



维港环保

WEIGANG ENVIRONMENT

维港环保科技控股集团有限公司

Weigang Environmental Technology Holding Group Limited

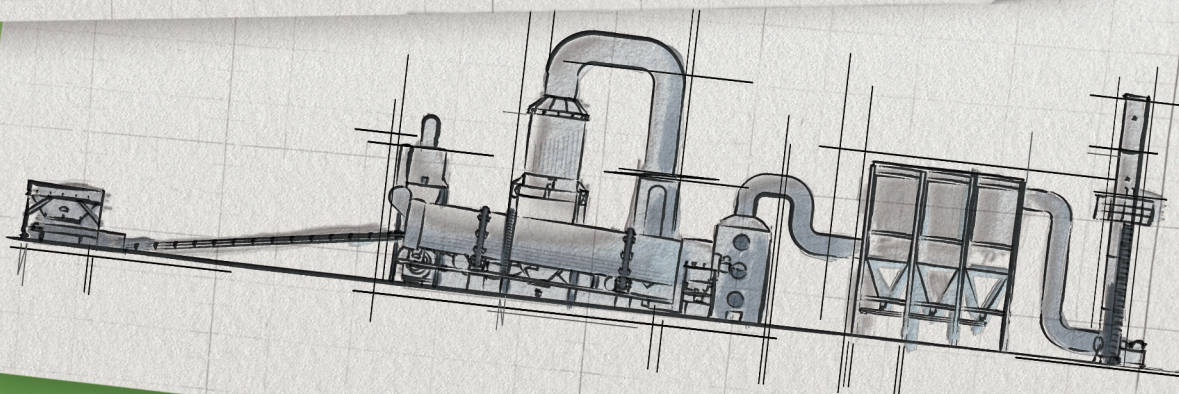
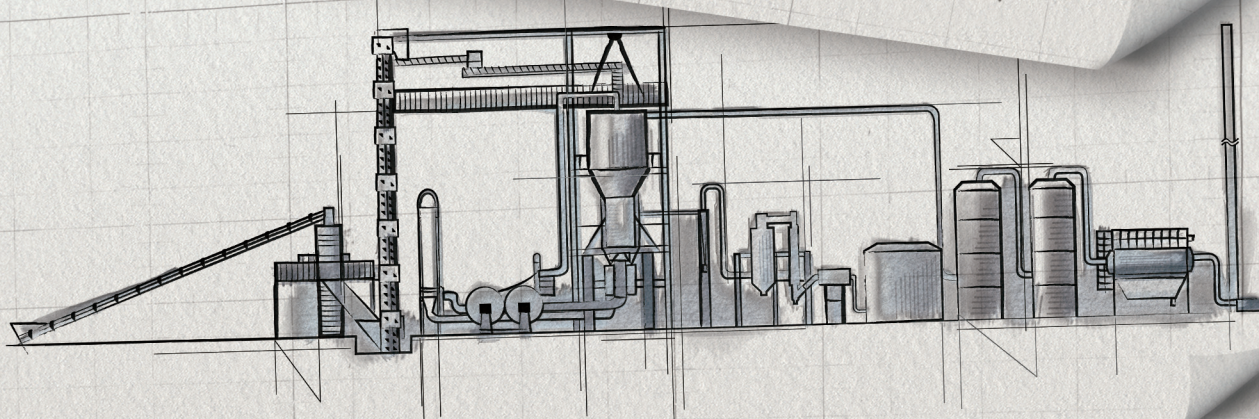
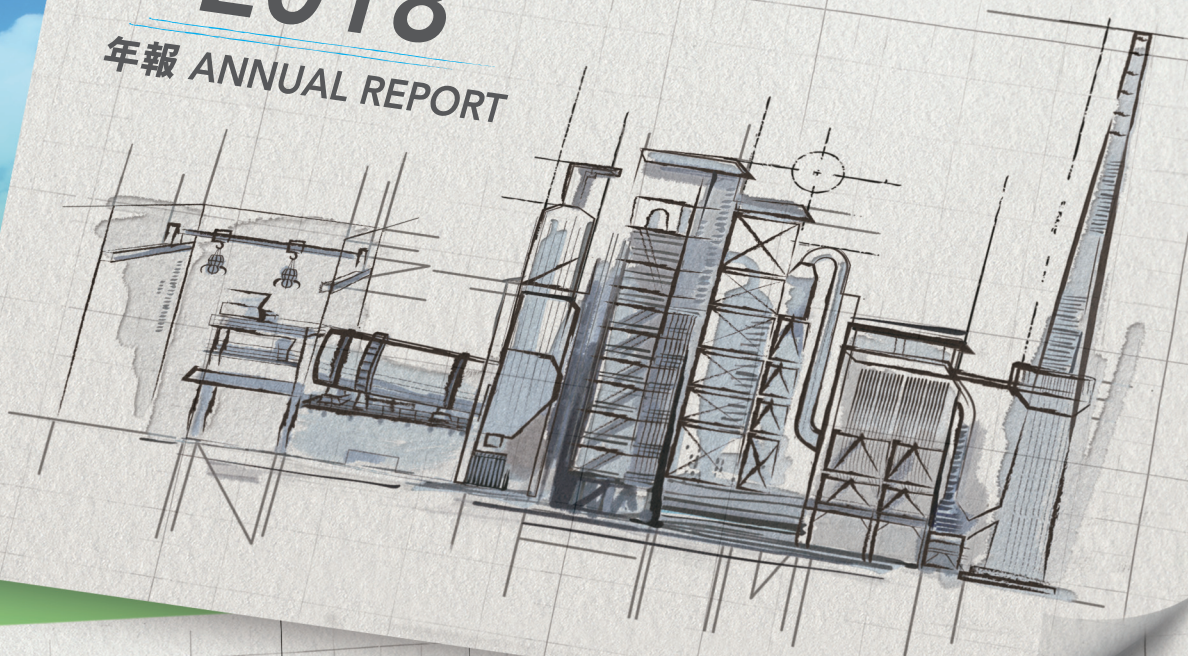
(於開曼群島註冊成立的有限公司)

(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 1845

2018

年報 ANNUAL REPORT



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COMPANY PROFILE

公司簡介

Weigang Environmental Technology Holding Group Limited (the “Company”) together with its subsidiaries (the “Group”) are the leading comprehensive hazardous waste incineration turnkey solution provider in China. According to Frost & Sullivan, the Group are the largest solution provider in China in 2017, with market share of 19.8% in terms of revenue from providing centralised hazardous waste incineration solutions, and with market share of 37.3% for centralised incineration of hazardous waste in terms of aggregate designed disposal capacity of projects. As at 31 December 2018, the Group has 12 completed hazardous waste incineration projects with aggregate designed disposal capacity of 215,000 tonnes per annum, and 17 outstanding hazardous waste incineration projects with aggregate designed disposal capacity of 436,000 tonnes per annum.

The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 3 January 2019.

Leveraging its experience and expertise in hazardous waste incineration, the Group has expanded its offerings to other areas of solid waste treatment, such as thermal desorption of oil sludge, pyrolysis treatment of solid waste and cement plant parallel kiln co-treatment. As at 31 December 2018, the Group already successfully entered into aforementioned new business areas with some new customers or potential customers, such as the first oil sludge thermal desorption project of the Group located in Karamay, Xinjiang, the first waste paper residues pyrolysis project of the Group located in Shandong, the first waste new energy batteries pyrolysis project of the Group located in Hunan, and the first cement plant parallel kiln co-treatment of the Group in negotiation stage located in Guangdong.

The Group will continue to focus on the technology innovation to maintain its advanced technology and strong R&D capability. To capture the opportunities brought by the policies for the development of the environmental protection industry and the huge demand of industrial enterprise to comply with increasingly tighter environmental protection policies, the Group will leverage its technology advantage to expanding its business into more and more new areas, and devote itself to become a leading solid waste treatment solutions provider in China.

维港环保科技控股集团有限公司(「本公司」)及其附屬公司(「本集團」)是中國領先的綜合危險廢物焚燒處置的整體解決方案提供商。根據弗若斯特沙利文的資料，於2017年本集團是中國最大的解決方案提供商，以提供危廢集中焚燒處置解決方案所得收入計本集團佔市場份額的19.8%，以危廢集中焚燒處置項目的累計設計處置能力計本集團佔市場份額的37.3%。截至2018年12月31日，本集團完成12個危廢焚燒處置項目，累計設計年處置量為215,000噸，並持有17個在建危廢焚燒處置項目，累計設計年處置量為436,000噸。

本公司股份於2019年1月3日在香港聯合交易所有限公司(「聯交所」)主板上市。

憑藉本集團在危險廢物焚燒處置方面的經驗及專業知識，本集團已將業務擴展至固體廢物處理的其他領域，如油泥熱脫附、固體廢物的無氧裂解處理及水泥回轉窯平行協同處置。截至2018年12月31日，本集團通過與新客戶或潛在客戶的合作成功進入前述各新領域業務，例如坐落於新疆克拉瑪依的本集團首個油泥熱脫附項目、坐落於山東的本集團首個無氧裂解廢紙渣項目、坐落於湖南的本集團首個無氧裂解新能源廢電池項目以及坐落於廣東處於洽談階段的本集團首個水泥回轉窯平行協同處置項目。

本集團將繼續專注於技術創新，保持自身的先進技術及強大的研發能力。為抓住環保行業發展政策及工業企業為滿足日益趨嚴的環保政策產生的巨大需求所帶來的機遇，本集團將憑藉自身的技術優勢在越來越多的新領域拓展業務，致力於成為中國領先的固體廢物處置解決方案提供商。

CORPORATE INFORMATION

公司資料

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

DIRECTORS

董事

Executive Directors

執行董事

Mr. Cai Zhuhua (*Chairman*)
Mr. Dong Honghui
Mr. Deng Zhaoshan

蔡珠華先生(*董事長*)
董紅暉先生
鄧兆善先生

Non-executive Directors

非執行董事

Mr. Ren Jingfeng
Mr. Yang Zhiqiang

任景豐先生
楊志強先生

Independent Non-executive Directors

獨立非執行董事

Mr. Yang Zhifeng
Mr. Jiang Guoliang
Mr. Feng Tao

楊志峰先生
蔣國良先生
馮濤先生

AUDIT COMMITTEE

審核委員會

Mr. Feng Tao (*Chairman*)
Mr. Yang Zhifeng
Mr. Jiang Guoliang

馮濤先生(*主席*)
楊志峰先生
蔣國良先生

REMUNERATION COMMITTEE

薪酬委員會

Mr. Feng Tao (*Chairman*)
Mr. Dong Honghui
Mr. Jiang Guoliang

馮濤先生(*主席*)
董紅暉先生
蔣國良先生

NOMINATION COMMITTEE

提名委員會

Mr. Cai Zhuhua (*Chairman*)
Mr. Feng Tao
Mr. Jiang Guoliang

蔡珠華先生(*主席*)
馮濤先生
蔣國良先生

JOINT COMPANY SECRETARIES

聯席公司秘書

Mr. Gu Chunbin
Ms. So Shuk Yi Betty

辜淳彬先生
蘇淑儀女士

CORPORATE INFORMATION

公司資料

AUTHORISED REPRESENTATIVES

Mr. Cai Zhuhua
Mr. Gu Chunbin

授權代表

蔡珠華先生
辜淳彬先生

LEGAL ADVISERS TO OUR COMPANY

As to Hong Kong law:

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(in Association with Han Kun Law Offices)
Rooms 3901-05, 39/F, Edinburgh Tower
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15 Queen's Road Central
Hong Kong

本公司法律顧問

關於香港法律：
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(與漢坤律師事務所聯營)
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皇后大道中 15 號
置地廣場
公爵大廈 39 樓 3901-05 室

As to Cayman Islands law:

Walkers (Hong Kong)
15th Floor, Alexandra House
18 Chater Road
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Hong Kong

關於開曼群島法律：

Walkers (香港)
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中環
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As to PRC law:

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Shenzhen 518048
PRC

關於中國法律：

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深圳市
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郵編：518048

AUDITORS AND REPORTING ACCOUNTANTS

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

審計師及申報會計師

德勤 • 關黃陳方會計師行
執業會計師
香港
金鐘道 88 號
太古廣場一期 35 樓

CORPORATE INFORMATION

公司資料

COMPLIANCE ADVISER

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21 Wing Wo Street
Central, Hong Kong

REGISTERED OFFICE

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Grand Cayman, KY1-9008
Cayman Islands

HEADQUARTERS

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China

PLACE OF BUSINESS IN HONG KONG

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Walkers Corporate Limited
Cayman Corporate Centre
27 Hospital Road
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Grand Cayman KY1-9008
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

合規顧問

浩德融資有限公司
香港中環
永和街21號

註冊辦事處

Cayman Corporate Centre
27 Hospital Road, George Town
Grand Cayman, KY1-9008
Cayman Islands

總部

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廣東省廣州市
科學大道181號
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香港營業地點

香港
北角
電氣道183號
友邦廣場35樓3507室

開曼群島主要股份過戶登記處

Walkers Corporate Limited
Cayman Corporate Centre
27 Hospital Road
George Town
Grand Cayman KY1-9008
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

CORPORATE INFORMATION

公司資料

PRINCIPAL BANK

Bank of Guangzhou
Science City Branch
3/F, Science and Technology
Innovation Base Complex
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Science City, Guangzhou
Guangdong Province
China

China Merchants Bank
Hong Kong Branch
31/F, Three Exchange Square
8 Connaught Place, Central
Hong Kong

STOCK CODE

1845

COMPANY'S WEBSITE

<http://www.gzweigang.com/>

DATE OF LISTING

3 January 2019

主要往來銀行

廣州銀行
科學城支行
中國
廣東省
廣州市科學城
攬月路80號
科技創新基地綜合服務樓3樓

招商銀行
香港分行
香港
中環康樂廣場八號
交易廣場三期31樓

股份代號

1845

公司網站

<http://www.gzweigang.com/>

上市日期

2019年1月3日

FINANCIAL SUMMARY

財務概要

For the year ended 31 December 2018, the revenue of the Group amounted to RMB480.1 million, representing an increase of 153.5% as compared with the year ended 31 December 2017.

For the year ended 31 December 2018, the gross profit of the Group amounted to RMB124.7 million and the gross profit margin of the Group was 26.0%, representing an increase of 100.8% and decrease of 6.8 percentage points as compared with the year ended 31 December 2017, respectively.

For the year ended 31 December 2018, the net profit of the Group amounted to RMB57.4 million, and the net profit margin of the Group was 12.0%, representing an increase of 92.6% and decrease of 3.8 percentage points as compared with the year ended 31 December 2017.

If excluding the listing expense incurred, the adjusted net profit for the year ended 31 December 2018 was RMB69.7 million, the net profit margin was 14.5%.

For the year ended 31 December 2018, the profit attributable to owners of the Company amounted to RMB49.8 million, representing an increase of 64.9% as compared with the year ended 31 December 2017.

For the year ended 31 December 2018, the basic earnings per share attributable to owners of the Company amounted to RMB0.049, as compared to RMB0.032 for the year ended 31 December 2017.

截至2018年12月31日止年度，本集團的收入為人民幣480.1百萬元，較截至2017年12月31日止年度增加153.5%。

截至2018年12月31日止年度，本集團的毛利為人民幣124.7百萬元，而本集團的毛利率則為26.0%，分別較截至2017年12月31日止年度增加100.8%及減少6.8個百分點。

截至2018年12月31日止年度，本集團的純利為人民幣57.4百萬元，而本集團的淨利率則為12.0%，分別較截至2017年12月31日止年度增加92.6%及減少3.8個百分點。

倘不包括所產生的上市開支，截至2018年12月31日止年度的經調整純利為人民幣69.7百萬元，而淨利率則為14.5%。

截至2018年12月31日止年度，本公司擁有人應佔利潤為人民幣49.8百萬元，較截至2017年12月31日止年度增加64.9%。

截至2018年12月31日止年度，本公司擁有人應佔每股基本盈利為人民幣0.049元，而截至2017年12月31日止年度則為人民幣0.032元。

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

		2018 2018年	2017 2017年	2016 2016年	2015 2015年
		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	480,091	189,407	88,971	74,883
Gross profit	毛利	124,663	62,104	28,840	26,713
Profit before income tax	除所得稅前利潤	67,970	36,379	22,880	20,720
Income tax expense	所得稅開支	(10,559)	(6,620)	(3,357)	(5,105)
Profit for the year	年內利潤	57,411	29,759	19,523	15,615
Profit attributable to:	以下各方應佔利潤：				
Owners of the Company	本公司擁有人	49,799	30,195	19,523	15,615
Non-controlling interests	非控股權益	7,612	(436)	—	—

As at 31 December 於12月31日

		2018 2018年	2017 2017年	2016 2016年	2015 2015年
		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
Total Assets	資產總值	469,735	253,053	90,842	63,904
Total liabilities	負債總額	310,445	218,356	38,443	31,028
Equity attributable to the owners of the Company	本公司擁有人應佔權益	132,070	35,133	52,399	32,876

CHAIRMAN'S STATEMENT

董事長報告書

On behalf of the Board, I am hereby pleased to present the annual results of the Group for the year ended 31 December 2018 and the future outlook of 2019.

2018 REVIEW

The year of 2018 was an extremely meaningful year for the development of the Group, which the Group has taken a solid step for its commitment to become a leading solid waste treatment solutions provider in China. The strategic arrangement on the Group's shareholding structure and the smooth transition of the Group's business structure have laid a solid foundation for the Group to tap into the capital markets in Hong Kong. In 2018, by capturing the opportunities brought along with the favorable environmental policies promulgated by the government in the People's Republic of China ("PRC"), the Group's business has achieved higher growth in revenue and profit, which to some extent contributed to the pollution prevention and control and energy conservation in China.

FUTURE PROSPECTS

Looking forward to 2019, the Group will continue to capture the opportunities brought by the policies for the development of the environmental protection industry, and actively seize more business opportunities from solid waste treatment by commercialising its advanced solid waste treatment technologies to market with the resources from strategic shareholders, the capital market network, and its strong R&D capabilities. The Group will still continue to focus on the technology innovation to further expand the Group's business scope, maintain the Group's leading position in the market, maximize shareholder returns and optimize the Group's commitment of becoming a leading solid waste treatment solutions provider in China.

CAI Zhuhua

Chairman

26 March 2019

本人謹代表董事會欣然呈報本集團截至2018年12月31日止年度的年度業績以及對2019年的未來展望。

2018年回顧

2018年是本集團發展里程中極為重要的一年，本集團在打造成為中國領先固體廢物處理解決方案提供商的路上邁出堅實的一步。本集團就股權結構作出戰略部署，加上本集團業務結構順利轉型，以上種種舉措均為本集團打入香港資本市場奠定堅實的基礎。於2018年，隨著中華人民共和國（「中國」）政府的環保利好政策相繼出台，本集團抓緊箇中蘊藏的機遇，於業務上實現較高的收入及利潤增長，為中國污染防治及節約能源作出一定程度的貢獻。

未來前景

展望2019年，本集團將繼續抓住環保行業發展政策所帶來的機遇，依托戰略股東資源，以資本市場為紐帶，以強大的研發能力為輔，將先進的固體廢物處理技術商業化，積極把握更多來自固體廢物處理的商機。本集團將繼續專注於技術創新，進一步拓展本集團的業務範疇，維持本集團的市場領先地位，為股東帶來最大回報，並致力實踐本集團成為中國領先的固體廢物處理解決方案提供商的承諾。

蔡珠華

董事長

2019年3月26日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

I. BUSINESS REVIEW

The Group is a leading comprehensive hazardous waste incineration turnkey solution provider in China focused on the research, design, integration and commissioning of solid waste treatment systems, particularly for hazardous waste incineration. Leveraging its experience and expertise in hazardous waste incineration, the Group has expanded its offerings to other areas of solid waste treatment, such as thermal desorption of oil sludge, pyrolysis treatment of solid waste and cement plant parallel kiln co-treatment. The Group conduct research and development of technologies related to these new areas and have successfully applied some of them to its new solid waste treatment projects.

In 2018, the Group primarily engaged in and generated a substantial portion of the revenue from the design, integration and commissioning of hazardous waste incineration systems in China.

Provision of Hazardous Waste Incineration Solutions

Before 2018, the Group has 7 completed hazardous waste incineration projects with aggregate designed disposal capacity of 110,000 tonnes per annum which were passed to the Group's customers in normal operation. In 2018, the Group completed 5 more hazardous waste incineration projects which located in Hebei, Guangdong and Jiangxi with an aggregate designed disposal capacity of approximately 105,000 tonnes per annum. As at 31 December 2018, the Group took 17 outstanding hazardous waste incineration projects on hand, covering 17 cities in China with an aggregate designed disposal capacity of approximately 436,000 tonnes per annum. The table below sets out the summary of the completed hazardous waste incineration projects in 2018 and the outstanding hazardous waste incineration projects as at 31 December 2018:

I. 業務回顧

本集團是中國領先的綜合危險廢物焚燒處置整體解決方案提供商，專注於固體廢物處理系統(尤其是危險廢物焚燒處置系統)的研究、設計、集成及調試。憑藉本集團在危險廢物焚燒處置方面的經驗及專業知識，本集團已將業務擴展至固體廢物處理的其他領域，如油泥熱脫附、固體廢物的無氧裂解處理及水泥回轉窯平行協同處置。本集團開展與該等新領域相關的技術研發，並已成功地將部分研發成果應用於新的固體廢物處理項目。

於2018年，本集團主要在中國提供危險廢物焚燒處置系統的設計、集成及調試，並自其中產生很大一部分收入。

提供危險廢物焚燒處置解決方案

於2018年前，本集團完成了7個危險廢物焚燒處置項目並已於正常運營下轉交予本集團的客戶，累計設計處置能力為110,000噸／年。於2018年，本集團額外完成了5個位於河北、廣東及江西的危險廢物焚燒處置項目，累計設計處置能力約為105,000噸／年。於2018年12月31日，本集團手上有17個危險廢物焚燒處置項目尚未完工，遍佈中國17個城市，累計設計處置能力約為436,000噸／年。下表載列於2018年竣工危險廢物焚燒處置項目及於2018年12月31日尚未完工危險廢物焚燒處置項目的概要：

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Completed hazardous waste incineration projects in 2018:

於2018年竣工的危險廢物焚燒處置項目：

No.	Project		Designed Disposal/Treatment Capacity (tonnes per annum) 設計處置／處理能力 (噸／年)
編號	項目		
1	Hebei Hengshui hazardous waste incineration project	河北衡水危廢焚燒處置項目	20,000
2	Solid Waste Comprehensive Treatment Centre of Qingyuan Overseas Chinese Industrial Park hazardous waste incineration project	清遠華僑工業園固體廢物綜合處置中心危廢焚燒處置項目	20,000
3	Fujian Quanzhou hazardous waste incineration project	福建泉州危廢焚燒處置項目	20,000
4	Jiujiang hazardous waste incineration project	九江危廢焚燒處置項目	20,000
5	Fujian Nanping hazardous waste incineration project	福建南平危廢焚燒處置項目	25,000
	Total	總計	105,000

* Completed project is defined as which the system functionality evaluation is completed.

* 已竣工項目界定為完成系統功能性評估的項目。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Outstanding hazardous waste incineration projects as at 31 December 2018:

於2018年12月31日尚未完工的危險廢物焚燒處置項目：

No.	Project	Designed Disposal/Treatment Capacity (tonnes per annum)
編號	項目	設計處置/處理能力 (噸/年)
1	Shandong Weifang hazardous waste incineration project	50,000
2	Taixing Economic Development Zone hazardous waste Incineration project	30,000
3	Jiangxi Ganzhou hazardous waste incineration project	20,000
4	Shanghai hazardous waste incineration project	25,000
5	Yantai hazardous waste incineration project	30,000
6	Nantong hazardous waste incineration project	25,000
7	Xiamen hazardous waste incineration project	20,000
8	Shaoxing hazardous waste incineration project	20,000
9	Suzhou Industrial Park solid waste comprehensive treatment project	30,000
10	Fuzhou hazardous waste incineration project	20,000
11	Hubei Yaojiagang industrial waste treatment and utilisation project I	30,000
12	Hebei Tangshan Caofeidian hazardous waste incineration project	20,000
13	Sichuan Chengdu hazardous waste incineration project II	30,000
14	Jiangsu Nanjing hazardous waste incineration project	21,000
15	Foshan hazardous waste incineration project	30,000
16	Dongguan hazardous waste incineration project	20,000
17	Henan Puyang hazardous waste incineration project	15,000
Total	總計	436,000

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(i) **General increase in market demand**

There was a general increase in market demand driven by various factors such as the increasing hazardous waste suitable for incineration, the increasing number of centralised incineration facilities as well as favourable government policy support.

(ii) **Increased customer recognition**

The Group has been focusing on hazardous waste incineration treatment solutions to the facility operators and other customers with large solid waste output and environmental compliance needs. With many years of experience, the Group has gradually accumulated an extensive knowledge pool and has built its brand recognition among hazardous waste treatment facility operators in China. The increased customer recognition facilitates the Group's exploration of new customers and it is able to obtain more projects through customers' referral.

Provision of Oil Sludge Thermal Desorption Solution

In the 4th quarter of 2018, the first thermal desorption project of the Group which located in Karamay, Xinjiang, has already commenced operation and generated revenue amounted to RMB10.7 million.

Provision of Pyrolysis Treatment of Solid Waste Solution

In 2018, we had entered into a service contract with a paper manufacturer in Shandong province for the commissioning and operation of waste paper residues pyrolysis project with designed disposal capacity of approximately 15,000 tonnes per annum. Up to 26 March 2019, this project is in the process of environmental assessment and expected to commence operation in 2019.

We also entered into a contract with a waste new energy batteries recycling company in Hunan province for the design, integration and commissioning of waste new energy batteries pyrolysis project with designed disposal capacity of approximately 14,000 tonnes per annum. The contract amount is RMB27.0 million and up to 26 March 2019, this project is in the process of solution design.

(i) **市場需求整體增長**

市場需求受各項因素推動而整體增長，如適用於焚燒的危險廢物增加、集中焚燒設施數量增加及政府有利政策支持。

(ii) **客戶認可度提升**

本集團一直專注於為設施運營商及具有大量固體廢物產生量及環境合規需求的其他客戶提供危險廢物焚燒處置解決方案。憑藉多年經驗，本集團已逐步積累廣泛的知識庫，並在中國危險廢物處理設施運營商中建立我們的品牌知名度。客戶認可度的提升促使本集團挖掘新客戶，而且本集團有能力通過客戶的轉介獲得更多項目。

提供油泥熱脫附解決方案

於2018年第四季度，本集團首個新疆克瑪依熱脫附項目已開始營運，並產生了收入人民幣10.7百萬元。

提供固體廢物的無氧裂解處理解決方案

於2018年，我們就廢紙渣無氧裂解項目的調試及運營與山東省的一家造紙商訂立服務合約，設計處置能力約為15,000噸／年。截至2019年3月26日，該項目正在進行環境評估，預計將於2019年開始營運。

我們亦就廢舊新能源電池無氧裂解項目的設計、集成及調試與湖南省的一家廢舊新能源電池回收商訂立合約，設計處置能力約為14,000噸／年。合約金額為人民幣27.0百萬元，而截至2019年3月26日，該項目正處於設計解決方案階段。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Provision of Cement Plant Co-treatment of Hazardous Waste Solution

In 2018, we had entered into a letter of intent with the cement producer and we were in the process of negotiating the commercial terms with this cement producer for the Co-treatment Cooperation.

提供水泥廠協同處理危險廢物解決方案

於2018年，我們已與水泥生產商簽訂意向書，且正在與該水泥生產商就協同處置合作協商商業條款。

II. FINANCIAL POSITION AND OPERATING RESULTS

The overall operating results of the Group for 2018 has grown substantially as compared with 2017; and the financial conditions of the Group for 2018 maintained steady which strongly supported the Group's strategic development. The operating revenue increased significantly as the Group successfully seized strategic opportunities under the enhanced environmental management in the PRC. After deduction of the effects from decrease in gross profit margin rate, the profit increased substantially as compared to that of 2017. The Group continued to low asset-liability ratio and maintain sufficient cash resource to lay a solid foundation for the Group's development. The Group also successfully tapped into new areas of thermal desorption of oil sludge, pyrolysis treatment of solid waste and cement plant parallel kiln co-treatment.

Revenue

Revenue increased by 153.5% from RMB189.4 million for the year ended 31 December 2017 to RMB480.1 million for the year ended 31 December 2018. This increase was mainly attributable to the rapid growth of our hazardous waste incineration treatment business.

The Group derived the majority of its revenue from provision of hazardous waste incineration solutions and the remainder from provision of oil sludge thermal desorption solution, pyrolysis solid waste treatment solutions and other services including technical upgrading and maintenance services.

II. 財務狀況及經營業績

與2017年相比，本集團於2018年的整體經營業績錄得大幅增長，而本集團於2018年的財務狀況維持穩定，為本集團的戰略發展提供強而有力的支持。本集團把握中國加強環境管理所帶來的戰略機遇，經營收入因而大幅增加。撇除毛利率下降的影響後，利潤較2017年大幅增長。本集團資產負債率持續低企維持足夠現金資源，為本集團的發展奠定了堅實的基礎。本集團亦成功開拓新範疇，包括油泥熱脫附、固體廢物的無氧裂解處理及水泥回轉窯平行協同處置。

收入

收入從截至2017年12月31日止年度的人民幣189.4百萬元增加153.5%至截至2018年12月31日止年度的人民幣480.1百萬元。該增長主要歸因於危險廢物焚燒處置業務快速增長。

本集團的大部分收入來自提供危險廢物焚燒處置解決方案，剩餘收入來自提供油泥熱脫附解決方案、固體廢物的無氧裂解處理解決方案及其他服務(包括技術升級及維護服務)。

MANAGEMENT DISCUSSION AND ANALYSIS

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Revenue from hazardous waste incineration solutions increased by 152.6% from RMB176.1 million for the year ended 31 December 2017 to RMB444.8 million for the year ended 31 December 2018. This increase was mainly driven by a combination of favourable factors below:

(i) General increase in market demand

According to Frost & Sullivan, the total revenue of solution providers for large-scale centralized hazardous waste incineration facilities in China increased at a CAGR of 42.3% from 2013 to 2017, and is expected to increase from 2018 to 2022 at a CAGR of 7.7% and achieve RMB1,688 million in 2022.

(ii) Increased customer recognition

As at 31 December 2018, the Group had business relationships with five of the ten largest centralized hazardous waste treatment facility operators in China and established stable partnership relationship with them. Benefit from the Group's outstanding industry reputation, the Group won 4 new customers in 2018.

The Group's revenue generated from the provision of oil sludge thermal desorption solution for the year ended 31 December 2018 amounted to RMB10.7 million (2017: nil), which were attributable to the Group's first oil sludge thermal desorption project commenced operation in 2018.

The Group recognized revenue from the provision of pyrolysis treatment of solid waste solution amounted to RMB4.1 million (2017: nil) due to the Jiangmen project progress in 2018.

Revenue from other services (including technical upgrading services and maintenance services) increased by 55.3% from RMB13.2 million for the year ended 31 December 2017 to RMB20.5 million for the year ended 31 December 2018. This increase was attributable to the customer demand for maintenance of hazardous waste incineration projects increase, which is in line with the Group's expansion in hazardous waste incineration business.

危險廢物焚燒處置解決方案的收入從截至2017年12月31日止年度的人民幣176.1百萬元增加152.6%至截至2018年12月31日止年度的人民幣444.8百萬元。該增長主要由下列各項有利因素共同推動：

(i) 市場需求整體增長

根據弗若斯特沙利文的資料，中國大型危險廢物集中焚燒處置設施的解決方案提供商的總收入自2013年至2017年以42.3%的年複合增長率增加，並預計將自2018年至2022年以7.7%的年複合增長率增加，並於2022年達至人民幣1,688百萬元。

(ii) 客戶認可度提升

於2018年12月31日，中國十大集中危廢處理設施運營商中有五家與本集團有業務關係，且合作關係穩定。憑藉本集團於業界享有良好聲譽，本集團於2018年贏得4名新客戶。

截至2018年12月31日止年度，本集團來自提供油泥熱脫附解決方案的收入為人民幣10.7百萬元(2017年：無)，歸因於本集團首個油泥熱脫附項目已於2018年開始營運。

由於江門項目於2018年取得進展，本集團已確認來自提供固體廢物的無氧裂解處理解決方案的收入人民幣4.1百萬元(2017年：無)。

來自其他服務的收入(包括技術升級及維護服務)從截至2017年12月31日止年度的人民幣13.2百萬元增加55.3%至截至2018年12月31日止年度的人民幣20.5百萬元。該增長歸因於客戶對維護危險廢物焚燒處置項目的需求有所增加，符合本集團在危險廢物焚燒處置業務的業務擴展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Cost of Services

Cost of services increased by 179.2% from RMB127.3 million for the year ended 31 December 2017 to RMB355.4 million for the year ended 31 December 2018. This increase was mainly attributable to the increase in cost of services for the Group's hazardous waste incineration treatment business.

Cost of services for the Group's hazardous waste incineration treatment business consists primarily of (i) cost of equipment and materials; (ii) direct labour costs; (iii) sub-contracting costs; and (iv) others.

The cost of services for the Group's hazardous waste incineration treatment business increased by 188.5% from RMB114.8 million for the year ended 31 December 2017 to RMB331.2 million for the year ended 31 December 2018. This increase was mainly due to the Group's expansion in hazardous waste incineration business.

The Group's cost of services generated for provision of oil sludge thermal desorption solution for the year ended 31 December 2018 amounted to RMB2.8 million (2017: nil), which were attributable to the Group's first oil sludge thermal desorption project commenced operation in 2018. The cost of services for provision of oil sludge thermal desorption solution primarily consist of energy consumption, depreciation, staff cost and other miscellaneous expenses.

Cost of services for other services increased by 48% from RMB12.5 million for the year ended 31 December 2017 to RMB18.5 million for the year ended 31 December 2018. This increase was attributable to the customer demand for maintenance of hazardous waste incineration projects increase, which is in line with the Group's expansion in hazardous waste incineration business.

服務成本

服務成本從截至2017年12月31日止年度的人民幣127.3百萬元增加179.2%至截至2018年12月31日止年度的人民幣355.4百萬元。該增長主要歸因於本集團的危險廢物焚燒處置業務的服務成本上漲。

本集團危險廢物焚燒處置業務的服務成本主要包括：(i)設備及材料成本；(ii)直接人工成本；(iii)分包成本；及(iv)其他。

本集團危險廢物焚燒處置業務的服務成本從截至2017年12月31日止年度的人民幣114.8百萬元增加188.5%至截至2018年12月31日止年度的人民幣331.2百萬元。該增長主要歸因於本集團在危險廢物焚燒處置的業務擴展。

截至2018年12月31日止年度，本集團來自提供油泥熱脫附解決方案的服務成本為人民幣2.8百萬元(2017年：無)，歸因於本集團首個油泥熱脫附項目已於2018年開始營運。提供油泥熱脫附解決方案的服務成本主要包括能源耗用、折舊、人工成本及其他雜項開支。

來自其他服務的服務成本從截至2017年12月31日止年度的人民幣12.5百萬元增加48%至截至2018年12月31日止年度的人民幣18.5百萬元。該增長歸因於客戶對維護危險廢物焚燒處置項目的需求有所增加，符合本集團在危險廢物焚燒處置的業務擴展。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Gross Profit and Gross Profit Margin

The Group's gross profit increased by 100.8% from RMB62.1 million for the year 2017 to RMB124.7 million for the year 2018, while the gross profit margin decrease from 32.8% for the year ended 31 December 2017 to 26.0% for the year ended 31 December 2018.

The following table sets out the Group's gross profit and gross profit margin for each of the business segments for the periods stated.

毛利及毛利率

本集團的毛利從2017年的人民幣62.1百萬元增加100.8%至2018年的人民幣124.7百萬元，而毛利率從截至2017年12月31日止年度的32.8%減少至截至2018年12月31日止年度的26.0%。

下表載列於所述期間本集團各業務分部的毛利及毛利率。

		Gross profit		GP margin	
		毛利		毛利率	
		2018	2017	2018	2017
		2018年	2017年	2018年	2017年
		RMB million	RMB million	RMB million	RMB million
		人民幣百萬元	人民幣百萬元	人民幣百萬元	人民幣百萬元
Hazardous waste incineration solutions	危險廢物焚燒處置解決方案	113.6	61.4	25.5%	34.8%
Pyrolysis solid waste treatment solutions	無氧裂解固體廢物處置解決方案	1.2	—	29.3%	N/A
Oil sludge thermal desorption treatment services	油泥熱脫附處理服務	7.9	—	73.8%	N/A
Technical upgrading services	技術升級服務	0.6	0.4	5.4%	3.5%
Maintenance services	維護服務	1.4	0.3	14.9%	16.7%
Total	合計	124.7	62.1	26.0%	32.8%

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The gross profit of hazardous waste incineration solutions increased by 85.0% from RMB61.4 million for the year ended 31 December 2017 to RMB113.6 million for the year ended 31 December 2018. This increase was mainly attributable to the rapid growth of our hazardous waste incineration treatment business. The gross profit margin of hazardous waste incineration solutions decreased from 34.8% for the year ended 31 December 2017 to 25.5% for the year ended 31 December 2018 primarily due to (i) the Company has adjusted the project price of the hazardous waste incineration solutions in view of the intense competition in the market and in order to scale up our operations and obtain more market share; and (ii) the Company has procured equipment and materials with higher cost for installation of certain hazardous incineration systems so as to improve the quality of our systems, enhance our corporate brand and maintain better relationship with our customers.

The gross profit of provision of oil sludge thermal desorption solution for the year ended 31 December 2018 amounted to RMB7.9 million (2017: nil), which were attributable to the Group's first oil sludge thermal desorption project commenced operation in 2018. The gross profit margin of provision of oil sludge thermal desorption solution was 73.8% for the year ended 31 December 2018 (2017: nil).

The gross profit of other services increased by 185.7% from RMB0.7 million for the year ended 31 December 2017 to RMB2.0 million for the year ended 31 December 2018. This increase was attributable to the customers' demand for maintenance of hazardous waste incineration projects increase, which is in line with the Group's expansion in hazardous waste incineration business. The gross profit margin of other services increased from 5.3% for the year ended 31 December 2017 to 9.8% for the year ended 31 December 2018 primarily due to the proportion of the maintenance services in the total other services increase, which had higher gross profit margin than the technical upgrading services.

危險廢物焚燒處置解決方案的毛利從截至2017年12月31日止年度的人民幣61.4百萬元增加85.0%至截至2018年12月31日止年度的人民幣113.6百萬元。該增長主要歸因於危險廢物焚燒處置業務快速增長。危險廢物焚燒處置解決方案的毛利率從截至2017年12月31日止年度的34.8%減少至截至2018年12月31日止年度的25.5%，主要由於(i)鑒於市場競爭激烈及為擴大我們的業務規模並取得更多市場份額，本公司已調整危險廢物焚燒處置解決方案的項目價格；及(ii)為提高我們系統的質量、提升我們的公司品牌及維持與客戶的良好關係，本公司以較高的成本採購了用於安裝若干危險廢物焚燒系統的設備及材料。

截至2018年12月31日止年度，提供油泥熱脫附解決方案的毛利為人民幣7.9百萬元(2017年：無)，歸因於本集團首個油泥熱脫附項目已於2018年開始營運。截至2018年12月31日止年度，提供油泥熱脫附解決方案的毛利率為73.8%(2017年：無)。

其他服務的毛利從截至2017年12月31日止年度的人民幣0.7百萬元增加185.7%至截至2018年12月31日止年度的人民幣2.0百萬元。該增長歸因於客戶對維護危險廢物焚燒處置項目的需求有所增加，符合本集團向其他固體廢物處理的業務擴展。其他服務的毛利率從截至2017年12月31日止年度的5.3%增加至截至2018年12月31日止年度的9.8%，主要由於維護服務於全部其他服務的所佔百分比增加，並取得高於技術升級服務的毛利率。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Other Income, Gains and Losses

The Group's other income and gains increased by 237.5% from RMB2.4 million for the year ended 31 December 2017 to RMB8.1 million for the year ended 31 December 2018, primarily attributable to 1) compensation revenue amounted to RMB3.8 million by a counterparty for its default of contract in relation to a hazardous waste incineration project in Suzhou; 2) foreign exchange gains amounted to RMB3.2 million due to depreciation of HK Dollars against RMB which affected the monetary assets and liabilities denominated in HK Dollars.

Administrative Expenses

The Group's administrative expenses increased by 138.5% from RMB11.7 million for the year ended 31 December 2017 to RMB27.9 million for the year ended 31 December 2018, primarily attributable to (i) an increase in staff salaries and benefits of RMB7.1 million as the Company has hired more staff for role of management, finance and administration for the business growth, and recognised share option expense amounted to RMB2.2 million; (ii) an increase in professional fees of RMB3.0 million as more professionals has been engaged to provide consultancy services in relation to the business operations, financial management and strategic development; and (iii) an increase of approximately RMB2.0 million for certain advertising activities with an aim to enhance corporate recognition of the Company and for other miscellaneous administrative expenses for the expanded business.

Other Expenses

Other expenses include (i) listing expenses; and (ii) research and development expenses, including staff costs, material and other related costs mainly in connection with the research and development of solid waste treatment applications.

The listing expenses of the Company was approximately RMB12.3 million in connection for the year ended 31 December 2018, which included in the professional fees and other fees.

其他收入、收益及虧損

本集團的其他收入及收益從截至2017年12月31日止年度的人民幣2.4百萬元增加237.5%至截至2018年12月31日止年度的人民幣8.1百萬元，主要歸因於1)因對手方違反有關蘇州的危險廢物焚燒處置項目合約而產生賠償收入人民幣3.8百萬元；2)於因港元兌人民幣貶值影響了以港元計值的貨幣資產及負債，導致外匯收益錄得人民幣3.2百萬元。

行政開支

本集團的行政開支從截至2017年12月31日止年度的人民幣11.7百萬元增加138.5%至截至2018年12月31日止年度的人民幣27.9百萬元，主要歸因於於(i)本公司因業務增長而增聘管理、財務及行政職能方面的人員，並已確認購股權開支人民幣2.2百萬元，令員工薪資及福利增加人民幣7.1百萬元；(ii)就業務營運、財務管理及戰略發展委聘更多專業人士以提供諮詢服務，令專業費用增加人民幣3.0百萬元；及(iii)若干廣告活動費用增加約人民幣2.0百萬元，以提高本公司的企業知名度及用於業務擴張的其他雜項行政開支。

其他開支

其他開支包括(i)上市開支；及(ii)研發開支(包括主要與固體廢物處理應用研發有關的人工成本、材料及其他相關成本)。

截至2018年12月31日止年度，本公司的上市開支約為人民幣12.3百萬元，當中已計入專業費用及其他費用。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's research and development expenses increased by 104.9% from RMB8.2 million for the year ended 31 December 2017 to RMB16.8 million for the year ended 31 December 2018, primarily attributable to the Group continued our focus of research and development on hazardous waste incineration solutions and new area.

Finance costs

The Group's finance costs increased by 1,400% from RMB0.4 million for the year ended 31 December 2017 to RMB6.0 million for the year ended 31 December 2018, primarily attributable to the interest on obligation arising from a put option amounted to RMB5.5 million for the year ended 31 December 2018.

On 4 April 2018, the Group entered into two joint venture agreements with Orient Landscape Group Environmental Protection Co., Ltd. ("Orient Landscape") for the investment in Guangzhou Weigang. Pursuant to such agreements, the Group granted Orient Landscape a put option, which if the Listing does not take place on or before 3 April 2020, Orient Landscape is entitled to require the Group to purchase all of the equity interest in Guangzhou Weigang held by Orient Landscape at a price equal to the sum of (i) the Subscription Price plus an interest of 8% per annum and (ii) any declared but unpaid dividends.

Pursuant to the put option aforementioned, the investment from Orient Landscape is recognised as obligation arising from a put option, and the corresponding interest of 8% per annum during 2018 is recognised in obligation arising from a put option and profit or loss. Pursuant to such agreements aforementioned, as the Listing of the Company already succeeded, the put option lapsed and all the previously recognised interest expenses will be reversed through equity at the Listing date of the Company in 2019 without any payment to Orient Landscape.

本集團的研發開支從截至2017年12月31日止年度的人民幣8.2百萬元增加104.9%至截至2018年12月31日止年度的人民幣16.8百萬元，主要歸因於本集團繼續專注於研發危險廢物焚燒處置解決方案及新技術領域。

融資成本

本集團的融資成本自截至2017年12月31日止年度的人民幣0.4百萬元增加1,400%至截至2018年12月31日止年度的人民幣6.0百萬元，主要歸因於認沽期權所產生責任的利息截至2018年12月31日止年度錄得人民幣5.5百萬元。

於2018年4月4日，本集團與東方園林集團環保有限公司（「東方園林」）就投資廣州維港訂立兩份合資協議。根據該等協議，本集團向東方園林授予一項認沽期權，而倘上市未在2020年4月3日或之前進行，則東方園林有權要求本集團購買東方園林所持廣州維港的全部股本權益，價格等於以下各項的總和：(i) 認購價加8%的年息；及(ii) 任何已宣派但未支付的股息。

根據上述認沽期權，東方園林的投資確認為認沽期權產生的責任，以及於2018年相應的8%年息於認沽期權產生的責任及損益中確認。根據上述該等協議，由於本公司已成功上市，認沽期權已失效，而所有過往確認的利息費用將於2019年公司上市之日起全部通過權益科目轉回而毋須向東方園林作任何付款。

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Income Tax Expense

Income tax expense consists of current tax and deferred tax for PRC enterprise income tax.

The Company operated business principally through its PRC subsidiaries which were subject to the PRC enterprise income tax at a statutory rate of 25% on its estimated assessable profits for the year ended 31 December 2018 (2017: 25%). Guangzhou Weigang was recognised as a "High and New Technology Enterprise" in 2016 and was entitled to a preferential PRC income tax rate of 15% for each of 2016, 2017 and 2018 and such recognition can be applied for renewal every three years.

The Group's effective tax rate decreased from 18.1% for the year ended 31 December 2017 to 15.6% for the year ended 31 December 2018, primarily due to the Group had super-deduction on R&D expenses for income tax amounted to RMB3.1 million for the year ended 31 December 2018.

Profit for the Year

Profit for the year increased by 92.6% from RMB29.8 million for the year ended 31 December 2017 to RMB57.4 million for the year ended 31 December 2018 mainly due to the Groups rapid growth in business. The net profit margin decrease from 15.7% for the year ended 31 December 2017 to 12.0% for the year ended 31 December 2018 mainly due to the decrease of gross profit margin.

Liquidity and Capital Resources

The Group's principal capital requirements are to pay for working capital needs and capital expenditures on equipment and intangible assets. The Group met these capital requirements by relying on its cash at banks, net cash flows from operating activities and net proceeds from the Listing as its principal source of funding. The Directors are of the view that the Group has sufficient working capital required for the Group's operations at present and for the year ending 31 December 2019.

所得稅開支

所得稅開支包括中國企業所得稅的即期稅項及遞延稅項。

本公司主要透過中國附屬公司運營業務，該等附屬公司於截至2018年12月31日止年度就估計應課稅利潤按25%（2017年：25%）的法定稅率繳納中國企業所得稅。廣州維港於2016年被評為「高新技術企業」，並有權於2016年、2017年及2018年各年度享受15%的中國所得稅稅率優惠。該項認可每三年可申請續期。

本集團的實際稅率從截至2017年12月31日止年度的18.1%減少至截至2018年12月31日止年度的15.6%，主要由於本集團截至2018年12月31日止年度有關所得稅的加計扣除研發開支為人民幣3.1百萬元。

年內利潤

年內利潤從截至2017年12月31日止年度的人民幣29.8百萬元增加92.6%至截至2018年12月31日止年度的人民幣57.4百萬元，主要由於本集團的業務快速增長。淨利率從截至2017年12月31日止年度的15.7%減少至截至2018年12月31日止年度的12.0%，主要由於毛利率減少。

流動性及資本資源

本集團的主要資金需求乃為營運資金需求以及設備及無形資產的資本開支付款。本集團依靠銀行存款、經營活動所得現金流量淨額及上市所得款項淨額作為其主要資金來源來滿足該等資金需求。董事認為，本集團具有充裕營運資金以應付本集團目前及截至2019年12月31日止年度的運營所需。

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Trade and note receivables

The increase in trade and note receivables from RMB57.8 million as at 31 December 2017 to RMB142.8 million as at 31 December 2018 was primarily due to an increase in the total number of ongoing hazardous waste incineration projects.

The average trade receivables turnover days decreased from 76.9 days in 2017 to 67.1 days in 2018 as the Group continued to spend more efforts in collecting trade receivables in a timely manner.

Trade payables

The increase in trade payables from RMB32.9 million as at 31 December 2017 to RMB84.1 million as at 31 December 2018 was primarily due to an increase in the procurement of equipment and materials, as well as sub-contracting services which was generally in line with the expanded business and number of outstanding projects of hazardous waste incineration at the end of 2018.

The average trade payables turnover days decreased from 61.4 days in 2017 to 60.1 days in 2018 as the Group intended to maintain steady trade payables turnover days.

Contract assets

The increase in contract assets from RMB69.4 million as at 31 December 2017 to RMB177.0 million as at 31 December 2018 was primarily due to an increase in our total number of ongoing hazardous waste incineration projects.

Contract liabilities

The increase in contract liabilities from RMB67.8 million as at 31 December 2017 to RMB72.9 million as at 31 December 2018 was primarily due to an increase in our total number of ongoing hazardous waste incineration projects.

貿易應收款項及應收票據

貿易應收款項及應收票據自2017年12月31日的人民幣57.8百萬元增加至2018年12月31日的人民幣142.8百萬元，主要原因是正在進行的危險廢物焚燒處置項目總數增加。

貿易應收款項的平均周轉日數自2017年的76.9日減至2018年的67.1日，原因是本集團繼續加倍努力及時收回貿易應收款項。

貿易應付款項

貿易應付款項自2017年12月31日的人民幣32.9百萬元增加至2018年12月31日的人民幣84.1百萬元，主要原因是我們採購的設備和材料增加以及分包服務總體符合我們的業務擴張及2018年底正在進行的危險廢物焚燒處置項目數量。

貿易應付款項的平均周轉日數自2017年的61.4日減至2018年的60.1日，原因是本集團有意保持穩定的貿易應付款項平均周轉日數。

合約資產

合約資產自2017年12月31日的人民幣69.4百萬元增加至2018年12月31日的人民幣177.0百萬元，主要原因是正在進行的危險廢物焚燒處置項目總數增加。

合約負債

合約負債自2017年12月31日的人民幣67.8百萬元增加至2018年12月31日的人民幣72.9百萬元，主要原因是正在進行的危險廢物焚燒處置項目總數增加。

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Bank Borrowings

As at 31 December 2018, the Group had bank borrowings of RMB10.0 million provided by a commercial bank in China with personal guarantees provided by the Group's controlling shareholder, Mr. Cai, and his spouse, Ms. Huang Ying (2017: RMB11.0 million).

Capital Expenditure

For the year ended 31 December 2018, the Group's material capital expenditure amounted to approximately RMB11.7 million (2017: RMB17.3 million), mainly used for (1) the purchase of oil sludge treatment facility for the Group's first thermal desorption project in Karamay, which has commenced operation in 2018; (2) the purchase of patents for pyrolysis solid waste treatment methods, which is the Group's key R&D area in the future.

Capital Commitment

As at 31 December 2018, the Group had capital commitment amounted to RMB4.6 million (2017: RMB6.5 million) which consisted mainly of payments to be made for the waste paper residues pyrolysis project in Shandong province.

Pledge of Assets

As at 31 December 2018, the Group had pledged deposits of RMB43.9 million (2017: RMB8.9 million) mainly for (1) deposit for bank acceptance which the Groups issued to its suppliers amounted to RMB10.3 million; and (2) deposit for bank guarantee given to several customers for performance obligation fulfilment amounted to RMB33.6 million.

Contingent Liabilities

As at 31 December 2018, the Group had no material contingent liabilities.

Gearing Ratio

As at 31 December 2018, the current assets of the Group were approximately RMB400.8 million, total assets were approximately RMB469.7 million, current liabilities were approximately RMB210.5 million and total liabilities were approximately RMB310.4 million. The gearing ratio (total liabilities/total assets) of the Group was approximately 66.1% (2017: 86.3%).

銀行借款

於2018年12月31日，本集團獲一家中國商業銀行提供銀行借款為人民幣10.0百萬元，有關借款由本集團控股股東蔡先生及其配偶黃瑛女士提供個人擔保(2017年：人民幣11.0百萬元)。

資本開支

截至2018年12月31日止年度，本集團的重大資本開支約為人民幣11.7百萬元(2017年：人民幣17.3百萬元)，主要用於(1)就本集團首個新疆克拉瑪依熱脫附項目購買油泥處理設施，該項目已於2018年開始營運；(2)購買無氧裂解技術固體廢物處理方法的專利，其屬本集團日後的主要研發範疇。

資本承擔

於2018年12月31日，本集團的資本承擔為人民幣4.6百萬元(2017年：人民幣6.5百萬元)，主要包括為就山東省廢紙渣無氧裂解項目所作的付款。

資產抵押

於2018年12月31日，本集團已抵押存款人民幣43.9百萬元(2017年：人民幣8.9百萬元)，主要有關(1)本集團向其供應商發出的銀行承兌匯票按金人民幣10.3百萬元；及(2)出具給若干客戶履行履約義務的銀行保函按金人民幣33.6百萬元。

或有負債

於2018年12月31日，本集團概無重大或有負債。

資本負債比率

於2018年12月31日，本集團有流動資產約人民幣400.8百萬元、資產總額約人民幣469.7百萬元、流動負債約人民幣210.5百萬元及負債總額約人民幣310.4百萬元。本集團的資本負債比率(負債總額/資產總額)約為66.1%(2017年：86.3%)。

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III. PROSPECTS

Looking forward to 2019, the Group will continue to capture the opportunities brought by the policies for the development of the environmental protection industry, and actively seize more business opportunities from solid waste treatment by commercialising its advanced solid waste treatment technologies to market with the resources from strategic shareholders, the capital market network, and its strong R&D capabilities. The Group will still continue to focus on the technology innovation to further expand the Group's business scope, maintain the Group's leading position in the market, maximize shareholder returns and optimize the Group's commitment of becoming a leading solid waste treatment solutions provider in China.

Leveraging on our comprehensive understanding of the market environment, in 2019 the Group has planned to focus on the following tasks in order to achieve its goals:

Establish and utilize our research and engineering centre to enhance service standards

Many of the various solid waste treatment technologies under developing are at a relatively early development stage and face uncertainties with respect to experiment process and prototyping outcomes, so the Group needs to establish an internal R&D centre. The Group will conduct targeted and application oriented researches either by its own team or in collaboration with experts from industry-renowned universities and institutions in China, and carry out, through inhouse pilot systems, prototyping, integration and testing of system components to enhance the feasibility and adaptability of the technology.

III. 前景

展望2019年，本集團將繼續抓住環保行業發展政策所帶來的機遇，依托戰略股東資源，以資本市場為紐帶，以強大的研發能力為輔，將先進的固體廢物處理技術商業化，積極把握更多來自固體廢物處理的商機。本集團將繼續專注於技術創新，進一步拓展本集團的業務範疇，維持本集團的市場領先地位，為股東帶來最大回報，並致力實踐本集團成為中國領先的固體廢物處理解決方案提供商的承諾。

憑藉我們對市場環境的全面了解，本集團計劃於2019年專注進行以下任務，以達致其目標：

建立並利用工程研究中心提升服務標準

多項固體廢物處置技術尚處於初步開發階段，在試驗流程及原型設計結果方面存在不確定性，因此，本集團需要成立一個內部研發中心。本集團將透過自有團隊或與業內知名的國內大學及機構的專家合作進行有針對性的應用型研究，並透過內部試點系統、系統組件的原型設計、集成及測試，旨在提高技術的可行性及適用性。

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Continue to consolidate the leading market position and expand the market share on hazardous waste incineration

The Group focus to: (1) Further improving technics on hazardous waste incineration treatments; (2) Continue to cultivate customer relationships as well as explore new customers in both China and oversea markets; (3) Facilitate more frequent communications and provide more comprehensive value-add services with industry participants; and (4) Further investment on other area of hazardous waste treatment, including applying the facilities of oil sludge thermal desorption technology, upgrading cement production facilities to implement hazardous waste cooperative disposal system and etc.

Grasp more business opportunities on solid waste treatment through industrialization of pyrolysis technology

The Group will explore the demand of market by developing and commercializing solutions for a number of new solid waste treatment applications such as with respect to waste new energy batteries and waste paper residues.

Further enhance our competitiveness and risk management with the adoption of more project models

The Group seeks the chance to participate in solid waste treatment projects by exploring different project models, such as the first operation and maintenance services project, an oil sludge treatment facility designed and commissioned in Karamay. In future, the Group may also consider investing in and/or operating its own solid waste treatment projects as primary or joint project owner in other new area of solid waste treatment industry.

繼續鞏固領先市場地位，並擴大在危險廢物處置領域的市場份額

本集團專注於：(1)進一步提高危險廢物焚燒處理技術；(2)於國內外市場繼續培養客戶關係及發掘新客戶；(3)與行業參與者進行更頻繁的溝通及提供更全面的增值服務；及(4)進一步投資危險廢物處理的其他範疇，包括應用油泥熱脫附技術及升級水泥生產設施以推行協作處置系統等。

通過將無氧裂解技術工業化，把握更多來自固體廢物處理領域的商機

本集團將通過開發及商業化其他多種新固體廢物處置應用解決方案(例如廢舊新能源電池及廢紙渣處置等)，以挖掘市場需求。

我們將採用更多的項目模式，進一步提升競爭力並加強風險管理

本集團通過發掘不同項目模式，以尋求參與固體廢物處置項目的機遇，例如首個運營及維護服務項目以及於克拉瑪依設計和調試的油泥處理設施。將來，本集團亦可能會考慮以項目主要或聯合擁有人的身份投資及／或運營自有的固體廢物處理項目的其他新範疇。

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EMPLOYEE AND REMUNERATION POLICIES

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices.

As at 31 December 2018, the Group employed 200 employees (2017: 107 employees), among which approximately 150 were personnel conducting R&D, project management and execution for our business.

Remuneration of Directors is determined based on their roles and duties and with reference to the market conditions, the Company's remuneration policy and the prevailing market conditions, subject to the approval of the shareholders general meeting.

USE OF PROCEEDS

The shares of the Company were listed on the Stock Exchange on 3 January 2019 ("Listing Date") and the net proceeds raised from the global offering were approximately HK\$285.5 million. We intend to use approximately HK\$114.2 million for the continual utilization of the pyrolysis technology for the treatment of various types of solid waste by pyrolysis treatment systems; approximately HK\$57.1 million for the establishment of a research and engineering centre in Guangdong province; approximately HK\$42.8 million for further commercialisation of oil sludge thermal desorption technology; approximately HK\$42.90 million for cooperation with cement producers in China to invest in and operate the business of cement plant parallel kiln co-treatment solutions. Due to the fact that the Company was listed on 3 January 2019, there were no proceeds raised as at 31 December 2018. After the Listing Date, such net proceeds will be applied in accordance with the proposed application as disclosed in the prospectus dated 19 December 2018.

僱員及薪酬政策

薪酬委員會已告成立，以檢討本集團的酬金政策以及董事及本集團高級管理層整體薪酬的架構，其中已考慮到本集團的經營業績、董事及高級管理層的個人工作表現以及相若市場慣例。

於2018年12月31日，本集團聘有200名僱員（2017年：107名僱員），其中約150名僱員負責我們業務的研發、項目管理及執行。

董事的薪酬乃根據彼等的職責及職務並經參考市況、本公司的薪酬政策及現行市況後釐定，惟須待股東於股東大會上批准方可作實。

所得款項用途

本公司股份於2019年1月3日（「上市日期」）於聯交所上市，而自全球發售所籌集的所得款項淨額約為285.5百萬港元。我們擬將約114.2百萬港元用於通過無氧裂解處理系統持續利用各類固體廢物處理的無氧裂解技術；約57.1百萬港元用作在廣東省設立工程研究中心；約42.8百萬港元用於油泥熱脫附技術的進一步商業化；約42.90百萬港元用作與中國水泥生產商合作投資及經營水泥回轉窯平行協同處置解決方案業務。由於本公司於2019年1月3日上市，於2018年12月31日概無籌集所得款項。於上市日期後，有關所得款項淨額將按照日期為2018年12月19日的招股章程所披露的建議用途應用。

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OTHER INFORMATION AND EVENTS AFTER THE REPORTING PERIOD

Adoption of Dividend Policy

The Board has approved and adopted a dividend policy on 26 March 2019 (“Dividend Policy”) that aims to set out the principles and guidelines of the Company in relation to the declaration, recommendation and payment of dividends to its shareholders.

Under the Dividend Policy, the Company does not have any pre-determined dividend payout ratio. Distribution of dividends should be in the interests of the Company and its shareholders as a whole. When considering dividend declaration recommendation, the Board shall take into account of the following factors:

- (i) business condition and strategy of the Group;
- (ii) capital requirement for the Group’s existing/potential project or investment;
- (iii) earnings, financial and cash flow position and distributable reserves of the Company and the Group; and
- (iv) other factors that the Board deem relevant.

The declaration and payment of dividends is subject to the provisions of the Articles of the Company, the Companies Law of the Cayman Islands and any other applicable laws, rules and regulations.

The Board has the sole discretion to recommend or not to recommend final dividends to the shareholders for approval; and to declare or not to declare any other dividends, including but not limited to interim and/or special dividends, after taking into consideration the factors as stated in the Dividend Policy.

The Dividend Policy may be updated, amended and modified from time to time as the Board may think fit and necessary.

其他資料及報告期後事件

採納股息政策

董事會已於2019年3月26日批准並採納股息政策(「股息政策」)，旨在列明有關本公司向其股東宣派、建議及派付股息的原則及指引。

根據股息政策，本公司並無任何預定的派息比率。派付股息應符合本公司及其股東的整體利益。於考慮宣派股息的建議時，董事會應考慮以下因素：

- (i) 本集團的業務狀況及戰略；
- (ii) 本集團現有／潛在項目或投資的資金需求；
- (iii) 本公司及本集團的盈利、財務及現金流量狀況以及可供分派儲備；及
- (iv) 董事會認為相關的其他因素。

宣派及派付股息須遵守以下文件的規定：本公司的章程細則、開曼群島《公司法》以及任何其他適用法律、規則及法規。

經考慮股息政策所述因素後，董事會可全權酌情向股東建議或不建議派付末期股息以供批准；及宣派或不宣派任何其他股息，包括但不限於中期及／或特別股息。

倘董事會認為適當及必要，可不時更新、修訂及修改股息政策。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

DIRECTORS

董事

Name 姓名	Age 年齡	Date of appointment 獲委任日期	Position 職位
Mr. CAI Zhuhua 蔡珠華先生	55 55歲	18 May 2017 2017年5月18日	Executive Director 執行董事
Mr. DONG Honghui 董紅暉先生	48 48歲	27 April 2018 2018年4月27日	Executive Director 執行董事
Mr. DENG Zhaoshan 鄧兆善先生	52 52歲	27 April 2018 2018年4月27日	Executive Director 執行董事
Mr. REN Jingfeng 任景豐先生	76 76歲	27 April 2018 2018年4月27日	Non-executive Director 非執行董事
Mr. YANG Zhiqiang 楊志強先生	58 58歲	8 November 2018 2018年11月8日	Non-executive Director 非執行董事
Mr. YANG Zhifeng 楊志峰先生	55 55歲	3 January 2019 2019年1月3日	Independent non-executive Director 獨立非執行董事
Mr. FENG Tao 馮濤先生	44 44歲	3 January 2019 2019年1月3日	Independent non-executive Director 獨立非執行董事
Mr. JIANG Guoliang 蔣國良先生	43 43歲	3 January 2019 2019年1月3日	Independent non-executive Director 獨立非執行董事

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. CAI Zhuhua, aged 55, is an executive Director and the chairman of our Board since 27 April 2018. Mr. CAI is responsible for the management of the Board and the overall management, strategic planning and business development of our Group. Mr. CAI is the spouse of Ms. HUANG, who is a member of our senior management. Mr. CAI is also the chairman of the nomination committee of the Board.

Mr. CAI has over 20 years' experience in providing solid waste treatment solutions and in particular for hazardous waste incineration.

Mr. CAI was awarded a bachelor's degree in welding engineering by South China University of Technology* (華南理工大學) (then known as South China Engineering College* (華南工學院)) in the PRC in July 1984. Mr. CAI was certified as an engineer by Guangzhou Science and Technology Committee* (廣州市科學技術委員會) in March 1993.

Mr. DONG Honghui, aged 48, is an executive Director since 27 April 2018. Mr. DONG is responsible for the daily operation of our Group.

Mr. DONG has over 13 years' experience in providing solid waste treatment solutions. Mr. DONG joined the Group in 2009 and has been the general manager of Guangzhou Weigang Environmental Protection Technology Limited* (廣州維港環保科技有限公司) ("Guangzhou Weigang"), a wholly-owned subsidiary of the Company. In addition, he is also a director of a certain subsidiaries of the Group.

Mr. DONG obtained a bachelor's degree in material science and engineering from Northwestern Polytechnical University* (西北工業大學) in China in July 1993. Mr. DONG was certified as a mechanical engineer by Guangzhou Personnel Bureau* (廣州市人事局) in January 2003.

Mr. DENG Zhaoshan, aged 52, is an executive Director since 27 April 2018. Mr. DENG is responsible for the project management, technical supervision and research and development for our Group's business.

蔡珠華先生，55歲，自2018年4月27日為執行董事兼董事長。蔡先生負責董事會管理以及本集團整體管理、戰略規劃及業務發展。蔡先生為高級管理層成員黃女士的配偶，亦為董事會提名委員會主席。

蔡先生於提供固體廢物處理解決方案(尤其是危險廢物焚燒)方面擁有逾20年經驗。

蔡先生於1984年7月在中國獲華南理工大學(當時稱華南工學院)授予焊接工程學士學位。蔡先生於1993年3月獲廣州市科學技術委員會頒發工程師資格。

董紅暉先生，48歲，自2018年4月27日起出任執行董事。董先生負責本集團日常運營。

董先生於提供固體廢物處理解決方案方面擁有逾13年經驗。董先生於2009年加入本集團，此後，一直擔任本公司全資附屬公司廣州維港環保科技有限公司(「廣州維港」)的總經理。此外，彼亦為本集團若干附屬公司的董事。

董先生於1993年7月獲得中國西北工業大學材料科學與工程學士學位。董先生於2003年1月獲廣州市人事局頒發機械工程師資格。

鄧兆善先生，52歲，自2018年4月27日起出任執行董事。鄧先生負責本集團業務的項目管理、技術監督及研發。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. DENG has over 12 years' experience in providing solid waste treatment solutions. He joined our Group in 2009 and has been the chief engineer and a deputy general manager of Guangzhou Weigang. In addition, he is also a director of a certain subsidiaries of the Group.

Mr. DENG received a bachelor's degree in Cementitious Material Science from South China University of Technology* (華南理工大學) in China in July 1988. Mr. DENG was certified as a cement production process engineer by Guangdong International Trust & Investment Co., Ltd.* (廣東國際信託投資公司) in November 1995.

Mr. REN Jingfeng, aged 76, was appointed as the non-executive Director in April 2018. Mr. REN is responsible for supervising and providing engineering technology advice to the Board.

Mr. REN Jingfeng graduated from the PRC Military Institute of Engineering for People's Liberation Army* (中國人民解放軍軍事工程學院) in March 1966. He was awarded a certificate for completion of national technological contract law training course* (全國技術合同法專業訓練班結業證書) by the State Science and Technology Commission* (國家科學技術委員會) and the Legal Affairs Bureau of the State Council* (國務院法制局) in October 1987. Mr. REN Jingfeng also received a certificate of qualification for senior engineer* (高級工程師) by the Aviation Industry Department* (航空工業部) of Shaanxi Job Title Reform Leading Committee* (陝西省職稱改革領導小組) in June 1988.

Mr. REN Jingfeng is the father of Mr. REN, one of our substantial Shareholders.

Mr. YANG Zhiqiang, aged 58, was appointed as a non-executive Director in November 2018.

Mr. YANG served as the chief legal officer of China Everbright International Limited (中國光大國際有限公司) ("CEIL"), the shares of which are listed on the Stock Exchange (stock code: 257), from July 2012 to March 2016, and as a non-executive director of China Everbright Water Limited (中國光大水務有限公司), a subsidiary of CEIL and listed on the main board of the Singapore Exchange Securities Trading Limited (stock code: U9E.SG), from December 2014 to February 2017.

Mr. YANG has been serving as the executive director and vice president of China Everbright Greentech, the shares of which are listed on the Stock Exchange (stock code: 1257), since May 2017.

鄧先生於提供固體廢物處理解決方案方面擁有逾12年經驗。其於2009年加入本集團，此後，一直擔任廣州維港總工程師及副總經理。此外，彼亦為本集團若干附屬公司的董事。

鄧先生於1988年7月在中國獲華南理工大學膠凝材料學學士學位。鄧先生於1995年11月獲廣東國際信託投資公司頒發水泥生產工藝工程師資格。

任景豐先生，76歲，於2018年4月獲委任為非執行董事。任先生負責監督董事會及向董事會提供工程技術建議。

任景豐先生於1966年3月畢業於中國人民解放軍軍事工程學院。其於1987年10月獲國家科學技術委員會及國務院法制局頒發全國技術合同法專業訓練班結業證書。任景豐先生亦於1988年6月獲陝西省職稱改革領導小組航空工業部頒發高級工程師任職資格證書。

任景豐先生是主要股東之一任先生的父親。

楊志強先生，58歲，於2018年11月獲委任為非執行董事。

自2012年7月至2016年3月，楊先生擔任中國光大國際有限公司(「光大國際」)(股份於聯交所上市的公司，股份代號：257)的法務總監，並自2014年12月至2017年2月擔任中國光大水務有限公司(光大國際的附屬公司，於新加坡證券交易所有限公司主機板上市，股票代號：U9E.SG)的非執行董事。

楊先生自2017年5月起擔任中國光大綠色環保(股份於聯交所上市，股份代號：1257)的執行董事兼副總裁。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. YANG obtained a bachelor's degree from the Medical Science Department of Beijing Medical University* (北京醫科大學) in the PRC and a postgraduate diploma in law from the College of Law of England and Wales. Mr. YANG has the qualification of an attending doctor and is a qualified lawyer in the PRC.

Mr. YANG Zhifeng, aged 55, has been appointed as an independent non-executive Director and a member of the audit committee of the Board on 3 January 2019.

Mr. YANG has over 23 years of experience in research and education in the environmental science field. Since October 1995, Mr. YANG has been working as a professor at the School of Environment of Beijing Normal University* (北京師範大學). Mr. YANG served as the head of the Institute of Environmental Science* (環境科學研究所) of Beijing Normal University* (北京師範大學) from November 1999 to September 2003. From October 2003 to January 2016, Mr. YANG served as the dean of School of Environment of Beijing Normal University* (北京師範大學).

Mr. YANG obtained the degree of doctor in philosophy in engineering from Tsinghua University (清華大學) in China in December 1989. Mr. YANG has been a fellow member of the Chinese Academy of Engineering* (中國工程院) since November 2015.

Mr. FENG Tao, aged 44, has been appointed as an independent non-executive Director and the chairman of the audit committee and the remuneration committee and a member of the nomination committee of the Board on 3 January 2019.

Mr. FENG has over 14 years' experience in providing financial management services to listed companies. Mr. FENG served as the chief financial officer, from September 2013 to November 2017, and an executive director, from December 2013 to October 2017, of Peace Map Holding Limited (天下圖控股有限公司), the shares of which are listed on the Stock Exchange (stock code: 402).

Mr. FENG obtained his bachelor's degree in accounting from Central University of Finance and Economics (中央財經大學) in China in June 1997 and a master's degree in business administration from Peking University (北京大學) in China in January 2010. Mr. FENG obtained a professional technology qualification in business administration and economics (intermediate level)* (工商管理經濟(中級)專業技術資格) from the Ministry of Human Resources and Social Security of the PRC* (中華人民共和國人力資源和社會保障部) in November 2004.

楊先生持有中國北京醫科大學醫學學士學位和英格蘭及威爾士法學院的法律研究生文憑，並具有主治醫師及中國律師資格。

楊志峰先生，55歲，於2019年1月3日獲委任為獨立非執行董事及董事會審核委員會成員。

楊先生於環境科學領域擁有逾23年的研究及教育經驗。自1995年10月起，楊先生一直於北京師範大學環境學院擔任教授。自1999年11月至2003年9月，楊先生於北京師範大學環境科學研究所擔任所長。自2003年10月至2016年1月，楊先生擔任北京師範大學環境學院院長。

楊先生於1989年12月獲得中國清華大學工程系博士學位。自2015年11月起，楊先生為中國工程院院士。

馮濤先生，44歲，於2019年1月3日獲委任為獨立非執行董事兼董事會審核委員會及薪酬委員會主席以及提名委員會成員。

馮先生於向上市公司提供財務管理服務方面擁有逾14年經驗。馮先生分別自2013年9月至2017年11月及自2013年12月至2017年10月擔任天下圖控股有限公司(其股份於聯交所上市，股份代號：402)的財務總監及執行董事。

馮先生於1997年6月獲得中國中央財經大學會計學學士學位，於2010年1月獲得中國北京大學工商管理碩士學位。馮先生於2004年11月獲中華人民共和國人力資源和社會保障部頒發工商管理經濟(中級)專業技術資格。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. JIANG Guoliang, aged 43, has been appointed as an independent non-executive Director and a member of the audit committee, the remuneration committee and the nomination committee of the Board on 3 January 2019.

Mr. JIANG has served as a partner of T&C (Zhejiang) Law Firm* (浙江天冊律師事務所) since October 2012. Prior to that, Mr. JIANG was a vice president of BOCGI Zheshang Capital Co. Ltd.* (中銀投資浙商產業基金管理有限公司) from August 2010 to September 2012, a partner of the Hangzhou branch of King & Wood Mallesons (北京金杜律師事務所杭州分所) from August 2008 to July 2010 and an associate of T&C (Zhejiang) Law Firm* (浙江天冊律師事務所) from April 1999 to July 2008.

Mr. JIANG has been an independent director of Zhejiang Communications Technology Co., Ltd.* (浙江交通科技股份有限公司) since December 2013, the shares of which are listed on the Shanghai Stock Exchange (stock code: 002061), and an independent non-executive director of Leap Holdings Group Limited (前進控股集團有限公司) since 31 August 2018, the shares of which are listed on the Stock Exchange (stock code: 1499).

Mr. JIANG obtained his bachelor's degree in laws from Peking University* (北京大學) in the PRC in July 1997, and is a practising PRC lawyer.

蔣國良先生，43歲，於2019年1月3日獲委任為獨立非執行董事兼董事會審核委員會、薪酬委員會及提名委員會成員。

蔣先生自2012年10月起擔任浙江天冊律師事務所合夥人。在此之前，自2010年8月至2012年9月，蔣先生為中銀投資浙商產業基金管理有限公司副總裁；自2008年8月至2010年7月，為北京金杜律師事務所杭州分所合夥人及自1999年4月至2008年7月為浙江天冊律師事務所的執業律師。

自2013年12月起，蔣先生擔任浙江交通科技股份有限公司(其股份於上海證券交易所上市，證券代碼：002061)的獨立董事，並自2018年8月31日起擔任前進控股集團有限公司(其股份於聯交所上市，股份代號：1499)的獨立非執行董事。

蔣先生於1997年7月獲得中國北京大學法學學士學位，且其為中國執業律師。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

SENIOR MANAGEMENT

高級管理層

Name	Age	Date of joining the Group	Position	Responsibility
姓名	年齡	加入本集團的日期	職位	職責
Dr. WANG Zhicheng 王志成博士	54 54歲	1 May 2018 2018年5月1日	Chief scientist and a deputy general manager 首席科學家兼副總經理	Overseeing the research and development of our Group in relation to solid waste treatment solutions 監察本集團固體廢物處理解決方案相關研發
Ms. HUANG Ying 黃瑛女士	51 51歲	15 July 2009 2009年7月15日	Deputy general manager 副總經理	Overseeing the daily operations of our Group 監督本集團日常運營
Mr. CUI Jinhong 崔錦鴻先生	44 44歲	1 February 2017 2017年2月1日	Deputy general manager 副總經理	Overseeing the daily operations of our Group 監督本集團日常運營
Mr. LI Zhouxin 李周欣先生	34 34歲	24 February 2017 2017年2月24日	Chief financial officer 首席財務官	Overseeing the financial and accounting affairs of our Group 監督本集團財務及會計事務
Mr. ZHENG Ziyuan 鄭梓元先生	34 34歲	2 March 2018 2018年3月2日	Financial Controller 財務總監	Responsible for the financial and accounting affairs of our Group 負責本集團財務及會計事務
Mr. GU Chunbin 辜淳彬先生	29 29歲	1 December 2016 2016年12月1日	Joint company secretary and head of corporate investment and financing 聯席公司秘書兼企業投融資部總經理	Handling handling corporate governance, corporate investment, corporate finance, investor relations and corporate administrative matters of our Group 處理企業管治、企業投融資、投資者關係及本集團公司行政事務

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Dr. WANG Zhicheng, aged 54, joined our Group in May 2018 as the chief scientist and a deputy general manager of our Group. Dr. WANG is mainly responsible for overseeing the research and development of our Group in providing solutions for solid waste treatment. Prior to joining our Group, Dr. WANG had been providing technical support in relation to solid waste treatment to our Group since January 2017.

Dr. WANG has over 18 years of experience in the environmental protection industry. Dr. WANG is the inventor, or designer of, various patents registered, or pending registration, in the PRC in the field of pyrolysis technology.

Dr. WANG received a bachelor's degree in chemistry from Sichuan University (四川大學) in China in July 1986, and a master's degree in chemical engineering from Sinopec Research Institute of Petroleum Processing* (中國石化研究院) in China in January 1991, and the degree of doctor in philosophy in materials science from the Clark Atlanta University in the U.S. in May 1999.

Ms. HUANG Ying, aged 51, joined our Group in July 2009 as a deputy general manager of Guangzhou Weigang and is mainly responsible for overseeing our daily operations. She is a director of Guangzhou Weigang.

Ms. HUANG received a college diploma in architectural studies from the Guangdong Architectural Engineering Technical College* (廣東省建築工程專科學校) in June 1990, and was awarded an architectural design engineer qualification by the Guangzhou First Evaluation Committee of Architectural Engineering Technology Engineer* (廣州市建築工程技術工程師第一評審委員會) in November 1998.

Ms. HUANG is the spouse of Mr. CAI, who is an executive Director and a Controlling Shareholder.

王志成博士，54歲，於2018年5月加入本集團，擔任本集團首席科學家及副總經理。王博士主要負責監察本集團提供固體廢物處理解決方案的研發。加入本集團前，自2017年1月起，王博士一直就固體廢物處理向本集團提供技術支持。

王博士於環保行業擁有逾18年經驗。王博士為中國無氧裂解技術領域多項已註冊或待註冊專利的發明人或設計者。

王博士於1986年7月自中國四川大學取得化學專業學士學位，於1991年1月自中國石化研究院取得化學工程碩士學位，並於1999年5月自美國克拉克亞特蘭大大學取得材料科學博士學位。

黃瑛女士，51歲，於2009年7月加入本集團，擔任廣州維港副總經理，主要負責監督日常運營。其為廣州維港一名董事。

黃女士於1990年6月自廣東省建築工程專科學校取得建築學大專學位，並於1998年11月獲廣州市建築工程技術工程師第一評審委員會頒發建築設計工程師資格證。

黃女士為執行董事及控股股東蔡先生的配偶。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. CUI Jinhong, aged 44, joined our Group in February 2017 as a deputy general manager of Guangzhou Weigang and is mainly responsible for overseeing the daily operations of our Group.

Mr. CUI has over 17 years of experience in the environmental protection industry.

Mr. CUI obtained a bachelor's degree in chemical machinery and equipment from the South China University of Technology* (華南理工大學) in the PRC in July 1995 and a master's degree in environmental engineering from the Harbin Institute of Technology* (哈爾濱工業大學) in the PRC in January 2008. Mr. CUI was certified as an Environmental Protection Technology Engineer* (環境保護技術工程師) by Shenzhen Job Title Management Office* (深圳職稱管理辦公室) in December 2002.

Mr. LI Zhouxin, aged 34, joined our Group as a consultant in February 2017 to provide advice on financial matters and strategic development of our Group; and since February 2018, he has been the chief financial officer of our Group. Mr. LI is mainly responsible for overseeing the financial and accounting affairs of our Group.

Mr. LI has over 10 years of experience in corporate finance, investment management and strategic planning. From November 2015 to April 2017, Mr. LI served as the chief financial officer of China Child Care Corporation Limited (中國兒童護理有限公司) (formerly known as Prince Frog International Holdings Limited), a company whose shares are listed on the Stock Exchange (stock code: 1259). He has also been a non-executive director of China Child Care Corporation Limited since June 2017 and was one of its executive directors from January 2016 to June 2017. From November 2017, Mr. LI has been serving as an independent non-executive director of LEAP Holdings Group Limited (前進控股集團有限公司), a company whose shares are listed on the Stock Exchange (stock code: 1499). Mr. LI is currently the vice chairman of the 8th Executive Committee of the Youth Business Association of Fujian Province* (福建省青年商會).

Mr. LI received a bachelor's degree in finance from Fuzhou University in China in July 2007. Mr. LI is a PRC certified public accountant (non-practising) and a certified management accountant recognised by the U.S. Institute of Management Accountants. Mr. LI was qualified as an intermediate economist* (中級經濟師) by Zhangzhou Profession Reform Office* (漳州市職改辦) in January 2016. Mr. LI also holds a Certification in Risk Management Assurance accredited by the Institute of Internal Auditors.

崔錦鴻先生，44歲，於2017年2月加入本集團，擔任廣州維港副總經理，主要負責監管本集團的日常運營。

崔先生於環保行業擁有逾17年經驗。

崔先生於1995年7月自中國華南理工大學取得化工機械與設備學士學位，並於2008年1月自中國哈爾濱工業大學取得環境工程碩士學位。崔先生於2002年12月獲深圳職稱管理辦公室頒發環境保護技術工程師資格。

李周欣先生，34歲，於2017年2月加入本集團擔任顧問，就本集團的財務事宜及戰略發展提供意見。自2018年2月起擔任本集團首席財務官。李先生主要負責監督本集團財務及會計事務。

李先生於企業融資、投資管理及戰略規劃方面擁有逾10年經驗。自2015年11月至2017年4月，李先生一直擔任中國兒童護理有限公司(前稱青蛙王子國際控股有限公司，一家股份於聯交所上市的公司，股份代號：1259)的首席財務官。自2017年6月起，李先生亦一直擔任中國兒童護理有限公司的非執行董事，自2016年1月至2017年6月，其為該公司的執行董事之一。自2017年11月起，李先生一直擔任前進控股集團有限公司(一家股份於聯交所上市的公司，股份代號：1499)的獨立非執行董事。李先生目前擔任福建省青年商會第八屆執行委員會副會長。

李先生於2007年7月獲發中國福州大學金融學學士學位。李先生為中國註冊會計師(非執業)及美國管理會計師協會認可的註冊管理會計師。李先生於2016年1月獲漳州市職改辦授予中級經濟師資格。李先生亦持有國際內部審計師協會頒發的風險管理確認專業資格。

DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

Mr. ZHENG Ziyuan, aged 34, joined our Group in March 2018 as the financial controller. He is responsible for the financial and accounting affairs of our Group.

Mr. ZHENG has over 10 years of experience in finance and auditing.

Mr. ZHENG obtained his bachelor's degree in finance from Shenzhen University* (深圳大學) in the PRC in June 2008. He was qualified as a Certified Public Accountant* (註冊會計師) in the PRC in February 2012.

Mr. GU Chunbin, aged 29, joined our Group in December 2016 as a consultant to provide advice on financial matters and strategic development of our Group and currently is one of the joint company secretary of the Company as well as head of corporate investment and financing. Mr. GU is mainly responsible for handling corporate governance, corporate investment, corporate finance, investor relations and corporate administrative matters.

Mr. GU received a bachelor's degree in logistics management from Shanghai Institute of Foreign Trade* (上海對外貿易學院) in China in July 2012 and concurrently, a bachelor's degree in business (logistics and supply chain management) from the Royal Melbourne Institute of Technology in Australia in June 2012. He also obtained a master's degree in media management from the Hong Kong Baptist University in Hong Kong in November 2013.

鄭梓元先生，34歲，於2018年3月加入本集團擔任財務總監，負責本集團的財務及會計事務。

鄭先生於財務及審計方面擁有逾10年經驗。

鄭先生於2008年6月自中國深圳大學取得金融專業學士學位。其於2012年2月獲授中國註冊會計師資格。

辜淳彬先生，29歲，於2016年12月加入本集團擔任顧問，就本集團的財務事宜及戰略發展提供意見。現為本公司聯席秘書之一兼企業投融資部總經理。辜先生主要負責企業管治、企業投融資、投資者關係及公司行政事務。

辜先生於2012年7月自中國上海對外貿易學院取得物流管理專業學士學位，同時，於2012年6月自澳洲皇家墨爾本理工大學取得商學(物流與供應鏈管理)學士學位。其亦於2013年11月在香港自香港浸會大學取得傳媒管理專業碩士學位。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to present the corporate governance report for the annual report of the Company for the year ended 31 December 2018.

CORPORATE GOVERNANCE PRACTICES

The Company's shares have been listed on the Stock Exchange since the Listing Date. The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the CG Code as set out in Appendix 14 to the Listing Rules. Save as disclosed herein, the Company has complied with the code provisions as set out in the CG Code during the Period. The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

As the Company was not yet listed on the Main Board of the Stock Exchange until the Listing Date, the CG Code was not applicable to the Company during the period under review. However, in the opinion of the Directors the Company has fully complied with the CG Code during the Period except from the deviation from the Code Provision A.2.1 of the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its code of conduct regarding dealings in the securities of the Company. Having made specific enquiry of all the Directors of the Company, all the Directors confirmed that they have strictly complied with the required standards set out in the Model Code during the Period.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Period after making reasonable enquiry.

董事會欣然提呈截至2018年12月31日止年度本公司年報的企業管治報告。

企業管治常規

本公司股份自上市日期起於聯交所上市。本集團致力維持高水平的企業管治，以維護股東的權益並改善企業價值及問責性。本公司已採納《上市規則》附錄十四所載《企業管治守則》。除本年報所披露者外，本公司已於期內遵守《企業管治守則》所載的守則條文。本公司將繼續檢討提升其企業管治常規，以確保遵守《企業管治守則》。

由於本公司直至上市日期方於聯交所主板上市，故於回顧期間的《企業管治守則》並不適用於本公司。然而，董事認為本公司於期內已全面遵守《企業管治守則》，惟偏離《企業管治守則》的守則條文第A.2.1條除外。

證券交易的《標準守則》

本公司已採納《上市規則》附錄十所載《標準守則》，作為其買賣本公司證券時的行為準則。在向本公司全體董事作出特定查詢後，全體董事已確認彼等於期內已嚴格遵守《標準守則》所載的必守準則。

董事會亦已採納《標準守則》，規範可能擁有本公司有關本公司證券的未公開內幕消息的相關僱員的所有交易（如《企業管治守則》的守則條文第A.6.4條所述）。經作出合理查詢後，期內並無發現本公司的相關僱員未有遵守《標準守則》的情況。

CORPORATE GOVERNANCE REPORT

企業管治報告

THE BOARD

Responsibilities

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

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

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance, and is collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

董事會

職責

董事會負責本集團的整體領導、監督本集團的戰略決定以及監察業務及表現。董事會向本集團高級管理層授予本集團日常管理及營運的權力及職責。為監察本公司的特定事務範疇，董事會已設立三個董事會委員會，包括審核委員會、薪酬委員會及提名委員會。董事會已授予董事會委員會載於其各自職權範圍的職責。

全體董事須確保彼等一直本著真誠、遵守適用法律及法規並符合本公司及其股東利益的方式履行職務。

董事會負責領導及控制本公司以及監督本集團的業務、戰略決定及表現，並集體負責指導及監管本公司的事務，推動其成功發展。

董事會直接及間接透過其委員會制定戰略並監督其實施、監督本集團的營運及財務表現，並確保建立健全的內部控制及風險管理制度，藉以為管理層提供引導及方向。

CORPORATE GOVERNANCE REPORT

企業管治報告

Composition of the Board

The Board currently comprises eight Directors, including three executive Directors, two non-executive Directors and three independent non-executive Directors. Members of the Board are listed below:

董事會的組成

董事會現時由八名董事組成，包括三名執行董事、兩名非執行董事及三名獨立非執行董事。董事會成員名單如下：

Members of the Board 董事會成員	Position 職位	Date of appointment 委任日期
Executive Directors 執行董事		
Mr. CAI Zhuhua 蔡珠華先生	Chairman of the Board, Executive Director and Chief Executive Officer 董事長、執行董事兼行政總裁	18 May 2017 2017年5月18日
Mr. DONG Honghui 董紅暉先生	Executive Director 執行董事	27 April 2018 2018年4月27日
Mr. DENG Zhaoshan 鄧兆善先生	Executive Director 執行董事	27 April 2018 2018年4月27日
Non-executive Directors 非執行董事		
Mr. REN Jinfeng 任景豐先生	Non-executive Director 非執行董事	27 April 2018 2018年4月27日
Mr. YANG Zhiqiang 楊志強先生	Non-executive Director 非執行董事	8 November 2018 2018年11月8日
Independent Non-executive Directors 獨立非執行董事		
Mr. YANG Zhifeng 楊志峰先生	Independent Non-executive Directors 獨立非執行董事	3 January 2019 2019年1月3日
Mr. FENG Tao 馮濤先生	Independent Non-executive Directors 獨立非執行董事	3 January 2019 2019年1月3日
Mr. JIANG Guoliang 蔣國良先生	Independent Non-executive Directors 獨立非執行董事	3 January 2019 2019年1月3日

CORPORATE GOVERNANCE REPORT

企業管治報告

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. All Directors have carried out duties in good faith and in compliance with applicable laws and regulations, and have acted in the interests of the Company and the Shareholders at all times.

Biography of each Director is set out in the section headed "Directors and Senior Management".

There is no relationship (including financial, business, family or other material/relevant relationship(s)) between the Directors.

Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Cai Zhuhua serves as chairman as well as chief executive officer of the Company and this dual role leadership has been in practice by the Company since 2009. Such deviation is deemed appropriate as it is considered to be more efficient to have one single person to be chairman of the Company as well as to discharge the executive functions of a chief executive thereby enabling more effective planning and better execution of long-term strategies. The Board believes that the balance of power and authority is adequately ensured by the operations and governance of the Board which comprises experienced and high calibre individuals, with half of them being non-executive directors of the Company. The Company will review the current structure when and as it becomes appropriate.

Independent Non-executive Directors

During the Period, the Company has three independent non-executive Directors in compliance with the Rules 3.10(1) and Rules 3.10(2) of the Listing Rules, with at least one of them possessing appropriate professional qualifications or accounting or related financial management expertise. The number of independent non-executive Directors accounts for more than one-third of the number of the Board members.

全體董事(包括非執行董事及獨立非執行董事)為董事會帶來廣泛且寶貴的業務經驗、知識及專業技能，使其高效及有效地運作。全體董事一直本著真誠、遵守適用法律及法規履行職務，並按符合本公司及股東利益的方式行事。

各董事的履歷載於「董事及高級管理層」一節。

董事之間概無任何關係(包括財務、業務、親屬或其他重大／相關關係)。

董事長兼行政總裁

《企業管治守則》的守則條文第A.2.1條規定，董事長與行政總裁的角色應有區分，並不應由一人同時兼任。蔡珠華先生為本公司董事長兼行政總裁，而此雙角色領導模式自2009年起於本公司一直推行。有關偏離情況被視為恰當，原因是由同一人士擔任本公司董事長兼履行行政總裁的執行職能被視為更具效率，有助提高長遠戰略的有效規劃及執行表現。董事會認為董事會成員不乏經驗豐富及具才幹的人士(其中半數為本公司非執行董事)，其營運及管治足以確保權力及職能平衡。本公司將於適當時候檢討現行架構。

獨立非執行董事

於期內，本公司符合《上市規則》第3.10(1)條及第3.10(2)條具有三名獨立非執行董事，當中至少一名擁有合適專業資格或會計或相關財務管理專業知識。獨立非執行董事佔董事會成員人數超過三分之一。

CORPORATE GOVERNANCE REPORT

企業管治報告

According to the Rule 3.13 of Listing Rules, the independent non-executive Directors of the Company have made confirmations to the Company regarding their independence during the Period. Based on the confirmations of the independent non-executive Directors, the Company considers each of them to be independent during the Period.

Appointment and Re-election of Directors

Code provision A.4.1 of the CG Code stipulates that non-executive directors shall be appointed for a specific term, subject to re-election, whereas code provision A.4.2 states that all directors appointed to fill a casual vacancy shall be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

The procedures and process of appointment, re-election and removal of Directors are laid down in the Memorandum and Articles of Association.

Each of the executive Directors have entered into a service contract with the Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from the Listing Date or until the third annual general meeting of the Company since the Listing Date (whichever ends earlier). Either party has the right to give not less than three months' written notice to terminate the agreement.

Each of the non-executive Directors has entered into an appointment letter on 10 December 2018 with the Company with an initial term for three years or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, subject to re-election as and when required under the Memorandum and Articles of Association unless terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing.

Each of the independent non-executive Directors has entered into an appointment letter with the Company on 10 December 2018 with an initial term for three years or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, subject to re-election as and when required under the Memorandum and Articles of Association unless terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month's prior notice in writing.

根據《上市規則》第3.13條，本公司獨立非執行董事就彼等於期內的獨立性向本公司作出確認。根據獨立非執行董事的確認，本公司認為彼等各自於期內屬獨立人士。

委任及重選董事

《企業管治守則》的守則條文第A.4.1條規定，非執行董事的委任應有指定任期，並須予重選，而守則條文第A.4.2條規定，所有獲委任填補臨時空缺的董事須於獲委任後的首屆股東大會由股東選舉，而每名董事（包括以指定任期獲委任的董事）須至少每三年輪值退任一次。

有關委任、重選及罷免董事的手續及程序載於組織大綱及組織章程細則。

各執行董事均已與本公司訂立服務合約，據此，彼等同意擔任執行董事，初始任期自上市日期起為期三年或自上市日期起至本公司第三屆股東週年大會當日止（以較早者為準）。任何一方均有權提前不少於三個月發出書面通知終止協議。

各非執行董事已於2018年12月10日與本公司訂立委任書，初始任期為三年或自上市日期起至本公司第三屆股東週年大會當日止（以較早者為準），惟須根據組織大綱及組織章程細則所規定重選連任，除非根據委任書所訂明的條款及條件或任何一方均有權提前不少於一個月發出書面通知予以終止。

各獨立非執行董事已於2018年12月10日與本公司訂立委任書，初始任期為三年或自上市日期起至本公司第三屆股東週年大會當日止（以較早者為準），惟須根據組織大綱及組織章程細則所規定重選連任，除非根據委任書所訂明的條款及條件或任何一方均有權提前不少於一個月發出書面通知予以終止。

CORPORATE GOVERNANCE REPORT

企業管治報告

In accordance with the Memorandum and Articles of Association, all Directors are subject to retirement by rotation at least once every three years and any new director appointed to fill a causal vacancy shall submit himself/herself for re-election by shareholders at the first general meeting after appointment. Any director appointed as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

Training and Continuous Professional Development

Pursuant to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

Each newly appointed Director has been provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under relevant statutes, laws, rules and regulations. Prior to the Listing, each of Mr. CAI Zhuhua, Mr. DONG Honghui, Mr. DENG Zhaoshan, Mr. REN Jingfeng and Mr. YANG Zhiqiang has attended the training courses conducted by the legal adviser of the Company. The content of such training related to the duties of directors and on-going obligations of listed companies.

All the Directors have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary.

Directors' Responsibility on Financial Statements

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the financial year ended 31 December 2018.

The Directors are responsible for overseeing the preparation of financial statements of the Company with a view to ensuring that such financial statements give a true and fair view of the state of affairs of the Group and relevant statutory and regulatory requirements and applicable accounting standards are complied with.

根據組織大綱及組織章程細則，所有董事須至少每三年輪值退任一次，而獲委任填補臨時空缺的任何新董事須於獲委任後的首個股東大會上供股東重選連任。獲委任作為現行董事會增補董事的任何董事，任期僅至本公司下屆股東週年大會為止，屆時合資格重選連任。

培訓及持續專業發展

根據《企業管治守則》守則條文第A.6.5條，全體董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會作出貢獻。

每名新委任董事均已獲提供必要的入職培訓及資料，確保其對本公司營運及業務以及其於相關條例、法律、規則及法規的責任具有適當程度的了解。於上市前，蔡珠華先生、董紅暉先生、鄧兆善先生、任景豐先生及楊志強先生各自均已參與由本公司法律顧問提供的培訓課程，而培訓內容有關上市公司董事職務及其持續責任。

全體董事已獲悉有關《上市規則》及其他適用監管規定的最新發展，確保遵守有關規定及提高彼等對良好企業管治常規的意識。此外，本公司將於有需要時為董事安排持續簡報及專業發展。

董事對財務報表的責任

董事知悉彼等對編製本公司截至2018年12月31日止財政年度的財務報表的責任。

董事負責監督本公司財務報表的編製，以確保有關財務報表真實公平反映本集團的事務狀況，並符合相關法定及監管規定以及適用會計準則。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board has received from the senior management the management accounts and such accompanying explanation and information as are necessary to enable the Board to make an informed assessment for approving the financial statements.

Board Meetings and General Meeting

No meeting had been held by the Board during the year ended 31 December 2018 as the shares of the Company were only listed on the Stock Exchange on 3 January 2019. From the Listing Date and up to the date of this annual report, two Board meetings were held for reviewing and approving the financial statements for the year ended 31 December 2018 and other matters. All Directors attended the Board meetings.

Notices for all regular Board meeting and the agenda and accompanying Board paper will be given to all Directors at least 3 days before the meetings in order that they have sufficient time to review the papers. Minutes of meetings are kept by the joint company secretary with copies circulated to all Directors or Board Committee members for information and records. Directors who have conflicts of interest in a board resolution have abstained from voting for that resolution.

BOARD COMMITTEES

Audit Committee

The Audit Committee of the Company consists of three independent non-executive Directors, namely Mr. FENG Tao, Mr. YANG Zhifeng and Mr. JIANG Guoliang. Mr. FENG, who holds the appropriate professional qualifications as required under Rule 3.10(2) and Rule 3.21 of the Listing Rules, serves as the chairman of the Audit Committee.

The primary duties of the Audit Committee include examining independently the financial positions of the Company, overseeing the Company's financial reporting system, risk management and internal control system, the audit process and proposals of internal management, communicating independently with, monitoring and verifying the work of internal audit and external auditors.

董事會已收悉高級管理層提供管理賬目、必要隨附說明及資料，以便董事會就批准財務報表作出知情評估。

董事會會議及股東大會

由於本公司股份於2019年1月3日方始在聯交所上市，董事會於截至2018年12月31日止年度並無舉行任何會議。自上市日期起及截至本年報日期止已舉行兩次董事會會議，以審閱及批准截至2018年12月31日止年度的財務報表及其他事宜。全體董事出席董事會會議。

所有定期董事會會議通知、會議議程及相關董事會文件均於會議舉行至少3日前派發予全體董事，以便彼等具備充足時間審閱有關文件。會議記錄由聯席公司秘書保存，並向全體董事或董事會委員會成員傳閱副本，以供參閱及記錄。與董事會決議案有利益衝突的董事均已放棄就該決議案表決。

董事會委員會

審核委員會

本公司審核委員會由三名獨立非執行董事組成，即馮濤先生、楊志峰先生及蔣國良先生。馮先生為審核委員會主席，持有《上市規則》第3.10(2)條及第3.21條所規定的適當專業資格。

審核委員會的主要職務包括獨立審查本公司的財務狀況、監察本公司的財務報告制度、風險管理及內部控制制度、審核過程及內部管理建議、與內部審計的核數師及外聘核數師獨立溝通，並監督及核實彼等的工作。

CORPORATE GOVERNANCE REPORT

企業管治報告

No meeting had been held by the Audit Committee during the year ended December 31, 2018 as the shares of the Company were only listed on the main board of the Stock Exchange on 3 January 2019. From the Listing Date and up to the date of this annual report, two Audit Committee meetings were held to review the annual financial results and report and major internal audit issues, re-appointment of external auditors and relevant scope of works and continuing connected transactions. All members of the Audit Committee attended the meetings.

The Audit Committee reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and processes and the reappointment of the external auditor and fulfilled duties as required aforesaid. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor. They also reviewed final results of the Company and its subsidiaries for the fiscal year as well as the audit report prepared by the external auditor relating to accounting issues and major findings in course of audit. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. FENG Tao (chairman), Mr. DONG Honghui and Mr. JIANG Guoliang, the majority of them are independent non-executive Directors. The primary duties of the Remuneration Committee are to recommend the Board on the Group's remuneration policy and structure for the Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, and to make recommendations to the Board on the remuneration packages of the executive Directors and senior management.

由於本公司股份於2019年1月3日方始在聯交所主板上市，審核委員會於截至2018年12月31日止年度並無舉行任何會議。自上市日期起及截至本年報日期止已舉行兩次審核委員會會議，以審閱年度財務業績及重大內部審核事宜、重新委任外聘核數師以及相關工作範疇及持續關連交易。審核委員會全體成員出席會議。

審核委員會檢討財務報告制度、合規程序、內部控制(包括本公司於會計及財務報告職能方面的資源、員工資格及經驗是否足夠，以及培訓課程及預算是否充足)、風險管理制度及程序以及外聘核數師的續聘及履行上述規定的職務。董事會並無偏離審核委員會就挑選、委任、辭退或罷免外聘核數師所提供的任何建議。彼等亦審閱本公司及其附屬公司於財政年度的全年業績以及由外聘核數師所編製有關審核過程中的會計事項及重大發現的審核報告。委員會為僱員作出適當安排，讓彼等可透過保密方式就財務報告、內部控制及其他事宜可能出現的不當行為提出疑問。審核委員會的書面職權範圍可於本公司及聯交所網站查閱。

薪酬委員會

薪酬委員會由三名成員組成，即馮濤先生(主席)、董紅暉先生及蔣國良先生，大部分成員為獨立非執行董事。薪酬委員會的主要職務為就本集團董事及高級管理層薪酬的薪酬政策及架構向董事會提供建議，並就制定薪酬政策設立正式及透明的程序，且參照董事會的企業目標及宗旨檢討及批准管理層薪酬建議，以及就執行董事及高級管理層的薪酬待遇向董事會提供建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

No meeting had been held by the Remuneration Committee during the year ended December 31, 2018 as the shares of the Company were only listed on the main board of the Stock Exchange on 3 January 2019. From the Listing Date and up to the date of this annual report, one Remuneration Committee meeting was held on 26 March 2019 for considering and recommending to the Board the remuneration and other benefits paid by the Company to the Directors and senior management and other related matters. All members of the Remuneration Committee attended the meeting.

The Remuneration Committee discussed and reviewed the remuneration policy for Directors and senior management of the Company, made recommendations to the Board on the remuneration packages of individual executive Directors and senior management and fulfilled duties as required aforesaid.

Details of the remuneration by band of the members of senior management of the Company, whose biographies are set out on page 32 to page 35 of this annual report, for the year ended 31 December 2018 are set out in the Auditor's Report on page 166 to page 169 of this annual report.

Nomination Committee

The Nomination Committee currently comprises three members, namely Mr. CAI Zhuhua (chairman), Mr. FENG Tao and Mr. JIANG Guoliang, the majority of them are independent non-executive Directors.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, to make recommendation to the Board regarding candidates to fill vacancies on the Board and/or in the management, and to assess the independence of the independent non-executive Directors.

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

由於本公司股份於2019年1月3日方始在聯交所主板上市，薪酬委員會於截至2018年12月31日止年度並無舉行任何會議。自上市日期起及截至本年報日期止已於2019年3月26日舉行一次薪酬委員會會議，以考慮及向董事會建議本公司向董事及高層管理層支付的薪酬及其他福利以及其他相關事宜。薪酬委員會全體成員出席會議。

薪酬委員會討論及檢討董事及本公司高級管理層的薪酬政策，以及就個別執行董事及高級管理層的薪酬待遇向董事會提供建議並履行上述規定的職務。

截至2018年12月31日止年度，本公司高級管理層成員（其履歷載於本年報第32頁至第35頁）按組別劃分的薪酬詳情載於本年報第166頁至第169頁的核數師報告。

提名委員會

提名委員會由三名成員組成，即蔡珠華先生（主席）、馮濤先生及蔣國良先生，大部分成員為獨立非執行董事。

提名委員會的主要職務為至少每年檢討董事會的架構、規模及組成，並就董事會為配合本公司的企業戰略所作出的任何建議變動提供建議、就填補董事會及／或管理層空缺的人選向董事會提供建議，並評估獨立非執行董事的獨立性。

提名委員會將按標準評估候選人或現任人，如誠信、經驗、技能以及投入時間及精力以履行職務及職責的能力。提名委員會的推薦建議隨後將提呈予董事會作出決定。

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No meeting had been held by the Nomination Committee during the year ended 31 December 2018 as the shares of the Company were only listed on the main board of the Stock Exchange on 3 January 2019. From the Listing Date and up to the date of this annual report, one Nomination Committee meeting was held on 26 March 2019 to review the structure, size and composition of the Board, assess the independence of independent non-executive Directors and make recommendation to the Board on the re-election of the retiring Directors. All members of the Nomination Committee attended the meeting.

The Nomination Committee assessed the independence of independent non-executive Directors, considered the re-appointment of the retiring Directors, reviewed the time commitment required from the non-executive Director and fulfilled duties as required aforesaid.

NOMINATION POLICY

Board Diversity Policy

The Board has adopted a board diversity policy (the "BD Policy") in accordance with the requirements of the Listing Rules with effect from 26 March 2019 which sets out the approach to achieve diversity on the Board. All Board appointments shall be based on meritocracy, and candidates will be considered against selection criteria, having regard for the benefits of diversity on the Board. Selection of candidates will be based on range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will monitor the implementation of the BD Policy and will from time to time review the BD Policy, as appropriate, to ensure the effectiveness of the BD Policy.

由於本公司股份於2019年1月3日方始在聯交所主板上市，提名委員會於截至2018年12月31日止年度並無舉行任何會議。自上市日期起及截至本年報日期止已於2019年3月26日舉行一次提名委員會會議，以檢討董事會的架構、規模及組成、評估獨立非執行董事的獨立性以及就重選退任董事向董事會提供建議。提名委員會全體成員出席會議。

提名董事會評估獨立非執行董事的獨立性、考慮重選退任董事的事宜以及檢討擔任非執行董事所需投入的時間並履行上述規定的職務。

提名政策

董事會成員多元化政策

董事會已按照《上市規則》的規定自2019年3月26日起採納董事會成員多元化政策（「董事會多元化政策」），當中載列為達致董事會成員多元化而採取的方針。所有董事會成員的委任均以用人唯才為原則，並在考慮人選時以充分顧及董事會成員多元化的裨益為甄選準則。甄選人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終將按人選的長處及可為董事會提供的貢獻而作決定。提名委員會將監察董事會多元化政策的執行，並將不時在適當時候檢討董事會多元化政策，以確保董事會多元化政策行之有效。

CORPORATE GOVERNANCE REPORT

企業管治報告

CORPORATE GOVERNANCE FUNCTION

The Board recognises that corporate governance should be the collective responsibility of Directors which include:

- to formulate and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- to review and monitor the training and continuous professional development of Directors and senior management;
- to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- to formulate, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- to review the Company's compliance with the Listing Rules and disclosure in the Corporate Governance Report.

JOINT COMPANY SECRETARIES

During the Period, the joint company secretaries of the Company are Mr. GU Chunbin and Ms. SO Shuk Yi Betty. The primary contact person at the Company is Mr. GU Chunbin, one of the joint company secretaries of the Company.

AUDITOR

Financial statements contained in this report have been audited by Deloitte Touche Tohmatsu. Service fees which shall be paid by the Company to Deloitte Touche Tohmatsu for the year amounted to RMB1.7 million.

Service rendered

所提供的服務

Audit service	審核服務
Non-audit services	非審核服務

Total	總計
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企業管治職能

董事會認為企業管治乃董事的共同責任，包括：

- 制定並檢討本公司企業管治方面的政策及常規，並向董事會提供建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司於遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察僱員及董事適用的操守守則及合規手冊(如有)；及
- 檢討本公司遵守《上市規則》的情況及在企業管治報告內的披露事項。

聯席公司秘書

於期內，本公司的聯席公司秘書為辜淳彬先生及蘇淑儀女士。本公司的主要聯絡人為本公司聯席公司秘書之一辜淳彬先生。

核數師

本報告所載財務報表已由德勤•關黃陳方會計師行審核。本年度應付德勤•關黃陳方會計師行的服務費為人民幣1.7百萬元。

Fees Payable

應付費用

(RMB)

(人民幣)

Audit service	審核服務	1,700,000
Non-audit services	非審核服務	—

Total	總計	1,700,000
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CORPORATE GOVERNANCE REPORT

企業管治報告

The statement of the external auditor of the Company about its reporting responsibilities for the Consolidated Financial Statements is set out in the Auditor's Report on page 102 to 104.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining an adequate risk management and internal control systems to safeguard Shareholders' investments and Company's assets and with the support of the Audit Committee, reviewing the effectiveness of such systems on an annual basis.

The Group utilises an integrated risk management system to minimise and protect against a range of strategic, business, financial and legal risks. Through our risk management system, we seek to manage and reduce risks, encourage effective and reliable communication, maintain legal compliance and improve the efficiency of our business and management.

Our risk management system is implemented on three levels. Its implementation starts with the manager of each department who is responsible for organising the daily work in accordance with the relevant policies. The second level involves the active role of the internal audit department which centralises our risk management policies and supervises the individual departments through periodic audits. The head of the internal audit department has approximately seven years of experience in auditing and received a bachelor's degree in financing. Finally, the highest level involves decision-making by the board of directors regarding certain risk management decisions. The relevant personnel at these three levels are in frequent communication in order to ensure accurate information is shared between all parties.

In order to formulate and implement effective policies, our risk management system emphasises continuous information gathering. Our risk management system collects data on a variety of business, financial and legal risks such as market demand, technological trends and innovations, comparisons with our competitors, our financial performance and results of operation, costs of services, changes in intellectual property law, company laws and possible legal disputes.

本公司外聘核數師對綜合財務報表報告責任的聲明載於第 102 頁至第 104 頁的核數師報告。

風險管理及內部控制

董事會負責維持充分的風險管理及內部控制制度，以保障股東投資及本公司的資產，並在審核委員會的支持下，每年檢討有關制度的效能。

本集團利用風險集中管理制度以最大程度減低並防範在戰略、業務、財務及法律方面的一系列風險。通過風險管理系統，我們力求管理並減低風險，促進高效且可靠的溝通，堅持依法合規，從而提升我們的業務及管理效率。

我們的風險管理制度按三個層次實施。由各部門經理開始實施(其負責根據相關政策安排日常工作)。第二層次涉及內部審計部門的積極作用，該部門聚焦於我們的風險管理政策並通過定期審計監督各部門。內部審計部門負責人擁有約七年審計經驗，並取得金融學學士學位。最後，最高層次涉及董事會就若干風險管理決策的決策過程。該等三個層次的相關人員須進行頻繁溝通，以確保各方得以共享準確資料。

為制定並有效實施政策，我們的風險管理制度重視持續收集資料。風險管理制度收集有關各類業務、財務及法律風險的資料，如市場需求、技術發展趨勢及創新、與競爭對手的數據比較、我們的財務表現及經營業績、服務成本、知識產權法及公司法的變更以及潛在法律糾紛等。

CORPORATE GOVERNANCE REPORT

企業管治報告

The information gathered is used for risk assessment. Our risk assessment procedures take into account our Company's overall risk philosophy and seek to accurately evaluate how a potential risk may affect our objective in the strategic, business, compliance and financial reporting areas. We seek to identify both internal risks, such as employee ethics, our financial condition or product quality, as well as external risks, such as economic and legal developments, technology advances and environmental factors. Identified risks are assessed on the basis of likelihood of occurrence and the degree of influence it may have on our business. Risks with a high probability of occurring are more closely examined in order to ensure accurate results. We then determine what countermeasures should be implemented in order to avoid, absorb or reduce such risks and any negative consequences.

The Board is not aware of any significant internal control and risk management weaknesses nor significant breach of limits or risk management policies, and considers that the current monitoring systems of the Company are effective and that the qualifications and experience of the staff, performing) accounting and financial reporting functions and the training programmes of the Company as well as the experiences and resources for setting the budget of the Company are adequate. The Company has complied with the requirements under C.2.1 to C.2.5 and C.3.3 of the CG Code relating to risk management and internal control.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at shareholder meetings, including the election of individual directors. All resolutions put forward at shareholder meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each shareholder meeting.

所收集資料用於風險評估。我們的風險評估程序會考慮本公司的整體風險理念，力求對潛在風險可能對我們在戰略、業務、合規及財務報告等方面的目標造成哪些影響進行準確評估。我們力求同時識別內部風險(如僱員道德操守、我們的財務狀況或產品質量)及外部風險(如經濟及法律發展、技術進步以及環境因素)。已識別風險乃基於其發生概率及可能對我們業務造成影響的程度進行評估。發生概率高的風險將受到更嚴格的審查，以確保取得準確結果。我們隨後將確定須實施哪些對策，以規避、消化或減低有關風險及任何負面後果。

董事會並不知悉任何重大內部控制及風險管理的不足之處，亦不知悉遭重大違反限制或風險管理政策的情況，並認為本公司目前的監控制度行之有效，而本公司員工的資格及經驗、會計及財務呈報職能的履行，以及本公司的培訓課程及本公司有關預算方面的經驗及資源亦屬足夠。本公司已遵守有關風險管理及內部控制的《企業管治守則》第C.2.1條至第C.2.5條以及第C.3.3條項下的規定。

股東權利

為保障股東的利益及權利，本公司會於股東大會上就各項議題(包括選舉個別董事)提呈獨立決議案。於股東大會上提呈的所有決議案將根據《上市規則》以投票方式進行表決，投票結果將於各股東大會舉行後適時於本公司及聯交所網站刊登。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for shareholders to convene an extraordinary general meeting

According to Article 64 of the Articles of Association, general meetings can be convened on the written requisition of any two or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company deposited at the principal office of the Company in Hong Kong. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Procedures for Shareholders to Propose a Person for Election as a Director

If a shareholder of the Company wishes to propose a person other than a Director for election as a Director at the Company's general meeting ("Proposal"), he/she should lodge a written notice setting out the Proposal and his/her contact details at the principal place of business of the Company or the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited. The Proposal should include the biographical details of the proposed Director and a written notice signed by the proposed Director confirming his/her willingness to be elected, the accuracy and completeness of his/her biographical details.

Shareholders' inquiries

If you have any query in connection with your shareholdings, please write to or contact the Company's Hong Kong share registrar, Tricor Investor Services Limited, at:

Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong

Tel: (852) 2980 1066

Fax: (852) 2262 7584

Website: www.tricorglobal.com

股東召開股東特別大會的程序

根據組織章程細則第64條，股東大會須於任何兩名或以上於存放請求書於本公司香港主要辦事處當日持有不少於有權於股東大會上投票的本公司繳足股本十分之一的股東要求時召開。倘董事會並無於提交要求當日起計21日內，正式召開將於額外21日內舉行的會議，要求者本身或當中代表彼等所享有全部投票權過半數的任何人士，可按相同方式(盡可能接近董事會可召開會議的方式)召開股東大會，前提為如此召開的任何會議不得在提交要求當日起計三個月屆滿後舉行，而所有因董事會未能履行要求而令要求者產生的合理費用須由本公司向要求者作出補償。

股東提名人選參選董事的程序

倘本公司股東有意於本公司股東大會上提名董事以外的人士參選董事(「議案」)，則應向本公司香港主要營業地點或本公司香港股份過戶登記分處卓佳證券登記有限公司遞交書面通知，當中載列議案及其聯絡詳情。議案應包括建議董事的履歷詳情及建議董事簽署的書面通知，確認其選舉意願、履歷詳情的準確性及完整程度。

股東查詢

如閣下對所持股份有任何查詢事項，請致函或聯絡本公司香港股份登記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

電話：(852) 2980 1066

傳真：(852) 2262 7584

網站：www.tricorglobal.com

CORPORATE GOVERNANCE REPORT

企業管治報告

Investor relations and communications

The Company has set up a website at www.gzwingang.com as a channel to promote communication, publishing announcements, financial information and other relevant information of the Company. Shareholders are welcome to make enquiries directly to the Company at its principal place of business in Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner.

CHANGE IN CONSTITUTIONAL DOCUMENTS

The memorandum and articles of association of the Company have been amended and restated with effect from the Listing Date.

投資者關係及通訊

作為促進有效溝通的渠道，本公司設立網站 www.gzwingang.com 刊發本公司的公告、財務資料及其他相關資料。如有任何查詢，股東可直接致函至本公司於香港的主要營業地點。本公司將及時以適當方式處理所有查詢。

憲章文件的變動

本公司的組織章程大綱及細則已予修訂及重列，自上市日期起生效。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

ABOUT THIS REPORT

Weigang Environmental Technology Holding Group Limited (“WG”) (Stock Code: 1845) and its subsidiaries (hereinafter referred to as the “Group”) are pleased to present the Environmental, Social and Governance Report (the “ESG Report”) for the year ended 31 December 2018 (the “Reporting Period”) and express commitment of the Group to corporate social responsibility. This is the first ESG Report of the Group which discloses the management, policies, performance, targets and feedbacks of the business in providing services of the Group in People’s Republic of China (the “PRC”) in relation to sustainable development. The Group would like to take this opportunity to present the environmental, social and governance (“ESG”) performance to all investors and stakeholders, and put forward the commitments and contributions on social responsibility.

This ESG Report is prepared both in Chinese and English. In case of inconsistency, the English version shall prevail. Electronic version of this ESG Report is, with the Annual Report, available for downloading from the website of HKEx at www.hkexnews.hk. If you have any enquiries or suggestions regarding this ESG Report, please feel free to contact us at gzwg@gzweigang.com.

Report Compilation Basis

The Report is prepared in accordance with the “Core” option of the internationally recognized Global Reporting Initiative’s (“GRI”) Standards reporting guidelines, together with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“HKEx ESG Reporting Guide”).

For details of the Group’s financial performance and corporate governance issues, please refer to the previous sections of the annual report of which this ESG Report forms part, so as to have a comprehensive understanding on the environmental, social and corporate governance performance of the Group.

Source of Data

The data and case studies reported in this ESG Report were prepared based on internal statistics, internal policy documents and other internal records. The Group hereby confirms that no false or misleading statements were made in this ESG Report.

關於本報告

維港環保科技控股集團有限公司(「維港」，上市代號：1845)及其附屬公司(下文統稱為「本集團」)欣然提呈截至2018年12月31日止年度(「報告期間」)的環境、社會及管治報告(「環境、社會及管治報告」)，並展現本集團對企業社會責任的承擔。此為本集團的首份環境、社會及管治報告，當中披露本集團於中華人民共和國(「中國」)提供服務時有關可持續發展的業務管理、政策、表現、目標及反饋。本集團謹藉此機會向所有投資者及持份者呈報環境、社會及管治(「環境、社會及管治」)表現，並就社會責任作出承諾及貢獻。

本環境、社會及管治報告以中英文兩種語言編製。如中英文版本有任何差異，概以英文版為準。本環境、社會及管治報告連同年報的電子版本可於香港聯交所網站www.hkexnews.hk下載。如閣下對本環境、社會及管治報告有任何查詢或建議，歡迎與我們聯絡(gzwg@gzweigang.com)。

報告編製基準

報告遵循國際公認的《全球報告倡議組織(「GRI」)標準》報告指引的「核心」選項及《香港聯合交易所有限公司證券上市規則》附錄二十七所載的《環境、社會及管治報告指引》(「香港聯交所環境、社會及管治報告指引」)編製。

有關本集團財務表現及企業管治事宜的詳情，請參閱年報(本環境、社會及管治報告構成其中一部分)的前述章節，以全面了解本集團的環境、社會及企業管治表現。

數據來源

本環境、社會及管治報告所呈報的數據及案例乃根據內部統計數據、內部政策文件及其他內部記錄編製。本集團謹此確認本環境、社會及管治報告並無作出任何虛假或具誤導性的陳述。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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This ESG Report contains forward-looking statements that are based on several assumptions and expectations at the time of its publication. Those assumptions and expectations are deemed to be reliable after internal reviewing process. The statements consist of known and unknown risks and uncertainties, which implies that actual results may differ from the expectations, forecasts and conclusions made herein. No guarantee is expressed as to the accuracy of the statements and the Group expressly disclaims any liability for and assume no responsibility to correct or update those forward-looking statements in the event that any of the statements does not materialize or turns out to be incorrect.

Contact

For more information on the Group's sustainable development, please refer to the Group's official website and the annual report. The Group values your views on this report. Should you have any query or feedback on this ESG Report, please contact us via the following channels:

Tel: 020-3221-1246

Fax: 020-3221-1223

Email: gzwg@gzweigang.com

Official website: www.gzweigang.com

CORE VALUE OF WG

We are a leading comprehensive hazardous waste incineration turnkey solution provider in the PRC focused on the research, design, integration and commissioning of solid waste treatment systems, particularly for hazardous waste incineration. During the Reporting Period, we are primarily engaged in, and generated a substantial portion of our revenue from, the design, integration and commissioning of hazardous waste incineration systems in the PRC.

In 2011, our Group was engaged to provide integrated solutions for the rotary kiln incineration system of the Shenzhen Hazardous Waste Incineration Centre* (深圳市危險廢物焚燒中心). Over the years, owing to the increased recognition of our services by our customers, our clientele has gradually expanded and currently includes the subsidiaries and affiliates of global environmental service providers such as SUEZ, as well as major centralized hazardous waste treatment facility operators in the PRC.

本環境、社會及管治報告載有前瞻性陳述，有關陳述乃根據本報告發佈之時的若干假設及預期。該等假設及預期須待進行內部審閱程序後，方會被視為可靠。有關陳述包括已知及未知風險及不確定因素，意味著實際結果可能與本報告所作預期、預測及結論有所不同。本集團並不會就該等陳述的準確性作出任何保證，且明確表示，倘任何前瞻性陳述並無實現或變成不正確，本集團概不承擔就更正或更新該等前瞻性陳述承擔任何責任。

聯絡方式

有關本集團可持續發展的更多資料，請參閱本集團的官網及年報。本集團重視閣下對本報告的意見。如閣下對本環境、社會及管治報告有任何疑問或意見，請通過以下渠道與我們聯絡：

電話：020-3221-1246

傳真：020-3221-1223

電郵：gzwg@gzweigang.com

官網：www.gzweigang.com

維港的價值

我們是中國領先的綜合危險廢物焚燒處置整體解決方案提供商，專注於固體廢物處理系統(尤其是危險廢物焚燒處置系統)的研究、設計、集成及調試。於報告期間，我們主要從事中國危險廢物焚燒處置系統的設計、集成及調試，並自其中產生很大一部分收入。

於2011年，本集團受聘向深圳市危險廢物焚燒中心提供回轉窯焚燒系統綜合解決方案。多年來，由於我們的服務得到客戶越來越多的認可，我們的客戶群已逐漸擴大，目前包括全球環境服務提供商(如蘇伊士)的附屬公司及聯屬企業以及中國主要集中式危險廢物處理設施運營商。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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During the Reporting Period, our customers primarily consist of hazardous waste treatment facility operators and other customers with large solid waste output and environmental compliance needs. The main services provided by our Group including, but not limited to, the following:

Solid Waste Treatment Solutions

We provide solid waste treatment solutions through the design, integration and commissioning of solid waste treatment systems, which comprise a range of equipment and other components, on a made-to-order basis pursuant to the technical specifications and requirements of our customers.

Hazardous Waste Incineration Solutions

Hazardous waste is a type of solid waste exhibiting one or more of the characteristics as being ignitable, corrosive, reactive, infective or toxic, posing threats to public health or the environment. We engage in the design, installation, integration and commission of tailor-made rotary-kiln incineration systems based on customers' technical specifications and requirements. The delivery of such solutions is a highly intricate and integrated end-to-end process which requires expertise and project experience in achieving optimized environmental protection effect and commercial viability. We provide hazardous waste incineration solutions mainly for hazardous waste treatment facility operators in the PRC.

Thermal Desorption of Oil Sludge

We provide thermal desorption solutions for the treatment of oil sludge, which is a type of hazardous waste mainly generated from oil exploitation and extraction. During the Reporting Period, we entered into a service contract with an oil service provider in the PRC which has the relevant operating license to lease, and provide operation and maintenance services for, an oil sludge treatment facility designed and commissioned by us in Karamay, Xinjiang (the "Karamay Project"). As at the Latest Practicable Date, the Karamay Project was in trial operation.

於報告期間，我們的客戶主要包括危險廢物處理設施的運營商以及產生大量固廢及有著環保合規需求的其他客戶。本集團所提供的主要服務包括但不限於以下各項：

固體廢物處理解決方案

我們根據客戶的技術規格及要求，按定制基準通過對固體廢物處理系統(包括一系列設備及其他部件)進行設計、集成及調試，提供固體廢物處理解決方案。

危險廢物焚燒處置解決方案

危險廢物是一種具有可燃性、腐蝕性、反應性、感染性或毒性等一種或多種特性，會對公眾健康或環境構成威脅的固體廢物。我們根據客戶的技術規格及要求從事定制的回轉窯焚燒系統設計、安裝、集成及調試。交付該等解決方案是一項高度複雜的一體化端到端流程，需要具備實現最優環保效益及商業可行性方面的專業知識及項目經驗。我們主要為中國危險廢物處理設施運營商提供危險廢物焚燒處置解決方案。

油泥熱脫附

我們為油泥處理提供熱脫附解決方案，油泥是一種主要產生自石油開採和提煉的有害廢物。於報告期間，我們與中國一家擁有相關經營許可證的石油服務提供商訂立服務合約，以租賃新疆克拉瑪依的一處由我們設計和調試的油泥處理設施，並提供運營及維護服務(「克拉瑪依項目」)。於最後實際可行日期，克拉瑪依項目處於試運行階段。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Cement Plant Parallel Kiln Co-treatment

We have developed and are in the process of commercializing the cement plant parallel kiln co-treatment technology. Currently, we had entered into a letter of intent and were in the process of negotiating the commercial terms with a cement producer in the PRC to invest in and operate such co-treatment project in Guangdong Province.

Technical Upgrading and Maintenance Services

Apart from providing solutions for hazardous waste incineration projects, we also derived our revenue during the Reporting Period from providing technical upgrading and maintenance services to existing hazardous waste incineration systems and certain cement production facilities in the PRC.

We always keep the environment in mind when formulating measures and planning activities in a bid to make positive impacts on the environment in accordance to our own environmentally friendly sustainable development strategy.

水泥回轉窑平行協同處置

我們已開發出水泥回轉窑平行協同處置技術，且正在將其商業化。我們目前已訂立意向書且正在與中國一家水泥生產商協商商業條款，投資及運營該廣東省協同處置項目。

技術升級及維護服務

除提供危險廢物焚燒處置項目解決方案外，我們於報告期間亦通過向中國現有危險廢物焚燒處置系統及若干水泥生產設施提供技術升級與維護服務獲得收入。

不論制定措施或規劃活動，我們均時刻以保護環境為念，遵照我們的可持續發展環保戰略，務求為環境帶來正面影響。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Milestone of WG

維港的里程碑

Year 年份	Events 事件
1998	Our predecessor, Guangzhou Weigang E&ME, was established on 18 August 1998. 我們的前身廣州維港機電設備於1998年8月18日成立。
2008	Guangzhou Weigang E&ME successfully delivered our first hazardous waste incineration solution for the design and commissioning of a rotary kiln incineration system at the Guangdong HWCTDC in 2008. 於2008年，廣州維港機電設備就設計及調試廣東示範中心的回轉窯焚燒系統成功交付首個危險廢物焚燒處置解決方案。
2009	Our major PRC operating subsidiary, Guangzhou Weigang, was established on 15 July 2009. 我們的主要中國經營附屬公司廣州維港於2009年7月15日成立。
2013	Our Group successfully delivered our hazardous waste incineration solution for the design and commissioning of a rotary kiln incineration system at the Shenzhen Hazardous Waste Incineration Centre. 本集團就設計及調試深圳市危險廢物焚燒中心的回轉窯焚燒系統成功交付危險廢物焚燒處置解決方案。
2015	Guangzhou Weigang was recognised as a "2015 Technology Innovative Small Giant Enterprise of Guangzhou City"* (2015年廣州市科技創新小巨人) by the Guangzhou Municipal Government. 廣州市政府確認廣州維港為「2015年廣州市科技創新小巨人」。
2016	Guangzhou Weigang was granted as a "High and New Technology Enterprise"* (高新技術企業證書) by the Guangdong Provincial Government on 30 November 2016 for a period of three years and the hazardous waste incineration systems designed by us were certified as "High and New Technology Product of Guangdong Province"* (廣東省高新技術產品) by the Guangdong Provincial Government in December 2016 for a period of three years. 於2016年11月30日，廣東省政府授予廣州維港「高新技術企業證書」，有效期三年；於2016年12月，廣東省政府就我們設計的危險廢物焚燒處置系統頒發「廣東省高新技術產品」證書，有效期三年。
2017	We entered into a service contract with an oil service provider in China for the leasing of, and the provision of operation and maintenance services for, an oil sludge thermal desorption treatment facility in Karamay, Xinjiang, China. 我們與中國一家石油服務提供商訂立服務合約，租賃中國新疆克拉瑪依的油泥熱脫附處理設施，並提供運營及維護服務。
2018	Application of Initial Public Offering in the Main Board of the Stock Exchange of Hong Kong Limited 申請於香港聯合交易所有限公司主板首次公開發售

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

STAKEHOLDER ENGAGEMENT

To establish a sound base for our Group's continuous development and success, we have always strived to understand our stakeholders' views. A myriad of channels are prepared for our stakeholders to give their opinions on our sustainability performance and future policies. We believe that by building lasting formal and informal communication channels, we are able to move a step forward to each of the stakeholders in building mutual benefits and trust. This can help formulate business strategies that are more fitting to our stakeholders' needs and expectations, improve risk anticipation and strengthen key relationships. Our key stakeholders are identified as shareholders and investors, employees, suppliers and business partners, government departments and regulatory authorities, customers and the community.

持份者的參與

我們一直致力了解持份者意見，以求為本集團的持續發展與成功奠定穩固基礎。持份者可通過多種不同途徑，就我們的可持續發展績效及未來政策提出意見。我們相信，通過正式與非正式的渠道進行持之以恆的溝通，我們方能走近持份者，與之達成互惠互信，有助制定更符合持份者需求與期望的業務戰略，亦可提高預測風險能力及鞏固重大關係。我們認定股東與投資者、僱員、供應商與業務夥伴、政府各部門與監管機關、客戶及社區為主要持份者。

Stakeholder Group 持份者類別	Concerns and expectations 關注及期望	Communication channel 溝通渠道
Shareholders and investors 股東與投資者	Return on investment; avoid operational risks; long-term development of the business 投資回報；防範運營風險；業務長遠發展	General meeting; corporate communication; visiting activities; announcements; regularly publish annual report and ESG report 股東大會；企業通訊；來訪；公告；定期刊發年報和環境、社會及管治報告
Employees 僱員	Work-life balance; clear and feasible system and process information; promotion and development 工作與生活平衡；系統及流程資料清晰明確；晉升與發展	Employee meetings; employee activities; Intranet; performance appraisal and interviews; conferences 僱員會議；僱員活動；內聯網；表現評估及面訪；會議
Suppliers and business partners 供應商與業務夥伴	Clear and comprehensive procurement information description; smooth communication channels 採購資料描述清晰完整；溝通渠道暢通	Conferences, supplier management system; site visits 會議、供應商管理系統；現場考察
Government departments and regulatory authorities 政府各部門與監管機關	Conform with the requirements of the environment and safety related laws and regulations; tax accordingly to law; timely update of policies and regulations 符合環境及安全相關法律及法規的要求；依法納稅；及時掌握最新政策及法規	Supervision and assessment; meeting in relation; information disclosure 監督及評估；相關會議；資料披露
Customers 客戶	Products and services conform with requirements of related laws and regulations to guarantee the qualities of products and services; smooth communication channels 產品及服務符合相關法律及法規的要求，保證產品及服務質量；溝通渠道暢通	Comprehensive feedback system; daily operations, communications 完善的反饋機制；日常運營及溝通
Community 社區	Protect the community's environment; support local economic development 保護社區環境；支持當地經濟發展	Community communication; charitable events 社區溝通；公益慈善活動

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Materiality Assessment

Our Group continually strengthens communication and relationship with investors. Designated senior management personnel keep close contact with shareholders and investors through email, teleconference, one-to-one meetings, or other forms, so as to ensure shareholders and investors can get latest information of our Group in a fair and timely manner, helping them make investment decisions. Our Group will give a detailed and timely response to inquiries from investors.

In accordance with the HKEX ESG Reporting Guide, our Group entrusted an independent consultant to carry out materiality assessment of ESG issues in 2018 to fully assess the ESG issues that were crucial to our Group's business development and were of the utmost concern to stakeholders, which helped our Group determine the ESG management objectives for the coming year and the focus of the disclosure of this Report in order to actively respond to the expectations and requirements of all parties.

重要性評估

本集團持續加強與投資者的溝通及關係。專責高級管理人員通過電郵、電話會議、一對一會面或其他形式與股東及投資者保持緊密聯繫，以確保股東及投資者可於公平的情況下及時獲得有關本集團的最新資料，以協助彼等作出投資決定。本集團會對投資者的查詢及時作出詳盡的回應。

根據《香港聯交所環境、社會及管治報告指引》，本集團於2018年委託獨立顧問就環境、社會及管治議題開展重要性評估工作，以全面評估對本集團業務發展至關重要並屬持份者最為關注的環境、社會及管治議題，從而協助本集團確定下一年度的環境、社會及環境管理目標以及本報告的披露重點，以積極回應各方的期望與訴求。

A1 Emissions A1 排放物	A2 Use of Resource A2 資源使用	A3 Environment and natural resources A3 環境及天然資源
Greenhouse gas emissions Exhaust emission 溫室氣體排放 廢氣排放	Energy and water saving Use of natural resources 節約能源及用水 天然資源使用	Environmental education Legality and compliance in environmental protection 環境教育 環保方面的合法合規性
B1 Employment B1 僱傭	B2 Health and safety B2 健康與安全	B3 Development and training B3 發展及培訓
Equal opportunity Diversified team profile 平等機會 團隊背景多元	Workplace safety Work-life balance of employees 工作場所安全 僱員工作與生活平衡	Employee career development Employee on-job trainings 僱員事業發展 僱員在職培訓
B4 Labour standard B4 勞工準則	B5 Supply chain management B5 供應鏈管理	B6 Product responsibility B6 產品責任
Prevention of child labour and forced labour Legality and compliance in employment 防止僱傭童工及強制勞工 僱傭方面的合法合規性	Management system on suppliers Procurement management 供應鏈管理系統 採購管理	Legality and compliance of operational practices 運營常規方面的合法合規性
B7 Anti-corruption B7 反貪污	B8 Community investment B8 社區投資	
Anti-fraud Anti-corruption 防止詐騙 防止貪污	Community volunteer activities Charitable donations 社區義工活動 慈善捐贈	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

GOVERNANCE ISSUE

Our Group strives to maintain a high standard of corporate governance practice. Since our establishment, we have always been committed to improving corporate governance by adopting the code provisions of the Corporate Governance Code (the "Code") as set out in Appendix 14 to the Listing Rules and applied the principles of the Code during the Reporting Period. Meanwhile, our Board of Directors is responsible for assessing and determining risks related to ESG, and to ensure that our Group has set up appropriate and effective risk management and internal monitoring systems for aspects of environment, social and governance.

The establishment, operation and management of our companies in the PRC are governed by the PRC Company Law (《中華人民共和國公司法》). During the Reporting Period, our Board of Directors directs the overall strategy and development of our Group's operations and business, and is responsible for monitoring and reviewing corporate governance practices across our Group.

A ENVIRONMENTAL SUSTAINABILITY

Global warming and climate change have become major environmental issues to the world. Our Group aims to minimize energy consumption and carbon emissions and has been exploring ways of adopting operational model which incurs less adverse impact on the environment.

Our Group is committed to enhancing environmental protection to minimize the impact of our activities on the environment, and compliance with applicable environmental laws. It is our Group's policy to promote clean operation and make the most efficient use of resources in our operations, and minimize wastes and emission. Our Group encourages environmental protection and promotes awareness towards environmental protection to the employees.

管治議題

本集團致力維持高水平的企業管治常規，自成立以來一直致力提升企業管治水平，採納《上市規則》附錄十四所載《企業管治守則》(「守則」)的守則條文，並已於報告期間應用守則中的原則。同時，董事會負責評估及釐定有關環境、社會及管治的風險，並確保本集團設立合適及有效的環境、社會及管治風險管理及內部監控系統。

我們在中國的公司於成立、運營及管理方面受《中華人民共和國公司法》規管。於報告期間，董事會指導本集團的整體戰略及運營業務發展，並負責監察及檢討整個集團的企業管治常規。

A 環境可持續發展

全球暖化及氣候變化已成為全球各地面對的重大環境問題。本集團以減低能源耗用及碳排放為目標，並一直探索對環保產生較少有害影響的運營模式。

本集團致力加強環境保護，將其運營對環境所產生的影響減至最低，並遵守適用的環保法規。本集團推行促進清潔生產及在運營上最有效地善用資源以及減低浪費及排放的政策。本集團鼓勵環保，並促進僱員的環保意識。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Pursuant to the Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), the Environmental Protection Administrative Department of the State Council is empowered to formulate the environmental quality standards and pollutant discharge standards of the PRC at the national level. Public institutions and other producers and business operators that discharge pollutants shall take measures to prevent and control the environmental pollution and harm caused by waste gas, waste water, residues, medical waste, dust, malodorous gases, radioactive substances, noise, vibration, optical radiation and electromagnetic radiation, etc. generated during production, construction or other activities. The PRC adopts the pollution discharge licence management system in accordance with the law. Enterprises, public institutions and other producers and operators that implement the pollution discharge licence management shall discharge pollutants according to the requirements of the pollution discharge licence; and those that fail to obtain the pollution discharge licence shall not discharge pollutants.

During the Reporting Period, the businesses of environmental protection technology research and development, environmental protection technology consulting, design of environmental protection solutions which our PRC subsidiaries currently engaged in, are not involved in businesses of pollutants discharge, therefore our PRC subsidiaries have no need to obtain relevant licences for pollutants discharge.

We have received ISO14001 environmental management system certification. During the Reporting Period, we had not received any notice or warning in relation to pollution in respect of our operation, nor had we been subject to any fines, penalties or other legal actions by government authorities in the PRC resulting from any non-compliance with any environmental protection laws or regulations in the PRC and, so far as our Board of Directors are aware after making all reasonable enquiries, there was no threatened or pending action by any PRC environmental government authorities in respect thereof.

根據《中華人民共和國環境保護法》，國務院環境保護行政主管部門有權制定中國環境質量標準和污染物排放標準。排放污染物的企業事業單位和其他生產經營者，應當採取措施，防治在生產建設或者其他活動中產生的廢氣、廢水、殘留物、醫療廢物、粉塵、惡臭氣體、放射性物質以及噪聲、振動、光輻射、電磁波輻射等對環境的污染和危害。中國依法採納排污許可證管理制度。實行排污許可管理的企業事業單位和其他生產經營者應當按照排污許可證的要求排放污染物；而未取得排污許可證的，不得排放污染物。

於報告期間，我們在中國的附屬公司現階段從事環保技術研發、環保技術諮詢、環保解決方案設計的業務，不涉及污染物的排放，不需要就污染物的排放取得相關許可證。

我們已取得ISO14001環境管理系統證書。於報告期間，我們並無就我們的經營而接獲任何有關污染的通知或警告，我們亦無因違反中國環境保護法律或法規而被中國有關政府部門處以任何罰款、處罰或其他法律行動，而據董事會經作出一切合理查詢後所知，概無任何中國環境有關政府部門就此威脅作出或待決的行動。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A1 EMISSION

Our Group is principally engaged in the provision of comprehensive hazardous waste incineration turnkey solution. The daily operation of our Group does not have significant impact to the environment and does not generate hazardous waste and air emission including NO_x, SO_x and other pollutants directly. Greenhouse gas (“GHG”) emissions are indirectly generated from electricity consumed at our Group’s workplace with minimal emissions. Our Group undertakes environmental protection as part of our corporate responsibilities, and it is fully aware of the importance of sustainable environmental development in achieving sustainability in our operations.

During the Reporting Period, our Group strictly complied with the PRC Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste 《中華人民共和國固體廢物污染環境防治法》 which states that we are responsible for the prevention and control of solid waste pollution, and should take measures to prevent or reduce the environmental pollution of solid waste. Our Group also encourages environmental protection and promotes environmental protection awareness to all employees. Our Group has implemented a number of measures such as reducing carbon emissions, increasing energy efficiency and conserving water resources in order to deliver our commitment to environmental protection. Our Group has launched a number of waste management programs, including recycling of glass, paper and metal. Paper waste is our major source of non-hazardous waste in the office. We have promoted a paperless work environment to reduce paper waste. Our Group did not find any records of significant waste disposal disposed of at landfills during the year.

A1 排放物

本集團的主要業務為提供綜合危廢焚燒一站式解決方案。本集團的日常運營不會對環境構成重大影響，亦不會直接產生有害污染物及廢物排放，包括氮氧化物、硫氧化物及其他污染物。本集團的工作場所用電間接產生極少量溫室氣體（「溫室氣體」）排放。本集團以保護環境作企業責任，亦深明環境的可持續發展對業務實現可持續運營的重要性。

於報告期間，本集團嚴格遵循《中華人民共和國固體廢物污染環境防治法》，當中載列我們對固體廢物依法承擔污染防治責任，應當採取措施，防止或者減少固體廢物對環境的污染。本集團亦鼓勵環保，並促進全體僱員的環保意識。本集團於減少碳足跡、加大能源使用效益及節約水資源等方面採取多項措施來，貫徹我們保護環境的承諾。本集團推出眾多廢物管理計劃，包括玻璃、紙張及金屬的回收利用。我們辦公室的無害廢物最主要是廢紙。我們已倡議無紙化辦公環境，以減少浪費紙張。本集團於年內並無發現有任何重大的廢物棄置於堆填區的記錄。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Our Group is committed to energy saving and environmental protection. We try to keep the damage to the environment at a minimal level by reducing pollutants and hazardous wastes during operation. The main sources of emission of our Group's pollutants include consumption of liquefied petroleum gas ("LPG") and emission of our Group's self-used office vehicles.

During the Reporting Period, the units of LPG consumed by our Group was 306,554 unit and the corresponding CO2 emission amount was 943 tonnes. While for the office vehicles, the gasoline consumption was around 31,400 litres and the diesel oil consumption was around 6,993 litres.

The following charts set out the categories and relevant statistics of pollutants in 2018:

Indicators (KPI A1.1) 示值(關鍵績效指標 A1.1)	Unit 單位	Total 合計
Nitrogen Oxides (NOx) 氮氧化物	kg 公斤	approximate 約 9
Sulphur Oxides (SOx) 硫氧化物	kg 公斤	approximate 約 1
Particulate Matter (PM) 懸浮粒子	kg 公斤	approximate 約 1

GHG Emission

Our Group aims at reducing the energy and water consumption thereby reducing the GHG emission. The GHG emission is classified into direct and indirect emission. Direct emission includes: combustion of fuels in production process, generation of heat by LPG and combustion of fuels by motor vehicles owned by our Group. Indirect emission includes emissions due to electricity purchased from power companies and water consumption. Since our Group is principally engaged in the provision of comprehensive hazardous waste incineration turnkey solution which does not involved significant combustion of fuels in operation, the majority of GHG emission was indirect emission.

本集團致力推動節能環保，透過減少運營過程中的污染物及有害廢物，盡力減輕對環境造成的破壞。本集團所產生污染物排放的主要來源包括液化石油氣(「液化石油氣」)的耗用及本集團公司自用車輛的排放。

於報告期間，本集團的液化石油氣耗用單位為306,554，相對應二氧化碳排放量為943噸，而就公司車輛而言，汽油耗用量約為31,400公升，柴油耗用量約為6,993公升。

以下圖表載列2018年污染物種類及相關統計數據：

溫室氣體排放

本集團旨在減少耗用能源及水，藉以降低溫室氣體的排放。溫室氣體排放分為直接及間接排放。直接排放包括：生產過程中燃料燃燒、消耗液化石油氣所產生的熱量及本集團旗下車輛燃燒燃料。間接排放包括從電力公司購買電力的排放量及用水量。由於本集團主要從事提供綜合危險廢物焚燒處置整體解決方案，運營過程並無涉及燃料燃燒，故溫室氣體排放主要屬間接排放。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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During the Reporting Period, our Group had a total of 988 tonnes GHG emission of CO₂. The direct and indirect emission generated by our Group were summarized as follows:

Indicators (KPI A1.2) 示值(關鍵績效指標 A1.2)	Unit 單位	Total 合計
Total GHG Emissions 溫室氣體排放總量	Tonnes of CO ₂ e 噸二氧化碳當量	988
Direct Emissions (Scope 1) 直接排放(範圍1)	Tonnes of CO ₂ e 噸二氧化碳當量	943
Indirect Emissions (Scope 2) 間接排放(範圍2)	Tonnes of CO ₂ e 噸二氧化碳當量	45

於報告期間，本集團的二氧化碳溫室氣體排放總量為988噸。本集團的直接及間接排放概述如下：

Wastes

During the Reporting Period, our Group did not generate any hazardous wastes due to our specific business nature; and there is no specific statistics adopted in calculation of non-hazardous wastes. Our Group complies with the Administration Measures for Urban Living Garbage (《城市生活垃圾管理辦法》) in urban living garbage cleaning, collection and transportation.

During the Reporting Period, there was no incidence of non-compliance with the relevant environmental laws and regulations that have a significant impact on our Group.

廢物

於報告期間，本集團並無產生有害廢物，因為我們的業務性質特殊，且於計算無害廢物時並無採用品體數據。本集團於城市生活垃圾清掃、收集、運輸方面符合《城市生活垃圾管理辦法》。

於報告期間，本集團並無違反對其業務有重大影響的相關環境法律及法規。

A2 USE OF RESOURCES

Our Group promotes environmental protection by raising the employees' awareness of resources saving and efficient use of electricity, water, energy and paper. During the Reporting Period, our Group has implemented several policies to encourage employees for conservation of respective resources. The following table shows the figures of resource consumption in our business operations:

A2 資源使用

本集團通過提高僱員節約資源及有效利用水電、能源及紙張，以促進環境保護。於報告期間，本集團已實施多項鼓勵僱員節能減耗有關資源的政策。下表顯示於我們的運營所耗用資源的數字：

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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The Group 本集團	Unit 單位	Total 合計
Electricity consumption 用電量	kWh 千瓦時	approximately 約 521,000
Water consumption 用水量	Tonnes 噸	approximately 約 76,900
LPG consumption 液化石油氣用量	Unit 單位	approximately 約 306,600
Paper consumption (Note) 用紙量(附註)	Package 包	approximately 約 1,010

Note: The Group adopts 80g A4 paper with 500 pieces in one package

The main business of our Group is providing comprehensive hazardous waste incineration turnkey solution, which do not rely heavily on energy consumption nor water resources and as well, packaging materials. We ensure the operation and facilities are in accordance with the environmental policy and reduce the environmental impact.

Our Group adopts lighting system or electric appliances with high energy efficiency. Our staff are encouraged to turn off electronic appliances when those are idle. Our Group also strives to maintain the air-conditioned room temperature of offices at around 25 degree Celsius for saving energy. Our Group is in the process of replacing high fuel cost vehicle by hybrid vehicle so as to reduce fuel consumption. In addition, we have installed video-conference system to reduce business travels and increase communication efficiency.

To promote the effective use of paper, our Group has implemented the following suggestions to our employees:

- 1 receive incoming faxes through e-fax system, and make copies only when necessary
- 2 promote use of electronic communications such as disseminating notices through the intranet
- 3 equip printers with used paper to encourage employees to print on both sides

附註：本集團採用重80克的A4紙，一包有500張

本集團的主要業務為提供綜合危廢焚燒處置一站式解決方案，故並無過分依賴能源消耗、水資源及包裝材料。我們確保運營及設施符合環境政策及減少對環境造成的影響。

本集團採用高能效的照明系統或電器。我們鼓勵員工關掉閒置電器。本集團亦努力將辦公室的空調維持大概攝氏25度，以節省能源。本集團正續步以混合動力汽車取代燃料成本高企的車輛，以減少燃料消耗。此外，我們已安裝視像會議系統，以減少商務出差及提高通訊效率。

為促進有效使用紙張，本集團已對僱員實施以下建議：

- 1 透過電子系統接收傳真，僅在有需要時才列印文本
- 2 提倡使用電子通訊，例如通過內聯網傳送通告
- 3 為打印機配備單面再用紙張，鼓勵僱員使用雙面打印

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Our Group encourages staff to keep electronic copies of documents, which greatly reduces storage space and also reduces paper consumption in the office.

A3 ENVIRONMENTAL AND NATURAL RESOURCES

Our Group values environmental friendly operation and minimizes the impact on the environment and natural resources. Our Group sets out the environment and resources management procedures, which list out the environment protection measures during the daily operations. For instance, our Group adopts the “reduce, reuse and recycle” policy to reduce paper consumption.

3Rs 3R	Details 詳情
Reduce 減少使用	Our Group encourages staff to read electronic file instead of print out documents or print on both side to create a paperless office at their best efforts 本集團鼓勵員工閱讀電子文件取代打印文件，或雙面打印，盡力實行無紙化辦公
Reuse 物盡其用	Our Group encourages staffs to collect waste paper, to use these paper for draft print out 本集團鼓勵員工收集廢紙作草稿打印
Recycle 循環再造	Our Group encourages staff to collect used ink and toner cartridge of printers and photocopiers and electronic wastes for recycling at their best efforts 本集團鼓勵員工收集打印機及影印機的已用墨水盒及碳粉盒以及電子廢物，盡量循環利用

Our Group sets up measures to control the waste water discharge. Waste water is produced mainly from the water consumption. There are sewage treatment facilities at our offices, where waste water is processed, filtered and emitted through the system regulated by the local environmental protection department in the PRC.

Our Group adopts the following environmental protection policies:

- Preventing waste of resources and improving efficiency on resources allocation;
- Staff education on resources reduction, put up posters regarding save energy, increase awareness on saving water, electricity reduce water and energy consumption;

本集團鼓勵員工保留文件的電子備份，大大節省儲存實體文件的空間，同時亦減少辦公室的紙張用量。

A3 環境及天然資源

本集團重視環保經營，盡量減少對環境及天然資源的影響。本集團制定環境及資源管理程序，當中列出日常運營中的環保措施。舉例而言，本集團採取「減少使用、物盡其用、循環再造」的政策，務求降低紙張用量。

本集團已建立控制廢水排放處置的措施。廢水主要來自用水。我們的辦公室設有污水處理設施，廢水會根據中國當地環保部門的規定進行處理、過濾及排放。

本集團採取以下環保政策：

- 防止浪費資源，提高資源配置效率；
- 為員工提供減少資源的培訓，張貼節能海報，提高節水意識，減少用水及能源耗用；

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- Setting up solar energy system for heating purpose;
 - Using LED lighting system and electrical appliance with energy efficiency label; and
 - Conducting regular checkup of water pipe and water system so as to prevent leakage and conduct regular maintenance, if necessary.
- 設立太陽能系統供暖；
 - 使用附有能源效益標籤的LED照明系統及電器；及
 - 定期檢查水管及供水系統防止滲漏，並進行定期維修(如有需要)。

B SOCIAL SUSTAINABILITY

B1 EMPLOYMENT

Employment Laws

Our Group is committed to maintaining a diverse workforce that includes age, gender, family status, sexual orientation, disability, ethnicity, religion and equal opportunities. During the Reporting Period, our Group strictly complied with the PRC Labour Law (《中華人民共和國勞動法》), the PRC Labour Contract Law (《中華人民共和國勞動合同法》) and the Implementing Regulations of the PRC Employment Contracts Law (《中華人民共和國勞動合同法實施條例》).

Our Group's staff handbook contains policies in regards to recruitment, promotion, discipline, working hours and leave. The human resources department has been responsible for ensuring all employees have fully understood the contents of the handbook. The management regularly reviews our Group's remuneration and benefits policies in reference to the market standards and is committed to safeguarding the rights and interests of the staff. Remuneration and benefits have been adjusted on an annual basis in accordance with the employees' individual performance, contribution and market conditions.

B 社會可持續發展

B1 僱傭

勞動法

本集團承諾維持員工團隊多元化，包括年齡、性別、家庭狀況、性取向、殘疾、種族、宗教信仰及機會平等。於報告期間，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》及《中華人民共和國勞動合同法實施條例》。

本集團的員工手冊載列有關招聘、晉升、紀律、工時及休假的政策。人力資源部負責確保全體僱員已充分了解手冊內容。管理層參照市場標準定期檢討本集團的薪酬及福利政策，致力保障員工的權利及權益，並每年根據僱員的個人表現、貢獻及市況薪酬及福利作出調整。

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We strictly complied with PRC laws, rules and regulations in relation to human resources, including the Social Insurance Law of the PRC (《中華人民共和國社會保險法》), the Interim Regulations on the Collection and Payment of Social Security Funds (《社會保險費徵繳暫行條例》) and the Regulations on the Administration of Housing Accumulation Funds (《住房公積金管理條例》). We contribute, on behalf of our employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, occupational injury insurance, maternity leave insurance and housing accumulation funds (collectively referred to as the "Five Insurance and One Fund*")(五險一金). Our Group's remuneration to employees is largely based on common industrial practice, wages of our employees, in any circumstances, may not be lower than the local minimum wage.

In addition to the above, our Group also provided travel insurance to employees who required overseas business travel which covers the compensation to the employees who are injured due to accident during business trip.

Team Profile

Our Group actively recruits high caliber talents of different nationalities, genders, ages and religions in a fair and equitable manner through social media. We believe that every employee is a valuable asset of our Group. In order to retain talents and foster a good working environment for the employees and increase their sense of belongings to our Group, we provide professional development opportunities, healthy and safe working environment for all employees. In the Reporting Period, our Group employs a total of approximately 200 employees with the majority in the PRC. Across our diversified business portfolio, the employee's gender, female employees accounted for approximately 19.5% of total labour force and male employees accounted for the remaining 80.5%.

我們嚴格遵守《中華人民共和國社會保險法》、《社會保險費徵繳暫行條例》及《住房公積金管理條例》等中國人力資源方面的法律、法規及規例。我們代表我們的僱員向數個社會保障基金(包括基本養老保險、失業保險、基本醫療保險、工傷保險、生育保險及住房公積金供款,統稱為「五險一金」)。本集團提供予僱員的薪酬主要根據行業常見做法及僱員工資,而於任何情況下概不能低於本地最低工資水平。

除上文所述外,本集團亦為需要到海外公幹的僱員提供旅遊保險,當中更包括為於公幹期間意外受傷的僱員提供補償。

團隊背景

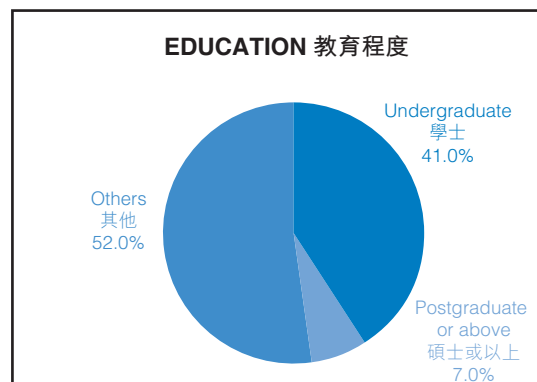
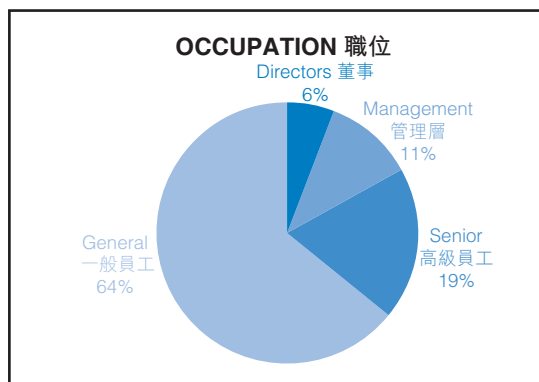
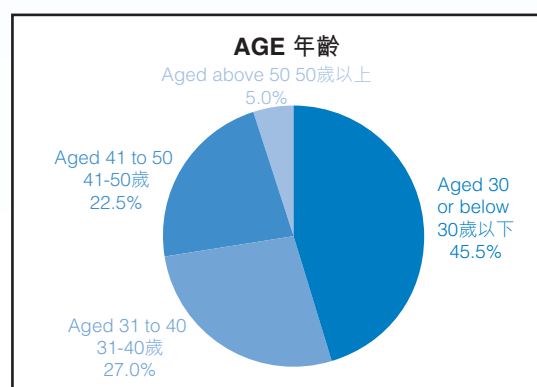
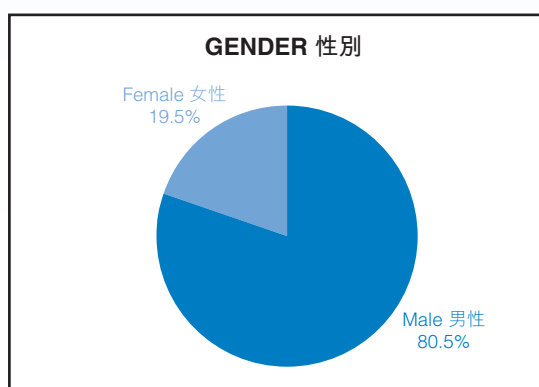
本集團通過社交媒體公平公正地積極招募不同國籍、性別、年齡及宗教信仰的頂尖人才。我們相信每一位僱員都是本集團的重要財產。為留聘人才,創造良好的工作環境及加強員工對本集團的歸屬感,我們為所有僱員提供專業發展機會以及健康與安全的工作環境。於報告期間,本集團合共聘用約200名僱員,大部分為中國員工。在我們多元化的業務組合中,按僱員性別計,女性僱員約佔員工總數約19.5%,而男性僱員佔餘下80.5%。

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As for employees' distribution by age for the reporting period, aged 30 or below accounted for approximately 45.5%; aged 31 to 40 accounted for approximately 27.0%; aged 41 to 50 accounted for approximately 22.5%; and aged above 50 accounted for approximately 5.0%.

於報告期間，僱員按年齡劃分方面，30歲或以下約佔45.5%；31至40歲約佔27.0%；41至50歲約佔22.5%；及50歲以上約佔5.0%。



Our Group abides by equal employment ordinance and prohibit discrimination against a person on the grounds of race, colour, sex, religion, age, national origin or disability. Female staff are entitled to leave for maternity check-ups and pregnancy leave, and return to her pre-leave position.

本集團堅守平等就業條例，禁止任何基於種族、膚色、性別、宗教信仰、年齡、國籍或殘疾的歧視。女性員工享有休產假及產前檢查假，並於產假後回任產假前職位。

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B2 HEALTH AND SAFETY

Our Group has established an internal system for labour safety and sanitation, strictly abides by state standards and provides relevant education to our employees since employees working in safe and sanitary conditions is what we must offer to them. We are subject to various laws, administrative regulations, national standards and industrial standards in the PRC which stipulate the requirements to maintain safe working conditions and to protect the occupational health of employees.

We have implemented safety measures on both our in-house operation and project sites to ensure compliance with applicable regulatory requirements and to minimize the risk of injury of employees. We also conduct periodic inspections to ensure that our operations are in compliance with existing laws and regulations and are safe for our employees. Furthermore, we require new employees to receive work safety training pursuant to our internal safety policy.

Xinjiang Wosen, our subsidiary in the PRC, holds a work safety licence and a Qualification Certificate for Enterprise in Construction Industry (《建築業企業資質證書》) (“Certificate for Construction”) and complies with the Work Safety Law of the PRC (《中華人民共和國安全生產法》) and Regulations of the Work Safety Licence Regulation (《安全生產許可證條例》). Xinjiang Wosen is permitted to participate in construction within the type and grade stipulated in its Certificate for Construction. During the Reporting Period, Xinjiang Wosen and other subsidiaries of our Group in the PRC were not currently engaged in construction business.

During the Reporting Period, we had not experienced any severe accidents during our course of business, nor had we been subject to any fines, penalties or other legal actions by government authorities in the PRC resulting from any non-compliance with all applicable laws and regulations in PRC in relation to occupational safety and health matters and, so far as our Board of Directors is aware after making all reasonable enquiries, there was no threatened or pending action by any PRC government authorities in respect thereof.

B2 健康與安全

為僱員提供安全衛生的工作環境是我們的必要工作，故本集團已建立勞動安全及衛生制度，嚴格遵守國家標準，並為僱員提供相關教育。僱員亦須在安全及衛生環境下工作。我們須遵守中國各類法律、行政法規、國家標準及行業標準，當中訂明須維持安全的生產環境及保障僱員職業健康的規定。

我們已在我們的內部經營及項目地點實施安全措施以確保符合適用的監管規定及使僱員受傷風險降至最低。我們亦定期檢查以確保我們的經營符合現行法律法規及對我們的僱員而言屬安全。此外，我們要求新入職僱員根據我們的內部安全政策接受工作安全培訓。

我們在中國的附屬公司新疆沃森持有安全生產許可證及《建築業企業資質證書》(「《建築業企業證書》」)，並符合《中華人民共和國安全生產法》及《安全生產許可證條例》。因此，新疆沃森獲准在其《建築業企業證書》所規定的類型及等級範圍內參與建築工程。新疆沃森及本集團其他中國附屬公司目前未從事建築工程業務。

於報告期間，我們於業務過程中並無發生任何嚴重事故，我們亦無因違反與職業安全及健康事宜有關的所有中國適用法律法規而被中國政府部門處以任何罰款、處罰或其他法律行動，而據董事會經作出一切合理查詢後所知，概無任何中國政府部門就此威脅作出或待決的行動。

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B3 DEVELOPMENT AND TRAINING

Our Group believes that developing our employees by improving their knowledge and skills can enhance their personal growth both intellectually and professionally. To encourage and assist employees in developing their potential, training resources is planned and implemented to ensure our employees received the relevant trainings and professional development, so that our employee are better equipped and efficient which are favorable to the long-term development of our Group. Training programmes are classified into two types according to the objective and purpose: internal training and external training. In addition, our Group organizes value-added activities regularly including seminar and workshop, and supports staff training programmes by granting time and reimbursement.

2018 年	HOURS 小時
TOTAL TRAINING HOURS 總受訓時數	approximate 約 7,860
TRAINING HOURS PER EMPLOYEE 每名僱員的受訓時數	approximate 約 39

Aside from trainings, our Group promotes a sense of team spirit and foster work-life balance by organizing leisure activities for the staff. During the Reporting Period, our Group organizes festival gathering, recreational activities for our employees.

B3 發展及培訓

本集團相信，提升僱員的知識及技能而令其得到發展，可以在智力及專業方面加強其個人發展。為鼓勵及幫助僱員發展潛能，本集團規劃培訓資源，並制定及實施培訓計劃，確保僱員接受相關培訓及專業發展，藉以提升僱員技能，增加工作效率，有利本集團長遠發展。培訓計劃按目標及目的劃分為兩類：內部培訓及外部培訓。此外，本集團定期舉辦增值活動(包括研討會及工作坊)，並支持員工在工時內參與培訓計劃，並補貼培訓費用。

除提供培訓外，本集團亦不時為僱員籌辦各種消閒活動，以推廣團隊精神及鼓勵達致工作與生活平衡。於報告期間，本集團為僱員舉辦節日聚會及娛樂活動。

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B4 LABOUR STANDARDS

Our Group strives to build a healthy working environment with equal opportunity to protect employee's rights and benefits. Our Group provides equal opportunity to all employees. Our employees are assessed by their performance and working experience regardless of age, marital status, race, religious, nationality or gender etc. The laws and regulations that directly related to our Group, including but not limited to the following:

- 1 Underage Workers Special Protection Provisions
- 2 Prohibition of Child Labour Provisions
- 3 Labour Law of the PRC

Specifically, our Group prohibits forced labour and restricts the employment of child labour. We have formulated labour rights and working condition management rules, which lists out the following: checking candidates identification during interview process to prevent employing child labour; all labour must voluntarily complete job application form to prevent forced labour. The employees can early terminate employment contract in accordance with the service contract and can apply for sick leave with doctor's certificate. In case our Group discovers forced labour or child labour, our Group would terminate such practices and put forward the following remedies: report to local authorities and record the situation.

During the Reporting Period, our Group has not violated any of the above ordinance or regulations which lead to investigation.

B4 勞工準則

本集團致力建立健康且平等的工作環境以保障僱員的權利及利益。本集團視所有僱員為平等，人人都享有同等機會，本集團會為僱員表現進行評估，而非年齡、婚姻狀況、種族、宗教信仰、國籍或性別等因素。與本集團直接相關的法律法規包括但不限於以下各項：

- 1 《未成年工特殊保護規定》
- 2 《禁止使用童工規定》
- 3 《中華人民共和國勞動法》

具體而言，本集團禁止任何形式的強制勞工，限制僱用童工。我們已制定勞工權利與工作條件管理規則，當中列出以下各項：面試時核對清楚應徵者身分，避免誤聘童工；所有員工須親自填寫入職申請表，避免任何強迫勞動情況。僱員可依照服務合約提前終止僱傭合約，並可請假休息(需出示醫生證明文件)。倘若本集團發現強制勞工或僱用童工的情況，本集團將終止有關行為，並會提出下列補救措施：向當地機關報告並記錄情況。

於報告期間，本集團並無違反上述有關的條例或法規而引起調查。

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B5 SUPPLY CHAIN MANAGEMENT

Suppliers are our important partner, through building supplier's management system, our Group partnered with suppliers that have good performance in their corporate social responsibility, aiming to create a sustainable development atmosphere together. Our Group has set standard procedures for the selection of suppliers of raw materials in accordance with the ISO9001 standards. We also have a standard approval form for selection of suppliers and a list of approved suppliers were available from the internal records for reference. There is also an assessment for the management to review the supplier's standards.

During the Reporting Period, our largest suppliers were primarily contract manufacturers and equipment and materials vendors. We have established on-going business relationships and co-operations with our largest suppliers during the Reporting Period for approximately five years on average.

During the Reporting Period, we were not aware of any information or arrangements which would lead to cessation or termination of our relationships with any of our largest suppliers during the Reporting Period.

B5 供應鏈管理

供應商為我們的重要夥伴。本集團通過建立供應商管理系統，與在企業社會責任方面表現良好的供應商合作，旨在攜手締造可持續發展的環境。本集團已按照ISO9001標準制定一套甄選原材料供應商的標準程序。我們亦備有標準評估表格以助甄選供應商，另外亦有獲批供應商的內部記錄名單以供參考。管理層亦參與評估以審議供應商的標準。

於報告期間，我們的最大供應商主要為合約製造商以及設備及材料供應商。我們於報告期間與最大供應商建立了平均約五年的持續業務關係及合作關係。

於報告期間，我們並不知悉有任何資料或安排會導致於報告期間停止或終止我們與我們任何最大供應商的關係。

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Procurement

Since the equipment and materials used for our solid waste treatment projects are tailor-made, we generally place procurement orders in accordance with the specific project design. Such equipment and materials procured generally will not be kept in-house and will be delivered to our customers' sites directly for further installation and integration. Our inventory comprise spare parts and other materials that were mainly used for provision of technical upgrading and maintenance services and we maintain a low level of such inventories. We generally procure equipment and materials as the components of our solution systems, and sub-contracting services for installation and construction of our projects. By outsourcing these services to the sub-contractors, we are able to reduce the relevant staff costs and risk exposures connected with providing such sub-contracted services, which allow us to focus our resources on our key business operations.

B6 PRODUCT RESPONSIBILITY

As a leading hazardous waste incineration turnkey solution provider in the PRC, we provide our customers with high-quality and customized hazardous waste incineration turnkey solutions that include the design, installation, integration and commission of the hazardous waste incineration systems which are highly intricate and integrated process. To provide tailor-made solutions to our customers, we analyze waste composition and formulate equipment configuration and system layout based on customer specifications. We aim to achieve optimized treatment effect of our solutions with stable operating performance, compliant emission of pollutants and controlled operating cost.

We place great emphasis on service quality. In recognition of our quality assurance and related internal control, we have obtained the ISO9001, ISO14001 and OHSAS18001 accreditations for our quality, environmental, and occupational health and safety management, respectively.

採購

由於我們固體廢物處理項目所用的設備及材料是定制的，故我們通常根據具體項目設計下達採購訂單。採購的該等設備及材料通常不會作內部存放，而是將直接交付至客戶的地址進行進一步安裝和集成。我們的存貨包括配件及其他主要用於提供技術升級與維護服務的材料，且我們維持少量該等存貨。我們通常會採購設備及材料，作為我們解決方案系統的組成部分，而後會分包項目安裝及建設服務。通過向分包商外包該等服務，我們得以節省有關員工成本並縮小提供有關分包服務的相關風險敞口，這令我們能夠將資源集中於主要業務營運上。

B6 產品責任

作為中國領先的危廢焚燒處置整體解決方案提供商，我們為客戶提供優質的、定制化的危廢焚燒處置整體解決方案，其中包括設計、安裝、集成及調試危險廢物焚燒系統，而這是一個高度複雜的一體化流程。為了向客戶提供定制化的解決方案，我們根據客戶需求，分析廢物組成及制定設備配置與系統佈局。我們力求通過穩定運行表現、合規污染排放及受控制的運營成本，實現解決方案的優化處理效果。

我們非常注重服務質量。作為對我們質量保證及相關內部控制的認可，我們已分別就質量、環境和職業健康及安全管理獲得ISO9001、ISO14001及OHSAS18001標準認證。

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We have dedicated quality control staffs who are responsible for carrying out the quality control procedures based on the ISO9001 standards. We emphasize stringent quality control standards over our services. We have implemented extensive quality control measures at every major stage of our operational process, from the design of solutions to the final installation and integration of the solid waste treatment systems, as well as the procurement process and any after-sales activities. All of our suppliers must undergo various inspections including site visits and evaluation, as well as sample testing, before we approve them for use.

Our internal guideline ensures that the equipment and services we procure will meet the standards and quality requirements set by us and our customers. We perform inspections on the equipment after they are delivered by the suppliers to our project site before installation. Any sub-quality products identified during our inspections are returned to our suppliers. We also have quality control personnel conducting standard quality control procedures and monitoring the production of the relevant application-specific equipment at our vendors' production facilities.

During the Reporting Period, no products were recalled for safety and health reasons due to our specific business nature.

我們亦設有質量控制的專職員工，負責根據ISO9001標準執行質量控制程序。我們對我們的服務執行嚴格的質量控制標準。我們在業務流程的每個主要階段，從解決方案的设计到固體廢物處理系統的最終安裝和整合，以及採購流程和任何售後活動，都實施了廣泛的質量控制措施。我們所有的供應商都必須經過各種檢查，包括現場考察和評估，以及樣品測試，然後才批准予以使用。

我們的內部指引確保了我們採購的設備和服務將符合我們和我們的客戶設定的標準和質量要求。我們會對供應商交付至我們項目場地的設備進行檢驗，然後才予以安裝。我們在檢驗中發現的任何低質量產品都將退還給我們的供應商。我們亦設有質量控制人員於供應商的生產設施執行標準的質量控制程序，並監控有關專用設備的生產。

由於我們的業務性質特殊，於報告期間並無產品因安全及健康理由而需召回。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B7 ANTI-CORRUPTION

Our Group is aware of the importance of honesty, integrity and fairness in its operation and any practices which are against law e.g. corruption, bribery, money laundry are strictly forbidden. Bribery and facilitation payment are prohibited within our Group. Our Group requires employees to declare any conflict of interests and encourages all employees to discharge their duties with integrity and comply with the relevant laws and regulations. Transactions involving money require authorized signatories of the appropriate levels depending on the amount involved. Checks and balances have been installed in our Group for money transaction activities and are considered effective and adequate.

Our Group has established the Anti-fraud System* (反舞弊程序) which requires our directors and employees to avoid the conflict between personal and financial interest and their professional official duties in our Group. Communications were made to the employees, so they understand that using their positions in our Group or using our Group's resources, properties and information to pursue opportunities by exercising positioning power to influence decisions or gain access to valuable information when dealing with third parties with his profession to achieve financial and personal gain is strictly prohibited. In addition, our audit committees supervise, from time to time, the anti-fraud procedures to prevent frauds and corruptions from happening.

During the Reporting Period, there was no legal cases regarding corrupt practices brought against our Group or our employees. Our Group encourages staff to report to their supervisor or directly to the management if they discover any practices that violate or are against the law.

B7 反貪污

本集團深明誠信、廉潔及公平對其運營的重要，絕不容許任何如貪污、賄賂、洗黑錢等違法行為。本集團禁止任何賄賂及疏通費。本集團員工需要聲明任何利益衝突，推動所有僱員持廉守正地履行職務，並遵守相關法律法規。凡涉及金錢的交易均須根據所涉及的金額取得經適當級別的授權人簽名。本集團已提供有效且充分的制約與平衡原則以規管金錢交易活動。

本集團已設立反舞弊程序，規定董事及僱員避免個人及經濟利益與彼等在本集團的專業公務職責間的衝突。我們會與僱員溝通，讓彼等了解在通過專業與第三方交易時，嚴格禁止利用彼等在本集團的職位或本集團的資源、財產及資訊並通過行使職權來影響決策或取得有價值的資訊，以尋求機會實現財務及個人利益。此外，我們的審核委員會不時監督反舞弊程序，以防欺詐及貪污。

於報告期間，本集團及其僱員並無涉及任何貪污案件。本集團鼓勵員工向上級或直接向管理層舉報任何違反或觸犯法律的行為。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

B8 COMMUNITY INVESTMENT

As a responsible corporation, our Group actively strives to become a positive force in the community and maintains close communication and interaction with the community to contribute to community development. Our Group stays proactive in fulfilling our responsibilities as a corporate citizen.

During the Reporting Period, our Group did not involve in any community investment as our Group had not identified any suitable charity activities

In the future, our Group will actively encourage employees to contribute their time and skills to community volunteer works to benefit local communities by giving them opportunities to learn more about social and environmental issues and enhance the corporate value of our Group. Our Group will also consider from time to time to make donations to charities when appropriate.

B8 社區投資

作為一家負責任的企業，本集團積極努力成為社區的正面力量，並與社區維持密切溝通及互動，為社區發展作出貢獻。本集團積極履行作為企業公民的責任。

於報告期間，由於本集團並未找到任何合適的慈善活動，故並無參與任何社區投資。

本集團日後將積極鼓勵僱員無償付出時間及技能作出社區義務工作，以惠及本地社區，借此給予僱員機會了解更多社會及環境議題，同時增強本集團的企業價值。本集團亦會不時考慮於合適情況下向慈善團體捐款。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects 層面	Summary 內容	Details 詳情
Aspect A1: 層面 A1 : Emission 排放物	<p>General Disclosure 一般披露</p> <p>Relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste: 有關廢氣及溫室氣體排放、向水及土地排污、產生有害及無害廢物等的：</p> <p>a) The policies; and 政策；及</p> <p>b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。</p>	<p>For more details, please refer to Page 60-62 有關更多詳情，請參閱第 60-62 頁</p>
Aspect A2: 層面 A2 : Use of Resources 資源使用	<p>General Disclosure 一般披露</p> <p>Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。</p>	<p>For more details, please refer to Page 62-64 有關更多詳情，請參閱第 62-64 頁</p>
Aspect A3: 層面 A3 : The Environment and Natural Resources 環境及天然資源	<p>General disclosure 一般披露</p> <p>Policies on minimizing the issuer's significant impact on the environment and natural resources. 減低發行人對環境及天然資源造成重大影響的政策。</p>	<p>For more details, please refer to Page 64-65 有關更多詳情，請參閱第 64-65 頁</p>
Aspect B1: 層面 B1 : Employment 僱傭	<p>General Disclosure 一般披露</p> <p>Following information on: 有關以下各項的資料：</p> <p>a) The policies; and 政策；及</p> <p>b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規。</p>	<p>For more details, please refer to Page 65-67 有關更多詳情，請參閱第 65-67 頁</p>
Aspect B2: 層面 B2 : Health and Safety 健康與安全	<p>General Disclosure 一般披露</p> <p>Information on: 有關以下各項的資料：</p> <p>a) The policies; and 政策；及</p> <p>b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規。</p>	<p>For more details, please refer to Page 68 有關更多詳情，請參閱第 68 頁</p>

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects 層面	Summary 內容	Details 詳情
Aspect B3: 層面 B3 : Development and Training 發展及培訓	General Disclosure 一般披露 Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	For more details, please refer to Page 69 有關更多詳情，請參閱第 69 頁
Aspect B4: 層面 B4 : Labour Standards 勞工準則	General Disclosure 一般披露 Relating to preventing child and forced labour: 有關防止使用童工或強制勞工的： a) The policies; and 政策；及 b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。	For more details, please refer to Page 70 有關更多詳情，請參閱第 70 頁
Aspect B5: 層面 B5 : Supply Chain Management 供應鏈管理	General Disclosure 一般披露 Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。	For more details, please refer to Page 71-72 有關更多詳情，請參閱第 71-72 頁
Aspect B6: 層面 B6 : Product Responsibility 產品責任	General Disclosure 一般披露 Relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： a) The policies; and 政策；及 b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。	For more details, please refer to Page 72-73 有關更多詳情，請參閱第 72-73 頁

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Aspects 層面	Summary 內容	Details 詳情
Aspect B7: 層面 B7 : Anti-corruption 反貪污	General Disclosure 一般披露 Relating to bribery, extortion, fraud and money laundering: 有關防止賄賂、勒索、欺詐及洗黑錢的： a) The policies; and 政策；及 b) Compliance with relevant laws and regulations that have a significant impact on the issuer. 遵守對發行人有重大影響的相關法律及法規的資料。	For more details, please refer to Page 74 有關更多詳情，請參閱第 74 頁
Aspect B8: 層面 B8 : Community Investment 社區投資	General Disclosure 一般披露 Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解發行人營運所在社區需要和確保其業務活動會考慮社區利益的政策。	For more details, please refer to Page 75 有關更多詳情，請參閱第 75 頁

DIRECTORS' REPORT

董事會報告

The Board is pleased to present this annual report together with the audited financial statements of the Group for the year ended 31 December 2018.

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 18 May 2017 as an exempted company with limited liability. The Shares of the Company were listed on the Main Board of the Stock Exchange on the 3 January 2019 (the "Listing Date").

PRINCIPAL BUSINESSES AND ACTIVITIES

The Group is a leading comprehensive hazardous waste incineration turnkey solution provider in China focused on the research, design, integration and commissioning of solid waste treatment systems, particularly for hazardous waste incineration.

A list of the Company's principal subsidiaries as of 31 December 2018 and their particulars are set out in note 39 of the consolidated financial statements.

BUSINESS REVIEW

A review of the business of the Group during the year and a discussion on the Group's future business development are provided on page 8 of this annual report. Particulars of important events affecting the Group that have occurred since the end of the financial year are provided in note 40 of the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided on pages 13 to 22 of this annual report. Details of the capital structure of the Company is provided on page 22 of this annual report. Details of the significant capital investment of the Group is provided on page 22 of this annual report.

In addition, information of the Company's environmental policies and performance can be found in environmental, social and governance report of this annual report. The Company's compliance with relevant laws and regulations which have a significant impact on the Group are provided in the section headed "Compliance with Laws and Regulations" of this directors' report.

董事會欣然提呈本年報連同本集團截至2018年12月31日止年度的經審核財務報表。

全球發售

本公司於2017年5月18日在開曼群島註冊成立為獲豁免有限公司。本公司股份於2019年1月3日(「上市日期」)在聯交所主板上市。

主要業務及活動

本集團是中國領先的綜合危險廢物焚燒處置整體解決方案提供商，專注於固體廢物處理系統(尤其是危險廢物焚燒處置系統)的研究、設計、集成及調試。

本公司於2018年12月31日的主要附屬公司列表及其詳情載於綜合財務報表附註39。

業務回顧

有關本集團年內業務的回顧及對本集團未來業務發展的論述載於本年報第8頁。自財政年度結算日起已發生對本集團造成影響的重要事件詳情載於綜合財務報表附註40。運用財務主要表現指標對本集團年內表現進行的分析載於本年報第13頁至第22頁。有關本公司資本架構的詳情載於本年報第22頁。有關本集團重大資本投資的詳情載於本年報第22頁。

此外，有關本公司環境政策及表現的資料可參閱本年報環境、社會及管治報告。本公司遵守對本集團有重大影響的相關法律及法規的情況載於本董事會報告「遵守法律及法規」一節。

DIRECTORS' REPORT

董事會報告

RESULTS

The consolidated results of the Group for the year ended 31 December 2018 are set out on pages 105 to 229 of this annual report.

DIVIDEND POLICY

Subject to the Companies Law of the Cayman Islands and the memorandum and articles of association of the Company, the Company in general meeting may declare dividends in any currency but no dividends shall exceed the amount recommended by the Board.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for meeting claims on or liabilities of the Company or contingencies or for paying off any loan capital or for equalizing dividends or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (including in the repurchase by the Company of its own securities or the giving of any financial assistance for the acquisition of its own securities) as the Board may from time to time think fit, and so that it shall not be necessary to keep any investments constituting the reserve or reserves separate or distinct from any other investments of the Company. The Board may also without placing the same to reserve, carry forward any profits which it may think prudent not to distribute by way of dividend.

FINAL DIVIDEND

The Board has resolved that no final dividend was declared for the year ended 31 December 2018.

業績

本集團截至2018年12月31日止年度的綜合業績載於本年報第105頁至第229頁。

股息政策

在開曼群島《公司法》及本公司組織章程大綱及細則的規限下，本公司可於股東大會中以任何貨幣宣派股息，惟股息不得超過董事會建議的金額。

在建議任何股息之前，董事會可從本公司溢利中留存其認為恰當的款項作為儲備，董事會可酌情將有關儲備用作支付本公司遭索償的金額、負債、或有負債，或用作償還任何資本性貸款或補足股息或作任何其他可適當動用本公司溢利的用途，且在有關動用之前，同樣可酌情將其用於本公司業務或董事會不時認為恰當的投資（包括本公司購回其自身證券或就收購其自身證券提供任何財務資助），因此董事會並無必要將任何構成儲備的投資與本公司任何其他投資劃分開來。董事會也可結轉任何其認為不宜以股息分派的溢利，而不必將其置入儲備。

末期股息

董事會議決截至2018年12月31日止年度不會宣派末期股息。

DIRECTORS' REPORT

董事會報告

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 31 May 2019 to Wednesday, 5 June 2019, both days inclusive and during which period no transfer of share will be effected. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 pm on Thursday, 30 May 2019.

SHARE CAPITAL

As at 31 December 2018, the authorised share capital of the Company was HK\$200,000,000, divided into 4,000,000,000 shares of HK\$0.05 each. Details of movements in the share capital of the Company during the year 2018 are set out in note 28 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company during the year 2018 are set out in note 41 to the consolidated financial statements on page 227 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the amount of reserves available for distribution of the Company was approximately HK\$9,457,000.

DONATIONS

During the year ended 31 December 2018, the Company and its subsidiaries made no external donations.

BANK BORROWINGS AND OTHER BORROWINGS

Details of bank borrowings of the Company and its subsidiaries as at 31 December 2018 are set out in note 26 to the consolidated financial statements.

暫停辦理股份過戶登記

本公司的股份過戶登記將於2019年5月31日(星期五)至2019年6月5日(星期三)(包括首尾兩日)期間暫停，期間不會進行股份過戶登記。為符合資格出席股東週年大會並於會上投票，務請本公司的未登記股份持有人確保所有股份過戶文件連同相關股票須於2019年5月30日(星期四)下午四時三十分前送交本公司的股份過戶登記處卓佳證券登記有限公司，地址為香港皇后大道東183號合和中心22樓，以辦理過戶登記手續。

股本

於2018年12月31日，本公司的法定股本為200,000,000港元，分為4,000,000,000股每股面值0.05港元的股份。有關本公司股本於2018年內的變動詳情載於綜合財務報表附註28。

儲備

有關本公司儲備於2018年內的變動詳情載於本年報第227頁內的綜合財務報表附註41。

可供分派儲備

於2018年12月31日，本公司的可供分派儲備金額約為9,457,000港元。

捐贈

截至2018年12月31日止年度，本公司及其附屬公司並無對外作出捐款。

銀行借款及其他借款

有關本公司及其附屬公司於2018年12月31日的銀行借款詳情載於綜合財務報表附註26。

DIRECTORS' REPORT

董事會報告

USE OF NET PROCEEDS

The shares of the Company were listed on the Stock Exchange on 3 January 2019 and the net proceeds raised from the Global Offering were approximately HK\$285.5 million. We intend to use approximately HK\$114.2 million for the continual utilization of the pyrolysis technology for the treatment of various types of solid waste by pyrolysis treatment systems; approximately HK\$57.1 million for the establishment of a research and engineering centre in Guangdong province; approximately HK\$42.8 million for further commercialisation of oil sludge thermal desorption technology; approximately HK\$42.90 million for cooperation with cement producers in China to invest in and operate the business of cement plant parallel kiln co-treatment solutions. Due to the fact that the Company was listed on 3 January 2019, there were no proceeds raised as at 31 December 2018. After the Listing Date, such net proceeds will be applied in accordance with the proposed application as disclosed in the prospectus dated 19 December 2018.

MAJOR CUSTOMERS AND SUPPLIERS

The largest customers and the five largest customers of the Group accounted for approximately 39.0% and 79.0% respectively of the Group's revenue for the year ended 31 December 2018.

For the year ended 31 December 2018, the total amount of purchases made by the Group from the its five largest suppliers amounted to RMB114.1 million, and accounted for 32.0% of the total purchases for the year. The amount of the purchases from the largest supplier amounted to RMB31.0 million, and accounted for 8.7% of the total purchases for the year.

Save as disclosed above, during the year, to the knowledge of the Directors, none of the Directors, their close associates, or Shareholders of the Company (which, to the knowledge of the Directors, owned more than 5% of the number of issued Shares of the Company) had interests in the five largest suppliers or customers of the Group.

所得款項淨額用途

本公司股份於2019年1月3日於聯交所上市，而自全球發售所籌集的所得款項淨額約為285.5百萬港元。我們擬將約114.2百萬港元用於通過無氧裂解處理系統持續利用各類固體廢物處理的無氧裂解技術；約57.1百萬港元用作在廣東省設立工程研究中心；約42.8百萬港元用於油泥熱脫附技術的進一步商業化；約42.90百萬港元用作與中國水泥生產商合作投資及經營水泥回轉窯平行協同處置解決方案業務。由於本公司於2019年1月3日上市，於2018年12月31日概無籌集所得款項。於上市日期後，有關所得款項淨額將按照日期為2018年12月19日的招股章程所披露的建議用途應用。

主要客戶及供應商

本集團最大客戶及五大客戶分別佔本集團於截至2018年12月31日止年度收入約39.0%及79.0%。

截至2018年12月31日止年度，本集團向其五大供應商作出的採購總金額為人民幣114.1百萬元，佔年內採購總額32.0%。年內向最大供應商作出的採購總金額為人民幣31.0百萬元，佔採購總額8.7%。

除上文所披露者外，據董事所知，概無董事、其緊密聯繫人或本公司股東（據董事所知擁有超過本公司5%以上已發行股份數目）於本年度在本集團五大供應商或客戶中擁有權益。

DIRECTORS' REPORT

董事會報告

PROPERTY, PLANT AND EQUIPMENT

Details of changes in property, plant and equipment of the Company are set out in note 13 to the Financial Statements.

DIRECTORS

The Board currently consists of the following eight Directors:

Executive Directors

Mr. CAI Zhuhua (*Chairman and Chief Executive Officer*)

Mr. DONG Honghui

Mr. DENG Zhaoshan

Non-executive Directors

Mr. REN Jingfeng

Mr. YANG Zhiqiang

Independent Non-executive Directors

Mr. YANG Zhifeng

Mr. JIANG Guoliang

Mr. FENG Tao

物業、廠房及設備

有關本公司物業、廠房及設備的變動詳情載於財務報表附註13。

董事

董事會現時由以下八名董事組成：

執行董事

蔡珠華先生(*董事長兼行政總裁*)

董紅暉先生

鄧兆善先生

非執行董事

任景豐先生

楊志強先生

獨立非執行董事

楊志峰先生

蔣國良先生

馮濤先生

DIRECTORS' REPORT

董事會報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

The Board comprises of eight Directors in total. For details, please refer to the section headed "Directors" above. There are six senior management in total, including Dr. WANG Zhicheng, Ms. HUANG Ying, Mr. CUI Jinhong, Mr. LI Zhouxin, Mr. ZHENG Ziyuan and Mr. GU Chunbin.

Information about the details of the Directors and senior management of the Company is set out in the section headed "Directors and Senior Management".

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received an annual confirmation of independence from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules, and considers all the independent non-executive Directors to be independent.

SERVICE CONTRACTS OF DIRECTORS

The Company has entered into service contracts with all Directors for a term of three years following each Director's respective appointment date or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, or which shall be terminated pursuant to relevant terms of respective contracts or letters of appointment.

None of the Directors has entered into any service contract with the Company or any of its subsidiaries which was not determinable by the Company within one year without payment of compensation (other than statutory compensation).

董事及高級管理層的履歷詳情

董事會合共由八名董事組成。有關詳情，請參閱上文「董事」一節。高級管理層總人數為六名，包括王志成博士、黃瑛女士、崔錦鴻先生、李周欣先生、鄭梓元先生及辜淳彬先生。

有關董事及本公司高級管理層詳情的資料載於「董事及高級管理層」一節。

獨立非執行董事的獨立性確認書

本公司已收到每位獨立非執行董事根據《上市規則》第3.13條發出的年度獨立確認書，並認為，所有獨立非執行董事均為獨立人士。

董事服務合約

本公司已與所有董事訂立服務合約，自各名董事各自的委任日期起或直至本公司自上市日期起第三屆股東週年大會止(以較早者為準)為期三年，或根據有關合約或委任書的相關條款須予終止。

概無董事已經與本公司或其任何附屬公司訂立任何服務合約(不包括於一年內屆滿或可由本公司釐定無需支付賠償(法定賠償除外)的合約)。

DIRECTORS' REPORT

董事會報告

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save for service contracts and the Contractual Arrangements, there were no other transactions, arrangements or contracts of significance in relation to the Group's business, to which the Company, its holding company, any of its subsidiaries or fellow subsidiaries was a party and in which none of the Directors of the Company or its connected entities had a material interest, whether directly or indirectly, as at the end of the year or at any time during the Reporting Period.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Reporting Period.

INTERESTS OF DIRECTORS IN BUSINESSES COMPETING WITH THE COMPANY

The Company has received confirmation letters from the Directors, confirming that other than business of the Group, none of the Directors holds any interest in business which directly or indirectly competes or is likely to compete with the business of the Group.

董事於交易、安排及合約的重大權益

於年末或報告期內任何時間，除服務合約及合約安排外，本公司、其控股公司、其任何附屬公司或同系附屬公司概無訂立與本公司或其關連實體董事直接或間接擁有重大權益而與本集團業務有重大聯繫的交易、安排或合約。

管理合約

於報告期內，概無訂立或存在任何有關本公司全部或任何主要部分業務的管理及行政合約。

董事於與本公司構成競爭的業務中的權益

本公司已收到董事出具的確認函，確認董事概無於本集團業務以外任何對本集團業務構成或可能構成直接或間接競爭的業務中擁有任何權益。

DIRECTORS' REPORT

董事會報告

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVES IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares or debentures of the Company and 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 Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests and short position in accordance with such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register kept by the Company referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

Long Position in Shares and Underlying Shares

Name of Director	Nature of interest	Note 附註
董事姓名	權益性質	
Mr. CAI Zhuhua 蔡珠華先生	Interest in controlled corporation 於受控法團中的權益	
	Interest of spouse 配偶權益	1
Mr. DONG Honghui 董紅暉先生	Beneficial owner 實益擁有人	
Mr. DENG Zhaoshan 鄧兆善先生	Beneficial owner 實益擁有人	

Notes:

- Mr. CAI is the spouse of Ms. HUANG Ying. By virtue of the SFO, Mr. CAI is deemed to be interested in all the Shares in which Ms. HUANG Ying is interested.

Save as disclosed above, so far as the Directors are aware, as at Latest Practicable Date, none of the Directors or chief executives and their respective associates had any interest or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) (i) which will be required, pursuant to Section 352 of the SFO, to be recorded in the register kept by the Company, or (ii) which will be required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

董事及最高行政人員於本公司及其相關法團股份、相關股份及債權證中的權益及淡倉

於最後實際可行日期，董事及本公司最高行政人員於本公司及其相關法團（定義見《證券及期貨條例》第XV部）的股份、相關股份或債權證中擁有根據《證券及期貨條例》第XV部第7及第8分部知會本公司及聯交所的權益及淡倉（包括其根據《證券及期貨條例》的該等條文被認為或視為擁有的權益及淡倉），或須根據《證券及期貨條例》第352條載入有關條例所述存置於本公司的登記冊內的權益及淡倉，或根據《標準守則》須知會本公司及聯交所的權益及淡倉如下：

於股份及相關股份中的好倉

Number of ordinary shares held	Number of underlying shares held	Approximately percentage of the Company's issued share capital 本公司已發行股本的概約百分比
所持普通股數目	所持相關股份數目	
700,100,000	—	52.51%
—	3,933,338	0.295%
—	3,933,338	0.295%
—	3,933,338	0.295%

附註：

- 蔡先生為黃瑛女士的配偶。根據《證券及期貨條例》，蔡先生被視為於黃瑛女士擁有權益的所有股份中擁有權益。

除上文所披露者外，據董事所知，於最後實際可行日期，董事或最高行政人員及彼等各自的聯繫人概無於本公司或其相關法團（定義見《證券及期貨條例》第XV部）股份、相關股份及債權證中擁有(i)根據《證券及期貨條例》第352條須登記於本公司所存置登記冊的任何權益或淡倉，或(ii)根據《標準守則》須知會本公司及香港聯交所的任何權益或淡倉。

DIRECTORS' REPORT

董事會報告

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as at Latest Practicable Date, the following person (other than the Directors and chief executives) had interest or short positions in the shares of the Company which would be required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which will be required, pursuant to Section 336 of the SFO, to be recorded in the register kept by the Company:

Long Position in Shares and Underlying Shares

Name of Director	Nature of interest	Notes	Number of ordinary shares held	Number of underlying shares held	Approximately percentage of the Company's issued share capital
董事姓名	權益性質	附註	所持普通股數目	所持相關股份數目	本公司已發行股本的概約百分比
WeiGang Technology 維港科技	Beneficial owner 實益擁有人	1	700,100,000	—	52.51%
Weigang Green 維港綠色	Interest in controlled corporation 於受控法團中的權益	1	700,100,000	—	52.51%
Mr. CAI 蔡先生	Interest in controlled corporation 於受控法團中的權益	1	700,100,000	—	52.51%
	Interest of spouse 配偶權益	2	—	3,933,338	0.295%
Ms. HUANG 黃女士	Interest of spouse 配偶權益	3	700,100,000	—	52.51%
	Beneficial owner 實益擁有人	3	—	3,933,338	0.295%
Jade Fly 杰飛	Beneficial owner 實益擁有人	4	299,900,000	—	22.49%
Mr. REN 任先生	Interest in controlled corporation 於受控法團中的權益	4	299,900,000	—	22.49%
Ms. LIN Ying Lin Ying女士	Interest of spouse 配偶權益	5	299,900,000	—	22.49%

主要股東權益

據董事所知，於最後實際可行日期，以下人士（董事或最高行政人員除外）於本公司股份中擁有須根據《證券及期貨條例》第XV部第2及3分部條文予以披露或根據《證券及期貨條例》第336條須記入有關條例所述登記冊的股份或淡倉如下：

於股份及相關股份中的好倉

DIRECTORS' REPORT

董事會報告

Notes:

1. WeiGang Technology is wholly owned by Weigang Green which is in turn wholly owned by Mr. CAI. Mr. CAI and Weigang Green are deemed to be interested in all the Shares held by WeiGang Technology under the SFO.
2. Mr. CAI is the spouse of Ms. HUANG. By virtue of the SFO, Mr. CAI is deemed to be interested in all the Shares in which Ms. HUANG is interested.
3. Ms. HUANG is the spouse of Mr. CAI. By virtue of the SFO, Ms. HUANG is deemed to be interested in all the Shares in the Shares in which Mr. CAI is interested.
4. Jade Fly is wholly owned by Mr. REN. Mr. REN is deemed to be interested in all the Shares held by Jade Fly under the SFO.
5. Ms. LIN Ying is the spouse of Mr. REN. By virtue of the SFO, Ms. LIN Ying is deemed to be interested in all the Shares in which Mr. REN is interested.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as otherwise disclosed in this annual report, no rights to acquire benefits by means of the acquisition of shares in or debentures of the Company were granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors or their respective spouse or children under 18 years of age, to acquire such rights in any other body corporate for the Reporting Period.

PERMITTED INDEMNITY PROVISION

The Company has maintained appropriate liability insurance for its Directors and senior management. The permitted indemnity provisions are set out in such liability insurance.

附註：

1. 維港科技由維港綠色全資擁有，而維港綠色由蔡先生全資擁有。根據《證券及期貨條例》，蔡先生和維港綠色被視為於維港科技持有的所有股份中擁有權益。
2. 蔡先生為黃女士的配偶。根據《證券及期貨條例》，蔡先生被視為於黃女士擁有權益的所有股份中擁有權益。
3. 黃女士為蔡先生的配偶。根據《證券及期貨條例》，黃女士被視為於蔡先生擁有權益的所有股份中擁有權益。
4. 杰飛由任先生全資擁有。根據《證券及期貨條例》，任先生被視為於杰飛持有的所有股份中擁有權益。
5. LIN Ying 女士為任先生的配偶。根據《證券及期貨條例》，LIN Ying 女士被視為於任先生擁有權益的所有股份中擁有權益。

董事購買股份或債權證的權利

除本年報另有披露外，概無向任何董事或彼等各自的配偶或18歲以下的子女授出透過購買本公司股份或債權證而取得利益的權利，彼等亦無行使任何有關權利；或本公司及其任何附屬公司亦無訂立任何安排，致使董事或彼等各自的配偶或18歲以下的子女於報告期內取得於任何其他法人團體的有關權利。

允許彌償條文

本公司已為其董事及高級管理層維持適當的責任保險。有關責任保險載列允許彌償條文。

DIRECTORS' REPORT

董事會報告

PRE-IPO SHARE OPTION SCHEME

In order to incentivize the Directors, senior management, connected persons and other grantees for their contribution to the Group and to attract and retain suitable personnel to the Group, the Company adopted the Pre-IPO Share Option Scheme on 10 December 2018. Subject to the terms of the Pre-IPO Share Option Scheme, the Pre-IPO Share Option Scheme shall be valid and effective for the period commencing on the 10 December 2018 (the "Adoption Date") and ending on the tenth anniversary of the Adoption Date. A summary of the principal terms of the Pre-IPO Share Option Scheme is set out as below.

Administration

The Pre-IPO Share Option Scheme is administered by the committee established by the management of the Company for the purpose of stipulation, administration and implementation of the Pre-IPO Share Option Scheme (the "Committee"). The Committee shall be entitled at any time during the term of the Pre-IPO Share Option Scheme to make an offer to any Grantee as the Committee may in its absolute discretion select to take up Options in respect of such number of Shares as the Committee may determine at the subscription price.

Eligible Participants

Those eligible to participate in the Pre-IPO Share Option Scheme (the "Grantee") include any individual, form of body corporate, unincorporated association, firm, partnership, joint venture, consortium, organization or trust (in each case whether or not having a separate legal personality) who or which is granted a right to subscribe for Shares pursuant to the Pre-IPO Share Option Scheme hereunder by the Company pursuant to the decision of the Committee.

Exercise Price

The price per Share at which a Grantee under the may subscribe for Shares on the exercise of an Option shall be determined by the Board from time to time and shall be set out in an offer letter (the "Offer Letter") in such form as the Committee may from time to time determine.

首次公開發售前購股權計劃

為獎勵董事、高級管理層、關連人士及其他承授人對本集團作出的貢獻，並為本集團吸引及留聘合適的人才，本公司已於2018年12月10日採納首次公開發售前購股權計劃。受限於首次公開發售前購股權計劃的條款，首次公開發售前購股權計劃自2018年12月10日（「採納日期」）起至採納日期第十週年止期間有效及生效。首次公開發售前購股權計劃的主要條款概要載列如下。

管理

首次公開發售前購股權計劃由本公司管理層就制訂、管理及實施首次公開發售前購股權計劃所成立的委員會（「委員會」）所管理。於首次公開發售前購股權計劃期內任何時間，委員會將有權按其全酌情選擇的承授人作出要約，使其按照認購價按委員會釐定的有關股份數目認購購股權。

合資格參與者

合資格參與首次公開發售前購股權計劃的人士（「承授人」）包括根據委員會決定由本公司按照首次公開發售前購股權計劃授予認購股份權利的任何個別人士、任何形式的法人團體、非法人團體、商號、合夥、合資企業、社團、組織或信託（不論是否具有獨立的法人資格）。

行使價

於承授人行使購股權時可認購股份的每股價格將由董事會不時釐定並載列於委員會不時決定的以一定形式作出的要約函（「要約函」）中。

DIRECTORS' REPORT

董事會報告

Vesting Schedule

The vesting schedule shall be determined by the Board from time to time and shall be set out in the Offer Letter. There shall be no accelerated vesting of any options except that with the prior approval of the Board vesting may be fully accelerated for a period of not more than one year upon a change of control of the Company or the sale of all or substantially all of the assets of the Company.

Details of the Options Granted under the Pre-IPO Share Option Scheme

As at the Latest Practicable Date, options to subscribe for an aggregate of 46,666,725 Shares at no consideration, representing approximately 3.5% of the issued share capital of the Company have been granted to a total of 35 eligible participants under the Pre-IPO Share Option Scheme.

Details of the options granted pursuant to the Pre-IPO Share Option Scheme to the eligible participants of the Group as at 31 December 2018 are set out below:

- (1) Date of adoption : 10 December 2018
- (2) Exercise Price : HK\$0.23
- (3) Exercisable period : from 3 January 2021 to 29 April 2027

歸屬時間表

歸屬時間表將由董事會不時決定並載列於要約函中。任何購股權均不應加速歸屬，除非於本公司的控制權出現變動或本公司的全部或大部分資產出售時取得董事會的事先同意，則可全面加速最多一年歸屬。

根據首次公開發售前購股權計劃授出的購股權詳情

於最後實際可行日期，本公司已根據首次公開發售前購股權計劃按零代價向合共35名合資格參與者授出認購合共46,666,725股股份的購股權，相當於本公司已發行股本約3.5%。

根據首次公開發售前購股權計劃於2018年12月31日向本集團合資格參與者授出購股權的詳情載列如下：

- (1) 採納日期：2018年12月10日
- (2) 行使價：0.23港元
- (3) 行權期間：2021年1月3日至2027年4月29日

Grantee	Number of Shares underlying the Options granted	Number of Shares underlying the Options vested during the Reporting Period	Number of Shares underlying the Options exercised during the Reporting Period	Number of Shares underlying the Options lapsed during the Reporting Period
承授人	授出購股權相關的股份數目	於報告期內達到可行權條件的購股權相關的股份數目	於報告期內行使購股權相關的股份數目	於報告期內購股權失效相關的股份數目
Directors				
董事				
DONG Honghui 董紅暉	3,933,338	0	0	0
DENG Zhaoshan 鄧兆善	3,933,338	0	0	0
Employees				
僱員				
HUANG Ying (wife of Mr. CAI Zhuhua) 黃瑛(蔡珠華先生的妻子)	3,933,338	0	0	0
32 other employees 32名其他僱員	34,866,711	0	0	2,213,336

DIRECTORS' REPORT

董事會報告

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained a public float of no less than 25% of the issued shares as at the date of this annual report, which was in line with the requirement under the Listing Rules.

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

The shares of the Company were first listed on the Main Board of the Stock Exchange on the Listing Date. Neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company's shares during the period from the Listing Date and up to the date of this annual report.

PRE-EMPTIVE RIGHTS

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

EMPLOYEES, REMUNERATION AND PENSION SCHEME

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the Directors and senior management and comparable market practices. The Company offers the executive Directors and senior management, as its employees, with remuneration in the form of salaries, allowances, benefits in kind, performance-related bonuses, share based payments, pensions, and other social insurance benefits. Non-executive Directors and Independent non-executive Directors receive compensation according to their duties (including serving as members or chairmen of the Board committees).

充足公眾持股量

根據本公司所得公開資料及就董事所知，於本年報日期，本公司已維持已發行股份不少於25%的公眾持股量，符合《上市規則》的規定。

購買、出售或贖回本公司的上市證券

本公司的股份於上市日期首次在聯交所主板上市。於上市日期起及直至本年報日期止期間，本公司或本集團任何成員公司並無購買、出售或贖回本公司任何股份。

優先購買權

組織章程大綱及細則或開曼群島法律並無載列有關優先購買權的條文，規定本公司須按比例向現有股東發售新股份。

僱員、薪酬及退休金計劃

薪酬委員會已告成立，以檢討本集團的酬金政策以及董事及本集團高級管理層整體薪酬的架構，其中已考慮到本集團的經營業績、董事及高級管理層的個人工作表現以及相若市場慣例。本公司透過薪金、津貼、實物福利、績效花紅、股份付款、退休金及其他社會保險福利等方式向身為其僱員的執行董事及高級管理層提供薪酬。非執行董事及獨立非執行董事根據其職務(包括擔任董事會委員會成員或主席)收取薪酬。

DIRECTORS' REPORT

董事會報告

Remuneration of Directors is determined based on their roles and duties and with reference to the market conditions, the Company's remuneration policy and the prevailing market conditions, subject to the approval of the shareholders general meeting. Details of remuneration of Directors and the five highest paid individuals of the Company during the Reporting Period are set out in Note 10 to the Financial Statements.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in note 10 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no material contingent liabilities.

NON-COMPETITION UNDERTAKING

Each of the Controlling Shareholders, namely Mr. CAI, Weigang Green and WeiGang Technology, has executed a deed of non-competition on 10 December 2018 pursuant to which they have irrevocably and unconditionally undertaken to the Company (for the Company itself and on behalf of the members of the Group) that, during the period that the Non-Competition Deed remains effective, he/it/she shall not, and shall procure that his/its/her close associates (other than any member of the Company) shall not, directly or indirectly, develop, acquire, participate in, hold any right or interest or invest in or engage in, render any services for or otherwise be involved in any business in competition with or likely to be in competition with the existing business activities of the Company in the PRC or any other area in which the Company carries on business. The Company shall seek opinion and decision from the independent non-executive Directors who are responsible for reviewing and determining whether to accept or decline such new business opportunity provided by Controlling Shareholders or its associates. The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed "Relationship with Controlling Shareholders".

董事的薪酬乃根據彼等的職責及職務並經參考市況、本公司的薪酬政策及現行市況後釐定，惟須待股東於股東大會上批准方可作實。有關董事及本公司五名最高薪酬人士於報告期內的薪酬載於財務報表附註10。

董事及五名最高薪人士的薪酬

有關董事及五名最高薪人士的酬金詳情載於綜合財務報表附註10。

或有負債

於2018年12月31日，本集團並無重大或有負債。

不競爭承諾

控股股東(即蔡先生、維港綠色及維港科技)各自於2018年12月10日簽立不競爭契據，據此，彼等已不可撤回及無條件地向本公司(為本公司本身及代表本集團成員公司)承諾，其不得且促使其緊密聯繫人(本公司任何成員公司除外)不得在不競爭契據維持有效期間直接或間接從事、收購、參與與本公司於中國或本公司進行業務的任何其他地區從事的現有業務活動構成競爭或可能構成競爭的任何業務，或於該等業務中持有任何權利或權益或投資或從事或提供任何服務或以其他方式參與該等業務。本公司須向負責審閱及確定是否接納或拒絕控股股東或其聯繫人所提供的有關新商機的獨立非執行董事尋求意見及決策。有關不競爭契據的詳情於招股章程「與控股股東的關係」一節中披露。

DIRECTORS' REPORT

董事會報告

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its business and operations are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all shareholders.

The Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules during the Reporting Period.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding Directors' dealings in the securities of the Company.

Having made specific enquiry of all the Directors, each Director confirmed that he/she had complied with the required standards set out in the Model Code after the listing date. The Board has also established written guidelines to regulate dealings by relevant employees who are likely to be in possession of inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code.

AUDITORS

This financial statements have been audited by Deloitte Touche Tohmatsu who will retire at the conclusion of the AGM and will not be re-appointed. The Board, with the recommendation of the audit committee of the Company, will propose to appoint a new auditor of the Company to hold office from the conclusion of the AGM, subject to the approval of the Shareholders at the AGM.

遵守《企業管治守則》

本公司致力維持及促進嚴格的企業管治。本公司的企業管治原則為促進有效的內部控制措施，維持高水平的道德標準、保持所有業務範疇透明負責且廉潔，確保其業務及營運均遵守適用法律及法規，藉此加強董事會對所有股東的透明度與問責性。

本公司於報告期內已遵守《上市規則》附錄十四所載的《企業管治守則》(「《企業管治守則》」)內的適用守則條文。

遵守董事進行證券交易的《標準守則》

本公司已採納《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》(「《標準守則》」)，作為董事買賣本公司證券時的行為準則。

在向全體董事作出特定查詢後，各董事均已確認彼已於上市日期後遵守《標準守則》所載的必守準則。董事會亦已制定書面指引，規範可能擁有本公司有關本公司證券內幕消息的相關僱員的所有交易(如《企業管治守則》的守則條文第A.6.4條所述)。

核數師

此財務報表經德勤•關黃陳方會計師行審核，而德勤•關黃陳方會計師行將於股東週年大會結束時退任，且將不會獲續聘。董事會根據本公司審核委員會的推薦意見將建議委任本公司的新核數師，任期自股東週年大會結束後開始，惟須經股東於股東週年大會上批准後，方可作實。

DIRECTORS' REPORT

董事會報告

CONTINUING CONNECTED TRANSACTIONS

As mentioned in the Prospectus, the Group has entered into a project contract with Jiangsu Suquan Solid Waste Treatment Limited ("Jiangsu Suquan Contract") for the design, equipment procurement and installation and testing of hazardous waste incineration facilities for the Jiangsu Nanjing hazardous waste incineration project (江蘇南京危險廢物焚燒處置項目). The Jiangsu Suquan Contract was entered into between Guangzhou Weigang, an indirectly wholly owned subsidiary of our Company, and Jiangsu Suquan on 25 June 2018.

The transaction contemplated under the Jiangsu Suquan Contract was on-going as at the Latest Practicable Date. The aggregate tax-inclusive consideration for the services is RMB43,420,000. Jiangsu Suquan is an associate of Mr. REN in view of their relationship as set forth below and thus, it will become a connected person of our Company upon Listing. Given the Jiangsu Suquan Contract was entered into prior to the Listing and the transaction contemplated thereunder is one-off in nature, such transaction will not be classified as a notifiable transaction under Chapter 14 of the Listing Rules or connected transaction or continuing connected transaction under Chapter 14A of the Listing Rules.

Save as for the above, the Group did not enter into any other connected transactions which should comply with the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

For certain material related party transactions disclosed in note 25 to the Financial Statements which were also connected transactions under Chapter 14A of the Listing Rules of the Company, the Company had made disclosure as required under the Listing Rules.

SIGNIFICANT LEGAL PROCEEDINGS

During the year, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

持續關連交易

誠如招股章程所述，本集團已就江蘇南京危險廢物焚燒處置項目的危險廢物焚燒設施的設計、設備採購及安裝以及測試與江蘇蘇全固體廢物處置有限公司訂立項目合約（「江蘇蘇全合約」）。江蘇蘇全合約由本公司的間接全資附屬公司廣州維港與江蘇蘇全於2018年6月25日訂立。

於最後實際可行日期，江蘇蘇全合約項下擬進行的交易正在進行中。服務的計稅總代價為人民幣43,420,000元。鑒於下文所載的關係，江蘇蘇全為任先生的聯繫人，故其將於上市後成為本公司的關連人士。鑒於江蘇蘇全合約乃於上市前訂立，且其項下擬進行的交易屬一次性交易，故該交易不會被分類為《上市規則》第十四章項下的須予公佈的交易或《上市規則》第十四A章項下的關連交易或持續關連交易。

除上文所述者外，本集團並無訂立任何其他須遵守《上市規則》第十四A章項下申報、公告及獨立股東批准規定的關連交易。

就財務報表附註25所披露的若干重大關聯方交易（同時為本公司於《上市規則》第十四A章項下的關連交易）而言，本公司已按照《上市規則》的規定作出披露。

重大法律程序

本公司於年內概無牽涉任何重大訴訟或仲裁，且就董事所知，概無針對本公司或尚未了結的重大訴訟或申索。

DIRECTORS' REPORT

董事會報告

COMPLIANCE WITH LAWS AND REGULATIONS

The Group has allocated system and staff resources to ensure ongoing compliance with rules and regulations and to maintain well relationships with regulators effectively through effective communications. During the year, the Group has complied, to the best of our knowledge, with all relevant rules and regulations that have a significant impact on the Company.

By order of the Board

Weigang Environmental Technology Holding Group Limited

CAI Zhuhua

Chairman

PRC

26 March 2019

遵守法律及法規

本集團已分配系統及人力資源，確保持續遵守規則及法規，並透過有效溝通與監管部門保持良好關係。就我們所深知，本集團於年內已遵守所有對本公司有重大影響的規則及法規。

承董事會命

维港环保科技控股集团有限公司

蔡珠華

董事長

中國

2019年3月26日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

TO THE SHAREHOLDERS OF WEIGANG ENVIRONMENTAL TECHNOLOGY HOLDING GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Weigang Environmental Technology Holding Group Limited (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 105 to 229, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

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

致

維港環保科技控股集团有限公司股東
(於開曼群島註冊成立之有限公司)

意見

本核數師(以下簡稱「我們」)已審計載於第105至229頁維港環保科技控股集团有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於2018年12月31日之綜合財務狀況報表及截至該日止年度之綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據《國際財務報告準則》真實而公平地反映了貴集團於2018年12月31日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

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

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

Key audit matter

關鍵審計事項

Recognition of revenue on contracts with customers for hazardous waste incineration solutions services

確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入

We identified the recognition of revenue on contracts with customers for hazardous waste incineration solutions services as key audit matter due to its significance to the consolidated statement of profit or loss and other comprehensive income and the significant estimations made by the management in the determining the stage of completion of contracts.

我們將與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入識別為關鍵審計事項，原因為其對綜合損益及其他全面收益表具有重大影響，且釐定合約完成階段涉及管理層的重大估計。

As set out in Note 5 to the consolidated financial statements, the Group has recognised revenue from hazardous waste incineration solutions services amounting to RMB444,771,000 for the year ended 31 December 2018.

誠如綜合財務報表附註5所載述，截至2018年12月31日止年度，貴集團已確認來自危險廢物焚燒處置解決方案服務的收入人民幣444,771,000元。

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Our audit procedures in relation to the recognition of revenue on contracts with customers for hazardous waste incineration solutions services included:

我們有關確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入的審計程序包括：

- Obtaining an understanding of the revenue business process and the key controls over revenue recognition performed by the management, including the estimation of the total contract costs and recording of cost in determining the stage of completion of contracts;

了解收入業務流程及管理層就收入確認所進行的關鍵控制，包括估計釐定完成合約階段的總合約成本及記錄成本；

- On a sample selection basis, agreeing the contract sum to signed contracts;

按抽選樣本基準協定已簽訂合約的總額；

- On a sample selection basis, agreeing the estimated total contract costs to signed contracts, visiting selected construction sites and interviewing project managers for the progress of the construction work and evaluating the reasonableness of estimated total contract costs prepared by management by performing gross margin analysis and comparing the actual outcome of completed projects against management's estimation of total contract costs;

按照抽選樣本基準核對預計總合約成本列已簽訂合約，考察施工選址，並與工地項目經理訪談建造工程的進度，以及透過進行毛利分析及將已完成項目的實際結果與管理層對總合約成本的估算進行比較以評價管理層所編備的預計總合約成本的合理性；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p>Recognition of revenue on contracts with customers for hazardous waste incineration solutions services (continued) 確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入(續)</p> <p>The accounting policies and estimation uncertainty in relation to revenue from hazardous waste incineration solutions services are set out in Notes 3 and 4 respectively to the consolidated financial statements. The Group recognised revenue from hazardous waste incineration solutions services over time by using the input method, which is measured by reference to the stage of completion of the contract activity at the end of the reporting period, as measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. The estimated contract revenue is determined in accordance with the terms set out in the relevant contract. The estimated total contract costs are based on contracted amount of suppliers' contracts, and in respect of amounts not contracted for, management estimates by taking into consideration of historical trends for the amounts incurred and adjusted for any price fluctuation during the year, where applicable.</p> <p>有關來自危險廢物焚燒處置解決方案服務的收入的會計政策及估計不確定性分別載於綜合財務報表附註3及4。貴集團使用投入法於一段時間內確認來自危險廢物焚燒處置解決方案服務的收入，此乃參照報告期末合約活動之完成階段予以計量，而完成進度按截至目前所開展工程產生的合約成本佔估計總合約成本的比例計量。估計合約收入乃根據相關合約所載條款釐訂。估計總合約成本乃基於供應商合約的訂約金額，對於未訂約的金額，管理層對所產生金額的估計考慮到該等金額的歷史趨勢，並對照年內價格波動進行調整(如適用)。</p>	<ul style="list-style-type: none"> Tracing, on a sample selection basis, the contract costs incurred for work performed during the year to supporting documents; 按抽選樣本基準追查年內所進行工程產生合約成本的證明文件； Arranging confirmations to selected customers by agreeing the contract amount, the progress billings issued to customers, and relevant balance of trade and note receivables, and assessing the reasonableness of the percentage of completion of the corresponding contracts based on the confirmed information; 向經選定客戶安排確認書透過比對合約金額、向客戶發出的合約進度款項金額及貿易應收款項及應收票據相關結餘，以及根據已確認資料評估與相應合約的完成百分比的合理性予以評估； Performing alternative procedures for the unreturned confirmation by tracing to the relevant supporting documents, and assessing the reasonableness of the percentage of completion of the corresponding contract based on the supporting documents; and 透過追查相關證明文件以對未有交還的確認書執行替代程序，並根據證明文件對相應合約的完工百分比的合理性予以評估；及 Recalculating the percentage of completion based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs. 根據截至目前所開展工程產生的合約成本佔估計總合約成本的比例，重新計算完工百分比。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Key audit matter

關鍵審計事項

Estimated impairment of trade receivables and contract assets

貿易應收款項及合約資產的預計減值

We identified the estimated impairment of trade receivables and contract assets as a key audit matter due to their significance to the consolidated statement of financial position and the involvement of management judgement in evaluating the expected credit losses ("ECL") of trade receivables and contract assets at the end of the reporting period. As at 31 December 2018, the Group had trade receivables and contract assets with carrying amount of approximately RMB127,104,000 and RMB176,973,000 in Notes 19 and 21 to the consolidated financial statements, respectively, amounting to approximately RMB304,077,000 in aggregate.

我們將貿易應收款項及合約資產的預計減值識別為關鍵審計事項，原因為其對綜合財務狀況表具有重大影響及於評價報告期末的貿易應收款項及合約資產的預期信貸虧損時涉及管理層判斷。於2018年12月31日，貴集團賬面值分別約為人民幣127,104,000元及人民幣176,973,000元的貿易應收款項及合約資產（見綜合財務報表附註19及附註21）合共約為人民幣304,077,000元。

How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

Our audit procedures in relation to the estimated impairment of trade receivables and contract assets included:

我們有關貿易應收款項及合約資產的預計減值的審計程序包括：

- Obtaining an understanding of management's process of assessing the ECL of trade receivables and contract assets;
了解管理層評估貿易應收款項及合約資產的預期信貸虧損的過程；
- Assessing management's basis and judgment, including their identification of credit-impaired trade receivables and contract assets and the basis of expected loss rates applied individually (with reference to historical observed default rates and forward looking information), in determining the ECL of trade receivables and contract assets as at 31 December 2018;

評估管理層於釐定貿易應收款項及合約資產於2018年12月31日的預期信貸虧損率之基準及判斷，包括識別信貸減值貿易應收款項及合約資產以及單獨應用的估計虧損率的基準（已參考歷史觀察違約率及前瞻性資料）；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS (continued)

關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p>Estimated impairment of trade receivables and contract assets (continued) 貿易應收款項及合約資產的預計減值(續)</p> <p>As disclosed in Note 4 to the consolidated financial statements, the management of the Group estimates the amount of lifetime ECL of trade receivables and contract assets based on credit risk of the respective counterparty. Expected loss rates are assessed individually based on each customer's credit risk characteristics and the historical observed default rates adjusted by forward looking estimates.</p> <p>誠如綜合財務報表附註4所披露，貴集團管理層根據有關對手方的信貸風險估算貿易應收款項及合約資產的整個存續期預期信貸虧損金額。預期損失率根據客戶各自的信貸風險特徵及經前瞻性估計調整的歷史觀察違約率而作出個別評估。</p> <p>As disclosed in Notes 19 and 21 to the consolidated financial statements, the impairment loss of the Group on trade receivables and contract assets as at 31 December 2018 amounted to RMB3,148,000 and RMB3,923,000, respectively.</p> <p>誠如綜合財務報表附註19及21所披露，貴集團於2018年12月31日的貿易應收款項及合約資產的減值虧損分別為人民幣3,148,000元及人民幣3,923,000元。</p>	<ul style="list-style-type: none">• Checking the subsequent settlements of credit-impaired trade receivables, by inspecting supporting documents in relation to cash receipt from trade debtors subsequent to the end of the current reporting period; and 檢查信貸減值貿易應收款項的期後結算情況，並在本報告期結束後查核有關貿易債務人現金收款的證明文件；及• Evaluating the appropriateness of the disclosures in respect of the credit risk and impairment assessment of trade receivables and contract assets in the consolidated financial statements. 評價綜合財務報表中有關貿易應收款項及合約資產的信貸風險及減值評估的披露是否恰當。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

OTHER INFORMATION

The directors of the Company 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 this 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 of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

其他信息

貴公司董事需對其他信息負責。其他信息包括列載於年報內的信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們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。基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露要求擬備真實而公平的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，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，或別無其他實際的替代方案。

治理層須負責監督貴集團的財務報告過程。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion 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.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

核數師就審計綜合財務報表承擔的責任

我們的目標，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，並按照我們協定的委聘條款僅向全體股東出具包括我們意見的核數師報告，除此以外，我們的報告不可用作其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或接受任何責任。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，則有關的錯誤陳述被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，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和相關披露的合理性。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

- 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.

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

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

核數師就審計綜合財務報表承擔的責任 (續)

- 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。如果我們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。假若有關的披露不足，則我們應當發表非無保留意見。我們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、結構和內容，包括披露，以及綜合財務報表是否公平反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以對綜合財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與治理層溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向治理層提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與彼等溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

(continued)

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 the independent auditor's report is Chan Men.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26 March 2019

核數師就審計綜合財務報表承擔的責任

(續)

從與治理層溝通的事項中，我們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。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具獨立核數師報告的審計項目合夥人是陳旻。

德勤•關黃陳方會計師行

執業會計師

香港

2019年3月26日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

				2018	2017
				2018 年	2017 年
				RMB'000	RMB'000
				人民幣千元	人民幣千元
		Notes			
		附註			
Revenue	收入	5		480,091	189,407
Cost of services	服務成本			(355,428)	(127,303)
Gross profit	毛利			124,663	62,104
Other income, gains and losses	其他收入、收益及虧損	6		8,110	2,372
Impairment losses, net of reversal	減值虧損(扣除撥回)	9		(716)	(767)
Administrative expenses	行政開支			(27,854)	(11,743)
Distribution and selling expenses	分銷及銷售開支			(951)	—
Other expenses	其他開支			(29,251)	(14,474)
Share of results of an associate	應佔聯營企業的業績			—	(675)
Finance costs	融資成本	7		(6,031)	(438)
Profit before tax	稅前利潤	9		67,970	36,379
Income tax expense	所得稅開支	8		(10,559)	(6,620)
Profit for the year	年內利潤			57,411	29,759
Other comprehensive (expense) income	其他全面(開支)收益				
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益的項目：</i>				
Fair value gain on available-for-sale financial assets	可供出售金融資產的公允價值收益			—	2,084
<i>Items that will not be reclassified to profit or loss:</i>	<i>不會重新分類至損益的項目：</i>				
Fair value loss on equity instrument at fair value through other comprehensive income	按公允價值計量並計入其他全面收益的股本工具的公允價值虧損			(604)	—
Income tax relating to items that will not be reclassified to profit or loss	與不會重新分類至損益的項目有關的所得稅			(370)	—
				(974)	2,084
Total comprehensive income for the year	年內全面收益總額			56,437	31,843

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

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

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
	Note 附註		
Profit (loss) for the year attributable to:	以下各方應佔年內利潤(虧損):		
Owners of the Company	本公司擁有人	49,799	30,195
Non-controlling interests	非控股權益	7,612	(436)
		57,411	29,759
Total comprehensive income (expense) for the year attributable to:	以下各方應佔年內全面收益(開支)總額:		
Owners of the Company	本公司擁有人	48,825	32,279
Non-controlling interests	非控股權益	7,612	(436)
		56,437	31,843
Earnings per share	每股盈利		
— Basic (RMB)	— 基本(人民幣元) 11	0.049	0.032
— Diluted (RMB)	— 攤薄(人民幣元) 11	0.048	0.032

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018 於 2018 年 12 月 31 日

		2018		2017
		2018 年		2017 年
		RMB'000		RMB'000
		人民幣千元		人民幣千元
	<i>Notes</i>			
	<i>附註</i>			
NON-CURRENT ASSETS				
非流動資產				
Property, plant and equipment	13	23,531		9,618
Intangible assets	14	16,683		93
Investment in an associate	15	—		5,539
Available-for-sale investment	16	—		3,584
Equity instrument at fair value through other comprehensive income	16	2,980		—
Deposits for acquisition of property, plant and equipment		5,463		4,551
Pledged bank deposits	22	17,467		—
Deferred tax assets	17	2,792		1,476
		68,916		24,861
CURRENT ASSETS				
流動資產				
Inventories	18	1,983		22
Trade and note receivables	19	142,835		57,783
Deposits, prepayments and other receivables	20	29,146		23,181
Contract assets	21	176,973		69,372
Pledged bank deposits	22	26,445		8,888
Bank balances and cash	22	23,437		68,946
		400,819		228,192
CURRENT LIABILITIES				
流動負債				
Trade payables	23	84,074		32,870
Other payables and accrued expenses	24	39,778		9,514
Contract liabilities	21	72,885		67,779
Amounts due to shareholders	25(a)	—		93,994
Amount due to a related party	25(b)	—		2,524
Income tax payable		3,807		675
Bank borrowings	26	10,000		1,000
		210,544		208,356

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018 於 2018 年 12 月 31 日

		2018 2018 年		2017 2017 年
		RMB'000 人民幣千元	RMB'000 人民幣千元	
		Notes 附註		
NET CURRENT ASSETS	流動資產淨值		190,275	19,836
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減流動負債		259,191	44,697
NON-CURRENT LIABILITIES	非流動負債			
Bank borrowings	銀行借款	26	—	10,000
Obligation arising from a put option	認沽期權產生的責任	27	99,901	—
			99,901	10,000
NET ASSETS	資產淨值		159,290	34,697
CAPITAL AND RESERVES	資本及儲備			
Share capital	股本	28	41,413	—
Reserves	儲備		90,657	35,133
Equity attributable to owners of the Company	本公司擁有人應佔權益		132,070	35,133
Non-controlling interests	非控股權益		27,220	(436)
TOTAL EQUITY	權益總額		159,290	34,697

The consolidated financial statements on pages 105 to 229 were approved and authorised for issue by the Board of Directors on 26 March 2019 and are signed on its behalf by:

第 105 至 229 頁的綜合財務報表於 2019 年 3 月 26 日經董事會批准及授權發佈，並由下列董事代表簽署：

Mr. Cai Zhuhua
蔡珠華先生
DIRECTOR
董事

Mr. Dong Honghui
董紅暉先生
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Share option reserve	Other reserve	Revaluation reserve	Statutory surplus reserve	Accumulated profits	Sub-total	Non-controlling interests	Total
		股本	股份溢價	購股權儲備	其他儲備	重估儲備	盈餘儲備	累計利潤	小計	非控股權益	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 28)			(Note (a))		(Note (b))				
		(附註 28)			(附註 (a))		(附註 (b))				
At 1 January 2017	於2017年1月1日	10,000	—	—	—	—	4,240	38,159	52,399	—	52,399
Profit (loss) for the year	年內利潤(虧損)	—	—	—	—	—	—	30,195	30,195	(436)	29,759
Other comprehensive income for the year	年內其他全面收益	—	—	—	—	2,084	—	—	2,084	—	2,084
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	—	—	—	—	2,084	—	30,195	32,279	(436)	31,843
Transfer to statutory surplus arising from the group reorganisation as detail in Note 1 ("Reorganisation")	轉發至法定盈餘因附註1所詳述的集團重組(「重組」)產生	(10,000)	—	—	(39,545)	—	760	(760)	(49,545)	—	(49,545)
At 31 December 2017	於2017年12月31日	—*	—	—	(39,545)	2,084	5,000	67,594	35,133	(436)	34,697
Profit for the year	年內利潤	—	—	—	—	—	—	49,799	49,799	7,612	57,411
Other comprehensive expense for the year, net of income tax	年內其他全面開支(扣除所得稅)	—	—	—	—	(974)	—	—	(974)	—	(974)
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	—	—	—	—	(974)	—	49,799	48,825	7,612	56,437
Transfer to statutory surplus	轉發至法定盈餘	—	—	—	—	—	8,211	(8,211)	—	—	—
Issue of ordinary shares to pre-IPO investors, net of share issue cost (Note (c))	向首次公開發售前投資者發行普通股(扣除股份發行成本)(附註(c))	841	16,281	—	—	—	—	—	17,122	—	17,122
Issue of ordinary shares by loan capitalisation (Note (d))	通過貸款資本化發行普通股(附註(d))	40,572	7,302	—	—	—	—	—	47,874	—	47,874
Capital contribution from a non-controlling shareholder (Note (e))	非控股股東注資(附註(e))	—	—	—	84,000	—	(500)	(7,664)	75,836	18,608	94,444
Capital contribution from a non-controlling shareholder (Note (f))	非控股股東注資(附註(f))	—	—	—	—	—	—	—	—	1,000	1,000
Recognition of obligation arising from a put option (Note (e))	確認認沽期權產生的責任(附註(e))	—	—	—	(94,444)	—	—	—	(94,444)	—	(94,444)
Recognition of equity-settled share based payment (Note (38))	確認股權結算以股份為基礎的支付(附註(38))	—	—	2,160	—	—	—	—	2,160	—	2,160
Acquisition of additional interest of a subsidiary (Note (g))	收益附屬公司的額外權益(附註(g))	—	—	—	(436)	—	—	—	(436)	436	—
At 31 December 2018	於2018年12月31日	41,413	23,583	2,160	(50,425)	1,110	12,711	101,518	132,070	27,220	159,290

* Less than RMB1,000

* 少於人民幣1,000元

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

Notes:

- (a) Other reserve included:
- (i) the consideration of RMB35,317,000 and RMB2,524,000 for acquiring 70% and 5% equity interests in Guangzhou Weigang Environmental Protection Technology Limited ("Guangzhou Weigang") by the Group from Mr. Cai Zhuhua ("Mr. Cai") and Ms. Huang Ying ("Ms. Huang") on 5 August 2017;
 - (ii) an amount of RMB11,704,000 representing the difference of the net liabilities of Jade Far Investment Limited ("Jade Far") which mainly comprised of a current account of RMB12,213,000 with Mr. Ren Yunan ("Mr. Ren") and the nominal value of 1,750 shares issued by the Company for the acquisition of 25% interests in Guangzhou Weigang by the Group through the acquisition of the entire interest in Jade Far from Jade Fly Investment Limited ("Jade Fly") on 8 September 2017;
 - (iii) the transfer of the share capital of RMB10,000,000 of Guangzhou Weigang to other reserve upon completion of the Reorganisation; and
 - (iv) (1) the difference between the capital contribution from the non-controlling interests, the proportionate share of the carrying amount of the net assets of Guangzhou Weigang and the re-attribution of statutory surplus reserve and accumulated profits of Guangzhou Weigang to non-controlling interests; and (2) the recognition of obligation arising from a put option granted to the non-controlling interests of Guangzhou Weigang as detailed in note (e) as below.
- (b) In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to set aside 10% of their profit after tax as per statutory financial statements determined under the PRC laws and regulations for the statutory surplus reserve fund until the reserve reach 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners of the subsidiaries. The statutory surplus reserve can be used to make up previous years' losses, expand the existing operations or convert into additional capital of the respective subsidiaries.
- (c) On 13 February 2018, the Company has allotted and issued 16,155,353 ordinary shares of HK\$0.05 each to two pre-IPO investors for a total consideration of HK\$16,991,957 (equivalent to RMB13,706,000).
- On 9 April 2018, the Company has allotted and issued 4,708,647 ordinary shares of HK\$0.05 each to another pre-IPO investor for a total consideration of HK\$5,000,000 (equivalent to RMB4,016,000).

附註:

- (a) 其他儲備包括:
- (i) 本集團於2017年8月5日收購蔡珠華先生(「蔡先生」)及黃瑛女士(「黃女士」)於廣州維港環保科技有限公司(「廣州維港」)70%及5%股本權益之對價人民幣35,317,000元及人民幣2,524,000元;
 - (ii) 人民幣11,704,000元指杰發投資有限公司(「杰發」)的淨負債差額,主要包括與Ren Yunan先生(「任先生」)的往來賬目人民幣12,213,000元,及於2017年9月8日本公司透過收購杰飛投資有限公司(「杰飛」)於杰發的全部權益以收購於廣州維港25%的權益,而由本集團發行的1,750股股份的面值;
 - (iii) 重組完成後,轉讓廣州維港股本人民幣10,000,000元至其他儲備;及
 - (iv) (1)非控股權益注資、應佔廣州維港資產淨值的賬面值及重新分配廣州維港的法定盈餘儲備及累計利潤予非控股權益之間的差額;及(2)確認授予廣州維港非控股權益的認沽期權產生的責任,詳見下文附註(e)。
- (b) 根據於中華人民共和國(「中國」)成立的所有附屬公司的組織章程細則,中國附屬公司須從其法定財務報表中所呈報的稅後利潤(根據中國法律法規釐定)中轉撥10%作為法定盈餘儲備,直至儲備達到其註冊資本的50%。向該儲備的轉入必須在向附屬公司權益擁有人分派股息前進行。法定盈餘儲備可用作彌補以前年度的虧損、擴展現有業務或轉換為相應附屬公司的額外資本。
- (c) 於2018年2月13日,本公司向兩名首次公開發售前投資者配發及發行16,155,353股每股面值0.05港元的普通股,總對價為16,991,957港元(相當於人民幣13,706,000元)。
- 於2018年4月9日,本公司向另一名首次公開發售前投資者配發及發行4,708,647股每股面值0.05港元的普通股,總對價為5,000,000港元(相當於人民幣4,016,000元)。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

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

- (d) On 26 January 2018, Jade Fly has agreed to subscribe for 1,499,497,901 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$17,691,182 (equivalent to RMB14,356,000) which are to be satisfied by capitalising the loan amount of HK\$17,691,182.
- On 26 January 2018, WeiGang Technology Limited (“WeiGang Technology”) has agreed to subscribe for 3,500,495,099 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$41,307,518 (equivalent to RMB33,518,000) which are to be satisfied by capitalising the loan amount of HK\$41,307,518.
- (e) On 4 April 2018, Guangzhou Weigang, WEIGANG HOLDINGS (HONG KONG) LIMITED (“Weigang Holdings (Hong Kong)”), Jade Road Investment Limited (“Jade Road”), Jade Fly, WeiGang Technology and Orient Landscape Group Environmental Protection Co., Ltd (“Orient Landscape”), an independent third party, entered into investment agreements whereby Orient Landscape agreed, among others, to subscribe for the registered capital of RMB40,000,000 in Guangzhou Weigang, for 10% of the equity interest in Guangzhou Weigang, at a consideration of RMB94,444,444. Upon completion of the subscription on 11 April 2018, an amount representing the proportionate share of the carrying amount of the net assets of Guangzhou Weigang at the date of the completion of the subscription is transferred to non-controlling interests. The difference between the capital contribution from the non-controlling interests, the proportionate share of the carrying amount of the net assets of Guangzhou Weigang and the re-attribution of its statutory surplus reserve and accumulated profits is recognised in other reserve.
- On the same date, an amount representing the present value amounting to RMB94,444,444 of the amount that the Group could be required to pay to Orient Landscape pursuant to the put option over the 10% equity interest in Guangzhou Weigang held by Orient Landscape, with a corresponding debit in other reserve, is recognised in obligation arising from a put option, as detailed in Note 27.
- (f) On 15 July 2018, Weierneng Environmental (Suzhou) Limited (“Weierneng Environmental”) was established by Shenzhen Xinnengji Technology Limited (“Shenzhen Xinnengji”) and an independent third party, Party D and a capital injection amounting to RMB1,000,000 and RMB1,000,000 has been paid by the Group and Party D, respectively.
- (g) On 14 September 2018, Guangzhou Weigang acquired the remaining 27.14% equity interest in Shenzhen Xinnengji from Party A at consideration of RMB1 and Shenzhen Xinnengji became a wholly owned subsidiary of Guangzhou Weigang. The amount of non-controlling interest of RMB436,000 was transferred to other reserve.
- (d) 於2018年1月26日，杰飛已同意認購本公司股本中1,499,497,901股每股面值0.01港元的股份，認購價總額為17,691,182港元(相當於人民幣14,356,000元)，將以將17,691,182港元貸款資本化的方式支付。
- 於2018年1月26日，維港科技有限公司(「維港科技」)已同意認購本公司股本中3,500,495,099股每股面值0.01港元的股份，認購價總額為41,307,518港元(相當於人民幣33,518,000元)，將以將41,307,518港元貸款資本化的方式支付。
- (e) 於2018年4月4日，廣州維港、維港控股(香港)有限公司(「維港控股(香港)」)、杰路投資有限公司(「杰路」)、杰飛、維港科技及東方園林集團環保有限公司(「東方園林」，為獨立第三方)訂立投資協議，據此，東方園林同意(其中包括)認購廣州維港人民幣40,000,000元的註冊資本(廣州維港10%的股權)，對價為人民幣94,444,444元。認購於2018年4月11日完成後，一筆相當於完成認購當日應佔的廣州維港資產淨值賬面值的金額轉撥至非控股權益。非控股權益注資、應佔廣州維港資產淨值的賬面值及重新分配其法定盈餘儲備及累計利潤之間的差額於其他儲備中確認。
- 同日，有關金額指本集團可能須向東方園林支付的現值人民幣94,444,444元(按東方園林持有的廣州維港10%股權的認沽期權於其他儲備中借記)，於認沽期權產生的責任中確認，詳見附註27。
- (f) 於2018年7月15日，威爾能環保科技(蘇州)有限公司(「威爾能環保」)由深圳新能極科技有限公司(「深圳新能極」)及一名獨立第三方丁方成立，本集團與丁方分別支付人民幣1,000,000元及人民幣1,000,000元作為注資。
- (g) 於2018年9月14日，廣州維港以人民幣1元的對價自甲方收購了深圳新能極剩餘27.14%的股本權益，深圳新能極成為廣州維港的全資附屬公司。非控股權益人民幣436,000元已轉移至其他儲備。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	稅前利潤	67,970	36,379
Adjustments for:	調整項目：		
Share of results of an associate	應佔聯營企業的業績	—	675
Gain on deregistration of investment in an associate (Note 6)	註銷聯營企業投資之收益 (附註6)	(97)	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,726	397
Amortisation of intangible assets	無形資產攤銷	413	34
Bank interest income	銀行利息收入	(375)	(128)
Finance costs	融資成本	6,031	438
Impairment loss, net of reversal	減值撥備(撥備撥回)	716	767
Net foreign exchange gains	外匯收益淨額	(3,054)	(112)
Share based payment expenses	以股份為基礎的支付開支	2,160	—
Operating cash flows before movements in working capital	營運資金變動前的經營現金流量	75,490	38,450
Increase in inventories	存貨增加	(1,961)	(15)
Increase in trade and note receivables	貿易應收款項及應收票據增加	(84,878)	(28,024)
Increase in deposits, prepayments and other receivables	按金、預付款項及其他應收款項增加	(1,497)	(15,208)
Increase in contract assets	合約資產增加	(109,679)	(36,920)
Increase in trade payables	貿易應付款項增加	51,204	22,876
Increase in other payables and accrued expenses	其他應付款項及應計開支增加	5,906	5,854
Increase in contract liabilities	合約負債增加	5,106	53,190
Cash generated (used in) from operations	經營(所用)所得現金	(60,309)	40,203
Income tax paid	已付所得稅	(9,113)	(8,383)
NET CASH (USED IN) FROM OPERATING ACTIVITIES	經營活動(所用)所得現金淨額	(69,422)	31,820

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

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

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
INVESTING ACTIVITIES			
Purchase of and deposits paid for property, plant and equipment	購置物業、廠房及設備及已付按金	(7,443)	(13,695)
Purchase of intangible assets	購置無形資產	(4,303)	—
Repayment of advances to third party	償還向第三方作出的墊款	—	1,800
Interest received	已收利息	375	128
Dividends received from an associate	已收聯繫人股息	—	1,328
Settlement of consideration payable for acquisition of an associate/a subsidiary	收購一家聯營公司／附屬公司之應付對價結算	—	(3,600)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	500	8,388
Placement of pledged bank deposits	存入已抵押銀行存款	(35,524)	(17,276)
Return of investment upon deregistration of an associate (Note 15)	註銷聯營企業後的投資回報 (附註 15)	5,636	—
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(40,759)	(22,927)
FINANCING ACTIVITIES			
Repayment to shareholders	向股東還款	(43,152)	—
Advance from shareholders	股東墊款	—	46,464
Repayment to related parties	向關聯方還款	(2,433)	(3,000)
Interest paid	已付利息	(574)	(438)
Issue costs paid	已付發行成本	(2,335)	(2,036)
New bank borrowings raised	已籌集的新銀行借款	—	11,000
Repayment of bank borrowings	償還銀行借款	—	—
Capital injection from pre-IPO investors	首次公開發售前投資者注資	17,722	—
Capital contribution from a non-controlling shareholder of Guangzhou Weigang (Note 27)	廣州維港非控股股東注資 (附註 27)	94,444	—
Capital injection by a non-controlling shareholder	非控股股東注資	1,000	—
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	64,672	51,990
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)增加淨額	(45,509)	60,883
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	年初現金及現金等價物	68,946	8,063
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, represented by bank balances and cash	年末現金及現金等價物 銀行結餘及現金	23,437	68,946

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL

Weigang Environmental Technology Holding Group Limited (the “Company”) was incorporated in the Cayman Islands on 18 May 2017 as an exempted company with limited liability under the Companies Law of the Cayman Islands. The immediate holding company and the ultimate holding company of the Company are WeiGang Technology and Weigang Green Technology Limited (“Weigang Green”), respectively, both of which were incorporated in British Virgin Island (“BVI”) and are wholly owned by Mr. Cai, the ultimate controlling shareholder of the Group, who is also the chairman and executive director of the Company. The shares of the Company had been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 3 January 2019.

The address of the registered office of the Company is Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008 Cayman Islands and the address of principal place of business of the Company is Unit 3507, 35/F, AIA Tower, 183 Electric Road, North Point, Hong Kong.

Prior to the incorporation of the Company and the completion of the reorganisation, the main operating activities of the Company and its subsidiaries (collectively referred to as the “Group”) were carried out by Guangzhou Weigang and its subsidiaries (including Xinjiang Wosen Environmental Protection Technology Limited (“Xinjiang Wosen”), Shenzhen Xinnengji, Chaozhou Xinnengji Technology Limited (“Chaozhou Xinnengji”) and Guangdong Lvhuan Taian Environmental Protection Limited (“Guangdong Lvhuan”)), which were established in the PRC. Guangzhou Weigang was owned by Mr. Cai and Ms. Huang, the spouse of Mr. Cai, at 70% and 30%, respectively and controlled collectively by them. On 8 November 2016, Ms. Huang and Jade Road, an investment holding company wholly owned by Mr. Ren, entered into an equity interest transfer agreement pursuant to which Jade Road agreed to purchase, and Ms. Huang agreed to sell 25% equity interest in Guangzhou Weigang held by Ms. Huang to Jade Road at a consideration of RMB12,100,000. Ms. Huang and Jade Road became a 5% and 25% shareholder of Guangzhou Weigang, respectively, upon completion of the transfer on 26 December 2016.

1. 一般資料

维港环保科技控股集团有限公司(「本公司」)於2017年5月18日根據開曼群島公司法於開曼群島註冊成立為獲豁免有限公司。本公司的直接控股公司及最終控股公司分別為維港科技及維港綠色科技有限公司(「維港綠色」)，維港科技及維港綠色均於英屬維爾京群島註冊成立，並由本集團的最終控股股東蔡先生全資擁有，彼亦為本公司董事長兼執行董事。本公司股份已於2019年1月3日在香港聯合交易所有限公司(「聯交所」)主板上市。

本公司的註冊辦事處地址為Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman, KY1-9008 Cayman Islands，而本公司主要營業地點的地址為香港北角電氣道183號友邦廣場35樓3507單元。

於本公司註冊成立及重組完成前，本公司及其附屬公司(統稱「本集團」)的主要經營活動由廣州維港及其附屬公司(包括新疆沃森環保科技有限責任公司(「新疆沃森」)、深圳新能極、潮州市新能極環保科技有限公司(「潮州市新能極」)及廣東綠環泰安環保有限公司(「廣東綠環」)進行，該等公司均於中國成立。蔡先生及蔡先生的配偶黃女士分別擁有廣州維港70%及30%的權益，且廣州維港由彼等共同控制。於2016年11月8日，黃女士與杰路(一家由任先生全資擁有的投資控股公司)訂立股權轉讓協議，據此，杰路同意購買，及黃女士同意以對價人民幣12,100,000元向杰路出售其於廣州維港持有的25%的股本權益。於2016年12月26日轉讓完成後，黃女士及杰路分別擁有廣州維港5%及25%的股權。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

1. GENERAL (continued)

Pursuant to the reorganisation as fully explained in the section “History, Reorganisation and Group Structure” to the prospectus of the Company date 19 December 2018 (“Prospectus”), the Company became the holding company of the companies now comprising the Group on 5 August 2017. The Company and its operating subsidiaries namely, Guangzhou Weigang and its subsidiaries have been under the common control of Mr. Cai before and after the Reorganisation, or since their respective dates of incorporation/establishment, where there is a shorter period.

In preparation of the listing of the Company's shares on the Main Board of the Stock Exchange (the “Listing”), the companies comprising the Group underwent the Reorganisation involving steps which include the interspersing of certain investment holding companies between Mr. Cai, Mr. Ren and Guangzhou Weigang.

The Group comprising the Company and its subsidiaries resulting from the Reorganisation is regarded as a continuing entity, accordingly, the consolidated financial statements have been prepared as if the Company had always been the holding company of the Group.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

1. 一般資料(續)

根據本公司日期為2018年12月19日的招股章程(「招股章程」)「歷史、重組及集團架構」一節所詳細闡述的重組，本公司於2017年8月5日成為本集團現時旗下公司之控股公司。本公司以及其運營附屬公司廣州維港及其附屬公司於重組前後或其各自註冊成立／成立之日起(以期間較短者為準)始終受蔡先生的共同控制。

為籌備本公司股份於聯交所主板上市(「上市」)，本集團旗下公司進行了重組，包括在蔡先生、任先生及廣州維港之間配設若干投資控股公司。

本集團(包括本公司及其附屬公司)由於重組被視為持續經營實體，因此，綜合財務報表乃假設本公司一直為本集團的控股公司而編製。

綜合財務報表以人民幣列示，人民幣亦為本公司的功能貨幣。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”)

New and Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standard Board (“IASB”) for the first time in the current year:

IFRS 9	Financial Instruments
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 28	As part of the Annual Improvements to IFRSs 2014 — 2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

In addition, the Group has early applied IFRS 15 “Revenue from Contracts with Customers” and the related Amendments which is effective for annual period on or after 1 January 2018, throughout the year ended 31 December 2017.

2. 應用新訂及經修訂《國際財務報告準則》

於本年度強制生效的新訂及經修訂《國際財務報告準則》

本集團已應用以下由國際會計準則理事會於本年度首次頒佈的新訂及經修訂《國際財務報告準則》：

《國際財務報告準則》第9號	金融工具
國際財務報告詮釋委員會第22號詮釋	外幣交易及預付對價
《國際財務報告準則》第2號（修訂本）	以股份為基礎的支付交易的分類及計量
《國際財務報告準則》第4號（修訂本）	連同《國際財務報告準則》第4號保險合約應用《國際財務報告準則》第9號金融工具
《國際會計準則》第28號（修訂本）	作為《國際財務報告準則》2014年至2016年週期之年度改進的一部分
《國際會計準則》第40號（修訂本）	轉撥至投資物業

此外，本集團於截至2017年12月31日止年度已應用《國際財務報告準則》第15號「客戶合約的收入及相關修訂本」，該準則於2018年1月1日或之後開始的年度期間生效。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

IFRS 9 “Financial Instruments”

In the current year, the Group has applied IFRS 9 “Financial Instruments” and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses (“ECL”) for financial assets and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9. i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening accumulated profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 “Financial Instruments: Recognition and Measurement”.

Accounting policies resulting from application of IFRS 9 are disclosed in note 3.

2. 應用新訂及經修訂《國際財務報告準則》(續)

於本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第9號「金融工具」

於本年度，本集團已應用《國際財務報告準則》第9號「金融工具」及對其他《國際財務報告準則》的有關相應修訂。《國際財務報告準則》第9號引進有關1)金融資產及金融負債的分類及計量；2)金融資產的預期信貸虧損；及3)一般對沖會計的新規定。

本集團已根據《國際財務報告準則》第9號所載過渡條文應用《國際財務報告準則》第9號，即追溯應用於2018年1月1日(首次應用日期)尚未終止確認的工具分類及計量規定(包括預期信貸虧損模型下的減值)，而並未對已於2018年1月1日終止確認的工具應用有關規定。於2017年12月31日的賬面值與2018年1月1日的賬面值之間的差額於期初累計溢利及權益的其他組成部分中確認，比較資料並未重列。

因此，由於比較資料乃根據《國際會計準則》第39號「金融工具：確認及計量」編製，若干比較資料未必可作比較。

應用《國際財務報告準則》第9號產生的會計政策於附註3披露。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

IFRS 9 “Financial Instruments” (continued)

Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement of financial assets under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

2. 應用新訂及經修訂《國際財務報告準則》(續)

於本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第9號「金融工具」(續)

初步應用《國際財務報告準則》第9號產生的影響摘要

下表說明於2018年1月1日(首次應用日期)《國際財務報告準則》第9號及《國際會計準則》第39號下金融資產的分類及計量。

			Carrying amounts previously reported at 31 December 2017	Reclassification	Carrying amounts under IFRS 9 at 1 January 2018
			先前於2017年12月31日呈報的賬面值	重新分類	於2018年1月1日《國際財務報告準則》第9號下的賬面值
	Note		RMB'000	RMB'000	RMB'000
	附註		人民幣千元	人民幣千元	人民幣千元
Non-current assets		非流動資產			
Available-for-sale investment	(a)	可供出售投資	3,584	(3,584)	—
Equity instrument at fair value through other comprehensive income	(a)	按公允價值計量並計入其他全面收益的股本工具	—	3,584	3,584

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

IFRS 9 “Financial Instruments” (continued)

Summary of effects arising from initial application of IFRS 9 (continued)

Note:

- (a) The Group elected to present in other comprehensive income for the fair value change of its equity investment previously classified as available-for-sale investment, of which RMB3,584,000 related to the unlisted equity investment previously measured at fair value under IAS 39. This investment is not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of IFRS 9, RMB3,584,000 was reclassified from available-for-sale investment to equity instrument at fair value through other comprehensive income. The fair value gains of RMB2,084,000 relating to this investment previously carried at fair value as at 1 January 2018 continued to accumulate in revaluation reserve.

All other financial assets classified as loans and receivables and financial liabilities measured at amortised cost under IAS 39 continued to be measured at amortised cost under IFRS 9.

Impairment of financial assets

As at 1 January 2018, the directors of the Company reviewed and assessed the Group’s existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirement of IFRS 9. The results of the assessment and the impact thereof are detailed below.

2. 應用新訂及經修訂《國際財務報告準則》(續)

於本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第9號「金融工具」(續)

初步應用《國際財務報告準則》第9號產生的影響摘要(續)

附註：

- (a) 本集團選擇在其他全面收益中呈列先前分類為可供出售投資的股權投資的公允價值變動，其中人民幣3,584,000元與先前根據《國際會計準則》第39號按公允價值計量的非上市股權投資有關。該投資並非持作買賣，且預期不會於可預見未來出售。於首次應用《國際財務報告準則》第9號之日，人民幣3,584,000元從可供出售投資重新分類至按公允價值計量並計入其他全面收益的股本工具。先前於2018年1月1日以公允價值計量的該項投資的公允價值收益人民幣2,084,000元繼續累計至重估儲備。

根據《國際會計準則》第39號分類為按攤銷成本計量的貸款及應收款項以及金融負債的所有其他金融資產根據《國際財務報告準則》第9號繼續按攤銷成本計量。

金融資產減值

於2018年1月1日，根據《國際財務報告準則》第9號的規定，本公司董事使用無需過度成本或投入的合理支持資料，審閱及評估本集團現有金融資產的減值。評估結果及其影響詳述如下。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

IFRS 9 “Financial Instruments” (continued)

Impairment of financial assets (continued)

Summary of effects arising from initial recognition of IFRS 9

The Group applies IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables and contract assets. To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the historical observed default rates adjusted by forward looking estimates. The contract assets related to unbilled work in progress have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore estimated the expected loss rates for the trade receivables and the contract assets on the same basis. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets. As at 1 January 2018, the directors of the Company considered the additional ECL allowance on trade receivables and contract assets is not significant based on internal credit rating on individual assessment.

Loss allowances for other financial assets at amortised cost mainly comprise of note receivables, other receivables, pledged bank deposits and bank balances, are measured on 12-month ECL (“12m ECL”) basis and there had been no significant increase in credit risk since initial recognition.

For note receivables, pledged bank deposits and bank balances, the Group only transacts with reputable banks with high credit rating assigned by international credit-rating agencies. There has been no recent history of default in relation to these banks based on assessment by the management of the Group. No ECL allowance is recognised as the amount involved is insignificant.

2. 應用新訂及經修訂《國際財務報告準則》(續)

於本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第9號「金融工具」(續)

金融資產減值(續)

初步確認《國際財務報告準則》第9號產生的影響摘要

本集團採用《國際財務報告準則》第9號的簡化方法計量預期信貸虧損，其就所有貿易應收款項及合約資產使用整個存續期預期信貸虧損。為計量預期信貸虧損，貿易應收款項及合約資產已根據共用信貸風險特徵及透過前瞻性估計調整之觀察所得的歷史違約率分組。與未開賬單在建工程有關的資產與同類合約的貿易應收款項具有大致相同的風險特徵。因此，本集團按相同基準估計貿易應收款項及合約資產的預期損失率。因此，本集團的結論是，貿易應收款項的預期損失率為合約資產損失率的合理近似值。於2018年1月1日，本公司董事認為，根據個別評估的內部信貸等級，貿易應收款項及合約資產的額外預期信貸虧損撥備並不重大。

按攤銷成本計量的其他金融資產的損失撥備主要包括應收票據、其他應收款項、已抵押銀行存款及銀行結餘，乃按12個月的預期信貸虧損計量，且自初始確認以來信貸風險並未顯著增加。

就應收票據、已抵押銀行存款及銀行結餘而言，本集團僅與國際信貸評級機構指定的信譽良好且信用評級高的銀行進行交易。根據本集團管理層的評估，近期並無與該等銀行相關的違約記錄。由於涉及金額並不重大，故並無確認預期信貸虧損撥備。

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綜合財務報表附註

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2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

IFRS 9 “Financial Instruments” (continued)

Impairment of financial assets (continued)

Summary of effects arising from initial recognition of IFRS 9 (continued)

For other receivables, the management of the Group makes periodic collective as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. No ECL allowance is recognised as the amount involved is insignificant.

New and amendments to IFRSs issued but not yet effective

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

IFRS 16
《國際財務報告準則》第16號

IFRS 17
《國際財務報告準則》第17號

IFRIC 23
國際財務報告詮釋委員會第23號詮釋
Amendments to IFRS 3
《國際財務報告準則》第3號(修訂本)

Amendments to IFRS 9
《國際財務報告準則》第9號(修訂本)

Amendments to IFRS 10 and IAS 28
《國際財務報告準則》第10號及
《國際會計準則》第28號(修訂本)

Amendments to IAS 1 and IAS 8
《國際會計準則》第1號及《國際會計準則》
第8號(修訂本)

Amendments to IAS 19
《國際會計準則》第19號(修訂本)

Amendments to IAS 28
《國際會計準則》第28號(修訂本)

Amendments to IFRSs
《國際財務報告準則》修訂本

Leases¹
租賃¹

Insurance Contract³
保險合約³

Uncertainty over Income Tax Treatments¹
所得稅處理的不確定性¹

Definition of Business⁴
業務的定義⁴

Prepayment Features with Negative Compensation¹
具有負補償之提前還款特性¹

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture²
投資者與其聯營公司或合營公司之間的資產出售或注資²

Definition of Material⁵
重大性的定義⁵

Plan Amendment, Curtailment or Settlement¹
計劃修訂、縮減或結算¹

Long-term Interests in Associates and Joint Ventures¹
於聯營公司及合營企業中的長期利益¹

Annual Improvements to IFRS Standards 2015 — 2017 Cycle¹
《國際財務報告準則》2015年至2017年週期之年度改進¹

2. 應用新訂及經修訂《國際財務報告準則》(續)

於本年度強制生效的新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第9號「金融工具」(續)

金融資產減值(續)

初步確認《國際財務報告準則》第9號產生的影響摘要(續)

就其他應收款項而言，本集團管理層根據過往結算記錄及過往經驗就其他應收款項的可收回性作出定期集體及個別評估。由於涉及金額並不重大，故並無確認預期信貸虧損撥備。

已頒佈但未生效的新訂及經修訂《國際財務報告準則》

本集團並無提前應用以下已頒佈但未生效之新訂及經修訂《國際財務報告準則》。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and amendments to IFRSs issued but not yet effective (continued)

- 1 Effective for annual periods beginning on or after 1 January 2019
- 2 Effective for annual periods beginning on or after a date to be determined
- 3 Effective for annual periods beginning on or after 1 January 2021
- 4 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020
- 5 Effective for annual periods beginning on or after 1 January 2020

Except for IFRS 16 described below, the directors of the Company anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

IFRS 16 “Leases”

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 “Leases” and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, IFRS 16 requires sales and leaseback transactions to be determined based on the requirements of IFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. IFRS 16 also includes requirements relating to subleases and lease modifications. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

2. 應用新訂及經修訂《國際財務報告準則》(續)

已頒佈但未生效的新訂及經修訂《國際財務報告準則》(續)

- 1 於2019年1月1日或之後開始的年度期間生效
- 2 於尚待釐定日期或之後開始的年度期間生效
- 3 於2021年1月1日或之後開始的年度期間生效
- 4 對收購日期為於2020年1月1日或之後開始的首個年度期間的期初或之後的業務合併和資產收購有效
- 5 於2020年1月1日或之後開始的年度期間生效

除下文所述《國際財務報告準則》第16號外，本公司董事預期採用所有其他新訂及經修訂《國際財務報告準則》不會對可預見未來的綜合財務報表造成重大影響。

《國際財務報告準則》第16號「租賃」

《國際財務報告準則》第16號為識別出租人及承租人的租賃安排及會計處理引入一個綜合模式。當《國際財務報告準則》第16號生效時，將取代《國際會計準則》第17號「租賃」及相關的詮釋。

《國際財務報告準則》第16號根據所識別資產是否由客戶控制來區分租賃及服務合約。此外，《國際財務報告準則》第16號規定銷售及租回交易須按《國際財務報告準則》第15號的規定釐定，以釐定轉讓相關資產是否應列賬為銷售。《國際財務報告準則》第16號亦包括有關分租及租賃修訂的規定。除短期租賃及低值資產租賃外，經營及融資租賃的差異自承租人會計處理中移除，並由承租人須就所有租賃確認使用權資產及相應負債的模式替代。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and amendments to IFRSs issued but not yet effective (continued)

IFRS 16 “Leases” (continued)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents other operating lease payments as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group, upfront prepaid lease payments will continue to be presented as investing or operating cash flows in accordance to the nature, as appropriate.

Other than certain requirements which are also applicable to lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

2. 應用新訂及經修訂《國際財務報告準則》(續)

已頒佈但未生效的新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第16號「租賃」(續)

使用權資產初步按成本計量，隨後按成本（若干例外情況除外）減累計折舊及減值虧損計量，經租賃負債任何重新計量調整。租賃負債初步按當時未支付租賃付款現值計量。隨後，租賃負債經（其中包括）利息及租賃付款以及租賃修改影響予以調整。就現金流分類而言，本集團現時呈列其他營業租賃付款為經營現金流。應用《國際財務報告準則》第16號後，有關租賃負債租賃付款將分配至本金及利息部分，本集團會將其呈列為融資現金流，而預付租賃付款將繼續按性質呈列為投資或經營現金流量（如適用）。

除同時適用於出租人的若干規定外，《國際財務報告準則》第16號大致上轉承《國際會計準則》第17號之出租人會計法規定，並繼續要求出租人將租賃分類為營業租賃或融資租賃。

此外，《國際財務報告準則》第16號要求更詳盡之披露。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and amendments to IFRSs issued but not yet effective (continued)

IFRS 16 “Leases” (continued)

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB7,435,000 as disclosed in Note 33. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value or short-term leases. The combination of straight-line depreciation of the right-of-use asset and the effective interest rate method applied to the lease liability will result in a higher total charge to the profit or loss in the initial year of the lease, and decreasing expenses during the latter part of the lease term, but there is no impact on the total expenses recognised over the lease term. Based on the facts and circumstances as at 31 December 2018, the directors of the Company do not expect the application of IFRS 16 will have material impact on the financial performance of the Group.

In addition, the Group currently considers refundable rental deposits paid of RMB517,000 as rights and obligations under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payment relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

Furthermore, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

2. 應用新訂及經修訂《國際財務報告準則》(續)

已頒佈但未生效的新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第16號「租賃」(續)

於2018年12月31日，本集團的不可撤銷營業租賃承擔為人民幣7,435,000元(如附註33披露)初步評估表示該等安排將符合租賃的定義。應用《國際財務報告準則》第16號時，本集團將確認使用權資產及有關所有該等租賃的相應負債，除非該等租賃符合低價值或短期租賃標準。使用權資產的直線折舊及適用於租賃負債的實際利率法相結合將導致租賃首個年度於損益中支銷的總額較高，而租期後期的開支將遞減，惟並不影響租期內確認的開支總額。根據於2018年12月31日的事實及狀況，本公司董事預期應用《國際財務報告準則》第16號不會對本集團的財務表現產生重大影響。

此外，本集團現時將已付的人民幣517,000元的可退還租金按金視作《國際會計準則》第17號適用於其租約下權利及義務。根據《國際財務報告準則》第16號下的租賃付款定義，該等按金並非與相關資產之使用權相關的支付，因此，該等按金之賬面值可調整至攤銷成本。已付可退還租金按金之調整將計入使用權資產之賬面值。已收可退還租金按金的調整將被視為預付租金。

此外，應用新規定可能導致如上文所示的計量、呈列及披露變動。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRSs”) (continued)

New and amendments to IFRSs issued but not yet effective (continued)

IFRS 16 “Leases” (continued)

The Group intends to elect the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 “Determining whether an Arrangement contains a Lease” and not apply this standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of IFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2. 應用新訂及經修訂《國際財務報告準則》(續)

已頒佈但未生效的新訂及經修訂《國際財務報告準則》(續)

《國際財務報告準則》第16號「租賃」(續)

本集團擬選擇對應用《國際會計準則》第17號及國際財務報告詮釋委員會第4號詮釋釐定安排是否包含租賃先前識別為租賃的合約以可行權宜方法應用《國際財務報告準則》第16號，且不對應用《國際會計準則》第17號及國際財務報告詮釋委員會第4號詮釋先前並無識別為包含租賃的合約應用此準則。此外，本集團擬選擇以經修訂方法應用《國際財務報告準則》第16號租賃，並將於年初保留利潤中確認初始應用的累計影響，而不會重列比較資料。

3. 重要會計政策

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。此外，綜合財務報表包括《聯交所證券上市規則》及香港《公司條例》所規定的適用披露事項。

綜合財務報表已按歷史成本基準編製，惟若干金融工具於各報告期末如下文所載會計政策解釋按公允價值計量。

歷史成本一般根據交換貨品及服務所付對價之公允價值計算。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for asset or liability.

The principal accounting policies are set out below.

3. 重要會計政策(續)

公允價值為於計量日期於市場參與者的有序交易中因出售資產而收取或因轉讓負債而支付的價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。就估計資產或負債的公允價值而言，本集團經考慮市場參與者於計量日期為該資產或負債進行定價時所考慮有關資產或負債的特徵。用於在綜合財務報表中計量及／或披露的公允價值均在此基礎上予以釐定，惟屬於《國際財務報告準則》第2號「以股份為基礎的付款」範圍內的以股份為基礎的付款交易、屬於《國際會計準則》第17號「租賃」範圍內的租賃交易，以及與公允價值部分類似但並非公允價值的計量（例如《國際會計準則》第2號「存貨」內的可變現淨值或《國際會計準則》第36號「資產減值」內的使用價值）除外。

此外，就財務呈報而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及公允價值計量的輸入數據對其整體的重要性分類為第一級、第二級或第三級，詳情如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場的報價（未經調整）；
- 第二級輸入數據是就資產或負債直接或間接地可觀察的輸入數據（第一級內包括的報價除外）；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載列如下。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation

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

- (i) has power over the investee;
- (ii) is exposed, or has rights, to variable returns from its involvement with the investee; and
- (iii) 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 item 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 in line with the Group's accounting policies.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

3. 重要會計政策(續)

綜合基準

綜合財務報表包括本公司及其受控實體和附屬公司的財務報表。倘屬以下情況，則本公司取得控制權：

- (i) 可對投資對象行使權力；
- (ii) 承擔或享有參與投資對象之可變回報之風險或權利；及
- (iii) 可對投資對象行使權力影響本公司之回報金額。

倘有事件及情況顯示上述三項控制權之一項或多項因素出現變動，本集團會重估是否控制投資對象。

當本集團取得附屬公司的控制權，則該附屬公司綜合入賬，直至本集團失去對該附屬公司的控制權為止。具體而言，年內收購或出售附屬公司的收入及開支自本集團取得控制權當日起計入綜合損益及其他全面收益表，直至本集團不再控制該附屬公司為止。

損益及其他全面收入各項目歸屬於本公司擁有人及非控股權益。附屬公司的全面收益總額歸屬於本公司擁有人及非控股權益，即使這會導致非控股權益出現虧絀結餘。

必要時，須對附屬公司的財務報表作出調整，令其會計政策與本集團會計政策相符。

有關本集團成員公司間的交易的所有集團內公司間資產及負債、權益、收入、開支及現金流量均於合併賬目時對銷。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Basis of consolidation (continued)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

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 relevant components of equity and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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.

3. 重要會計政策(續)

綜合基準(續)

於附屬公司的非控股權益與本集團於有關附屬公司的股權分開呈列，有關非控股權益指清盤時持有人有權按比例分佔相關附屬公司資產淨值之現有所有權權益。

本集團於現有附屬公司的所有權權益變動

並未導致本集團失去對附屬公司的控制權的本集團於現有附屬公司的所有權權益變動入賬列作權益交易。本集團相關權益及非控股權益組成部分的賬面值乃經調整以反映其於附屬公司中的相關利益變動，包括根據本集團及非控股權益的權益佔比重重新分配本集團與非控股權益之間的相關儲備。

經調整非控股權益的金額與已付或已收對價的公允價值之間的差額直接在權益中確認，歸屬於本公司擁有人。

業務合併

收購業務以收購法入賬。業務合併所轉讓對價以公允價值計量，而公允價值按本集團所轉讓資產、本集團對被收購方前擁有人所產生負債以及本集團就交換被收購方控制權所發行股本權益於收購日期的公允價值總和計算。收購相關成本一般於產生時於損益內確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations (continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, 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; 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.

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 amount of the identifiable assets acquired and the liabilities assumed as at acquisition date. If, after re-assessment, the net amount 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.

3. 重要會計政策(續)

業務合併(續)

於收購日期，所購入可識別資產及所承擔負債按其公允價值確認，但以下各項除外：

- 遞延稅項資產或負債及有關僱員福利安排的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；
- 與被收購方以股份為基礎支付安排或本集團為替代被收購方以股份為基礎支付安排而訂立之以股份為基礎支付安排有關之負債或股本工具，於收購日期根據《國際財務報告準則》第2號「以股份為基礎之付款」計量；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(或出售組別)按該準則計量。

商譽按所轉讓對價、於被收購方之任何非控股權益金額及收購方過往所持被收購方股本權益(如有)公允價值之總和超出於收購日期所收購可識別資產與所承擔負債之淨額之差額計量。倘於重新評估後，所收購可識別資產及所承擔負債之淨額超出所轉讓對價、於被收購方之任何非控股權益金額及收購方過往所持被收購方權益(如有)公允價值之總和，差額即時於損益確認為按折價收購收益。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Business combinations *(continued)*

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the relevant subsidiary's net assets in the event of liquidation are 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.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree 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 or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and measured under IFRS 9/IAS 39 would be accounted for on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

Investments in subsidiaries

Investments in subsidiaries are stated in the statements of financial position of the Company at cost less any identified impairment loss.

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 these policies.

3. 重要會計政策(續)

業務合併(續)

屬現有所有權權益且清盤時持有人有權按比例分佔相關附屬公司資產淨值之非控股權益，可初步按公允價值或非控股權益按比例分佔被收購方可識別資產淨值之已確認數額計量。計量基準可按個別交易作出選擇。

於業務合併乃分階段完成時，本集團先前持有之被收購方股本權益乃按於收購日期(即本集團獲得控制權之日)之公允價值重新計量，而所產生之收益或虧損(如有)於損益或其他全面收益(倘適合)確認。於收購日期前已於其他全面收益確認來及根據《國際財務報告準則》第9號／《國際會計準則》第39號計量的自被收購方權益之金額，倘本集團已直接出售該等先前持有之股本權益，則有關金額按相同基準入賬。

於附屬公司的投資

於附屬公司的投資按成本減任何已識別減值虧損於本公司財務狀況表內列賬。

於聯營企業的投資

聯營企業為本集團對其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經營政策決策之權力，惟並非控制或共同控制該等政策。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates (continued)

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purpose is 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 statements 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. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes result in changes in ownership interest held by the Group. 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 recognising 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. 重要會計政策(續)

於聯營企業的投資(續)

聯營企業的業績及資產與負債按權益會計法併入綜合財務報表。採用權益會計法時，聯營企業的財務報表採用與本集團就同類情況下的類似交易及事件相同的會計政策編製。按照權益法，於聯營企業的投資初始以成本於綜合財務狀況表中確認並於其後調整，以確認本集團在該聯營企業中的應佔損益及其他全面收益。聯營企業除損益及其他全面收益外的資產淨值變動不予入賬，除非該等變動會導致本集團所持所有權權益的變動。若本集團應佔聯營企業的虧損超出其於該聯營企業的利益(包括任何實質上屬於本集團於該聯營企業的投資淨額的長期利益)，則本集團終止確認其所佔的進一步虧損。僅在本集團已招致法律責任或推定責任或代表該聯營企業作出付款的情況下，方會確認額外虧損。

於投資對象成為聯營企業當日，對於聯營企業的投資採用權益法入賬。於收購於聯營企業的投資時，投資成本超過本集團所佔投資對象可識別資產及負債公允價值淨值之任何部分乃確認為商譽，並計入投資之賬面值。本集團所佔可識別資產及負債於重新評估後之公允價值淨值超過投資成本之任何部分，於收購投資期間立即在損益內確認。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Investments in associates *(continued)*

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, 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.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset within the scope of IFRS 9/IAS 39, 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. The difference between the carrying amount of the associate and the fair value of any retained interest and any proceeds from disposing the relevant interest in the associate is included in the determination of the gain or loss on disposal of the associate.

When a group entity transacts with an associate of the Group, 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.

3. 重要會計政策(續)

於聯營企業的投資(續)

本集團評估是有於聯營公司的權益可能減值的客觀證據。若存在任何客觀證據，則將投資之全部賬面值(包括商譽)作為單一資產根據《國際會計準則》第36號「資產減值」，透過比較其可收回金額(使用價值與公允價值減處置成本之較高者)與賬面值而測試有否減值。任何已確認減值虧損均為投資賬面值之一部分。減值虧損的任何撥回乃按《國際會計準則》第36號確認，惟僅限於投資的可收回金額隨後增加。

在本集團失去對聯營企業重大影響力的情況下，有關交易將會當作處置該投資對象之全部權益入賬，而所得盈虧將於損益中確認。倘本集團保留於前聯營企業的權益且該保留權益屬《國際財務報告準則》第9號／《國際會計準則》第39號項下的金融資產，則本集團會於該日按公允價值計量保留權益，而該公允價值被視為初步確認時的公允價值。聯營企業的賬面值與任何保留權益及處置聯營企業相關權益的任何所得款項公允價值間的差額，會於釐定出售該聯營企業的收益或虧損時入賬。

當一集團實體與本集團的聯繫人進行交易時，所產生的溢利及虧損僅於有關聯繫人的權益與本集團無關的情況下，方會於本集團的綜合財務報表中確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Specifically, the Group uses a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfied a performance obligation

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to customers.

Control of the goods or services may be transferred over time or at a point of time. Control of the goods or services is transferred over time if:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- The Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If control of the services transfer over time, revenue is recognised over the period of the contract by reference to the progress toward complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or services.

3. 重要會計政策(續)

收入確認

收入按向客戶轉移所承諾商品或服務的金額確認，而該金額能反映本集團預期就交換該等商品或服務有權獲得的對價。具體而言，本集團引入確認收入的5個步驟：

- 第一步： 識別與客戶訂立的合約
- 第二步： 識別合約中的履約責任
- 第三步： 釐定交易價
- 第四步： 將交易價分配至合約中的履約責任
- 第五步： 於(或隨著)實體完成履約責任時確認收入

本集團於(或隨著)履約責任完成時(即於特定履約責任相關的商品或服務的「控制權」轉移予客戶時)確認收入。

商品或服務控制權可在一段時間或某一時點轉讓。倘為下列情況，則商品或服務的控制權在一段時間內轉讓：

- 客戶隨著本集團履約的同時獲得及消費本集團履約所提供的利益；
- 本集團履約會創造及加強客戶隨著本集團履約而控制的資產；或
- 本集團履約不會創造可由本集團另作他用的資產，且本集團對迄今完成的履約付款擁有可強制執行的權利。

如服務控制權在一段時間內轉移，收入乃於合約期參照履約責任圓滿完成的進度確認。否則，收入於客戶獲得不同的商品或服務控制權的時點確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control of a product or service to a customer. The Group recognises revenue from the following major sources: 1) provision of hazardous waste incineration solutions services, 2) provision of pyrolysis solid waste treatment solutions services, 3) oil sludge thermal desorption treatment services, 4) provision of technical upgrading services, and 5) provision of maintenance services.

Provision of i) hazardous waste incineration solutions services, ii) pyrolysis solid waste treatment solutions services and iii) technical upgrading services

Recognition

Provision of hazardous waste incineration solutions services and pyrolysis solid waste treatment solutions services represent the services on design, integration and commissioning of solid waste treatment systems which comprise a range of equipment and other components, on a made-to-order basis pursuant to the technical specification and requirement of the customers. Provision of technical upgrading services represent the upgrading services provided for existing hazardous waste incineration systems and certain cement production facilities. Since the Group's performance creates and enhances an asset that the customer controls as the Group performs, revenue from these services therefore are recognised over time using input methods, i.e. based on the stage of completion of the contract, and the stage of completion of the contract is measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs.

For warranty embedded to the contracts, the customer does not have the option to purchase a warranty separately, the Group accounts for the warranty in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" unless the warranty provides the customer with a service in addition to the assurance that the contracting work complies with the agreed-upon specifications.

3. 重要會計政策(續)

收入確認(續)

收入按客戶合約中訂明的對價計量。本集團於其向客戶轉讓產品或服務的控制權時確認收入。本集團確認以下主要來源的收入：1) 提供危險廢物焚燒處置解決方案服務；2) 提供固體廢物無氧裂解處理解決方案服務；3) 油泥熱脫附處理服務；4) 提供技術升級服務；及5) 提供維護服務。

提供 i) 危險廢物焚燒處置解決方案服務； ii) 固體廢物無氧裂解處理解決方案服務； 及 iii) 技術升級服務

確認

提供危險廢物焚燒處置解決方案服務及固體廢物無氧裂解處理解決方案服務指根據客戶的技術規範和要求所提供有關固體廢物處理系統(包括一系列設備及其他部件)的設計、集成及調試的定制服務。提供技術升級服務指為現有危險廢物焚燒處置系統及若干水泥生產設施提供的升級服務。由於本集團履約會創造及加強客戶隨著本集團履約而控制的資產，故該等服務收入於一段時間內使用投入法(即按合約的完成進度)進行確認，而合約的完成進度按截至目前所開展工程產生的合約成本佔估計總合約成本的比例計量。

就合約隨附的保修而言，客戶無權單獨購買保修，且除非該保修服務向客戶提供保證合約工程符合約定規範以外的服務，否則本集團根據《國際會計準則》第37號「撥備、或有負債及或有資產」將保修入賬。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Revenue recognition (continued)

Provision of i) hazardous waste incineration solutions services, ii) pyrolysis solid waste treatment solutions services and iii) technical upgrading services (continued)

Contract assets/liabilities

A contract asset represents the Group's right to consideration in exchange for services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due. Any amount previously recognised as a contract asset is reclassified to trade and note receivables at the point at which it is invoiced to the customer. If the progress payment exceeds the revenue recognised to date under the input method then the Group recognises a contract liability for the difference. A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

Provision of oil sludge thermal desorption treatment services

Provision of oil sludge thermal desorption treatment services represent the service provided for an oil service provider which has the relevant operating licence, to lease and provide operation and maintenance services for, an oil sludge treatment facility designed and commissioned by the Group in Karamay, Xinjiang, by charging a leasing and operation fee based on the actual treatment volume of oil sludge for an initial term of three years.

Provision of maintenance services

The Group provides maintenance services, including repair and maintenance services to customers. Income is recognised over the contract period when the relevant services are provided by the Group and the customers simultaneously receive and consume the benefits provided by the Group's performance.

3. 重要會計政策(續)

收入確認(續)

提供 i) 危險廢物焚燒處置解決方案服務；
ii) 固體廢物無氧裂解處理解決方案服務；
及 iii) 技術升級服務(續)

合約資產／負債

合約資產指本集團就轉讓服務予客戶而換取對價的權利，且並非無條件。其根據《國際財務報告準則》第9號評估減值。相反，應收款項指本集團獲得對價的無條件權利，即在該對價到期支付之前僅需要通過一段時間。先前確認為合約資產的任何金額於向客戶出具賬單時被重新歸類至貿易應收款項及應收票據。倘工程進度款超過到目前為止根據投入法確認的收入，則本集團就差額確認合約負債。有關合約的合約資產及合約負債按淨值入賬及呈列。

提供油泥熱脫附處理服務

提供油泥熱脫附處理服務指向石油服務提供商提供的服務，有關服務提供商擁有相關經營許可證，以租賃新疆克拉瑪依的一處由本集團設計和調試的油泥處理設施，並提供運營及維護服務，根據實際油泥處置量收取租賃及運營費，初始期限為三年。

提供維護服務

本集團向客戶提供維護服務，包括維修及保養服務。收入於本集團提供相關服務，同時客戶收到並消費本集團履約的利益的合約期內確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of each reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

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.

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 recognised at the rates of exchange 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.

3. 重要會計政策(續)

撥備

當本集團因過往事件而導致現時的責任(法律或推定)，而本集團可能須履行該責任，並可對該責任的金額作出可靠估計時，則確認撥備。

確認為撥備的金額按於各報告期末履行該現時責任所需對價的最佳估計，並考慮有關責任的風險及不確定性進行計量。倘撥備以估計履行現時責任之現金流量計量時，其賬面值為該等現金流量之現值(倘貨幣時間價值影響屬重大)。

租賃

當租賃條款將擁有權之絕大部分風險及回報轉移至承租人時，該租賃分類為融資租賃。其他所有租賃皆歸類為營業租賃。

本集團作為承租人

營業租賃款按租期以直線法確認為支出。

外幣

編製各個個別集團實體的財務報表時，以該實體功能貨幣以外之貨幣(外幣)進行之交易均按交易日期之適用匯率確認。於報告期末，以外幣計值的貨幣項目按該日之適用匯率重新換算。以歷史成本計量並以外幣計價的非貨幣性項目並無予以重新換算。

因結算貨幣項目及重新換算貨幣項目而產生之匯兌差額乃於產生期間內於損益確認。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Research and development costs

Expenditure on research activities is recognised as an expense in the year in which it is incurred.

When no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the year in which it is incurred.

Government grants

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 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 year in which they become receivable.

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 year in which they are incurred.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3. 重要會計政策(續)

研發成本

研究活動開支均於其產生年度確認為支出。

若未能確認內部產生之無形資產，則開發開支乃於產生年度內於損益確認。

政府補助

在合理保證本集團會遵守政府補助的附帶條件以及將會得到補助後，政府補助方予以確認。

政府補助是補償已產生的支出或虧損或旨在給予本集團實時財務支持(而無未來有關成本)的應收款項，於有關補助成為應收款項年度在損益中確認。

借貸成本

直接因收購、建造或生產合資格資產(即須耗用大量時間方可作其擬定用途或銷售的資產)產生的借貸成本計入該等資產的成本，直至該等資產大致可作其擬定用途或銷售時為止。

擬投資於合資格資產之特定借貸在用於特定投資前所作暫時投資所賺取的投資收入從可撥充資本之借貸成本中扣除。

所有其他借貸成本於其產生年度在損益中確認。

存貨

存貨乃按成本及可變現淨值兩者中之較低者列賬。存貨成本乃按先進先出法計算。可變現淨值按存貨的估計售價減所有估計完工成本及銷售所需成本計算。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Retirement benefit costs

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

Short-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries) after deducting any amount already paid.

Share-based payments

Equity-settled share-based payment transactions

Share options granted to directors and employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. For share options that vest immediately at the date of grant, the fair value of the share options granted is expensed immediately to profit or loss.

3. 重要會計政策(續)

退休福利成本

由國家管理的退休福利計劃及強制性公積金計劃之供款於僱員提供服務並因而有權收取供款時確認為開支。

短期僱員福利

短期僱員福利乃按預期將於僱員提供服務時支付之福利之未貼現金額確認。所有短期僱員福利均確認為開支，惟倘另一項《國際財務報告準則》規定或允許將有關福利計入一項資產的成本中則作別論。

僱員之應計福利(如薪金及工資)乃於扣除已支付之任何金額後確認負債。

以股份為基礎的支付

股權結算以股份為基礎的支付交易

授予董事及僱員的購股權

向僱員及提供類似服務的其他方作出的股權結算以股份為基礎的支付按股本工具於授出日期的公允價值計量。

於授出日期釐定且並無考慮所有非市場歸屬條件的股權結算以股份為基礎的支付的公允價值，根據本集團估計最後將歸屬的股本工具數目，按直線法於歸屬期間支銷，並於股權(購股權儲備)作出相應增幅。於各報告期末，本集團根據對所有相關非市場歸屬條件的評估修訂其估計最後將歸屬的股本工具數目。修訂原先估計數目的影響(如有)於損益中確認，令有關累計支出反映經修訂估計，並於購股權儲備作出相關調整。就於授出日期即時歸屬的購股權而言，已授出購股權的公允價值即時於損益中支銷。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Share-based payments (continued)

Equity-settled share-based payment transactions

(continued)

Share options granted to directors and employees (continued)

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 options reserve will be transferred to accumulated profits.

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 before tax as reported in the consolidated statements of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and 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 bases 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 differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

3. 重要會計政策(續)

以股份為基礎的支付(續)

股權結算以股份為基礎的支付交易(續)

授予董事及僱員的購股權(續)

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。當於歸屬日期後購股權被沒收，或於屆滿日期尚未獲行使，先前於購股權儲備確認的金額將轉撥至累計利潤。

稅項

所得稅開支為即期應付稅項及遞延稅項之總和。

即期應付稅項乃按年內應課稅利潤計算。因於其他年度應課稅或可扣稅的收支及毋須課稅或不可扣稅的項目的緣故，應課稅利潤與綜合損益及其他全面收益表所呈報稅前利潤不同。本集團的即期稅項負債乃按報告期末已頒佈或實質已頒佈的稅率計算。

遞延稅項按綜合財務報表中資產及負債的賬面值與計算應課稅利潤所採用的相應稅基的暫時差額確認。遞延稅項負債一般就所有應課稅暫時差額確認。倘於日後可能取得應課稅利潤以抵銷可動用的可扣減暫時差額，則遞延稅項資產一般按所有可扣減暫時差額確認。倘暫時差額產生自初始確認一項交易(業務合併除外)之資產及負債，而有關交易既不影響應課稅利潤亦不影響會計利潤，則不予確認有關遞延稅項資產及負債。此外，倘因商譽的初始確認產生暫時差額，則不會確認相關的遞延稅項負債。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Taxation (continued)

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 are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each 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 when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

3. 重要會計政策(續)

稅項(續)

遞延稅項負債乃按與於附屬公司及聯營公司投資相關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，以及暫時差額可能不會於可見將來撥回則除外。與該等投資相關之可扣減暫時差額所產生之遞延稅項資產，僅在可能將出現足夠應課稅利潤而動用暫時差額利益且其預期於可見將來撥回時確認。

遞延稅項資產之賬面值於各個報告期末審閱並進行扣減，直至不再可能有足夠應課稅利潤將可收回全部或部分資產。

遞延稅項資產及負債乃根據於報告期末已頒佈或實質已頒佈之稅率(及稅法)，按變現資產或清償負債之期間預期適用之稅率計量。

遞延稅項負債及資產之計量反映本集團預期於報告期末收回或結算其資產及負債賬面值之方式將會產生之稅務結果。

倘有合法可強制執行權利將即期稅項資產與即期稅項負債抵銷，且該等資產及負債與相關稅務機關徵收的所得稅有關，而本集團擬按淨額基準結算其即期稅項資產及負債，則將遞延稅項資產及負債相互抵銷。

即期及遞延稅項於損益確認，惟在其與於其他全面收益或直接於權益內確認的項目有關的情況下，即期及遞延稅項亦會分別於其他全面收益或直接於權益內確認。對業務合併進行初步會計處理中產生即期稅項或遞延稅項時，稅務影響納入業務合併會計處理。

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綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Property, plant and equipment

Property, plant and equipment including facility held for use in the production or supply of goods or services or for administrative purposes other than properties under construction as described below are stated in the consolidated statements of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets 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.

Intangible assets

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 recognised 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 effect of any changes in estimate being accounted for on a prospective basis.

3. 重要會計政策(續)

物業、廠房及設備

包括持作生產或供應商品或服務或行政用途的設施之物業、廠房及設備(以下所述在建物業除外)乃按成本減其後累計折舊及其後累計減值虧損(如有)於綜合財務狀況表列賬。

以生產、供應或管理為目的處於建設中的物業按成本減任何已確認減值虧損列賬。該等物業於竣工或準備作擬定用途時，被分類至物業、廠房及設備的適當類別。與其他物業資產的折舊基準一樣，該等資產的折舊於彼等準備用作其擬定用途時開始確認。

折舊乃採用直線法按物業、廠房及設備之估計可使用年期以撇銷其資產成本減其剩餘價值予以確認。估計可使用年期、剩餘價值及折舊方法於各個報告期末檢討，而任何估計變動的影響按前瞻性基準入賬。

物業、廠房及設備項目於出售或預期繼續使用資產不會產生未來經濟利益時終止確認。出售或停止使用物業、廠房及設備項目所產生的任何收益或虧損釐定為出售所得款項與資產賬面值間的差額，並於損益中確認。

無形資產

獨立收購的具有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列賬。具有有限可使用年期之無形資產於估計可使用年期以直線法確認攤銷。估計使用年期以及攤銷方法於各個報告期末檢討，而任何估計變動的影響按前瞻性基準入賬。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment on tangible and intangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of tangible and intangible assets are estimated individually, when it is not possible to estimate the recoverable amount of an asset individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When 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 of disposal 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 (or a cash-generating unit) 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. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

3. 重要會計政策(續)

有形及無形資產的減值

於報告期末，本集團對具有有限可使用年期的有形和無形資產賬面值進行審閱，以釐定有否任何跡象顯示該等資產出現減值虧損。如有任何有關跡象，則會估計相關資產之可收回金額，以釐定減值虧損(如有)之程度。

有形及無形資產的可收回金額個別估計，如果無法估計各別資產的可收回金額，本集團會估計該資產所屬的現金產生單位的可收回金額。如果可確認任何合理且一致的分配基準，公司資產也會分配至單個現金產生單位，若不能分配至單個現金產生單位，則會按可以確認的合理且一致的基準將公司資產分配至最小的現金產生單位組別。

可收回金額指資產公允價值減銷售成本與使用價值二者中的較高者。在評估使用價值時，估計未來現金流量會採用除稅前貼現率貼現為其現值，該除稅前貼現率反映對貨幣時間價值的當前市場評估及該資產(或現金產生單位)特有的風險(未針對該風險調整估計未來現金流量)。

倘估計資產(或現金產生單位)之可收回金額少於賬面值，則資產(或現金產生單位)之賬面值將調減至其可收回金額。在分配減值虧損時，首先分配減值虧損以減少任何商譽的賬面值(如適用)，然後按比例根據該單位各資產的賬面值分配至其他資產。資產賬面值不會扣減至低於其公允價值減出售成本(倘可計量)、使用價值(倘可釐定)及零當中之最高者。本應分配至該項資產的減值虧損數額，按比例分配至該單位其他資產。減值虧損即時於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Impairment on tangible and intangible assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

3. 重要會計政策(續)

有形及無形資產的減值(續)

倘減值虧損其後撥回，則資產(或現金產生單位)的賬面值將調高至其可收回金額的經修訂估計，惟經調高的賬面值不得超出資產(或現金產生單位)於過往年度未有確認減值虧損時原應有的賬面值。減值虧損撥回即時於損益中確認。

金融工具

金融資產及金融負債於集團實體成為該工具合約條文的訂約方時確認。

金融資產及金融負債初始以公允價值計量，惟自客戶合約產生的貿易應收款項自2018年1月1日起根據《國際財務報告準則》第15號初步計量。收購或發行金融資產及金融負債直接應佔之交易成本於初步確認時計入或扣除自金融資產或金融負債之公允價值(倘適合)。

實際利率法乃計算金融資產或金融負債的攤銷成本及分配相關期間利息收入及利息開支的方法。實際利率乃於初始確認時按金融資產或金融負債的預計年期或(如適用)較短期間，準確折現估計未來現金收入(包括所有屬實際利率不可或缺部分的已付或已收費用及利率差價、交易成本及其他溢價或折讓)至賬面淨值的利率。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable before 1 January 2018)

The Group's financial assets are classified into available-for-sale ("AFS") financial asset and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, 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.

AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss ("FVTPL").

Equity securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the revaluation reserve is reclassified to profit or loss.

3. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日前適用的會計政策)

本集團之金融資產分類為可供出售金融資產、貸款及應收款項。分類取決於金融資產的性質及用途，並於初始確認時釐定。

實際利率法

實際利率法乃計算債務工具的攤銷成本及分配相關年度利息收入的方法。實際利率乃於初始確認時按債務工具的預計年期或(如適用)較短期間，準確折現估計未來現金收入(包括所有屬實際利率不可或缺部分的已付或已收費用及利率差價、交易成本及其他溢價或折讓)至賬面淨值的利率。

就債務工具而言，利息收入按實際利率基準確認。

可供出售金融資產

可供出售金融資產是指定為可供出售或未分類作(a)貸款及應收款項，(b)持有至到期投資，或(c)以公允價值計量並計入損益之金融資產的非衍生工具。

於各報告期末，本集團所持有的分類為可供出售金融資產的股本證券均以公允價值計量。可供出售股本工具的股息於本集團有權收取該等股息時於損益內確認。可供出售金融資產賬面值的其他變動於其他全面收益內確認並根據重估儲備對沖累計。倘投資被出售或確認減值，之前於重估儲備中累計的收益或虧損重新分類至損益。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable before 1 January 2018) (continued)

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 note receivables, other receivables, 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 in respect of impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost 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 a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

3. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日前適用的會計政策)(續)

貸款及應收款項

貸款及應收款項為有固定或可釐定付款且沒有在活躍市場上報價之非衍生金融資產。於初步確認後，貸款及應收款項(包括貿易應收款項及應收票據、其他應收款項、已抵押銀行存款、銀行結餘和現金)乃使用實際利率法按攤銷成本，減任何已識別減值虧損列賬(見下文有關金融資產減值虧損的會計政策)。

利息收入乃採用實際利率確認，惟倘確認利息屬不重大，則短期應收款項除外。

金融資產減值

金融資產於各報告期末評定有否減值跡象。倘有客觀證據證明金融資產於初步確認後出現一項或多項事件，導致影響其估計未來現金流量，則金融資產將被視為出現減值。

就可供出售股本投資而言，證券之公允價值大幅或長期下跌至低於其成本即可視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據包括：

- 發行人或對手方出現重大財務困難；或
- 違約，如拖欠或逾期償付利息或本金；或
- 借款人很可能破產或進行財務重組。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable before 1 January 2018) (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.

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 as well as observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade 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 to profit or loss.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the year.

For financial assets measured at amortised cost, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

3. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日前適用的會計政策)(續)

金融資產減值(續)

就按攤銷成本列賬之金融資產而言，所確認的減值虧損金額乃資產賬面值與預計未來現金流量按金融資產原實際利率折現之現值間之差額。

應收款項組合的客觀減值證據可能包含本集團過往收款經驗、組合內超逾平均信貸期間的延誤付款次數增加以及與應收款項逾期有關的國內或地方經濟狀況的明顯變動。

就所有金融資產而言，金融資產之賬面值直接按減值虧損減少，惟貿易應收款項除外，其賬面值乃透過使用撥備賬目而減少。撥備賬目之賬面值變動於損益內確認。當貿易應收款項被視為不可收回時，其將於撥備賬內撇銷。之前已撇銷的款項如其後收回，將計入損益。

倘可供出售金融資產視為減值，先前於其他全面收益確認之累計收益或虧損於年度重新分類至損益。

就按攤銷成本計量之金融資產而言，倘減值虧損金額在其後年度減少，而有關減少客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益予以撥回，惟該投資於減值撥回當日之賬面值不得超過未確認減值時原應有之攤銷成本。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable before 1 January 2018) (continued)

Impairment of financial assets (continued)

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of revaluation reserve.

Financial assets (accounting policy applicable after 1 January 2018)

Classification and measurement of financial assets

Trade receivables arising from contracts with customers are initially measured in accordance with IFRS 15.

All recognised financial assets that are within the scope of IFRS 9 are subsequently measured at amortised cost or fair value.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

3. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日前適用的會計政策)(續)

金融資產減值(續)

就可供出售股本投資而言，先前於損益確認之減值虧損不會透過損益撥回。任何減值虧損後之公允價值增加，會於其他全面收入確認及於重估儲備累計。

金融資產(於2018年1月1日後適用的會計政策)

金融資產的分類和計量

客戶合約產生的貿易應收款項初步根據《國際財務報告準則》第15號計量。

《國際財務報告準則》第9號範圍內的所有已確認的金融資產後續均按攤銷成本或公允價值計量。

符合以下條件的金融資產後續按攤銷成本計量：

- 持有金融資產的業務模式以通過持有金融資產收取合約現金流量為目的；及
- 金融資產的合約條款規定於特定日期產生僅為支付未償還本金的本金及利息的現金流量。

符合以下條件的金融資產後續按公允價值計量並計入其他全面收益：

- 持有金融資產的業務模式以通過收取合約現金流量及出售金融資產為目的；及

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable after 1 January 2018) (continued)

Classification and measurement of financial assets (continued)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income (“OCI”) if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 “Business Combinations” applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Equity instruments designated as at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to accumulated profits.

3. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日後適用的會計政策)(續)

金融資產的分類和計量(續)

- 金融資產的合約條款規定於特定日期產生僅為支付未償還本金額的本金及利息的現金流量。

所有其他金融資產後續均按公允價值計量並計入損益，惟於金融資產的首次應用／初始確認日期，倘股本投資並非持作交易亦非收購方於《國際財務報告準則》第3號「業務合併」所適用的業務合併中確認的或有對價，則本集團可不可撤銷地選擇於其他全面收益內呈列股本投資的公允價值後續變動。

此外，本集團可不可撤銷地將符合攤銷成本或按公允價值計量並計入其他全面收益標準的債務投資指定為以公允價值計量並計入損益，前提是該做法可消除或顯著減少會計錯配情況。

指定為按公允價值計量並計入其他全面收益的股本工具

於初次應用／初次確認日期，本集團可不可撤銷地(基於個別工具)選擇指定於按公允價值計量並計入其他全面收益的股本工具中投資。

於按公允價值計量並計入其他全面收益的股本工具之投資其後按公允價值計量，而公允價值變動產生的收益及虧損按於其他全面收益中確認按公允價值計量，並於重估儲備累計；但不受減值評估規限。累計收益或虧損將不予重新分類至出售股本投資之損益，而將被轉至累計利潤。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable after 1 January 2018) (continued)

Equity instruments designated as at FVTOCI (continued)

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains and losses" line item in profit or loss.

Impairment under ECL model

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 (including trade and note receivables, other receivables, pledged bank deposits and bank balances) and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets. The ECL on these assets are assessed individually.

3. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日後適用的會計政策)(續)

指定為按公允價值計量並計入其他全面收益的股本工具(續)

當本集團獲取股息的權利確立時，通過股本工具投資獲得的股息於損益中確認，除非有關股息明確指收回部分投資成本。股息計入損益中的「其他收入、收益及虧損」。

預期信貸虧損模型下的減值

本集團就須根據《國際財務報告準則》第9號進行減值的金融資產(包括貿易應收款項及應收票據、其他應收款項、已抵押銀行存款和銀行結餘)及合約資產的預期信貸虧損確認虧損撥備。預期信貸虧損金額應於各報告日期更新以反映自初始確認以來信貸風險的變化。

整個存續期預期信貸虧損指於相關工具預期存續期間由可能發生的所有違約事項引起的預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事項所導致的部分整個存續期預期信貸虧損。相關評估會根據本集團歷史信貸虧損經驗展開，並根據一些因素進行調整，如債務人、整體經濟狀況、對報告日期當前狀況及預期未來狀況的評估。

本集團通常對貿易應收款項及合約資產確認整個存續期預期信貸虧損。該等資產的預期信貸虧損進行單項評估。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable after 1 January 2018) (continued)

Impairment under ECL model (continued)

For all other instruments, the Group measures the loss allowance equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

3. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日後適用的會計政策)(續)

預期信貸虧損模型下的減值(續)

就所有其他工具而言，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初始確認以來信貸風險顯著增加，否則本集團確認整個存續期預期信貸虧損。評估整個存續期預期信貸虧損是否應予以確認乃基於從初始確認以來違約風險的可能性是否顯著增加。

信貸風險的顯著增加

於評估自初始確認以來信貸風險是否顯著增加時，本集團會將金融工具於報告日期發生違約的風險與金融工具於初始確認之日發生違約的風險進行比較。在進行此項評估時，本集團會考慮合理且可佐證的定量和定性資料，包括歷史經驗和無需過度成本或投入即可獲得的前瞻性資料。

具體而言，在評估信用風險是否顯著增加時，會考慮以下資料：

- 金融工具外部(如有)或內部信用評級實際或預期顯著惡化；
- 外部市場信用風險指標顯著惡化，例如信貸利差大幅增加、債務人的信用違約掉期價格；
- 業務、財務或經濟狀況的現有或預測不利變化，預計會導致債務人償還債務能力大幅下降；

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable after 1 January 2018) (continued)

Significant increase in credit risk (continued)

- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日後適用的會計政策)(續)

信貸風險的顯著增加(續)

- 債務人經營業績的實際或預期顯著惡化；
- 債務人的監管、經濟或技術環境的實際或預期重大不利變化，導致債務人償還債務能力的大幅下降。

無論上述評估的結果如何，本集團均假定合約付款到期日超過30日，自初始確認以來的信貸風險大幅增加，除非本集團有合理及可佐證的資料證明屬其他情況。

儘管如此，本集團假設倘債務工具在報告日期被確定為具有較低信貸風險，則債務工具自初始確認以來的信貸風險並未顯著增加。債務工具被認為具有較低的信貸風險，倘i)其違約風險較低；ii)借款人有能力在短期內履行合約現金流量義務；及iii)長期經濟及業務形勢的不利變化可能，但不一定，會降低借款人履行其合約現金流量義務的能力。本集團認為，倘債務工具有全球認可的內部或外部「投資等級」信用評級，則其信貸風險較低。

本集團定期監察用以識別信貸風險曾否顯著增加的標準的成效，並於適當時候作出修訂，從而確保有關標準能夠於款項逾期前識別信貸風險顯著增加。

本集團認為，倘債務工具到期日超過90日，則發生違約，除非本集團有合理及可佐證的資料證明一個更加滯後的違約標準更為合理。

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable after 1 January 2018) (continued)

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and note receivables, and contract assets where the corresponding adjustment is recognised through a loss allowance account.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

3. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日後適用的會計政策)(續)

預期信貸虧損的計量和確認

預期信貸虧損的計量是違約概率、違約損失率(即損失程度，如果存在違約)及違約風險敞口的函數。違約概率和違約損失率的評估是基於經根據前瞻性資料調整的歷史數據。

一般而言，預期信貸虧損估計為本集團根據合約應收的所有合約現金流量與本集團預期收取的所有現金流量之間的差額，按初始確認時釐定的實際利率進行折現。

利息收入按金融資產的賬面總值計算，除非該金融資產屬信貸減值，在此情況下，利息收入按金融資產的攤銷成本計算。

本集團通過調整賬面值於損益中確認所有金融工具的減值損益，不包括貿易應收款項及應收票據以及合約資產，相應調整通過虧損撥備賬戶確認。

信貸減值的金融資產

當發生一項或多項對金融資產的預計未來現金流量產生不利影響的事件時，金融資產屬「信貸減值」。信貸減值的證明包括有關以下事件的可觀察數據：

- 發行人或借款人的重大財務困難；
- 違反合約，例如違約或逾期事件；

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial assets (accounting policy applicable after 1 January 2018) (continued)

Credit-impaired financial assets (continued)

- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements 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.

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 year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial 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. 重要會計政策(續)

金融工具(續)

金融資產(於2018年1月1日後適用的會計政策)(續)

信貸減值的金融資產(續)

- 借款人的貸款人，出於與借款人的財務困難有關的經濟或合同原因，已向借款人授予貸款人不會另行考慮的特許權；或
- 借款人很可能會進入破產或其他財務重組。

金融負債及股本工具

集團實體已發行的債務及股本工具根據合約安排的實質以及金融負債及股本工具的定义分類為金融負債或權益。

股本工具

股本工具乃證明本集團資產於扣除其所有負債後的剩餘權益的任何合約。本集團發行之股本工具乃按已收所得款項(扣除直接發行成本)記賬。

實際利率法

實際利率法為計算於有關年度金融負債之攤銷成本及分配利息開支的方法。實際利率乃於初始確認時按金融負債之估計年期或(如適用)較短期間，準確折現估計未來現金付款(包括所有屬實際利率不可或缺部分的已付或已收費用及利率差價、交易成本及其他溢價或折讓)至賬面淨值的利率。

利息開支按實際利率基準確認。

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

3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments (continued)

Financial liabilities and equity instruments (continued)

Financial liabilities at amortised cost

Financial liabilities (including trade payables, other payables, amounts due to shareholders, amount due to a related party, amounts due to subsidiaries, bank borrowings and obligation arising from a put option) are subsequently measured at amortised cost, using the effective interest method.

Obligation arising from a put option on shares of a subsidiary written to investors

Put option written to investors, which will be settled other than by exchange of fixed amount of cash for a fixed number of shares in a subsidiary is treated as derivative and is recognised at fair value upon initial recognition. Any changes of fair value in subsequent reporting dates are recognised in profit or loss.

The gross financial liability arising from the put option is recognised when contractual obligation to repurchase the shares in a subsidiary is established even if the obligation is conditional on the counterparty exercising a right to sell back the shares to the subsidiary. The liability for the share redemption amount is initially recognised and measured at present value of the estimated repurchase price with the corresponding debit to the other reserve. In subsequent years, the remeasurement of the present value of the estimated gross obligation under the written put option to the investors is recognised in profit or loss.

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 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.

3. 重要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

按攤銷成本計量的金融負債

金融負債(包括貿易應付款項、其他應付款項、應付股東款項、應付關聯方款項、應付附屬公司款項、銀行借款及認沽期權產生的責任)其後採用實際利率法按攤銷成本計量。

授予投資者的附屬公司股份的認沽期權產生的責任

授予投資者的認沽期權，將以固定金額的現金以外的方式清償以換取固定數目的附屬公司股份，視為衍生工具，並於初步確認時按公允價值確認。於隨後報告日期，任何公允價值變動均於損益中確認。

認沽期權產生的總財務負債於重購附屬公司股份的合約責任確立時確認，即使有關責任須待對手方行使權利向附屬公司售回股份後方可作實。股份贖回金額所涉及的負債初步按估計回購價的現值確認及計量，相應款項則計入其他儲備。於隨後年度，授予投資者的認沽期權重新計量的估計總負債現值於損益中確認。

終止確認

僅在從資產收取現金流量的合約權利屆滿，或本集團已將金融資產及當中擁有權的絕大部分風險及回報轉讓予另一實體時，本集團方會終止確認金融資產。倘本集團保留已轉讓金融資產擁有權的絕大部分風險及回報，則本集團將繼續確認金融資產，並就已收款項確認已抵押借款。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES

(continued)

Financial instruments *(continued)*

Derecognition *(continued)*

On derecognition of a financial asset at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of IFRS 9, the cumulative gain or loss previously accumulated in the revaluation reserve is not reclassified to profit or loss, but is transferred to accumulated profits.

The Group derecognises financial liability when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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 judgments, 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 recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future periods.

3. 重要會計政策(續)

金融工具(續)

終止確認(續)

於終止確認按攤銷成本計量的金融資產時，該項資產賬面值與已收及應收對價的差額，於損益內確認。

於終止確認股本工具中的投資(本集團已選擇於採納《國際財務報告準則》第9號時按公允價值計量並計入其他全面收益初始確認計量)時，先前重估儲備中積累的累計收益或虧損不再重新分類至損益，而將被轉至累計利潤。

本集團於且僅於本集團義務已履行、撤銷或已到期時終止確認金融負債。終止確認的金融負債賬面值與已付及應付對價之間的差額於損益中確認。

4. 估計不確定因素之主要來源

在應用本集團的會計政策(見附註3)時，本公司董事須就沒有其他明顯消息來源的資產及負債之賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及視為相關的其他因素而作出。實際結果或會與該等估計有所不同。

估計與相關假設按持續基準檢討。假如會計估計的修訂只會影響作出有關修訂的年度，則會在該年度內確認；但如對當期和未來的期間均有影響，則會在作出有關修訂的年度和未來年度確認。

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綜合財務報表附註

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

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Recognition of revenue on contracts with customers for hazardous waste incineration solution services

The Group recognised contract revenue using the input method and contract costs are recognised on actual incurred basis. The input method is measured by reference to the stage of completion of the contract activity at the end of the reporting period, as measured by the proportion that contract costs incurred for work performed to date relative to the estimated contract costs.

The estimated contract revenue is determined in accordance with the terms set out in the relevant contract.

The estimated total contract costs are based on contracted amount of suppliers' contracts, and in respect of amounts not contracted for, management's estimates for the amounts to be incurred taking into consideration historical trends for the amounts incurred and adjusted for any price fluctuation during the year, where applicable. Significant assumptions are required in estimating the total contract costs which affect the contract revenue recognised to date based on the input method.

Management review the contract with customers for foreseeable losses whenever there is an indication that the estimated contract revenue is lower than the estimated contract costs. The actual outcome in terms of total cost or revenue may be higher or lower than estimated at the end of each of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

4. 估計不確定因素之主要來源(續)

估計不確定因素之主要來源

下列乃報告期末涉及未來之主要假設及估計不確定因素之其他主要來源，該等估計及假設很可能導致須對下一個財政年度的資產及負債賬面值作出重大調整。

確認與客戶就危險廢物焚燒處置解決方案服務所訂立合約的收入

本集團使用投入法確認合約收入，並使用實際產生基準確認合約成本。投入法參照報告期末合約活動之完成階段予以計量，而該完成階段一般會按工程進行至該日所產生的合約成本佔估計總合約成本之比例計量。

預計合約收入乃根據相關合約所載條款確定。

預計總合約成本乃基於供應商合約的訂約金額，對於未訂約的金額，管理層對所產生金額的估計考慮到了該等金額的歷史趨勢，並對照年內價格波動進行調整(如適用)。在估計影響截至目前所確認之合約收益的總合約成本時，須根據投入法作出重大假設。

若有跡象表明估計合約收入低於估計合約成本，則管理層會審核與客戶合約有無可預見的損失。於各報告期末，有關總成本或收入之實際結果可能高於或低於估計，而該等差異將影響未來年度所確認之收入及利潤(作為對截至目前所記錄金額的調整)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY

(continued)

Key sources of estimation uncertainty *(continued)*

Estimated impairment of trade receivables and contract assets

The management estimates the amount of loss allowance for ECL on trade receivables that are measured at amortised cost and contract assets based on the credit risk of the respective counterparty. The Group uses a lifetime ECL model and estimates the expected loss rate for the trade receivables and the contract assets individually based on each customer's credit risk characteristics and the historical observed default rates adjusted by forward looking estimates. The assessment of the credit risk of the trade receivables and contract assets involves high degree of estimation and uncertainty as details in Notes 2 and 19. When the actual future cash flows are less than expected or more than expected, a material impairment loss or a material reversal of impairment loss may arise, accordingly.

As at 31 December 2018, the total carrying amount of trade receivables and contract assets of the Group amounted to RMB304,077,000 (31 December 2017: RMB118,845,000), net of allowance for impairment of RMB7,071,000 (31 December 2017: RMB6,167,000).

4. 估計不確定因素之主要來源(續)

估計不確定因素之主要來源(續)

貿易應收款項及合約資產的預計減值

管理層根據有關對手方的信貸風險，估計按攤銷成本計量的貿易應收款項及合約資產預期信貸虧損的損失準備金額。本集團使用整個存續期預期信貸虧損模式，並根據客戶各自的信貸風險特徵及經前瞻性估計調整的歷史觀察違約率進行估算貿易應收款項的預期虧損率。評估貿易應收款項及合約資產的信貸風險涉及較大程度的估計及不確定因素(誠如附註2及19所詳述)。若實際未來現金流量少於預期或多於預期，可能會因此產生重大減值虧損或減值虧損重大撥回。

於2018年12月31日，本集團貿易應收款項及合約資產的總賬面值為人民幣304,077,000元(二零一七年十二月三十一日：人民幣118,845,000元)，已扣除減值撥備人民幣7,071,000元(二零一七年十二月三十一日：人民幣6,167,000元)。

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5. REVENUE AND SEGMENT INFORMATION

Revenue represents the fair value of amounts received and receivable from the provision of comprehensive solid waste incineration turnkey solutions focused on the research, design, integration and commissioning of solid waste systems by the Group to external customers in the PRC. The Group's revenue is derived from providing i) hazardous waste incineration solutions, ii) pyrolysis solid waste treatment solutions, iii) oil sludge thermal desorption treatment services, iv) technical upgrading services, and v) maintenance services in the PRC. For the purposes of resources allocation and performance assessment, the executive directors of the Company, being the chief operating decision maker ("CODM"), review the financial performance of the Group as a whole prepared based on the same accounting policies set out in Note 3. Accordingly, the Group has only one single operating segment and no further discrete financial information nor analysis of this single segment is presented.

Revenue from major services

The following is an analysis of the Group's revenue from its major services:

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
<i>Recognised over time</i>	<i>隨時間確認</i>		
Hazardous waste incineration solutions	危險廢物焚燒處置解決方案	444,771	176,141
Pyrolysis solid waste treatment solutions	無氧裂解固體廢物處置解決方案	4,064	—
Oil sludge thermal desorption treatment services	油泥熱脫附處理服務	10,745	—
Technical upgrading services	技術升級服務	11,092	11,445
Maintenance services	維護服務	9,419	1,821
		480,091	189,407

5. 收入及分部資料

收入指本集團向中國的外部客戶提供專注於固體廢物系統的研究、設計、集成及調試的綜合固體廢物焚燒處置整體解決方案，已收及應收款項的公允價值。本集團的收入來自於中國境內提供：i) 危險廢物焚燒處置解決方案；ii) 無氧裂解固體廢物處置解決方案；iii) 油泥熱脫附處理服務；iv) 技術升級服務；及v) 維護服務。就資源分配以及表現評估而言，本公司執行董事（即主要經營決策者）根據附註3所載相同會計政策，以本集團作為整體審核財務表現。因此，本集團只有一個營運分部，以及概無就該單一分部呈報其他獨立財務資料或分析。

主要服務收入

下表載列本集團來自其主要服務的收入之分析：

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5. REVENUE AND SEGMENT INFORMATION

(continued)

Transaction price allocated to the remaining performance obligations for contracts with customers

The following table shows the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at 31 December 2018 and 2017.

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Provision of hazardous waste incineration solutions	提供危險廢物焚燒處置解決方案	410,874	281,414
Provision of pyrolysis solid waste treatment solutions	提供無氧裂解固體廢物處置解決方案	23,802	4,256
Provision of technical upgrading services	提供技術升級服務	991	1,723
Provision of maintenance services	提供維護服務	149	121
Total	合計	435,816	287,514

Based on the information available to the Group at the end of reporting period, the directors of the Company expect the transaction price allocated to the above unsatisfied (or partially unsatisfied) contracts as of 31 December 2017 and 2018 will be recognised as revenue during the years ended/ending 31 December 2018 to 31 December 2020 in respect of provision of hazardous waste incineration solutions, during the years ended/ending 31 December 2018 to 31 December 2019 in respect of provision of pyrolysis solid waste treatment solutions, during the years ended/ending 31 December 2018 to 31 December 2019 in respect of technical upgrading services and during the years ended/ending 31 December 2018 to 31 December 2019 in respect of provision of maintenance services.

5. 收入及分部資料(續)

就客戶合約分撥至餘下履約責任的交易價格

下表列示於2018年及2017年12月31日分撥至未履約(或部分未履約)責任的交易價格總額。

基於本集團於報告期末獲得的資料，本公司董事預計截至2017年及2018年12月31日分撥至上述未履行(或部分未履行)合約的交易價格將分別於截至2018年12月31日止年度至截至2020年12月31日止年度期間(就提供危險廢物焚燒處置解決方案而言)、截至2018年12月31日至2019年12月31日止年度期間(就提供無氧裂解固體廢物處置解決方案而言)、截至2018年12月31日止年度至截至2019年12月31日止年度期間(就技術升級服務而言)及截至2018年12月31日止年度至截至2019年12月31日止年度期間(就提供維護服務而言)確認為收入。

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5. REVENUE AND SEGMENT INFORMATION

(continued)

Transaction price allocated to the remaining performance obligations for contracts with customers (continued)

Provision of oil sludge thermal desorption treatment services typically have a 3-year non-cancellable term in which the Group charges fee based on the actual treatment volume of oil sludge. The Group elected to apply the practical expedient by recognising revenue in the amount to which the Group has provided the services. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

Major customers

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

5. 收入及分部資料(續)

就客戶合約分撥至餘下履約責任的交易價格(續)

提供油泥熱脫附處理服務的不可撤銷年期一般為3年，期間本集團根據實際油泥處置量收費。本集團選擇可行權宜方法，確認本集團所提供服務的收益金額。誠如《國際財務報告準則》第15號所允許，並無披露分配至該等未履行合約的交易價。

主要客戶

於相應年度在本集團總收入中佔10%以上的客戶收入如下：

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	<i>RMB'000</i> 人民幣千元
Customer A (Note i)	客戶A (附註i)	187,162	135,139
Customer B	客戶B	N/A (Note ii) 不適用(附註ii)	29,302
Customer C	客戶C	N/A (Note ii) 不適用(附註ii)	19,110
Customer D	客戶D	72,155	N/A (Note iii) 不適用(附註iii)

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5. REVENUE AND SEGMENT INFORMATION

(continued)

Major customers (continued)

Notes:

- (i) Customer A represented groups of subsidiaries under common control of an entity. Revenue from subsidiaries under Customer A during the year ended 31 December 2018 and 2017 contributed over 10% of the total revenue of the Group are as below:

Subsidiary A	附屬公司A
Subsidiary B	附屬公司B

- (ii) Contributed less than 10% of the Group's total revenue for the year ended 31 December 2018.
- (iii) No revenue attributed from the respective customer for the year ended 31 December 2017.

Geographical information

The Group primarily operates in the PRC. Substantially all of the Group's non-current assets, excluding financial instruments and deferred tax assets, are located in the PRC, and revenue of the Group is generated from customers located in the PRC.

5. 收入及分部資料(續)

主要客戶(續)

附註：

- (i) 客戶A指受同一實體共同控制的一組附屬公司。於截至2018年及2017年12月31日止年度佔本集團總收入10%以上的客戶A旗下附屬公司之收入如下：

2018	2017
2018年	2017年
RMB'000	RMB'000
人民幣千元	人民幣千元
N/A (Note ii)	
不適用(附註ii)	77,863
N/A (Note ii)	
不適用(附註ii)	32,056

- (ii) 於截至2018年12月31日止年度佔本集團總收入的比例不足10%。
- (iii) 於截至2017年12月31日止年度均無源自各客戶的收入。

地區資料

本集團主要在中國境內營運。本集團幾乎全部的非流動資產(不含金融工具以及遞延稅項資產)均位於中國，且本集團的收入來源於中國的客戶。

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6. OTHER INCOME, GAINS AND LOSSES

6. 其他收入、收益及虧損

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Bank interest income	銀行利息收入	375	128
Government grants (Note a)	政府補助(附註a)	722	2,132
Indemnity compensation (Note b)	責任賠償(附註b)	3,758	—
Other income	其他收入	4,855	2,260
Net foreign exchange gains	外匯收益淨額	3,158	112
Gain on deregistration of investment in an associate (Note 15)	註銷聯營企業投資之收益 (附註15)	97	—
Other gains and losses	其他收益及虧損	3,255	112
		8,110	2,372

Notes:

- (a) Government grants represented immediate financial support granted by the local governments. There were no specific conditions attached to the grants and the amounts were recognised in profit or loss upon the receipt of relevant cash.
- (b) Indemnity compensation represented the compensation paid by a counterparty for its default of contract in relation to a hazardous waste incineration project in Suzhou which was terminated during the year ended 31 December 2016.

附註：

- (a) 政府補助為當地政府給予的實時財務支持。補助不附帶特定條件，且金額於收到相關現金時在損益中確認。
- (b) 責任賠償指對手方就其違反有關蘇州的危險廢物焚燒處置項目合約已支付的賠償，有關合約已於截至2016年12月31日止年度終止。

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7. FINANCE COSTS

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Interest on bank borrowings	銀行借款利息	574	438
Interest on obligation arising from a put option (Note 27)	認沽期權所產生責任的利息 (附註27)	5,457	—
Total	合計	6,031	438

7. 融資成本

8. INCOME TAX EXPENSE

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
The income tax expense (credit) comprises:	所得稅開支(撥回)包括：		
PRC Enterprise Income Tax ("EIT"):	中國企業所得稅(「企業所得稅」)：		
— Current tax	— 即期稅項	12,737	7,258
— Overprovision in prior year	— 過往年度超額撥備	(492)	—
		12,245	7,258
Deferred tax (Note 17)	遞延稅項(附註17)	(1,686)	(638)
		10,559	6,620

8. 所得稅開支

The Company and its subsidiaries, namely WeiGang Environment Limited ("WeiGang Environment") and Jade Far, were incorporated in the Cayman Islands and BVI, respectively. All these entities did not have tax assessable profit in Cayman Islands, BVI or other jurisdiction in both years.

No provision for Hong Kong profits tax has been recognised in the consolidated financial statements in both years as the Group does not have income which arose in, or derived from Hong Kong.

本公司及其附屬公司(即維港環境有限公司(「維港環境」)與杰發)分別於開曼群島及英屬維爾京群島註冊成立。於該等年度，所有該等實體在開曼群島、英屬維爾京群島或其他司法管轄區均無應課稅利潤。

由於本集團並無得自香港的收入，因此於該等年度，於綜合財務報表中並未確認香港利得稅撥備。

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8. INCOME TAX EXPENSE (continued)

Pursuant to the Enterprise Income Tax Law (the "EIT Law") effective on 1 January 2008, Guangzhou Weigang obtained a "High and New Technology Enterprise" (the "HNTE") in 2016 which Guangzhou Weigang was entitled to a preferential tax rate of 15% from 2016 to 2018 and eligible for renewal every three years.

The applicable tax rate of other PRC subsidiaries of the Company was 25% (2017: 25%) during the year ended 31 December 2018.

The income 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:

8. 所得稅開支(續)

根據2008年1月1日生效的《企業所得稅法》，廣州維港於2016年獲認定為「高新技術企業」，並在2016年至2018年間享受15%的優惠稅率，每三年可續期。

於截至2018年12月31日止年度，本公司其他中國附屬公司的適用稅率為25%（2017年：25%）。

年內所得稅開支可按下列方式根據綜合損益及其他全面收益表調整到稅前利潤中：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Profit before tax	稅前利潤	67,970	36,379
Tax at applicable income tax rate of 25% (2017: 25%)	以25% (2017年：25%)的適用所得稅稅率計算的稅項	16,992	9,095
Tax effect due to preferential tax rate	因優惠稅率而產生的稅務影響	(8,394)	(4,730)
Tax effect of expenses not deductible for tax purposes	不可扣稅開支的稅務影響	6,441	1,962
Tax effect of income not taxable for tax purpose	非應課稅收入的稅務影響	(789)	—
Tax effect of share of results of an associate	應佔聯營企業的業績的稅務影響	—	169
Tax effect of tax loss not recognised	未確認之稅務虧損的稅務影響	28	124
Utilisation of tax loss previously not recognised	動用過往未確認的稅項虧損	(148)	—
Tax effect of super-deduction on research and development expenses	加計扣除研發開支的稅務影響	(3,079)	—
Overprovision in prior year	過往年度超額撥備	(492)	—
Income tax expense for the year	年內所得稅開支	10,559	6,620

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9. PROFIT FOR THE YEAR

9. 年內利潤

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Profit for the year has been arrived at after charging:	扣除下列費用後的年內利潤：		
Staff costs (including directors' emoluments)	員工成本(包括董事酬金)		
Directors' remuneration (Note 10)	董事薪酬(附註10)	1,527	1,029
Other staff:	其他員工：		
— Salaries and other benefits	— 薪金與其他福利	23,317	11,845
— Bonus	— 花紅	2,397	2,051
— Contributions to retirement benefits scheme	— 退休福利計劃供款	2,261	846
— Share-based payment expenses	— 以股份為基礎的支付開支	1,954	—
Total staff costs	總員工成本	31,456	15,771
Auditors' remuneration	核數師薪酬	1,810	49
Research and development costs (included in other expenses)*	研發成本(計入其他開支)*	16,799	8,150
Listing expenses (included in other expenses)	上市開支(計入其他開支)	12,270	6,323
Depreciation of property, plant and equipment	物業、廠房及設備折舊	1,726	397
Amortisation of intangible assets	無形資產攤銷	413	34
(Reversal of allowance for) allowance for impairment of trade and note receivables	貿易應收款項及應收票據減值撥備(撥備撥回)	(1,174)	584
Allowance for impairment of contract assets	合約資產減值撥備	2,073	—
Impairment (reversed) loss on advance to a supplier	與向供應商作出的墊款有關的(撥回)減值虧損	(183)	183
Minimum lease payments in respect of office premises	辦公場所的最低租賃付款	2,528	1,970

* Amount included staff costs of RMB7,238,000 (2017: RMB5,590,000), and material and other related costs of RMB9,561,000 (2017: RMB2,560,000) for the year ended 31 December 2018.

* 該款項包括截至2018年12月31日止年度的員工成本人民幣7,238,000元(2017年：人民幣5,590,000元)以及材料及其他相關成本人民幣9,561,000元(2017年：人民幣2,560,000元)。

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

Directors

Mr. Cai, Mr. Dong Honghui ("Mr. Dong") and Mr. Deng Zhaoshan ("Mr. Deng") are appointed as directors of the Company on 18 May 2017, 27 April 2018 and 27 April 2018, respectively. Details of the emoluments paid or payable to the directors of the Company (including emoluments for services as employees/directors of the group entities prior to becoming the directors of the Company) by entities comprising the Group during the year ended 31 December 2018 and 2017 are as follows:

For the year ended 31 December 2018

Executive directors	執行董事
Mr. Cai (Note i)	蔡先生(附註i)
Mr. Dong (Note ii)	董先生(附註ii)
Mr. Deng (Note iii)	鄧先生(附註iii)
Non-executive directors	非執行董事
Mr. Ren Jingfeng (Note iv)	任景豐先生(附註iv)
Mr. Yang Zhiqiang (Note v)	楊志強先生(附註v)
Independent non-executive directors	獨立非執行董事
Mr. Yang Zhifeng (Note vi)	楊志峰先生(附註vi)
Mr. Feng Tao (Note vii)	馮濤先生(附註vii)
Mr. Jiang Guoliang (Note viii)	蔣國良先生(附註viii)

10. 董事及僱員酬金

董事

蔡先生、董紅暉先生(「董先生」)以及鄧兆善先生(「鄧先生」)分別於2017年5月18日、2018年4月27日及2018年4月27日獲委任為本公司董事。於截至2018年及2017年12月31日止年度，按照本集團構成實體分類的已付或應付本公司董事之酬金(包括在成為本公司董事前作為集團實體的僱員/董事所提供服務而收取的酬金)的詳情列於下表：

截至2018年12月31日止年度

Salaries and other allowances	Bonus	Share-based payment expenses	Retirement benefits contributions	Total
薪金與其他津貼	花紅	以股份為基礎的支付開支	退休福利計劃供款	合計
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
359	50	—	32	441
359	50	103	32	544
357	50	103	32	542
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
—	—	—	—	—
1,075	150	206	96	1,527

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(continued)

Directors (continued)

For the year ended 31 December 2017

	Salaries and other allowances	Bonus	Retirement benefits scheme contributions	Total	
	薪金與其他津貼	花紅	退休福利計劃供款	合計	
	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	
Executive directors	執行董事				
Mr. Cai (Note i)	蔡先生(附註i)	271	18	31	320
Mr. Dong (Note ii)	董先生(附註ii)	273	53	31	357
Mr. Deng (Note iii)	鄧先生(附註iii)	268	53	31	352
		812	124	93	1,029

Notes:

- (i) Mr. Cai served as the chairman and executive director of Guangzhou Weigang since its establishment on 15 July 2009 and was appointed as chairman of the Group and executive director of the Company on 18 May 2017.
- (ii) Mr. Dong was appointed as an executive director of the Company on 27 April 2018. Prior to being a director, he was an employee of the Group.
- (iii) Mr. Deng was appointed as an executive director of the Company on 27 April 2018. Prior to being a director, he was an employee of the Group.
- (iv) Mr. Ren Jingfeng was appointed as a non-executive director of the Company on 27 April 2018.
- (v) Mr. Yang Zhiqiang was appointed as a non-executive director of the Company on 8 November 2018.
- (vi) Mr. Yang Zhifeng was appointed as an independent non-executive director and a member of the audit committee of the Company with effect from 3 January 2019.
- (vii) Mr. Feng Tao was appointed as an independent non-executive director and a member of the audit committee of the Company with effect from 3 January 2019.
- (viii) Mr. Jiang Guoliang was appointed as an independent non-executive director and a member of the audit committee of the Company with effect from 3 January 2019.

10. 董事及僱員酬金(續)

董事(續)

截至2017年12月31日止年度

	Salaries and other allowances	Bonus	Retirement benefits scheme contributions	Total	
	薪金與其他津貼	花紅	退休福利計劃供款	合計	
	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	
Executive directors	執行董事				
Mr. Cai (Note i)	蔡先生(附註i)	271	18	31	320
Mr. Dong (Note ii)	董先生(附註ii)	273	53	31	357
Mr. Deng (Note iii)	鄧先生(附註iii)	268	53	31	352
		812	124	93	1,029

附註：

- (i) 蔡先生自2009年7月15日廣州維港成立起一直擔任該集團董事長兼執行董事，並於2017年5月18日獲委任為本集團董事長及本公司執行董事。
- (ii) 董先生自2018年4月27日起獲委任為本公司執行董事。此前其為本集團僱員。
- (iii) 鄧先生自2018年4月27日起獲委任為本公司執行董事。此前其為本集團僱員。
- (iv) 任景豐先生於2018年4月27日獲委任為本公司的非執行董事。
- (v) 楊志強先生於2018年11月8日獲委任為本公司的非執行董事。
- (vi) 楊志峰先生獲委任為本公司的獨立非執行董事及審核委員會成員，自2019年1月3日起生效。
- (vii) 馮濤先生獲委任為本公司的獨立非執行董事及審核委員會成員，自2019年1月3日起生效。
- (viii) 蔣國良先生獲委任為本公司的獨立非執行董事及審核委員會成員，自2019年1月3日起生效。

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(continued)

Directors (continued)

The executive directors' emoluments shown above were for their services in connection with the management affairs of the Group.

The bonus payments are determined with reference to the operating results and individual performance during the year ended 31 December 2018 and 2017.

Details of share-based payment transaction are set out in Note 38.

Employees

The five highest paid individuals of the Group included three directors (2017: two directors), whose emoluments are included in the disclosures above for the year ended 31 December 2018. The emoluments of the remaining two (2017: three) individuals for the year ended 31 December 2018, are as follows:

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Salaries and other benefits	薪金與其他福利	1,289	1,202
Bonus	花紅	60	84
Retirement benefits scheme contributions	退休福利計劃供款	38	31
Share-based payment expense	以股份為基礎的支付開支	190	—
		1,577	1,317

The emoluments of the five highest paid individuals including directors of the Company, were within the following band:

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Not exceeding HK\$1,000,000	不超過1,000,000港元	5	5

10. 董事及僱員酬金(續)

董事(續)

上述執行董事酬金乃因彼等就本集團管理事務所提供服務而取得。

花紅支付乃經參考於截至2018年及2017年12月31日止年度的有關經營業績及個人表現而釐定。

以股份為基礎的支付交易的詳情載於附註38。

僱員

截至2018年12月31日止年度，本集團五名最高薪酬人士分別包括三名董事(2017年：兩名董事)，彼等之酬金已載於上文披露資料中。截至2018年12月31日止年度其餘兩名(2017年：三名)人士之酬金列於下表：

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
		1,289	1,202
		60	84
		38	31
		190	—
		1,577	1,317

本公司五名最高薪酬人士(包括董事)的酬金處於下列範圍：

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Not exceeding HK\$1,000,000	不超過1,000,000港元	5	5

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10. DIRECTORS' AND EMPLOYEES' EMOLUMENTS

(continued)

Employees (continued)

During the year ended 31 December 2018 and 2017, no remuneration was paid by the Group to the five highest paid individuals including directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office. Each of the directors of the Company did not waive or agreed to waive any remuneration during the year ended 31 December 2018 and 2017.

11. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Earnings	盈利		
Earnings for the purpose of calculating basic and diluted per share (profit for the year attributable to the owners of the Company)	用以計算每股基本及攤薄的盈利 (本公司擁有人應佔年內利潤)	49,799	30,195
Number of shares	股份數量		
Number of shares for the purpose of calculating basic earnings per share	用以計算每股基本盈利的股份數量	1,013,854,480	943,906,118
Effect of dilutive potential ordinary shares:	攤薄潛在普通股的影响:		
Share options	購股權	29,274,881	12,431,809
Number of shares for the purpose of calculating diluted earnings per share	用以計算每股攤薄盈利的股份數量	1,043,129,361	956,337,927

10. 董事及僱員酬金(續)

僱員(續)

於截至2018年及2017年12月31日止年度，本集團並無向本公司五名最高薪酬人士(包括董事)支付任何薪酬，作為吸引董事加盟本集團或加盟後的獎勵或離職補償。於截至2018年及2017年12月31日止年度，本公司各董事均無放棄或同意放棄任何薪酬。

11. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利的計算乃基於下列數據：

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11. EARNINGS PER SHARE (continued)

The number of ordinary shares for the purpose of calculating basic earnings per share has been determined on the assumption that the Reorganisation, share consolidation and the bonus element of the shares issued for the loan capitalisation as detailed in the section headed "History, Reorganisation and Group Structure" to the Prospectus had been effective on 1 January 2017.

In addition, the computation of diluted earnings per share during the year ended 31 December 2018 does not assume the exercise of put option by the non-controlling shareholder of a subsidiary as the exercise of the put option would result in an increase of earnings per share for the year ended 31 December 2018. The computation of diluted earnings per share during the year ended 31 December 2018 and 2017 has adjusted to reflect the effect of the exercise of all dilutive share options.

12. DIVIDENDS

No dividend has been paid or declared by the Company since its incorporation, nor has any dividend been proposed since the end of the year ended 31 December 2018.

11. 每股盈利(續)

用以計算每股基本盈利的普通股數目乃根據招股章程「歷史、重組及集團架構」一節所詳述重組、股份合併及就貸款資本化已發行股份的紅利成分於2017年1月1日生效的假設而釐定。

此外，由於行使認沽期權會導致截至2018年12月31日止年度的每股盈利增加，故計算截至2018年12月31日止年度的每股攤薄盈利時假設附屬公司的非控股股東並未行使認沽期權。計算截至2018年及2017年12月31日止年度的每股攤薄盈利時，已作出調整以反映行使所有攤薄購股權的影響。

12. 股息

本公司自註冊成立以來尚未支付或宣派股息，自截至2018年12月31日止年度末亦無建議宣派任何股息。

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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		Oil sludge treatment facility			Furniture and Construction			Total
		Leasehold improvement	Leasehold improvement	Computers	Motor vehicles	fixtures	in progress	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
			(Note)				(Note)	
			(附註)				(附註)	
COST	成本							
At 1 January 2017	於2017年1月1日	—	—	281	302	379	—	962
Additions	添置	1,152	—	333	786	282	6,812	9,365
At 31 December 2017	於2017年12月31日	1,152	—	614	1,088	661	6,812	10,327
Additions	添置	124	460	958	368	142	13,587	15,639
Transfer from construction in progress	來自在建工程的轉撥	—	20,399	—	—	—	(20,399)	—
At 31 December 2018	於2018年12月31日	1,276	20,859	1,572	1,456	803	—	25,966
DEPRECIATION	折舊							
At 1 January 2017	於2017年1月1日	—	—	92	78	142	—	312
Provided for the year	年內撥備	38	—	127	76	156	—	397
At 31 December 2017	於2017年12月31日	38	—	219	154	298	—	709
Provided for the year	年內撥備	283	656	352	238	197	—	1,726
At 31 December 2018	於2018年12月31日	321	656	571	392	495	—	2,435
CARRYING VALUES	賬面值							
At 31 December 2017	於2017年12月31日	1,114	—	395	934	363	6,812	9,618
At 31 December 2018	於2018年12月31日	955	20,203	1,001	1,064	308	—	23,531

Note: Amount represented the costs incurred for the construction of a thermal desorption of oil sludge treatment facility, which is to provide oil sludge thermal desorption treatment service to customers. The operating income is charged according to the tons of oil sludge being processed.

附註：有關數額指建造油泥熱脫附處理設施(將為客戶提供油泥熱脫附處理服務)所產生的成本。經營收入乃根據所處理的油泥噸數收取費用。

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13. PROPERTY, PLANT AND EQUIPMENT (continued)

The above items of property, plant and equipment, other than construction in progress, after taking into account their estimated residual value, are depreciated on a straight-line basis at the following useful life:

Leasehold improvement	5 years
Oil sludge treatment facility	10 years
Computers	3 years
Motor vehicles	3-5 years
Furniture and fixtures	3 years

13. 物業、廠房及設備(續)

上述物業、廠房及設備項目(在建工程除外)在考慮到其估計剩餘價值後以下列使用年限按直線法折舊：

租賃裝修	5年
油泥處理設施	10年
電腦	3年
車輛	3至5年
傢俱與固定裝置	3年

14. INTANGIBLE ASSETS

14. 無形資產

		Patents 專利 RMB'000 人民幣千元 (Note) (附註)
COST	成本	
At 1 January 2017 and 31 December 2017	於2017年1月1日及2017年12月31日	150
Additions (Notes i & ii)	添置(附註i及ii)	17,003
At 31 December 2018	於2018年12月31日	17,153
AMORTISATION	攤銷	
At 1 January 2017	於2017年1月1日	23
Provided for the year	年內撥備	34
At 31 December 2017	於2017年12月31日	57
Provided for the year	年內撥備	413
At 31 December 2018	於2018年12月31日	470
CARRYING VALUES	賬面值	
At 31 December 2017	於2017年12月31日	93
At 31 December 2018	於2018年12月31日	16,683

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14. INTANGIBLE ASSETS (continued)

Notes:

- (i) On 20 July 2018, Guangzhou Weigang entered into an agreement with Dr. Wang Zhicheng ("Dr. Wang"), a senior management of the Company, for assigning to Guangzhou Weigang all its technology knowhow relating to pyrolysis treatment, a method of a solid waste anaerobic catalytic thermal cracking at a consideration of RMB1,000,000 with estimated useful lives of 10 years; and
- (ii) On 20 July 2018, Guangzhou Weigang entered into an agreement with a third party for assigning its technology knowhow to Guangzhou Weigang at a consideration of RMB16,000,000, including an organic carbon ecological slow release fertiliser and preparation method, a waste battery anaerobic catalytic thermal cracking system and method and a domestic waste fluidised bed anaerobic cracking device with estimated useful lives of 10 years.

The other intangible assets have finite useful lives and are amortised on a straight-line basis over the licence period.

14. 無形資產(續)

附註：

- (i) 於2018年7月20日，廣州維港與本公司高級管理層王志成博士(「王博士」)訂立一份協議，以向廣州維港轉讓其所有有關無氧裂解處理(一種固體垃圾無氧催化熱裂解方法)的技術知識，代價為人民幣1,000,000元及估計可使用年期為10年；及
- (ii) 於2018年7月20日，廣州維港與一名獨立第三方訂立一份協議，以向廣州維港轉讓其技術知識(包括有機碳生態緩釋肥及其製備方法、一種廢舊電池無氧催化熱裂系統和方法以及一種生活垃圾流化床無氧裂解裝置)，代價為人民幣16,000,000元及估計可使用年期為10年。

其他無形資產具有有限可使用年期，並於授權期間以直線法攤銷。

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15. INVESTMENT IN AN ASSOCIATE

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Cost of investment in an associate	於聯營企業的投資成本	—	4,900
Share of results of an associate, net of dividend received	應佔聯營企業的業績，扣除已收股息	—	639
		—	5,539

Details of the Group's associate at the end of the reporting period is as follow:

Name of associate 聯營企業名稱	Principal activities 主要活動	Place and date of establishment and operation 成立與營運的地點和日期	Proportion of ownership interest held by the Group At 31 December 本集團持有所有權權益份額 於12月31日		Proportion of voting interest held by the Group At 31 December 本集團持有表決權份額 於12月31日	
			2018 2018年	2017 2017年	2018 2018年	2017 2017年
Yunfu Yishida Waste Heat Power Generation Co., Ltd.* ("Yishida")	Provision of project management service for a waste heat power generation project	PRC, 1 August 2008	N/A (Note 1)	49%	N/A (Note 1)	49%
雲浮市易世達餘熱發電有限公司(「易世達」)	就餘熱發電系統項目提供項目管理服務	中國，2008年8月1日	不適用 (附註1)	49%	不適用 (附註1)	49%

Note 1: Yishida was deregistered by way of member's resolution on 18 January 2018. On 12 February 2018, Guangzhou Weigang received RMB5,636,000 from Yishida as return of investment, the carrying amount of the investment in associate on 12 February 2018 of RMB5,539,000 was derecognised and a gain from the deregistration amounting to RMB97,000 has been recognised in profit and loss.

The above associate is accounted for using equity method in the consolidated financial statements.

* The English names are for identification purpose only.

15. 於聯營企業的投資

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Cost of investment in an associate	於聯營企業的投資成本	—	4,900
Share of results of an associate, net of dividend received	應佔聯營企業的業績，扣除已收股息	—	639
		—	5,539

於報告期末本集團聯營企業的詳情載於下表：

Name of associate 聯營企業名稱	Principal activities 主要活動	Place and date of establishment and operation 成立與營運的地點和日期	Proportion of ownership interest held by the Group At 31 December 本集團持有所有權權益份額 於12月31日		Proportion of voting interest held by the Group At 31 December 本集團持有表決權份額 於12月31日	
			2018 2018年	2017 2017年	2018 2018年	2017 2017年
Yunfu Yishida Waste Heat Power Generation Co., Ltd.* ("Yishida")	Provision of project management service for a waste heat power generation project	PRC, 1 August 2008	N/A (Note 1)	49%	N/A (Note 1)	49%
雲浮市易世達餘熱發電有限公司(「易世達」)	就餘熱發電系統項目提供項目管理服務	中國，2008年8月1日	不適用 (附註1)	49%	不適用 (附註1)	49%

附註1：易世達於2018年1月18日以股東決議案方式撤銷註冊。於2018年2月12日，廣州維港自易世達獲得人民幣5,636,000元作為投資回報，於2018年2月12日於聯營企業的投資的賬面值人民幣5,539,000元被終止確認，撤銷註冊所得收益人民幣97,000元已於損益中確認。

上述聯營企業使用權益法在綜合財務報表入賬。

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15. INVESTMENT IN AN ASSOCIATE (continued)

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRSs.

Yishida:

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Current assets	流動資產	N/A 不適用	11,506
Non-current assets	非流動資產	N/A 不適用	—
Current liabilities	流動負債	N/A 不適用	202
Net assets	資產淨值	N/A 不適用	11,304

15. 於聯營企業的投資(續)

有關本集團聯繫人的概述財務資料載於下文。下文中的概述財務資料載有根據《國際財務報告準則》編製的聯繫人財務報表中所示金額。

易世達：

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Revenue	收入	N/A 不適用	—
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	N/A 不適用	(1,377)
Dividend received from Yishida during the year	年內自易世達所收取的股息	N/A 不適用	1,328

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15. INVESTMENT IN AN ASSOCIATE (continued)

Reconciliation of the above summarised financial information of the carrying amount of the interest in Yishida recognised in the consolidated financial statements.

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Net assets of Yishida	易世達的資產淨值	N/A 不適用	11,304
Proportion of the Group's ownership interest in Yishida	本集團持有易世達所有權益份額	N/A 不適用	49%
Carrying amount of the Group's interest in Yishida	本集團持有易世達權益的賬面值	N/A 不適用	5,539

15. 於聯營企業的投資(續)

於綜合財務報表內確認的於易世達權益的賬面值的上文所概述財務資料的對賬。

16. AVAILABLE-FOR-SALE INVESTMENT/EQUITY INSTRUMENT AT FVTOCI

Available-for-sale investment as at 31 December 2017 which has been reclassified as equity instrument at FVTOCI upon the initial application of IFRS 9 on 1 January 2018 comprises:

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Unlisted investment:	未上市投資：		
— Equity securities	— 股本證券	2,980	3,584
		2,980	3,584

16. 可供出售投資／按公允價值計量並計入其他全面收益的股本工具

在2018年1月1日首次應用《國際財務報告準則》第9號後，2017年12月31日的可供出售投資重新分類為按公允價值計量並計入其他全面收益的股本工具，包括：

The above unlisted equity investment represents investment in 3% equity securities issued by a private entity incorporated in the PRC engaged in oil sludge treatment facility operator. The investment is measured at fair value at the end of each reporting period, details of fair value measurements are disclosed in Note 31(c).

Mr. Cai also holds 10% equity interest in the investee as at 31 December 2018 and 2017.

上述未上市股本投資指於由在中國註冊成立的私營實體(一家從事油泥處理設備的運營商)發行的3%股本證券的投資。於各報告期末，該投資以公允價值計量，公允價值計量詳情披露於附註31(c)。

於2018年及2017年12月31日，蔡先生亦於投資者中持有10%的股本權益。

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17. DEFERRED TAXATION

The following are the major deferred tax assets recognised and movements thereon during the year ended 31 December 2018 and 2017.

		Allowance for impairment of trade and note receivables and contract assets and impairment loss on advance to a supplier 貿易應收款項及應收票據以及合約資產的減值撥備及與向供應商作出的墊款有關的減值虧損稅項虧損 RMB'000 人民幣千元	Tax loss	Changes in fair value of equity instrument at FVTOCI 按公允價值計量並計入其他全面收益的股本工具之公允價值變動 RMB'000 人民幣千元	Unrealised profit of inter company transaction 公司間交易之未變現溢利 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	838	—	—	—	838
Credit to profit or loss	計入損益	115	523	—	—	638
At 31 December 2017	於2017年12月31日	953	523	—	—	1,476
Credit to profit or loss	計入損益	77	1,175	—	434	1,686
Charge to other comprehensive income	於其他全面收益扣除	—	—	(370)	—	(370)
At 31 December 2018	於2018年12月31日	1,030	1,698	(370)	434	2,792

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of deferred tax balances for financial reporting purposes:

17. 遞延稅項

下文載有於截至2018年及2017年12月31日止年度確認的主要遞延稅項資產及其變動情況：

就呈列綜合財務狀況表而言，已抵銷若干遞延稅項資產及負債。就財務報告分析的遞延稅項結餘如下：

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	2,792	1,476
		2,792	1,476

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17. DEFERRED TAXATION (continued)

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for the consolidated financial statements in respect of temporary differences attributable to the profit earned by the PRC subsidiaries amounting to RMB135,504,000 and RMB77,439,000 as at 31 December 2018 and 2017 respectively as the Group is able to control the timing of reversal of temporary difference and it is probable that temporary difference will not reverse in the foreseeable future.

As at 31 December 2018 and 2017, the Group has unused tax losses of RMB6,915,000 and RMB2,590,000 available for offset against future profits for the consecutive five years and will expire on 2022 and 2023. Deferred tax assets have been recognised in respect of RMB6,796,000 and RMB2,094,000 of such losses as at 31 December 2018 and 2017. No deferred tax asset has been recognised in respect of the remaining tax losses of nil due to the unpredictability of future profit streams as at 31 December 2018 and 2017.

18. INVENTORIES

Spare parts and other materials 備件及其他材料

17. 遞延稅項(續)

根據中國《企業所得稅法》，自2008年1月1日起，就中國附屬公司所得利潤而宣派的股息須繳納預扣稅。對於在2018年及2017年12月31日金額分別為人民幣135,504,000元及人民幣77,439,000元的中國附屬公司所得利潤之暫時差額，並無在綜合財務報表中作出遞延稅項的撥備，原因是本集團能夠控制暫時差額的撥回時機，而且在可預見的將來該暫時差額可能不會撥回。

於2018年及2017年12月31日，本集團尚未使用的稅項虧損為人民幣6,915,000元及人民幣2,590,000元，可連續五年抵銷未來利潤，將於2022年及2023年屆滿。於2018年及2017年12月31日，就該等人民幣6,796,000元及人民幣2,094,000元的損失確認遞延稅項資產。於2018年及2017年12月31日，由於未來利潤流的不可預測性，尚未就為零的剩餘稅項虧損確認遞延稅項資產。

18. 存貨

	As at 31 December 2018 於2018年 12月31日	As at 31 December 2017 於2017年 12月31日
	RMB'000 人民幣千元	RMB'000 人民幣千元
Spare parts and other materials 備件及其他材料	1,983	22
	1,983	22

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19. TRADE AND NOTE RECEIVABLES

19. 貿易應收款項及應收票據

		As at 31 December 2018 於2018年 12月31日	As at 31 December 2017 於2017年 12月31日
		RMB'000 人民幣千元	RMB'000 人民幣千元
Trade receivables	貿易應收款項	130,252	53,795
Less: allowance for impairment	減：減值撥備	(3,148)	(4,322)
		127,104	49,473
Note receivables	應收票據	15,731	8,310
Total trade and note receivables	貿易應收款項及應收票據總額	142,835	57,783

The Group allows a credit period ranging from 0 to 42 days to its trade customers.

本集團向貿易客戶授予0至42日的信貸期間。

The following is an aged analysis of trade receivables net of allowance for impairment at the end of the reporting period presented based on payment schedule or invoice date stated in the contracts.

下文載有貿易應收款項(減去根據合約所述付款安排呈報的各報告期末或發票日期之減值撥備)的賬齡分析。

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
0-90 days	0至90日	96,892	30,522
91-180 days	91至180日	19,213	17,380
181-365 days	181至365日	6,759	648
Over 365 days	365日以上	4,240	923
		127,104	49,473

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19. TRADE AND NOTE RECEIVABLES (continued)

Aging of trade receivables which are past due but not impaired:

0-90 days	0至90日	30,522
91-180 days	91至180日	17,380
181-365 days	181至365日	648
Over 365 days	365日以上	923

49,473

As at 31 December 2017, included in the Group's trade receivable balances are debtors with aggregate carrying amount of RMB49,473,000 which are past due at the reporting period for which the Group has not provided for impairment loss as the Group considers such balances have been substantially settled subsequent to the end of the respective reporting period or there were no historical default of payments by the respective customers. The Group does not hold any collateral over these balances.

Note receivables are bank acceptance notes and the average aging is with 30 to 90 days based on the issuance date, which management believes that no impairment allowance is necessary as there is no significant change in credit quality and the balances are considered fully recoverable. As at 31 December 2018, all the amounts of note receivable were endorsed to settle trade payables and not derecognised until the maturity date of the notes. As at 31 December 2017, an amount of RMB5,530,000 was endorsed to settle trade payables and an amount of RMB1,000,000 was discounted to bank, which were not derecognised until the maturity date of the endorsed and discounted notes.

19. 貿易應收款項及應收票據(續)

已逾期但無減值的貿易應收款項的賬齡如下：

2017
2017年
RMB'000
人民幣千元

計入本集團貿易應收款項結餘的為於2017年12月31日應收賬款的賬面總額為人民幣49,473,000元，該款項於報告期間逾期，本集團並未就此作出減值虧損撥備，因本集團認為有關結餘大部分已於各報告期末後結算或個別客戶過往並無欠款記錄。本集團並無就該等結餘持有任何抵押品。

應收票據為銀行承兌票據，且基於發行日期的平均賬齡為30至90日，管理層認為，由於信用質量無重大變動及該等結餘被認為可悉數收回，故無必要作出減值撥備。於2018年12月31日，已背書所有應收票據的款項以結清貿易應付款項，直至票據到期日並未終止確認。於2017年12月31日，已背書一筆人民幣5,530,000元的款項以結清貿易應付款項，而一筆人民幣1,000,000元的款項已貼現予銀行，直至背書及貼現票據到期日並未終止確認。

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19. TRADE AND NOTE RECEIVABLES (continued)

The management of the Group considers the note receivables are issued by the banks with high credit rating and the probability of default is low.

Movement in the allowance for impairment for trade receivables:

		2018 2018年 <i>RMB'000</i> 人民幣千元	2017 2017年 <i>RMB'000</i> 人民幣千元
Balance at the beginning of the year	年初結餘	4,322	3,738
Impairment losses (reversed) recognised	(撥回)已確認減值虧損	(1,174)	584
Balance at the end of year	年末結餘	3,148	4,322

Included in the balance of allowance for impairment are individually impaired trade receivables with an aggregate balance of RMB3,148,000 and RMB4,322,000 as at 31 December 2018 and 2017, respectively, with reference to the historical experience of these receivables, the collection of these receivables may not be recoverable. During the year ended 31 December 2018, RMB3,680,000 impairment loss brought forward from 31 December 2017 was reversed as the balances were fully settled by respective debtors, additional RMB2,506,000 impairment loss was recognised for individually impaired trade receivables. The Group does not hold any collateral over these balances.

19. 貿易應收款項及應收票據(續)

本集團管理層認為，該等應收票據由具有高信貸評級及違約可能性較低的銀行予以發行。

貿易應收款項減值撥備之變動：

於2018年及2017年12月31日，減值撥備結餘中包括總結餘分別為人民幣3,148,000元及人民幣4,322,000元的個別減值貿易應收款項，根據該等應收款項的過往經驗，其或會無法收回。截至2018年12月31日止年度結轉的減值虧損人民幣3,680,000元已撥回，原因為相關債務人悉數結清有關結餘，額外減值虧損人民幣2,506,000元已就個別已減值貿易應收款項予以確認。本集團並無就該等結餘持有任何抵押品。

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19. TRADE AND NOTE RECEIVABLES (continued)

Upon the adoption of IFRS 9 on 1 January 2018, the Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL model. Trade receivables have been assessed individually based on each customer's credit risk characteristics and the historical observed default rates adjusted by forward looking estimates. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore estimated the expected loss rates for the trade receivables and the contract assets on the same basis.

The expected loss rates, which ranged from 0.1% to 19.5% for those not credit-impaired trade receivables and contract assets and was 100% for those credit-impaired trade receivables and contract assets, are estimated based on the exposure to default of each customer, payment history of the customer, the existing relationship with the customer and study on corporate default and recovery data from international credit-rating agencies including Moody's and Standard and Poor's, and are adjusted for forward-looking information (for example, the macroeconomic factors affecting the industry and the impact that may result in customer ability to make payments) that is available without undue cost or effort. Such forward-looking information is used by the management of the Group to assess both the current as well as the forecast direction of conditions at the reporting date. The Group rebutted the presumption of default under ECL mode for trade receivables over 90 days past due based on the good repayment records for those customers and continuous business with the Group.

19. 貿易應收款項及應收票據(續)

在於2018年1月1日採納《國際財務報告準則》第9號後，本集團採用《國際財務報告準則》第9號簡化方式計量預期信貸虧損，該方式採用整個存續期預期信貸虧損模式。貿易應收款項已根據客戶各自的信貸風險特徵及經前瞻性估計調整的歷史觀察違約率進行獨立評估。合約資產涉及未出賬單在建工程，且與合約類型相同的貿易應收款項具有大致相同的風險特徵。因此，本集團已按同一基準對貿易應收款項及合約資產估計預期虧損率。

預期虧損率(未出現信貸減值的貿易應收款項及合約資產的估計虧損率介乎0.1%至19.5%，出現信貸減值的貿易應收款項及合約資產的估計虧損率為100%)乃基於各客戶違約風險、客戶歷史付款記錄、與客戶的現有關係及國際信貸評級機構(包括穆迪及標準普爾)對公司違約及回收數據的研究進行估計，並就無需付出不必要的成本或努力而可得的前瞻性資料(例如，影響行業及影響客戶付款能力的宏觀經濟因素)進行調整。本集團管理層利用該前瞻性資料來評估報告日期時的當前狀況及其預測方向。本集團基於該等客戶的良好還款記錄及與本集團的持續業務駁回預期信貸虧損模式下貿易應收款項逾期90日以上的違約推定。

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20. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

20. 按金、預付款項及其他應收款項

		As at 31 December 2018 於2018年 12月31日	As at 31 December 2017 於2017年 12月31日
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Advance to suppliers	向供應商作出的墊款	18,965	18,842
Less: impairment loss on advance to a supplier	減：與向供應商作出的墊款有關 的減值虧損	—	(183)
		18,965	18,659
Deferred issue costs	遞延發行成本	6,321	2,036
Deposits for tender bidding	投標按金	1,000	510
Other deposits	其他按金	871	377
Value-added tax receivables	應收增值稅	504	384
Staff advances	員工墊款	715	889
Others	其他	770	326
		29,146	23,181

21. CONTRACT ASSETS/LIABILITIES

21. 合約資產／負債

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Contract assets	合約資產	176,973	69,372
Contract liabilities	合約負債	72,885	67,779

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21. CONTRACT ASSETS/LIABILITIES (continued)

As at 31 December 2018 and 2017, contract assets include retention receivables of RMB9,209,000 and RMB9,427,000, respectively, were held by customers under contracts as set out below. The Group generally provide their customers with one to two years warranty period. Upon the expiration of retention period, if the relevant hazardous wastage processing plant has met the requirements in the contract, the customers provides a final inspection and acceptance certificate and pay the retention within the term specified in the contract.

As at 31 December 2018 and 2017, the allowance for impairment of contract assets is RMB3,923,000 and RMB1,845,000, respectively.

The changes in contract assets and liabilities are due to i) adjustments arising from changes in the measure of progress of contracting work, or ii) reclassification to trade receivables when the Group has unconditional right to the consideration.

Contract liabilities represent the progress payment exceeds the revenue recognised to date under the input method and are recognised as revenue when the Group performs its obligations under the contracts.

21. 合約資產／負債(續)

於2018年及2017年12月31日，合約資產中包括應收保留金人民幣9,209,000元及人民幣9,427,000元。該等應收保留金性質如下所述，本集團一般向其客戶提供一至兩年的保修期。於保留期屆滿之時，若相關危險廢物處理廠已滿足合約所列要求，客戶將進行最後檢驗並提供驗收合格證書，且於合約規定的期限內支付保留金。

於2018年及2017年12月31日，合約資產減值撥備分別為人民幣3,923,000元及人民幣1,845,000元。

合約資產及負債的變動乃由於i)因合約工程進度的衡量標準變動而產生的調整，或ii)本集團擁有無條件收款權時重新分類至貿易應收款項。

合約負債指工程進度款超過到目前為止根據投入法確認的收入，並於本集團履行其合約責任時確認為收入。

	2018	2017
	2018年	2017年
	RMB'000	RMB'000
	人民幣千元	人民幣千元
Hazardous waste incineration solutions 危險廢物焚燒處置解決方案	72,645	67,231
Technical upgrading services 技術升級服務	240	509
Maintenance services 維護服務	—	39
	72,885	67,779

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21. CONTRACT ASSETS/LIABILITIES (continued)

All the contract liabilities are expected to be recognised as revenue in the following year.

The following table shows amount of the revenue recognized in the current year relates to carried-forward contract liabilities in prior periods.

	Hazardous waste incineration solutions 危險廢物焚燒處置解決方案		Technical upgrading services 技術升級服務		Maintenance services 維護服務		
	2018	2017	2018	2017	2018	2017	
	2018年	2017年	2018年	2017年	2018年	2017年	
	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	
Revenue recognized that was included in the contract liability balance at the beginning of the year	計入年初合約負債結餘的已確認收入	49,383	14,449	509	140	39	—

Upon the adoption of IFRS 9 on 1 January 2018, the contract assets are subject to ECL assessment same as the trade and note receivables as detailed in Note 19.

During the year ended 31 December 2018, the lifetime ECL allowance for contract assets amounting to RMB2,073,000 (2017: nil) is recognised in profit or loss.

21. 合約資產／負債(續)

預期所有合約負債將於下一年度確認為收入。

下表列示於本年度確認的收入與過往期間履行的履約責任的相關程度。

於2018年1月1日採用《國際財務報告準則》第9號後，合約資產受預期信貸虧損評估所規限，與附註19所詳述的貿易應收款項及應收票據一致。

截至2018年12月31日止年度，人民幣2,073,000元(二零一七年：零)的合約資產整個存續期預期信貸虧損撥備已於損益中確認。

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22. BANK BALANCES AND CASH AND PLEDGED BANK DEPOSITS

Bank balances and cash comprise cash and bank balances held by the Group with maturity of three months or less and carry interest at market rate of 0.01% to 1.35% per annum as at 31 December 2018 and 2017.

Pledged bank deposits as at 31 December 2017 represents the bank guarantee amounting to 10% of the contract price with one of the customers amounting to RMB8,388,000 and the bank guarantee amounting to RMB500,000 with one of the customers for bidding. The pledged bank deposits will be released when the performance obligation is met or the customer cancelled the requirement for the bank guarantee and the bidding result is confirmed. Pledged bank deposits of the Group carrying interest at market rate of 0.35% per annum as at 31 December 2017.

Pledged bank deposits as at 31 December 2018 represents the bank guarantee with several customers for performance obligation fulfilment. The pledged bank deposits will be released when the performance obligation is met, the customer cancelled the requirement for the bank guarantee or the bank guarantee is due. Pledged bank deposits of the Group carrying interest at market rate of 0.35% to 2.415% per annum as at 31 December 2018.

22. 銀行結餘及現金和已抵押銀行存款

於2018年及2017年12月31日，銀行結餘及現金包括本集團持有的期限不超過三個月並以每年0.01%至1.35%的市場利率計息的現金和銀行結餘。

於2017年12月31日的已抵押銀行存款包括金額達與一名客戶訂立之合約價格人民幣8,388,000元的10%的銀行擔保及就投標與一名客戶訂立人民幣500,000元的銀行擔保。已抵押銀行存款將在履行履約義務、客戶取消銀行擔保要求及投標結果獲確認時解除。於2017年12月31日，本集團的已抵押銀行存款按市場利率每年0.35%計息。

於2018年12月31日的已抵押銀行存款代表銀行擔保，其中有若干客戶履行履約義務。已抵押銀行存款將在履行履約義務、客戶取消銀行擔保要求或銀行擔保到期時解除。於2018年12月31日，本集團的已抵押銀行存款按市場利率每年0.35%至2.415%計息。

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23. TRADE PAYABLES

The table below sets forth, as at the end of reporting periods indicated, the aging analysis of the trade payables:

		As at 31 December 2018 於2018年 12月31日	As at 31 December 2017 於2017年 12月31日
		RMB'000 人民幣千元	RMB'000 人民幣千元
0-90 days	0至90日	80,692	30,729
91-180 days	91至180日	952	824
181-365 days	181至365日	2,271	16
Over 365 days	365日以上	159	1,301
		84,074	32,870

There is no specific credit period granted on purchase of goods and services.

23. 貿易應付款項

下表載列於所示報告期末的貿易應付款項賬齡分析：

		As at 31 December 2018 於2018年 12月31日	As at 31 December 2017 於2017年 12月31日
		RMB'000 人民幣千元	RMB'000 人民幣千元
0-90 days	0至90日	80,692	30,729
91-180 days	91至180日	952	824
181-365 days	181至365日	2,271	16
Over 365 days	365日以上	159	1,301
		84,074	32,870

本公司並無就購買商品及服務被授予特定的信貸期。

24. OTHER PAYABLES AND ACCRUED EXPENSES

Other tax payables	其他應付稅項	3,127	3,565
Accrued staff costs	應計員工成本	4,250	3,663
Accrued listing expenses	應計上市開支	5,852	1,635
Accrued issue costs	應計發行成本	1,950	—
Accrued audit fees	應計審核費用	1,700	—
Payables for construction of oil sludge treatment facility	興建油泥處理設施的應付款項	9,108	—
Payables for acquiring of intangible assets	收購無形資產的應付款項	12,700	—
Others	其他	1,091	651
		39,778	9,514

24. 其他應付款項及應計費用

		As at 31 December 2018 於2018年 12月31日	As at 31 December 2017 於2017年 12月31日
		RMB'000 人民幣千元	RMB'000 人民幣千元
Other tax payables	其他應付稅項	3,127	3,565
Accrued staff costs	應計員工成本	4,250	3,663
Accrued listing expenses	應計上市開支	5,852	1,635
Accrued issue costs	應計發行成本	1,950	—
Accrued audit fees	應計審核費用	1,700	—
Payables for construction of oil sludge treatment facility	興建油泥處理設施的應付款項	9,108	—
Payables for acquiring of intangible assets	收購無形資產的應付款項	12,700	—
Others	其他	1,091	651
		39,778	9,514

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25. AMOUNTS DUE TO SHAREHOLDERS AND AMOUNT DUE TO A RELATED PARTY

Details of amounts due to shareholders and amount due to a related party are as follows:

		As at 31 December 2018 於2018年 12月31日	As at 31 December 2017 於2017年 12月31日
		RMB'000 人民幣千元	RMB'000 人民幣千元
Non-trade nature			
	非貿易性質		
(a) Amounts due to shareholders	(a) 應付股東款項		
Mr. Cai	蔡先生		
— Consideration payables upon Reorganisation (Notes i & ii)	— 重組時的應付對價 (附註i及ii)	—	35,317
— Fund advances (Note ii)	— 資金墊款(附註ii)	—	46,464
Mr. Ren	任先生		
— Fund advances (Note ii)	— 資金墊款(附註ii)	—	12,213
		—	93,994
(b) Amount due to a related party	(b) 應付關聯方款項		
Ms. Huang	黃女士		
— Consideration payables upon Reorganisation (Note i)	— 重組時的應付對價 (附註i)	—	2,524

The amounts of non-trade nature is unsecured, interest-free and repayable on demand.

25. 應付股東款項及應付關聯方款項

應付股東款項以及應付關聯方款項詳情如下：

有關款項屬非貿易性質、無抵押、不計息及須按要求償還。

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25. AMOUNTS DUE TO SHAREHOLDERS AND AMOUNT DUE TO A RELATED PARTY (continued)

Trade nature

On 25 June 2018, Guangzhou Weigang entered into a contract for a hazardous waste incineration solutions project with Jiangsu Suquan Solid Waste Treatment Limited, an associate of Mr. Ren. The contract sum is at RMB43,420,000. During the year ended 31 December 2018, a deposit of RMB10,941,000 is received and recognised as contract liabilities.

Notes:

- (i) During the year ended 31 December 2017, Mr. Cai, Mr. Ren and Ms. Huang made advances to the Group for its working capital requirement in respect of its operation, consideration payables for acquisition of an associate/a subsidiary and consideration payables for Reorganisation.

Pursuant to the Reorganisation, the consideration for the acquisition of 70% and 5% equity interest in Guangzhou Weigang by the Group from Mr. Cai and Ms. Huang amounting to RMB35,317,000 and RMB2,524,000, respectively, was included in their respective current accounts with the Group, as at 31 December 2017.

- (ii) On 26 January 2018, amounts due to Mr. Cai and Mr. Ren of RMB36,734,000 and RMB11,140,000, respectively, are assigned, novated and capitalised, as detailed in Note 37(c) and RMB43,152,000 are settled in cash during the year ended 31 December 2018.

25. 應付股東款項及應付關聯方款項(續)

貿易性質

於2018年6月25日，廣州維港與任先生的聯繫人江蘇蘇全固體廢物處置有限公司就危險廢物焚燒處置解決方案項目訂立一份合約。合約總額為人民幣43,420,000元。於截至2018年12月31日止年度，已收悉人民幣10,941,000元的按金並已將有關款項確認為合約負債。

附註：

- (i) 於截至2017年12月31日止年度，蔡先生、任先生及黃女士就本集團營運、收購聯營企業／附屬公司應付的對價以及重組應付的對價而向本集團作出墊款以確保符合營運資金要求。

根據重組，於2017年12月31日，本集團收購蔡先生及黃女士於廣州維港70%及5%股權的對價分別為人民幣35,317,000元及人民幣2,524,000元，已計入彼等各自與本集團的往來賬目。

- (ii) 於2018年1月26日，應付蔡先生及任先生的款項人民幣36,734,000元及人民幣11,140,000元已分別被轉讓、被替代及資本化(詳述於附註37(c))，且人民幣43,152,000元於截至2018年12月31日止年報以現金結算。

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26. BANK BORROWINGS

26. 銀行借款

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Analysed:	分析為：		
Unsecured bank borrowing carried interest at fixed rate	以固定利率計息的無抵押銀行借款	10,000	10,000
Advance from bank on discounted note receivable with recourse repayable within one year	就一年內償還的帶追索權應收貼現票據而由銀行提供的墊款	—	1,000
		10,000	11,000
Carrying amounts repayable (Note):	應償還的賬面值(附註)：		
— Within one year	— 一年內	10,000	1,000
— More than one year, but not exceeding two years	— 一年以上，但不超過兩年	—	10,000
		10,000	11,000
Less: Amounts due within one year shown under current liabilities	減：流動負債下一年內到期的金額	10,000	1,000
Amounts shown under non-current liabilities	非流動負債下的金額	—	10,000

Note: The amounts due are based on scheduled repayment dates set out in the borrowing agreement. As at 31 December 2018 and 2017, no bank borrowings contain any repayment on demand clause.

The bank borrowing is guaranteed by the personal guarantees provided by Mr. Cai and Ms. Huang.

附註： 到期款項乃基於借款協議所載的預定還款日期。於2018年及2017年12月31日，銀行借款均不含要求償還條款。

銀行借款由蔡先生和黃女士提供的個人擔保抵押。

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26. BANK BORROWINGS (continued)

The effective interest rates (which are also equal to contracted interest rate) on the Group's bank borrowings are as follows:

Effective interest rate on fixed rates of	定息實際利率
— Unsecured bank borrowing	— 無抵押銀行借款
— Advance from bank on discounted note receivable	— 應收貼現票據相關銀行墊款

All of the borrowings are denominated in RMB which is the same as the functional currency of the corresponding group entities.

27. OBLIGATION ARISING FROM A PUT OPTION

On 4 April 2018, Guangzhou Weigang increased its registered capital from RMB10,000,000 to RMB400,000,000.

On 4 April 2018, Guangzhou Weigang, Weigang Holdings (Hong Kong), Jade Road, Jade Fly, WeiGang Technology and Orient Landscape, an independent third party, entered into investment agreements whereby Orient Landscape agreed, among others, to subscribe for the registered capital of RMB40,000,000 in Guangzhou Weigang, representing 10% of the equity interest in Guangzhou Weigang, at a consideration of RMB94,444,444. On 11 April 2018, the consideration was fully settled.

26. 銀行借款(續)

本集團銀行借款的實際利率(亦等於訂約利率)如下:

2018 2018年	2017 2017年
RMB'000 人民幣千元	RMB'000 人民幣千元
6.175%	6.175%
N/A 不適用	5.5%

所有借款均以人民幣(即相應集團實體的功能貨幣)計值。

27. 認沽期權產生的責任

於2018年4月4日，廣州維港將其註冊資本由人民幣10,000,000元增至人民幣400,000,000元。

於2018年4月4日，廣州維港、維港控股(香港)、杰路、杰飛、維港科技及獨立第三方東方園林訂立投資協議，據此東方園林同意(其中包括)以人民幣94,444,444元的對價認購廣州維港人民幣40,000,000元的註冊資本，相當於廣州維港10%的股權。於2018年4月11日，該對價已悉數結清。

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27. OBLIGATION ARISING FROM A PUT OPTION

(continued)

Pursuant to the terms of the investment agreement, the following special rights were granted to Orient Landscape, all of which shall automatically terminate immediately upon the Listing save for the Profit Compensation Right as mentioned below:

Information Right

Guangzhou Weigang shall provide Orient Landscape with audited annual reports and unaudited monthly financial statements of Guangzhou Weigang and the Company within 90 days (in the case of annual report) or 21 days (in the case of monthly financial statements) after the end of the relevant reporting period.

Tag-along Right

If Weigang Holdings (Hong Kong) and/or Jade Road intends sell their equity interests in Guangzhou Weigang to any third party, Orient Landscape is entitled to participate in such sale to such third party under the same terms and conditions.

Liquidation Right

Orient Landscape shall be entitled to receive not less than an amount equal to 120% of the Subscription Price plus any declared but unpaid dividends in preference to other shareholders of Guangzhou Weigang in the event of any liquidation, dissolution or winding-up of Guangzhou Weigang.

Put Option

If the Listing does not take place on or before 3 April 2020, Orient Landscape is entitled to require Weigang Holdings (Hong Kong) and Jade Road to purchase all of the equity interest in Guangzhou Weigang held by Orient Landscape at a price equal to the sum of (i) the Subscription Price plus an interest of 8% per annum and (ii) any declared but unpaid dividends.

27. 認沽期權產生的責任(續)

根據投資協議條款，東方園林獲授以下特別權利，除下文提及的利潤補償權外，全部權利均在緊隨上市後自動終止：

知情權

廣州維港須在相關報告期結束後90日(就年度報告而言)或21日(就月度財務報表而言)內向東方園林提供廣州維港及本公司的經審核年度報告及未經審核月度財務報表。

隨售權

倘維港控股(香港)及/或杰路計劃將其廣州維港的股本權益售予任何第三方，則東方園林有權按相同條款及條件參與向第三方的出售。

清算權

倘廣州維港清算、解散或清盤，則東方園林有權優先於廣州維港其他股東獲得不少於認購價120%的款項，另加任何已宣派但未支付的股息。

認沽期權

倘上市未在2020年4月3日或之前進行，則東方園林有權要求維港控股(香港)及杰路購買東方園林所持廣州維港的全部股本權益，價格等於以下各項的總和：(i)認購價加8%的年息；及(ii)任何已宣派但未支付的股息。

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27. OBLIGATION ARISING FROM A PUT OPTION

(continued)

Director Nomination Right

Orient Landscape is entitled, within 28 days of the investment agreement, to nominate a director of Guangzhou Weigang as deputy chairman of the board of directors of Guangzhou Weigang for a term of three years or such shorter period ending on the date on which Orient Landscape ceases to be a shareholder of Guangzhou Weigang. After the initial term, WeiGang Technology shall use reasonable endeavours to procure an Orient Landscape's nominee to become a director of Guangzhou Weigang provided at any time, Orient Landscape shall only have one director nominated by it holding directorship at Guangzhou Weigang.

Profit Compensation Right

WeiGang Technology and Jade Fly undertake with Orient Landscape if the net profit of Guangzhou Weigang for the years ending 31 December 2018 and 2019 in aggregate ("Profit for 2018 & 2019") is less than RMB200 million ("Target Profit"), Orient Landscape is entitled to either (i) require WeiGang Technology and Jade Fly to transfer such number of shares of the Company calculated under the following formula at nil consideration:

$$\text{Number of shares} = \frac{10\% \times (\text{Target profit} - \text{Profit for 2018 \& 2019})}{\text{RMB0.85}}$$

$$\text{股份數目} = \frac{10\% \times (\text{目標利潤} - \text{2018年及2019年利潤})}{\text{人民幣0.85元}}$$

or (ii) require WeiGang Technology and Jade Fly to pay a sum calculated under the following formula:

$$\text{Sum} = 10\% \times (\text{Target Profit} - \text{Profit for 2018 \& 2019})$$

$$\text{金額} = 10\% \times (\text{目標利潤} - \text{2018年及2019年利潤})$$

Subject to compliance with any applicable Listing Rules and undertakings restricting share transfer which may be given to the Stock Exchange and any underwriters, the above compensation shall be completed within 30 days after the Listing or the date of issue of the audited annual report of Guangzhou Weigang for 2019, whichever is later.

27. 認沽期權產生的責任(續)

董事提名權

東方園林有權於投資協議的28日內提名廣州維港的一名董事擔任廣州維港的副董事長，任期為三年或東方園林不再為廣州維港股東之日為止的較短期限。於初步任期後，維港科技須盡力促使東方園林的被提名者成為廣州維港董事，前提是東方園林於任何時候均僅有一名其提名的董事可擔任廣州維港的董事職務。

利潤補償權

維港科技及杰飛向東方園林承諾，倘廣州維港截至2018年及2019年12月31日止年度的純利合共(「2018年及2019年利潤」)少於人民幣200百萬元(「目標利潤」)，則東方園林有權(i)要求維港科技及杰飛以零對價轉讓根據以下公式計算的該等數目的本公司股份：

或(ii)要求維港科技及杰飛支付根據以下公式計算的金額：

在遵守任何適用《上市規則》及可能向聯交所及任何包銷商作出的限制股份轉讓承諾的情況下，上述補償須在上市後或廣州維港2019年度的經審核年度報告刊發日期(以較遲者為準)後30日內完成。

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27. OBLIGATION ARISING FROM A PUT OPTION

(continued)

Upon completion of the subscription on 11 April 2018, an amount representing the proportionate share of the carrying amount of the net assets of Guangzhou Weigang at the date of the completion of the subscription is transferred to non-controlling interests. The difference between the capital contribution from the non-controlling interests, the proportionate share of the carrying amount of the net assets of Guangzhou Weigang and the re-attribution of its statutory surplus reserve and accumulated profits is recognised in other reserve. On the same date, an amount representing the present value amounting to RMB94,444,444 of the amount that the Group could be required to pay to Orient Landscape pursuant to the put option over the 10% equity interest in Guangzhou Weigang held by Orient Landscape, with a corresponding debit in equity, is recognised as obligation arising from a put option under non-current liabilities, and the corresponding interest of 8% per annum during the year amounting to RMB5,457,000 is recognised in obligation arising from a put option and profit or loss.

In addition, the directors of the Company are of the view that the Target Profit of Guangzhou Weigang as detailed above can be met and the fair value of the profit compensation right at the date of completion of the subscription and as at 31 December 2018 is insignificant.

27. 認沽期權產生的責任(續)

於2018年4月11日完成認購後，一筆相當於廣州維港於認購完成日期資產淨值的賬面值的適當比例的金額將轉撥非控股權益。非控股權益注資之間的差額、廣州維港資產淨值賬面值適當比例以及其法定盈餘儲備與累計利潤的重新歸屬將於其他儲備中確認。同日，一筆相當於本集團根據對東方園林所持廣州維港10%股本權益的認沽期權而可能須支付予東方園林的款項的現值的金額(人民幣94,444,444元)連同相應的權益借項被確認為非流動負債下的認沽期權產生的責任，以及相應的8%年內年息(人民幣5,457,000元)於認沽期權產生的責任及損益中確認。

此外，本公司董事認為，上述廣州維港的目標利潤能夠實現，且於認購完成日期及2018年12月31日的利潤補償權的公允價值並不重大。

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28. SHARE CAPITAL

Details of the movement of share capital of the Company are as follows:

28. 股本

本公司股本變動的詳情如下：

		Number of shares 股份數目	Nominal value per share 每股面值 HK\$ 港元	Share capital 股本 HK\$ 港元	Share capital 股本 RMB'000 人民幣千元
Authorised	法定				
At 18 May 2017 (date of incorporation) (Note i)	於2017年5月18日 (註冊成立日期)(附註i)	38,000,000	0.01	380,000	335
At 31 December 2017	於2017年12月31日	38,000,000	0.01	380,000	335
— Increase in authorised share capital (Note iii)	— 法定股本增加 (附註iii)	19,962,000,000	0.01	199,620,000	168,285
— Share consolidation (Note iii)	— 股份合併(附註iii)	(16,000,000,000)	0.04	—	—
At 31 December 2018	於2018年12月31日	4,000,000,000	0.05	200,000,000	168,620
Issued and fully paid	已發行及繳足				
At 18 May 2017 (date of incorporation) (Note i)	於2017年5月18日 (註冊成立日期)(附註i)	5,250	0.01	52.5	— *
Issued during the period (Note i)	期內發行(附註i)	1,750	0.01	17.5	— *
At 31 December 2017	於2017年12月31日	7,000	0.01	70	— *
Issued during the year	年內發行				
— Capitalisation of loan (Note ii)	— 貸款資本化(附註ii)	4,999,993,000	0.01	49,999,930	40,572
— Share consolidation (Note iii)	— 股份合併(附註iii)	(4,000,000,000)	0.04	—	—
— Pre-IPO investors (Note iv)	— 首次公開發售前投資者 (附註iv)	20,864,000	0.05	1,043,200	841
At 31 December 2018	於2018年12月31日	1,020,864,000	0.05	51,043,200	41,413

* Less than RMB1,000

* 不足人民幣1,000元

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28. SHARE CAPITAL (continued)

Notes:

(i) The Company was incorporated on 18 May 2017 with an initial authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each. On the date of its incorporation, 5,250 ordinary shares of HK\$0.01 were allotted and issued by the Company. On 8 September 2017, an additional of 1,750 shares were allotted and issued by the Company upon Reorganisation.

(ii) As detailed in Note 37(c), on 26 January 2018, Jade Fly has agreed to subscribe for 1,499,497,901 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$17,691,182 (equivalent to RMB14,356,000) which are to be satisfied by capitalising the loan amount of HK\$17,691,182.

On 26 January 2018, WeiGang Technology has agreed to subscribe for 3,500,495,099 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$41,307,518 (equivalent to RMB33,518,000) which are to be satisfied by capitalising the loan amount of HK\$41,307,518.

(iii) On 26 January 2018, the authorised share capital of the Company has been increased to HK\$200,000,000 divided into 20,000,000,000 shares of a par value of HK\$0.01 each, and on the same date, the Company consolidate every five shares of a par value of HK\$0.01 each in the authorised (whether issued or unissued) share capital of the Company into one share of a par value of HK\$0.05 each. Immediately after the share consolidation, (i) WeiGang Technology held 700,100,000 shares with a par value of HK\$0.05 each; (ii) Jade Fly held 299,900,000 Shares with a par value of HK\$0.05 each; and (iii) the number of authorised shares had been changed from 20,000,000,000 shares of a par value of HK\$0.01 each to 4,000,000,000 shares of a par value of HK\$0.05 each.

(iv) On 13 February 2018, the Company has allotted and issued 16,155,353 ordinary shares of HK\$0.05 each to two pre-IPO investors for a total consideration of HK\$16,991,957 (equivalent to RMB13,706,000).

On 9 April 2018, the Company has allotted and issued 4,708,647 ordinary shares of HK\$0.05 each to another pre-IPO investor for a total consideration of HK\$5,000,000 (equivalent to RMB4,016,000).

28. 股本(續)

附註：

(i) 本公司於2017年5月18日註冊成立，初始法定股本為380,000港元，分為38,000,000股每股面值0.01港元的股份。於註冊成立日期，本公司配發及發行面值0.01港元的5,250股普通股。於2017年9月8日，本公司在重組後額外配發及發行1,750股股份。

(ii) 如附註37(c)所詳述，於2018年1月26日，杰飛已同意以認購價認購本公司股本中1,499,497,901股每股面值0.01港元的股份，金額相當於17,691,182港元(相當於人民幣14,356,000元)，將透過將貸款17,691,182港元資本化而進行償付。

於2018年1月26日，維港科技已同意以認購價認購本公司股本中3,500,495,099股每股面值0.01港元的股份，金額相當於41,307,518港元(相當於人民幣33,518,000元)，將透過將貸款41,307,518港元資本化而進行償付。

(iii) 於2018年1月26日，本公司的法定股本增加至200,000,000港元，分為20,000,000,000股每股面值0.01港元的股份，同日，本公司將法定股本(無論已發行或未發行)中每五股每股面值0.01港元的股份合併為一股每股面值0.05港元的股份。緊隨股份合併後，(i)維港科技持有700,100,000股每股面值0.05港元的股份；(ii)杰飛持有299,900,000股每股面值0.05港元的股份；及(iii)法定股本數目已從20,000,000,000股每股面值0.01港元的股份變更為4,000,000,000股每股面值0.05港元的股份。

(iv) 於2018年2月13日，本公司以總對價16,991,957港元(相當於人民幣13,706,000元)向兩名首次公開發售前投資者配發及發行16,155,353股每股面值0.05港元的普通股。

於2018年4月9日，本公司以總對價5,000,000港元(相當於人民幣4,016,000元)向另一名首次公開發售前投資者配發及發行4,708,647股每股面值0.05港元的普通股。

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29. RETIREMENT BENEFITS PLANS

The Group operates a Mandatory Provident Fund Scheme for all qualify employees in Hong Kong. The asset of the scheme are held separately from those of the Group, in funds under the control of trustees. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

The employees of the Group's subsidiaries in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The subsidiaries are required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefits scheme for the year ended 31 December 2018 are disclosed in Note 9 and Note 10.

30. CAPITAL RISK MANAGEMENT

The Group's policy is to maintain a strong capital base so as to maintain creditor and market confidence and to sustain future development of business. The Group's overall strategy remains unchanged from prior years.

The capital structure of the Group consists of bank borrowings disclosed in Note 26, amounts due to shareholders, amount due to a related party, obligation arising from a put option, net of bank balances and cash, and equity attributable to owners of the Company, comprising share capital and reserves.

The directors of the Company review the capital structure on a continuous basis taking into account the cost of capital and the risks associated with the capital. Based on recommendations of the directors of the Company, the Group will balance its overall capital structure through the issue of new shares and raising of new debts.

29. 退休福利計劃

本集團於香港為所有合資格僱員推行強制性公積金計劃。該計劃的資產與本集團資產分隔開來，由受託人所控制基金持有。本集團按相關工資成本的5%向該計劃作出供款，而僱員亦須作出等額供款。

本集團附屬公司的中國僱員為中國政府主辦的國家管理退休福利計劃的成員。相關附屬公司需要向退休福利計劃作出一筆由各當地政府確定的薪酬成本之特定比例的供款，以向福利提供資金。本集團有關退休福利計劃的唯一義務是作出計劃下的特定供款。

本集團於截至2018年12月31日止年度就退休福利計劃作出的供款金額披露於附註9及附註10。

30. 資本風險管理

本集團的政策規定保持穩固的資本基礎，以維持債權人和市場信心，並支持未來業務的可持續發展。本集團的整體戰略與過往年度相同。

本集團的資本架構包括附註26披露的銀行借款、應付股東款項、應付關聯方款項、認沽期權產生的責任(扣除銀行結餘及現金)以及本公司擁有人應佔權益(其中包括股本與儲備)。

本公司董事根據資本成本以及各類資本所涉及的風險，持續審核資本架構。根據本公司董事的建議，本集團將透過發行新股及新債來平衡其整體資本架構。

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31. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Financial assets	金融資產		
Loans and receivables (including cash and cash equivalents)	貸款及應收款項 (包含現金及現金等價物)	—	136,832
Financial assets at amortised cost	按攤銷成本計量的金融資產	211,207	—
AFS investment	可供出售投資	—	3,584
Equity instrument at FVTOCI	按公允價值計量並計入其他全面收益的股本工具	2,980	—
		214,187	140,416
Financial liabilities	金融負債		
Liabilities measured at amortised cost	按攤銷成本計量的負債	226,376	142,674

Financial assets at amortised cost and loans and receivables (including cash and cash equivalents) as at 31 December 2018 and 2017 respectively are as follows:

於2018年及2017年12月31日按攤銷成本計量之金融資產以及貸款及應收款項(包含現金及現金等價物)分別如下:

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
Bank balances and cash	銀行結餘及現金	23,437	68,946
Pledged bank deposits	已抵押銀行存款	43,912	8,888
Trade and note receivables	貿易應收款項及應收票據	142,835	57,783
Other receivables	其他應收款項	1,023	1,215
		211,207	136,832

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31. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies

The Group's major financial instruments include trade and note receivables, other receivables, pledged bank deposits, bank balances and cash, AFS investment/equity instrument at FVTOCI, trade payables, other payables, amounts due to shareholders, amount due to a related party, bank borrowings and obligation arising from a put option. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include interest rate risk, currency risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The directors of the Company manage and monitor these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings in Note 26 and obligation arising from a put option in Note 27. The Group currently does not have any fair value interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arises.

The Group is also exposed to cash flow interest rate risk due to the fluctuation of market rate, i.e. the benchmark saving rate quoted by the People's Bank of China on variable-rate bank balances and pledged bank deposits in Note 22.

The Group's exposure to interest rates on financial liabilities are detailed in liquidity risk management section of this Note.

31. 金融工具(續)

(b) 財務風險管理目標及政策

本集團主要金融工具包括貿易應收款項及應收票據、其他應收款項、已抵押銀行存款、銀行結餘及現金、可供出售投資／按公允價值計量並計入其他全面收益的股本工具、貿易應付款項、其他應付款項、應付股東款項、應付關聯方款項、銀行借款及認沽期權產生的責任。該等金融工具之詳情披露於相應附註。

與該等金融工具有關的風險包括利率風險、貨幣風險、信貸風險及流動性風險。下文載列如何降低該等風險的政策。本公司董事管理及監控該等風險，以確保及時有效地採取適當措施。

利率風險

本集團面臨附註26所述的與定息銀行借款有關的公允價值利率風險及附註27所述的認沽期權產生的責任。本集團目前並無制定任何公允價值利率對沖政策。但管理層於有需要時考慮對沖重大利率風險。

本集團亦面臨附註22所述的浮息銀行結餘及已抵押銀行存款之市場利率(即中國人民銀行公佈的存款基準利率)波動導致的現金流量利率風險。

有關本集團所面臨金融負債的利率風險的詳情載於本附註流動性風險管理一節。

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31. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Interest rate risk (continued)

Sensitivity analysis

Bank balances and cash and pledged bank deposits are excluded from sensitivity analysis as the directors of the Company consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances and pledged bank deposits is insignificant.

No sensitive analysis is presented for the bank borrowings because the bank borrowings are bearing fixed-interest rate.

Currency risk

The Group's bank balances and cash, other payables, amounts due to shareholders and amount due to a related party are denominated in US\$ and HK\$, which exposed the Group to foreign currency risk.

The carrying amount of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date is as below:

		2018 2018年	2017 2017年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Assets	資產		
US\$	美元	— *	2,943
HK\$	港元	2,453	40,995
Liabilities			
US\$	美元	—	2,943
HK\$	港元	8,234	95,387

* Less than RMB1,000

* 不足人民幣1,000元

31. 金融工具(續)

(b) 財務風險管理目標及政策(續)

利率風險(續)

敏感度分析

銀行結餘及現金以及已抵押銀行存款未納入敏感度分析，原因是本公司董事認為浮息銀行結餘及已抵押銀行存款產生的現金流量利率風險並非重大。

由於銀行借款按固定利率計息，故並無呈列銀行借款的敏感度分析。

貨幣風險

本集團的銀行結餘及現金、其他應付款項、應付股東款項以及應付關聯方款項均以美元及港元計值，這使本集團面臨外匯風險。

於報告期末，本集團以外幣計值的貨幣資產及貨幣負債的賬面值載列如下：

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31. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Currency risk (continued)

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to foreign currency rates and includes only outstanding foreign currency denominated monetary items and adjusted their transaction at year end for a 5% change in foreign currency rates. The sensitivity analysis includes bank balances and cash, other payables, amounts due to shareholders and amount due to a related party. A 5% increase or decrease is used when reporting foreign currency rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign currency rates.

If 5% weakening/strengthening of US\$ and HK\$ against RMB, the Group's post tax profit for the year ended 31 December 2018 and 2017 would increase/decrease by RMB216,000 and increase/decrease by RMB2,040,000, respectively. This is mainly attributable to the Group's exposure to foreign currencies rates of US\$ and HK\$ on its bank balances and cash, other payables, amounts due to shareholders and amount due to a related party as at 31 December 2018 and 2017.

Credit risk and impairment assessment

The Group's credit risk is primarily attributable to trade and note receivables, contract assets, bank balances and pledged bank deposits.

The carrying amounts of the respective recognised financial assets and contract assets as stated in the consolidated statements of financial position best represent the Group's maximum exposure to credit risk.

31. 金融工具(續)

(b) 財務風險管理目標及政策(續)

貨幣風險(續)

敏感度分析

下文的敏感度分析乃基於外幣匯率風險釐定，且僅包括以外幣計值的尚未支付貨幣項目，並以5%的外幣匯率變動於年末作交易調整。敏感度分析包括銀行結餘及現金、其他應付款項、應付股東款項以及應付關聯方款項。向主要管理人員內部匯報外幣匯率風險時，採用5%的增減，代表管理層對外幣匯率的合理可能變動作出的評估。

倘美元及港元兌人民幣匯率下跌／上升5%，則截至2018年及2017年12月31日止年度，本集團稅後利潤將分別增加／減少人民幣216,000元及增加／減少人民幣2,040,000元。這主要是由於本集團於2018年及2017年12月31日之銀行結餘及現金、其他應付款項、應付股東款項以及應付關聯方款項面臨美元及港元外幣匯率風險。

信貸風險及減值評估

本集團的信貸風險主要來自貿易應收款項及應收票據、合約資產、銀行結餘及已抵押銀行存款。

綜合財務狀況表所示各項已確認金融資產及合約資產的相應賬面值最能反映本集團面臨的最大信貸風險。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

31. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

In order to minimise the credit risk, the directors of the Company have delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the directors of the Company review the recoverable amount of each individual trade debt at the end of each reporting periods to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on bank balances and pledged bank deposits are limited because the counterparties are reputable financial institutions in the PRC.

The Group's concentration by geographical locations is mainly in the PRC, which accounted for all of the trade and note receivables as at 31 December 2018 and 2017.

The Group has concentration of credit risk as 54% and 71% of the total trade and note receivables was due from the Group's largest customer as at 31 December 2018 and 2017, respectively.

The Group has concentration of credit risk as 67% and 72% of the total trade and note receivables was due from the Group's five largest customers as at 31 December 2018 and 2017, respectively.

Since the adoption of IFRS 9 on 1 January 2018, the Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for trade and note receivables and contract assets, as detailed in Notes 19 and 21, respectively.

31. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

為將信貸風險降至最低，本公司董事已委派團隊負責釐定信貸限額、信貸審批及其他監察程序，以確保採取跟進措施收回逾期債務。此外，本公司董事於各報告期末檢討各項個別貿易債務的可收回金額，確保就不可收回金額作出充分的減值虧損。故此，本公司董事認為本集團的信貸風險已大幅降低。

由於對手方均為信譽良好之中國境內金融機構，故銀行結餘及已抵押銀行存款的信貸風險有限。

本集團按地區劃分之集中信貸風險主要位於中國境內，於2018年及2017年12月31日佔貿易應收款項及應收票據的全部。

於2018年及2017年12月31日，本集團因貿易應收款項及應收票據總額中分別有54%及71%應由本集團最大客戶支付而面臨信貸集中風險。

於2018年及2017年12月31日，本集團因貿易應收款項及應收票據總額中分別有67%及72%應由本集團五大客戶支付而面臨信貸集中風險。

自2018年1月1日採納《國際財務報告準則》第9號起，本集團應用簡化方法來提供《國際財務報告準則》第9號所規定的預期信貸虧損，該準則允許使用貿易應收款項及應收票據以及合約資產的整個存續期預期虧損撥備，詳情分別載於附註19及21。

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

31. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

The management of the Group considers pledged bank deposits and bank balances that are deposited with state-owned banks or financial institutions with high credit rating to be low credit risk financial assets. The directors of the Company consider that the probability of default is negligible on the basis of high-credit rating issuers during the year ended 31 December 2018 and 2017.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description
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內部信用評級	內容
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Low risk	The counterparty has a low risk of default and does not have any past-due amounts
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低風險	對手方的違約風險屬低微，且並無任何逾期款項
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Watch list	Debtor frequently repays after due dates but usually settle in full
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監察名單	債務人時常於逾期後悉數償付
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Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or externally
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存疑	信貸風險自透過內部或外部資源建立的資料初始確認起大幅增加
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Loss	There is evidence indicating the asset is credit-impaired
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虧損	顯示資產維持信貸減值的證據
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31. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

本集團管理層認為，存放於國有銀行或信用評級較高的金融機構的已抵押銀行存款及銀行結餘為低信貸風險金融資產。基於截至2018年及2017年12月31日止年度高信貸評級發行人，本公司董事認為違約的可能性可忽略。

本集團的內部信貸風險評級的評估包括以下類別：

Trade receivables/ contract assets 貿易應收款項/ 合約資產	Other financial assets/other items 其他金融資產/ 其他項目
--	--

Lifetime ECL – not credit-impaired	12-month ECL
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整個存續期預期信貸虧損 – 並無信貸減值	12個月的預期信貸虧損
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Lifetime ECL – not credit-impaired	12-month ECL
------------------------------------	--------------

整個存續期預期信貸虧損 – 並無信貸減值	12個月的預期信貸虧損
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Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
------------------------------------	------------------------------------

整個存續期預期信貸虧損 – 並無信貸減值	整個存續期預期信貸虧損 – 未出現信貸減值
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Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
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整個存續期預期信貸虧損出現信貸減值	整個存續期預期信貸虧損出現信貸減值
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綜合財務報表附註

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

31. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Internal credit rating	Description
內部信用評級	內容
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect
撇銷	顯示債務人處於嚴峻財務困難的證據，且本集團並無實際收回的可能

The tables below detail the credit risk exposures of the Group's trade and note receivables and contract assets, bank balances, pledged bank deposits and other receivables, which are subject to ECL assessment:

Financial assets at amortised costs

2018	Notes	External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount
2018年	附註	外部 信貸評級	內部 信貸評級	12個月或整個存續期 預期信貸虧損	總賬面值 RMB'000 人民幣千元
Trade receivables 貿易應收款項	19	N/A 不適用	(Note 2) (附註2)	Lifetime ECL 整個存續期預期信貸 虧損	130,252
Note receivables 應收票據	19	Low risk 低風險	N/A 不適用	12-month ECL 12個月的預期信貸 虧損	15,731
Contract assets 合約資產	21	N/A 不適用	(Note 2) (附註2)	Lifetime ECL 整個存續期預期信貸 虧損	180,896

31. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

Trade receivables/ contract assets	Other financial assets/other items
貿易應收款項/ 合約資產	其他金融資產/ 其他項目
Amount is written off	Amount is written off
款項已撇銷	款項已撇銷

下表詳列本集團貿易應收款項及應收票據以及合約資產、銀行結餘、已抵押銀行存款及其他應收款項面對的信貸風險，須受預期信貸虧損的評估：

按攤銷成本計量的金融工具

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

31. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Credit risk and impairment assessment (continued)

Financial assets at amortised costs (continued)

		External credit rating	Internal credit rating	12-month or lifetime ECL	Gross carrying amount
		外部 信貸評級	內部 信貸評級	12個月或整個存續期 預期信貸虧損	總賬面值
2018	Notes				RMB'000
2018年	附註				人民幣千元
Bank balances 銀行結餘	22	Low risk 低風險	N/A 不適用	12-month ECL 12個月的預期信貸 虧損	23,145
Pledged bank deposits 已抵押銀行存款	22	Low risk 低風險	N/A 不適用	12-month ECL 12個月的預期信貸 虧損	43,912
Other receivables 其他應收款項	20	N/A 不適用	(Note 1) (附註1)	12-month ECL 12個月的預期信貸 虧損	1,023

Notes:

- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition. The other receivables with no fixed payment terms amounting to RMB1,023,000 as at 31 December 2018.
- For trade receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on internal credit rating on individual assessment of each customer.

31. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險及減值評估(續)

按攤銷成本計量的金融工具(續)

附註：

- 就內部信貸風險管理的目的而言，本集團使用逾期資料評估信貸風險是否自初始確認起一直大幅上升。於2018年12月31日，並無固定付款期的其他應收款項為人民幣1,023,000元。
- 就貿易應收款項及合約資產而言，根據《國際財務報告準則》第9號，本集團應用簡化方法計量整個存續期預期信貸虧損的虧損撥備。本集團根據客戶各自獨立評估的內部信貸評級釐定該等項目的預期信貸虧損。

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31. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

The following tables detail the Group's remaining contractual maturity for its financial liabilities based on the agreed repayment terms. 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 tables include both interest and principal cash flows.

31. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動性風險

在管理流動性風險時，本集團監控及維持管理層認為足以為本集團的經營提供資金的現金及現金等價物水平，並降低現金流量波動的影響。

下表詳述根據議定還款條款，本集團金融負債的餘下合約到期詳情。該等表格根據本集團可被要求支付金融負債未貼現現金流量的最早日期的有關現金流量繪製。下表載列利息及本金現金流量。

		Weighted average interest rate 加權平均利率	On demand or less than 3 months 按要求或3個月以內	4-6 months 4至6個月	6 months to 1 year 6個月至1年	1-2 years 1至2年	Total undiscounted cash flows 未貼現現金流量總額	Carrying amounts 賬面值
							RMB'000 人民幣千元	
At 31 December 2018	於2018年12月31日							
Non-derivative financial liabilities	非衍生金融負債							
Trade payables	貿易應付款項	—	84,074	—	—	—	84,074	84,074
Other payables	其他應付款項	—	32,401	—	—	—	32,401	32,401
Obligation arising from a put option	認沽期權產生的責任	8%	—	—	—	110,160	110,160	99,901
Fixed rate bank borrowings	定息銀行借款	6.175%	10,113	—	—	—	10,113	10,000
			126,588	—	—	110,160	236,748	226,376
At 31 December 2017	於2017年12月31日							
Non-derivative financial liabilities	非衍生金融負債							
Trade payables	貿易應付款項	—	32,870	—	—	—	32,870	32,870
Other payables	其他應付款項	—	2,286	—	—	—	2,286	2,286
Amounts due to shareholders	應付股東款項	—	93,994	—	—	—	93,994	93,994
Amount due to a related party	應付關聯方款項	—	2,524	—	—	—	2,524	2,524
Fixed rate bank borrowings	定息銀行借款	6.175%	154	154	309	10,113	10,730	10,000
Other bank borrowing	其他銀行借款	5.50%	1,000	—	—	—	1,000	1,000
			132,828	154	309	10,113	143,404	142,674

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31. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments

This note provides information about how the Group determines fair value of its financial asset, which is measured at fair value for financial reporting purposes.

In estimating the fair value, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Fair value of the Group's financial asset that is measured at fair value on a recurring basis

The Group owns 3% equity interest in a PRC private company that is classified as an AFS investment/equity investment at FVTOCI and is measured at fair value at each reporting date. The fair value of the investment as at 31 December 2018 and 2017 amounts to RMB2,980,000 and RMB3,584,000, respectively, measured using a valuation technique with significant unobservable inputs and hence was classified as Level 3 of the fair value hierarchy under IFRS 13.

31. 金融工具(續)

(c) 金融工具的公允價值計量

本附註提供有關本集團如何釐定其金融資產之公允價值的資料，乃以財務呈報目的按公允價值計量。

估計公允價值時，本集團使用可用市場可觀察數據。倘第一級輸入數據不可用，本集團會委聘第三方合資格估值師進行估值。管理層與合資格外聘估值師緊密合作，制訂合適估值技術及模式輸入數據。

按經常性基準以公允價值計量之本集團金融資產的公允價值

本集團於中國私營公司擁有的3%股本權益被分類為可供出售投資／按公允價值計量並計入其他全面收益的股本工具，並於各報告日期以公允價值計量。於2018年及2017年12月31日，投資的公允價值分別為人民幣2,980,000元及人民幣3,584,000元，採用估值技術計量，當中涉及重大無法觀察輸入數據，因此根據《國際財務報告準則》第13號分類為公允價值等級之第三級。

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31. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value of the Group's financial asset that is measured at fair value on a recurring basis
(continued)

The following table gives information about how the fair value of the Group's financial asset is determined.

Financial assets	Fair value as at 於下列日期的 公允價值	Fair value hierarchy 公允價值 層級	Valuation technique(s) and key inputs 估值技術及 關鍵輸入數據	Relationship of unobservable inputs to fair value 不可觀察輸入數據 與公允價值的關係
Private equity investment classified as equity instrument at FVTOC -3% equity investment in a PRC private company engaged in oil sludge treatment facility operator	31/12/2018 RMB2,980,000	Level 3	Market approach — The fair value is primarily affected by market multiples. Market multiples is determined based on the enterprise value to earnings before interest, tax, depreciation and amortisation of the comparable companies.	If the market multiples increased/decreased by 10% with all other variable held constant, other comprehensive income for the year ended 31 December 2018 would have been RMB257,000 higher and lower, respectively.
私募股權投資分類為按公允價值計量並計入其他全面收益的股本工具-3%的股權投資於從事油泥處理設備運營的中國私營公司	2018年12月31日 人民幣2,980,000元	第三層級	市場法 — 公允價值主要受市值倍數影響。市值倍數乃根據企業價值與多個可資比較公司未計利息稅、折舊及攤銷前的收益之比釐定。	在所有其他變量保持不變的情況下，市值倍數增加/減少10%，截至2018年12月31日止年度的其他全面收益將分別上升及下降人民幣257,000元。
Private equity investment classified as AFS -3% equity investment in a PRC private company engaged in oil sludge treatment facility operator	31/12/2017 RMB3,584,000	Level 3	Market approach — The fair value is primarily affected by market multiples. Market multiples is determined based on the enterprise value to earnings before interest, tax, depreciation and amortisation of the comparable companies.	If the market multiples increased/decreased by 10% with all other variable held constant, other comprehensive income for the year ended 31 December 2017 would have been RMB345,000 higher and lower, respectively.
分類為可供出售的私募股權投資-3%的股權投資於從事油泥處理設備運營的中國私營公司	2017年12月31日 人民幣3,584,000元	第三層級	市場法 — 公允價值主要受市值倍數影響。市值倍數乃根據企業價值與可資比較公司未計利息稅、折舊及攤銷前的收益之比釐定。	在所有其他變量保持不變的情況下，市值倍數增加/減少10%，截至2017年12月31日止年度的其他全面收益將分別上升及下降人民幣345,000元。

There were no transfers between Level 1 and 2 during the year ended 31 December 2018 and 2017.

31. 金融工具(續)

(c) 金融工具的公允價值計量(續)

按經常性基準以公允價值計量之本集團金融資產的公允價值(續)

下表提供有關如何釐定本集團金融資產之公允價值的資料。

於截至2018年及2017年12月31日止年度，一級及二級之間並無轉移。

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

31. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value measurements and valuation processes

The management of the Company is responsible to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets.

Information about the valuation techniques and inputs used in determining the fair value of various assets are disclosed above.

Reconciliation of Level 3 fair value measurements

1 January 2017	2017年1月1日	1,500
Total gains	收益總額	
— in other comprehensive income (Note i)	— 於其他全面收益(附註i)	2,084
31 December 2017	2017年12月31日	3,584

31. 金融工具(續)

(c) 金融工具的公允價值計量(續)

公允價值計量和估值過程

本公司的管理層負責確定合適的估值技術及公允價值計量的輸入數據。

在估計一項資產的公允價值時，本集團使用可用市場可觀察數據。倘第一級輸入數據不可用，本集團會委聘第三方合資格估值師進行估值。管理層與合資格外聘估值師緊密合作，制訂合適估值技術及模式輸入數據。管理層向本公司董事會報告有關發現，並解釋資產公允價值波動的原因。

有關用於釐定各資產公允價值的估值技術及輸入數據的資料如上文披露。

第三級公允價值計量對賬

AFS investment

可供出售投資

RMB'000

人民幣千元

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31. FINANCIAL INSTRUMENTS (continued)

(c) Fair value measurements of financial instruments (continued)

Fair value measurements and valuation processes (continued)

Reconciliation of Level 3 fair value measurements (continued)

1 January 2018

Total losses

— in other comprehensive expense (Note ii)

2018年1月1日

虧損總額

— 於其他全面開支(附註ii)

31 December 2018

2018年12月31日

Equity
instrument at
FVTOCI
按公允價值計量
並計入其他全面
收益的股本工具

RMB'000
人民幣千元

3,584

(604)

2,980

Notes:

- (i) Included in other comprehensive income is an amount of RMB2,084,000 gain relating to unlisted equity securities classified as AFS investment held at 31 December 2017 and is reported as changes of 'revaluation reserve'.
- (ii) Included in other comprehensive expense is an amount of RMB604,000 loss relating to unlisted equity securities classified as an equity instrument at FVTOCI held at 31 December 2018 and is reported as changes of 'revaluation reserve'.

Fair values of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The management estimates the fair values of its financial assets and financial liabilities measured at amortised cost using discounted cash flows analysis. Management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their respective fair value.

31. 金融工具(續)

(c) 金融工具的公允價值計量(續)

公允價值計量和估值過程(續)

第三級公允價值計量對賬(續)

附註：

- (i) 計入其他全面收入之收益人民幣2,084,000元，為於2017年12月31日持有之非上市股本證券被分類為可供出售投資，並呈列為「重估儲備」之變動。
- (ii) 計入其他全面開支之收益人民幣604,000元，為於2018年12月31日持有之非上市股本證券被分類為按公允價值計量並計入其他全面收益的股本工具，並呈列為「重估儲備」之變動。

本集團根據經常性基準不以公允價值計量的金融資產及金融負債的公允價值

管理層採用貼現現金流量分析估計其按攤銷成本計量的金融資產及金融負債公允價值。本集團管理層認為，金融資產及金融負債於綜合財務報表以攤銷成本入賬的賬面值與其各自的公允價值相若。

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32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

32. 融資活動所產生負債之對賬

下表詳列融資活動產生的本集團負債變動，包括現金和非現金變動。融資活動產生的負債為相關現金流量已經或未來現金流量將會在本集團綜合現金流量表中被歸類為融資活動所產生之現金流量的負債。

		Bank borrowings	Amount due to a related party	Accrued issue costs	Amounts due to shareholders	Obligation arising from a put option	Total
		銀行借款	關聯方款項	應計發行成本	股東款項	認沽期權	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 26)	(Note 25)	(Note 24)	(Note 25)	(Note 27)	
		(附註26)	(附註25)	(附註24)	(附註25)	(附註27)	
At 1 January 2017	於2017年1月1日	—	3,000	—	1,000	—	4,000
Financing cash flows	融資現金流量	10,562	(3,000)	(2,036)	46,464	—	51,990
Settlement of acquisition of an associate included in investing cash flows	結算收購一家聯營公司款項 (計入投資現金流量)	—	—	—	(1,000)	—	(1,000)
Interest expenses	利息開支	438	—	—	—	—	438
Non-cash transactions	非現金交易						
— Arising from acquisition of 75% equity interest in Guangzhou Weigang	— 來自收購廣州維港75% 股權	—	2,524	—	35,317	—	37,841
— Arising from the acquisition of 25% equity interest in Guangzhou Weigang (Note 37(b))	— 來自收購廣州維港25% 股權(附註37(b))	—	—	—	12,213	—	12,213
— Deferred issue costs (Note 20)	— 遞延發行成本(附註20)	—	—	2,036	—	—	2,036
At 31 December 2017	於2017年12月31日	11,000	2,524	—	93,994	—	107,518
Financing cash flows	融資現金流量	(574)	(2,433)	(2,335)	(43,152)	—	(48,494)
Interest expenses	利息開支	574	—	—	—	5,457	6,031
Non-cash transactions	非現金交易						
— Loans assignment, novation and capitalisation (Note 37(c))	— 貸款轉讓、更新及 資本化(附註37(c))	—	—	—	(47,874)	—	(47,874)
— Initial recognition of obligation arising from a put option (Note 27)	— 認沽期權產生的 責任的初始確認 (附註27)	—	—	—	—	94,444	94,444
— Set off with discounted note receivable	抵銷已折現應收票據	(1,000)	—	—	—	—	(1,000)
— Deferred issue costs (Note 20)	— 遞延發行成本(附註20)	—	—	4,285	—	—	4,285
Net foreign exchange gains	外匯收益淨額	—	(91)	—	(2,968)	—	(3,059)
At 31 December 2018	於2018年12月31日	10,000	—	1,950	—	99,901	111,851

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33. OPERATING LEASES

The Group as lessee

Leasing agreements

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Minimum lease payments under operating leases in respect of office premises	2,528	1,970

At the end of each reporting period, the Group has commitments for future minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Within one year	2,576	2,451
In the second to fifth year inclusive	4,859	6,283
	7,435	8,734

Operating leases payments represent rentals payables by the Group for certain of its office premises. As at 31 December 2018 and 2017, leases are negotiated for terms of one to four years and one to five years, respectively.

33. 營業租賃

本集團作為承租人

租賃協議

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Minimum lease payments under operating leases in respect of office premises	2,528	1,970

於各報告期末，本集團在不可撤銷營業租賃合約下的未來最低租賃款承擔到期情況如下：

	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Within one year	2,576	2,451
In the second to fifth year inclusive	4,859	6,283
	7,435	8,734

營業租賃款指本集團就其若干辦公場所應付的租金。於2018年及2017年12月31日，議定的租賃協議期限分別為一至四年及一至五年。

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34. CAPITAL COMMITMENTS

Commitments in respect of the acquisition of property, plant and equipment — contracted for but not provided in the consolidated financial statements

就收購物業、廠房及設備的承擔 — 已訂約但未在綜合財務報表中作出撥備

34. 資本承擔

2018 2018年	2017 2017年
RMB'000 人民幣千元	RMB'000 人民幣千元
4,557	6,478

35. PLEDGE OF ASSETS

The Group did not pledge any assets other than the pledged bank deposits disclosed in Note 22 as at 31 December 2018 and 2017.

35. 資產抵押

除附註22披露的於2018年及2017年12月31日的已抵押銀行存款外，本集團並無抵押任何資產。

36. RELATED PARTY TRANSACTIONS AND BALANCES

(i) Amounts due to shareholders and amount due to a related party

Details of balances with shareholders and a related party are set out in Note 25.

(ii) Guarantees in support of the bank borrowing

Details of guarantees in support of the bank borrowing of the Group provided by a shareholder and a related party are set out in Note 26.

(iii) Compensation of key management personnel

The key management personnel of the Group comprises all executive directors of the Company, details of their emoluments are disclosed in Note 10. The emoluments of the directors of the Company are determined with regard to individual's performance, the Group's performance and profitability, remuneration benchmark in the industry and prevailing market condition.

(iv) Purchase of patents

Details of patents purchased from a related party, Dr. Wang is set out in Note 14.

36. 關聯方交易及結餘

(i) 應付股東款項及應付關聯方款項

與股東及關聯方之結餘詳情載於附註25。

(ii) 銀行借款擔保

一名股東及一名關聯方就本集團銀行借款提供之擔保詳情載於附註26。

(iii) 主要管理人員薪酬

本集團主要管理人員包括本公司全體執行董事，彼等的酬金詳情載於附註10。本公司董事酬金乃參照個人表現、本集團表現及盈利能力、行業薪酬基準及現行市況釐定。

(iv) 購買專利

有關向關聯方王博士購買專利的詳情載於附註14。

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37. MAJOR NON-CASH TRANSACTIONS

- (a) During the year ended 31 December 2017, the consideration payable for acquisition of an associate/a subsidiary amounting to RMB1,400,000 was offset with advance to third party.
- (b) During the year ended 31 December 2017, an amount due to a shareholder, Mr. Ren, amounting to RMB12,213,000 was arising from the acquisition of 25% equity interest in Guangzhou Weigang as part of the Reorganisation.
- (c) On 26 January 2018, a deed of loan assignment and novation and loan capitalisation has been entered amongst Mr. Cai, WeiGang Technology, Weigang Holdings (Hong Kong), Mr. Ren, Jade Fly, Jade Road and the Company. The details are as follows:
 - (i) Mr. Cai has assigned a loan amounting to HK\$45,270,000 (equivalent to RMB36,734,000) due from Weigang Holdings (Hong Kong) to his wholly owned entity, namely, WeiGang Technology.
 - (ii) The Company has agreed to undertake the loan amounting to HK\$45,270,000 (equivalent to RMB36,734,000) due to WeiGang Technology from Weigang Holdings (Hong Kong).
 - (iii) WeiGang Technology has assigned part of the loan due from the Company amounting to HK\$3,962,482 to Jade Fly. After such assignment, the loan owed by the Company to WeiGang Technology was HK\$41,307,518 (equivalent to RMB33,518,000).
 - (iv) WeiGang Technology has agreed to subscribe for 3,500,495,099 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$41,307,518 (equivalent to RMB33,518,000) which was satisfied by capitalising the loan amount of HK\$41,307,518 (equivalent to RMB33,518,000).

37. 重大非現金交易

- (a) 截至2017年12月31日止年度，收購一家聯營公司／附屬公司之應付對價人民幣1,400,000元被第三方墊款所抵銷。
- (b) 截至2017年12月31日止年度，應付股東任先生的款項人民幣12,213,000元乃因收購廣州維港25%股權(作為重組的一部分)而產生。
- (c) 於2018年1月26日，蔡先生、維港科技、維港控股(香港)、任先生、杰飛、杰路與本公司訂立貸款轉讓與更新及貸款資本化契諾。詳情如下：
 - (i) 蔡先生已向其全資擁有實體維港科技轉讓應收維港控股(香港)貸款45,270,000港元(相當於人民幣36,734,000元)。
 - (ii) 本公司已同意承擔維港控股(香港)應付維港科技的貸款45,270,000港元(相當於人民幣36,734,000元)。
 - (iii) 維港科技已將部分應收本公司貸款3,962,482港元轉讓予杰飛。轉讓完成後，本公司所欠維港科技的貸款為41,307,518港元(相當於人民幣33,518,000元)。
 - (iv) 維港科技已同意按認購價(總額為41,307,518港元(相當於人民幣33,518,000元))認購本公司股本中3,500,495,099股每股面值0.01港元的股份，該認購價已通過資本化貸款41,307,518港元(相當於人民幣33,518,000元)取得。

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綜合財務報表附註

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37. MAJOR NON-CASH TRANSACTIONS (continued)

(c) (continued)

- (v) Mr. Ren has assigned a loan amounting to HK\$13,728,700 (equivalent to RMB11,140,000) due from Jade Road to his wholly owned entity, namely, Jade Fly.
- (vi) The Company has agreed to undertake the loan amounting to HK\$13,728,700 (equivalent to RMB11,140,000) due to Jade Fly from Jade Road. Following the assignment of the loan to Jade Fly in step (iii) above, the total amount owed by the Company to Jade Fly is HK\$17,691,182 (equivalent to RMB14,356,000).
- (vii) Jade Fly has agreed to subscribe for 1,499,497,901 shares of HK\$0.01 each in the share capital of the Company at the subscription price in the sum equivalent to the amount of HK\$17,691,182 (equivalent to RMB14,356,000) which was satisfied by capitalising the loan amount of HK\$17,691,182 (equivalent to RMB14,356,000).

38. SHARE-BASED PAYMENT TRANSACTION

On 30 April 2017, the shareholders of Guangzhou Weigang have passed the shareholders resolution to implement an employee incentive scheme to grant share options to the employees of Guangzhou Weigang. On the same date, share options are granted to 35 employees of Guangzhou Weigang. The number of shares awarded shall equal to 3.5% of the total number of shares of the Company upon the Listing. If the Listing does not complete by 31 December 2018, Guangzhou Weigang or the Company is entitled to amend, terminate or cancel the employee incentive scheme. The total exercise price of the share options was fixed at RMB8,750,000.

37. 重大非現金交易(續)

(c) (續)

- (v) 任先生已向其全資擁有實體杰飛轉讓應收杰路貸款13,728,700港元(相當於人民幣11,140,000元)。
- (vi) 本公司已同意承擔杰路應付杰飛的貸款13,728,700港元(相當於人民幣11,140,000元)。繼上文第(iii)步所述向杰飛轉讓貸款後，本公司所欠杰飛的總款項為17,691,182港元(相當於人民幣14,356,000元)。
- (vii) 杰飛已同意按認購價(總額為17,691,182港元(相當於人民幣14,356,000元))認購本公司股本中1,499,497,901股每股面值0.01港元的股份，該認購價已通過資本化貸款17,691,182港元(相當於人民幣14,356,000元)取得。

38. 以股份為基礎的支付交易

於2017年4月30日，廣州維港的股東通過了實行僱員激勵計劃向廣州維港僱員授出購股權的股東決議案。同日，向廣州維港35名僱員授出購股權。獎勵股份的數目應為本公司上市後股份總數的3.5%。倘上市並無於2018年12月31日前完成，則廣州維港或本公司有權修改、終止或取消僱員激勵計劃。購股權的總行使價固定為人民幣8,750,000元。

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38. SHARE-BASED PAYMENT TRANSACTION

(continued)

On 10 December 2018, the principal terms of the pre initial public offering share option scheme (the "Pre-IPO Share Option Scheme") were adopted by the Company, and the share options granted to 35 employees of Guangzhou Weigang on 30 April 2017 had been approved by the board of directors of the Company as the Pre-IPO Share Option Scheme. Upon the adoption of the Pre-IPO Share Option Scheme, a total of 46,666,725 share options were offered for acceptance by the Company to the 35 employees.

Details of share options granted during the year ended 31 December 2018 and 2017 are as follows:

Date of grant 授出日期	Number of options 購股權數目	Adoption date 採納日期	Vesting date 歸屬日期	Exercisable period 行使期間	Exercise price 行使價
30.4.2017 2017年4月30日	46,666,725	10.12.2018 2018年12月10日	30.4.2017 2017年4月30日	3.1.2021 to 29.4.2027 2021年1月3日至 2027年4月29日	(Note) (附註)

The share options granted on 30 April 2017 shall be exercisable unless and until the Listing and be exercisable in the following three batches:

- (i) the first batch being exercisable after the second anniversary of the date of the Listing;
- (ii) the second batch being exercisable after the third anniversary of the date of the Listing; and
- (iii) the last batch is being exercisable after the fourth anniversary of the date of the Listing.

38. 以股份為基礎的支付交易(續)

於2018年12月10日，本公司採納已首次公開發售前購股權計劃的主要條款，而本公司董事會已批准於2017年4月30日向廣州維港35名僱員授出的購股權作為首次公開發售前購股權計劃。於採納首次公開發售前購股權計劃後，本公司已向該35名僱員提呈合共46,666,725份購股權以供接納。

截至2018年及2017年12月31日止年度已授出的購股權詳情如下：

於2017年4月30日授出的購股權除非及直至上市前均可獲行使，並可分為如下三份行使：

- (i) 第一份於上市日期第二週年後可行使；
- (ii) 第二份於上市日期第三週年後可行使；及
- (iii) 最後一份於上市日期第四週年後可行使。

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38. SHARE-BASED PAYMENT TRANSACTION

(continued)

The following table discloses movements of the Company's share options held by directors of the Company and employees of the Group during the year ended 31 December 2018:

38. 以股份為基礎的支付交易(續)

下表披露本公司董事及本集團僱員於截至2018年12月31日止年度持有本公司購股權的變動：

	Exercise price	Date of grant	Outstanding at 1/1/2018 於2018年 1月1日 尚未行使	Granted during the year 年內已授出	Lapsed during the year 年內已失效	Exercised during the year 年內已行使	Outstanding at 31/12/2018 於2018年 12月31日 尚未行使
	(Note b) (附註b)	授出日期	'000 千份	'000 千份	'000 千份	'000 千份	'000 千份
Directors							
董事							
Mr. Deng 鄧先生	HK\$0.23 0.23 港元	30.4.2017 2017年4月30日	3,933	—	—	—	3,933
Mr. Dong 董先生	HK\$0.23 0.23 港元	30.4.2017 2017年4月30日	3,933	—	—	—	3,933
Employees (Note a) 僱員 (Note a)	HK\$0.23 0.23 港元	30.4.2017 2017年4月30日	38,800	—	(2,213)	—	36,587
Total 總計			46,666	—	(2,213)	—	44,453
Exercisable at the end of the year 年末可行使							Nil 無
Weighted average exercise price 加權平均行使價			Nil 無	Nil 無	Nil 無	Nil 無	Nil 無

(Note c)
(附註c)

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38. SHARE-BASED PAYMENT TRANSACTION

(continued)

38. 以股份為基礎的支付交易(續)

	Exercise price	Date of grant	Outstanding at 1/1/2017 於2017年 1月1日 尚未行使	Granted during the year 年內已授出	Lapsed during the year 年內已失效	Exercised during the year 年內已行使	Outstanding at 31/12/2017 於2017年 12月31日 尚未行使
	行使價	授出日期	'000 千份	'000 千份	'000 千份	'000 千份	'000 千份
	(Note b) (附註b)			(Note c) (附註c)			
Directors							
董事							
Mr. Deng 鄧先生	HK\$0.23 0.23港元	30.4.2017 2017年4月30日	—	3,933	—	—	3,933
Mr. Dong 董先生	HK\$0.23 0.23港元	30.4.2017 2017年4月30日	—	3,933	—	—	3,933
Employees	HK\$0.23 0.23港元	30.4.2017 2017年4月30日	—	38,800	—	—	38,800
僱員							
Total 總計			—	46,666	—	—	46,666
Exercisable at the end of the year 年末可行使							Nil 無
Weighted average exercise price 加權平均行使價			Nil 無	Nil 無	Nil 無	Nil 無	Nil 無

Notes:

- (a) During the year ended 31 December 2018, two employees of the Group left and the corresponding share options granted were lapsed accordingly.
- (b) The exercise price was fixed at RMB8,750,000 for 3.5% of the total number of shares of the Company upon the Listing. The exercise price per share is calculated by dividing the total exercise price by the total share options granted upon the Listing.
- (c) The share options granted shall equal to 3.5% of the total number of shares of the Company upon the Listing. The number of share options granted to each of eligible directors of the Company and the eligible employees of the Group are calculated by a pre-determined percentage times the total number of shares of the Company upon the Listing on 3 January 2019.

附註:

- (a) 於截至2018年12月31日止年度，本集團有兩名僱員離職，已授出的有關購股權已相應失效。
- (b) 就本公司上市後股份總數3.5%而言，行使價固定為人民幣8,750,000元。每股行使價乃按總行使價除以上市後已授出總購股權而計算得出。
- (c) 已授出購股權相等於本公司上市後股份總數3.5%。授予本公司各合資格董事及本集團合資格僱員的購股權數目乃按預先釐定百分比乘以於2019年1月3日本公司上市後的股份總數而計算得出。

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

38. SHARE-BASED PAYMENT TRANSACTION

(continued)

The estimated fair values of the Pre-IPO Share Option Scheme granted on 30 April 2017 are RMB6,305,000.

The fair values were calculated using the Binomial Option Pricing Model. The major inputs into the model were as follows:

Grant date	30 April 2017
授出日期	2017年4月30日
Exercise price	Note
行使價	附註
Expected volatility	60.4%
預期波幅	
Expected life	10 years
預期年期	10年
Risk-free rate	3.5%
無風險利率	
Expected dividend yield	0.0%
預期股息率	

Note: The exercise price was fixed at RMB8,750,000 for 3.5% of the total number of shares of the Company upon the Listing.

Expected volatility was determined by using the historical volatility of the comparable companies' share price over the previous 10 years. The expected life used in the model has been stated in the option scheme. The risk free rate was referred to the China sovereign bond yield with the term close to the option life as at the grant date.

As the vesting of the share options is contingent on the success listing of the Company, in the opinion of the directors of the Company, the Listing is probable upon or after the date of the Listing Committee hearing of the Stock Exchange is passed and as a result, share-based payment expenses of RMB2,160,000 is recognised during the year ended 31 December 2018 (2017: nil).

The total number of shares in respect of which options may be granted under the Pre-IPO Share Option Scheme is not permitted to exceed 30% of the enlarged issued share capital of the Company as at the Listing date.

38. 以股份為基礎的支付交易(續)

於2017年4月30日，首次公開發售前購股權計劃已授出的估計公允價值為人民幣6,305,000元。

公允價值使用二項式期權定價模式而計算得出。該模式的主要輸入數據如下：

Grant date	30 April 2017
授出日期	2017年4月30日
Exercise price	Note
行使價	附註
Expected volatility	60.4%
預期波幅	
Expected life	10 years
預期年期	10年
Risk-free rate	3.5%
無風險利率	
Expected dividend yield	0.0%
預期股息率	

附註：行使價就本公司上市後股份總數3.5%而言，行使價固定為人民幣8,750,000元。

預期波幅乃根據可資比較公司股價於過去10年的歷史波幅釐定。該模式所使用的預期年期載列於購股權計劃。無風險利率參考中國主權債券收益率，有關期限接近於授予日期的購股權年期。

鑒於購股權的歸屬取決於本公司能否成功上市，本公司董事認為，於聯交所上市委員會聆訊當日或之後上市很可能獲通過，故於截至2018年12月31日止年度已確認以股份為基礎的支付開支人民幣2,160,000元(二零一七年：零)。

有關可能根據首次公開發售前購股權計劃授出購股權的股份總數不得超過本公司於上市日期經擴大的已發行股本30%。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

Details of the subsidiaries directly and indirectly held by the Company at the end of the reporting period are set out below.

39. 本公司的附屬公司詳情

於報告期末，本公司直接或間接持有之附屬公司詳情載於下文。

Name of subsidiaries 附屬公司名稱	Date and place of incorporation/ establishment 註冊成立／成立日期 及地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本／註冊資本	Proportion of nominal value of issued capital/registered capital held by the Group 本集團持有已發行 股本／註冊資本 面值之百分比		Principal activities 主要活動
			As at 31 December 於12月31日		
			2018 2018年 %	2017 2017年 %	
<i>Directly held:</i> 直接持有：					
WeiGang Environment 維港環境	11 May 2017 BVI 2017年5月11日 英屬維爾京群島	US\$1 1美元	100.00	100.00	Investment holding 投資控股
Jade Far 杰發	16 May 2017 BVI 2017年5月16日 英屬維爾京群島	US\$1,001 1,001美元	100.00	100.00	Investment holding 投資控股
<i>Indirectly held:</i> 間接持有：					
Weigang Holdings (Hong Kong) 維港控股(香港)	19 September 2016 Hong Kong 2016年9月19日 香港	HK\$10,000 10,000港元	100.00	100.00	Investment holding 投資控股
Jade Road 杰路	28 October 2015 Hong Kong 2015年10月28日 香港	HK\$10,000 10,000港元	100.00	100.00	Investment holding 投資控股

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綜合財務報表附註

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

39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

39. 本公司的附屬公司詳情(續)

Name of subsidiaries 附屬公司名稱	Date and place of incorporation/ establishment 註冊成立/成立日期 及地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued capital/registered capital held by the Group 本集團持有已發行 股本/註冊資本 面值之百分比		Principal activities 主要活動
			As at 31 December 於12月31日 2018 2018年 %	2017 2017年 %	
Guangzhou Weigang 廣州維港	15 July 2009 The PRC 2009年7月15日 中國	As at 31 December 2018: RMB50,000,000 (issued and fully paid up capital) RMB400,000,000 (registered capital) 於2018年12月31日: 人民幣50,000,000元: (已發行及繳足股本) 人民幣400,000,000元 (註冊資本)	90.00	100.00	Providing solutions for solid waste treatment 提供固體廢物處理 解決方案
Xinjiang Wosen 新疆沃森	17 November 2011 The PRC 2011年11月17日 中國	RMB5,000,000 人民幣5,000,000元	100.00	100.00	Providing research and development of environmental protection technologies and facilities 提供環保技術及 設施的研發
Shenzhen Xinnengji 深圳新能極	24 November 2016 The PRC 2016年11月24日 中國	As at 31 December 2018: RMB14,400,000 (issued and fully paid up capital) RMB28,000,000 (registered capital) (Note a) 於2018年12月31日: 人民幣14,400,000元 (已發行及繳足股本) 人民幣28,000,000元 (註冊資本)(附註a)	100.00	72.86	Providing research and development of environmental protection technologies and facilities 提供環保技術及 設施的研發

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

39. 本公司的附屬公司詳情(續)

Name of subsidiaries 附屬公司名稱	Date and place of incorporation/ establishment 註冊成立/成立日期 及地點	Issued and fully paid share capital/ registered capital 已發行及繳足 股本/註冊資本	Proportion of nominal value of issued capital/registered capital held by the Group 本集團持有已發行 股本/註冊資本 面值之百分比		Principal activities 主要活動
			As at 31 December 於12月31日 2018	2017	
			2018年 %	2017年 %	
Chaozhou Xinnengji 潮州市新能極	16 March 2017 The PRC 2017年3月16日 中國	Deregistered (Note b) 已註銷(附註b)	N/A 不適用	90.00	Inactive 未營業
Guangdong Lvhuan 廣東綠環	28 August 2017 The PRC 2017年8月28日 中國	RMB60,000 (issued and fully paid up capital) RMB10,000,000 (registered capital) 人民幣60,000元 (已發行及繳足股本) 人民幣10,000,000元 (註冊資本)	51.00	51.00	Inactive 未營業
Weierneng Environmental 威爾能環保	25 July 2018 The PRC 2018年7月25日 中國	As at 31 December 2018: RMB2,000,000 (issued and fully paid capital) RMB20,000,000 (registered capital) (Note c) 於2018年12月31日: 人民幣2,000,000元 (已發行及繳足股本) 人民幣20,000,000元 (註冊資本)(附註c)	51.00	N/A 不適用	Providing research and development of environmental protection technologies and facilities 提供環保技術及設施的研發

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Notes:

- (a) On 14 September 2018, Guangzhou Weigang acquired the remaining 27.14% equity interest in Shenzhen Xinnengji from Party A at consideration of RMB1.

As of 31 December 2018, an amount of RMB14,400,000 had been paid to Shenzhen Xinnengji as capital injection by the Group. As at 31 December 2018, the outstanding amount of RMB13,600,000 has not yet been paid by the Group.

- (b) Chaozhou Xinnengji was deregistered on 17 December 2018.
- (c) Weierneng Environmental was established as a limited liability company under the laws of the PRC on 25 July 2018 and an indirectly non-wholly owned subsidiary of the Company, which is owned as to 51% by Shenzhen Xinnengji and 49% by an independent third party, Party D. According to the articles of association of Weierneng Environmental, the capital injection of the shareholders should be paid to Weierneng Environmental no later than 31 August 2037.

As at 31 December 2018, an amount of RMB1,000,000 has been paid to Weierneng Environmental by the Group and Party D, respectively. The outstanding amount of RMB9,200,000 and RMB8,800,000 has not been paid by the Group and Party D, respectively. As at 31 December 2018, Weierneng Environmental has not commenced any business.

None of the subsidiaries had issued any debt securities at the end of the year.

39. 本公司的附屬公司詳情(續)

附註：

- (a) 於2018年9月14日，廣州維港以人民幣1元的對價自甲方收購了深圳新能極剩餘27.14%的股本權益。

截至2018年12月31日，本集團已向深圳新能極支付人民幣14,400,000元作為注資。於2018年12月31日，本集團尚有未清償款項為人民幣13,600,000元。

- (b) 潮州市新能極已於2018年12月17日註銷。
- (c) 威爾能環保於2018年7月25日根據中國法律成立為一家有限公司，為本公司的間接非全資附屬公司，由深圳新能極和獨立第三方丁方分別擁有51%及49%的權益。根據威爾能環保的組織章程細則，股東注資應於2037年8月31日前支付予威爾能環保。

截至2018年12月31日，本集團及丁方已分別向威爾能環保支付人民幣1,000,000元。本集團與丁方尚未支付的金額分別為人民幣9,200,000元及人民幣8,800,000元。截至2018年12月31日，威爾能環保尚未開展任何業務。

概無附屬公司於年末發行任何債務證券。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly-owned subsidiary of the Group that have material non-controlling interests as at 31 December 2018:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interests and voting rights held by non-controlling interests	Profit allocated to non-controlling interests	Accumulated non-controlling interests
		31/12/2018	31/12/2018	31/12/2018
附屬公司名稱	註冊成立地點及主要營業地點	非控股權益所持所有權益份額及投票權 2018年12月31日	分配予非控股權益的利潤 2018年12月31日 RMB'000 人民幣千元	累計非控股權益 2018年12月31日 RMB'000 人民幣千元
Guangzhou Weigang 廣州維港	The PRC 中國	10%	8,490	27,037

As at 31 December 2017, non-wholly owned subsidiaries of the Group with non-controlling interests are individually immaterial.

39. 本公司的附屬公司詳情(續)

擁有重大非控股權益的非全資附屬公司詳情

下表載列於2018年12月31日本集團擁有重大非控股權益的非全資附屬公司之詳情：

於2017年12月31日，本集團擁有非控股權益的非全資附屬公司個別且不重大。

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests as at 31 December 2018 is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Guangzhou Weigang

39. 本公司的附屬公司詳情(續)

擁有重大非控股權益的非全資附屬公司詳情(續)

以下所載為2018年12月31日本集團擁有重大非控股權益的附屬公司之概述財務資料。下列概述財務資料呈列集團內對銷前之金額。

廣州維港

At 31 December
2018

於2018年

12月31日

RMB'000

人民幣千元

Current assets	流動資產	392,878
Non-current assets	非流動資產	97,644
Current liabilities	流動負債	200,663
Non-current liabilities	非流動負債	19,485
Equity attributable to owners of the Company	本公司擁有人應佔權益	243,337
Non-controlling interests of Guangzhou Weigang	廣州維港非控股權益	27,037

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

39. PARTICULARS OF SUBSIDIARIES OF THE COMPANY (continued)

Details of non-wholly owned subsidiaries that have material non-controlling interests (continued)

39. 本公司的附屬公司詳情(續)

擁有重大非控股權益的非全資附屬公司詳情(續)

		2018 2018年 RMB'000 人民幣千元
Revenue	收入	475,632
Expenses	開支	(393,518)
Profit and total comprehensive income for the year	年內利潤及全面收益總額	82,114
Profit and total comprehensive income attributable to owners of the Company	本公司擁有人應佔利潤及全面收益總額	73,624
Profit and total comprehensive income attributable to the non-controlling interests of Guangzhou Weigang	廣州維港非控股權益應佔利潤及全面收益總額	8,490
Profit and total comprehensive income for the year	年內利潤及全面收益總額	82,114
		2018 2018年 RMB'000 人民幣千元
Dividends paid to non-controlling interests of Guangzhou Weigang	已付廣州維港非控股權益股息	—
Net cash outflow from operating activities	經營活動產生的現金流出淨額	(50,843)
Net cash outflow from investing activities	投資活動產生的現金流出淨額	(45,092)
Net cash inflow from financing activities	融資活動產生的現金流入淨額	92,870
Net cash outflow	現金流出淨額	(3,065)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

40. EVENT AFTER THE REPORTING PERIOD

On 3 January 2019, 312,471,000 ordinary shares with a par value of HK\$0.05 each of the Company were issued at a price of HK\$0.88 per share by way of public offer. On the same date, the shares of the Company were listed on the Main Board of the Stock Exchange.

Upon the successfully listing of the Company, all the rights granted to Orient Landscape pursuant to the terms of the investment agreement, except for the profit compensation right, were automatically terminated.

40. 報告期後事件

於2019年1月3日，本公司312,471,000股每股面值0.05港元的普通股以公开发售形式按0.88港元的價格發行。同日，本公司股份於聯交所主板上市。

本公司成功上市後，根據投資協議條款向東方園林授予的全部權利已自動終止，惟利潤補償權除外。

41. STATEMENTS OF FINANCIAL POSITION AND RESERVES OF THE COMPANY

41. 本公司財務狀況表及儲備

		2018 2018年	2017 2017年
		<i>RMB'000</i> 人民幣千元	<i>RMB'000</i> 人民幣千元
NON-CURRENT ASSETS	非流動資產		
Investment in subsidiaries	於附屬公司的投資	2,168	8
Property, plant and equipment	物業、廠房及設備	56	—
		2,224	8
CURRENT ASSETS	流動資產		
Deposits, prepayments and other receivables	按金、預付款項及其他應收款項	6,580	2,036
Amounts due from subsidiaries	應收附屬公司款項	54,205	—
Bank balances and cash	銀行結餘及現金	1,275	—
		62,060	2,036
CURRENT LIABILITIES	流動負債		
Other payables and accrued expenses	其他應付款項及應計開支	8,028	1,650
Amounts due to subsidiaries	應付附屬公司款項	5,386	6,530
		13,414	8,180

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

41. STATEMENTS OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

41. 本公司財務狀況表及儲備(續)

		2018	2017
		2018年	2017年
		<i>RMB'000</i>	<i>RMB'000</i>
		人民幣千元	人民幣千元
NET CURRENT ASSETS (LIABILITIES)	流動資產(負債)淨值	48,646	(6,144)
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總額減 流動負債	50,870	(6,136)
NET ASSETS (LIABILITIES)	資產(負債)淨值	50,870	(6,136)
CAPITAL AND RESERVES	資本及儲備		
Share capital	股本	41,413	—
Reserves	儲備	9,457	(6,136)
Equity attributable to owners of the Company	本公司擁有人 應佔權益	50,870	(6,136)
TOTAL EQUITY (DEFICIT)	權益(虧絀)總額	50,870	(6,136)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

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

41. STATEMENTS OF FINANCIAL POSITION AND RESERVES OF THE COMPANY (continued)

41. 本公司財務狀況表及儲備(續)

Movement in the Company's reserves

本公司儲備變動

		Share premium	Share option reserve	Other reserve	Accumulated losses	Total
		股份溢價	購股權儲備	其他儲備	累計虧損	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 18 May 2017 (date of incorporation)	於2017年5月18日 (註冊成立日期)	—	—	—	—	—
Loss and total comprehensive expense for the period	期內虧損及 全面開支總額	—	—	—	(6,144)	(6,144)
Acquisition of a subsidiary	收購附屬公司	—	—	8	—	8
At 31 December 2017	於2017年12月31日	—	—	8	(6,144)	(6,136)
Loss and total comprehensive expense for the year	年內虧損及 全面開支總額	—	—	—	(10,150)	(10,150)
Issue of ordinary shares to pre-IPO investors, net of share issue cost	向首次公開發售前投資者 發行普通股 (扣除股份發行成本)	16,281	—	—	—	16,281
Issue of ordinary shares by loan capitalisation	透過貸款資本化發行普通股	7,302	—	—	—	7,302
Recognition of equity-settled share based payment	確認股權結算以股份 為基礎的支付	—	2,160	—	—	2,160
At 31 December 2018	於2018年12月31日	23,583	2,160	8	(16,294)	9,457

GLOSSARY

釋義

“AGM”	the forthcoming annual general meeting for the year 2018 of the Company	「股東週年大會」	指 本公司即將舉行的2018年股東週年大會
“Audit Committee”	the audit committee under the Board	「審核委員會」	指 董事會屬下審核委員會
“Board”	board of directors of the Company	「董事會」	指 本公司董事會
“CG Code”	the Corporate Governance Code as set out in Appendix 14 of the Listing Rules	「《企業管治守則》」	指 《上市規則》附錄十四所載《企業管治守則》
“China” or “PRC”	the People’s Republic of China, but for the purposes of this annual report and for geographical reference only (unless otherwise indicated), excluding Taiwan, Macau and Hong Kong	「中國」	指 中華人民共和國，僅就本年報及地理參考目的而言（除另有註明外），不包括台灣、澳門及香港
“Company” or “we”	an exempted company incorporated in the Cayman Islands with limited liability on 18 May 2017 under the names of “Weigang Environmental Technology Holding Group Limited” and “维港环保科技控股集团有限公司”，and registered as a non-Hong Kong company under Part 16 of the Companies Ordinance	「本公司」或「我們」	指 以「Weigang Environmental Technology Holding Group Limited」及「维港环保科技控股集团有限公司」的名稱於2017年5月18日在開曼群島註冊成立的獲豁免有限公司，並根據《公司條例》第16部註冊為一家非香港公司
“Director(s)”	director(s) of the Company	「董事」	指 本公司董事
“Global Offering”	the offer of the Company’s Shares for subscription as described in the section headed “Structure of the Global Offering” in the Prospectus	「全球發售」	指 誠如招股章程「全球發售的架構」一節所述，發售本公司股份以供認購
“Group”	the Company and its subsidiaries and operating entities	「本集團」	指 本公司以及其附屬公司及經營實體
“HKSCC”	Hong Kong Securities Clearing Company Limited	「香港結算」	指 香港中央結算有限公司
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency for the time being of Hong Kong	「港元」	指 香港當時的法定貨幣港元

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC	「香港」	指 中國香港特別行政區
“IFRS”	the International Financial Reporting Standards, which include standards and interpretations promulgated by the International Accounting Standards Board (IASB), and the International Accounting Standards (IAS) and interpretation issued by the International Accounting Standards Committee (IASC)	「《國際財務報告準則》」	指 《國際財務報告準則》，包括國際會計準則理事會頒佈的準則及詮釋，以及國際會計準則委員會頒佈的國際會計準則及詮釋
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules	「獨立第三方」	指 並非本公司關連人士(定義見《上市規則》)的實體或個人
“Latest Practicable Date”	24 April 2019, being the latest practicable date for the purpose of ascertaining certain information contained in this annual report prior to its publication	「最後實際可行日期」	指 2019年4月24日，即於本年報發佈前為確定當中所載若干資料的最後實際可行日期
“Listing Date”	3 January 2019 on which the Shares were listed on the Stock Exchange	「上市日期」	指 2019年1月3日，即股份於聯交所上市當日
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time	「《上市規則》」	指 《香港聯合交易所有限公司證券上市規則》，經不時修訂
“Memorandum and Articles of Association”	the amended and restated memorandum of articles of association and articles of association of our Company, conditionally adopted on 20 May 2018 with effect from the Listing Date, and as amended from time to time	「組織章程大綱及細則」	指 本公司於2018年5月20日有條件採納並自上市日期起生效的經修訂及重述組織章程大綱及章程細則，經不時修訂
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules	「《標準守則》」	指 《上市規則》附錄十所載《上市發行人董事進行證券交易的標準守則》
“Nomination Committee”	the nomination committee under the Board	「提名委員會」	指 董事會屬下提名委員會

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“Period”	from the Listing Date to the date of this annual report	「期內」	指 上市日期至本年報日期
“PBOC”	People's Bank of China	「中國人民銀行」	指 中國人民銀行
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme of our Company as approved by the Board on 10 December 2018 with effective immediately prior to the completion of the Global Offering	「首次公開發售前購股權計劃」	指 董事會於2018年12月10日通過的本公司首次公開發售前購股權計劃，於緊接全球發售完成前生效
“Prospectus”	the prospectus of the Company dated 19 December 2018 in connection with the Hong Kong public offering of the Company	「招股章程」	指 本公司日期為2018年12月19日有關本公司香港公開發售的招股章程
“Remuneration Committee”	the remuneration committee under the Board	「薪酬委員會」	指 董事會屬下薪酬委員會
“RMB” or “Renminbi”	the lawful currency of the PRC	「人民幣」	指 中國的法定貨幣
“Reorganisation”	the reorganisation of the Group in preparation for Listing as set out in the subsection headed “History and Reorganisation and Group Structure – Reorganisation” in the Prospectus	「重組」	指 誠如招股章程「歷史、重組及集團架構 — 重組」分節所載述，本集團為籌備上市而進行的重組
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time	「《證券及期貨條例》」	指 香港法例第571章《證券及期貨條例》，經不時修訂、補充或以其他方式修改
“SFC”	the Securities and Futures Commission of Hong Kong	「證監會」	指 香港證券及期貨事務監察委員會
“Shareholder(s)”	holder(s) of the Shares	「股東」	指 股份持有人
“Shares”	shares in the share capital of the Company, with a nominal value of HK\$0.05 each	「股份」	指 本公司股本中每股面值0.05港元的股份
“Stock Exchange”	The Stock Exchange of Hong Kong Limited	「聯交所」	指 香港聯合交易所有限公司
“%”	per cent.	「%」	指 百分比



维港环保

WEIGANG ENVIRONMENT