the same date, he was resigned as an independent non-executive director, and a member of each of the remuneration committee, the audit committee and the nomination committee of the Company. The Company has not appointed a suitable candidate to fill the vacancy till 9 April 2019. Since the Company was not able to identify suitable candidate to take up the vacancy left by Dr. Lin, the Company was not in compliance with the requirements prescribed under Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules and CG Code Provision A.5.1 during the period from 28 March 2018 to 9 April 2019.

守則條文第A.2.1條規定，主席與行政總裁之角色應有區分，並不應由一人同時兼任。主席與行政總裁之間職責之分工應清楚界定並以書面列載。本公司並無高級職員獲授行政總裁職銜。本公司主席兼總裁楊毅融先生現負責策略規劃、整體企業發展政策制定及本集團業務營運以及主席職責。董事會認為，基於本集團之業務性質及範疇，楊先生不但具備精細化工業務之豐富知識及經驗，並有能力推動本集團持續發展，故為最合適的行政總裁人選。此外，彼亦為本集團之創辦人、自成立至今之主席兼控股股東，惟董事會將不時檢討現行架構，並於合適時候及倘本集團自內部或外界物色到具備適當領導才能、知識、技能及經驗之人選，本公司或會作出所需修訂。

於二零一八年三月二十八日至二零一九年四月九日期間，董事會未能符合上市規則有關董事會須委任最少三名獨立非執行董事的規定。根據上市規則第3.10(1)、3.10A、3.21及3.25條及企業管治守則條文A.5.1，(i)董事會必須至少有三名獨立非執行董事；(ii)董事會中獨立非執行董事人數必須佔董事會成員人數至少三分之一；(iii)審核委員會至少要有三名成員，其中至少一名為具備合適專業資格或會計或相關財務管理專長之獨立非執行董事；(iv)薪酬委員會必須以獨立非執行董事佔大多數及(v)提名委員會必須以獨立非執行董事佔大多數。

林英宗博士(「林博士」)於二零一八年三月二十八日調任為執行董事，並於同日辭任本公司獨立非執行董事、審核委員會、薪酬委員會及提名委員會成員。於二零一九年四月九日前，本公司沒有委任適當人選填補空缺。由於本公司未能物色合適人選，以填補林博士調任後出現之空缺，本公司於二零一八年三月二十八日至二零一九年四月九日期間未能符合上市規則第3.10(1)、3.10A、3.21及3.25條及企業管治守則條文A.5.1之規定。

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

During the year ended 31 December 2019, the Company had not redeemed and neither the Company nor any of its subsidiaries had purchased or sold any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding the Directors' securities transactions on terms not less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Specific enquiry has been made to all Directors and all the Directors have confirmed that they have complied with all the relevant requirements as set out in the Model Code throughout the year ended 31 December 2019.

REVIEW OF RESULTS

The audit committee has reviewed with management and the Company's external auditors the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the report prepared by the external auditors to the audit committee in respect of the audit of the financial statements of the Group for the year ended 31 December 2019.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2019 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

購買、出售或贖回本公司之上市股份

截至二零一九年十二月三十一日止年度，本公司並無贖回，而本公司或其任何附屬公司概無購買或出售本公司任何上市證券。

進行證券交易的標準守則

本公司已採納一套有關董事進行證券交易的行為守則，條款不遜於上市規則附錄10所載上市發行人董事進行證券交易的標準守則（「標準守則」）的規定標準。本公司已向全體董事作出具體查詢，而全體董事亦已確認，彼等於截至二零一九年十二月三十一日止年度一直遵守標準守則所載所有有關規定。

審閱業績

審核委員會已與管理層及本公司的外聘核數師審閱本集團採納的會計原則及慣例，並已討論審核、內部監控及財務申報事宜，包括外聘核數師就審閱本集團截至二零一九年十二月三十一日止年度的財務報表向審核委員會擬備的報告。

羅兵咸永道會計師事務所的工作範圍

本集團的核數師，羅兵咸永道會計師事務所已就本集團截至二零一九年十二月三十一日止年度的初步業績公佈中有關本集團截至二零一九年十二月三十一日止年度的合併資產負債表、合併利潤表、合併綜合收益表及相關附註所列數字與本集團該年度的經審核合併財務報表所列載數額核對一致。羅兵咸永道會計師事務所就此執行的工作不構成根據香港會計師公會頒佈的香港審計準則、香港審閱聘用準則或香港核證聘用準則而進行的核證聘用，因此羅兵咸永道會計師事務所並未對初步業績公佈發出任何核證。

REMUNERATION COMMITTEE

The Remuneration Committee of the Board has reviewed remuneration policy and packages of the Directors and senior management for the year ended 31 December 2019.

PUBLICATION OF THE ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the designated website of the Stock Exchange (www.hkexnews.hk) and on the website of the Company (www.ecogreen.com). The 2019 annual report containing all the information required by The Listing Rules will be despatched to shareholders and will be published on the aforementioned websites in due course.

By order of the Board

EcoGreen International Group Limited

Yang Yirong

Chairman & President

Hong Kong, 31 March 2020

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

薪酬委員會

董事會薪酬委員會已審閱董事及高級管理層截至二零一九年十二月三十一日止年度的薪酬政策及組合。

刊登全年業績及年報

本業績公佈於聯交所指定網站 (www.hkexnews.hk) 及本公司網站 (www.ecogreen.com)內刊載。載有上市規則所規定一切資料之二零一九年年報，將於適當時候寄交股東及於上述網站內刊載。

承董事會命

主席及總裁

中怡國際集團有限公司

楊毅融

香港，二零二零年三月三十一日

於本公告日期，本公司之董事會包括六位執行董事，分別為楊毅融先生(主席)、龔雄輝先生、盧家華女士、林英宗博士、韓歡光先生及林志剛先生；及三位獨立非執行董事，名字為丘福全先生、向明先生及黃翼忠先生。