



**2016**  
年度報告  
ANNUAL REPORT



**CT Environmental Group Limited**  
**中滔環保集團有限公司**

(incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1363

# About us

## 關於我們

CT Environmental Group Limited (the “Company”, together with its subsidiaries, the “Group”) is a professional environmental plan and solution provider which offers one-stop centralized and customized environmental protection services. The Group is substantially engaged in services in the whole chain, inclusive of industrial wastewater treatment, industrial water supply, solid waste (regulated waste included) and hazardous waste disposal and treatment, urban and domestic waste detoxification, and environmental inspection. The Group’s service packages cover all processes from the planning, construction, operation to the maintenance of the environmental protection facilities.

中滔環保集團有限公司(「本公司」，連同其附屬公司，「本集團」)是專業的環保解決方案提供商，為客戶提供一站式、一體化、量身訂造的綜合環保服務。集團主營業務為工業廢水集中處理、工業供水、固體廢物(含嚴控廢物)和危險廢物集中處置處理、城鄉生活垃圾無害化處理、環境檢測全產業鏈服務。服務內容涵蓋環保設施的規劃、建設、營運及維護全過程。



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## Company Profile and Corporate Information 公司簡介及公司資料

### EXECUTIVE DIRECTORS

Mr. Tsui Cham To (*Chairman*)  
Mr. Lu Yili (*Chief Executive Officer*)  
Mr. Gu Yaokun  
Mr. Xu Shubiao  
Mr. Xu Juwen

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lien Jown Jing, Vincent  
Mr. Du Hequn  
Mr. Liu Yung Chau

### COMPANY SECRETARY

Mr. Ma Chun Kei

### REGISTERED OFFICE

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman KY1-1111  
Cayman Islands

### AUDITOR

KPMG  
*Certified Public Accountants*

### PRINCIPAL PLACE OF BUSINESS

*China*  
Room 02, 19/F, R&F Centre  
10 Huaxia Road  
Zhujiang New Town  
Tianhe, Guangzhou  
China

*Hong Kong*  
Room 804, 8/F  
Empire Centre  
68 Mody Road  
Tsim Sha Tsui, Kowloon  
Hong Kong

### PRINCIPAL BANKERS

Asian Development Bank  
Bank of China  
Far Eastern International Bank  
Industrial and Commercial Bank of China

### 執行董事

徐湛滔先生(主席)  
盧已立先生(首席執行官)  
古耀坤先生  
徐樹標先生  
徐炬文先生

### 獨立非執行董事

連宗正先生  
杜鶴群先生  
廖榕就先生

### 公司秘書

馬濬琦先生

### 註冊辦事處

Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111 Cayman Islands

### 核數師

畢馬威會計師事務所  
*執業會計師*

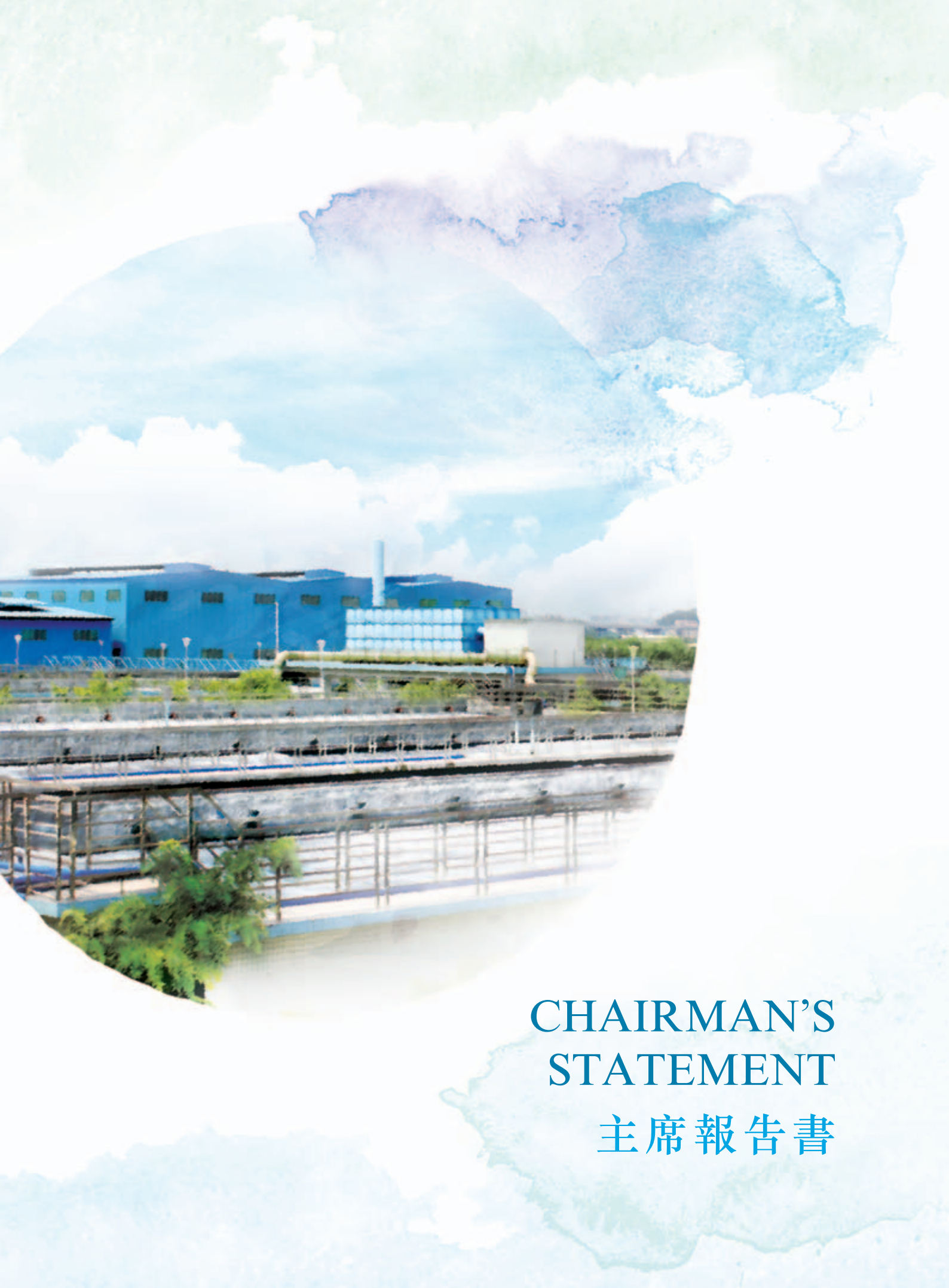
### 主要營業地點

*中國地區*  
中國  
廣州市天河區  
珠江新城  
華夏路10號  
富力中心19樓02室

*香港地區*  
香港  
九龍尖沙咀  
麼地道68號  
帝國中心  
8樓804室

### 主要往來銀行

亞洲開發銀行  
中國銀行  
遠東國際商業銀行  
中國工商銀行



CHAIRMAN'S  
STATEMENT

主席報告書

Chairman's Statement  
主席報告書



Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of CT Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present to you a brief review of the Group’s business and financial position of the Group in 2016, as well as the outlook for the industry.

尊敬的列位股東：

本人謹代表中滔環保集團有限公司（「本公司」，連同其附屬公司，「本集團」）董事會（「董事會」）向閣下提呈本集團於2016年的業務及財務概要以及行業未來展望。

In 2016, the Chinese government announced various policies under the 13th Five-Year Plan to promote environmental protection, while tightening the laws and regulations to define more clearly the responsibilities of environmental protection bodies. These measures have resulted in an increased demand for our core services, which are primarily industrial wastewater, sludge and hazardous waste treatment services. Last year, several of our projects started construction and others came into operation to strengthen our fully integrated offer. Given the favorable policies – which are here to stay – we are confident in the growth of the environmental industry in China and as a result anticipate great opportunities ahead.

Our strong management team has successfully implemented the development strategies put in place at the beginning of the year to provide steady sustainable growth for the business. We recorded revenues of RMB1,865.9 million, representing a 30% increase compared to 2015. The attributable operating profit to the Company's equity shareholders reached RMB589.6 million, representing a 17% increase compared to 2015. These results were in line with our expectations and are due to newly developed projects, the capacity increase of several projects and the revenue contribution from recent acquisitions. However, our profit attributable to the Company's equity shareholders in 2016 was RMB519.1 million representing a slight decrease compared to RMB598.9 million in 2015 due to one-off items in particular from foreign exchange loss. The Board resolved a final dividend of HKD0.67 cents per share. In addition, the Group transferred its equity interest in the land at Tangmei Village, Xintang Town in Zengceng for a net profit of approximately RMB48.0 million, which when this income is recognized, the sum will be paid out to shareholders as a special dividend.

Over the past year, we had three key areas of focus for the business: firstly, we diversified our customers from the traditional textile industry to include new industries such as automobile manufacturers and papermaking; secondly, we expanded from Guangdong to other provinces in the region; and thirdly, our services expanded from an early focus on water treatment to now include sludge, solid waste and hazardous waste treatment and disposal. Building on this momentum, we have a number of key initiatives in place which provide the technological innovation and the capital needs to support our growth.

2016年，中國政府在「十三五」規劃中發佈了多個推進環境保護的措施，並加緊環保法律法規的執行，進一步明確環境保護主體責任，推動市場對本集團的工業污水、污泥、危廢處理服務等核心業務的需求。本集團年內有多個項目開始建設及投運，以不斷加強各板塊間的業務聯繫。政策利好的時代背景下，中國環保行業將有巨大的上行空間，為本集團繼續帶來極大的市場機遇。

2016年，我們優秀的管理團隊帶領公司穩步貫徹年初制定的發展戰略，實現業務持續性發展。我們錄得之收益為1,865.9百萬元人民幣，較2015年增長約30%。本公司權益持有人應佔經營性利潤達到589.6百萬元人民幣，較去年同期經營性利潤增長約17%。以上財務業績與我們的預期相符，乃由於我們開展新項目、增加若干項目的產能以及來自近期收購事項的收益貢獻。然而，本公司2016年度權益持有人應佔溢利519.1百萬元人民幣，與2015年同期的598.9百萬元人民幣相比略有降低，主要由於受到部分一次性項目的影響，尤其是匯兌損失。董事會決議宣派每股0.67港仙之末期股息。此外，集團將其於增城市新塘鎮塘美村的土地進行了股權轉讓，董事會預計本次股權轉讓產生的所得款項淨額約48.0百萬元人民幣，將用於向股東支付之特別股息。

去年，我們的業務聚焦於三個重點發展方向：第一，客戶類型日趨多元化，例如從早期傳統的紡織業擴展到其他更多新興的行業；第二，從廣東省拓展到區域內其他省份；第三，我們服務類型的擴展，從早期的水處理，逐步拓展到污泥、固體廢物以及危險廢物的處理處置。基於這些發展勢頭，本集團已有若干重點計劃就位，以提供所需的技術創新和用於支持業務發展的資金。

## Chairman's Statement 主席報告書

By optimizing the way that we manage our business, upgrading our technology and investing in infrastructure, the Group continued to push forward our areas of focus. Yulin (Fumian) Energy-saving Environmental Protection Industrial Park located in Guangxi Zhuang Autonomous Region, which is our first comprehensive environment project in Guangxi Province, combines our expertise in energy-saving, recycling, integration and eco-friendliness. The industrial park will proactively enhance the province's environmental excellence, and will become the benchmark for energy-efficient and eco-friendly industrial parks in Guangxi Autonomous Region. Building on early success, together with the local government, we have entered into a series of cooperation agreements including the strategic cooperation agreement for the Nanlijiang River Basin environment comprehensive treatment and economic synergy development project. This demonstrates the Group's expertise in cross-provincial planning layout and external expansion, and our ambition to grow this aspect of our business further.

With regard to technological innovation, the 13th Five-Year Plan classified "innovation" as the top of the five main development areas to drive future growth. The Group has always considered innovation to be important for sustainable, future growth which gives us a real, competitive edge. This is demonstrated by our national and provincial environmental protection technology projects, from environmental protection research to environmental inspection accreditation. Our initiatives align with market interests and are commercially more attractive. As of the date of publication of this report, Guangzhou Xintao Wastewater Treatment Company Limited, Guangzhou Haitao Environmental Protection Technology Company Limited, Guangzhou Lvyou Industrial Waste Reclamation Treatment Company Limited and Heyuan Solid Waste Centralized Treatment Centre Company Limited are four subsidiaries of the Group which have been identified as National High-tech Enterprises. Furthermore, Guangzhou Yinglong Wastewater Treatment Company Limited was chosen as one of the High-tech Enterprises in Incubation. By being recognized as High-tech Enterprises, not only do the subsidiaries enhance the Group's reputation, but they also benefit from capital rewards and incentive policies for land requisition, tax payment and loan borrowing.

通過優化管理、技術升級和投資基礎設施建設等方式，本集團持續推進核心業務的發展。廣西壯族自治區玉林市福綿區的節能環保產業園，作為本集團在廣西地區投資的第一個綜合性環保項目，結合了我們在節能、環保方面的專業技術及服務，對當地環保水準的提高、環境質量的改善將起到十分積極的作用，將成為廣西自治區節能環保產業的標杆園區。在此基礎之上，本集團與當地政府簽訂若干項合作協議，其中包括南流江流域環境綜合治理與經濟協同發展項目戰略合作框架協議，彰顯本集團跨省佈局、對外進行業務擴張的雄心。

在技術創新方面，「十三五」規劃綱要將創新列為5大發展理念之首，並指出創新是引領發展的第一動力。本集團一直將創新視作企業永葆生機的源泉，並致力於將其打造為自身的核心競爭力之一。本集團業已建立多個國家級、省級重點環境保護實用技術示範工程、環保研究示範基地和環境監測認證基地，完善質量監督與保障體系，為自主研發及引進的先進技術提供生產配套條件，為實現優秀技術的市場化、商品化提供有效保障。截至本報告刊發日期，本集團已有廣州新滔水質淨化有限公司、廣州海滔環保科技有限公司、廣州綠由工業棄置廢物回收處理有限公司和河源市固體廢物集中處置中心有限公司等4家子公司被國家認定為高新技術企業。此外，本集團旗下廣州盈隆污水處理有限公司已入選高新技術企業培育庫。獲評為高新技術企業，不僅大大提高了本集團的美譽度和企業形象，還將獲得資金獎勵，並在徵地、稅收、貸款等方面享受一系列優惠政策。



In terms of capital management, the Group successfully signed additional agreements for bank financing in 2016: on 22 March, the Group and Asian Development Bank signed a facility agreement on a maximum principal amount of USD250 million. The loan amount will be used for construction in China, and acquiring or operating a series of professional industrial wastewater and sludge treatment facilities. On 30 December, the Group was granted a loan of approximately RMB667 million by Industrial and Commercial Bank of China, and another of approximately RMB230 million by China Construction Bank. The loan amounts are being used to pay the Group's capital expenditure costs and daily operating expenses.

On 14 March 2016, the Group was added to the list of Hang Seng Composite LargeCap and MidCap Index. All achievements mentioned above reinforce the Group's structure and financial status, and serve to promote the Group's position, brand image and competitiveness in the industry. Furthermore, it reflects the highest trust of large-scale investment entities in the Group's operational management and expectations for the Group's bright future.

Looking forward, the Group is at an important juncture. It has high expectations for the future given it is well positioned to capture exciting development opportunities in 2017. The government has put more resources into environmental protection along with incentive policies. More and more enterprises see the value in the continuous development of their environmental practices. We hope our services will support these enterprises in their efforts to achieve energy efficiency, and will fulfill our own social responsibilities to support the continuous development of general industries. As a listed corporation with a leading position in the green industry, we are professionalizing and deepening our services in the treatment and disposal of industrial wastewater, sludge, general solid waste and hazardous waste. We also are integrating organically different services which is one of the key differentiators of the Group. In other words, the Group has comparable capabilities in technology research and operational management.

在資本管理方面，本集團於2016年內簽訂多筆銀行融資：3月22日，本集團與亞洲開發銀行簽署一筆本金總額最高達2.5億美元的融資協議，貸款款項將用於在中國國內建設、收購或運營一系列專業化工業污水及污泥處理廠；12月30日，本集團獲得中國工商銀行股份有限公司批出約人民幣6.67億元貸款、獲得中國建設銀行股份有限公司授予人民幣2.3億元貸款。上述貸款款項將用於本集團的資本性支出和日常運營支出。

3月14日，本集團獲納入恒生綜合大中型股指數。上述一系列成果除可增強本集團的股東架構及財務狀況，從而提升本集團的行業地位、品牌形象和市場競爭力以外，還彰顯國內外大型投資機構對本集團運營管理的高度信任和未來發展的殷切期望。

展望未來，本集團正處在一個重要的時代節點，我們擁有強勁的實力在2017年捕捉發展契機，對未來的發展充滿期待。政府在環境保護方面投入了更多的資源，給予優惠政策。越來越多企業重視可持續發展，我們務求能通過提供專業的綜合性環保服務，幫助這些企業逐步實現能源效益，履行社會責任，支持整體工業的可持續發展。作為環保行業中具有領先地位的上市企業，本集團專業深入工業污水、污泥及一般固廢、危險廢棄物處置處置等服務領域，將不同的服務有機整合在一起，建設了具有中滔環保特色的平台。可以說，本集團具備相當的技術研發能力及經營管理優勢，未來發展想像力十足。

## Chairman's Statement 主席報告書

Ten years ago, we built industrial parks just simply to recycle water; ten years later, we have invested in the Guangxi industrial park, with comprehensive eco-friendly services covering industrial wastewater treatment, industrial water supply, sludge treatment and power-heat supply, the wide areas involved has realized both energy efficiency and environmental protection. In geographical terms, we have developed from a green enterprise in Guangzhou, to an influential and leading corporation in Guangdong province, and within South China districts. This is due to our judicious approach to geographical development, carefully assessing opportunities in new areas.

Finally, I would like to express my sincerest gratitude to our shareholders and all stakeholders for your support in our development and progress. I would also like to take this opportunity to thank all my colleagues for their ongoing efforts and contribution to make our dream possible.

**Tsui Cham To**  
*Chairman of the Board*

Hong Kong, 31 March 2017

十年前，我們建造的產業園，只是簡單的實現了水循環再用；十年後，我們在廣西投入的產業園，涵蓋工業污水處理、工業用水供應、污泥處理、熱電聯供等綜合性環保服務，涉及領域甚廣，實現了節能與環保的雙重覆蓋。地域上，我們從一個廣州地區的環保企業，發展成為廣東省乃至華南地區比較具有影響力的、佔據領先位置的企業，這離不開我們對地域擴張審慎的態度，在選擇新發展地域時，我們會把每一個步伐都走穩走好。

最後，本人亦藉此機會衷心感謝我們的全體股東及本集團所有利益相關者對於本集團的發展一直給予的支持，並感謝本集團全體員工於年內作出的努力和貢獻。

**董事會主席**  
**徐湛滔**

香港，二零一七年三月三十一日



MANAGEMENT  
DISCUSSION  
AND ANALYSIS  
管理層討論與分析

## Management Discussion and Analysis

### 管理層討論與分析

#### I. FINANCIAL SUMMARY

The particulars of the revenue comparison by business segment for the years ended 31 December 2016 and 31 December 2015 were as follows:

#### 一、財務摘要

本集團截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度按業務分部劃分之收入比較詳情乃載列如下：

		Revenue 營業收入			
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元	Increase/(Decrease) 增加/(減少) RMB' 000 人民幣千元	
Water treatment services	水處理服務	556,337	424,484	131,853	31%
Heating services	供熱服務	120,752	65,518	55,234	84%
Sludge and solid waste treatment services	污泥以及固體 廢物處理服務	439,790	361,332	78,458	22%
Construction services	項目建設服務	287,549	274,501	13,048	5%
Finance income	融資收入	17,768	13,164	4,604	35%
Provision of entrusted operation services	提供委托營運服務	8,589	131,356	(122,767)	(93%)
Hazardous waste treatment services	危險廢物處理服務	435,155	164,604	270,551	164%
		<b>1,865,940</b>	1,434,959	430,981	30%

## II. BUSINESS REVIEW AND OUTLOOK

### 1. General Review

In 2016, China has made great efforts to promote various reforms against a backdrop of China's economic development entering a new normal, creating a favourable macro environment and condition for improving the quality of economic growth, driving economic structure optimization and promoting energy conservation and emission reduction.

In the first year of the "13th Five-Year Plan", China has visibly accelerated the strategic development of ecological civilization construction and environmental protection, issued the "13.5" Eco-Environmental Protection Plan (「十三·五」生態環境保護規劃) and the "13.5" Development Plan for National Strategic Emerging Industries (「十三·五」國家戰略性新興產業發展規劃), and passed the Amendment to the Law of the People's Republic of China on Prevention and Control of Water Pollution (Draft) (中華人民共和國水污染防治法修正案(草案)), the Environmental Protection Law of the People's Republic of China (中華人民共和國環境保護稅法) and the Interpretation of the Supreme People's Court and the Supreme People's Procuratorate on Several Issues concerning the Application of Law in the Handling of Criminal Cases of Environmental Pollution (最高人民法院、最高人民檢察院關於辦理環境污染刑事案件適用法律若干問題的解釋). These further clarified the responsibilities of environmental protection entities, enabled increasing improvement of environmental laws and regulations, and brought unprecedented opportunities for development in the environmental protection industry in the PRC.

Meanwhile, environmental law enforcement has also turned into a mechanism to help China promote the supply-side structural reform, which has effectively resolved excess capacity of steel, cement, coal and other heavily polluting industries. As the costs of violating environmental laws by pollution emission entities are surging, where the macro-economy in the PRC is facing structural adjustment and seeking transformation and upgrading, third-party management of environmental pollution is the most cost-effective way out.

## 二、業務回顧及展望

### 1. 總體回顧

於二零一六年，中國在經濟發展進入新常態下大刀闊斧地推動各項改革，為提高經濟增長質量、促進經濟結構優化、推進節能減排創造了良好的宏觀環境和條件。

在這個「十三·五」規劃的開局之年，可以見到國家在生態文明建設和環境保護的戰略發展上加快了步伐，印發了《「十三·五」生態環境保護規劃》及《「十三·五」國家戰略性新興產業發展規劃》，並通過了《中華人民共和國水污染防治法修正案(草案)》、《中華人民共和國環境保護稅法》及《最高人民法院、最高人民檢察院關於辦理環境污染刑事案件適用法律若干問題的解釋》。這些都令環境保護主體責任得以進一步明確、環境法律法規體系日益健全，給中國的環保產業帶來了空前的發展機遇。

與此同時，環保執法亦成為一個助力國家推進供給側結構性改革的機制，有效化解鋼鐵、水泥、煤炭等重污染行業的過剩產能。由於排污企業的環保違法成本日益高漲，而中國的宏觀經濟正面臨結構性調整而尋求轉型升級，環境污染第三方治理乃最具經濟效益的出路。

## Management Discussion and Analysis

### 管理層討論與分析

Last year, the Group further strengthened the solid foundation for the formation of the three core business segments. Internally, the Group continued to strengthen the business connections between different segments in order to achieve business integration, while externally it continued to expand into newly explored markets and enhanced its influence in the industry, paving the way for the next stage of development and expansion.

For business expansion, the Group commenced construction of six new projects during the year. Among them, the first comprehensive flagship project, being the Yulin (Fumian) Energy-saving Environmental Protection Industrial Park (玉林(福綿)節能環保產業園) (“Guangxi Yulin Project”, including three sub-projects in the first phase), established by the Group in the Guangxi Zhuang Autonomous Region, received full support from the Municipal Government of Yulin and the Government of the Guangxi Zhuang Autonomous Region and is progressing smoothly. On this basis, the Group has further entered into an investment intention with the local government for the development of solid waste and hazardous waste treatment and disposal projects, and has formed a strategic cooperation framework for comprehensive treatment and management of the Nanlijiang River Basin, with a potential investment scale of billions of Renminbi. With regard to solid waste, the Guangdong Longtao Recycling Economic Industrial Park (龍滔循環經濟產業園) (“Longmen Industrial Base (龍門產業基地)”) built by the Group in Longmen County, Guangdong Province, covering seamless integrated treatment of urban and rural domestic waste and centralized disposal of solid wastes, will be developed into an integrated solid waste environmental protection base. With regard to hazardous waste, the Group has established Guangdong Province’s largest third-party vessel and port sewage treatment centre, CT (Nansha) Ocean Protection Centre (南沙海洋環保中心) in Nansha District, Guangzhou City to carry out treatment and disposal of oily wastewater and oily sludge, setting the precedent for domestic marine environmental protection. During 2016, the Group’s projects in operation actively expanded their market share, developed new customers and signed large-scale enterprise customers such as Dongguan Lee & Man Paper Factory Co., Ltd., Shenzhen Water (Group) Co., Ltd. and Baogang Zhanjiang Iron & Steel Co., Ltd., paving the solid foundation for achieving organic growth of the Group.

去年，本集團進一步夯實了三大核心業務板塊形成的穩固根基，對內不斷加強不同板塊間的業務聯繫以達致業務融合，對外持續擴展至新開拓的市場，提高自身在行業內的影響力，為下一階段的發展和擴張鋪平了道路。

在業務拓展方面，本集團於年內新開工建設項目6個。其中，本集團於廣西壯族自治區打造的首個綜合性旗艦項目，即玉林(福綿)節能環保產業園(「廣西玉林項目」)首期，包含3個子項目，得到玉林市政府及廣西壯族自治區政府的高度重視和全力支持，進展順利。在此基礎上，本集團與當地政府簽訂了發展固體廢棄物、危險廢物處理處置項目的投資意向，並就南流江流域環境綜合治理形成了戰略合作框架，潛在的投資規模達數十億人民幣。就固廢而言，本集團於廣東省龍門縣打造的龍滔循環經濟產業園(「龍門產業基地」)，涵蓋城鄉生活垃圾無縫對接一體化處理、固體廢物集中處置，將建成一個綜合性固廢環保基地。就危廢而言，本集團於廣州市南沙區設立了廣東省規模最大的第三方船舶及港口污水處理中心(「南沙海洋環保中心」)，大力開展含油廢水、油泥油渣的處理處置業務，開創了國內海洋環保的先河。本集團之運營項目於二零一六年積極拓展市場份額、開發新客戶，並簽下了東莞理文造紙廠有限公司、深圳水務(集團)有限公司、寶鋼湛江鋼鐵有限公司等大型企業客戶，為本集團實現有機增長打下了堅實的基礎。

With 13 years of experience in the environmental protection industry, the Group has always been pragmatic and constantly develops practical new equipment and technologies from daily operation which forms its own technological and cost advantages, thereby receiving recognition in the industry. During the year under review, Guangzhou Xintao, a wholly-owned subsidiary of the Group, was awarded two honours as Key Enterprise of Environmental Protection Industry in Guangdong Province in the “12th Five-Year” (「十二五」廣東省環境保護產業骨幹企業) and Service Entity with Excellent Operation for Environmental Pollution Control Facilities in Guangdong Province (廣東省環境污染治理設施優秀運行服務單位) awarded by the Guangdong Provincial Environmental Protection Industry Association (廣東省環境保護產業協會). The Group also won the “Green Award(綠英獎)”- enterprise with leading comprehensive strength in industrial wastewater treatment in the 2016 China environment enterprise competitive strengths awarded by the 9th China Environmental Industry Conference (第九屆中國環境產業大會).

For enterprise management, the Group’s environmental protection projects had no occurrence of major production accidents during the year and achieved stable operation, meeting discharge standards. Learning from the advanced concepts of international organizations, the Group has set up a sustainable development department to build a professional comprehensive environment, social, health and safety management system and a risk management system to promote its own sustainable development. The Group also kept investing in independent research, development, a total of technological innovation. As at the end of 2016, the Group was granted 73 patents by the State Intellectual Property Office (國家知識產權局), out of which 12 of them were utility model patent and 1 of them was an invention patent. Moreover, the Group actively fulfilled its corporate social responsibility and consciously subjected itself to public supervision, and frequently received social groups at several environment protection projects of the Group. The number of visitors from the investment community alone was more than 130 in total for the year ended 31 December 2016. The Group sponsored “CTEG Scholarship” benefitting students from the School of Environment and Energy of South China University of Technology and the School of Environmental Science and Engineering of Peking University to deepen the cooperation and exchange among schools and enterprises, and to promote the closer integration of production and research.

在環保行業紮根十三年，本集團始終注重務實，不斷從日常運營中開發實用的新型設備和技術，形成自身的技術及成本優勢，並因而得到行業內的認可。回顧年內，本集團旗下全資子公司廣州新滔獲得廣東省環境保護產業協會授予的「十二五」廣東省環境保護產業骨幹企業及廣東省環境污染治理設施優秀運行服務單位的兩項榮譽；本集團亦榮獲第九屆中國環境產業大會2016年度中國環境企業競爭力「綠英獎」－工業廢水治理綜合實力領先企業。

在企業管理方面，本集團各個環保項目年內無重大生產事故，實現穩定運行及達標排放。通過借鑒國際性機構的先進理念，本集團成立了可持續發展部門，建設專業全面的環境、社會、健康及安全管理體系和風險管理體系，促進自身的可持續發展。本集團亦在自主研發和技術創新上持續投入，於二零一六年底獲國家知識產權局授權之專利共73項，其中實用新型專利達12項，發明專利1項。此外，本集團積極履行其企業社會責任，自覺接受公眾的監督，並經常接待社會各界團體於旗下多個環保項目交流，截至二零一六年十二月三十一日止年度，單是投資界人士年內蒞臨考察人數總共超過130人次。本集團之「中滔環保獎學金」品牌接連走入華南理工大學環境與能源學院、北京大學環境科學與工程學院，以深化校企合作和交流，促進產學研更加緊密結合。

## Management Discussion and Analysis

### 管理層討論與分析

2016 was a year of opportunities and challenges. From the “Action Plan for Prevention and Control of Water Pollution (水污染防治行動計劃)” issued by the Ministry of Environmental Protection in April 2015 to the “Notice on Implementation of Total Emission Reduction Plan for Industrial Pollution Sources (關於實施工業污染源全面達標排放計劃的通知)” which was further released in December 2016; from the “Action Plan for Prevention and Control of Soil Pollution (土壤污染防治行動計劃)” released in May 2016 to the detailed investigation of soil pollution in China which will kick off in 2017, all of which have created strong policy impetus for the industrial sewage treatment business as well as the solid waste and hazardous waste treatment and disposal business carried out by the Group.

As a Hong Kong listed company, the Group has always been responsible to the shareholders and carried out open and positive two-way communication with employees and other stakeholders. However, the Group unfortunately suffered a malicious short attack at the end of the year, impacting the business and its shareholders. At the same time, the storm of central government environmental protection inspection has swiped across the Guangdong Province, as a result thousands of industrial enterprises were ordered to carry out rectification processes and were penalised with zero tolerance and flexibility. Hundreds of government officials and business owners were invited to interviews or to bear liability. Confronted with such challenges, the Group’s management and staff at all levels maintained a high degree of vigilance and cooperated with the authorities to achieve zero complaints for the production and operation of environmental protection projects during this challenging period, paving a more solid foundation for the Group’s performance.

二零一六年是機遇與挑戰並存的一年。從二零一五年四月國家環保部發佈《水污染防治行動計劃》到二零一六年十二月進而發佈《關於實施工業污染源全面達標排放計劃的通知》，從二零一六年五月發佈《土壤污染防治行動計劃》到將於二零一七年全面啟動全國土壤污染狀況詳查，無一不為本集團所開展的工業污水處理業務、固廢危廢處理處置業務創造了強大的政策推動力。

作為香港上市公司，本集團一向對股東負責，公開及正面地與員工及其他利益相關者進行雙向溝通，卻不幸於年末遭受惡意空頭打擊，影響了業務及其股東。幾乎在同一時間段，中央政府環保督查風暴刮到了廣東省，在零容忍零彈性的原則下全省各地數千家工業企業遭責令整改及受處罰，數百政府官員和企業主被約談或問責。面臨如此挑戰，本集團各級管理層和廣大員工保持高度警惕，與當局合作，在這充滿挑戰的時期實現各個環保項目生產運營零投訴，使得集團之業績根基更加穩固。



## 2. Business Review

### 2.1. Water Treatment Services

As at 31 December 2016, the Group operated a total of 13 water treatment plants, including 7 industrial wastewater treatment plants, 3 municipal wastewater treatment plants and 3 industrial water supply plants. Besides, 1 industrial wastewater treatment plant and 1 industrial water supply plant will be put into operation in 2017. The total designed daily capacity of wastewater treatment facilities was 759,500 m<sup>3</sup>, representing an increase of approximately 2% compared to the daily capacity of 745,000 m<sup>3</sup> as at 31 December 2015. The total designed capacity of industrial water supply plants was 330,000 m<sup>3</sup>/day, which remained unchanged compared to that as at 31 December 2015. Across the three business segments, namely industrial wastewater treatment, municipal wastewater treatment and industrial water supply, the Group recorded different levels of organic growth in terms of total wastewater treatment volume or total industry water supply volume.

## 2. 業務回顧

### 2.1. 水處理服務

截至2016年12月31日，本集團合共運營13座水廠，其中包括7座工業污水處理廠、3座市政污水處理廠、3座工業用水供應廠；1座工業污水處理廠及1座工業用水供應廠待於二零一七年投入運營。污水處理總設計產能為759,500立方米／日，較截至2015年12月31日的總產能745,000立方米／日增加2%；工業用水供應總設計產能為330,000立方米／日，與2015年12月31日的總產能330,000立方米／日持平。在工業污水處理、市政污水處理、工業用水供應這三個細分領域，本集團亦分別錄得了總污水處理量或工業用水供應量不同程度的有機增長。

## Management Discussion and Analysis

### 管理層討論與分析

The analysis of projects held as at 31 December 2016 was as follows:

於二零一六年十二月三十一日持有項目之分析如下：

Daily Designed Treatment Capacity (M <sup>3</sup> /Day) 每日設計處理能力 (立方米/日)	Operational Model 運營模式	Industrial Wastewater Treatment 工業污水處理			Municipal Wastewater Treatment 市政污水處理		Wastewater Treatment Subtotal 污水處理小計	Industrial Water Supply 工業用水供應	Total 總計
		Build-Own-Operate ("BOO") 建設-擁有-營運 (「BOO」)	Build-Operate-Transfer ("BOT") 建設-營運-移交 (「BOT」)	Transfer-Build-Transfer ("TBT") 移交-建設-移交 (「TBT」)	BOO	BOT	BOO		
In Operation	運營中	530,000	45,000	4,500	10,000	120,000	709,500	280,000	989,500
Pending Operation	待運營	50,000	-	-	-	-	50,000	50,000	100,000
Under Construction	建設中	70,000	-	-	-	-	70,000	100,000	170,000
In Planning	規劃中	240,000	55,000	-	-	-	295,000	200,000	495,000
<b>Total</b>	<b>總計</b>	<b>890,000</b>	<b>100,000</b>	<b>4,500</b>	<b>10,000</b>	<b>120,000</b>	<b>1,124,500</b>	<b>630,000</b>	<b>1,754,500</b>
<b>Number of Water Plants/Each</b>	<b>水廠數量/個</b>								
In Operation	運營中	5	1	1	1	2	10	3	13
Pending Operation	待運營	1	-	-	-	-	1	1	2
Under Construction	建設中	2	-	-	-	-	2	2	4
In Planning	規劃中	2	-	-	-	-	2	-	2
<b>Total</b>	<b>總計</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>15</b>	<b>6</b>	<b>21</b>

\* Capacity expansion of the existing water plants is not deemed as any increase in number of water plants.

\* 在現有水廠基礎上擴張產能視為不增加水廠數量

### 2.1.1 Industrial Wastewater Treatment Services

Industrial wastewater treatment is the core business of the Group. The Group focused on third party centralized processing markets operated under the BOO model, providing sewage emission entities in the industrial parks or areas with professional solutions for third party control of environmental pollution to help enterprises realise separation of “pollution control” and “pollution generation”, thereby effectively solving the pollution problem. Currently customers served by the Group cover industries ranging from textile, printing and dyeing, papermaking, food processing to electronic electroplating. The Group will continue to broaden its customer base in the foreseeable future to cover industries such as the pharmaceutical industry and fine chemicals industry.

As at 31 December 2016, the Group owned 6 industrial wastewater treatment plants which are in operation in the Guangdong Province and the Hunan Province. The Group also took over the operation of 1 industrial wastewater treatment plant in the Guangdong Province, making the aggregated designed treatment capacity 579,500 m<sup>3</sup>/day. During the year ended 31 December 2016, the daily average utilisation rate of the industrial wastewater treatment plants was approximately 62% and the total wastewater treatment volume was 8% higher than the corresponding period in 2015. Projects under construction for the year had a total designed capacity of 70,000 m<sup>3</sup>/day. These projects comprise of Phase I of the wastewater treatment plant in Qingyuan Overseas Chinese Industrial Park Yingde Yinghong Base (“Yinghong Base”) (清遠華僑工業園英德英紅園污水處理廠) and the wastewater treatment facility in Guangxi Yulin Project which had designed capacity of 20,000 m<sup>3</sup>/day and 50,000 m<sup>3</sup>/day, respectively. They are scheduled to commence operation in 2017.

### 2.1.1 工業污水處理服務

工業污水處理為本集團之核心業務，本集團以BOO運營模式專注於第三方集中式處理市場，為工業園區或片區內的排污企業提供環境污染第三方治理的專業化解決方案，幫助企業實現「治污」與「產污」分離，從而高效地解決污染問題。目前，本集團所服務客戶之所屬行業涵蓋紡織印染工業、造紙工業、食品加工業及電子電鍍工業，在可預見的未來將持續拓寬客戶覆蓋面至醫藥行業及精細化工等行業。

截至2016年12月31日，本集團在廣東省及湖南省內擁有運營工業污水處理廠6座，在廣東省內接管運營工業污水處理廠1座，總設計產能為579,500立方米/日。於截至二零一六年十二月三十一日止年度，工業污水處理廠的日均產能利用率約為62%，總污水處理量較2015年同期增加約8%。本年度在建項目總設計產能為70,000立方米/日，該等項目包括清遠華僑工業園英德英紅園污水處理廠（「英紅園項目」）一期（20,000立方米/日）及廣西玉林項目（50,000立方米/日），預計於二零一七年投入運營。

## Management Discussion and Analysis

### 管理層討論與分析

#### 2.1.2 Municipal Wastewater Treatment Services

As at 31 December 2016, the Group operated 3 municipal wastewater treatment plants in the Guangdong Province. The total designed treatment capacity was 130,000 m<sup>3</sup>/day. The new capacity for the period was 10,000 m<sup>3</sup>/day and was put into operation in June 2016. Those plants have been running stable utilisation rates.

#### 2.1.3 Industrial Water Supply

As at 31 December 2016, the Group operated 3 industrial water supply plants in the Guangdong Province. During 2016, the total designed treatment capacity of these plants was 280,000 m<sup>3</sup>/day with an average daily utilisation rate of approximately 56% and the total industry water supply volume was approximately 4% higher than the corresponding period in 2015. These plants are located in industrial parks with wastewater treatment plants operated by the Group, and as circular economy models, are connected to respective wastewater treatment plants in the same industrial park via grey water recycling facilities for the provision of industrial water supply services to clients which have already purchased their wastewater treatment services. Projects under construction in 2016 had a total designed capacity of 100,000 m<sup>3</sup>/day. These projects comprise of Phase I of the water supply plant in Yinghong Base and the water supply project in Guangxi Yulin Project, each had designed capacity of 50,000 m<sup>3</sup>/day. They are scheduled to commence operation in 2017.

#### 2.1.2 市政污水處理服務

截至二零一六年十二月三十一日，本集團在廣東省內運營市政污水處理廠3座，總設計產能為130,000立方米／日，本期新增產能為10,000立方米／日，於二零一六年六月投入運行。該等設施常年保持穩定的產能利用率。

#### 2.1.3 工業用水供應

於二零一六年十二月三十一日，本集團在廣東省內運營工業用水供應廠3座，總設計產能為280,000立方米／日，於二零一六年，日均產能利用率為約56%，總工業用水供應量較二零一五年同期增加約4%。該等設施位於與本集團經營之污水處理廠所在工業園內，並透過中水回用設施與同一園區內之污水處理廠連通，為購買污水處理服務之客戶同時提供工業用水供應服務，是循環經濟的典型模式之一。二零一六年在建項目總設計產能為100,000立方米／日，該等項目包括英紅園項目一期(50,000立方米／日)及廣西玉林供水項目(50,000立方米／日)，預計於二零一七年投入運營。

2.2 Sludge and general solid wastes treatment services

As at 31 December 2016, the Group operated a total of 3 sludge treatment facilities, one of which was also able to handle both treatment and disposal of general industrial solid wastes. The total treatment and disposal capacity for sludge was 3,442 tonnes/day, representing an increase of approximately 9.5% as compared to the total capacity of 3,142 tonnes/day as at 31 December 2015. The increase in the capacity was attributable to the enhancement of treatment capacity in sludge treatment facilities within the Group's existing Heyuan Solid. The Group's safety landfill capacity for treatment and disposal of general industrial solid wastes was 2,000,000 m<sup>3</sup>, with a planned annual usage of 100,000 m<sup>3</sup>.

Sludge treatment and disposal projects under construction in 2016 had a total expected capacity of 700 tonnes/day. These projects comprise of Phase I of the sludge project in Longmen Industrial Base (龍門產業基地) and the sludge treatment sub-project within Guangxi Yulin Project which the expected capacity are 500 tonnes/day and 200 tonnes/day, respectively. General industrial solid waste treatment and disposal projects under construction had total expected capacity of 650,000 tonnes/year. These projects comprise of the solid waste project in Longmen Industrial Base (龍門產業基地) and Xinfeng County Lvzhi Industrial Waste Reclamation Disposal Centre (新豐縣綠智工業廢物回收處理中心) which have expected capacity of 300,000 tonnes/year and 350,000 tonnes/year, respectively. In addition, a seamless integrated treatment project for urban wastes of the Group in Longmen Industrial Base (龍門產業基地) are scheduled to commence operation in 2017.

2.2 污泥及一般固廢處理服務

截至二零一六年十二月三十一日，本集團合共運營3座污泥處理處置設施，其中1座同時具備處理處置一般工業固體廢物的能力。污泥處理處置總處理規模為3,442噸／日，較於二零一五年十二月三十一日的總處理規模3,142噸／日增加9.5%，乃由於我們現有的河源固廢污泥處理設施之處理規模提升所致；本集團一般工業固體廢物處理處置之無害化填埋規模為200萬立方米，規劃年利用10萬立方米。

於二零一六年，污泥處理處置在建項目總規模預期為700噸／日，該等項目包括龍門產業基地污泥項目一期(500噸／日)及廣西玉林項目污泥處理子項目(200噸／日)，一般工業固廢處理處置在建項目總規模預期達650,000噸／年，該等項目包括龍門產業基地固廢項目(300,000噸／年)及新豐縣綠智工業廢物回收處理中心(350,000噸／年)。此外，本集團於龍門產業基地建設的城鄉生活垃圾無縫對接一體化處理項目，預期於二零一七年投入運營。

## Management Discussion and Analysis

### 管理層討論與分析

The analysis of projects held in 2016 was as follows:

二零一六年持有項目之分析如下：

Approved Treatment Capacity		Sludge	General	Domestic
			Industrial	Waste
核准處理規模		污泥	一般工業 固體廢物	生活垃圾
		Tonnes/Day 噸/日	Tonnes/Year 噸/年	Tonnes/Day 噸/日
In Operation	運營中	3,442	100,000	—
Under Construction <sup>#</sup>	建設中 <sup>#</sup>	700	650,000	600
In Planning <sup>#</sup>	規劃中 <sup>#</sup>	889	—	—
<b>Total</b>	<b>總計</b>	<b>5,031</b>	<b>750,000</b>	<b>600</b>
Number of Facilities/Each <sup>*</sup>		設施數量/個 <sup>*</sup>		
In Operation	運營中	3	1	—
Under Construction	建設中	2	2	1
In Planning	規劃中	—	—	—
<b>Total</b>	<b>總計</b>	<b>5</b>	<b>3</b>	<b>1</b>

\* Capacity expansion of existing facilities is not deemed as an increase in number of facilities

\* 在現有設施基礎上擴張產能視為不增加設施數量

# This is the capacity which has passed the preliminary review but the final approved capacity will be determined as stipulated in the permit after the granting of completion acceptance.

# 此為項目立項所獲批復產能，最終核准產能以項目竣工驗收後獲取的處理許可為準

### 2.2.1 Sludge Treatment and Disposal

As at 31 December 2016, the Group operated 3 sludge treatment facilities in the Guangdong Province. The total treatment size was 3,442 tonnes/day. The average utilisation rate reached the full production capacity level during 2016, representing an increase as compared with the average capacity utilisation rate of approximately 93% during 2015, mainly due to the increasing number of customers. Among the total sludge agreed to be treated and disposed of by the Group, approximately 80% comprised of sludge produced in urban centralized municipal wastewater treatment plants, and approximately 20% comprised of “dyeing sludge” produced in dyeing wastewater treatment and “papermaking sludge” produced in papermaking wastewater treatment.

### 2.2.1 污泥處理處置

截至二零一六年十二月三十一日，本集團在廣東省內運營污泥處理處置設施3座，總處理規模為3,442噸／日，於二零一六年，平均產能利用率達滿產水平，較二零一五年同期的平均產能利用率93%有所增長，乃由於客戶需求及客戶數量持續增加。本集團接收處理處置的污泥總量中，約80%為城鎮集中式生活污水處理廠產生的污水處理污泥「生活污水」，約20%為印染廢水處理污泥「印染污泥」及造紙廢水處理污泥「造紙污泥」。

*2.2.2 General Industrial Solid Wastes Treatment and Disposal*

As at 31 December 2016, the Group operated 1 general industrial solid wastes treatment and disposal facility in the Guangdong Province. There is a landfill for safe disposal of solid wastes with total designed capacity of 2,000,000 m<sup>3</sup>. The landfill is capable of safe treatment and disposal of category I and II general industrial solid wastes and restricted wastes, with a planned annual usage of 100,000 m<sup>3</sup>, meaning the annual treatment volume is approximately 100,000 tonnes. During 2016, this facility accumulatively received and disposed of approximately 76,000 tonnes of general industrial solid wastes, representing a substantial increase of approximately 29% as compared with approximately 59,000 tonnes accumulatively received and disposed of during the same period in 2015. This increase is due to the securing of large industrial enterprise customers.

*2.2.2 一般工業固廢處理處置*

截至2016年12月31日，本集團在廣東省內運營一般工業固體廢物處理處置設施1座。該設施內擁有一個固體廢物無害化處置填埋場，總設計庫容為200萬立方米，能對I、II類一般工業固體廢物和嚴控廢物進行無害化填埋，規劃年利用10萬立方米，即年處理量約為10萬噸。於二零一六年，該設施累計接收處理一般工業固體廢物約7.6萬噸，較二零一五年同期累計接收處理量約5.9萬噸大幅增加約29%，主要由於大型工業類企業客戶的獲得。



*2.2.3 Domestic Wastes Treatment*

The Group has constructed a seamless project for urban and rural wastes treatment in the Guangdong Province. The Group has also entered into a concession agreement for this project for a term of 30 years with the government of Longmen County, Guangdong Province. The total approved treatment capacity was 600 tonnes for incineration treatment. This project is located in Longmen Industrial Base (龍門產業基地) and covers the collection, transition and incineration of urban and rural domestic wastes to generate electricity. As at 31 December 2016, the project is approximately 85% completed.

*2.2.3 生活垃圾處理*

本集團於廣東省內投資興建了一個城鄉生活垃圾無害化處理無縫對接項目，並就該項目與廣東省龍門縣政府簽訂了特許經營協議，為期30年，焚燒處理總核准產能為每日600噸。該項目位於龍門產業基地，涵蓋城鄉生活垃圾的清運、中轉及焚燒發電。於二零一六年十二月三十一日，該項目已完成約85%。

#### 2.3 Hazardous Wastes Treatment and Disposal Service

In June 2016, the Ministry of Environmental Protection announced the revised “National Hazardous Waste List (國家危險廢物名錄)”, to fully promote the scientific and careful management of hazardous wastes, increasing the need for companies to deal with hazardous waste appropriately, and creating a higher barrier of entry for operators in the industry. As at 31 December 2016, the Group operated 6 hazardous wastes treatment facilities in the Guangdong Province. These facilities altogether cover 20 types of hazardous wastes under the revised “National Hazardous Waste List” with a total treatment capacity of approximately 830,000 tonnes per year. Among them, Guangzhou Lvyou Industrial Waste Reclamation Treatment Company Limited (“Guangzhou Lvyou”) possessed capacity for comprehensive harmless treatment and safe disposal of hazardous wastes and leading approved treatment scale in the country. Its services are provided to various industries such as petroleum, chemical, electronic, automobile manufacturing, shipbuilding and pharmaceuticals. Its capacity utilisation rate for receipt and disposal of hazardous wastes in 2016 amounted to approximately 67%, representing a growth of approximately 8% as compared with the same period in 2015. CT (Nansha) Ocean Protection Centre specialized in collection, treatment, disposal, recycling and comprehensive utilisation of oily wastewater and oily sludge and residues (HW08) in ports and on ships. The capacity utilisation rate of oily wastewater received and treated in 2016 amounted to approximately 31%. The Group expects that it will seize market opportunities on an ongoing basis and continue to expand the business scale of hazardous waste treatment and disposal, so as to enhance its strength and influence as a professional provider of comprehensive environmental pollution management solutions.

#### 2.3 危險廢物處理處置服務

於二零一六年六月，國家環保部公佈修訂後的新版《國家危險廢物名錄》，全面推動危險廢物的科學化和精細化管理，使得合規處理危險廢物的需求大大增加，以及為行業經營者設立更高的準入門檻。於二零一六年十二月三十一日，本集團在廣東省內運營危險廢物處理設施6座，在新版危廢名錄下覆蓋20大類危險廢物，總處理規模約為每年83萬噸。其中，廣州綠由工業棄置廢物回收處理有限公司（「廣州綠由」）具備綜合性無害化處置能力及位於全國前列的核准處理規模，服務的行業涵蓋石油、化學、電子、汽車製造、船舶、製藥等多種工業，於二零一六年，危險廢物接收處理產能利用率達約67%，總接收處理量較2015年同期增長約8%；南沙海洋環保中心專業從事港口與船舶含油廢水、油泥油渣(HW08)的收集、處理、處置和再生綜合利用。於二零一六年，含油廢水接收處理產能利用率達約31%。本集團預期其將持續抓住市場機遇及繼續擴大危險廢物處理處置業務規模，以提升其作為專業綜合環境污染管理解決方案供應商的優勢及影響力。

The analysis of projects held in 2016 was as follows:

二零一六年持有項目之分析如下：

**Approved Treatment Capacity**

<b>(tonnes/year)</b> 核准處理規模(噸/年)		<b>Hazardous waste</b> 危險廢物		<b>Total</b> 總計
Operation Mode	運營模式	BOO	TBT	
In Operation	運營中	769,000	61,000	830,000
<b>Total</b>	<b>總計</b>	<b>769,000</b>	<b>61,000</b>	<b>830,000</b>
Number of Facilities/Each	設施數量/個			
In Operation	運營中	3	3*	6
<b>Total</b>	<b>總計</b>	<b>3</b>	<b>3</b>	<b>6</b>

\* For the year ended 31 December 2016, income from one of these projects was disclosed under the item “provision of entrusted operation services” in the segment reporting (note 3(a)), while that from the other two was disclosed under “provision of wastewater treatment plants operation services” because the remaining wastewater of them was treated by the Group’s wastewater treatment facilities.

截至二零一六年十二月三十一日止年度，其中一個該等項目所得收入披露於分部報告(附註3(a))「提供委託營運服務」項下，而其他兩個項目所得收入披露於「提供污水處理設施營運服務」項下，原因為其剩餘污水乃由本集團之污水處理設施進行處理。

**3. Future Outlook**

“Reinforcement of ecological civilization construction” is, for the first time, included in the five-year plan. Green development has become essential to prosperous and sustainable development in China. At the beginning of 2017, the Ministry of Environmental Protection had clearly set out the nine areas of focus for 2017 at the National Conference on Environmental Protection, with the aim to strengthen the implementation of various reforms on environmental protection, to realize all-around coverage of the supervision and inspection work carried out by the central authorities, to accelerate the enactment of environmental legislation and to sustain the strict enforcement of environment-related laws and regulations. In order to be in line with the country’s policy and in light of the great potential of the environmental protection industry in China, the Group will continue to promote and replicate the existing consistent business model and fine management to enhance its core competitiveness as being pragmatic and innovative in 2017. The Group will also follow the development strategies of the central and local authorities, and make great efforts in promoting synergetic development of its three business segments, so

**3. 未來展望**

「加強生態文明建設」首度被寫入五年規劃，綠色發展成為國家繁榮發展乃至可持續發展的必由之路。二零一七年伊始，在全國環境保護工作會議上，國家環保部明確部署了二零一七年的九大重點範疇，將深化和落實環保領域各項改革，實現中央環保督查全覆蓋，加強環境法治建設，保持環境執法高壓態勢。為順應國策推動以及中國環保行業巨大的上行空間，本集團於二零一七年將繼續推廣並複製現時一貫的商業模式及精細管理，以務實創新加強其核心競爭力。本集團亦將圍繞中央與地方的發展戰略，大力推進三大業務板塊的協同發展，朝著成為全國領先的工業廢棄物處理處置服務提供商的目標不斷前進。與此同

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as to achieve its goal of becoming a leading industrial waste disposal service provider in the PRC. Meanwhile, the Group will conduct enhance corporate governance and improve information disclosure, and to demonstrate its strong sense of social responsibility to the public.

#### 4. Financial Review

##### *Turnover*

The turnover of the Group increased by approximately 30.0% to RMB1,865.9 million for the year ended 31 December 2016 from RMB1,435.0 million for the year ended 31 December 2015. Such increase was primarily due to the increase in treatment volume of the projects of the Group. As a result, the revenue of the Group from wastewater treatment, sludge and solid waste treatment as well as hazardous waste treatment increased by approximately 31%, 22% and 164%, respectively, as compared with the year ended 31 December 2015.

##### *Cost of sales*

The total cost of sales of the Group increased by approximately 40.9% to RMB1,013.7 million for the year ended 31 December 2016 from RMB719.5 million for the year ended 31 December 2015, which is in line with the increased turnover.

##### *Gross profit and gross profit margin*

The gross profit of the Group increased by approximately 19.1% to RMB852.3 million for the year ended 31 December 2016 from RMB715.5 million for the year ended 31 December 2015, primarily as a result of the factors described above.

時，本集團將在提升企業管治、改善信息披露方面加強努力，以展示其高度社會責任感。

#### 4. 財務回顧

##### *營業額*

我們的營業額由截至二零一五年十二月三十一日止年度的1,435.0百萬元人民幣增加約30.0%至截至二零一六年十二月三十一日止年度的1,865.9百萬元人民幣。有關增加主要由於本集團項目的處理量增加。因此，本集團來自污水處理、污泥和固體廢物處理，以及危險廢物處理的收益，較截至二零一五年十二月三十一日止年度分別增加約31%，22%及164%。

##### *銷售成本*

本集團銷售成本總額由截至二零一五年十二月三十一日止年度的719.5百萬元人民幣增加約40.9%至截至二零一六年十二月三十一日止年度的1,013.7百萬元人民幣，與整體營業額增加相符。

##### *毛利及毛利率*

主要由於上述因素，本集團毛利由截至二零一五年十二月三十一日止年度的715.5百萬元人民幣增加19.1%至截至二零一六年十二月三十一日止年度的852.3百萬元人民幣。

The overall gross profit margin of the Group decreased to approximately 45.7% for the year ended 31 December 2016 from approximately 49.9% for the year ended 31 December 2015, primarily due to:

- 1) the VAT (value-added tax) reform which came into effect on 1 July 2015. Since then, wastewater treatment, sludge treatment and part of the hazardous waste treatment business of the Group fall within the policy of “70% refund of VAT levied”, the applicable VAT rate is 17%. Hence the selling price per unit has decreased since 1 July 2015; and
- 2) changes of revenue structure.

Gross profit margin of construction services income and provision of heating services are approximately 17% and 7% respectively (2015: 21% and 7%). For the year ended 31 December 2016, the aggregate revenue from provision of construction services and heating services contributed to approximately RMB408.3 million (2015: RMB340.0 million) of the Group’s total turnover, hence the overall gross profit margin of the Group was brought down.

If the refund of VAT levied is added back to the revenue, and only the gross profits from treatment-related businesses of the Group are included in calculation (excluding construction income), the gross profit margin of the Group would be 54.5% (2015: 54.8%).

#### **Other net (loss)/income**

Other net loss for 2016 mainly included net foreign exchange loss of RMB55.5 million (2015: RMB43.3 million). The net foreign exchange loss primarily arose from receivables and bank loans that were denominated in a currency other than the functional currency of the relevant entities. Other net income recognised in the year ended 31 December 2015 also includes gain on bargain acquisition of Guangzhou Lvyou of RMB138.5 million.

本集團總體毛利率由截至二零一五年十二月三十一日止年度的49.9%下降至截至二零一六年十二月三十一日止年度的45.7%，主要因為：

- 1) 增值稅改革於二零一五年七月一日生效。自此，本集團之污水處理、污泥處理以及部分危險廢物處理業務符合「增值稅即徵即退70%」政策，適用的增值稅稅率為17%。因此銷售單價從二零一五年七月一日起有所下調；及
- 2) 業務板塊組成變動。

本集團建設服務及供熱服務收入的毛利率分別為約17%及約7%(二零一五年：21%及7%)。截至二零一六年十二月三十一日止年度，建設服務及供熱服務總收入貢獻本集團總營業額408.3百萬元人民幣(二零一五年：340.0百萬元人民幣)。因此本集團總毛利率亦回落。

如果把已徵收增值稅的退稅加回營業收入，以及只計算本集團處理業務相關的毛利(不包括建築收入)，本集團之毛利率為54.5%(二零一五年：54.8%)。

#### **其他淨(虧損)/收益**

二零一六年之其他淨收益主要包括匯兌虧損淨額55.5百萬元人民幣(二零一五年：43.3百萬元人民幣)。匯兌虧損淨額之產生主要來自有關實體之功能貨幣以外貨幣計價的應收款項及銀行貸款。截至二零一五年十二月三十一日止年度確認之其他淨收益還包括138.5百萬元人民幣之議價收購廣州綠由之收益。

#### **Administrative expenses**

The Group's administrative expenses increased by approximately 83.9% to RMB256.2 million for the year ended 31 December 2016 from RMB139.3 million for the year ended 31 December 2015. This was primarily due to the increase in staff costs and administrative expenses of the newly acquired subsidiaries by the Group in 2015.

#### **Finance costs**

The finance costs of the Group increased by approximately 25.6% to RMB88.2 million for the year ended 31 December 2016 from RMB70.2 million for the year ended 31 December 2015, primarily due to an increase in bank borrowings in 2016. The effective interest rate was 4.2% and 4.5% during the year ended 31 December 2016 and 2015.

#### **Profit before taxation**

The profit before taxation of the Group decreased by approximately 8.0% to RMB616.9 million for the year ended 31 December 2016 from RMB670.6 million for the year ended 31 December 2015 primarily due to the negative goodwill as a result of the Group's acquisition of Guangzhou Lvyou in 2015 (which was stated as profit) of approximately RMB138.5 million, and no profit from such transaction in 2016. Excluding the above factors, the pre-tax profit in 2016 increased by 15.9% as compared with that in 2015.

#### **行政開支**

我們的行政開支由截至二零一五年十二月三十一日止年度的139.3百萬元人民幣增加83.9%至截至二零一六年十二月三十一日止年度的256.2百萬元人民幣。此乃主要由於人員費用及2015年本集團新收購的附屬公司所錄得的管理費用。

#### **融資成本**

本集團融資成本由截至二零一五年十二月三十一日止年度的70.2百萬元人民幣增加25.6%至截至二零一六年十二月三十一日止年度的88.2百萬元人民幣，此乃主要由於二零一六年銀行貸款增加。截至二零一五及二零一六年十二月三十一日止年度，實際利率分別為4.5%及4.2%。

#### **除稅前溢利**

本集團除稅前溢利由截至二零一五年十二月三十一日止年度的670.6百萬元人民幣減少8.0%至截至二零一六年十二月三十一日止年度的616.9百萬元人民幣，主要是由於二零一五年本集團收購廣州綠由時產生負商譽(列示為利潤)約138.5百萬元人民幣，而二零一六年並沒有該類交易產生的利潤。剔除上述因素後，二零一六年除稅前溢利較二零一五年增長15.9%。

### **Income tax**

The income tax expenses of the Group for the year ended 31 December 2016 increased by approximately 47.8% as compared with the corresponding period last year, which was mainly due to the increase in the effective tax rate from approximately 10.3% to approximately 16.6%, which was mainly due to the expiry of an income tax incentive enjoyed by certain operating subsidiaries of the Company.

### **Profit attributable to equity shareholders of the Company**

The profit attributable to equity shareholders of the Company has decreased by approximately 13.3% to RMB519.1 million for the year ended 31 December 2016 from RMB598.9 million for the year ended 31 December 2015, primarily as a result of the factors described above.

## **LIQUIDITY AND FINANCIAL RESOURCES**

The principal liquidity and capital requirements of the Group primarily relate to the acquisition of projects, construction of properties, plant and equipment and operation expenses.

As at 31 December 2016, the carrying amount of the Group's cash and bank deposits was approximately RMB1,033.9 million (2015: RMB382.5 million), representing an increase of approximately 170.3% as compared to that at 31 December 2015.

### **BANK LOANS**

As at 31 December 2016, the total amount of bank loans of the Group was RMB2,837.2 million (2015: RMB2,009.6 million), in which approximately 66.5% (2015: 58.1%) were denominated in RMB. All of the Group's bank borrowings carry floating interest rates. The unutilised bank facilities amounted to RMB1,864.3 million as at 31 December 2016 (2015: RMB259.7 million).

As at 31 December 2016, the secured bank loans amounted to RMB2,584.1 million, and unsecured bank loans amounted to RMB253.1 million.

### **所得稅**

本集團所得稅開支於截至二零一六年十二月三十一日止年度較去年同期上升47.8%，主要由於二零一六年實際稅率由約10.3%上升至約16.6%，此乃主要因為本集團數個運營中子公司的所得稅優惠結束。

### **本公司權益持有人應佔溢利**

主要由於上文所述因素，本公司權益持有人應佔溢利由截至二零一五年十二月三十一日止年度的598.9百萬元人民幣減少13.3%至截至二零一六年十二月三十一日止年度的519.1百萬元人民幣。

## **流動資金及財務資源**

本集團主要的流動資金及資本需求主要與我們的項目收購、建設物業、廠房及設備以及與經營有關的開支有關。

於二零一六年十二月三十一日，本集團現金及銀行存款的賬面值約為1,033.9百萬元人民幣(二零一五年：382.5百萬元人民幣)，較二零一五年十二月三十一日增加170.3%。

### **銀行貸款**

於二零一六年十二月三十一日，本集團的銀行貸款總額為2,837.2百萬元人民幣(二零一五年：2,009.6百萬元人民幣)，該等貸款的66.5%(二零一五年：58.1%)以人民幣計值。本集團所有銀行借款均按浮動利率計息。於二零一六年十二月三十一日，我們未動用的銀行貸款額度為1,864.3百萬元人民幣(二零一五年：259.7百萬元人民幣)。

於二零一六年十二月三十一日，有抵押之銀行貸款為2,584.1百萬元人民幣及無抵押之銀行貸款為253.1百萬元人民幣。

## Management Discussion and Analysis

### 管理層討論與分析

As at 31 December 2016, the debt to assets ratio, as calculated by dividing the total borrowings by the total assets of the Group, was approximately 41.3% (2015: 36.5%).

#### FUNDING AND TREASURY POLICIES

The Group adopts conservative funding and treasury policies and controls tightly over its cash and risk management. The long term funding and working capital required by the Company are primarily derived from income generated from core business operations and cash proceeds raised from bank and other borrowings.

#### GEARING RATIO

The gearing ratio as defined as bank loans net of cash and cash equivalents, divided by the total equity was 55.8% as at 31 December 2016 (31 December 2015: 56.2%).

#### CONTINGENT LIABILITIES

As at 31 December 2016 and 31 December 2015, the Group had no material contingent liabilities or guarantees.

#### PLEDGE OF ASSETS

As at 31 December 2016, the Group pledged certain of its property, plant and machinery and lease prepayments with an aggregate carrying amount of approximately RMB259.1 million (2015: RMB133.7 million) to certain banks to secure certain credit facilities granted to the Group. In addition, the Group's equity interests in Qingyuan Lvyou Environmental Protection Technology Company Limited ("Qingyuan Lvyou"), Guangzhou Yinglong Wastewater Treatment Company Limited ("Guangzhou Yinglong") and Guangzhou Liangang Vessel Wastewater Treatment Company Limited ("Guangzhou Liangang") were pledged to secure bank loans granted to the Group.

#### CAPITAL EXPENDITURES

The major capital expenditures of the Group primarily consist of expenditures to acquire lease prepayments, purchase of property, plant and equipment and BOT construction project.

於二零一六年十二月三十一日，資產負債比率(按借款總額除以本集團資產總值計算)為41.3%(二零一五年：36.5%)。

#### 資金及財政政策

本集團採取保守的資金及財政政策，並嚴格控制其現金及風險管理。本集團所需的長期資金及營運資金主要來自核心業務營運產生的收入及銀行及其他借款籌集的資金。

#### 資本負債比率

於二零一六年十二月三十一日，資本負債比率(定義為銀行貸款扣除現金及現金等價物後除以總權益)為55.8%(二零一五年十二月三十一日：56.2%)。

#### 或有負債

於二零一六年十二月三十一日及二零一五年十二月三十一日，本集團並無任何重大或有負債或擔保。

#### 資產抵押

於二零一六年十二月三十一日，本集團向若干銀行抵押賬面值總額約為259.1百萬元人民幣(二零一五年：133.7百萬元人民幣)的若干物業、廠房及設備以及租賃預付款項，以擔保授予本集團的若干信貸融資。此外，本集團亦將對清遠綠由環保科技有限公司(「清遠綠由」)、廣州盈隆污水處理有限公司(「廣州盈隆」)和廣州蓮港船舶清油有限公司(「廣州蓮港」)的股權作為本集團銀行貸款的抵押。

#### 資本開支

本集團主要資本開支主要包括收購租賃預付款項以及購買物業、廠房及設備及BOT建築項目的開支。



For the year ended 31 December 2016, the capital expenditures (mainly including additions in property, plant and equipment, additions in lease prepayments and additions in BOT construction cost) amounted to approximately RMB669.1 million (2015: RMB1,197.0 million). These capital expenditures were funded by bank borrowings, funds generated from the operating activities of the Group.

The Group expects to incur additional capital expenditures in view of the various acquisition opportunities in the sector and in view of the scheduled construction of facilities for the current project portfolio. These capital expenditures are expected to be funded mainly by operation cash flows and bank borrowings.

### FOREIGN CURRENCY RISK

The Group's assets, borrowings and major transactions are mainly denominated in RMB. The Group is exposed to currency risk primarily arising from receivables and bank loans that are denominated in a currency other than the functional currency of the relevant entities. The currencies giving rise to this risk are primarily RMB, USD and HKD. The Group ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2016, the Group employed 1,941 employees (2015: 1,982 employees). Employee costs amounted to approximately RMB159.0 million for the year ended 31 December 2016 (2015: approximately RMB98.7 million). The Group will endeavor to ensure that the employees' salary levels are in line with industry practice and prevailing market conditions, and that employees' remuneration is based on their performance.

### SHARE AWARD SCHEME

A share award scheme (the "Share Award Scheme") was adopted by the Board on 24 September 2015 in order to recognize and motivate the contributions of employees and to provide them with the incentives or awards for their commitment and contribution to the Group. By providing a competitive incentive package, the Share Award Scheme also serves to retain and attract suitable personnel for the further development of the Group, and to align the interests of the employees with those of the shareholders of the Company in attaining long-term business objectives of the Group.

截至二零一六年十二月三十一日止年度，本集團資本開支(主要包括物業、廠房及設備增加、租賃預付款項增加及BOT建築成本增加)達到669.1百萬元人民幣(二零一五年：1,197.0百萬元人民幣)。該等資本開支由銀行貸款、本集團經營活動所得資金撥付。

鑒於該分部之多項收購機遇及現有項目組合的計劃設施建設，預期將產生額外資本開支。預期該等資本開支將主要於經營現金流量及銀行貸款撥付。

### 外匯風險

本集團的大部分資產、貸款及主要交易均以人民幣為單位。本集團面對的貨幣風險主要來自有關實體之功能貨幣以外貨幣計價的應收款項及銀行貸款。產生此風險的貨幣主要為人民幣、美元及港元。本集團確保風險淨額維持在可接受的水平，在有需要時以即期匯率買賣外幣以解決短期不平衡。

### 僱員及薪酬政策

於二零一六年十二月三十一日，本集團聘用1,941名僱員(二零一五年：1,982名)。截至二零一六年十二月三十一日止年度，員工成本約為159.0百萬元人民幣(二零一五年：約98.7百萬元人民幣)。本集團將致力確保僱員薪酬水平符合行業慣例及現行市況，而僱員薪酬乃基於彼等的表現釐定。

### 股份獎勵計劃

董事會於二零一五年九月二十四日採納股份獎勵計劃(「股份獎勵計劃」)，以認可及激勵僱員作出的貢獻並就其對本集團的奉獻及貢獻提供激勵或獎勵。通過提供競爭性的激勵方案，股份獎勵計劃亦可挽留及吸引適合本集團進一步發展的員工並在實現本集團長期業務目標中使僱員的利益與本公司股東的利益保持一致。

## Management Discussion and Analysis

### 管理層討論與分析

The Share Award Scheme shall be valid and effective for a term of 10 years commencing on the date of adoption.

Pursuant to the Share Award Scheme, shares will be acquired by the trustee at the cost of the Company by way of subscription of new Shares (whether pursuant to general mandate or specific mandate granted by the shareholders of the Company or otherwise) and/or purchase of Shares from the market out of cash contributed by the Group and be held on trust for the employees until such awarded shares are vested in the relevant selected employees in accordance with the provisions of the Share Award Scheme.

Subject to the rules relating to the Share Award Scheme, the Board may, from time to time, at its absolute discretion select any employee (other than any excluded employee) for participation in the Share Award Scheme as a selected employee, and grant such number of awarded shares to the selected employee at no consideration and in such number and on and subject to such terms and conditions as it may in its absolute discretion determine.

The Board shall not make any further award of awarded shares which will result in the nominal value of the shares awarded under the Share Award Scheme exceeding 10% of the issued share capital of the Company at the time of such award. The maximum number of awarded shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company at the time of such award. Details of the rules of the Share Award Scheme are set out in the announcement of the Company dated 12 November 2015.

On 19 July 2016, at the recommendation of the Remuneration Committee, the Board resolved to grant an aggregate of 1,652,000 Shares (the “Awarded Shares”) under the Share Award Scheme to 72 selected employees pursuant to the rules of the Share Award Scheme, including (i) Mr. Tsui Cham To, Mr. Lu Yili, Mr. Xu Shubiao and Mr. Xu Juwen, each an executive director of the Company; (ii) Mr. Xu Zitao, an employee of a wholly-owned subsidiary of the Group and a former executive Director who has resigned on 23 November 2015 (“Mr. Xu”); and (iii) 67 other selected employees (together, “Awardees”). The vesting date of the Awarded Shares is 19 July 2016 and the vesting of the Awarded Shares is subject to the conditions as set out in the Share Award Scheme and the fulfillment of such conditions as specified by the Board. Please refer to the announcement of the Company dated 19 July 2016 for details of the grant.

Further details of the Share Award Scheme is set out in note 23 to the financial statements.

股份獎勵計劃須自採納日期起計十年內生效及有效。

根據股份獎勵計劃，受託人將透過以本集團的現金出資認購新股份(不論根據本公司股東授予的一般授權或特別授權或其他方式)及／或從市場上購買股份的方式購入股份，並根據股份獎勵計劃的條文代僱員以信託持有，直至該等獎勵股份歸屬予相關入選僱員，費用由本公司承擔。

在股份獎勵計劃相關規則的規限下，董事會可不時全權酌情挑選任何僱員(不包括除外僱員)作為入選僱員參與股份獎勵計劃，並以零代價根據及按照其可全權酌情釐定的數目、條款及條件向入選僱員授予相應數量的獎勵股份。

倘董事會授出獎勵股份後會導致根據股份獎勵計劃已授出的股份總面值超過本公司於授出該獎勵時已發行股本的10%，則不得再進一步授出獎勵股份。入選僱員根據股份獎勵計劃可獲授的獎勵股份數目，最多不可超過本公司授出該獎勵時已發行股本的1%。股份獎勵計劃規則的詳情載於本公司日期為二零一五年十一月十二日的公告。

於二零一六年七月十九日，在薪酬委員會建議下，董事會決定根據股份獎勵計劃規則獎勵股份獎勵計劃項下總數1,652,000股股份(「獎勵股份」)予72名入選僱員，包括(i)徐湛滔先生、盧已立先生、徐樹標先生及徐炬文先生，各為本公司執行董事；(ii)徐子滔先生，本集團全資附屬公司的僱員及於二零一五年十一月二十三日辭任的前執行董事(「徐先生」)；及(iii)67名其他入選僱員(合稱「獲獎人」)。獎勵股份的歸屬日期為二零一六年七月十九日，獎勵股份的歸屬會受股份獎勵計劃所載條件的約束及須達成董事會指定的相關條件。有關授出的詳情，請參閱本公司日期為二零一六年七月十九日的公告。

股份獎勵計劃的進一步詳情載於財務報表附註23。

## MATERIAL ACQUISITION AND DISPOSAL

During the year ended 31 December 2016, the Group did not have any material acquisition or disposals of subsidiaries, associates or joint ventures.

## GUARANTEE IN RELATION TO ACQUISITION OF SUBSIDIARY

### Acquisition of Guangzhou Lvyou

Pursuant to an equity transfer agreement dated 1 December 2014 entered into between the Company, Mr. Gu Yaokun and other vendors, Mr. Gu Yaokun has provided the following profit guarantee that the net profit after taxation of Guangzhou Lvyou attributable to the Group for each of the financial years ended 31 December 2015 and 2016 (the “Guaranteed Period”) shall not be less than RMB100.0 million and RMB110.0 million, respectively.

If Guangzhou Lvyou fails to meet the aforesaid profit guarantee in any of the two years, Mr. Gu Yaokun will, within the first six months of the year immediately after the year in respect of which a shortfall occurs, pay to Guangzhou Lvyou a compensation in cash equal to 10 times of the shortfall provided that the total compensation payable by Mr. Gu Yaokun will not exceed RMB100.0 million in respect of each of the two years. For the year ended 31 December 2016, Guangzhou Lvyou has met the above condition.

### Acquisition of Qingyuan Lvyou

In connection with the acquisition of the entire equity interest in Qingyuan Lvyou (a wholly-owned subsidiary of the Group), Mr. Gu Yaokun entered into a supplemental agreement on 30 April 2014 pursuant to which Mr. Gu Yaokun agreed to provide a profit guarantee that the net profit after taxation of Qingyuan Lvyou attributable to the Group for each of the financial years ending 31 December 2014, 2015 and 2016 (the “Guarantee Period”) are not less than HKD80.0 million, HKD100.0 million and HKD120.0 million, respectively. If Qingyuan Lvyou fails to meet the aforesaid profit guarantee in any of the three years, Mr. Gu Yaokun will, within the first six months of the year immediately after the year in respect of which a shortfall occurs, pay to Qingyuan Lvyou a compensation in cash equal to 10 times of the shortfall; and if, during the Guaranteed Period, Qingyuan Lvyou invests in any new project and the annual net profit after tax commencing from

## 重大收購及出售

截至二零一六年十二月三十一日止年度，本集團並無任何重大收購或出售附屬公司、聯營公司或合營企業。

## 有關收購附屬公司的保證

### 收購廣州綠由

根據本公司、古耀坤先生及其他賣方訂立的日期為二零一四年十二月一日的股權轉讓協議，古耀坤先生已提供以下溢利保證，截至二零一五年及二零一六年十二月三十一日止財政年度各年（「保證期間」），本集團應佔廣州綠由除稅後純利分別不少於100.0百萬元人民幣及110.0百萬元人民幣。

如廣州綠由未能於該兩個年度任何一年達成上述溢利保證，則古耀坤先生將於緊隨出現差額年度後的年度首六個月內向廣州綠由支付相等於差額10倍的現金補償，惟古耀坤先生就該等兩個年度各年應付的補償總額不得超過100.0百萬元人民幣。截至二零一六年十二月三十一日止年度，廣州綠由已符合上述條件。

### 收購清遠綠由

就有關收購本集團全資附屬公司清遠綠由全部股權，古耀坤先生於二零一四年四月三十日訂立一份補充協議，據此古耀坤先生同意提供溢利保證，截至二零一四年、二零一五年及二零一六年十二月三十一日止財政年度各年（「保證期間」）本集團應佔清遠綠由的除稅後純利分別不低於80.0百萬元港幣、100.0百萬元港幣及120.0百萬元港幣。倘清遠綠由未能於該三個年度任何一年達成上述溢利保證，則古耀坤先生將於緊隨出現差額年度後的年度首六個月內向清遠綠由支付相等於差額10倍的現金賠償；及如於保證期間，清遠綠由投資任何新項目

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operation is less than 20% of the investment amount, Mr. Gu Yaokun will pay Qingyuan Lvyou a compensation in cash equal to 10 times of the shortfall. The total compensation of the aforesaid guarantees payable by Mr. Gu Yaokun will not exceed RMB100.0 million during the Guarantee Period.

For the year ended 31 December 2016, Qingyuan Lvyou has met the above conditions.

#### EVENTS AFTER 31 DECEMBER 2016

Below are important events affecting the Group which occurred after 31 December 2016:

On 26 December 2016, the Group entered into a sale and purchase agreement with a third party buyer, pursuant to which the Group agreed to sell and the third party buyer agreed to purchase 99% equity interest in Guangzhou Xintao Environmental Technology Company Limited (廣州新滔環保科技有限公司) (“**Xintao Environmental**”), a wholly-owned subsidiary of the Group, with a consideration of RMB100,000,000.

Xintao Environmental possessed land in Tangmei Village in Xintang Town, Zengcheng City (the “**Land**”), occupying an area of 19,777.47m<sup>2</sup>. Pursuant to the sale and purchase agreement, upon completion of the equity transfer, the third party buyer and the Group will develop the Land together. The Group has naming rights of buildings on the Land.

Registration procedures in relation to the equity transfer were completed on 27 March 2017. The net asset value of Xintao Environmental as at 27 March 2017 was approximately RMB43,000,000. Subject to fully receipt of the proceed, the Board expects that the net proceeds (approximately RMB48 million) generated from this transfer of equity interest will be fully used to pay the special dividend to its shareholders.

及新項目自經營起的年度除稅後純利少於投資金額20%，則古耀坤先生將會向清遠綠由支付相等於差額10倍的現金賠償。古耀坤先生於保證期間應付的上述保證賠償總額將不會超過100.0百萬元人民幣。

截至二零一六年十二月三十一日止年度，清遠綠由已符合上述條件。

#### 於二零一六年十二月三十一日後的事項

以下為於二零一六年十二月三十一日後發生對本集團造成影響的重要事項：

於二零一六年十二月二十六日，本集團與第三方買家（「該買家」）簽訂一份買賣協議，據此，本集團同意出售及第三方買家同意購買本集團之子公司，即廣州新滔環保科技有限公司（「新滔環保」）99%的股權向該買家轉讓，對價為100,000,000元人民幣。

新滔環保持有位於增城市新塘鎮塘美村的土地（「項目地塊」），佔地面積19,777.47平方米。根據買賣協議，在完成股權轉讓後，第三方買家及本集團將共同開發項目地塊。項目地塊的建築物冠名權為本集團所有。

相關的股權轉讓登記手續於二零一七年三月二十七日完成。新滔環保二零一七年三月二十七日的淨資產約為43,000,000元人民幣。待收到全部股權轉讓款後，董事會預計股權轉讓產生的所得款項淨額（約48百萬元人民幣）將全部用於向股東支付特別股息。

## EXECUTIVE DIRECTORS

**Mr. Tsui Cham To**, aged 50, is one of the founders of the Group, and the Chairman and Executive Director of the Company appointed on 30 November 2010. He is a cousin of Mr. Xu Juwen. Mr. Tsui is mainly responsible for leading the Board in setting the Group's overall directions, strategies, agendas and priorities. Mr. Tsui has approximately 14 years of experience in the wastewater treatment and industrial water supply industry. Mr. Tsui was the vice president of the Guangdong Foundation for Justice and Courage (廣東省治安基金會). From April 2000 to March 2001 and April 2002 to March 2006, Mr. Tsui was a director of Hong Kong Yan Chai Hospital. Mr. Tsui was also an adviser to the Board of Directors of the Scientific Decision and Promotion Association of Guangdong Province Village and Town Heads in 2004. Mr. Tsui was appointed as the chair professor at Faculty of Management of Shenzhen University. Furthermore, Mr. Tsui was the vice president of the Guangzhou Overseas Chinese Chamber of Commerce in 2006 as well as the vice president of the 10th, 11th and 12th Zengcheng Federation of Commerce and Industry (增城市工商業聯合會(總商會)). He was an excellent member (優秀委員) of the Standing Committee of the 6th, 7th and 8th Zengcheng City Chinese People's Political Consultative Conference (增城市第六、七、八屆中國人民政治協商會議增城市委員會常委). He was also a member of the Standing Committee of the 9th Huizhou City Chinese People's Political Consultative Conference (政協惠州市第九屆委員會會員). In addition, Mr. Tsui was an honorary citizen of the Guangzhou Municipality and Huizhou Municipality as well as the honorary chairman of the 8th Committee of the Federation of the Zengcheng City Returned Chinese (增城市歸國華僑聯合會).

**Mr. Lu Yili**, aged 42, is an Executive Director and the Chief Executive Officer of the Company. He joined us in June 2010 and was appointed as an Executive Director on 12 January 2011. Mr. Lu is in charge of leading and overseeing the implementation of the Group's long and short term strategies set by the Board. He has to ensure the effective communication with shareholders, employees, government authorities and other stakeholders. Mr. Lu also has experience in corporate investment and business finance and has involved in the listing of Chinese companies on an overseas stock exchange. He also has seven years of experience in the wastewater treatment industry. From 1997 to 2009, Mr. Lu served as a member of the management of various Singapore private companies, responsible for venture capital investments and consultancy on initial public offerings in China. Mr. Lu received a bachelor's degree in science majoring in chemistry at the National University of Singapore in 1997. He also holds a PhD in Economics from Jinan University (暨南大學), China.

## 執行董事

徐湛滔先生，50歲，本集團創辦人之一及本公司主席兼執行董事。彼於二零一零年十一月三十日獲委任為執行董事。彼為徐炬文先生的堂兄。徐先生主要負責領導董事局為集團制訂整體方向、策略、工作綱領和優先次序。徐先生於污水處理及工業供水行業擁有約十四年經驗。徐先生曾任廣東省治安基金會副會長。於二零零零年四月至二零零一年三月及二零零二年四月至二零零六年三月，徐先生為香港仁濟醫院董事。徐先生亦於二零零四年擔任廣東省鄉鎮長科學決策促進協會的董事會顧問。徐先生獲委任為深圳大學管理系講座教授。此外，徐先生於二零零六年擔任廣州市僑商會的副會長，以及第10屆、第11屆及第12屆增城市工商業聯合會(總商會)的副會長。彼曾為增城市第六、七、八屆中國人民政治協商會議增城市委員會常委並被評為優秀委員。彼亦為政協惠州市第九屆委員會會員。此外，徐先生為廣州市及惠州市的榮譽市民以及第八屆增城市歸國華僑聯合會的榮譽主席。

盧己立先生，42歲，本公司執行董事兼首席執行官。彼於二零一零年六月加入本公司，於二零一一年一月十二日獲委任為執行董事。盧先生負責領導及監督實施董事會所制定之本集團長期及短期策略，並確保與股東、僱員、政府部門及其他持份者保持有效溝通。盧先生亦於企業投資及商業融資擁有經驗，曾參與多家中國公司在海外證券交易所上市的工作。彼亦於污水處理行業擁有七年經驗。於一九九七年至二零零九年，盧先生出任多間新加坡私人公司的管理層成員，負責創業投資及在中國首次公開發售的顧問服務。盧先生於一九九七年取得新加坡國立大學化學系理學學士學位。彼亦持有中國暨南大學經濟學博士學位。

## Directors and Senior Management

### 董事及高級管理層

**Mr. Gu Yaokun**, aged 53, is the founder of Guangzhou Lvyou Industrial Waste Reclamation Treatment Company Limited and Qingyuan Lvyou Environmental Protection Technology Company Limited, the subsidiaries of the Company. Mr. Gu was then appointed as an Executive Director and Co-Chief Operating Officer of the Group since 23 November 2015 and is now in charge of the operation of our solid waste treatment and hazardous waste treatment businesses. Mr. Gu has over 30 years of experience in the venture capital and operation management of petrochemical engineering, environmental protection and resource recycling industry. Mr. Gu is currently the vice chairman of solid waste branch of Chinese Society for Environmental Sciences (中國環境科學學會), the managing director of Guangdong Environmental Protection Association, a member of the Political Consultative Committee of Nansha District in Guangdong province, the vice chairman of manufacturers association of Panyu District in Guangdong province, the vice chairman of Associations of Renewable Resources industry in Panyu District. Mr. Gu was awarded the title of “2010 Excellent Entrepreneur in Environment Protection Industry of Guangdong” (2010年度廣東省環保產業優秀企業家) in 2011. Mr. Gu obtained the Executive Master of Business Administration qualifications from Sun Yat-sen University in 2009.

**Mr. Xu Shubiao**, aged 51, is one of the founders of the Group and an Executive Director appointed since 12 January 2011. Mr. Xu has approximately 14 years of experience in the wastewater treatment industry. Mr. Xu is our Co-Chief Operating Officer, responsible for the construction and operation of all the water projects the Company undertakes. Mr. Xu is experienced in the engineering, trading and processing industries. Mr. Xu was an assistant general manager at Guangzhou To Kee from 1995 to 2003. Mr. Xu has led the development, operation and management of our wastewater treatment facilities and industrial water supply facilities in our Guangzhou Xinzhou Industrial Park since 2003. Mr. Xu is not related to other Directors of the Company.

古耀坤先生，53歲，本集團子公司廣州綠由工業棄置廢物回收處理有限公司和清遠綠由環保科技有限公司之創辦人，其後於二零一五年十一月二十三日獲委任為本集團之執行董事及聯席運營總監，負責固體廢物處理及危險廢物處理的全面業務運營。古先生於石油化工、環保治理和資源循環利用行業的創業和運營管理擁有逾三十年的經驗。古先生現時為中國環境科學學會固體廢物分會副理事長；廣東省環保產業協會常務理事、廣東省南沙區政協委員、廣東省番禺區廠商會副會長、番禺區再生資源行業協會副會長。古先生於二零一一年被評為「二零一零年度廣東省環保產業優秀企業家」。二零零九年，古先生於中山大學取得高層管理人員工商管理碩士資格。

徐樹標先生，51歲，本集團創辦人之一兼本公司執行董事。彼於二零一一年一月十二日獲委任為執行董事。徐先生於污水處理行業擁有約十四年經驗。徐先生為我們的聯席運營總監，負責本公司承辦的所有水務項目建設及運營。徐先生亦擁有工程、貿易及加工行業的豐富經驗。徐先生於一九九五年至二零零三年出任廣州滔記的助理總經理。徐先生自二零零三年起領導我們廣州新洲工業園的污水處理設施及工業用水供應設施的發展、營運及管理。徐先生與本公司其他董事並無關係。

**Mr. Xu Juwen**, aged 42, is an Executive Director and Vice President of the Group. He joined us in September 2003 and has served as an Executive Director since 12 January 2011. Mr. Xu is a cousin of Mr. Tsui Cham To. Mr. Xu is in charge of the Group's business development and inter-departmental coordination. From 2001 to 2005, Mr. Xu was the assistant general manager of Guangzhou To Kee Enterprises Development Group Limited ("Guangzhou To Kee"), a related company of the Group, where he oversaw its general operation. From 2005 to 2007, Mr. Xu was the general manager of Guangzhou Zhugang Pier Company Limited (廣州珠鋼碼頭有限公司), a private company in the PRC, and from 2009 to 2011, Mr. Xu has been its executive director. In 2010, Mr. Xu obtained a bachelor's degree in accountancy from Open University of China (中央廣播電視大學).

徐炬文先生，42歲，本集團執行董事兼副總裁。彼於二零零三年九月加入本公司，自二零一一年一月十二日起擔任執行董事。彼為徐湛滔先生的堂弟。徐先生主要負責本集團的業務發展及跨部門協調。於二零零一年至二零零五年，徐先生出任本集團的一間關聯公司廣州滔記實業發展集團有限公司(「廣州滔記」)助理總經理，負責監督整體營運。徐先生於二零零五年至二零零七年是廣州珠鋼碼頭有限公司(於中國的一間私人公司)的總經理，並由二零零九年至二零一一年出任其執行董事。於二零一零年，徐先生取得中央廣播電視大學會計學學士學位。

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Lien Jown Jing, Vincent**, aged 56, was appointed on 15 April 2014 as an Independent Non-executive Director. Mr. Lien is currently a director of Wah Hin & Company, a Singapore incorporated private investment holding company, an independent non-executive director of Viva China Holdings Limited (stock code: 8032) which is listed on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Lien is also a director of The Maritime and Port Authority of Singapore and a non-executive director of Primeline Energy Holdings Inc. (a company listed in Canada). He has over 29 years of experience in the banking industry, specialized in corporate finance and capital management. Mr. Lien graduated from the University of New Brunswick with a Bachelor's Degree in Business Administration. Mr. Lien started his career in the financial industry first in Merrill Lynch & Company. In the past years, Mr. Lien had been working in senior positions in financial institutions such as Swiss Bank Corporation and Bankers Trust & Company. In year 2000, he became the director of Wah Hin & Company, managing the financial assets of the group. He also served as the managing director in the Financial Institutions & Public Sector division of ABN AMRO Bank from 2007 to 2008.

### 獨立非執行董事

連宗正先生，56歲，於二零一四年四月十五日獲任為獨立非執行董事。連先生目前為於新加坡註冊成立的私人投資控股公司Wah Hin & Company之董事、非凡中國控股有限公司(股份代號：8032，於香港聯合交易所有限公司(「聯交所」)創業板上市)之獨立非執行董事。連先生亦為新加坡海事及港務管理局之董事及加拿大上市公司Primeline Energy Holdings Inc.之非執行董事。彼於銀行業擁有逾二十九年經驗，專責企業融資及資本管理。連先生畢業於University of New Brunswick，擁有工商管理學士學位。連先生最初於Merrill Lynch & Company投身金融業。多年來，連先生在Swiss Bank Corporation及Bankers Trust & Company等多間金融機構任職高級職位。於二零零零年，彼成為Wah Hin & Company董事，負責管理集團金融資產。於二零零七年至二零零八年，彼亦於ABN AMRO Bank出任金融機構及公共事務部之董事總經理。

## Directors and Senior Management

### 董事及高級管理層

**Dr. Du Hequn**, aged 41, has been our Independent Non-executive Director since 21 August 2014, at the same time being the managing director of Venture Markit International Capital Management Group, a company mainly engaged in Greater China capital growth investment. Dr. Du has approximately 18 years of experience in the finance industry specializing in debt capital markets and structured financing. From 2011 to 2013, Dr. Du was the managing director of Macquarie Group, as well as the head of its private & structured finance in Greater China. In the past years, Dr. Du worked in various senior positions with renowned international financial institutions and investment banks including Deutsche Bank, Credit Suisse and Commonwealth Bank of Australia. Dr. Du graduated from the National University of Singapore and was awarded a Bachelor of Business Administration (Hons) majoring in Finance and Banking and later granted a PhD in Economics from Jinan University (暨南大學) in China. Dr. Du was previously a council member of China Federation of Overseas Chinese Entrepreneurs (中國僑商聯合會), also of Heilongjiang Overseas Friendship Association (黑龍江海外聯誼會), a senior economic consultant of Nantong Municipal Government and an economic consultant of Yaan Municipal Government, an investment committee member of Shenzhen Zhongke Aiscent Intelligent Equipment Research Institute associated to the Chinese Academy of Sciences (中國科學院).

**Mr. Liu Yung Chau**, aged 63, was appointed on 14 June 2011 as an Independent Non-executive Director. Mr. Liu is a director of Huashang Education Group Company Limited and Guangzhou Sun City Group Limited. Mr. Liu was the chief president of the Hong Kong Industrial & Commercial General Association, member of the standing committee of Guangdong Chinese People's Political Consultative Conference, member of the standing committee of Guangdong Federation of Industry, vice chairman of the Guangdong Chamber of Foreign Investors and chairman of the Zengcheng Federation of Industry. In addition, Mr. Liu has been awarded the "World Outstanding Chinese Award" (世界傑出華人獎) in May 2010 and was awarded the Bronze Bauhinia (BBS) by the Government of the Hong Kong Special Administrative Region on 25 October 2013. Mr. Liu has established the Guangzhou Sun City Group Limited and its affiliates covers a wide range of business areas including education, hotel and tourism, textile and apparel, real estate and financial investment industry. Mr. Liu was given the honorary title of "May 1st Model Worker" in 2009.

杜鶴群博士，41歲，於二零一四年八月二十一日獲委任為本公司獨立非執行董事。現亦為創市國際資本管理集團之董事總經理，該公司主要於大中華區從事資本增值投資。杜博士於金融行業擁有約十八年經驗，專注於債務資本市場及結構性投融資。於二零一一年至二零一三年，杜博士亦曾擔任麥格理集團的董事總經理及大中華區私募及結構性投融資主管。杜博士於過往年度曾在德意志銀行、瑞士信貸及澳洲聯邦銀行等國際知名金融機構及投資銀行擔任高級職務。杜博士畢業於新加坡國立大學，取得工商管理(榮譽)學士學位，主修金融及銀行學。彼亦持有中國暨南大學經濟學博士學位。杜博士亦曾擔任中國僑商聯合會理事、黑龍江海外聯誼會理事、南通市政府高級經濟顧問及雅安市政府經濟顧問、中國科學院關連機構 Shenzhen Zhongke Aiscent Intelligent Equipment Research Institute 之投資委員會委員。

廖榕就先生，63歲，於二零一一年六月十四日獲委任為獨立非執行董事。廖先生是華商教育集團有限公司及廣州太陽城集團有限公司的董事。廖先生曾為香港工商總會有限公司首席會長、廣東省政協常委、廣東省工商業聯合會常委、廣東外商公會副主席及增城市工商聯(總商會)主席。此外，廖先生於二零一零年五月獲得「世界傑出華人獎」。並於二零一三年十月二十五日獲香港特別行政區政府授予銅紫荊勳章。廖先生所創辦廣州太陽城集團有限公司及其聯屬公司的經營範圍涵蓋文化教育、酒店旅遊、紡織服裝、房地產、金融投資等多個行業。於二零零九年，廖先生獲授予「五一勞動模範」榮譽稱號。



## SENIOR MANAGEMENT

**Mr. Ma Chun Kei**, aged 38, joined us as the Chief Financial Officer and Company Secretary since September 2015. He is mainly responsible for overseeing the Group's financial and company secretarial matters. Mr. Ma joined us in 2015. Mr. Ma graduated from The Hong Kong Polytechnic University with a Bachelor's Degree in Accountancy. He is a member of the Hong Kong Institute of Certified Public Accountants. Prior to joining the Company, Mr. Ma worked in KPMG Huazhen LLP. He has over 10 years of experience in auditing, accounting and has been involved in a number of initial public offering transactions and capital market transactions.

**Mr. Zhao Keyin**, aged 42, is our Chief Engineer. Mr. Zhao joined us in March 2004 and is currently responsible for the daily operation, technical supervision and implementation of the wastewater treatment business the Group. Mr. Zhao implements national policies relating to technology and advanced technology management policies. Mr. Zhao has approximately 13 years of experience in wastewater treatment, with a special focus on industrial wastewater treatment technology. He also leads the technical implementation aspects of the Group's projects, devise work plans to make sure the processing technologies and procedures are in sync with various technical standards, regulations and legal procedures in the industry. Mr. Zhao is the Group's key liaison with regulatory authorities. In 1998, Mr. Zhao obtained a Diploma in Environmental Protection Monitoring and Implementation from Shenyang Polytechnic University (瀋陽工業學院). He also obtained a Wastewater Treatment Training Certificate issued by Guangdong Environmental Association Environmental Protection Vocational Training Centre (廣東環協環保職業技能培訓中心). He has passed the environmental protection training accredited by Guangzhou Environmental Protection Promotion and Education Centre (廣州市環境保護宣傳教育中心) and Guangzhou Environmental Protection Bureau (廣州市環境保護局) as well.

**Mr. Lu Xiao'an**, aged 53, is the Vice President of the Group. He is mainly responsible for the daily operation of the Group's hazardous waste treatment business. Mr. Lu joined the Group in August 2015 (after the acquisition of Guangzhou Lvyou Industrial Waste Reclamation Treatment Co., Limited by the Group). He graduated from Environmental Science Department of Sun Yat-sen University in 1987. During 1987 to 2004, he worked chronologically as an environmental impact inspector at Guangzhou Environmental Monitoring Station, an environmental impact monitor at Guangzhou Environmental Protection Bureau, then back to Guangzhou Environmental Monitoring Station as a head of office, head of motor vehicle emission inspection team, head of motor vehicle emission monitoring division, the head of motor vehicle emission supervision division, and a head of analysis office. In May 2004, Mr. Lu joined Guangzhou Lvyou Industrial Waste Reclamation Treatment Co., Limited as an assistant to director, the deputy manager, and then the general manager.

## 高級管理人員

馬濬琦先生，38歲，於二零一五年九月加入為財務總監兼公司秘書，主要負責監督本集團財務及公司秘書事宜。馬先生於二零一五年加入我們。馬先生畢業於香港理工大學，取得會計學士學位。彼為香港會計師公會會員。馬先生於二零一五年加入我們。馬先生於加入本公司前，曾於畢馬威華振會計師事務所(特殊普通合伙)任職。彼於審計及會計方面擁有逾10年之經驗，曾參與多個首次公開發售項目及資本市場交易項目。

趙克銀先生，42歲，總工程師。趙先生於二零零四年三月加入本公司，目前負責本集團污水處理業務的日常運營、技術監督及執行。趙先生負責執行與技術有關的國家政策及先進技術管理政策。趙先生於污水處理方面擁有約十三年經驗，特別是工業污水處理技術。彼亦負責領導執行本集團項目的技術工作，以及制訂工作計劃以確保處理技術及過程符合行業技術標準、法規及程序。趙先生為本集團與監管機構的主要聯絡人。趙先生於一九九八年取得瀋陽工業學院環保監督及執行文憑。彼獲得廣東環協環保職業技能培訓中心發出的污水處理培訓證書。彼亦已通過廣州市環境保護宣傳教育中心及廣州市環境保護局認可的環境保護培訓。

陸小安先生，53歲，現時為本集團的副總裁，主要負責本集團危險廢物處理業務的日常營運工作。陸先生於二零一五年八月加入本集團(即本集團完成收購廣州綠由工業棄置廢物回收處理有限公司後)。彼於一九八七年於中山大學環境科學專業畢業。陸先生於一九八七年至二零零四年期間，曾先後就任廣州市環境監測中心站評價室科員、廣州市環保局監督處科員，其後回到廣州市環境監測中心站任辦公室主任、機動車排污檢測隊隊長、機動車排污監理科科長、機動車排污監督科科長及綜合分析室主任等職位。陸先生於二零零四年五月加入廣州綠由工業棄置廢物回收處理有限公司先後擔任董事長助理、副總經理、總經理。

## Directors and Senior Management

### 董事及高級管理層

**Mr. Gan Yongxiong**, aged 48, is the Vice President of the Group. He is mainly responsible for the daily operation of the Group's sludge treatment business. Mr. Gan has devoted himself to the sludge treatment industry since year 2002, and has accumulated 14 years of experience in the sludge and solid waste integrated resource utilization industry. Mr. Gan has successfully developed technologies such as the Solar Reclaimed-water Dual-Heat Source Heat-pumping Sludge Drying System (太陽能中水雙熱源熱泵污泥乾化系統技術) and Fully-enclosed Fertilizer Generating Sludge Drum System (全封閉式污泥滾筒制肥技術). Not only has these technologies been registered utility patents by the Intellectual Property Office, but are also included in the National Key Model Environmental Protection Technologies Project (國家重點環境保護使用技術示範工程). Besides, Mr. Gan owns several other registered patents for technologies such as the High-pressure Sludge Drying System (高壓污泥乾化), applications of industrial waste residue and construction garbage and sludge in green bricks baking system as well. Mr. Gan joined us in 2009 and is currently responsible for the market development of our sludge treatment business. He is the head of technical implementations of the Group's sludge treatment projects, who devises work plans to ensure the processing technologies and procedures comply with various technical standards, regulations and legal procedures in the industry.

**Mr. Zhou Yongquan**, aged 52, is the general manager of Qingyuan Lvyou Environmental Protection Technology Company Limited. Mr. Zhou joined the Group in May 2014 (after the completion of the acquisition of Qingyuan Lvyou Environmental Protection Technology Company Limited by the Group). He has ever worked as a teacher in middle school after graduating from Guangzhou Institute of Education (廣州師範專科學院) in 1987, and then joined companies founded by Mr. Gu Yao Kun in 1997. The business scope of those companies includes petrochemical engineering, environmental protection and resource recycling and utilization industry. Mr. Zhou serves as the general manager of these companies, Mr. Zhou has been involving in the construction and subsequent daily operation and management of sludge and solid waste treatment project of Qingyuan Lvyou Environmental Protection Technology Company Limited since 2009.

甘永雄先生，48歲，現時為本集團的副總裁，主要負責本集團污泥處理業務的日常營運工作。甘先生自二零零二年起從事污泥處理行業，在污泥及固體廢物綜合資源化利用行業累積了十四年的經驗。甘先生成功研發太陽能中水雙熱源熱泵污泥乾化系統技術及全封閉式污泥滾筒制肥技術，不但已從知識產權局取得註冊專利，亦被列入國家重點環境保護使用技術示範工程。此外，甘先生擁有高壓污泥乾化、工業廢渣和建築垃圾及污泥應用於環保燒結磚系統等技術的多項其他註冊專利。甘先生於二零零九年加入本集團，目前負責污泥處理業務的市場開發。彼亦負責領導執行本集團污泥項目的技術工作，以及制訂工作計劃以確保處理技術及過程符合行業技術標準、法規及法律程序。

周永泉先生，52歲，現時為清遠綠由環保科技有限公司的總經理。周先生於二零一四年五月加入本集團(即本集團完成收購清遠綠由環保科技有限公司後)。一九八七年於廣州師範專科學院畢業後曾任中學教師，其後於一九九七年開始加入由古耀坤先生創辦的企業，業務範圍包括石油化工、環保治理和資源循環利用行業，周先生於該等企業擔任總經理之職務。周先生自二零零九年起一直參與清遠綠由環保科技有限公司旗下污泥及固體廢物處理項目動工建設及其後的日常管理營運。

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICIES AND PERFORMANCE

As a comprehensive environmental service provider, not only did the Group create values for the Company, shareholders and investors, but also actively take its responsibilities in environment protection by enhancing operation efficiency, perfecting relevant company policies and systems, and adopting innovative technology. The Group dedicates to improving its performance in environmental protection fields such as wastewater treatment, waste management and energy consumption.

The Group has always strictly complied with all the national and regional environmental laws and regulations applicable to it. The Group possesses Class A operational qualification for environmental pollution control facilities (for both domestic and industrial wastewater) and all water discharged after undergoing wastewater treatment conforms to relevant national and regional discharge standards. In addition, the Group is one of the most sizable hazardous waste disposal enterprises in Guangdong Province, possessing licenses for treating solid waste (including regulated waste) and for treating and disposing dozens of types of hazardous waste. The Group is regarded as a high-tech enterprise and a certified enterprise with comprehensive utilization of resources. All sludge, solid and hazardous wastes treated comply strictly with relevant environmental protection and safety standards in order to achieve qualified detoxification. Sludge, solid and hazardous wastes after treatment will be recycled and transformed into green bricks, ceramsites, etc.

The Group established the environmental and social management systems applicable to the headquarter and project subsidiaries, specifying the environmental policies of the Group, emphasizing the requirements of relevant environmental laws and regulations. The Group is always aware of precautions during stages like project approval, design, construction and operation to ensure no substantial impacts would be brought the surrounding environment and communities. The Group will constantly improve its environmental and social management systems, review and update relevant policies.

## 環境、社會及管治 (ESG) 政策及表現

作為一家綜合環境服務方案提供商，本集團在為公司、股東及投資者創造價值的同時，亦積極承擔保護環境的責任，透過提升運營效率，完善相關政策及制度，使用創新技術，致力於提高公司在污水處理、廢棄物處理處置、能源使用等環保領域各個方面的表現。

我們一直嚴格遵守所有適用於本集團的國家及地區環保法律法規。本集團擁有污染治理設施運行服務能力評價證書（生活污水處理一級及工業廢水處理一級），所有經污水處理項目處理後排放的尾水均達到國家及地方相關排放標準。此外，本集團亦是廣東省其中一間最具規模的危險廢物處理處置企業，擁有固體廢物經營資質（含嚴控廢物）處理許可，以及數十種危險廢物處理處置許可，是高新技術企業及資源綜合利用認證企業。所有污泥、固體及危險廢棄物均嚴格遵從相關環保及安全標準，實現無害化處理。經處理後的污泥、固體及危險廢棄物也會經工藝流程轉化成環保磚、陶粒等作循環再用。

本集團已制定適用於總部及項目公司層面的環境及社會管理體系，清楚列明本集團的環保政策，需要恪守的相關環保法律法規要求，以及各項目在立項、設計、施工、運營等各個階段需要注意的事項，以確保本集團的所有項目，不論在任何階段，均不會對周邊環境及社區造成重大影響。本集團將不斷完善環境及社會管理體系、檢討及更新相關政策。

## Environmental, Social and Governance Report

### 環境、社會及管治報告

In order to improve the environmental performance of the Group, it has invested massive resources in scientific research and development, especially in the technology application in wastewater treatment and utilization of sludge as a resource. Moreover, the Group attaches great importance of the environmental performance of suppliers and contractors. During the selection process of suppliers, the environmental performance of tender companies is one of the key consideration factors. If necessary, the Group will invite independent bodies to conduct authoritative inspection to ensure that the products and services comply with the national standards of safety and environmental protection.

The Group regards its employees as the most valuable asset of the Company and aims at building an excellent team. The remuneration packages of staff are regularly reviewed to attract and retain talents by providing competitive remuneration and fringe benefits. The health and safety of staff is also of crucial importance to the Group. Through continuous improvement of relevant prevention mechanisms and measures, such as establishing Contingency Plan for Environmental Emergencies, providing regular relevant occupational safety training to strengthen safety awareness, so that our employees can fully grasp the operational processes and reduce the chance of accidents.

As a pioneer environment protection corporation in China, the Group will put its strengths into play in the industry, and will also continue to care about the society by encouraging employees to actively participate in volunteering activities and building a more interactive relationship with communities. As the Group values the development of education, it set up 10-year CTEG Scholarships in School of Environmental Science and Engineering of Sun Yat-sen University and College of Environment and Energy of South China University of Technology. Further, the Group also founded a Joint Lab of CTEG and College of Environmental Sciences and Engineering of Peking University and set up Peking University-CTEG Educational Fund to make a contribution to the cultivation of professionals in environmental protection industry and to the promotion of environmental protection for long-term development. Through cooperation with higher education institutions, the Group looks for more opportunities for both parties to exchange comments in the fields of environmental protection, development and public welfare.

為提升本集團的環保表現，我們投入大量資源在科研方面，特別是在廢水處理、污泥資源化利用等範疇的技術應用方面。此外，本集團亦非常重視供應商、承包商的環保表現。在選擇供應商的過程中，投標公司的環保表現是其中一個重要的考慮因素。如有需要，我們亦會邀請獨立機構對其產品與服務進行權威檢驗，確保符合國家安全環保標準。

本集團視員工為公司最寶貴的資產，並以建立一支優秀的團隊為目標。我們定期檢討員工的薪酬機制，透過提供具競爭力的薪酬及福利，以招攬及挽留人才。員工的健康與安全亦是本集團十分重視的一項。我們通過不斷完善相關的預防機制和措施，例如制定《突發環境事件應急預案》，以及定期提供相關的職業安全培訓，提高安全意識，讓員工充分掌握操作流程，從而大大降低發生意外的機會。

作為國內領先的環保企業，除了在產業領域發揮自身的作用外，本集團也會繼續關心社會，鼓勵員工積極參與各種義工活動，與社區建立更緊密和諧的關係。我們特別重視教育的發展，因此我們在中山大學環境科學與工程學院及華南理工大學環境與能源學院分別設立為期10年的「中滔環保獎學金」。另外本集團亦與北京大學環境科學與工程學院聯合成立「北京大學環境科學與工程學院中滔聯合實驗室」，並出資設立「北京大學中滔環境教育基金」，為培育環保專業人才和推動環保事業的長遠發展貢獻力量。我們希望通過與高等院校的合作，為雙方在環保領域、發展領域以及公益領域提供更多交流機會。

### STAKEHOLDER ENGAGEMENT

The Group has always valued opinions from each stakeholder and has proactively maintained a close relationship with them as it is one of the important elements that facilitates the continuous growth of the Company. The Group has been conducting two-way, transparent and regular communication with different stakeholders, including employees, shareholders/investors, government departments, suppliers/contractors, customers, partners, community members and the media, to collect their comments and expectations towards the Group, and understand their issues in concern. The Group regularly inspects the existing communication channels and reviews their effectiveness to continuously improve the relevant arrangements to collect opinions from stakeholders more effectively and response promptly.

Since the ESG Report is being published separately starting from this year, the Group have commissioned an independent consultant firm to conduct a questionnaire survey and interview with stakeholders. The results helped to understand the expectations of stakeholders on the Group's first ESG report, identify ESG issues that they consider particularly important to the Group, and assist in formulating the frameworks of the ESG Report.

### ESG REPORT

Please refer to the Group's ESG Report for the performance on environmental protection, occupational safety and health, relationships with employees, community investment and the strategic objectives in practicing corporate social responsibility ("CSR"). The report will be uploaded to the Group's official website within three months after the publication of this Annual Report.

### 與持份者的溝通

本集團一向十分重視持份者的意見，積極與他們保持緊密的關係，並視之為推動公司持續向好發展的其中一個重要元素。本集團一直與不同的持份者，包括員工、股東／投資者、政府部門、供應商／承包商、客戶、合作夥伴、社區人士和媒體進行雙向、具透明度及定期的溝通，以收集他們對本集團的意見及期望，並瞭解他們所關心的議題。本集團定期檢視現有的溝通渠道，並檢討其有效性，不斷完善相關安排以更有效收集各持份者的意見並作出回應。

由於我們於本年度開始獨立發佈ESG報告，因此特意委託一間獨立顧問公司進行一次持份者的問卷調查及訪談，以瞭解各持份者對本集團第一份ESG報告的期望，識別他們認為對本集團尤其重要的ESG議題，及協助制訂ESG報告的框架。

### ESG 報告

有關本集團在環境保護、職業安全與健康、員工關係、社區投資等方面的表現，以及有關實踐企業社會責任的戰略目標，可參閱本集團的ESG報告。該報告將於本報告發佈後的三個月內上載到本集團網站。

## Corporate Governance Report 企業管治報告

The Board is pleased to present this Corporate Governance Report in the Group's annual report for the year ended 31 December 2016.

### COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company focuses on maintaining high standard of corporate governance in order to achieve sustainable development and enhance corporate performance. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more values for its shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimize return for shareholders.

The Company is committed to maintain good corporate governance practices and procedures. The Company has adopted the code provisions in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as its own code of corporate governance. The Board considers that the Company has complied with all applicable code provisions set out in the CG Code for the year ended 31 December 2016.

董事會欣然呈列本集團於截至二零一六年十二月三十一日止年度之年報之企業管治報告。

### 遵守《企業管治常規守則》

本公司注重維持高水平之企業管治以實現可持續發展並提升企業表現。董事會致力堅持企業管治原則，並採用良好之企業管治常規，專注內部監控、公平披露及對全體股東負責等領域，確保本公司所有業務之透明度及問責性，以達致法律及商業標準。本公司相信，有效的企業管治是為股東創造更多價值的關鍵因素。董事會將繼續不時審閱及改善本集團的企業管治常規，以確保本集團由有效董事會領導以為股東帶來最大回報。

本公司致力維持良好之企業管治常規及程序。本公司已採納聯交所證券上市規則(「上市規則」)附錄十四所載之企業管治守則(「企業管治守則」)之守則條文作為其企業管治守則。董事會認為本公司截至二零一六年十二月三十一日止年度一直遵守企業管治守則所載之所有適用守則條文。

## BOARD OF DIRECTORS

The Board comprises five executive Directors and three independent non-executive Directors. The Directors who held office during the year and up to the date of publication of this report were:

### Executive Directors

Mr. Tsui Cham To	(Chairman)
Mr. Lu Yili	(Chief Executive Officer)
Mr. Gu Yaokun	
Mr. Xu Shubiao	
Mr. Xu Juwen	

### Independent Non-executive Directors

Mr. Lien Jown Jing, Vincent
Mr. Du Hequn
Mr. Liu Yung Chau

The list of Directors has been published on the website of the Company and the website of the Stock Exchange, and is disclosed in all corporate communications issued by the Company pursuant to the Listing Rules from time to time.

During the year ended 31 December 2016, the Board had met the requirement of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one possessing appropriate qualification, or accounting or related financial management expertise (in compliance with Rule 3.10 of the Listing Rules).

The Board has a balance of skill, experience and diversity of perspectives that are essential to and would promote the business of the Group. The Board, with the assistance from the senior management, forms the core management team of the Company. The Board takes the overall responsibility for management of the Company, formulating the business strategies and development plan of the Company, decision making on important issues, including but not limited to substantial mergers and acquisitions and disposals, directors' appointments and significant operational and financial matters. The senior management are responsible for supervising and executing the Board policies and strategies, including the provision of updates of the Group's performance to the Board to enable the Board to deliver and discharge their duties. Daily management, administration and operation of the Company are delegated to the senior management of the Company.

## 董事會

董事會包括五名執行董事及三名獨立非執行董事。於本年度及直至本報告刊發日期的在任董事如下：

### 執行董事

徐湛滔先生	(主席)
盧己立先生	(首席執行官)
古耀坤先生	
徐樹標先生	
徐炬文先生	

### 獨立非執行董事

連宗正先生
杜鶴群先生
廖榕就先生

本公司的董事名單已刊登在本公司及聯交所的網站上，並載列在本公司按照上市規則不時刊發的所有公司通訊中。

截至二零一六年十二月三十一日止年度，董事會符合上市規則有關委任至少三名獨立非執行董事且至少一人具備適當資格或會計或有關財務管理專長的規定(根據上市規則第3.10條)。

董事會成員的技能、經驗及多樣化的觀點與角度得以平衡，對促進本集團業務必不可少。在高級管理層之協助下，董事會形成本公司之核心管理隊伍。董事會肩負為本公司制訂業務策略及發展計劃、重大問題決策(包括但不限於重大併購、收購及出售、董事委任及重大經營及財務事項)之整體責任。高級管理層負責監察及落實董事會政策及策略，包括提供最新的集團表現予董事會使其能執行及履行其職責。委託本公司高級管理層負責本公司日常管理、行政及運營。

## Corporate Governance Report 企業管治報告

Mr. Tsui Cham To is the Chairman of the Board and Mr. Lu Yili is the Chief Executive Officer of the Company. Responsibilities between the Chairman of the Board and the Chief Executive Officer of the Company are clearly divided and segregated to ensure a balance of power and authority and to reinforce their independence and accountability.

### BOARD MEETINGS

It is intended that the Board should meet regularly so that all Directors are kept up to date with the business development of the Group. Special meetings of the Board will be convened if the situation requires so. For the year ended 31 December 2016, the Board had convened 13 board meetings and 1 general meeting. The individual attendance record of the Directors for the year ended 31 December 2016 is tabulated as follows:

徐湛滔先生為董事會主席，而盧已立先生為本公司首席執行官。董事會主席與本公司首席執行官的職責明確區分及分開，以確保權力與職權的平衡及加強彼等的獨立性與問責性。

### 董事會會議

根據計劃，董事會應定期召開會議以使所有董事及時了解本集團的業務發展最新情況。倘情況需要，董事會將召開特別會議。截至二零一六年十二月三十一日止年度，董事會共召開十三次董事會會議及一次股東會議。截至二零一六年十二月三十一日止年度，董事各自出席會議的記錄如下：

		Attendance/ Total number of board meetings 出席次數/ 董事會會議 總次數	Attendance/ Total number of general meetings 出席次數/ 股東會議 總次數
<b>Executive Directors</b>	<b>執行董事</b>		
Mr. Tsui Cham To ( <i>Chairman</i> )	徐湛滔先生(主席)	13/13	1/1
Mr. Lu Yili ( <i>Chief Executive Officer</i> )	盧已立先生(首席執行官)	13/13	1/1
Mr. Xu Shubiao	徐樹標先生	13/13	1/1
Mr. Xu Juwen	徐炬文先生	13/13	1/1
Mr. Gu Yaokun	古耀坤先生	13/13	1/1
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>		
Mr. Lien Jown Jing, Vincent	連宗正先生	13/13	1/1
Mr. Du Hequn	杜鶴群先生	13/13	1/1
Mr. Liu Yung Chau	廖榕就先生	13/13	1/1



## DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors (the "Model Code") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by Directors. Having made specific enquiry, the Company confirms that the Directors complied with the required standard set out in the Model Code for the year ended 31 December 2016.

## RELATIONSHIP AMONG THE DIRECTORS

Among the members of the Board, Mr. Tsui Cham To, the Chairman is a cousin of Mr. Xu Juwen. Save for the above, there is no relationship (including financial, business, family or other material relationship) between any members of the Board.

## AUDIT COMMITTEE

The Company has set up an audit committee (the "Audit Committee") in compliance with Rule 3.21 of the Listing Rules, for the purpose of reviewing and providing supervision over the Group's financial reporting process, review risks management and internal controls systems. The Audit Committee has reviewed the Group's consolidated financial information for the year ended 31 December 2016, including the accounting principles adopted by the Group, with the Company's management. The Audit Committee, together with the management, has reviewed constantly the accounting principles and practices adopted by the Group, discussed auditing, internal control and financial reporting matters and reviewed the financial results of the Group. As of the date of publication of this report, the Audit Committee comprises three independent non-executive Directors of the Company, namely, Mr. Lien Jown Jing, Vincent (the chairman of the Audit Committee), Mr. Du Hequn and Mr. Liu Yung Chau.

The terms of reference of the Audit Committee are available on the website of the Company and the website of the Stock Exchange.

The Audit Committee had held three meetings during the year ended 31 December 2016 for considering the annual results of the Group for the year ended 31 December 2015, interim results of the Group for the six months ended 30 June 2016, and reviewing the Company's risk management and internal control systems issues regarding internal audit. All the members (Mr. Lien Jown Jing, Vincent, Mr. Du Hequn and Mr. Liu Yung Chau) of the Audit Committee have attended all the above meetings.

## 董事進行證券交易

本公司已採納上市規則附錄10所載「董事進行證券交易的標準守則」(「標準守則」)，作為董事進行有關證券交易的行為守則。經作出特定查詢後，本公司確認，各董事於截至二零一六年十二月三十一日止年度一直遵守標準守則所載的規定標準。

## 董事的關係

在董事會成員中，主席徐湛滔先生為徐炬文先生的堂兄。除上述者外，董事會任何成員之間概無任何關係(包括財務、業務、親屬或其他重要關係)。

## 審核委員會

本公司遵照上市規則第3.21條成立審核委員會(「審核委員會」)，藉以檢討及監督本集團的財務申報程序、審查風險管理及內部控制制度。審核委員會已連同本公司管理層審閱本集團截至二零一六年十二月三十一日止年度的綜合財務資料，包括本集團採納的會計原則。審核委員會連同管理層，已定期審閱本集團採納的會計原則及慣例，商討核數、內部監控及財務申報事宜，且已審閱本集團的財務業績。截至本報告刊發日期，審核委員會成員包括本公司三名獨立非執行董事，即連宗正先生(審核委員會主席)、杜鶴群先生及廖榕就先生。

審核委員會的職權範圍可於本公司網站及聯交所網站查詢。

審核委員會於截至二零一六年十二月三十一日止年度為考慮本集團截至二零一五年十二月三十一日止年度的年報、截至二零一六年六月三十日止六個月之中期業績以及就檢討本公司的風險管理及內部監控制度的內部審計問題召開三次會議。審核委員會(連宗正先生、杜鶴群先生及廖榕就先生)全體成員均有出席上述所有會議。

## REMUNERATION COMMITTEE

The primary responsibilities of the remuneration committee of the Company (the “Remuneration Committee”) are to make recommendations to the Board on the policy and structure of the Company for remuneration of all Directors and senior management, to assess performance of executive directors and to review and recommend to the Board on the remuneration packages of individual Director and senior management, by reference to the duties, responsibilities, experience and qualifications of each candidate.

In accordance with the written terms of reference of the Remuneration Committee, majority of members of the Remuneration Committee should be Independent Non-executive Directors, and the chairman must be an Independent Non-executive Director. The terms of reference of the Remuneration Committee are available on the Company’s website and the website of the Stock Exchange. As of the date of publication of this report, Mr. Du Hequn (Chairman) (Independent Non-executive Director), Mr. Liu Yung Chau (Independent Non-executive Director) and Mr. Tsui Cham To (Executive Director) are members of the Remuneration Committee. One meeting was held by the Remuneration Committee during the year ended 31 December 2016 to review and approve the remuneration packages of certain executive Directors. All members (Mr. Du Hequn, Mr. Liu Yung Chau and Mr. Tsui Cham To) of the Remuneration Committee have attended the meeting.

The remuneration of the members of the senior management of the Group by band for the year ended 31 December 2016 is set out below:

## 薪酬委員會

本公司薪酬委員會(「薪酬委員會」)的主要職責為向董事會建議本公司所有董事及高級管理人員的薪酬政策及架構，以評估執行董事之表現及參考各候選人之職責、責任、經驗及資格向董事會各董事及高級管理人員的薪酬待遇。

根據薪酬委員會的書面職權範圍，薪酬委員會的多數成員須為獨立非執行董事，而主席必須為獨立非執行董事。薪酬委員會的職權範圍可於本公司及聯交所的網站查閱。於刊發本報告日期，杜鶴群先生(主席)(獨立非執行董事)、廖榕就先生(獨立非執行董事)及徐湛滔先生(執行董事)為薪酬委員會成員。截至二零一六年十二月三十一日止年度薪酬委員會舉行一次會議以檢討並批准若干執行董事的薪酬組合。薪酬委員會的全體成員(杜鶴群先生、廖榕就先生及徐湛滔先生)均有出席該次會議。

截至二零一六年十二月三十一日止年度，本集團高級管理層成員的薪酬級別載列如下：

Remuneration bands (HKD)	薪酬級別(港元)	Number of persons 人數
Nil to 500,000	零至 500,000	5
500,001 to 1,000,000	500,001 至 1,000,000	4
1,000,001 to 2,500,000	1,000,001 至 2,500,000	1
2,500,001 to 3,000,000	2,500,001 至 3,000,000	—
3,000,001 to 5,000,000	3,000,001 至 5,000,000	—
5,000,001 to 5,500,000	5,000,001 至 5,500,000	—
5,500,000 to 10,000,000	5,500,000 至 10,000,000	2

## NOMINATION COMMITTEE

The Board had set up its nomination committee (the “Nomination Committee”) to, among others, review the structure, size and composition of the Board to determine the policy for the nomination of directors and make recommendations to the Board on the appointment of Directors. As at the date of publication of this report, Mr. Liu Yung Chau (Chairman) (Independent Non-executive Director), Mr. Lien Jown Jing, Vincent (Independent Non-executive Director) and Mr. Tsui Cham To (Executive Director) are members of the Nomination Committee. The Nomination Committee has also adopted a policy of diversity for memberships of the Board which aims to achieve diversity in the Board against a range of different perspectives, including but not limited to professional and industry experience, skills and knowledge, cultural and educational background. These criteria will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. In reviewing and assessing the composition of the Board, the Nomination Committee will consider all different perspectives, including the aforesaid criteria, in order to maintain a diverse Board. And when recommending new appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria including the ones set out above, with due regard for the benefits of diversity of the Board.

The terms of reference of the Nomination Committee are available on the website of the Company and the website of the Stock Exchange.

One meeting of the Nomination Committee was held during the year ended 31 December 2016 to review the structure, size and composition (including skills, knowledge and experience) of the Board and to assess the independence of independent non-executive directors. All members (Mr. Liu Yung Chau, Mr. Lien Jown Jing, Vincent and Mr. Tsui Cham To) of the Nomination Committee have attended the meeting.

## 提名委員會

董事會設立提名委員會(「提名委員會」)旨在(其中包括)檢討董事會架構、規模及組成以決定董事提名之政策且就委任董事向董事會提出建議。於本報告刊發日期，廖榕就先生(主席)(獨立非執行董事)、連宗正先生(獨立非執行董事)及徐湛滔先生(執行董事)為提名委員會成員。提名委員會亦就董事會成員採納多樣化政策，旨在於不同方面達致董事會多元化，包括但不限於專業及行業經驗、技能及知識、文化及教育背景。該等標準將於釐定董事會最優組合及須可能達致適當平衡時予以考慮。於檢討及評估董事會組成時，提名委員會將考慮所有不同方面，包括前述標準，以維持董事會多樣化。就向董事會建議新委任，提名委員會將依據上述客觀標準考慮候選人的優點，並適當考慮於董事會多元化的利益。

提名委員會的職權範圍可於本公司及聯交所網站查閱。

截至二零一六年十二月三十一日止年度，提名委員會舉行一次會議以檢討董事會架構、人數及組成(包括技能、知識及經驗方面)及評核獨立非執行董事的獨立性。提名委員會全體成員(廖榕就先生、連宗正先生及徐湛滔先生)均出席該次會議。

## TRAINING AND SUPPORT FOR DIRECTORS

The Company recognizes the importance of keeping the Directors updated with latest information of duties and obligations of a director of a company which shares are listed on the Stock Exchange and the general regulatory requirements and environment for such listed company. To meet this goal, each newly appointed Director would receive an introductory training regarding the statutory and regulatory obligations of a director of a listed company in Hong Kong. As part of the continuous professional development program pursuant to A.6.5 of the CG Code, the Company has also updated the directors of the Company of any material changes in the Listing Rules and corporate governance practices from time to time. All directors of the Company are provided with reading materials summarizing the duties and responsibilities in acting as directors from time to time to keep the directors of the Company abreast of such duties and responsibilities.

According to the records maintained by the Company, the directors of the Company received the following training during the year ended 31 December 2016:

Name of Directors	董事姓名	Attending internally-facilitated briefings or training/attending seminars/reading materials	參加內部組織的簡報會或培訓／參加研討會／閱讀材料
Mr. Tsui Cham To	徐湛滔先生	Relevant trainings received	已接受相關培訓
Mr. Lu Yili	盧已立先生	Relevant trainings received	已接受相關培訓
Mr. Gu Yaokun	古耀坤先生	Relevant trainings received	已接受相關培訓
Mr. Xu Shubiao	徐樹標先生	Relevant trainings received	已接受相關培訓
Mr. Xu Juwen	徐炬文先生	Relevant trainings received	已接受相關培訓
Mr. Lien Jown Jing, Vincent	連宗正先生	Relevant trainings received	已接受相關培訓
Mr. Du Hequn	杜鶴群先生	Relevant trainings received	已接受相關培訓
Mr. Liu Yung Chau	廖榕就先生	Relevant trainings received	已接受相關培訓

## COMPANY SECRETARY

Mr. Ma Chun Kei, the company secretary appointed by the Board and an employee of the Company, in the opinion of the Board, possesses the necessary qualification and experience, capable of performance of the functions of the company secretary and the Company will provide fund for Mr. Ma to take not less than 15 hours of appropriate professional training in each financial year as required under Rule 3.29 of the Listing Rules.

## 對董事的培訓及支持

本公司深知，確保董事了解作為股份於聯交所上市的公司董事的職務及責任以及該上市公司一般監管規定及環境的最新資料至為重要。為達成此目標，各新委任董事將獲給予關於作為香港上市公司董事的法定及監管責任之簡介培訓。依照企業管制守則的A.6.5條，作為持續專業發展項目的一部分，本公司亦已不時向本公司董事更新上市規則及企業管治常規的任何重大變動。本公司全體董事不時獲提供有關董事職責及責任的閱讀材料，讓本公司董事了解其職責及責任。

根據本公司保存的記錄，本公司董事於截至二零一六年十二月三十一日止年度接受了以下培訓：

## 公司秘書

馬濬琦先生獲董事會委任為公司秘書，且為本公司僱員。董事會認為，馬先生具備履行公司秘書職能的必要專業資格及經驗，且本公司將根據上市規則第3.29條之規定於各財政年度向馬先生提供不少於15小時的適當專業培訓。

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness on an ongoing basis.

Such risk management and internal control systems are designed for managing risks rather than eliminating the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board has delegated its responsibilities (with relevant authorities) of risk management and internal control to the Audit Committee. The Audit Committee (on behalf of the Board) oversees management in the design, implementation and monitoring of the risk management and internal control systems, and management has provided a confirmation to the Audit Committee (and the Board) on the effectiveness of these systems for the year ended 31 December 2016.

The Group's risk management framework is guided by the "Three Lines of Defense" model. The Risk Management function co-ordinates risk management activities and reviews significant aspects of risk management for the Group, reports to the Audit Committee at each regularly scheduled meeting, significant risks of the Group and the appropriate mitigation and/or transfer of identified risks. The operating units of the Group, as risk owners, identify, evaluate, mitigate and monitor their own risks, and report such risk management activities to Risk Management function on an annual basis. The Risk Management function assesses and presents regular reports to the Audit Committee at each regularly scheduled meeting.

The internal control system of the Company is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage risks and to safeguard the assets of the Company against loss or fraud. The main features of internal control system consist of five elements including, internal environment, risk assessment, monitoring activities, information and communication and internal monitoring. However, any internal control system can provide only reasonable but not absolute assurance of full protection against material errors, losses, fraud or failure to meet its business objectives. The Audit Committee has engaged an external consultant to perform internal audit services and has discussed the scope of work and internal control findings with the external consultant.

## 風險管理及內部監控

董事會確認，其負責風險管理及內部監控系統，並持續檢討其有效性。

有關風險管理及內部監控系統旨在管理風險，而不是消除無法實現業務目標的風險，僅可對重大錯誤陳述或虧損提供合理但非絕對保證。董事會已將其風險管理及內部監控職責(連同相關權限)委託審核委員會。審核委員會(代表董事會)監督管理設計、執行及監察風險管理及內部監控系統，截至二零一六年十二月三十一日止年度，管理層已向審核委員會(及董事會)提供確認，確認此等系統的有效性。

本集團風險管理框架以「三道防線」模式為指引。風險管理職能部門協調風險管理活動並檢討本集團風險管理的重大方面、於各定期會議向審核委員會提交的報告、本集團重大風險以及適當減低及／或轉移已識別風險。本集團的營運單位(作為風險擁有人)識別、評估、減低及監察其自有風險，並每年向風險管理職能部門匯報有關風險管理活動。風險管理職能部門評估並於各定期會議上向審核委員會呈報定期報告。

本公司內部監控系統旨在協助有效及高效營運、確保財務匯報的可靠性，符合適用法律及法規、識別及管理風險及保障本公司資產免受虧損或欺詐。內部監控系統的主要特徵包含五個元素，包括內部環境、風險評估、監察活動、信息通訊及內部監督。然而，任何內部監控系統僅可提供合理但非絕對保證，保證完全免受嚴重錯誤、虧損、欺詐或無法實現其業務目標的影響。審核委員會已聘用外部顧問履行內部審核服務，並與外部顧問討論工作範圍及內部監控結果。

## **HANDLING AND DISSEMINATION OF INSIDE INFORMATION**

For the purpose of handling and disseminating inside information in accordance with the Listing Rules and the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong), the Group has taken various procedures and measures, including arousing the awareness to preserve confidentiality of inside information within the Group, sending blackout period and securities dealing restrictions notification to the relevant directors and employees regularly, disseminating information to specified persons on a need-to-know basis and regarding closely to the “Guidelines on Disclosure of Inside Information” issued by the Securities and Futures Commission in June 2012.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

This section lists out the principal risks and uncertainties facing the Group. This is a non-exhaustive list and there may be other risks and uncertainties further to the principal areas of risk outlined below.

### **Business development risk**

Each of the Group’s projects has been or will be built to a specified designed capacity. The utilization rate of its treatment facilities depends on a number of factors including the size of the population, the types of industries of its customers, the general economic conditions and the level of industrialization in the area served by the relevant facilities. If the facilities the Group operates are not utilized to their designed capacity, the Group may not generate the turnover and profit it had expected from the relevant projects, which could have a material and adverse effect on its business, financial condition and results of operations. It is therefore important that the Group perform careful market research and project planning before implementing with any investment decisions.

### **Credit risk**

The Group may suffer from financial loss if a customer or counterparty fails to meet the obligations under a contract. Customers requiring a credit over certain amount must undergo an individual credit evaluation. These evaluations are based on a customer’s records of payment due and current ability to repay. The corporate information and economic situation of the customer are also taken into account. Debtors with debts expiring more than 12 months are requested to settle all outstanding balances before any further credit is granted.

## **處理及發佈內幕消息**

就根據上市規則及香港法例第571章證券及期貨條例處理及發佈內幕消息而言，本集團已採取多項程序及措施，包括在本集團內激起保持內幕消息機密性的意識、定期向有關董事及僱員寄發封鎖期及證券交易限制通知、向需要知道的指定人士發佈消息及密切關注證券及期貨事務監察委員會於二零一二年六月頒佈的「內幕消息披露指引」。

## **主要風險及不確定性**

本節載列本集團面臨的主要風險及不確定性。此列表並無完全列出所有風險及不確定性，可能存在下文概述主要風險領域以外的其他風險及不確定性。

### **業務發展風險**

本集團各個項目一直以來並將一直依照特定設計處理能力興建。本集團的處理設施的利用率視乎多項因素而定，包括人口規模、本集團客戶所處行業的類型、整體經濟狀況及相關設施所服務地區的工業化水平。倘本集團營運的設施並未達到設計處理能力，本集團不一定能產生預期來自相關項目的營業額及利潤，從而可能對本集團的業務、財務狀況及經營業績造成重大不利影響。因此，於作出任何投資決定之前進行審慎市場研究及項目規劃對本集團是很重要的。

### **信貸風險**

倘客戶或交易對手方未能履行合約項下責任，本集團可能遭受財務虧損。信貸超過某數額之客戶均需接受獨立信貸評估。此等評估主要針對客戶以往到期時之還款記錄及現時的還付能力，並考慮客戶的個別資料及客戶所處的經濟環境的資料。尚有結餘逾期超過12個月之債務人須結算所有未償還結餘後方可獲進一步信貸。

### Change of regulatory environment risk

The Group's business and operations in the PRC are subject to the PRC government standards, rules and regulations. Change of regulatory environment risk means the risk of failure in response to change over government regulations, which may have a negative impact on the Group's business. Changes in regulatory environment are monitored regularly in order to respond to the changes on a timely and effective manner.

### DIRECTORS' AND AUDITOR'S ACKNOWLEDGEMENT ON FINANCIAL REPORTING

The Board acknowledges its responsibility for preparing the accounts of the Company in accordance with statutory requirements and applicable accounting standards. The Board is accountable to the shareholders for a clear and balanced assessment of the Company's financial position and prospects.

The management provides all relevant information and records to the Board, which enable it to prepare the accounts and to make above assessments. The Audit Committee had reviewed and recommended the Board to adopt the audited accounts for the year ended 31 December 2016. The Board is not aware of any material uncertainties relating to the events or condition that may undermine the Company's ability to continue as a going concern. The statement of the auditor of the Company on its reporting responsibilities on the financial statements of the Group is set out in the Auditor's Report from pages 74 to 80.

### AUDITOR'S REMUNERATION

During the year ended 31 December 2016, the fees payable to KPMG in respect of its audit services provided to the Group was RMB4.2 million (2015: RMB3.9 million). There is no fees paid and payable to KPMG during the year for the reporting accountant service in respect of certain notifiable transactions under the Listing Rules (2015: RMB1.2 million).

### 監管環境變動風險

本集團於中國開展業務及進行營運，須遵守中國政府準則、規例及法規。監管環境變動風險指無法應對政府法規變化的風險，此風險會對本集團的業務產生不利影響。本集團定期監控監管環境變動，以及時有效應對有關變動。

### 董事及核數師就財務報告的確認

董事會確認，其責任為根據法定規定及適用會計準則編製本公司的賬目。董事會負責清晰及均衡地評估本公司之財務狀況及前景，並就此對股東負責。

管理層向董事會提供所有相關資料及記錄以使其編製賬目及作出上述評估。審核委員會就審閱並建議董事會截至二零一六年十二月三十一日止年度之經審核賬目。董事會沒有發現任何事件或情況中具有重大不確定因素，以致本公司的持續經營能力被削弱。本公司核數師就審核本集團財務報表而承擔的申報責任所發出的聲明載於第74至80頁的核數師報告。

### 核數師薪酬

截至二零一六年十二月三十一日止年度，就畢馬威會計師事務所向本集團提供之審計服務應付之費用為人民幣4.2百萬元(二零一五年：人民幣3.9百萬元)。年內，就若干根據上市規則須予公佈交易的申報會計師服務，概無已付及應付畢馬威會計師事務所的費用(二零一五年：人民幣1.2百萬元)。

## SHAREHOLDERS' RIGHTS AND INVESTOR RELATIONS

The Company's shareholders' communication policy is to maintain transparency and provide timely information of the Group's material developments to shareholders and investors. General meetings of the Company are formal channels for communication between shareholders and the Board. The chairman of the Board is invited to attend the general meetings to have direct communication with the shareholders.

Shareholders may also send their enquiries and concerns to the Board by addressing them to the Company's principal place of business in Hong Kong situated at Room 804, 8/F, Empire Centre, 68 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong, for the attention of the Company Secretary.

Pursuant to Article 58 of the Articles of Association of the Company, shareholders holding not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meeting of the Company may by written requisition request to the Board convene an extraordinary general meeting. There are no provisions under the Company's articles of association governing shareholder's right to put forward proposals at general meetings. However, the shareholders may follow the procedures as stated below to put forward proposals in general meetings. The procedures for shareholders to convene extraordinary general meetings and put forward proposal are as follows:

1. The requisitionist(s) must sign a written request stating the objects of the meeting to be convened, and deposit the same at the principal place of business of the Company situated at Room 804, 8/F, Empire Centre, 68 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong, for the attention of the Company Secretary. The written request may consist of several documents in like form, each signed by one or more requisitionist(s).
2. The Company will then verify the particulars of the requisitionist(s) in their written request with the Company's share registrar, and upon confirmation from the Company's share registrar that the written request is in order, the Company Secretary will arrange with the Board to convene an extraordinary general meeting by serving sufficient notice to all the registered shareholders in accordance with all the relevant statutory and regulatory requirements and the provisions in the articles of association of the Company.

## 股東權利及投資者關係

本公司與股東溝通的政策為維持透明度，並及時向股東及投資者提供與本集團重大發展有關的資訊。本公司的股東大會為股東與董事會之間的正式溝通渠道。董事會主席將會應邀出席股東大會與股東直接溝通。

股東亦可將彼等之查詢及關注事項寄送至本公司之香港主要營業地點地址為香港九龍尖沙咀麼地道68號帝國中心8樓804室(公司秘書收)。

根據本公司組織章程細則第58條，持有不少於本公司附帶於本公司股東大會上投票權的繳足股本十分之一的股東可書面要求董事會召開股東特別大會。本公司組織章程細則並無監管股東於股東大會提呈建議的規定。然而，股東可根據下文所載之程序於股東大會上提呈建議。股東召開股東特別大會及提呈建議的程序如下：

1. 請求人士必須簽署書面請求書，註明將召開會議的目的，並送達本公司的主要營業地點，地址為香港九龍尖沙咀麼地道68號帝國中心8樓804室(公司秘書收)。書面請求須一式多份，每份由一名或多名請求人士簽署的文件組成。
2. 本公司將與本公司股份過戶登記處核實請求人士書面請求的詳情，在取得本公司股份過戶登記處確認該書面請求為適當後，公司秘書將安排董事會召開股東特別大會，並根據相關法定及規管要求及本公司組織章程細則的條文向所有已登記股東送達通告。



3. In the event that the written request has been verified as not in order, the shareholders concerned will be advised of this outcome and accordingly, an extraordinary general meeting will not be convened as requested.
4. If the Directors do not within 21 days from the date of the deposit of the written request proceed duly to convene an extraordinary general meeting, the requisitionist(s) may themselves convene an extraordinary general meeting, but any extraordinary general meeting so convened shall not be held after the expiration of 3 months from the date of deposit of the written request.
3. 倘書面請求獲核實為不適當，股東將獲告知此結果，並因此不會根據請求召開股東特別大會。
4. 倘董事並無於收到書面請求當日起21日內正式召開股東特別大會，請求人士可自行召開股東特別大會，惟就此召開的股東特別大會不可於遞交書面請求當日起計三個月屆滿之後舉行。

The Company continues to pursue a proactive policy of promoting investor relations and communications by conducting analysts' briefings, road shows, participating in investors' conferences and making corporate presentations during the conferences, arranging company visits to the Company and maintaining regular meetings with institutional shareholders and analysts. The Company's annual general meeting provides a good opportunity for communications between the Board and its shareholders. Shareholders are encouraged to attend the annual general meeting of the Company to express their view and make enquiries on the business or operation of the Company.

The investor relations department of the Company maintains regular communication and dialogue with shareholders, investors and analysts. It can be accessed during normal business hour by phone (Telephone number: 86 (20) 8883 6077). Shareholders and investors can also visit the Company's website at [www.chongto.com](http://www.chongto.com) and the Stock Exchange's website for the Company's announcements, circulars, financial information, corporate governance practices, annual reports, interim reports and other corporate information and updates of business development and operations.

## CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2016, there was no change in the constitutional documents of the Company.

The latest memorandum and articles of association of the Company are available on the website of the Stock Exchange and the website of the Company.

本公司透過舉行分析員簡報會和路演，參與投資者會議和在會議上作公司簡報，安排邀請到本公司作參觀，及定期與機構股東和分析員會面，保持積極促進投資者關係及溝通的政策。本公司的股東週年大會為董事會與股東間的溝通提供良機。本公司鼓勵股東出席本公司的股東週年大會並表達彼等之意見以及就本公司之業務或營運作出諮詢。

本公司的投資者關係部門與股東、投資者及分析師經常保持溝通及對話。閣下可於一般營業時間致電該部門(電話：86 (20) 8883 6077)。股東及投資者亦可瀏覽本公司網站 [www.chongto.com](http://www.chongto.com) 及聯交所網站，以獲取本公司公告、通函、財務資料、企業管治常規、年報、中期報告及其他公司資料以及業務發展及營運的最新資料。

## 憲章文件

截至二零一六年十二月三十一日止年度，本公司的組織章程文件並無任何變動。

本公司最新之組織章程大綱及細則可於聯交所及本公司之網站上查閱。

## Report of the Directors 董事會報告

The Directors submit their report together with the audited financial statements for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES AND ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 14 to the financial statements. An analysis of the Group's performance for the year by business segments is set out in note 3 to the financial statements.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated statement of profit or loss on page 81. The Directors recommended the payment of a final dividend of HK0.67 cents per share (2015: final dividend of HK0.73 cents per ordinary share and special dividend of HK1.01 cents per ordinary share) for the year ended 31 December 2016, to the shareholders whose names appear on the register of members of the Company on 6 June 2017.

There is no arrangement that a shareholder of the Company has waived or agreed to waive any dividend.

### RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in note 26 to the financial statements.

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 10 to the financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 26 to the financial statements.

董事會欣然提呈截至二零一六年十二月三十一日止年度的報告連同經審核財務報表。

### 主要業務及業務分析

本公司的主要業務為投資控股。其主要附屬公司的業務載列於財務報表附註14。本集團於本年度按業務分部劃分的表現分析載列於財務報表附註3。

### 業績及分派

本集團年度業績載列於第81頁的綜合損益表內。董事建議就截至二零一六年十二月三十一日止年度向於二零一七年六月六日名列本公司股東名冊之股東支付每股0.67港仙之末期股息(二零一五年：每股普通股0.73港仙之末期股息及每股普通股1.01港仙之特別股息)。

並無存在本公司股東已放棄或同意放棄任何股息的安排。

### 儲備

本集團及本公司儲備於年內的變動詳情載列於財務報表附註26。

### 物業、廠房及設備

本集團物業、廠房及設備之變動詳情載列於財務報表附註10。

### 股本

本公司股本之變動詳情載列於財務報表附註26。

## DISTRIBUTABLE RESERVES

The Company's reserves available for distribution represent the share premium, shares held under Share Award Scheme, accumulated losses and capital reserve which in aggregate amounted to RMB1,258.6 million as at 31 December 2016 (as at 31 December 2015: RMB1,470.8 million). Under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of its articles of association and provided that immediately following the distribution or payment of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

## FINANCIAL SUMMARY

A summary of the results for the year ended and of the assets and liabilities of the Group as at 31 December 2016 and for the previous four financial years are set out on page 204.

## DIRECTORS

The Directors who held office during the year and up to the date of publication of this report were:

### Executive Directors

Mr. Tsui Cham To (*Chairman*)  
Mr. Lu Yili (*Chief Executive Officer*)  
Mr. Gu Yaokun  
Mr. Xu Shubiao  
Mr. Xu Juwen

### Independent Non-executive Directors

Mr. Lien Jown Jing, Vincent  
Mr. Du Hequn  
Mr. Liu Yung Chau

The Company has received from each independent non-executive Director a confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers such directors to be independent.

In accordance with Article 83(3) and 84 of the Company's articles of association, Mr. Xu Juwen, Mr. Lien Jown Jing, Vincent and Mr. Liu Yung Chau will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

## 可供分派儲備

本公司於二零一六年十二月三十一日之可供分派儲備為股份溢價、股份獎勵計劃所持有股份、累計虧損及資本儲備，合共人民幣1,258.6百萬元(於二零一五年十二月三十一日：人民幣1,470.8百萬元)。根據開曼群島第二十二章公司法(一九六一年第3號法例，經合併及修訂)，本公司的股份溢價在受組織章程細則之條文所規範，且在緊接作出股息分派或派付後，本公司仍能在日常的業務過程中支付其到期的債項者，方能向股東分派或支付股息。

## 財務概要

本集團於二零一六年十二月三十一日及前四個財政年度之業績及於該等日期之資產及負債概要載列於第204頁。

## 董事

於年度內及直至本報告刊發日期的在任董事如下：

### 執行董事

徐湛滔先生(主席)  
盧己立先生(首席執行官)  
古耀坤先生  
徐樹標先生  
徐炬文先生

### 獨立非執行董事

連宗正先生  
杜鶴群先生  
廖榕就先生

本公司已接獲各獨立非執行董事根據上市規則第3.13條確認表其獨立性，而本公司認為該等董事具獨立性。

根據本公司組織章程細則第83(3)及84條，徐炬文先生、連宗正先生及廖榕就先生將於應屆股東週年大會上輪值告退，並合資格且願意重選連任。

## Report of the Directors 董事會報告

### DIRECTORS' SERVICE CONTRACTS

### 董事服務合約

#### Executive Directors

##### 執行董事

Mr. Tsui Cham To  
徐湛滔先生

#### Terms of service contract

##### 服務合同期限

3 years from 4 September 2016 to 3 September 2019  
三年由二零一六年九月四日至二零一九年九月三日

Mr. Lu Yili  
盧已立先生

3 years from 4 September 2016 to 3 September 2019  
三年由二零一六年九月四日至二零一九年九月三日

Mr. Xu Shubiao  
徐樹標先生

3 years from 4 September 2016 to 3 September 2019  
三年由二零一六年九月四日至二零一九年九月三日

Mr. Xu Juwen  
徐炬文先生

3 years from 4 September 2016 to 3 September 2019  
三年由二零一六年九月四日至二零一九年九月三日

Mr. Gu Yaokun  
古耀坤先生

3 years from 23 November 2015 to 22 November 2018  
三年由二零一五年十一月二十三日至二零一八年十一月二十二日

#### Independent Non-executive Directors

##### 獨立非執行董事

Mr. Lien Jown Jing, Vincent  
連宗正先生

3 years from 15 April 2017 to 14 April 2020  
三年由二零一七年四月十五日至二零二零年四月十四日

Mr. Du Hequn  
杜鶴群先生

3 years from 21 August 2014 to 20 August 2017  
三年由二零一四年八月二十一日至二零一七年八月二十日

Mr. Liu Yung Chau  
廖榕就先生

3 years from 4 September 2016 to 3 September 2019  
三年由二零一六年九月四日至二零一九年九月三日

None of the Directors has entered or has proposed to enter into any service agreements with the Company or any other member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

During the year ended 31 December 2016, the directors' fees are reviewed and revised by the Board based on the recommendations of the Remuneration Committee and with reference to the directors' duties, responsibilities and performances and the results of the Group.

Information relating to the changes in remuneration of directors are set out in note 7 of the financial statement.

本公司或本集團任何其他成員公司概無已或已打算與任何董事訂立任何本集團不得於一年內在無支付任何賠償(法定賠償除外)的情況下予以終止之服務協議。

截至二零一六年十二月三十一日止年度，董事袍金由董事會根據薪酬委員會的推薦建議並參考董事職責、責任、表現及本集團業績進行檢討及修訂。

有關董事薪酬變動的資料載於財務報表附註7。

### DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year except as disclosed under the section headed "Continuing Connected Transactions" and note 29 to the financial statements.

### 董事之合約權益

除下文「持續關連交易」及財務報表附註29所披露者外，本公司或其附屬公司概無簽訂董事於年終或年內任何時間在其中直接或間接擁有重大權益，且就本集團業務而言乃屬重大的合約。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management as of the date of publication of this report are set out on pages 35 to 40.

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

As at 31 December 2016, the Directors and chief executives of the Company and their associates had the following interests in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code:

Name of Director	Capacity/Nature of interest	Total number of shares	Approximate percentage of shareholding in the Company 佔本公司股權概約百分比
董事姓名	身份／權益性質	股份總數	
Mr. Tsui Cham To 徐湛滔先生	Corporate Interest <sup>(1)</sup> 公司權益 <sup>(1)</sup>	3,439,732,000 (L)	54.45%
Mr. Lu Yili 盧已立先生	Corporate Interest <sup>(2)</sup> 公司權益 <sup>(2)</sup>	52,206,000 (L)	0.83%
Mr. Gu Yao Kun 古耀坤先生	Personal Interest 個人權益	328,560,000 (L)	5.20%
Mr. Xu Shu Biao 徐樹標先生	Personal Interest 個人權益	84,000(L)	0.001%
Mr. Xu Juwen 徐炬文先生	Personal Interest 個人權益	42,000(L)	0.001%

(L) denotes a long position in the shares

Notes:

- Mr. Tsui Cham To is deemed under the SFO to be interested in 3,439,626,000 shares of the Company held by Keen Vast Holdings Limited, and 106,000 shares directly held by Mr. Tsui Cham To.
- Mr. Lu Yili is deemed under the SFO to be interested in 52,100,000 shares of the Company held by Great Nation Finance Limited, and 106,000 shares directly held by Mr. Lu Yili.

## 董事及高級管理層簡歷

截至本報告刊發日期，董事及高級管理層之簡歷詳情載於第35至40頁。

## 董事及主要行政人員於本公司及其相聯法團之股份、相關股份及債權證之權益及淡倉

於二零一六年十二月三十一日，根據證券及期貨條例(「證券及期貨條例」)第352條須予存置的登記冊所載，或依據標準守則已知會本公司及聯交所者，本公司董事、主要行政人員及彼等的聯繫人於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部的股份、相關股份及債權證中擁有的權益如下：

Name of Director	Capacity/Nature of interest	Total number of shares	Approximate percentage of shareholding in the Company 佔本公司股權概約百分比
董事姓名	身份／權益性質	股份總數	
Mr. Tsui Cham To 徐湛滔先生	Corporate Interest <sup>(1)</sup> 公司權益 <sup>(1)</sup>	3,439,732,000 (L)	54.45%
Mr. Lu Yili 盧已立先生	Corporate Interest <sup>(2)</sup> 公司權益 <sup>(2)</sup>	52,206,000 (L)	0.83%
Mr. Gu Yao Kun 古耀坤先生	Personal Interest 個人權益	328,560,000 (L)	5.20%
Mr. Xu Shu Biao 徐樹標先生	Personal Interest 個人權益	84,000(L)	0.001%
Mr. Xu Juwen 徐炬文先生	Personal Interest 個人權益	42,000(L)	0.001%

(L) 指於股份中的好倉

附註：

- 根據證券及期貨條例，徐湛滔先生被視為於建大控股有限公司所持本公司股份3,439,626,000股股份中擁有權益，及個人直接擁有106,000股股份。
- 根據證券及期貨條例，盧已立先生被視為於Great Nation Finance Limited所持本公司股份52,100,000股股份中擁有權益，及個人直接擁有106,000股股份。

## Report of the Directors 董事會報告

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company had or was deemed to have any interests or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), which had been recorded in the register maintained by the Company and the Stock Exchange pursuant to section 352 of the SFO or which had been notified to the Company and the Stock Exchange pursuant to the Model Code. At no time during the year was the Company, or any of its holding companies, its subsidiaries or its fellow subsidiaries a party to any arrangement to enable the directors and chief executives of the Company (including their spouse and children under 18 years of age) to hold any interests or short positions in the shares or underlying shares in, or debentures of, the Company or its associated corporation.

### SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) on 4 September 2013. The purpose of the Share Option Scheme is to provide an incentive to motivate, attract and retain eligible persons, and to encourage them to optimise their performance efficiency, enhance the value of the Company and promote the long-term growth of the Company. This scheme will provide the eligible participants, including employees, consultants, executives and officers of the Company, a personal stake in the Company to achieve its intended purpose.

The Share Option Scheme shall be valid and effective for a period of 10 years from 4 September 2013 subject to the early termination provisions contained in the Share Option Scheme, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting options granted prior to the expiry of the 10- year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

The maximum number of shares in respect of which may be issued upon exercise of all options to be granted under the Share Option Scheme is 544,000,000, being 10% of the shares of the Company in issue immediately after IPO on the Listing Date (i.e. 25 September 2013) which is the effective date of such scheme and representing approximately 8.6% of the issued shares of the Company as at the date of this annual report. An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance in favor of the Company of HKD1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date.

除上文所披露者外，於二零一六年十二月三十一日，本公司董事及主要行政人員概無於本公司及其任何相聯法團(定義見證券及期貨條例第XV部)於本公司及聯交所按證券及期貨條例第352條存置的登記冊所載，或依據標準守則已知會本公司及聯交所的股份、相關股份或債權證中擁有或被視為擁有任何權益或淡倉。於本年度內任何時間，本公司或本公司任何控股公司、其附屬公司或同系附屬公司概無訂立任何安排，使本公司董事及主要行政人員(包括彼等的配偶及十八歲以下子女)於本公司或其相聯法團之股份或相關股份或債權證中持有任何權益或淡倉。

### 購股權計劃

本公司已於二零一三年九月四日採納購股權計劃(「購股權計劃」)。購股權計劃旨在提供獎勵以激勵、吸引及留任合資格參與者，並鼓勵合資格參與者優化其表現效率、提升本公司價值及促進本公司長遠發展。該計劃將向合資格參與者(包括本公司僱員、顧問、行政人員及職員)提供於本公司擁有個人權益的機會以實現其擬定目的。

購股權計劃由二零一三年九月四日起10年期間內有效及生效，須提前終止購股權計劃所載條文，其後不會再進一步授予或發出購股權，惟購股權計劃的條文在必要的情況下仍然全面有效力及作用，以使於10年期限屆滿前授予的任何已存在購股權可予行使，或可能另行根據購股權計劃條文的其他規定而生效。

因行使根據購股權計劃授出的所有購股權而可能發行的最高股份數目為544,000,000股，即本公司緊隨上市日期(即二零一三年九月二十五日)(即購股權計劃生效日期)首次公開發售完成後已發行股份的10%，佔本年報日期本公司已發行股份的約8.6%。本公司於相關接納日期或之前收到由承授人正式簽署構成接納購股權的要約文件副本連同支付予本公司的1.00港元款項作為授出購股權的代價後，購股權即被視作已授出及已獲承授人接納。

The maximum number of shares issued and to be issued upon exercise of the options granted to any eligible person under the Share Option Scheme shall not in any 12-month period up to the date of grant exceed 1% of the issued share capital of the Company from time to time. Any further grant of share options in excess of this limit is subject to the issue of a circular and shareholders' approval in general meeting. The period within which an option may be exercised under the Share Option Scheme will be determined by the Board at its absolute discretion, save that no option may be exercised later than 10 years from the date of grant of the particular option. Under the Share Option Scheme, the exercise price in relation to each option shall be determined by the Board at its absolute discretion, but in any event shall not be less than the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of such option, (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant of such option, and (iii) the nominal value of a share on the date of grant of such option.

No share option was granted, exercised, cancelled or lapsed, and there was no outstanding option under the Share Option Scheme as at 31 December 2016.

## ENVIRONMENTAL PROTECTION AND COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to supporting the environmental sustainability. As a professional environmental solutions provider in the PRC, the Group is subject to various environmental laws and regulations set by the PRC national, provincial and municipal governments. These include laws and regulations on air and noise pollution and discharge of waste and water into the environment. Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations. During the year under review, the Group has complied with relevant laws and regulations that have significant impact on the operations of the Group. Further, any changes in applicable laws, rules and regulations are brought to the attention of relevant employees and relevant operation units from time to time.

因行使根據購股權計劃授予任何合資格人士之購股權而發行及將予發行的最高股份數目，於授予日期起任何12個月期間內，不得超過本公司不時已發行股本的1%，進一步授予超過此上限的購股權須發出一份通函及於股東大會得到股東的批准。根據購股權計劃可行使購股權的期間將由董事會全權酌情釐定，並須遵守該期間不得長於由個別購股權授出日期起計10年的規定。根據購股權計劃，有關每份購股權的行使價須由董事會全權酌情釐定，惟無論如何不得少於以下的較高者(i)於有關購股權授出日期股份於聯交所每日報價表所列的收市價，(ii)於緊接有關購股權授出日期前五個交易日股份於聯交所每日報價表所列的平均收市價，及(iii)於有關購股權授出日期股份的面值。

於二零一六年十二月三十一日，概無任何股份授出、行使、註銷或失效，亦無根據購股權尚未行使之購股權。

## 環境保護和遵守法律及法規

本集團致力於支持環保可持續性。作為中國專業的環保解決方案提供商，本集團須遵守中國國家、省及市政府出台的各项環保法律及法規。這些包括大氣及噪音污染、向環境排放廢物及廢水方面的法律法規。本集團已制定合規程序，確保遵守適用法律、規則及法規。於回顧年內，本集團已遵守對本集團產生重大影響之法律法規。此外，適用法律、規則及法規之任何變動須不時提請相關僱員及相關經營單位之注意。

## Report of the Directors 董事會報告

### RELATIONSHIP WITH STAKEHOLDERS

The Group recognizes that employees, customers and business partners are keys to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners. The Company provides a fair and safe workplace, promotes diversity to our staff, provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate trainings and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfillment in their positions.

The Group understands that it is important to maintain good relationship with customers and provide the services in a way that satisfy needs and requirements of the customers. The Group has also established procedures in place for handling customers' complaints to ensure customers' complaints are dealt with in a prompt and timely manner.

The Group is also dedicated to develop good relationship with suppliers and contractors as long-term business partners to ensure stability of the Group's business. We reinforce business partnerships with suppliers and contractors by ongoing communication in a proactive and effective manner so as to ensure quality and timely delivery.

### DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

Pursuant to Rule 13.18 of the Listing Rules, on 22 March 2016, the Company entered into a facility agreement with Asian Development Bank as lender (the "Lender"), pursuant to which the Lender agreed to make available to the Company loan facilities in an aggregate principal amount of up to USD250 million, which comprise of (i) a dollar term loan facility in the aggregate principal amount of up to USD100 million (the "Initial Facility"); and (ii) subject to (among others) the entering into of an amendment agreement between the Lender and the Company (the "Complementary Facility Agreement"), a further dollar term loan facility in an aggregate principal amount of up to USD150 million (the "Complementary Facility", together with the Initial Facility, the "Facilities").

### 與持份者的關係

本集團認可僱員、客戶及業務夥伴對本集團的持續發展至關重要。本集團致力與僱員維持緊密關愛的關係，為客戶提供優質服務，加強與業務夥伴的合作。本公司為員工提供公正安全的工作環境，促進員工多元化發展，並基於彼等的貢獻及表現提供優渥的薪酬及福利和職業發展機會。本集團亦持續為僱員提供充分的培訓及發展資源，以便彼等了解最新市場及行業發展資訊，同時提高彼等的表現及在崗位中實現自我發展。

本集團明白與客戶保持良好關係的重要性，為客戶提供符合彼等需要及要求的服務。本集團亦設定程序處理客戶投訴，確保及時迅速解決客戶投訴。

本集團亦致力與供應商及承建商等長期業務夥伴建立良好關係，確保本集團業務穩定發展。本集團持續與供應商及承建商進行積極有效的溝通，確保及時交付優質產品，從而加強與彼等的業務關係。

### 根據上市規則第13.18條的披露

根據上市規則第13.18條，於二零一六年三月二十二日，本公司與亞洲開發銀行（作為貸方，「貸方」）訂立融資協議，據此貸方同意向本公司提供貸款融資，本金總額達2.5億美元，包括(i)本金總額最高為1億美元的美元貸款融資（「初步融資」）；及(ii)待（其中包括）貸方與本公司訂立修訂協議（「補充性融資協議」）後，提供本金總額最高為1.5億美元的進一步美元貸款融資（「補充融資」，與初步融資合稱為「融資」）。



Pursuant to the Facility Agreement, it is a condition precedent for the Company's right to deliver a disbursement request in respect of the Facilities to the Lender and demand for drawdown of the Facilities that each of Keen Vast Holdings Limited ("Keen Vast"), Mr. Tsui Cham To and the Company shall enter into a share retention deed (the "Deed"). Pursuant to the Deed, among others, Mr. Tsui Cham To shall at all times through its shareholding in Keen Vast, maintain not less than 35% of the legal and beneficial ownership of all of the issued shares of the Company free from all prohibited transfers as set out in the Deed. Any non-compliance with the Deed by, among others, each of Keen Vast and Mr. Tsui Cham To shall constitute an event of default under the Facility Agreement.

Furthermore, it is also an event of default under the Facility Agreement in the event that Mr. Tsui Cham To issues, sells, assigns, gives, hypothecates, pledges, encumbers or otherwise transfers (directly or indirectly through an intermediate holding company) any shares of the Company to any of the persons or entities named on specific lists set out in the Facility Agreement.

Pursuant to the Facility Agreement, on and at any time after the occurrence of an event of default which is continuing, the Lender may (among others) cancel all or any part of the amount of loan advanced to the Company pursuant to the Facilities, declare all or any part of the amount of loan advanced to the Company, together with accrued interest, and all other amounts accrued or outstanding under the finance documents as set out in the Facility Agreement be immediately due and payable or be payable on demand.

Further details of the Facility Agreement are set out in the announcement of the Company dated 22 March 2016.

根據融資協議，本公司就融資向貸方提出發放請求及要求提取融資之權利的先決條件為，建大控股有限公司（「建大」）、徐湛滔先生及本公司各自應訂立一份股份保留契據（「契據」）。根據契據，（其中包括）徐湛滔先生於任何時候透過其於建大的股權，應持有不少於本公司全部已發行股份35%的法定及實益擁有權（不受契據所載任何禁止轉讓所限）。（其中包括）建大及徐湛滔先生各自的任何違反契據行為，應構成融資協議項下的違約事件。

此外，倘徐湛滔先生向名列融資協議所載具體名單的任何人士或實體發行、出售、轉讓、提供、抵押、質押本公司任何股份、就此設置產權負擔或以其他方式（直接或間接透過一間中介控股公司）轉讓本公司任何股份，亦構成融資協議項下的違約事件。

根據融資協議，於發生持續違約事件時或其後任何時間，貸方可（其中包括）根據融資取消全部或任何部分借予本公司之貸款，宣佈全部或任何部分借予本公司之貸款連同應計利息以及融資協議所載融資文件項下所有其他應計或尚未償還款項，即時到期及應予償付或須按要求償付。

有關融資協議的進一步詳情，載於本公司日期為二零一六年三月二十二日的公告。

## Report of the Directors 董事會報告

### SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, the persons (not being a Director or chief executive of the Company) who have interests in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO or have otherwise notified to the Company were as follows:

Name of Shareholder 董事名稱	Capacity/Nature of interest 身份／權益性質	Total number of shares 股份總數	Approximate percentage of shareholding 股權概約百分比
Keen Vast Holdings Limited <sup>(1)</sup> 建大控股有限公司 <sup>(1)</sup>	Beneficial owner 實益擁有人	3,439,626,000 (L)	54.45%

(L) denotes a long position in the shares

Note:

(1) Keen Vast Holdings Limited is controlled by Mr. Tsui Cham To.

Save as disclosed above, as at 31 December 2016, the Directors are not aware of any other person having an interest or short position in shares and underlying shares of the Company representing 5% or more of the issued share capital of the Company.

### MANAGEMENT CONTRACTS

During the year, the Company did not enter into any contract in respect of the management or administration of the entire business or any significant business of the Group nor any such contract subsisting.

### CONTRACTS OF SIGNIFICANCE

Save as disclosed under the section headed "Continuing Connected Transactions" in this report of the Directors:

- (i) no transaction, arrangement or contract of significance between the Company or any of its subsidiaries and a controlling shareholder of the Company or any of its subsidiaries subsisted during the year or at the end of the year; and
- (ii) no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling shareholder of the Company or any of its subsidiaries subsisted during the year or at the end of the year.

### 主要股東於股份及相關股份的權益

於二零一六年十二月三十一日，根據證券及期貨條例第336條須存置的登記冊所載或已知會本公司者，於本公司股份或相關股份中擁有權益或淡倉的人士（並非本公司董事或主要行政人員）如下：

Total number of shares 股份總數	Approximate percentage of shareholding 股權概約百分比
3,439,626,000 (L)	54.45%

(L) 指於股份中的好倉

附註：

(1) 建大控股有限公司的股權由徐湛滔先生控制。

除上文所披露者外，於二零一六年十二月三十一日，董事並不知悉任何其他人士於相當於本公司已發行股本5%或以上之本公司股份及相關股份持有權益或淡倉。

### 管理合同

年內，本公司並無就有關管理或執行本集團整體業務或任何重大業務部分訂立或訂有任何合同。

### 重大合約

除本董事會報告「持續關連交易」一節所披露者外：

- (i) 於年內或年結日概無與本公司或其任何附屬公司及本公司或其任何附屬公司之控股股東訂立重大交易、安排或合約；及
- (ii) 於年內或年結日概無與本公司或其任何附屬公司就本公司或其任何附屬公司之控股股東所提供之服務訂立重大合約。

## MAJOR CUSTOMERS AND SUPPLIERS

The Group's five largest suppliers accounted for approximately 56.2% (2015: 26.8%) of the Group's total cost of purchase for the year ended 31 December 2016. The largest supplier accounted for approximately 39.0% (2015: 16.4%) of the Group's total cost of purchase for the year ended 31 December 2016.

The Group's five largest customers accounted for approximately 27.9% (2015: 25.6%) of the Group's total turnover for the year ended 31 December 2016. The largest customer accounted for approximately 15.7% (2015: 7.5%) of the Group's total turnover for the year ended 31 December 2016.

None of the Directors, their close associates (as defined in the Listing Rules) or any shareholder (who to the knowledge of the Directors owns more than 5% of the number of issued shares of the Company) had any interest in any of the five largest suppliers or customers of the Group.

Save as disclosed under the section headed "Continuing Connected Transactions" below, none of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in these major suppliers or customers at all times.

## COMPETING BUSINESS

None of the Directors had any interest in any competing business with the Company or any of its subsidiaries during the year ended 31 December 2016.

The Controlling Shareholders of the Company have confirmed to the Company that they have complied with the non-competition undertaking under the Non-competition Deed.

## 主要客戶及供應商

截至二零一六年十二月三十一日止年度，本集團前五大供應商佔本集團總採購成本的約56.2%（二零一五年：26.8%）。截至二零一六年十二月三十一日止年度，最大供應商佔本集團總採購成本約39.0%（二零一五年：16.4%）。

截至二零一六年十二月三十一日止年度，本集團前五大客戶佔本集團總營業額約27.9%（二零一五年：25.6%）。截至二零一六年十二月三十一日止年度最大客戶佔本集團總營業額約15.7%（二零一五年：7.5%）。

概無董事、彼等的緊密聯繫人（定義見上市規則）或任何董事（據董事所知擁有本公司已發行股份數目5%以上）於本集團任何前五大供應商或客戶中擁有任何權益。

除下文「持續關連交易」章節之披露外，概無董事、彼等的聯繫人或股東（據董事所知擁有超過本公司股本5%者）於任何時候在該等主要供應商或客戶中擁有權益。

## 競爭業務

截至二零一六年十二月三十一日止年度，概無董事在與本公司或任何附屬公司形成競爭的業務中擁有權益。

本公司控股股東已向本公司確認，彼等已遵守本公司不競爭契據項下的不競爭承諾。

#### COMPLIANCE OF NON-COMPETITION UNDERTAKING

The Company has entered into a deed of non-competition dated 4 September 2013 (the “Non-competition Deed”) with Keen Vast Holdings Limited and Mr. Tsui Cham To, both being the controlling shareholders of the Company (the “Controlling Shareholders”), and pursuant to which the Controlling Shareholders procure its/his/her associates (other than members of the Group) not to, engage in any business involving the development of wastewater treatment facilities and the provision of wastewater treatment and industrial water supply services. Details of the Non-competition Deed are set out in the paragraph headed “Non-competition Undertaking” in the section headed “Relationship with Controlling Shareholders” of the prospectus of the Company dated 12 September 2013.

The Company has received the annual confirmation from each of the Controlling Shareholders that each of them has fully complied with their respective obligations under the Non-Competition Deed. The independent non-executive Directors have reviewed the annual confirmation from the Controlling Shareholders relating to their compliance with the non-competition undertaking by the Controlling Shareholder under the Non-competition Deed and are satisfied that the same has been complied with by the Controlling Shareholders under the Non-competition Deed.

#### CONNECTED TRANSACTIONS

During the year ended 31 December 2016, the Group entered into certain connected transactions as below:

##### (a) Advisory Service Agreements with Haiqin Tiancheng Consultancy

During the years 2015 and 2016, Guangzhou Haiqin Tiancheng Environmental Consultancy Company Limited (“**Haiqin Tiancheng Consultancy**”), entered into 6 advisory service agreements (collectively, the “**Advisory Service Agreements**”) with four (4) wholly-owned subsidiaries of the Group.

Pursuant to the Advisory Service Agreements, Haiqin Tiancheng Consultancy agreed to provide a series of advisory services to the Group, including detecting quality of treated water and reports issuing, designing contingency plans for sudden environmental incidents. The total fees for the advisory services provided to the Group by Haiqin Tiancheng Consultancy in 2016 amounted to approximately RMB1.4 million.

#### 遵守不競爭承諾

本公司已於二零一三年九月四日與建大控股有限公司及本公司控股股東(「控股股東」)徐湛滔先生訂立不競爭契據(「不競爭契據」)。據此，控股股東承諾，其將促使其聯繫人(本集團成員除外)不會從事有關污水處理設施開發及提供污水處理及工業用水供應服務有關的任何業務。不競爭契據詳情載於本公司日期為二零一三年九月十二日的招股章程「與控股股東的關係」一節「不競爭承諾」一段。

本公司已獲各控股股東發出年度確認，確認彼等各自己完全遵守彼等各自於不競爭契據項下的責任。獨立非執行董事已審閱控股股東有關控股股東遵守不競爭契據項下不競爭承諾的年度確認，並信納控股股東已根據不競爭契據遵守有關承諾。

#### 關連交易

截至二零一六年十二月三十一日止年度，本公司與其關連人士訂立以下關連交易：

##### (a) 與海沁天誠諮詢的服務協議

廣州市海沁天誠環境諮詢有限公司(「海沁天誠諮詢」)於2015年及2016年分別與4家本集團之全資附屬公司分別簽訂共6份諮詢服務協議(統稱「此等服務協議」)。

海沁天誠諮詢根據此等服務協議於2016年度向本集團提供了一系列諮詢服務，包括檢測處理後的水質出具檢測報告、為各個新項目進行環境評估出具環境評估報告、設計突發環境事件應急預案等。海沁天誠諮詢為本集團提供的諮詢服務，於2016年發生的諮詢服務費共計約人民幣1.4百萬元。

Haiqin Tiancheng Consultancy is a joint venture in which Mr. Tsui Cham To, the controlling shareholder of the Group, directly or indirectly holds 50% equity interest. Accordingly, pursuant to Chapter 14A of Listing Rules, Haiqin Tiancheng Consultancy is a connected persons of the Company. The above-said transactions contemplated under the Advisory Service Agreements between Haiqin Tiancheng Consultancy and the Group, constitute connected transactions for the Group.

As the applicable percentage ratios in respect of the transactions contemplated under the Advisory Service Agreements are more than 0.1% but less than 5%, the entering into the Advisory Service Agreements are subject to the reporting and announcement requirements but exempted from shareholders' approval requirements under Chapter 14A of the Listing Rules.

**(b) Cooperation Service Contracts**

On 1 January 2016, Guangzhou Lvyou entered into cooperation service contracts (collectively, the “**Cooperation Service Contracts**”) with six (6) companies, including Guangzhou Nansha Development Zone Lvjie Disposal Recycling Store, Guangzhou Panyu Luopu Kunrun Information Technology and Consulting Services Department, Guangzhou Wofeng Biological Technology Company Limited, Guangzhou Lvchi Environmental Protection Technology Company Limited, Guangzhou Lvhao Technology Services Company Limited, Guangzhou Anjing Environmental Protection Technology Company Limited (collectively, the “**Cooperating Companies**”). The Cooperation Service Contracts have a term of one year.

海沁天誠諮詢為本集團之控股股東徐湛滔先生有效控股 (effective interest) 50% 的一家合營企業，因此根據上市規則第14A章之規定，海沁天誠諮詢為本公司之關連人士，海沁天誠諮詢與本集團於2016年發生的上述交易亦構成本公司之關連交易。

由於與此等服務協議相關之交易之所有適用百分比率均高於0.1%且低於5%，根據上市規則第14A章，此等服務協議的訂立僅須遵守申報及公告之規定，並獲豁免遵守股東批准之規定。

**(b) 合作服務合同**

廣州綠由於2016年1月1日分別與廣州南沙開發區綠杰廢舊金屬物品回收站、廣州市番禺區洛浦坤潤信息技術諮詢服務部、廣州市沃豐生物科技有限公司、廣州綠馳環保科技有限公司、廣州綠灝技術服務有限公司、及廣州市安淨環保科技有限公司等六(6)家公司(統稱「此等合作公司」)簽訂《合作服務合同》(統稱「此等合作服務合同」)，合同有效期均為一年。

Pursuant to the Cooperation Service Contracts, the Cooperating Companies will use their respective resources to assist Guangzhou Lvyou to develop markets and look for potential customers. Upon target customers being identified, the Cooperating Companies shall act as the agent of Guangzhou Lvyou to handle waste treatment matters with relevant target customers in the name of Guangzhou Lvyou, to assist Guangzhou Lvyou with negotiating contract terms with target customers, and to help monitoring the parties' respective obligations thereunder the contract upon the target customers having entered into agreements with Guangzhou Lvyou. Pursuant to the Cooperation Service Contracts, the Cooperating Companies shall also provide services such as consultation, training and guidance to the relevant target customers for and on behalf of Guangzhou Lvyou.

Pursuant to the Cooperation Service Contracts, the Cooperating Companies will charge Guangzhou Lvyou service fees based the actual scale and numbers of customers who actually enter into contracts with Guangzhou Lvyou. For the year ended 31 December 2016, the Cooperating Companies charged Guangzhou Lvyou a total service fee amounted to approximately RMB7.8 million.

Each of the Cooperating Companies is an entity controlled by Mr. Gu Yaokun, an executive director of the Company. Accordingly, each of the Cooperating Companies is connected person of the Company pursuant to Chapter 14A of the Listing Rules, and the transactions contemplated thereunder the Cooperation Service Contracts constitute connected transactions for the Company.

As the applicable percentage ratios in respect of the transactions contemplated under the Cooperation Service Contracts are more than 0.1% but less than 5%, the entering into the Cooperation Service Contracts are subject to the reporting and announcement requirements but exempted from shareholders' approval requirements under Chapter 14A of the Listing Rules.

根據此等合作服務合同約定，此等合作公司將利用自身資源協助廣州綠由開拓市場，尋找潛在客戶。在確定目標客戶後，此等合作公司亦將作為廣州綠由之代理，代表廣州綠由與相關目標客戶洽談廢物的處理處置事宜，協助廣州綠由與目標客戶洽談相關合同條款，並在廣州綠由與目標客戶正式簽訂處理處置合同後協助監督各方履行合同的義務。此等合作公司亦會代表廣州綠由向目標客戶提供廢物規範管理的諮詢、培訓及指導等工作。

根據此等合作服務合同約定，此等合作公司將就其協助廣州綠由簽訂的客戶的規模及數量向廣州綠由收取服務費。與2016年度，此等合作公司就其服務向廣州綠由收取的服務費共計約人民幣7.8百萬元。

本公司之執行董事古耀坤先生為此等合作公司的實際控制人，因此根據上市規則第14A章之規定，此等合作公司為本公司之關連人士，而此等合作公司為廣州綠由提供的服務亦構成本公司之關連交易。

由於與此等合作服務合同相關之交易之所有適用百分比率均高於0.1%且低於5%，根據上市規則第14A章，此等合作服務合同的訂立僅須遵守申報及公告之規定，並獲豁免遵守股東批准之規定。

(c) **Advances to connected persons**

During the year ended 31 December 2016, the Group remitted a total of RMB105.6 million of interest-free advances (collectively, the “**Advances**”) to the following connected persons.

The details of the Advances are as follows:

(c) 向關連人士匯出的往來款

於截止2016年12月31日止年度，本集團向下列關連人士匯出了合計共人民幣105.6百萬元之無息往來款（統稱「此等往來款」）：

此等往來款的具體詳情如下：

		<b>Date of transfer</b> 匯款日期	<b>Advances to RMB</b> 往來款 人民幣元
Guangzhou Lvcheng	廣州綠城	2016.01.31	62,000,000
		2016.07.28	37,000,000
			99,000,000
Zhuhai Yingrun	珠海盈潤	2016 1st half 上半年	537,000
		2016 2nd half 下半年	586,000
			1,123,000
Guangzhou Yanchen Zhili	廣州煙塵治理	2016.04.30	2,300,000
		2016.05.31	2,200,000
			4,500,000
Haiqin Tiancheng Consultancy	海沁天誠諮詢	2016.08.31	1,000,000
<b>Total</b>	<b>合計</b>		105,623,000

## Report of the Directors 董事會報告

Guangzhou Lvcheng is a company owned, directly or indirectly, as to 90% by Mr. Gu Yaokun (“Mr. Gu”), an executive director of the Company. Zhuhai Yingrun Environmental Protection Technology Company Limited (“Zhuhai Yingrun”) is held as to 51% by Mr. Gu Jiajian, being a close family member of Mr. Gu. Guangzhou Yanchen Zhili Professional Company Limited (“Guangzhou Yanchen Zhili”) is a company owned, directly or indirectly, as to 30% by Mr. Tsui Cham To, the controlling shareholder of the Company. Haiqin Tiancheng Consultancy is a joint venture in which Mr. Tsui Cham To, the controlling shareholder of the Group, directly or indirectly holds 50% equity interest. Accordingly, each of Guangzhou Lvcheng, Zhuhai Yingrun, Guangzhou Yanchen Zhili and Haiqin Tiancheng Consultancy (collectively, the “**Connected Persons**”) is a connected person of the Company pursuant to Chapter 14A of the Listing Rules, and the Advances made to these Connected Persons constituted a connected transaction for the Company.

As at the date of this annual report, all the Advances made to the aforesaid Connected Persons have been repaid to the Group in full.

### CONTINUING CONNECTED TRANSACTIONS

During the year ended 31 December 2016, certain related party transactions were entered into by the Group which is disclosed in note 29 to the financial statements. These related party transactions constituted continuing connected transaction under the Listing Rules which are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules. The Directors confirm that the disclosure requirements in accordance with Chapter 14A of the Listing Rules has been complied with.

廣州綠城為本公司執行董事古耀坤先生(「古先生」)直接或間接持股合共90%的公司。持有珠海市盈潤環保科技有限公司(「珠海盈潤」)51%股權的古嘉健先生為古先生的關係密切的家庭成員。廣州煙塵治理專業有限公司(「廣州煙塵治理」)為本公司控股股東徐湛滔先生直接或間接持股合共30%的公司。海沁天誠諮詢為本公司控股股東徐湛滔先生直接或間接持股合共50%的一家合營企業。因此，根據上市規則第14A章之規定，廣州綠城、珠海盈潤、廣州煙塵治理及海沁天誠諮詢(「此等關連人士」)均為本公司之關連人士，向此等關連人士匯出的此等往來款亦構成本公司的關連交易。

截止本年度報告日，本公司已全額收回向此等關連人士匯出的此等往來款。

### 持續關連交易

截至二零一六年十二月三十一日止年度，本集團訂立若干關聯方交易，乃於財務報表附註29披露。此等關聯方交易構成上市規則下的持續關連交易，根據上市規則第十四A章須於本報告予以披露。董事確認，本集團已遵守上市規則第十四A章的披露規定。



As disclosed in the prospectus of the Company dated 12 September 2013, Guangzhou Haitao Environmental Protection Technology Company Limited (“Guangzhou Haitao”), a subsidiary of the Group, entered into a service agreement with Guangzhou Tian Tian Cleaning and Washing Company Limited (“Tian Tian”) as part of its ordinary and usual course of business on 4 September 2013, pursuant to which Guangzhou Haitao agreed to provide wastewater treatment services to Tian Tian for a term of three years from the date of listing of the Company on 25 September 2013 (the “Tian Tian Agreement”).

The term of the Tian Tian Agreement was subsequently extended by an agreement entered into between Guangzhou Haitao and Tian Tian on 17 May 2016, pursuant to which the Tian Tian Agreement was renewed to a term of three years commencing from the date of the 2016 Tian Tian Agreement to 31 December 2018 (both days inclusive) (the “2016 Tian Tian Agreement”). It was expected that the annual caps of the services contemplated under the 2016 Tian Tian Agreement for each of the financial years ended 31 December 2016, 2017 and 2018 will not exceed HKD7,900,000, HKD8,900,000 and HKD9,900,000, respectively. Further details of the 2016 Tian Tian Agreement is set out in the announcement of the Company dated 17 May 2016.

As Tian Tian is a sino-foreign joint venture of which 49% of its capital is contributed by To Kee Holdings Limited, a company controlled by Mr. Tsui Cham To, a Director and a substantial shareholder of the Company, and his family, Tian Tian is a connected company of Mr. Tsui and hence a connected person of the Company under the Listing Rules. The transactions under this agreement constitute continuing connected transactions for the Company which are subject to the reporting, annual review and announcement requirements but are exempt from the independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

During the year ended 31 December 2016, the amount of wastewater treatment services provided by Guangzhou Haitao to Tian Tian was approximately RMB4.1 million (2014: RMB5.5 million).

誠如本公司日期為二零一三年九月十二日的招股章程所披露，本集團附屬公司廣州海滔環保科技有限公司(「廣州海滔」)於二零一三年九月四日與廣州天天快潔洗滌有限公司(「天天」)訂立服務協議，作為其一般及日常業務過程的一部分。據此，廣州海滔同意向天天提供污水處理服務，自本公司上市日期二零一三年九月二十五日起為期三年(「天天協議」)。

天天協議的年期其後藉由廣州海滔及天天於二零一六年五月十七日訂立協議予以延長，據此，天天協議重新續期三年，自二零一六年天天協議日期起計直至二零一八年十二月三十一日(包括首尾兩日)(「二零一六年天天協議」)。截至二零一六年、二零一七年及二零一八年十二月三十一日止財政年度各年，根據二零一六年天天協議擬提供之服務的年度上限預計將分別不超過7,900,000港元，8,900,000港元及9,900,000港元。有關二零一六年天天協議的進一步詳情，載於本公司日期為二零一六年五月十七日的公告。

由於天天為中外合營企業，其中49%股本由徐湛滔先生(本公司董事及主要股東)及其親屬控制的公司滔記集團有限公司出資，天天為徐先生的關連公司及因此根據上市規則為本公司的關連人士。本協議項下之交易構成本公司之持續關連交易，須遵守上市規則第14A章項下之呈報、年度審核及公告規定，惟獲豁免遵守獨立股東批准規定。

截至二零一六年十二月三十一日止年度，廣州海滔向天天提供的污水處理服務金額約為人民幣4.1百萬元(二零一四年：人民幣5.5百萬元)。

## Report of the Directors 董事會報告

The Directors (including all independent non-executive Directors) have reviewed the above continuing connected transactions and confirmed that the transactions have been entered into:

- (1) in the ordinary and usual course of business of the Group;
- (2) on normal commercial terms; and
- (3) in accordance with the agreement entered into on terms which are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. For the propose to Rule 14A.56 of the Listing Rules, the auditors of the Company has provided a letter to the Board, confirmed that nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions:

- (i) have not been approved by the Board;
- (ii) were not, in all material respects, in accordance with the pricing policies of the Group for transactions involving the provision of services by the Group;
- (iii) were not entered into, in all material respects, in accordance with relevant agreements governing the transactions; and
- (iv) have exceeded the cap.

A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

Save as disclosed above, for the year ended 31 December 2016, no related party transaction or continuing related party transaction as set out in note 29 to the consolidated financial statements falls under the definition of "connected transaction" or "continuing connected transaction" in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

董事(包括全體獨立非執行董事)已審閱上述持續關連交易，並確認交易為：

- (1) 於本集團一般日常業務過程中訂立；
- (2) 以一般商業條款訂立；及
- (3) 根據條款公平合理且符合本公司股東整體利益之協議進行。

本公司核數師已獲聘根據香港會計師公會頒佈的香港核證工作準則第3000號(修訂版)「審核或審閱歷史財務資料以外的核證工作」及參照應用指引第740號「關於香港上市規則所述持續關連交易的核數師函件」報告本集團的持續關連交易。就上市規則第14A.56條的規定而言，本公司核數師亦已致函本公司董事會，確認其並未注意到任何事情，可使其認為所披露之持續關連交易：

- (i) 並未獲董事會批准；
- (ii) 在所有重大方面沒有按照本集團就涉及提供服務交易的定價政策進行；
- (iii) 在所有重大方面沒有根據規管有關交易的相關協議進行；及
- (iv) 已超逾上限。

本公司已向聯交所提交核數師函件副本。

除上文所披露者外，截至二零一六年十二月三十一日止年度，綜合財務報表附註29所載關聯方交易或持續關聯方交易並非上市規則第14A章項下界定之「關連交易」或「持續關連交易」。本公司已根據上市規則第14A章遵守有關披露規定。

### PRE-EMPTIVE RIGHTS

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

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2016.

### AUDITOR

The financial statements have been audited by KPMG who retire and, being eligible, offer themselves for reappointment.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company maintained adequate public float for the year ended 31 December 2016 and up to the date of this annual report.

On behalf of the Board  
**Tsui Cham To**  
*Chairman*

31 March 2017

### 優先購買權

本公司章程細則或開曼群島法律並無優先購買權條文，規定本公司必須按現有股東之持股比例提呈發售新股份。

### 購買、出售或贖回本公司之上市股份

截至二零一六年十二月三十一日止年度，本公司或其附屬公司概無購回、出售或贖回本公司的任何上市證券。

### 核數師

財務報表已由畢馬威會計師事務所審核，該會計師事務所即將任滿告退，惟符合資格並願意應聘連任。

### 充足的公眾持股量

根據本公司可獲得的資料及據董事所知，自截至二零一六年十二月三十一日止年度及截至本年報日期，本公司一直維持充足的公眾持股量。

代表董事會  
主席  
徐湛滔

二零一七年三月三十一日

## Independent Auditor's Report 獨立核數師報告

### Independent Auditor's Report to the shareholders of CT Environmental Group Limited (incorporated in the Cayman Islands with limited liability)

#### OPINION

We have audited the consolidated financial statements of CT Environmental Group Limited (the "Company") and its subsidiaries ("the Group") set out on pages 81 to 203, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 致中滔環保集團有限公司股東的 獨立核數師報告 (於開曼群島註冊成立的有限公司)

#### 意見

本核數師(以下簡稱「我們」)已審計列載於第81至203頁中滔環保集團有限公司(「貴公司」)及其附屬公司(以下合稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒佈的《香港財務報告準則》真實而中肯地反映貴集團於二零一六年十二月三十一日的綜合財務狀況及貴集團截至該日止年度的綜合財務表現及綜合現金流量，並已按照香港《公司條例》的披露規定妥為編製。

#### 意見的基礎

我們已根據香港會計師公會頒佈的香港審計準則進行審計。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佈的專業會計師道德守則(以下簡稱「守則」)及開曼群島中任何與我們審核綜合財務報表有關的道德要求，我們獨立於貴集團，並已履行該等要求及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。

## KEY AUDIT MATTERS

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

## 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單獨發表意見。

<b>Recoverability of trade receivables</b>	<b>貿易應收款項的可收回性</b>
<i>Refer to note 19 to the consolidated financial statements and the accounting policies on page 98.</i> 請參閱綜合財務報表附註19及第98頁的會計政策。	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
<b>關鍵審計事項</b>	<b>在審計中如何應對該事項</b>
<p>The carrying value of the Group's trade receivables totalled RMB554,850,000 as at 31 December 2016, which represented 8.07% of the Group's total assets as at that date. Allowance for doubtful debts of RMB29,835,000 was recorded as at 31 December 2016.</p> <p>於二零一六年十二月三十一日，貴集團貿易應收款項的賬面值合共為人民幣554,850,000元，佔貴集團於該日總資產的8.07%。於二零一六年十二月三十一日，已入賬呆賬撥備人民幣29,835,000元。</p> <p>Management estimates the required allowance for doubtful debts, if any, based on an assessment estimate of the recoverability of individual trade receivables with reference to the ageing of overdue balances, repayment histories of individual debtors, existing customer-specific and market conditions and the fulfilment of repayment arrangements agreed with specific debtors.</p> <p>管理層根據個別貿易應收款項的可收回性的評估估計並參考逾期結餘賬齡、個別債務人的還款記錄、現有客戶特定情況及市況以及與特定債務人協定的還款安排的履行情況來估計呆賬(如有)的所需撥備。</p> <p>Management is required to exercise significant judgement in assessing the allowance for doubtful debts for individual trade receivables. The ability of the debtors to repay the Group depends on customer-specific and market conditions which involves inherent uncertainty.</p> <p>管理層於釐定個別貿易應收款項的呆賬撥備時須行使重大判斷。債務人向貴集團償還款項的能力取決於客戶特定情況及市況，而這涉及固有不確定性。</p>	<p>Our audit procedures to assess the recoverability of trade receivables included the following:</p> <p>我們評估貿易應收款項可收回性的審計程序包括下列各項：</p> <ul style="list-style-type: none"> <li>obtaining an understanding of and assessing the design, implementation and operating effectiveness of key internal controls relating to customer acceptance, credit control, debt collection and the calculation of the allowance for doubtful debts;</li> <li>瞭解及評價與客戶接受、信貸控制、債項收回及計算呆賬撥備相關的關鍵內部監控的設計、執行及運作有效性；</li> <li>assessing the classification of individual balances in the trade receivables ageing report by comparing details in the trade receivables ageing report with underlying invoices on a sample basis;</li> <li>透過抽樣比較貿易應收款項賬齡報告與相關發票，評估貿易應收款項賬齡報告內個別結餘的分類情況；</li> </ul>

KEY AUDIT MATTERS (Cont'd)

關鍵審計事項(續)

<b>Recoverability of trade receivables</b>	貿易應收款項的可收回性
<i>Refer to note 19 to the consolidated financial statements and the accounting policies on page 98.</i> 請參閱綜合財務報表附註19及第98頁的會計政策。	
<b>The key audit matter</b>	<b>How the matter was addressed in our audit</b>
關鍵審計事項	在審計中如何應對該事項
<p>We identified the recoverability of trade receivables as a key audit matter because of the inherent uncertainty in assessing if trade receivables will be recovered in full and because the assessment of the allowance for doubtful debts requires the exercise of significant management judgement.</p> <p>我們認為貿易應收款項的可收回性屬關鍵審計事項，原因是評估時的固有不明朗因素(倘貿易應收款項將悉數收回)及呆賬撥備的評估需要管理層行使重大判斷。</p>	<ul style="list-style-type: none"> <li>obtaining an understanding of the basis of management's judgements about the recoverability of individual overdue balances and evaluating management's assessment of recoverability of these individual balances with reference to the industry in which the debtors are operating, the ageing of overdue balances, historical and post year-end payment records and repayment arrangements agreed with specific debtors. This included inspecting relevant correspondence with individual debtors;</li> <li>瞭解管理層有關個別逾期結餘可收回性的判斷基準，以及參考債務人的財務狀況、債務人經營所在行業、逾期結餘賬齡、歷史及年結日後的付款記錄及與特定債務人協定的還款安排，評價管理層就該等個別結餘的可收回性作出的估計。此程序包括檢查與個別債務人的相關通信；</li> <li>assessing the historical accuracy of the estimates made by the management for the allowance for doubtful debts by comparing the level of provision made by management as at 31 December 2015 with the actual new provisions, write offs and recoveries in respect of trade receivables as at 31 December 2015 during the current year; and</li> <li>透過比較管理層於二零一五年十二月三十一日作出的撥備與本年度的實際新撥備、撇銷及與於二零一五年十二月三十一日的貿易應收款項有關的收回款項，評估管理層就呆賬撥備所作估計的歷史準確度；及</li> <li>comparing material cash receipts from debtors subsequent to the financial year end relating to trade receivable balances at 31 December 2016 with bank statements and relevant underlying documentation on a sample basis.</li> <li>抽樣比較該財政年度年結日後從債務人收回的現金(與於二零一六年十二月三十一日的貿易應收款項結餘有關)與銀行對賬單及相關文件。</li> </ul>

## INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors 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.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

## 綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，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瞭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。

## 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助董事履行監督貴集團的財務報告過程的責任。

## 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. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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，並出具包括我們意見的核數師報告。我們僅向整體成員報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，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財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據香港審計準則進行審計的過程中，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。
- 瞭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。



**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)**

- 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 the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and 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)**

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果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期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價綜合財務報表(包括資料披露)的整體列報方式、結構和內容，以及綜合財務報表是否中肯反映交易和事項。
- 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，以便對綜合財務報表發表意見。我們負責指導、監督和執行貴集團的審計工作。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會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。

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並就所有被合理認為可能影響我們獨立性的關係和其他事宜以及相關保障措施(如適用)，與審核委員會進行溝通。

## Independent Auditor's Report 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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

The engagement partner on the audit resulting in this independent auditor's report is Lam Kai Wa.

#### **KPMG**

*Certified Public Accountants*

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

31 March 2017

### 核數師就審計綜合財務報表承擔的責任 (續)

從與審核委員會溝通的事項中，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。除非法律或法規不容許公開披露此等事項或在極罕有的情況下，我們認為披露此等事項可合理預期的不良後果將超過公眾知悉此等事項的利益而不應在報告中予以披露，否則我們會在核數師報告中描述此等事項。

出具本獨立核數師報告的審計項目合夥人是林啟華。

畢馬威會計師事務所  
執業會計師

香港中環  
遮打道十號  
太子大廈八樓

二零一七年三月三十一日

## Consolidated statement of profit or loss 綜合損益表

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

(Expressed in Renminbi) (以人民幣呈列)

		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
<b>Turnover</b>	營業額	3	<b>1,865,940</b>	1,434,959
Cost of sales	銷售成本		<b>(1,013,679)</b>	(719,459)
<b>Gross profit</b>	毛利		<b>852,261</b>	715,500
Other revenue	其他收益	4(a)	<b>166,024</b>	68,701
Administrative expenses	行政開支		<b>(256,208)</b>	(139,257)
Other net (loss)/income	其他淨(虧損)/收益	4(b)	<b>(59,050)</b>	94,312
<b>Profit from operations</b>	經營溢利		<b>703,027</b>	739,256
Finance costs	融資成本	5(a)	<b>(88,159)</b>	(70,157)
Share of profits of associates	分佔聯營公司的溢利		<b>1,527</b>	1,115
Share of profit of a joint venture	分佔一家合營企業的溢利		<b>533</b>	361
<b>Profit before taxation</b>	除稅前溢利	5	<b>616,928</b>	670,575
Income tax	所得稅	6	<b>(102,468)</b>	(69,323)
<b>Profit for the year</b>	年內溢利		<b>514,460</b>	601,252
<b>Attributable to:</b>	以下各項應佔：			
Equity shareholders of the Company	本公司權益持有人		<b>519,137</b>	598,916
Non-controlling interests	非控股權益		<b>(4,677)</b>	2,336
<b>Profit for the year</b>	年內溢利		<b>514,460</b>	601,252
<b>Earnings per share</b>	每股盈利	9		
Basic	基本		<b>0.08</b>	0.10
Diluted	攤薄		<b>0.08</b>	0.10

The notes on pages 88 to 203 form part of these financial statements. Details of dividends payable to equity shareholders of the Company attributable to the profit for the year are set out in note 26(d).

第88至203頁所載附註為該等財務報表的一部分。應派發予本公司權益持有人的股息應佔年內溢利詳情載於附註26(d)。

## 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 2016 截至二零一六年十二月三十一日止年度

(Expressed in Renminbi) (以人民幣呈列)

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
<b>Profit for the year</b>	年內溢利	<b>514,460</b>	601,252
<b>Other comprehensive income for the year</b>	年內其他全面收益		
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目：		
Exchange differences on translation of financial statements of entities not using Renminbi ("RMB") as functional currency	換算並非使用人民幣(「人民幣」)作為功能貨幣的實體財務報表產生的匯兌差異	<b>(6,723)</b>	8,858
<b>Total comprehensive income for the year</b>	年內全面收益總額	<b>507,737</b>	610,110
<b>Attributable to:</b>	以下各項應佔：		
Equity shareholders of the Company	本公司權益持有人	<b>512,414</b>	607,774
Non-controlling interests	非控股權益	<b>(4,677)</b>	2,336
<b>Total comprehensive income for the year</b>	年內全面收益總額	<b>507,737</b>	610,110

The notes on pages 88 to 203 form part of these financial statements.

第88至203頁所載附註為該等財務報表的一部分。

## Consolidated statement of financial position 綜合財務狀況表

(Expressed in Renminbi) (以人民幣呈列)

		31 December 2016 二零一六年 十二月三十一日	31 December 2015 二零一五年 十二月三十一日
		RMB' 000 人民幣千元	RMB' 000 人民幣千元
	Note 附註		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	2,412,287	2,150,651
Lease prepayments	預付租賃款項	286,977	294,128
Intangible assets	無形資產	1,318,390	1,150,611
Goodwill	商譽	142,305	144,331
Interest in associates	於聯營公司的權益	6,061	4,534
Interest in a joint venture	於一家合營企業的權益	2,856	2,323
Gross amounts due from customers for contract work	應收客戶合約工程 款項總額	259,206	231,302
Other receivables	其他應收款項	331,612	277,604
Deferred tax assets	遞延稅項資產	8,387	2,958
		<b>4,768,081</b>	4,258,442
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	23,718	29,914
Trade and other receivables	貿易及其他應收款項	1,001,691	794,340
Gross amounts due from customers for contract work	應收客戶合約工程 款項總額	38,454	33,971
Deposits with a bank with original maturity date over three months	存放於銀行原始到期日超 過三個月之存款	5,837	5,626
Cash and cash equivalents	現金及現金等價物	1,033,907	382,500
		<b>2,103,607</b>	1,246,351
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	貿易及其他應付款項	486,066	321,551
Bank loans	銀行貸款	1,047,659	642,276
Current taxation	即期稅項	71,817	22,642
		<b>1,605,542</b>	986,469
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>498,065</b>	259,882

## Consolidated statement of financial position (Cont'd)

### 綜合財務狀況表(續)

(Expressed in Renminbi) (以人民幣呈列)

			<b>31 December 2016</b>	31 December 2015
			二零一六年 十二月三十一日	二零一五年 十二月三十一日
		Note 附註	<b>RMB' 000</b> 人民幣千元	RMB' 000 人民幣千元
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		<b>5,266,146</b>	4,518,324
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Bank loans	銀行貸款	22	<b>1,789,554</b>	1,367,290
Deferred tax liabilities	遞延稅項負債	24(b)	<b>227,183</b>	239,360
Deferred income	遞延收入	25	<b>14,842</b>	15,119
			<b>2,031,579</b>	1,621,769
<b>Net assets</b>	<b>資產淨值</b>		<b>3,234,567</b>	2,896,555
<b>CAPITAL AND RESERVES</b>	<b>股本及儲備</b>	26		
Share capital	股本		<b>125,392</b>	125,392
Reserves	儲備		<b>3,099,989</b>	2,757,300
<b>Total equity attributable to equity shareholders of the Company</b>	<b>本公司權益持有人 應佔權益總額</b>		<b>3,225,381</b>	2,882,692
Non-controlling interests	非控股權益		<b>9,186</b>	13,863
<b>Total equity</b>	<b>權益總額</b>		<b>3,234,567</b>	2,896,555

Approved and authorised for issue by the board of directors on 31 March 2017.

於二零一七年三月三十一日經董事會批准及授權刊發。

)  
)  
) Directors  
) 董事  
)

The notes on pages 88 to 203 form part of these financial statements.

第88至203頁所載附註為該等財務報表的一部分。

## Consolidated statement of changes in equity 綜合權益變動表

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

(Expressed in Renminbi) (以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔以下各項									
		Share capital	Share premium	Capital reserve	Statutory reserve	Shares held under the Share Award Scheme	Exchange reserve	Retained profits	Total	Non- controlling interests	Total equity
		股本	股份溢價	資本儲備	法定盈餘 公積金	持有股份 計劃項下	匯兌儲備	保留溢利	總計	非控股權益	總權益
		RMB' 000 人民幣千元 (note 26(a)) (附註26(a))	RMB' 000 人民幣千元 (note 26(b)) (附註26(b))	RMB' 000 人民幣千元 (note 26(b)) (附註26(b))	RMB' 000 人民幣千元 (note 26(b)) (附註26(b))	RMB' 000 人民幣千元 (note 23) (附註23)	RMB' 000 人民幣千元 (note 26(b)) (附註26(b))	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
Balance at 1 January 2015	於二零一五年一月一日的結餘	114,403	528,765	(75)	79,299	—	5,900	743,103	1,471,395	23,234	1,494,629
<b>Changes in equity for 2015:</b>	<b>二零一五年的權益變動：</b>										
Profit for the year	年內溢利	—	—	—	—	—	—	598,916	598,916	2,336	601,252
Other comprehensive income	其他全面收益	—	—	—	—	—	8,858	—	8,858	—	8,858
Total comprehensive income	全面收益總額	—	—	—	—	—	8,858	598,916	607,774	2,336	610,110
Acquisition of subsidiaries	收購附屬公司	—	—	—	—	—	—	—	—	13,473	13,473
Acquisition of non-controlling interests	收購非控股權益	—	—	—	—	—	—	(3,620)	(3,620)	(25,180)	(28,800)
Shares issuance (note 26(a) (ii))	股份發行(附註26(a) (ii))	10,989	896,346	—	—	—	—	—	907,335	—	907,335
Share purchased under the Share Award Scheme (note 23)	根據股份獎勵計劃購買股份(附註23)	—	—	—	—	(8,411)	—	—	(8,411)	—	(8,411)
Transfer to statutory reserve	轉至法定儲備	—	—	—	20,494	—	—	(20,494)	—	—	—
Dividends declared in respect of the previous years (note 26(d))	就過往年度已宣派的股息(附註26(d))	—	(91,781)	—	—	—	—	—	(91,781)	—	(91,781)
Balance at 31 December 2015	於二零一五年十二月三十一日的結餘	125,392	1,333,330	(75)	99,793	(8,411)	14,758	1,317,905	2,882,692	13,863	2,896,555
Balance at 1 January 2016	於二零一六年一月一日的結餘	125,392	1,333,330	(75)	99,793	(8,411)	14,758	1,317,905	2,882,692	13,863	2,896,555
<b>Changes in equity for 2016:</b>	<b>二零一六年的權益變動：</b>										
Profit for the year	年內溢利	—	—	—	—	—	—	519,137	519,137	(4,677)	514,460
Other comprehensive income	其他全面收益	—	—	—	—	—	(6,723)	—	(6,723)	—	(6,723)
Total comprehensive income	全面收益總額	—	—	—	—	—	(6,723)	519,137	512,414	(4,677)	507,737
Share purchased under the Share Award Scheme (note 23)	根據股份獎勵計劃購買股份(附註23)	—	—	—	—	(20,001)	—	—	(20,001)	—	(20,001)
Equity settled share-based transactions (note 23)	以權益結算的股份支付(附註23)	—	143	—	—	3,270	—	—	3,413	—	3,413
Transfer to statutory reserve	轉至法定儲備	—	—	—	65,258	—	—	(65,258)	—	—	—
Dividends declared in respect of the previous years (note 26(d))	就過往年度已宣派的股息(附註26(d))	—	(153,137)	—	—	—	—	—	(153,137)	—	(153,137)
Balance at 31 December 2016	於二零一六年十二月三十一日的結餘	125,392	1,180,336	(75)	165,051	(25,142)	8,035	1,771,784	3,225,381	9,186	3,234,567

The notes on pages 88 to 203 form part of these financial statements.

第88至203頁所載附註為該等財務報表的一部分。

## Consolidated cash flow statement 綜合現金流量表

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

(Expressed in Renminbi) (以人民幣呈列)

		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
<b>Operating activities</b>	<b>經營活動</b>			
Cash generated from operations	經營業務所得現金	20(b)	<b>804,876</b>	559,641
Income tax paid	已付所得稅	24(a)	<b>(70,899)</b>	(59,420)
<b>Net cash generated from operating activities</b>	<b>經營活動所得現金淨額</b>		<b>733,977</b>	500,221
<b>Investing activities</b>	<b>投資活動</b>			
Payment for acquisition of subsidiaries, net of cash acquired	收購附屬公司付款，扣除收購現金		<b>(3,301)</b>	(832,251)
Prepayment of acquisition deposits	收購按金預付款項	19(ii)	<b>(55,000)</b>	(88,124)
Settlement of acquisition deposits	結算收購按金	19(ii)	<b>88,124</b>	—
Repayment of loans from former equity owners of the Group's subsidiaries	償還來自本集團附屬公司前權益持有人貸款		—	(126,976)
Payment for purchase of lease prepayments and property, plant and equipment	租賃預付款及購買物業、廠房及設備付款		<b>(621,138)</b>	(580,722)
Placement of deposits with a bank with original maturity date over three months	存放原到期日超過三個月的銀行存款		—	(5,626)
Proceeds from/(payment for) disposal of property, plant and equipment	出售物業、廠房及設備所得款項/(付款)		<b>5,135</b>	(49)
Finance income received	已收融資收入		<b>569</b>	483
Advance to third parties	向第三方墊款	19(i)	<b>(164,201)</b>	—
Repayment from third parties	來自第三方還款	19(i)	<b>50,000</b>	—
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>		<b>(699,812)</b>	(1,633,265)



## Consolidated cash flow statement (Cont'd) 綜合現金流量表(續)

for the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

(Expressed in Renminbi) (以人民幣呈列)

			2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
	Note 附註			
<b>Financing activities</b>		<b>融資活動</b>		
Proceeds from bank loans		銀行貸款所得款項	1,730,741	1,016,572
Repayment of bank loans		償還銀行貸款	(945,475)	(311,163)
Net proceed from share issuance		股份發行所得款項淨額	—	907,335
Payment for purchase of shares under Share Award Scheme		就購買股份獎勵計劃項下股份之付款	(20,001)	(8,411)
Acquisition of non-controlling interests		收購非控股權益	—	(28,800)
Advance to related parties		向關聯方墊款	(105,873)	(58,506)
Repayment from related parties		來自關聯方還款	194,436	40,465
Advance from related parties		來自關聯方墊款	50,000	—
Repayment to related parties		向關聯方還款	(50,000)	—
Advance from a third party		來自一名第三方墊款	84,000	—
Repayment to a third party		向一名第三方還款	(84,000)	—
Interests paid		已付利息	(86,549)	(67,181)
Dividends paid to equity shareholders of the Company		向本公司權益持有人派付股息	(153,137)	(91,781)
<b>Net cash generated from financing activities</b>		<b>融資活動所得現金淨額</b>	<b>614,142</b>	1,398,530
<b>Net increase in cash and cash equivalents</b>		<b>現金及現金等價物增加淨額</b>	<b>648,307</b>	265,486
<b>Cash and cash equivalents at 1 January</b>		<b>於一月一日的現金及現金等價物</b>	<b>382,500</b>	116,593
Effect of foreign exchange rate changes		外匯匯率變動影響	3,100	421
<b>Cash and cash equivalents at 31 December</b>		<b>於十二月三十一日的現金及現金等價物</b>	<b>1,033,907</b>	382,500

The notes on pages 88 to 203 form part of these financial statements.

第88至203頁所載附註為該等財務報表的一部分。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES

#### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Significant accounting policies adopted by the Group are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

#### (b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2016 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates and a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis.

### 1 重大會計政策

#### (a) 合規聲明

該等財務報表乃按照所有適用的香港財務報告準則(「香港財務報告準則」)編製，包括由香港會計師公會(「香港會計師公會」)頒佈的適用單獨香港財務報告準則、香港會計準則(「香港會計準則」)及相關詮釋、香港公認會計原則及香港公司條例之披露規定。該等財務報表亦符合適用的香港聯合交易所有限公司證券上市規則的披露規定。本集團採納之重要會計政策於下文披露。

香港會計師公會頒佈了若干於本集團今個會計期間首次生效或可供提早採納的新增及經修訂的香港財務報告準則。有關本集團本年度及過往會計期間之財務報表因初次執行此等頒佈而改變的會計政策詳述於附註1(c)。

#### (b) 財務報表編製基準

截至二零一六年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司(總稱「本集團」)及本集團於聯營公司及一家合營企業之權益。

該等財務報表乃按歷史成本計量基準編製。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (b) Basis of preparation of the financial statements (Cont'd)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

#### (c) Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

### 1 重大會計政策(續)

#### (b) 財務報表編製基準(續)

財務報表的編製符合香港財務報告準則，要求管理層作出影響政策應用以及資產、負債、收入及開支的報告金額的判斷、估計及假設。該等估計及相關假設乃基於過往經驗及被認為在有關情況下屬合理的多項其他因素，有關結果構成判斷無法從其他來源得出的資產及負債賬面值的基準。實際結果或會有別於該等估計。

管理層會持續審閱該等估計及相關假設。倘期內確認的會計估計修訂僅影響作出有關修訂的會計期間，則有關修訂僅於該期間內確認，或如對當期及未來期間均有影響，則會在作出有關修訂的期間及未來期間確認。

管理層於應用香港財務報告準則時作出對財務報表有重大影響之判斷，及估計不確定性之主要來源已於附註2作出討論。

#### (c) 會計政策變動

香港會計師公會已頒佈多項本集團於本會計期間首次生效的香港財務報告準則修訂。該等發展對本集團當前或過往期間業績及財務狀況之編製或呈列方式並無重大影響。

本集團並未應用於本會計期間未生效之任何新準則或詮釋。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

### 1 重大會計政策(續)

#### (d) 附屬公司及非控股權益

附屬公司指本集團控制的實體。倘本集團可透過其與一間實體的關係獲得或有權獲得可變回報並有能力通過其對有關實體的權力影響該等回報，則擁有該實體的控制權。在評估本集團是否具權力時，僅會考慮(本集團及其他人士持有的)實質權利。

於附屬公司的投資自控制開始之日直至控制結束之日被併入綜合財務報表內。集團內公司間的結餘、交易及現金流量以及任何產生自集團內公司間交易的未變現溢利於編製綜合財務報表時予以悉數對銷。集團內公司間交易產生的未變現虧損按與未變現收益相同的方式予以對銷，惟僅以並無存在減值證據者為限。

非控股權益指並非由本公司於附屬公司直接或間接應佔的權益，就本集團並未與該等權益持有人達成協議的任何其他條款可能導致本集團在整體上就該等達到金融負債定義的權益具有合約責任。就業務合併而言，本集團可選擇按任何非控股權益的公平值或按其於附屬公司可識別淨資產分佔比例進行計量。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (d) Subsidiaries and non-controlling interests (Cont'd)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 1(l)).

#### (e) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

### 1 重大會計政策(續)

#### (d) 附屬公司及非控股權益(續)

非控股權益在綜合財務狀況表的權益項下呈列，獨立於本公司權益股東應佔的權益。本集團產生的非控股權益呈列於綜合收益表及綜合全面收益表，按非控股權益及本公司權益股東於年內損益總額及全面收益總額予以分配。

在本公司財務狀況表內，於附屬公司的投資按成本減減值虧損入賬(見附註1(l))。

#### (e) 聯營公司及合營企業

聯營公司是本集團或本公司對其管理(包括參與財務及經營政策決策)有重大影響(但並非控制或共同控制)的實體。

合營企業乃合約上之安排，由本集團或本公司與其他團體以合約形式分享對該項安排之控制權，並享有該項安排之資產淨值。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (e) Associates and joint ventures (Cont'd)

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(f) and (l)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss.

In the Company's statement of financial position, investments in associates and joint venture are stated at cost less impairment losses (see note 1(l)).

### 1 重大會計政策(續)

#### (e) 聯營公司及合營企業(續)

於聯營公司或合營企業的投資使用權益法計入綜合財務報表。根據權益法，該投資初步按成本入賬，並就本集團分佔被投資公司可識別淨資產於收購日期的公平值超出投資成本(如有)的部分作出調整。其後，該投資按本集團分佔被投資公司淨資產於收購後的變動及任何有關該投資的減值虧損作出調整(見附註1(f)及(l))。收購日期超出成本的任何部分、本集團年內分佔被投資公司於收購後及除稅後的業績及任何減值虧損均於綜合損益表內確認，而本集團分佔被投資公司於收購後及除稅後的其他全面收益項目則於綜合損益及其他全面收益表內確認。

本集團與其聯營公司及合營企業的交易產生的未變現溢利及虧損按本集團於被投資公司的權益對銷，惟如未變現虧損提供所轉讓資產減值的證據，則未變現溢利及虧損即時於損益內確認。

若屬其他情況，倘本集團不再對一家聯營公司或共同控制一間聯營公司擁有重大影響，則入賬作為出售於該被投資公司的全部權益，由此產生的收益或虧損則於損益內確認。

在本公司財務狀況表內，於聯營公司及合營企業的投資按成本減減值虧損入賬(見附註1(l))。

1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(f) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(l)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Gross amounts due from customers for contract work

The Group recognises a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or other financial asset from or at the direction of the grantor for the construction services provided. Such financial assets are measured at fair value on initial recognition and classified as gross amounts due from customers for contract work. Subsequent to initial recognition, the financial assets are measured at amortised cost using the effective interest method.

If the Group is paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is initially recognised at the fair value of the consideration.

1 重大會計政策(續)

(f) 商譽

商譽指

- (i) 所轉讓代價的公平值、本集團於被收購人的任何非控股權益以及本集團先前持有被收購人股權的公平值總額；超過
- (ii) 於收購日期於被收購人可識別資產及負債淨公平值的部分。

倘(ii)高於(i)，則超出的部分即時於損益確認為議價收購收益。

商譽按成本減累計減值虧損入賬。業務合併產生的商譽會分攤至預期將受惠於合併協同效應的各現金產生單位或各組現金產生單位，並將定期進行減值測試(見附註1(l))。

年內出售現金產生單位時，所購入商譽的任何應佔金額會於出售時用於計算有關損益。

(g) 應收客戶合約工程款項總額

本集團於擁有無條件合約權利可就所提供的建築服務向授出人或按授出人的指示收取現金或其他金融資產時確認來自服務特許安排的金融資產。該等金融資產於初始確認時按公平值計量，並分類為應收客戶合約工程款項總額。初始確認後，金融資產以實際利率法按攤銷成本計量。

倘本集團就建築服務的費用部分以金融資產及部分以無形資產的方式支付，則組成代價的各部份會分開入賬，並初步按代價的公平值確認。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (h) Property, plant and equipment

The following items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 1(l)):

- buildings held for own use which are situated on leasehold land classified as held under operating leases (note 1(k)); and
- other items of plant and equipment.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(x)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

No depreciation is provided in respect of construction in progress.

### 1 重大會計政策(續)

#### (h) 物業、廠房及設備

物業、廠房及設備以成本減累計折舊及減值虧損列賬(見附註1(l))：

- 位於租賃土地上持作自用的樓宇分類為經營租賃項下持有(附註1(k))；及
- 其他廠房及設備項目。

物業、廠房及設備自建項目的成本包括原料成本及直接工資(按最初估計(倘相關))、拆卸與搬運有關項目的成本及項目所在場地的清理費，以及應佔部份之製作費用及借貸成本(見附註1(x))。

報廢或出售物業、廠房及設備項目所產生的損益以該項目的出售所得款項淨額與其賬面值之間的差額釐定，並於報廢或出售當日在損益內予以確認。

在建工程概不計提任何折舊。



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (h) Property, plant and equipment (Cont'd)

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

- Buildings and other infrastructure held for own use which are situated on leasehold land are depreciated over the shorter of the unexpired term of lease and their estimated useful lives, being 20 - 25 years after the date of completion.
- Machinery 5 - 15 years
- Motor vehicles 3 - 5 years
- Office equipment and others 3 - 10 years

Both the useful life of an asset and its residual value, if any, are reviewed annually.

#### (i) Intangible assets (other than goodwill)

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group has sufficient resources and the intention to complete development. The expenditure capitalised includes the costs of materials, direct labour, and an appropriate proportion of overheads and borrowing costs, where applicable (see note 1(x)). Capitalised development costs are stated at cost less accumulated amortisation and impairment losses (see note 1(l)). Other development expenditure is recognised as an expense in the period in which it is incurred.

### 1 重大會計政策(續)

#### (h) 物業、廠房及設備(續)

物業、廠房及設備折舊按下列估計可使用年期，在扣除其估計剩餘價值(如有)後，以直線法攤銷其成本或估值計算：

- 位於租賃土地上持作自用的樓宇及其他基礎設施按未屆滿的租期及估計可使用年期折舊，並以時間較短者為準，為竣工當日後20至25年。
- 機器 5-15年
- 汽車 3-5年
- 辦公室設備及其他 3-10年

資產的可使用年期及其剩餘價值(如有)均按年度進行檢討。

#### (i) 無形資產(商譽除外)

研究活動之開支乃於產生期間確認作開支。倘產品或過程在技術上及商業上可行，且本集團具備充裕資源並有意完成開發工作，則開發活動之開支將予以確認。資本化之開支包括物料成本、直接勞工以及適當比例之間接成本及借貸成本(倘適用)(見附註1(x))。資本化之開發成本乃按成本值減累計攤銷及任何減值虧損(見附註1(l))列賬。其他開發開支乃於產生期間確認作開支。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (i) Intangible assets (other than goodwill) (Cont'd)

Intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(l)).

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for use of the concession infrastructure. An intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement is measured at fair value on initial recognition with reference to the fair value of the services provided. Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (see note 1(l)).

Amortisation of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The estimated useful life of an intangible asset in a service concession arrangement is the period from when the Group is able to charge the end user for the use of the infrastructure to the end of the concession period. The following intangible assets with finite useful lives are amortised from the date they are available for use and their estimated useful lives are as follows:

- Supply of industrial water operation right	15 years
- 供應工業用水經營權	15年
- Wastewater treatment plants operation rights	15 - 20 years
- 污水處理設施經營權	15 - 20年
- Sludge and solid waste treatment operation rights	15 - 30 years
- 污泥及固體廢物處理經營權	15 - 30年
- Hazardous waste treatment operation rights	15 - 20 years
- 危險廢物處理經營權	15 - 20年

Both the period and method of amortisation are reviewed annually.

### 1 重大會計政策(續)

#### (i) 無形資產(商譽除外)(續)

本集團所收購具有確定估計可使用年期的無形資產以成本減累計攤銷及減值虧損列賬(見附註1(l))。

本集團於有權就使用經營基礎設施收費時，確認服務經營權安排產生的無形資產。作為於服務經營權安排中提供建設或升級服務的代價而獲得的無形資產於初始確認時參考所提供服務的公平值按公平值計量。於初始確認後，有關無形資產按成本減累計攤銷及累計減值虧損計量(見附註1(l))。

具有有限使用年期的無形資產按直線法於資產估計使用年期內攤銷計入損益。屬服務經營權安排的無形資產的估計使用年限為自本集團可向終端用戶就使用有關基礎設施收費之時至該經營權期滿止。以下具有有限使用年期的無形資產自可供使用日期起攤銷，估計使用年期如下：

攤銷期及攤銷方法均按年度進行檢討。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (j) Lease prepayments

Lease prepayments represent cost of land use rights paid to the PRC's government authorities. Land use rights are stated at cost less accumulated amortisation and impairment losses (note 1(l)). Amortisation is recognised in profit or loss on a straight-line basis over the respective period of the rights which are 35 years to 50 years.

#### (k) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset.

### 1 重大會計政策(續)

#### (j) 預付租賃款項

預付租賃款項指支付予中國政府機關的土地使用權成本。土地使用權按成本減累計攤銷及減值虧損列賬(附註1(l))。攤銷乃以直線法按各自35年至50年的租賃期於損益確認。

#### (k) 經營租賃費用

倘本集團有權使用根據經營租賃持有的資產，則根據租賃作出的付款將於租期所覆蓋的會計期間內分期以等額在損益中扣除，惟倘有其他基準更能代表自租賃資產取得的利益模式除外。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (I) Impairment of assets

- (i) *Impairment of investment in associates, joint ventures, trade and other receivables and gross amounts due from customers for contract work.*

Investment in associates, joint ventures, other current and non-current receivables and gross amounts due from customers for contract work that are stated at cost or amortised cost are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

### 1 重大會計政策(續)

#### (I) 資產減值

- (i) 於聯營公司及合營企業的投資、貿易及其他應收款項以及應收客戶合約工程款項總額減值

按成本或攤銷成本列賬的於聯營公司、合營公司的投資、其他流動與非流動應收款項以及應收客戶合約工程款項總額會於各報告期末進行檢討，以判斷有否存在客觀減值證據。減值的客觀證據包括本集團注意到以下一項或多項虧損事項的顯著數據：

- 債務人有重大財務困難；
- 違反合約，如拖欠償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變而對債務人有不利影響；及
- 股本工具投資的公平值大幅或長期下跌至低於其成本值。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (l) Impairment of assets (Cont'd)

- (i) *Impairment of investment in associates, joint ventures, trade and other receivables and gross amounts due from customers for contract work. (Cont'd)*

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in associates and joint ventures accounted for under the equity method in the consolidated financial statements (see note 1(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 1(l)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 1(l)(ii).

### 1 重大會計政策(續)

#### (l) 資產減值(續)

- (i) 於聯營公司及合營企業的投資、貿易及其他應收款項以及應收客戶合約工程款項總額減值(續)

如存在任何上述證據，則會釐定及確認減值虧損如下：

- 就使用權益法於綜合財務報表入賬的於聯營公司及合營企業的投資(見附註1(e))而言，減值虧損透過根據附註1(l)(ii)比較投資的可收回數額與其賬面值而計量。倘根據附註1(l)(ii)釐定可收回數額時所用的估計出現有利變動，則撥回減值虧損。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (I) Impairment of assets (Cont'd)

(i) *Impairment of investment in associates, joint ventures, trade and other receivables and gross amounts due from customers for contract work. (Cont'd)*

- For trade and other current receivables, gross amounts due from customers for contract work and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical experience for assets with credit risk characteristics similar to the collective group.

### 1 重大會計政策(續)

#### (I) 資產減值(續)

(i) 於聯營公司及合營企業的投資、貿易及其他應收款項以及應收客戶合約工程款項總額減值(續)

- 就按攤銷成本列賬的貿易及其他流動應收款項、應收客戶合約工程款項總額以及其他金融資產而言，減值虧損按資產的賬面值與按金融資產最初的實際利率(即此等資產最初確認時計算所得實際利率)(如貼現影響重大)估計的未來現金流量現值的差額計算。如該等金融資產具備類似的風險特徵，例如類似逾期情況及並未單獨被評估為出現減值，則有關評估會同時進行。金融資產的未來現金流量會根據與該組被評估資產具有類似信貸風險特徵資產的過往情況一同減值。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (I) Impairment of assets (Cont'd)

- (i) *Impairment of investment in associates, joint ventures, trade and other receivables and gross amounts due from customers for contract work. (Cont'd)*

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

### 1 重大會計政策(續)

#### (I) 資產減值(續)

- (i) 於聯營公司及合營企業的投資、貿易及其他應收款項以及應收客戶合約工程款項總額減值(續)

倘於其後期間減值虧損金額有所減少，而客觀上與確認減值虧損後發生的事件有關，有關減值虧損會撥回損益。減值虧損的撥回不應導致資產的賬面值超過其在以往年度沒有確認任何減值虧損而應已釐定的數額。

減值虧損從相應資產中直接沖銷，惟如包含在貿易及其他應收款項中的應收賬款是否可以收回屬難以預料，而並非微乎其微，則就其確認的減值虧損不會從相應的資產中直接沖銷。在此情況下，呆賬的減值虧損以撥備賬記錄。倘本集團確認可收回的機會微乎其微，則被視為不可收回的金額會直接從應收賬款中沖銷，而在撥備賬中就有關債務保留的任何金額會被撥回。倘先前計入撥備賬的款項在其後收回，則有關款項於撥備賬撥回。撥備賬的其他變動及其後收回先前直接撇銷的款項均於損益確認。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (I) Impairment of assets (Cont'd)

##### (ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognized no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets;
- lease prepayments;
- goodwill;
- interests in associates and joint ventures; and
- investments in subsidiaries in the Company's statement of financial position.

### 1 重大會計政策(續)

#### (I) 資產減值(續)

##### (ii) 其他資產減值

於各報告期末會審閱內部及外界所得資料，以識別以下資產或會減值或(商譽除外)過往所確認的減值虧損不再存在或可能已減少的跡象：

- 物業、廠房及設備；
- 無形資產；
- 預付租賃款項；
- 商譽；
- 於聯營公司及合營企業的權益；及
- 在本公司財務狀況表內於附屬公司的投資。



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (I) Impairment of assets (Cont'd)

##### (ii) Impairment of other assets (Cont'd)

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use, the recoverable amount is estimated annually whether or not there is any indication of impairment.

##### – Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

### 1 重大會計政策(續)

#### (I) 資產減值(續)

##### (ii) 其他資產減值(續)

倘存在任何該等跡象，則估計資產的可收回數額。此外，就商譽及未可供使用的無形資產而言，其可收回金額會每年進行估計(無論是否存在任何減值跡象)。

##### – 計算可回收數額

資產的可收回數額乃指公平值減出售成本與使用價值兩者中的較高者。在評估使用價值時，估計日後現金流量乃根據除稅前貼現率貼現至現值，而該貼現率須能反映市場現行對款項的時間價值及資產獨有風險的評估。倘某項資產的現金流量大致上不能獨立於其他資產的現金流量，則就可獨立產生現金流量的最小資產組別(即現金產生單位)釐定可收回數額。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (I) Impairment of assets (Cont'd)

##### (ii) Impairment of other assets (Cont'd)

##### – Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable), or value in use (if determinable).

##### – Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

### 1 重大會計政策(續)

#### (I) 資產減值(續)

##### (ii) 其他資產減值(續)

##### – 確認減值虧損

倘資產或其所屬的現金產生單位的賬面值超過其可收回數額，則於損益確認減值虧損。就現金產生單位確認的減值虧損而言，其首先用作減少已分配至現金產生單位(或單位類別)的任何商譽的賬面值，其後按比例用作減少其他資產單位(或單位類別)的賬面值，惟資產的賬面值不得減少至低於其個別公平值減出售成本(如能計量)或使用價值(如能釐定)。

##### – 減值虧損撥回

就商譽以外的資產而言，倘用作釐定可收回數額的估計出現有利變動，則須撥回減值虧損。商譽的減值虧損不會撥回。

減值虧損撥回限於該資產並未計算過往年度所確認的減值虧損時的賬面值。減值虧損撥回的數額於確認有關撥回的年度計入損益內。

1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(l) Impairment of assets (Cont'd)

(iii) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(l)(i) and (ii)).

Impairment loss recognised in an interim period in respect of goodwill carried at cost is not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(m) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any writedown of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs.

1 重大會計政策(續)

(l) 資產減值(續)

(iii) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須就財政年度的首六個月編製符合香港會計準則第34號規定的中期財務報告。本集團在中期期末採用了在財政年度終結時會採用的相同減值測試、確認和轉回準則(見附註1(l)(i)和(ii))。

於中期期間內就商譽確認的減值虧損不會在後續期間轉回。倘若在中期期間相關的財政年度完結時才評估減值，則不會確認虧損或確認較少虧損，即使在此情況下亦不會轉回減值虧損。

(m) 存貨

存貨按成本及可變現淨值中的較低者入賬。

成本值以加權平均成本法計算，並包括所有採購成本、兌換成本及將存貨運至現址和變成現狀的其他成本。

可變現淨值為估計正常商業情況下售價減去預計為完成生產所需的成本及為完成銷售所需費用。

當存貨出售時，該等存貨的賬面值於相關收入確認期間確認為支出。當發生須將存貨沖減至可變現淨值的情況或出現存貨虧損時，沖減金額及所有存貨虧損作為沖減時期支出入賬。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (n) Construction contracts

Construction contracts are contracts specifically negotiated with a customer for the construction of an asset or a group of assets under a service concession arrangement. The accounting policy for contract revenue is set out in note 1(v)(i). When the outcome of a construction contract can be estimated reliably, contract costs are recognised as an expense by reference to the stage of completion of the contract at the end of the reporting period. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately. When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

#### (o) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 1(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

#### (p) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

### 1 重大會計政策(續)

#### (n) 建設合約

建設合約指根據服務特許權安排就建設一項或一組資產而與客戶具體商議的合約。合約收益的會計政策載於附註1(v)(i)。倘能可靠估計建設合約的結果，則合約成本於報告期末按合約完成進度確認為開支。如總合約成本可能超出總合約收益，則預期虧損即時確認為開支。倘無法可靠估計建設合約的結果，則合約成本於產生期間確認為開支。

#### (o) 貿易及其他應收款項

貿易及其他應收款項初始按公平值確認，其後使用實際利率法按攤銷成本減呆賬減值撥備列賬(見附註1(l))，惟在應收款項為向關聯方提供無固定還款期免息貸款或貼現的影響甚微情況下除外。該等情況下，應收款項按成本減呆賬減值撥備列賬。

#### (p) 附息借款

附息借款於起始時以公平值減應佔交易成本確認。於初始確認後，附息借款以攤銷成本列賬，而初始確認金額與贖回價值之間之任何差額，連同任何應付利息及費用，採用實質利率計演算法於借款期內於損益表中確認。

# Notes to the financial statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (q) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(u)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### (r) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

#### (s) Employee benefits

##### (i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

### 1 重大會計政策(續)

#### (q) 貿易及其他應付款項

除金融擔保負債根據附註1(u)(i)計量外，貿易及其他應付款項最初按公平值確認，其後按攤銷成本列賬，若貼現影響屬輕微，則會按成本列賬。

#### (r) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、銀行及其他金融機構的活期存款及短期而高流動性的投資，此等投資可隨時兌換為已知金額的現金，且所須承受的價值變動風險不大，並於購入當日起計三個月內到期。

#### (s) 僱員福利

##### (i) 短期僱員福利及界定供款退休計劃供款

薪金、年度花紅、帶薪年假、界定供款退休計劃供款及非金錢福利的成本於僱員提供服務的年度計提。倘因付款遞延而造成重大分別，有關數額則按現值列賬。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (s) Employee benefits (Cont'd)

##### (ii) Share-based payments

The fair value of shares granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date by reference to the market price of the Company's shares.

##### (iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

#### (t) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

### 1 重大會計政策(續)

#### (s) 僱員福利(續)

##### (ii) 以股份為基礎的付款

授予僱員股份的公平價值會確認為僱員成本，並相應增加權益內的資本儲備。公平值於授予日期參考本公司股份的市價計量。

##### (iii) 終止福利

終止福利於本集團不再能取消提供該等福利時及本集團確認涉及支付終止福利的重組成本時(以較早者為準)確認。

#### (t) 所得稅

本年度所得稅包括即期稅項及遞延稅項資產及負債的變動。即期稅項及遞延稅項資產及負債的變動均在損益內確認，惟其於其他全面收益中確認或直接於權益中確認的項目有關，則相關稅款須分別於其他全面收益中確認或直接於權益中確認。

即期稅項是按本年度應課稅收入，以於報告期末採用或主要採用的稅率計算的預期應繳稅項，及任何有關以往年度應繳稅項的調整。

1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(t) Income tax (Cont'd)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

1 重大會計政策(續)

(t) 所得稅(續)

遞延稅項資產及負債乃因作財務報告用途的資產及負債賬面值與作稅基用途的資產及負債賬面值兩者的可予扣減及應課稅的暫時差異所產生。遞延稅項資產亦可由未經使用的稅務虧損及未經使用的稅項抵免所產生。

除了若干有限的例外情況外，所有遞延稅項負債及所有遞延稅項資產(僅限於將來很可能取得應課稅溢利而令該項資產得以運用的部分)均予確認。容許確認由可予扣減暫時差異所產生的遞延稅項資產的未來應課稅溢利包括其將由目前的應課稅暫時差異撥回產生的部分，而該等差異應由同一稅務當局向同一應課稅單位徵收，並預期在可予扣減暫時差異預期撥回的同一期間內撥回或在由遞延稅項資產產生的稅務虧損能轉回或轉入的期間內撥回。在評定目前的應課稅暫時差異是否容許確認由未經使用的稅務虧損及抵免所產生的遞延稅項資產時採用上述相同的標準，即該等暫時差異由同一稅務當局向同一應課稅單位徵收，並預期在稅務虧損或抵免能應用的期間內撥回方計算在內。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (t) Income tax (Cont'd)

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

### 1 重大會計政策(續)

#### (t) 所得稅(續)

確認遞延稅項資產及負債的有限例外情況為不可在稅務方面獲得扣減的商譽所產生的暫時差異、首次確認但並不影響會計溢利及應課稅溢利的資產或負債(惟其不可為企業合併的一部分)、以及有關於附屬公司投資的暫時差異；如為應課稅差異，只限於本集團可以控制撥回時間，且在可預見將來不大可能撥回的暫時差異或如為可予扣減差異，則只限於可能在未來撥回的差異。

已確認遞延稅項數額是按照資產及負債賬面值的預期變現或清償方式，以報告期末採用或主要採用的稅率計算。遞延稅項資產及負債均不貼現。

各報告期末會檢討遞延稅項資產的賬面值。如果不再可能取得足夠的應課稅溢利以運用有關的稅務利益，賬面值則予以調低。如可能取得足夠的應課稅溢利，已扣減金額則予以撥回。



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (t) Income tax (Cont'd)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

### 1 重大會計政策(續)

#### (t) 所得稅(續)

即期稅項結餘及遞延稅項結餘及其變動，乃各自分開列示及並無相互抵銷。若本公司或本集團在法律上擁有抵銷即期稅項資產及即期稅項負債的行使權利及能符合下列額外條件，則即期稅項資產可抵銷即期稅項負債，及遞延稅項資產可抵銷遞延稅項負債：

- 若為即期稅項資產及負債：本公司或本集團計劃以淨額清償，或計劃同時變現資產和清償負債；或
- 若為遞延稅項資產及負債：如其與同一稅務當局向下述者徵收的所得稅有關：
  - 同一應課稅實體；或
  - 如為不同的應課稅實體，預期在未來每一個週期將清償或收回顯著數目的遞延稅項負債或資產及計劃以淨額基準變現即期稅項資產及清償即期稅項負債或計劃同時變現即期稅項資產及清償即期稅項負債。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (u) Financial guarantees issued, provisions and contingent liabilities

##### (i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the “holder”) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm’s length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

### 1 重大會計政策(續)

#### (u) 已發出財務擔保、撥備及或有負債

##### (i) 已發出財務擔保

財務擔保為要求發行人(即擔保人)根據債務工具的條款支付特定款項就擔保的受益人(「持有人」)因特定債務人於到期時未能付款而蒙受的損失向持有人作出補償的合約。

倘本集團發出財務擔保，擔保的公平值於貿易及其他應付款項內初步確認為遞延收入。所發出財務擔保於發出時的公平值乃參照就類似服務的公平交易中所收取的費用(如可獲取有關資料)，或參照於提供擔保時放款人實際收取的費用與放款人在未有提供擔保時估計可收取的費用(如可就有關資料作出可靠估計)之間的利率差異釐定。倘就發行擔保收取或可收取代價，則根據本集團適用於該類別資產的政策確認代價。倘並無收取或可收取有關代價，則於初步確認任何遞延收入時即時於損益內確認開支。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (u) Financial guarantees issued, provisions and contingent liabilities (Cont'd)

##### (i) Financial guarantees issued (Cont'd)

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 1(u)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

##### (ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### 1 重大會計政策(續)

#### (u) 已發出財務擔保、撥備及或有負債(續)

##### (i) 已發出財務擔保(續)

初步確認為遞延收入的擔保金額於擔保期內作為已發出財務擔保收入於損益內攤銷。此外，倘及當(i)擔保持有人可能要求本集團履行擔保，及(ii)向本集團提出申索的金額預期超出目前就該擔保在貿易及其他應付款項列賬的金額(即初步確認金額減累計攤銷)，則根據附註1(u)(ii)確認撥備。

##### (ii) 其他撥備及或有負債

倘本集團或本公司須就過去的事件承擔法定或推定責任，而履行該責任可能須動用可靠估計的經濟利益，則就該時間或數額不確定的其他負債確認撥備。倘貨幣時間價值重大，則撥備乃按預期履行責任所需開支的現值列賬。

倘動用經濟利益的可能性不大，或無法可靠估計有關數額，則將該責任披露為或然負債，惟倘動用經濟利益的可能性極低者則除外。須視乎一件或多件未來事件是否發生方能確定存在與否的潛在責任，亦會披露為或然負債，惟倘動用經濟利益的可能性極低者則除外。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (v) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

##### (i) Service concession arrangement

Revenue relating to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed. When the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss. Operation or service turnover is recognised in the period in which services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered when the amounts are separately identifiable.

### 1 重大會計政策(續)

#### (v) 收益確認

收益按已收或應收代價的公平值計量。在經濟效益預期會流入本集團，並且營業額及成本(倘適用)能可靠計算的情況下，以下各項營業額將會於損益中確認：

##### (i) 服務特許權安排

根據服務特許權安排提供建造服務所得相關收益按工程完成進度確認。如能可靠地估計建造工程合約的成果，則合約收益及開支於損益中按合約完成進度以比率方式確認。完成進度乃參考當前已產生的合約成本與該合約的估計合約成本總額的百分比來評估。如不能可靠地估計建造工程合約的成果，則僅將所產生而有可能收回的合約成本確認為收益。有關合約的預期虧損即時在損益中確認。運營或服務營業額於本集團提供有關服務的期間確認。如本集團在一項服務特許權安排下提供超過一種服務，則所收取的代價(倘金額可單獨識別)按已提供服務的相關公平值分配。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (v) Revenue recognition (Cont'd)

##### (ii) Interest income

Interest income is recognised as it accrues using the effective interest method.

##### (iii) Revenue from supply of industrial water

Revenue from supply of industrial water is recognised when industrial water is supplied to customers.

##### (iv) Revenue from provision of other services

Revenue from provision of other services is recognised when the service is rendered.

##### (v) Sales of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

##### (vi) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

### 1 重大會計政策(續)

#### (v) 收益確認(續)

##### (ii) 利息收入

利息收入按實際利息法於產生時確認。

##### (iii) 供應工業用水的收益

供應工業用水的收益於工業用水供應予客戶時確認。

##### (iv) 提供其他服務的收益

提供其他服務的收益於提供服務時確認。

##### (v) 貨品銷售

收入於貨品交付客戶時(即客戶收取貨品及所有權相關風險與報酬當時)確認。收入不包括增值稅或其他銷售稅，並已扣除任何交易折扣。

##### (vi) 政府補助

倘可合理確定能夠收取政府補助，而本集團將符合政府補助的附帶條件，則政府補助將初步在財務狀況表中確認。至於補償本集團所產生開支的補助，乃於產生開支的同一期間有系統地於損益中確認。補償本集團資產成本的補助，乃在相關資產賬面值中扣除，其後於該資產的可用年限內以減少折舊開支方式於損益確認。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (w) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of foreign operations are translated into Renminbi at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Renminbi at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

#### (x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction which necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or complete.

### 1 重大會計政策(續)

#### (w) 換算外幣

年內的外幣交易按交易日的匯率換算。以外幣計值的貨幣資產及負債則按報告期末的匯率換算。匯兌盈虧於損益中確認。

以外幣按歷史成本計量的非貨幣資產及負債乃採用交易日的匯率換算。

海外經營業務業績按與交易當日的匯率相若的匯率換算為人民幣。財務狀況表項目按報告期末的收市匯率換算為人民幣。所導致的匯兌差額已於分別確認為其他全面收益及在權益中的匯兌儲備內累積。

#### (x) 借貸成本

直接歸入購買或建設一項需要相當長時間才能用於指定用途的資產的借貸成本，會資本化作為該項資產的部分成本。其他借貸成本於產生期間確認為費用。

借貸成本在資產開支產生、借貸成本產生及使資產達致擬定用途所必需的活動正在進行時，作為合資格資產的一部分成本而予以資本化。在使資產達致擬定用途所必需的絕大部分活動中斷或完成時，借貸成本暫停或終止資本化。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (y) Related parties

(a) *A person, or a close member of that person's family, is related to the Group if that person:*

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

(b) *An entity is related to the Group if any of the following conditions applies:*

- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

### 1 重大會計政策(續)

#### (y) 關聯方

(a) 一名人士如符合以下條件，則該人士或該人士的直系親屬與本集團有關聯：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響；或
- (iii) 為本集團或本集團母公司的主要管理層人員。

(b) 一家實體如符合下列任何條件，則該實體與本集團有關聯：

- (i) 該實體與本集團屬同一集團的成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關聯)。
- (ii) 一家實體為另一實體的聯營公司或合營企業(或另一實體所屬集團旗下成員公司的聯營公司或合營企業)。
- (iii) 兩家實體均為同一協力廠商的合營企業。
- (iv) 一家實體為協力廠商實體的合營企業，而另一實體為該協力廠商實體的聯營公司。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (y) Related parties (Cont'd)

##### (b) (Cont'd)

- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

### 1 重大會計政策(續)

#### (y) 關聯方(續)

##### (b) (續)

- (v) 該實體乃為本集團或與本集團有關聯的實體的僱員利益設立的離職福利計劃。
- (vi) 該實體受(a)所述人士控制或共同控制。
- (vii) (a)(i)所述人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。
- (viii) 實體、或一間集團之任何成員公司(為集團之一部分)向目標公司或目標公司之母公司提供主要管理人員服務。

有關人士的直系親屬成員為預期買賣實體時，將影響該人士或受該人士影響的家族成員。



# Notes to the financial statements

## 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 1 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### (z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

### 2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

In the process of applying the Group's accounting policies, the key sources of estimation uncertainty are as follows:

#### (i) Service concession arrangements

The Group entered into BOT arrangements in wastewater treatment. The Group concluded that the BOT arrangements are service concession arrangements under HK (IFRIC) 12, because the local government controls and regulates the services that the Group must provide with the infrastructure at a pre-determined service charge. In addition, upon expiry of concession right agreement, the infrastructure has to be transferred to the local government at nil consideration.

### 1 重大會計政策(續)

#### (z) 分部報告

經營分部及財務報表所呈報的各分部項目金額，乃根據就分配資源予本集團各業務及地區分部及評估其表現而定期提拱予本集團最高行政管理人員的財務資料確定。

就財務報告而言，個別重要經營分部不會綜合呈報，除非此等分部具有類似經濟特徵以及在產品及服務性質、生產程式性質、客戶類型或類別、分銷產品或提供服務所採用的方式及監管環境性質方面類似。倘個別並非屬重大的經營分部共同存在上述大部分特徵，則可綜合計算。

### 2 重大會計估計及判斷

在應用本集團會計政策時，估計不確定性的主要來源如下：

#### (i) 服務經營權安排

本集團就其污水處理項目訂立BOT安排。本集團認為有關BOT安排屬《香港(國際財務報告詮釋委員會)詮釋》第12號下的服務特許權安排，因為地方政府控制並監管有關服務，而本集團必須按預定服務費提供基礎建設。此外，在特許經營權協議到期後，有關基礎建設將無償轉歸地方政府。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 2 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont'd)

#### (ii) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews periodically the useful life of an asset and its residual value, if any. The depreciation expense for future periods is adjusted if there are significant changes from previous estimation.

#### (iii) Impairment

In considering the impairment losses that may be required for certain property, plant and equipment, lease prepayments, recoverable amount of these assets needs to be determined. The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of turnover and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable and supportable assumptions and projections of items such as turnover and operating costs.

Impairment losses for bad and doubtful debts are assessed and provided based on the management's regular review of ageing analysis and evaluation of collectability. A considerable level of judgment is exercised by the management when assessing the credit worthiness and past collection history of each individual customer. An increase or decrease in the above impairment losses would affect the profit or loss in future periods.

### 2 重大會計估計及判斷(續)

#### (ii) 折舊

物業、廠房及設備於估計可使用年期內經計及估計剩餘價值後按直線法折舊。本集團定期檢討資產的可使用年期及其剩餘價值(如有)。倘過往估計出現重大變動，未來期間的折舊開支會予以調整。

#### (iii) 減值

考慮若干物業、廠房及設備、預付租賃款項可能需要作出的減值虧損時，須釐定該等資產的可收回金額。可收回金額為淨售價與使用值兩者之較高者。由於未必能輕易取得該等資產的市場報價，故難以精確估計售價。釐定使用值時，將有關資產預期產生的現金流量貼現至其現值，需要對營業額水平及經營成本等項目作出重大判斷。本集團會運用一切可得資料，釐定對營業額水平及經營成本等項目之合理且有證據支持之假設及預計。

呆壞賬減值虧損按管理層對賬齡分析的定期檢討及可收回性的評估進行評估及撥備。管理層在評估各客戶的信用評級及過往收賬記錄時作出大量判斷。上述減值虧損的增加或減少會影響未來期間的損益。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 3 TURNOVER AND SEGMENT REPORTING

The Group manages its business by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following seven reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Supply of industrial water: this segment supplies industrial water.
- Provision of wastewater treatment plants operation services: this segment operates wastewater treatment plants under BOO arrangement.
- BOT project construction and operation services: this segment constructs and operates wastewater and solid waste treatment plants under BOT arrangement to generate turnover from construction, operation services and finance income.
- Provision of heating services: this segment provides heating services.
- Provision of sludge and solid waste treatment services: this segment provides sludge and solid waste treatment services.
- Provision of entrusted operation services: this segment operates and maintains industrial water supply, wastewater treatment, sludge and solid waste treatment and hazardous waste treatment facilities in return for service fees.
- Provision of hazardous waste treatment services: this segment provides hazardous waste treatment services.

### 3 收入及分部呈報

本集團按部門(按業務線組成)管理業務。本集團按與就資源分配及表現評估向本集團最高行政管理人員內部呈報資料方式一致的方式，呈列以下七個可呈報分部。概無將任何經營分部匯總，以構成下列可呈報分部。

- 供應工業用水：該分部供應工業用水。
- 提供污水處理設施營運服務：該分部根據BOO安排經營污水處理設施。
- BOT項目建設及營運服務：該分部根據建設BOT安排建設及營運污水及固體廢物處理設施以自建設、營運服務以及融資收入產生營業額。
- 提供供熱服務：該分部提供供熱服務。
- 提供污泥及固體廢物處理服務：該分部提供污泥及固體廢物處理服務。
- 提供委託營運服務：該分部營運及維持工業供水、污水處理或污泥、固定廢物及危險廢物處理設施，以賺取服務費。
- 提供危險廢物處理服務：該分部提供危險廢物處理服務。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 3 TURNOVER AND SEGMENT REPORTING (Cont'd)

#### (a) Segment reporting

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the year ended 31 December 2016 and 2015 is set out below.

		Provision of wastewater treatment plants operation services 提供污水 處理設施 營運服務	BOT project construction and operation services 項目建設 及營運服務	Provision of heating services 提供熱服務	Provision of sludge and solid waste treatment services 提供污泥 及固體廢物 處理服務	Provision of entrusted operation services 提供委託 營運服務	Provision of hazardous waste treatment services 提供 危險廢物 處理服務	Total
For the year ended 31 December 2016	截至二零一六年 十二月三十一日止年度	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Revenue from external customers	來自外部客戶的收益	57,666	470,425	333,563	120,752	439,790	8,589	1,865,940
Inter-segment revenue	分部間收益	—	74,608	—	—	89,209	—	174,255
<b>Reportable segment revenue</b>	<b>可呈報分部收益</b>	<b>57,666</b>	<b>545,033</b>	<b>333,563</b>	<b>120,752</b>	<b>528,999</b>	<b>8,589</b>	<b>2,040,195</b>
<b>Reportable segment profit (adjusted EBITDA)</b>	<b>可呈報分部溢利 (調整後EBITDA)</b>	<b>46,639</b>	<b>327,172</b>	<b>86,730</b>	<b>8,252</b>	<b>246,791</b>	<b>8,589</b>	<b>1,032,021</b>
Share of profits of associates/ a joint venture	分佔聯營公司/一家 合營企業的溢利	—	533	—	—	—	—	2,060
Depreciation and amortisation for the year	年內折舊及攤銷	(13,340)	(77,145)	(508)	(1,220)	(58,249)	—	(226,474)
Impairment of	以下各項減值：							
- intangible assets	- 無形資產	—	—	—	—	—	—	(12,911)
- goodwill	- 商譽	—	—	—	—	—	—	(2,026)

### 3 收入及分部呈報(續)

#### (a) 分部呈報

截至二零一六年及二零一五年十二月三十一日止年度本集團高級管理層就資源分配及分部業績評估所提供之可呈報分部有關之資料載列如下：

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 3 TURNOVER AND SEGMENT REPORTING (Cont'd)

### 3 收入及分部呈報(續)

#### (a) Segment reporting (Cont'd)

#### (a) 分部呈報(續)

		Supply of industrial water	Provision of wastewater treatment plants operation services	BOT project construction and operation services	Provision of heating services	Provision of sludge and solid waste treatment services	Provision of entrusted operation services	Provision of hazardous waste treatment services	Total
		供應 工業用水	提供污水 處理設施 營運服務	項目建設 及營運服務	提供熱服務	及固體廢物 處理服務	提供委託 營運服務	提供 危險廢物 處理服務	總額
For the year ended 31 December 2015	截至二零一五年 十二月三十一日止年度	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
Revenue from external customers	來自外部客戶的收益	40,204	353,077	318,869	65,518	361,332	131,356	164,603	1,434,959
Inter-segment revenue	分部間收益	—	36,212	—	—	21,970	—	8,383	66,565
<b>Reportable segment revenue</b>	<b>可呈報分部收益</b>	40,204	389,289	318,869	65,518	383,302	131,356	172,986	1,501,524
<b>Reportable segment profit (adjusted EBITDA)</b>	<b>可呈報分部溢利 (調整後EBITDA)</b>	29,471	262,472	79,389	4,325	210,963	130,945	106,791	824,356
Share of profits of associates/ a joint venture	分佔聯營公司/ 一家 合營企業的溢利	—	361	—	—	—	—	1,115	1,476
Depreciation and amortisation for the year	年內折舊及攤銷	(2,678)	(52,365)	(555)	(1,220)	(54,534)	—	(33,224)	(144,576)

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 3 TURNOVER AND SEGMENT REPORTING (Cont'd)

#### (a) Segment reporting (Cont'd)

The measure used for reporting segment profit is “adjusted EBITDA” i.e. “adjusted earnings before interest, taxes, depreciation and amortisation”. To arrive at adjusted EBITDA the Group’s earnings are further adjusted for items not specifically attributed to individual segments, such as directors’ remuneration, finance costs and other head office or corporate administration costs.

The Group has transactions with the PRC local government authorities (under common control from the PRC government) which in aggregate exceeded 10% of the Group’s turnover. Turnover from provision of wastewater treatment plants operation services, BOT project construction and operation services and provision of sludge and solid waste treatment services derived from local government authorities in the PRC for the year ended 31 December 2016 amounted to RMB484,296,000 (2015: RMB226,437,000). Details of concentrations of credit risk arising from customers are set out in note 27(a).

### 3 收入及分部呈報(續)

#### (a) 分部呈報(續)

用於報告分部溢利的計量方式為「調整後EBITDA」，即「未計及利息、稅項、折舊及攤銷前的調整後盈利」。為達致調整後EBITDA，本集團之盈利乃對並未指定歸屬於個別分部之項目作出進一步調整，如董事薪酬、融資成本及其他總部或企業行政成本。

本集團與中國地方政府機構(受中國政府共同控制)進行的交易合共超過本集團營業額的10%。截至二零一六年十二月三十一日止年度，提供污水處理設施營運服務、項目建設及營運服務及提供污泥以及固體廢物處理服務的營業額來自中國地方政府機構的收入為人民幣484,296,000元(二零一五年：人民幣226,437,000元)。來自客戶的信貸風險詳情載列於附註27(a)。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 3 TURNOVER AND SEGMENT REPORTING (Cont'd)

#### (b) Reconciliations of reportable segment revenues and profits

	Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Reportable segment profit		1,032,021	824,356
Elimination of inter-segment profits		(4,954)	(3,070)
Reportable segment profit derived from Group's external customers		1,027,067	821,286
Share of profits of associates/ a joint venture		2,060	1,476
Finance costs	5(a)	(88,159)	(70,157)
Interest income	4(a)	4,727	483
Depreciation and amortisation	5(c)	(226,474)	(144,576)
Impairment losses on non-current assets		(14,937)	—
Gain on bargain acquisition of a subsidiary	4(b)	—	138,461
Net foreign exchange loss	4(b)	(55,517)	(43,254)
Unallocated head office and corporate expenses		(31,839)	(33,144)
Consolidated profit before taxation		616,928	670,575

#### (c) Geographic information

Analysis of the Group's turnover and assets by geographical market has not been presented as substantially all of the Group's revenue and assets are generated and located in the PRC.

### 3 收入及分部呈報(續)

#### (b) 可呈報分部收入及溢利的對賬

	Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
可呈報分部溢利		1,032,021	824,356
可呈報分部間溢利對銷		(4,954)	(3,070)
來自本集團外部客戶的可呈報分部溢利		1,027,067	821,286
分佔聯營公司／一家合營企業的溢利		2,060	1,476
融資成本	5(a)	(88,159)	(70,157)
利息收入	4(a)	4,727	483
折舊及攤銷	5(c)	(226,474)	(144,576)
非流動資產的減值虧損		(14,937)	—
議價收購一間附屬公司之收益	4(b)	—	138,461
外匯虧損淨額	4(b)	(55,517)	(43,254)
未分配總部及公司開支		(31,839)	(33,144)
綜合除稅前溢利		616,928	670,575

#### (c) 地區資料

由於本集團絕大部分收益及資產產生於及位於中國境內，故並未呈列本集團按地區市場劃分的營業額及資產分析。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 4 OTHER REVENUE AND OTHER NET (LOSS)/INCOME

#### (a) Other revenue

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Government grants	政府補助	8,506	11,423
– Unconditional subsidies*	– 無條件補貼*	8,129	11,313
– Conditional subsidies (note 25)	– 有條件補貼(附註25)	377	110
Value-added tax refund**	增值稅退稅**	124,428	55,652
Interest income	利息收入	4,727	483
Others	其他	28,363	1,143
		<b>166,024</b>	68,701

\* Government grants represent various forms of incentives and subsidies granted to the Group by the local government authorities in the PRC.

\*\* The Group was entitled to value-added tax refund of RMB124,428,000 (2015: RMB55,652,000) during the year ended 31 December 2016 in relation to the provisions of wastewater, sludge and solid waste treatment services of the Group in the PRC. There were no unfulfilled conditions and other contingencies attached to the receipts of such tax refund.

#### (b) Other net (loss)/income

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Gain on bargain acquisition of a subsidiary	議價收購一間附屬公司之收益	—	138,461
Net foreign exchange loss	匯兌虧損淨額	(55,517)	(43,254)
Others	其他	(3,533)	(895)
		<b>(59,050)</b>	94,312

### 4 其他收益及其他淨(虧損)/收益

#### (a) 其他收益

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Government grants	8,506	11,423
– Unconditional subsidies*	8,129	11,313
– Conditional subsidies (note 25)	377	110
Value-added tax refund**	124,428	55,652
Interest income	4,727	483
Others	28,363	1,143
	<b>166,024</b>	68,701

\* 政府補助指地方機關授予本集團不同形式之獎金及資助。

\*\* 截至二零一六年十二月三十一日止年度，本集團有權就本集團於中國提供的污水、污泥及固體廢物處理服務獲增值稅退稅人民幣124,428,000元(二零一五年：人民幣55,652,000元)。概無有關收取該等退稅款項之未達成條件或其他或然事項。

#### (b) 其他淨(虧損)/收益

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Gain on bargain acquisition of a subsidiary	—	138,461
Net foreign exchange loss	(55,517)	(43,254)
Others	(3,533)	(895)
	<b>(59,050)</b>	94,312



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

#### (a) Finance costs

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Interest on bank loans	銀行貸款利息	93,989	75,838
Less: interest expenses capitalised into properties under development*	減：資本化入開發中物業的利息開支*	(5,830)	(5,681)
<b>Total finance costs</b>	<b>融資成本總額</b>	<b>88,159</b>	<b>70,157</b>

\* The borrowing costs have been capitalised at rates of 4.16% - 5.61% per annum (2015: 6.23%).

#### (b) Staff costs

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	147,093	93,369
Contributions to defined contribution retirement plan	界定供款退休計劃供款	8,492	5,380
Equity-settled share-based payment expenses (note 23)	以權益結算的股份支付開支(附註23)	3,413	—
		<b>158,998</b>	<b>98,749</b>

The employees of the companies in the PRC participate in a defined contribution retirement scheme operated by the local government authorities whereby the Group is required to contribute to the scheme at rate of 13% to 20% of the eligible employees' basic salary (2015: 13% to 15%). The local government authorities are responsible for the entire pension obligations payable to the retired employees.

### 5 除稅前溢利

除稅前溢利經扣除/(計入)下列各項：

#### (a) 融資成本

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Interest on bank loans	93,989	75,838
Less: interest expenses capitalised into properties under development*	(5,830)	(5,681)
<b>Total finance costs</b>	<b>88,159</b>	<b>70,157</b>

\* 借貸成本已按年利率4.16%至5.61%資本化(二零一五年：6.23%)。

#### (b) 員工成本

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Salaries, wages and other benefits	147,093	93,369
Contributions to defined contribution retirement plan	8,492	5,380
Equity-settled share-based payment expenses (note 23)	3,413	—
	<b>158,998</b>	<b>98,749</b>

於中國公司的僱員參與由地方政府機關運營的界定供款退休福利計劃，本集團須按合資格僱員基本薪金的13%至20%向計劃作出供款(二零一五年：13%至15%)。地方政府機關負責應付退保僱員的全部退休責任。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 5 PROFIT BEFORE TAXATION (Cont'd)

#### (b) Staff costs (Cont'd)

Contributions to the Mandatory Provident Fund (“MPF”) are required under the Hong Kong Mandatory Provident Fund Schemes Ordinance. The Group and its employees in Hong Kong make monthly mandatory contributions to the MPF scheme at 5% of the employees’ relevant income as defined under the Mandatory Provident Fund Schemes Ordinance. The contributions from employees and employers are subject to a cap of monthly relevant income of HKD30,000 (2015: HKD30,000).

The Group has no other material obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

#### (c) Other items

		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Cost of construction service	建設服務成本		239,622	216,329
Cost of inventories*	存貨成本*	18	111,603	78,214
Depreciation and amortisation	折舊及攤銷	10,11,12	226,474	144,576
Impairment losses	減值虧損			
– Trade and other receivables	– 貿易及其他應收款項	19(b)	29,835	—
– Intangible assets	– 無形資產	12	12,911	—
– Goodwill	– 商譽	13	2,026	—
Operating lease charges	經營租賃開支		8,399	7,087
Research and development expenses	研發開支		13,408	2,013
Auditors’ remuneration	核數師酬金		4,180	5,096

\* Cost of inventories represented raw materials consumed during the supply of industrial water, provision of wastewater treatment plants operation services, provision of sludge and solid waste treatment services and provision of hazardous waste treatment services.

### 5 除稅前溢利(續)

#### (b) 員工成本(續)

香港強制性公積金計劃條例規定向強制性公積金(「強積金」)作出供款。本集團及其香港僱員每月按強制性公積金計劃條例下界定的僱員相關收入的5%向強積金計劃作出強制性供款。僱員及僱主供款須受限於強積金強制性供款的每月相關收入上限為30,000港元(二零一五年：30,000港元)。

除上述供款外，本集團並無就支付僱員退休及其他退休後福利承擔其他重大責任。

#### (c) 其他項目

\* 存貨成本指供應工業用水及提供污水處理設施營運服務以及提供污泥及固體廢物處理服務及提供危險廢棄物處理服務所消耗的原材料。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### 6 綜合損益表內的所得稅

(a) Taxation in the consolidated statement of profit or loss represents:

(a) 綜合損益表內的稅項指：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
<b>Current tax – PRC income tax</b>	<b>即期稅項 – 中國所得稅</b>		
Provision for the year	年度撥備	119,732	62,410
Under – provision in respect of prior years	過往年度撥備不足	342	115
<b>Deferred tax</b>	<b>遞延稅項</b>		
Origination and reversal of temporary differences	暫時性差額的產生及撥回	(17,606)	6,798
<b>Income tax expenses</b>	<b>所得稅開支</b>	<b>102,468</b>	69,323

(b) Reconciliation between tax expenses and accounting profit at applicable tax rates:

(b) 按適用稅率計算的所得稅開支與會計溢利對賬：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Profit before taxation	除稅前溢利	616,928	670,575
Notional tax on profit before taxation, calculated at the rates applicable to profits in the jurisdictions concerned (i)	按照在相關司法權區適用於溢利的比率就除稅前溢利計算的名義稅項 (i)	170,161	175,123
Effect of non-deductible expenses	不可扣減開支的影響	8,848	5,244
Effect of non-taxable income	非應課稅收入的影響	(515)	(34,985)
Effect of preferential tax treatments (ii)	優惠稅項待遇的影響 (ii)	(79,099)	(86,127)
Effect of tax losses not recognised (iii)	未確認稅項虧損的影響 (iii)	14,760	10,093
Effect of reversal of previous accrued with-holding tax expense (note 24(d))	撥回過往應計預扣稅務開支的影響 (附註 24(d))	(11,494)	—
Use of previously unrecognised tax losses	使用先前未確認稅項虧損	(193)	(25)
<b>Income tax expenses</b>	<b>所得稅開支</b>	<b>102,468</b>	69,323

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Cont'd)

#### (b) Reconciliation between tax expenses and accounting profit at applicable tax rates: (Cont'd)

Note:

- (i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (“BVI”), the Group is not subject to any income tax in the Cayman Islands and the BVI.

No provision for Hong Kong Profits Tax was made as the Group did not earn income subject to Hong Kong Profits Tax for the years ended 31 December 2016 (2015: Nil).

The statutory income tax rate for the PRC subsidiaries is 25%.

- (ii) Certain subsidiaries of the Group are entitled to the following PRC preferential tax treatments:

Guangzhou Xintao Wastewater Treatment Company Limited (“Guangzhou Xintao”) was approved as a High and New Technology Enterprise in September 2015, which entitled it to the preferential income tax rate of 15% from 2015 to 2017.

Guangzhou Lvyou was approved as a High and New Technology Enterprise in September 2015, which entitled it to the preferential income tax rate of 15% from 2015 to 2017.

### 6 綜合損益表內的所得稅(續)

#### (b) 按適用稅率計算的所得稅開支與會計溢利對賬：(續)

附註：

- (i) 根據開曼群島及英屬處女群島(「英屬處女群島」)的相關規則及法規，本集團於開曼群島及英屬處女群島毋須繳納任何所得稅。

由於截至二零一六年十二月三十一日止年度本集團並無賺取任何須繳納香港利得稅的收入，故並無就香港利得稅作出撥備(二零一五年：零)。

中國附屬公司的法定所得稅率為25%。

- (ii) 本集團的若干附屬公司享有以下中國優惠稅項待遇：

廣州新滔水質淨化有限公司(「廣州新滔」)於二零一五年九月被認定為高新技術企業，於二零一五年至二零一七年享有15%的優惠所得稅率。

廣州綠由於二零一五年九月被認定為高新技術企業，於二零一五年至二零一七年期間享有15%的優惠所得稅率。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Cont'd)

#### (b) Reconciliation between tax expenses and accounting profit at applicable tax rates: (Cont'd)

Note: (Cont'd)

(ii) (Cont'd)

Guangzhou Haitao Environmental Protection Technology Company Limited (“Guangzhou Haitao”), being an entity engaged in wastewater treatment and sludge treatment, is entitled to a tax holiday of 3-year exemption and 3-year 50% reduction on income derived from its principal activities (the “3+3 tax holiday”) starting from the year in which the project starts to generate operating revenue. There are three phases of waste treatment facilities under Guangzhou Haitao. Phase I and Phase II facilities are subject to income tax at 0% from 2010 to 2012, 12.5% from 2013 to 2015, and 25% from 2016 onwards; while Phase III facilities are subject to income tax at 0% from 2013 to 2015, 12.5% from 2016 to 2018, and 25% from 2019 onwards.

Huaihua Tianyuan Wastewater Treatment Company Limited (“Huaihua Tianyuan”) and Guangzhou Yinglong Wastewater Treatment Company Limited (“Guangzhou Yinglong”), being entities engaged in wastewater treatment, are each entitled to the 3+3 tax holiday starting from the year in which the project first generates operating revenue. Huaihua Tianyuan is subject to income tax at 0% from 2011 to 2013, 12.5% from 2014 to 2016, and 25% from 2017 onwards; and Guangzhou Yinglong is subject to income tax at 0% from 2012 to 2014, 12.5% from 2015 to 2017, and 25% from 2018 onwards.

### 6 綜合損益表內的所得稅(續)

#### (b) 按適用稅率計算的所得稅開支與會計溢利對賬：(續)

附註：(續)

(ii) (續)

廣州海滔環保科技有限公司(「廣州海滔」)為從事污水處理及污泥處理的實體，自項目開始產生營運收益年度起享有三年悉數豁免稅項優惠以及三年享有其主要活動收入之所得稅稅率減半之優惠(「3+3稅項優惠」)。廣州海滔的固廢處理設施有三個階段。第一期及第二期設施於二零一零年至二零一二年、二零一三年至二零一五年及自二零一六年起分別按稅率0%、12.5%及25%繳納所得稅；第三期設施於二零一三年至二零一五年、二零一六年至二零一八年及自二零一九年起分別按稅率0%、12.5%及25%繳納所得稅。

懷化天源水質淨化有限公司(「懷化天源」)及廣州盈隆污水處理有限公司(「廣州盈隆」)均從事污水處理，各自從項目首次產生收益年度起享有3+3稅項優惠期。懷化天源於二零一一年至二零一三年、二零一四年至二零一六年及自二零一七年起分別按稅率0%、12.5%及25%繳納所得稅；廣州盈隆於二零一二年至二零一四年、二零一五年至二零一七年及自二零一八年起分別按稅率0%、12.5%及25%繳納所得稅。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 6 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Cont'd)

#### (b) Reconciliation between tax expenses and accounting profit at applicable tax rates: (Cont'd)

Note: (Cont'd)

(ii) (Cont'd)

Heyuan Solid Waste Centralized Treatment Centre Company Limited ("Heyuan Solid"), being an entity engaged in solid waste treatment, is entitled to the 3+3 tax holiday starting from the year in which the project starts to generate operating revenue. Heyuan Solid is subject to income tax at 0% from 2010 to 2012, 12.5% from 2013 to 2015, and 25% from 2016 onwards. In December 2016, Heyuan Solid was approved as a High and New Technology Enterprise, which then entitled it to the preferential income tax rate of 15% from 2017 to 2019.

Qingyuan Lvyou Environmental Protection Technology Company Limited ("Qingyuan Lvyou"), being an entity engaged in solid waste treatment, is entitled to the 3+3 tax holiday starting from the year in which the project starts to generate operating revenue. Qingyuan Lvyou is subject to income tax at 0% from 2014 to 2016, 12.5% from 2017 to 2019, and 25% from 2020 onwards.

(iii) In accordance with the accounting policy set out in note 1(t), the Group has not recognised deferred tax assets of RMB11,595,000 (2015: RMB9,344,000) and RMB3,165,000 (2015: RMB749,000), in respect of cumulative tax losses of certain subsidiaries located in Hong Kong and subsidiaries in the PRC, respectively.

### 6 綜合損益表內的所得稅(續)

#### (b) 按適用稅率計算的所得稅開支與會計溢利對賬：(續)

附註：(續)

(ii) (續)

河源市固體廢物集中處置中心有限公司(「河源固廢」)作為從事固體廢物處理的實體，自項目開始產生營業收入的年度起有權享受3+3稅收優惠。河源固廢於二零一零年至二零一二年、二零一三年至二零一五年及自二零一六年起分別按稅率0%、12.5%及25%繳納所得稅。於二零一六年十二月，河源固廢獲認可為高新技術企業，於二零一七年至二零一九年享有15%的優惠所得稅率。

清遠綠由環保科技有限公司(「清遠綠由」)從事固體廢物處理，從項目開始產生收益年度起享有3+3稅項優惠期。清遠綠由於二零一四年至二零一六年、二零一七年至二零一九年及自二零二零年起分別按稅率0%、12.5%及25%繳納所得稅。

(iii) 根據附註1(t)所載之會計政策，本集團並未就分別位於香港及中國之若干附屬公司之累計稅項虧損人民幣11,595,000元(二零一五年：人民幣9,344,000元)及人民幣3,165,000元(二零一五年：人民幣749,000元)確認遞延稅項資產。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 7 DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation are as follows:

### 7 董事酬金

根據香港公司條例第383(1)條及公司(披露董事利益資料)規例第2部披露的董事酬金如下：

		Year ended 31 December 2016 截至二零一六年十二月三十一日止年度						
		Salaries, allowances and benefits fees	Discretionary bonuses in kind	Retirement scheme contributions	Share-based payments (note 23) 以股份為 基礎的付款 (附註23)	Sub-Total	Total	
		薪金、津貼 及實物福利	酌情花紅	退休計劃供款	小計	總計		
		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	
<b>Executive directors</b>	<b>執行董事</b>							
Mr. Tsui Cham To	徐湛滔先生	—	7,700	15	31	7,746	218	7,964
Mr. Lu Yili	盧已立先生	—	4,813	—	31	4,844	218	5,062
Mr. Xu Shubiao	徐樹標先生	—	156	23	19	198	173	371
Mr. Gu Yaokun (note (ii))	古耀坤先生(附註(ii))	—	559	—	4	563	—	563
Mr. Xu Juwen	徐炬文先生	—	325	20	9	354	86	440
Sub-total	小計	—	13,553	58	94	13,705	695	14,400
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>							
Mr. Liu Yung Chau	廖榕就先生	—	114	—	—	114	—	114
Mr. Lien Jown Jing, Vincent	連宗正先生	—	343	—	—	343	—	343
Mr. Du Hequn	杜鶴群先生	—	257	—	—	257	—	257
Sub-total	小計	—	714	—	—	714	—	714
Total	總計	—	14,267	58	94	14,419	695	15,114

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 7 DIRECTORS' REMUNERATION (Cont'd)

### 7 董事酬金(續)

		Year ended 31 December 2015 截至二零一五年十二月三十一日止年度				
		Salaries, Directors' allowances and fees	Salaries, allowances and benefits in kind 薪金、津貼及 實物福利	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	Total 總計
		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
<b>Executive directors</b>	<b>執行董事</b>					
Mr. Tsui Cham To	徐湛滔先生	—	4,105	8	14	4,127
Mr. Lu Yili	盧已立先生	—	2,022	—	15	2,037
Mr. Xu Shubiao	徐樹標先生	—	117	13	15	145
Mr. Xu Juwen	徐炬文先生	—	—	—	—	—
Mr. Xu Zitao (note (i))	徐子滔先生(附註(i))	—	63	—	7	70
Mr. Gu Yaokun (note (ii))	古耀坤先生(附註(ii))	—	688	—	17	705
Sub-total	小計	—	6,995	21	68	7,084
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>					
Mr. Liu Yung Chau	廖榕就先生	—	81	—	—	81
Mr. Lien Jown Jing, Vincent	連宗正先生	—	243	—	—	243
Mr. Du Hequn	杜鶴群先生	—	162	—	—	162
Sub-total	小計	—	486	—	—	486
Total	總計	—	7,481	21	68	7,570

#### Notes:

- (i) Mr. Xu Zitao was resigned on 23 November 2015.
- (ii) Mr. Gu Yaokun was appointed as executive director on 23 November 2015.

There were no amounts paid during the year ended 31 December 2016 (2015: Nil) to the directors as inducement to join or upon joining the Company or the Group or as compensation for loss of office. No Directors waived or agreed to waive any emolument during the year.

#### 附註：

- (i) 徐子滔先生於二零一五年十一月二十三日辭任。
- (ii) 古耀坤先生於二零一五年十一月二十三日獲委任為執行董事。

於截至二零一六年十二月三十一日止年度，概無向董事支付任何款項作為吸引其加入或加入本公司或本集團後之獎勵或作為其離職補償(二零一五年：零)。年內概無董事放棄或同意放棄任何薪酬。



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 8 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with highest emoluments, three (2015: Three) are the directors whose emolument are disclosed in note 7. The aggregate of the emoluments in respect of the other two (2015: Two) individuals are as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Salaries and other benefits	薪金及其他福利	1,917	1,071
Share-based payments	股份支付	86	—
Retirement scheme contributions	退休計劃供款	35	15
<b>Total</b>	<b>總計</b>	<b>2,038</b>	1,086

The emoluments of these remaining individuals with the highest emoluments are within the following bands:

		2016 二零一六年 Number of individuals 人數	2015 二零一五年 Number of individuals 人數
<b>Hong Kong Dollars ("HKD")</b>	<b>港元(「港元」)</b>		
Nil - 1,000,000	零至1,000,000	1	2
1,500,000 - 2,000,000	1,500,000至2,000,000	1	—

### 8 最高薪酬人士

五名最高薪酬人士中的其中三名(二零一五年：三名)亦為本公司董事，其薪酬披露於附註7。其他兩名(二零一五年：兩名)人士的酬金總額如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Salaries and other benefits	薪金及其他福利	1,917	1,071
Share-based payments	股份支付	86	—
Retirement scheme contributions	退休計劃供款	35	15
<b>Total</b>	<b>總計</b>	<b>2,038</b>	1,086

餘下最高薪酬人士的酬金位列以下範圍內：

		2016 二零一六年 Number of individuals 人數	2015 二零一五年 Number of individuals 人數
<b>Hong Kong Dollars ("HKD")</b>	<b>港元(「港元」)</b>		
Nil - 1,000,000	零至1,000,000	1	2
1,500,000 - 2,000,000	1,500,000至2,000,000	1	—

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 9 EARNINGS PER SHARE

#### (a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of RMB519,137,000 (2015: RMB598,916,000) and the weighted average of 6,304,775,000 ordinary shares (2015: 6,100,875,000 shares) in issue during the year, calculated as follows:

		2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Issued ordinary shares at 1 January	於一月一日已發行普通股	6,316,792	5,768,328
Effect of issuance of shares (note 26(a)(ii))	股份發行的影響 (附註 26(a)(ii))	—	109,535
Effect of the share subdivision (note 26(a)(iii))	股份拆細的影響 (附註 26(a)(iii))	—	223,399
Effect of purchase of shares under the Share Award Scheme (note 23)	根據股份獎勵計劃購買 股份的影響 (附註 23)	(12,737)	(387)
Effect of grant of shares under the Share Award Scheme (note 23)	根據股份獎勵計劃授予 股份的影響(附註 23)	720	—
Weighted average number of ordinary shares at 31 December	於十二月三十一日的 普通股加權平均數	6,304,775	6,100,875

#### (b) Diluted earnings per share

During the years ended 31 December 2016 and 2015, there were no dilutive potential ordinary shares issued.

### 9 每股盈利

#### (a) 每股基本盈利

每股基本盈利的計算方法乃根據年內本公司股東應佔溢利人民幣519,137,000元(二零一五年：人民幣598,916,000元)以及已發行普通股之加權平均數6,304,775,000股(二零一五年：6,100,875,000股)計算所得如下：

#### (b) 每股攤薄盈利

於截至二零一六年及二零一五年十二月三十一日止年度，概無發行攤薄潛在普通股。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 10 PROPERTY, PLANT AND EQUIPMENT

### 10 物業、廠房及設備

		Buildings and other infrastructure 樓宇及其他 基礎設施 RMB' 000 人民幣千元	Machinery 機器 RMB' 000 人民幣千元	Motor vehicles 機動車 RMB' 000 人民幣千元	Office equipment and others 辦公設備 及其他 RMB' 000 人民幣千元	Construction in progress 在建工程 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
<b>Cost:</b>	<b>成本：</b>						
At 1 January 2015	於二零一五年一月一日	633,905	426,755	9,616	28,496	288,228	1,387,000
Additions through acquisition of subsidiaries	透過收購附屬公司進行添置	229,338	164,680	819	13,200	240,344	648,381
Additions	添置	14,410	9,356	1,263	4,607	332,683	362,319
Transfer from construction in progress	自在建工程轉出	346,903	196,074	—	—	(542,977)	—
Disposals	處置	—	—	—	(346)	—	(346)
At 31 December 2015	於二零一五年十二月三十一日	1,224,556	796,865	11,698	45,957	318,278	2,397,354
At 1 January 2016	於二零一六年一月一日	1,224,556	796,865	11,698	45,957	318,278	2,397,354
Additions	添置	924	18,671	1,185	3,778	406,984	431,542
Transfer from construction in progress	自在建工程轉出	152,516	143,846	—	—	(296,362)	—
Disposals	處置	(305)	(8,285)	—	(4)	—	(8,594)
At 31 December 2016	於二零一六年十二月三十一日	1,377,691	951,097	12,883	49,731	428,900	2,820,302
<b>Accumulated depreciation:</b>	<b>累計折舊：</b>						
At 1 January 2015	於二零一五年一月一日	(56,828)	(73,993)	(4,078)	(3,293)	—	(138,192)
Charge for the year	年內扣除	(40,229)	(58,882)	(2,173)	(7,560)	—	(108,844)
Written back on disposals	處置時撇銷	—	—	—	333	—	333
At 31 December 2015	於二零一五年十二月三十一日	(97,057)	(132,875)	(6,251)	(10,520)	—	(246,703)
At 1 January 2016	於二零一六年一月一日	(97,057)	(132,875)	(6,251)	(10,520)	—	(246,703)
Charge for the year	年內扣除	(53,350)	(102,316)	(4,544)	(4,314)	—	(164,524)
Written back on disposals	處置時撇銷	72	3,136	—	4	—	3,212
At 31 December 2016	於二零一六年十二月三十一日	(150,335)	(232,055)	(10,795)	(14,830)	—	(408,015)
<b>Carrying amount:</b>	<b>賬面值：</b>						
At 31 December 2016	於二零一六年十二月三十一日	1,227,356	719,042	2,088	34,901	428,900	2,412,287
At 31 December 2015	於二零一五年十二月三十一日	1,127,499	663,990	5,447	35,437	318,278	2,150,651

Certain property, plant and equipment with carrying value of RMB157,182,000 were pledged to secure the Group's bank loans as at 31 December 2016 (2015: RMB69,991,000)(note 22).

於二零一六年十二月三十一日，賬面值為人民幣157,182,000元的若干物業、廠房及設備已抵押作為本集團之銀行貸款的擔保(二零一五年：人民幣69,991,000元)(附註22)。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 11 LEASE PREPAYMENTS

### 11 預付租賃款項

		<b>Land use rights</b>
		土地使用權
		RMB' 000
		人民幣千元
<b>Cost:</b>	<b>成本：</b>	
At 1 January 2015	於二零一五年一月一日	116,109
Additions through acquisition of subsidiaries	透過收購附屬公司進行添置	186,338
At 31 December 2015	於二零一五年十二月三十一日	302,447
At 1 January 2016	於二零一六年一月一日	302,447
Additions	添置	—
At 31 December 2016	於二零一六年十二月三十一日	302,447
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>	
At 1 January 2015	於二零一五年一月一日	(3,492)
Charge for the year	年內扣除	(4,827)
At 31 December 2015	於二零一五年十二月三十一日	(8,319)
At 1 January 2016	於二零一六年一月一日	(8,319)
Charge for the year	年內扣除	(7,151)
At 31 December 2016	於二零一六年十二月三十一日	(15,470)
<b>Carrying amount:</b>	<b>賬面值：</b>	
At 31 December 2016	於二零一六年十二月三十一日	286,977
At 31 December 2015	於二零一五年十二月三十一日	294,128

Lease prepayments represent the Group's land use rights on leasehold land located in the PRC. At 31 December 2016, the remaining period of the land use rights ranges from 16 to 48 years (2015: 17 to 49 years).

As at 31 December 2016, lease prepayments with net book value of RMB101,862,000 were pledged for bank loans (2015: RMB63,753,000)(note 22).

The amortisation charge of lease prepayments for the year is included in "cost of sales" and "administrative expenses" in the consolidated statement of profit or loss.

預付租賃款項指本集團有關位於中國的租賃土地的土地使用權。於二零一六年十二月三十一日，土地使用權的剩餘期限介乎16至48年(二零一五年：17至49年)。

於二零一六年十二月三十一日，賬面淨值為人民幣101,862,000元的預付租賃款項已予抵押以取得銀行貸款(二零一五年：人民幣63,753,000元)(附註22)。

年內預付租賃款項的攤銷費用計入綜合損益表的「銷售成本」及「行政開支」。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 12 INTANGIBLE ASSETS

### 12 無形資產

		Supply of industrial water operation right 供應工業 用水經營權 RMB' 000 人民幣千元	Wastewater treatment plants operation rights 污水處理廠 經營權 RMB' 000 人民幣千元	Sludge and solid waste treatment operation rights 污泥及固體廢物 處理設施經營權 RMB' 000 人民幣千元	Hazardous waste treatment operation rights 危險廢物 處理經營權 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
<b>Cost:</b>	<b>成本：</b>					
At 1 January 2015	於二零一五年一月一日	—	117,623	124,946	—	242,569
Additions through acquisition of	透過收購進行添置					
- Shunde Hanyang Industrial Water Supply Company Limited ("Hanyang Shuiwu")	- 佛山市順德區韓洋水務工程有限公司(「韓洋水務」)	40,000	—	—	—	40,000
- Guangzhou Liangang Vessel Wastewater Treatment Company Limited ("Guangzhou Liangang")	- 廣州市蓮港船舶清油有限公司(「廣州蓮港」)	—	—	—	57,000	57,000
- Foshan Shunde Ganghui Wastewater Treatment Company Limited ("Ganghui Huanbao")	- 佛山市順德區港匯環保污水處理有限公司(「港匯環保」)	—	16,000	—	—	16,000
- Zhongshan Hailan Water Resources Development Company Limited ("Zhongshan Hailan")	- 中山市海藍水資源開發有限公司(「中山海藍」)	—	10,000	—	—	10,000
- Guangzhou Kangxiang Metal Reclamation Company Limited ("Guangzhou Kangxiang")	- 廣州康翔物資金屬回收有限公司(「廣州康翔」)	—	—	17,000	—	17,000
- Guangzhou Lvyou	- 廣州綠由	—	—	—	696,000	696,000
- Guangdong Longtao Circular Economy Development Company Limited ("Guangdong Longtao")	- 廣東龍滔循環經濟發展有限公司(「廣東龍滔」)	—	—	33,613	—	33,613
- Foshan Haoying Solid Waste Centralized Treatment Centre Company Limited ("Haoying Solid")	- 佛山市浩盈固體廢物處置中心有限公司(「浩盈固廢」)	—	—	7,000	—	7,000
- Foshan Sanshui Zhaofeng Energy Company Limited ("Sanshui Zhaofeng")	- 佛山市三水肇豐能源有限公司(「三水肇豐」)	—	—	—	14,000	14,000
- Xinfeng Lvzhi Industrial Waste Reclamation Treatment Co., Limited ("Xinfeng Lvzhi")	- 新豐縣綠智工業廢物回收處理有限公司(「新豐綠智」)	—	—	23,900	—	23,900
		40,000	26,000	81,513	767,000	914,513

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 12 INTANGIBLE ASSETS (Cont'd)

### 12 無形資產(續)

		Supply of industrial water operation right 供應工業 用水經營權 RMB' 000 人民幣千元	Wastewater treatment plants operation rights 污水處理廠 經營權 RMB' 000 人民幣千元	Sludge and solid waste treatment operation rights 污泥及固體廢物 處理設施經營權 RMB' 000 人民幣千元	Hazardous waste treatment operation rights 危險廢物 處理經營權 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Additions	添置	—	121,384	81,284	—	202,668
Derecognition upon acquisition of subsidiaries	於收購附屬公司後終止確認	—	(171,898)	—	—	(171,898)
At 31 December 2015	於二零一五年十二月三十一日	40,000	93,109	287,743	767,000	1,187,852
At 1 January 2016	於二零一六年一月一日	40,000	93,109	287,743	767,000	1,187,852
Additions (note 12(a))	添置(附註 12(a))	—	—	235,489	—	235,489
At 31 December 2016	於二零一六年十二月三十一日	40,000	93,109	523,232	767,000	1,423,341
<b>Accumulative amortisation</b>	<b>累計攤銷</b>					
At 1 January 2015	於二零一五年一月一日	—	(3,587)	(5,122)	—	(8,709)
Amortisation	攤銷	(222)	(5,750)	(7,744)	(17,189)	(30,905)
Derecognition upon acquisition of subsidiaries	於收購附屬公司後終止確認	—	2,373	—	—	2,373
At 31 December 2015	於二零一五年十二月三十一日	(222)	(6,964)	(12,866)	(17,189)	(37,241)
At 1 January 2016	於二零一六年一月一日	(222)	(6,964)	(12,866)	(17,189)	(37,241)
Amortisation	攤銷	(2,667)	(5,006)	(7,593)	(39,533)	(54,799)
Impairment Loss	減值虧損	—	—	—	(12,911)	(12,911)
At 31 December 2016	於二零一六年十二月三十一日	(2,889)	(11,970)	(20,459)	(69,633)	(104,951)
<b>Carrying amount:</b>	<b>賬面值：</b>					
At 31 December 2016	於二零一六年十二月三十一日	37,111	81,139	502,773	697,367	1,318,390
At 31 December 2015	於二零一五年十二月三十一日	39,778	86,145	274,877	749,811	1,150,611

## 12 INTANGIBLE ASSETS (Cont'd)

Notes:

- (a) In June 2015, the Group acquired 100% equity interests in Guangdong Longtao, whose principle activities are provision of sludge and solid waste treatment services in the PRC under BOT arrangement with a grantor. Under the above BOT arrangement, Guangdong Longtao will operate the facilities for a period of 30 years. For the year ended 31 December 2016, the Group has recognised revenue of RMB285,015,000 (2015: RMB94,452,000) and profit of RMB47,502,000 (2015: RMB15,742,000) on construction of the sludge and solid waste treatment facilities of Guangdong Longtao. The revenue recognised in relation to construction represents the fair value of the construction services provided in constructing the wastewater treatment and sludge and solid waste treatment facilities.

The Group has the right to charge the grantor a fee for using the facilities. At the end of the concession period, the facilities will become the property of the grantor and the Group will have no further involvement in its operation or maintenance requirements.

- (b) The income approach was used for measuring the fair value of the intangible assets acquired. The recoverable amounts of these intangible assets were estimated based on its cash flow forecast and using after-tax discount rates ranging from 14% to 16%.

Amortisation of intangible assets is included in cost of sales in the consolidated statements of profit or loss.

### Impairment loss

During the year ended 31 December 2016, operation right of hazardous waste treatment services of Sanshui Zhaofeng was fully impaired. During the year ended 31 December 2016, the operation of Sanshui Zhaofeng was temporarily suspended. The Group assessed the recoverable amounts of the cash-generating unit of Sanshui Zhaofeng and as a result the carrying amounts of the intangible asset and goodwill (note 13) were fully written down based on the valuation by the independent valuer. Impairment losses of RMB12,911,000 and RMB2,026,000 of corresponding intangible asset and goodwill (note 13) were recognised in "Administrative expenses".

## 12 無形資產(續)

附註：

- (a) 於二零一五年六月，本集團收購廣東龍滔之100%股本權益，廣東龍滔的主要業務是根據與授予人訂立的BOT安排在中國提供污泥及固體廢物處理服務。根據上述BOT安排，廣東龍滔將營運設施為期30年。截至二零一六年十二月三十一日止年度，本集團已就廣東龍滔建設污泥及固體廢物處理設施確認人民幣285,015,000元(二零一五年：人民幣94,452,000元)的收益及人民幣47,502,000元(二零一五年：人民幣15,742,000元)的溢利。就工程確認之相關收益為建設污水處理設施及污泥及固體廢物處理設施所提供建設服務之公平值。

本集團有權就使用有關設施向授予人收取費用。於特許權期末，有關設施將成為授予人的財產，而本集團將不再進一步參與其營運或維護。

- (b) 收益法乃用於計量所收購無形資產之公平值。該等無形資產之可回收金額乃根據其現金流量預測並使用14%至16%之除稅後貼現率進行估計。

無形資產攤銷計入綜合損益表的銷售成本。

### 減值虧損

截至二零一六年十二月三十一日止年度，三水肇豐的危險廢棄物處理服務經營權已全數減值。截至二零一六年十二月三十一日止年度，三水肇豐的經營暫時中止。本集團評估三水肇豐現金產生單位的可收回金額，因此，無形資產及商譽(附註13)的賬面值已基於獨立估值師的估值全數撇銷。相應無形資產及商譽(附註13)的減值虧損人民幣12,911,000元及人民幣2,026,000元於「行政開支」確認。

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(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 13 GOODWILL

### 13 商譽

		RMB' 000 人民幣千元
<b>Cost</b>	<b>成本</b>	
At 1 January 2015	於二零一五年一月一日	76,566
Additions through acquisition of subsidiaries	通過收購附屬公司添置	67,765
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月三十一日、 二零一六年一月一日及 二零一六年十二月三十一日	144,331
<b>Accumulated impairment losses</b>	<b>累計減值虧損</b>	
At 1 January 2015 and 31 December 2015	於二零一五年一月一日及 二零一五年十二月三十一日	—
Impairment loss	減值虧損	(2,026)
At 31 December 2016	於二零一六年十二月三十一日	(2,026)
<b>Carrying amount</b>	<b>賬面值</b>	
At 31 December 2016	於二零一六年十二月三十一日	142,305
At 31 December 2015	於二零一五年十二月三十一日	144,331



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### 13 GOODWILL (Cont'd)

Goodwill acquired through acquisition of subsidiaries is allocated to the Group's cash-generating unit ("CGU") identified as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Water supply services	供應工業用水		
– Hanyang Shuiwu	– 韓洋水務	23,141	23,141
Wastewater treatment services	污水處理服務		
– Guangzhou Yinglong	– 廣州盈隆	17,034	17,034
– Ganghui Huanbao	– 港匯環保	4,879	4,879
– Zhongshan Hailan	– 中山海藍	6,422	6,422
Sludge and solid waste treatment services	污泥及固體廢物處理服務		
– Qingyuan Lvyou	– 清遠綠由	49,945	49,945
– Heyuan Solid	– 河源固廢	9,587	9,587
– Guangzhou Kangxiang	– 廣州康翔	5,172	5,172
– Haoying Solid	– 浩盈固廢	1,877	1,877
Hazardous waste treatment services	危險廢物處理服務		
– Guangzhou Liangang	– 廣州蓮港	24,248	24,248
– Sanshui Zhaofeng	– 三水肇豐	—	2,026
		<b>142,305</b>	<b>144,331</b>

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a period from 15 to 20 years. Cash flows beyond the period are extrapolated using an estimated weighted average growth rate of 3% which is consistent with the forecasts included in industry reports. The growth rates used do not exceed the long-term average growth rates for the business in which the CGU operates. The cash flows are discounted using a discount rate of 14% to 16%. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The impairment loss recognised during the year solely relates to Sanshui Zhaofeng (note 12).

### 13 商譽(續)

通過收購附屬公司獲得之商譽於本集團之已識別現金產生單位(「現金產生單位」)進行分配如下：

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Water supply services		
– Hanyang Shuiwu	23,141	23,141
Wastewater treatment services		
– Guangzhou Yinglong	17,034	17,034
– Ganghui Huanbao	4,879	4,879
– Zhongshan Hailan	6,422	6,422
Sludge and solid waste treatment services		
– Qingyuan Lvyou	49,945	49,945
– Heyuan Solid	9,587	9,587
– Guangzhou Kangxiang	5,172	5,172
– Haoying Solid	1,877	1,877
Hazardous waste treatment services		
– Guangzhou Liangang	24,248	24,248
– Sanshui Zhaofeng	—	2,026
	<b>142,305</b>	<b>144,331</b>

現金產生單位之可收回金額乃根據使用價值而釐定。該等計算根據管理層批准之財務預算使用現金流預測，為期十五至二十年。超出年期的現金流量乃使用估計加權平均增長率3%推算，其與行業報告中的預測一致。所用增長率並無超過現金產生單位經營所在業務的長期平均增長率。現金流量以貼現率14%至16%貼現。所貼現率為稅前，並影響相關分部有關之特定風險。

年內確認的減值虧損僅與三水肇豐有關(附註12)。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 14 INVESTMENTS IN SUBSIDIARIES

#### (a) List of subsidiaries

The following list contains only the particulars of major subsidiaries which principally affected the results, assets or liabilities of the Group.

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Particulars of issued and paid up capital 已發行及實繳資本詳情	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
			Group's effective interest 本集團的實際權益	Held by a subsidiary 由附屬公司持有	
Guangzhou Kaizhou Water Supply Company Limited (i)(ii) 廣州凱洲自來水有限公司 (i)(ii)	Guangzhou, the PRC 中國，廣州	HKD20,000,000 20,000,000 港元	100%	100%	Supply of industrial water 提供工業用水
Guangzhou Xintao (i)(ii) 廣州新滔 (i)(ii)	Guangzhou, the PRC 中國，廣州	HKD730,000,000 730,000,000 港元	100%	100%	Provision of wastewater processing and heating service 提供污水處理及供熱服務
Guangzhou Haitao (i) 廣州海滔 (i)	Guangzhou, the PRC 中國，廣州	RMB80,000,000 人民幣 80,000,000 元	100%	100%	Design, construction, operation and maintenance of wastewater treatment plant 設計、製造營運及維護污水處理廠
Guangzhou Yinglong (i) 廣州盈隆 (i)	Guangzhou, the PRC 中國，廣州	RMB80,000,000 人民幣 80,000,000 元	100%	100%	Provision of wastewater treatment plants operation services 提供污水處理廠營運服務

### 14 於附屬公司的投資

#### (a) 附屬公司名單

下表僅包括主要影響本集團業績、資產或負債的主要附屬公司詳情。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 14 INVESTMENTS IN SUBSIDIARIES (Cont'd)

#### (a) List of subsidiaries (Cont'd)

Name of company 公司名稱	Place of incorporation and business 註冊成立及營業地點	Particulars of issued and paid up capital 已發行及實繳資本詳情	Proportion of ownership interest 擁有權益比例		Principal activities 主要業務
			Group's effective interest 本集團的實際權益	Held by a subsidiary 由附屬公司持有	
Qingyuan Lvyou (i)	Qingyuan, the PRC	RMB10,000,000	100%	100%	Provision of sludge and solid waste treatment services 提供污泥及固體廢物處理服務
清遠緣由(i)	中國，清遠	人民幣10,000,000元	100%	100%	提供污泥及固體廢物處理服務
Guangzhou Lvyou (i)(ii)	Guangzhou, the PRC	RMB81,870,000	100%	100%	Provision of sludge and hazardous waste treatment services 提供污泥及固體廢物及危險廢物處理服務
廣州緣由(i)(ii)	中國，廣州	人民幣81,870,000元	100%	100%	提供污泥及固體廢物及危險廢物處理服務

Note:

- (i) These are private limited liability companies in the PRC. The official names of these entities are in Chinese. The English translation of the names is for reference only.
- (ii) These are wholly foreign owned enterprises in the PRC. The official names of these entities are in Chinese. The English translation of the names is for reference only.

附註：

- (i) 該等公司為位於中國的有限責任公司。該等公司的官方名稱為中文，英文名稱僅供識別。
- (ii) 該公司為中國的外商獨資企業。該等公司之正式名稱為中文名稱，英文譯名僅供參考。

- (b) The following table lists out the information relating to Sanshui Zhaofeng, the only subsidiary of the Group which has a material non-controlling interest (NCI) as at 31 December 2016. The summarised financial information presented below represents the amounts before any inter-company elimination.

- (b) 下表載列於二零一六年十二月三十一日有關三水肇豐(一間擁有重大非控股權益之本集團唯一附屬公司)的財務資料。下文呈列之財務資料概要為任何公司間抵銷前之金額。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 14 INVESTMENTS IN SUBSIDIARIES (Cont'd)

### 14 於附屬公司的投資(續)

		<b>2016</b>	From the date of acquisition to 31 December 2015
		二零一六年	從收購日期至 二零一五年 十二月三十一日
		<b>RMB' 000</b>	RMB' 000
		人民幣千元	人民幣千元
NCI percentage	非控股權益所佔百分比	<b>30%</b>	30%
Current assets	流動資產	<b>12,297</b>	16,356
Non-current assets	非流動資產	<b>26,177</b>	42,949
Current liabilities	流動負債	<b>(15,596)</b>	(16,895)
Non-current liabilities	非流動負債	—	(3,461)
Net assets	資產淨值	<b>22,878</b>	38,949
Carrying amount of NCI	非控股權益賬面值	<b>6,863</b>	11,685
Revenue	收入	<b>1,404</b>	1,789
Loss for the year	年內虧損	<b>(16,069)</b>	(1,015)
Total comprehensive income	全面收益總額	<b>(16,069)</b>	(1,015)
Loss allocated to NCI	非控股權益分配虧損	<b>(4,821)</b>	(305)
Net cash generated from operating activities	經營活動產生之現金淨額	<b>517</b>	58
Net cash generated from investing activities	投資活動產生之現金淨額	—	—
Net cash used in financing activities	融資活動所用之現金淨額	<b>(688)</b>	—

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 15 INTEREST IN ASSOCIATES

### 15 於聯營公司的權益

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Share of net assets	分佔資產淨值		
– Guangzhou Huayue Environmental Protection Technology Co., Ltd. (“Guangzhou Huayue”)	– 廣州華越環保技術有限公司(「廣州華越」)	2,754	1,840
– Guangzhou Suiqin Dangerous Waste Transportation Co., Ltd. (“Guangzhou Suiqin”)	– 廣州穗勤危險貨物運輸有限公司(「廣州穗勤」)	3,307	2,694
Carrying amount in the consolidated financial statements	綜合財務報表賬面值	6,061	4,534

The following list contains the particulars of the associates, both of which are unlisted corporate entities whose quoted market price is not available:

下表載列附屬公司之詳情，兩者均為非上市公司實體且並無市價：

Name	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital 已發行及實繳資本詳情	Proportion of ownership interest 擁有權益比例		Principal activity
				Group's effective interest 本集團的實際權益	Held by a subsidiary 由附屬公司持有	
合營企業名稱	業務結構形式	註冊成立及營業地點				主要業務
Guangzhou Huayue (i)	Limited liability company	Guangzhou, the PRC	RMB3,000,000	41%	41%	Provision of environmental protection consulting service
廣州華越 (i)	有限責任公司	中國，廣州	人民幣3,000,000元	41%	41%	提供環保諮詢服務
Guangzhou Suiqin (i)	Limited liability company	Guangzhou, the PRC	RMB5,000,000	41%	41%	Transportation of hazardous wastes
廣州穗勤 (i)	有限責任公司	中國，廣州	人民幣5,000,000元	41%	41%	有害廢棄物排放

Note:

(i) Guangzhou Huayue and Guangzhou Suiqin are private limited liability companies in the PRC. The official names of the entities are in Chinese. The English translation of the names is for reference only.

附註：

(i) 廣州華越和廣州穗勤於中國均為私人有限責任公司。該實體官方名稱為中文。英文譯名僅供參考。

All of the above associates are accounted for using the equity method in the consolidated financial statements.

上述所有聯營公司的權益於綜合財務報表以權益法入賬。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 16 INTEREST IN A JOINT VENTURE

### 16 於一家合營企業之權益

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Share of net assets	分佔資產淨值	2,439	1,906
Goodwill	商譽	417	417
Carrying amount in the consolidated financial statements	綜合財務報表賬面值	2,856	2,323

Details of the Group's interest in the joint venture, which is accounted for using the equity method in the consolidated financial statements, are as follows:

上述合營公司的權益於綜合財務報表以權益法入賬，詳情如下：

Name	Form of business structure	Place of incorporation and operation	Particulars of issued and paid up capital 已發行及實繳資本詳情	Proportion of ownership interest 擁有權益比例		Principal activity
				Group's effective interest 本集團的實際權益	Held by a subsidiary 由附屬公司持有	
Guangzhou Haiqin Tiancheng Technical Testing Services Co., Ltd. ("Haiqin Tiancheng")	Limited liability company	Guangzhou, the PRC	RMB3,000,000	50%	50%	Pollutants measurement
廣州海沁天誠技術檢測服務有限公司 ("海沁天誠")	有限責任公司	中國，廣州	人民幣3,000,000元	50%	50%	污染物測量

Note:

This is a private limited liability company in the PRC. The official name of the entity is in Chinese. The English translation of the name is for reference only.

附註：

該公司於中國為私人有限責任公司。該實體官方名稱為中文。英文譯名僅供參考。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 17 GROSS AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK 17 應收客戶合約工程款項總額

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Gross amounts due from customers for contract work	應收客戶合約工程款項總額		
– Non-current	– 非即期	259,206	231,302
– Current	– 即期	38,454	33,971
		<b>297,660</b>	265,273

Certain subsidiaries of the Group entered into service concession arrangements with the grantors. Pursuant to the service concession arrangements, the Group has to design, construct and operate wastewater and solid waste treatment plants in the PRC, with operation periods varying from 20 years to 30 years. The Group has the obligations to maintain the wastewater and solid waste treatment plants in good condition. The grantors guarantee that the Group will receive minimum annual payments for certain service concession arrangements. Upon expiry of the concession periods, the wastewater and solid waste treatment plants and the related facilities will be transferred to the grantors.

本集團的若干附屬公司已與授予人訂立服務特許權安排。根據服務特許權安排，本集團須於中國設計、建築、經營污水及固體廢物處理設施，經營期介乎20至30年。本集團有義務維持污水及固體廢物處理設施處於良好狀態。授予人保證本集團將就若干服務特許權安排收取最低年度費用。於特許權期屆滿後，污水及固體廢物處理廠及有關設施將轉讓予授予人。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 17 GROSS AMOUNTS DUE FROM CUSTOMERS FOR CONTRACT WORK (Cont'd)

The service concession arrangements do not contain renewal options. The standard rights of the grantors to terminate the agreements include failure of the Group to construct or operate the wastewater and solid waste treatment plants and in the event of a material breach of the terms of the agreements. The standard rights of the Group to terminate the agreements include failure of the grantors to make payment under the agreements and in the event of a material breach of the terms of the agreements.

Revenue relates to the construction services provided in constructing the wastewater and solid waste treatment plants is recognized as “Gross amounts due from customers for contract work” and intangible assets in the financial statements according to accounting policies as set out in note 1(g) and note 1(i).

“Gross amounts due from customers for contract work” represent revenue from construction under BOT arrangements and bear interest at rates ranging from 5.94%-6.80% per annum for the year ended 31 December 2016 (2015: 5.94%-6.80%). The amounts for BOT arrangements are not yet due for payment and will be settled by revenue to be generated during the operating periods of the BOT arrangements.

### 17 應收客戶合約工程款項總額(續)

服務特許權安排不可續期。授予人可行使標準權利終止協議的情況包括：本集團未能建造或經營污水及固體廢物處理廠，以及協議條款遭重大違反。本集團可行使標準權利終止協議的情況包括：授予人未能根據協議支付款項，以及協議條款遭重大違反。

根據附註1(g)及附註1(i)所載會計政策，因建造污水及固體廢物處理設施而提供建造服務所得的相關收益在財務報表中確認為「應收客戶合約工程款項總額」及無形資產。

截至二零一六年十二月三十一日止年度，「應收客戶合約工程款項總額」指來自BOT安排項下建設項目的收益，並按年利率5.94%至6.80%(二零一五年：5.94%至6.80%)計息。BOT安排的款項屬未到期付款，並將於BOT安排經營期以將會產生的收益支付。



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 18 INVENTORIES

### 18 存貨

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Raw materials	原材料	14,624	18,081
Work in progress	在製品	3,470	1,239
Finished goods	製成品	2,494	7,282
Low value consumables	低價值消耗品	3,130	3,312
<b>Total</b>	<b>總計</b>	<b>23,718</b>	29,914

Inventories mainly comprise materials consumed during the sludge and solid waste treatment and the hazardous waste treatment process.

存貨主要包括於污泥及固體廢物及危險廢物處理過程中所耗用的材料。

The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

確認為開支並計入損益之存貨金額分析如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Carrying amount of inventories consumed	已消耗存貨賬面值	111,324	77,367
Write down of inventories	存貨撥備	279	847
<b>Total</b>	<b>總計</b>	<b>111,603</b>	78,214

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 19 TRADE AND OTHER RECEIVABLES

### 19 貿易及其他應收款項

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
<b>Current</b>	<b>即期</b>		
Trade debtors	貿易債務人	584,685	411,363
Less: allowance for doubtful debts (note 19(b))	減：呆賬撥備(附註 19(b))	(29,835)	—
		554,850	411,363
Advances to third parties and interest receivables (i)	給予第三方的墊款及應收利息 (i)	118,359	—
Prepayment of acquisition deposits (ii)	收購按金的預付款 (ii)	25,000	—
Other prepayments and other receivables	其他預付款及其他應收款項	166,462	155,348
Amounts due from related parties (note 29(d)(i))	應收關聯方款項(附註 29(d)(i))	137,020	227,629
		1,001,691	794,340
<b>Non-current</b>	<b>非即期</b>		
Prepayments for purchase of lease prepayments and equipment	購買租賃預付款及設備預付款項	205,977	105,192
Prepayments of acquisition deposits (ii)	預付收購款項 (ii)	30,000	88,124
Other prepayments and other receivables	其他預付款及其他應收款項	95,635	84,288
		331,612	277,604
<b>Total</b>	<b>總計</b>	<b>1,333,303</b>	<b>1,071,944</b>

All of the prepayments and other receivables (including amounts due from related parties), apart from those classified as non-current portion, are expected to be recovered or recognised as expense within one year.

所有預付款項及其他應收款項(包括應收關聯方)預期將於一年內收回或確認為開支，惟不包括分類為非即期的部分。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 19 TRADE AND OTHER RECEIVABLES (Cont'd)

- (i) As at 31 December 2016, short-term advances of RMB114,201,000 were paid by the Group to certain third-party individuals. Annualised interest rates of these advances were fixed and ranged from 9% to 10%. As at 31 December 2016, interest receivables of RMB4,158,000 were recognised by the Group. Up to 31 March 2017, except for interest receivable of RMB1,500,000, advances to third parties and interest receivables had been fully refunded to the Group.
- (ii) For the year ended 31 December 2016, prepayment of RMB25,000,000 and RMB30,000,000 were paid as acquisition deposits for the Group's acquisition intention on two companies, whose principle activities include provision of sludge, solid waste and hazardous waste treatment services. As at 31 December 2016, the Group decided to carry out acquisition of only one of these two companies. Hence, the prepayment of acquisition deposit of RMB25,000,000 for the target company that the Group finally decided not to acquire was classified as current receivables which would be refunded to the Group.

As at 31 December 2015, the prepayment of RMB88,124,000 were paid as acquisition deposits for 3 target companies which are principally engaged in hazardous waste treatment services and recycling businesses. During the year ended 31 December 2016, the Group decided to terminate the acquisition process and RMB88,214,000 was fully refunded to the Group.

### 19 貿易及其他應收款項(續)

- (i) 於二零一六年十二月三十一日，本集團向獨立第三方人士支付短期墊款人民幣114,201,000元。該等墊款的按年利息為固定，介乎於9%至10%。於二零一六年十二月三十一日，本集團確認人民幣4,158,000元的應收利息。直至二零一七年三月三十一日，除人民幣1,500,000元應收利息外，本集團已全數獲退回第三方墊款及應收利息。
- (ii) 截至二零一六年十二月三十一日止年度，本集團支付人民幣25,000,000元及人民幣30,000,000元的預付款項作為本集團有意收購兩家公司（主要業務包括提供污泥、固廢處理及危險廢物處理服務）的收購款。於二零一六年十二月三十一日，本集團決定僅收購該兩家公司中的其中一家公司。因此，本集團收購目標公司預付收購款人民幣25,000,000元（本集團最終決定並不進行收購）獲歸類為將退回予本集團的流動應收款項。

於二零一五年十二月三十一日，本集團支付人民幣88,124,000元的預付款項作為收購三家目標公司（其主要從事危險廢物處理服務及回收業務）的收購款。截至二零一六年十二月三十一日止年度，本集團決定終止收購程序並獲悉數退回人民幣88,214,000元。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 19 TRADE AND OTHER RECEIVABLES (Cont'd)

#### (a) Ageing analysis

As of the end of the reporting period, the ageing analysis of trade debtors, based on the invoice date and net of allowance for doubtful debts, is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 month	一個月內	189,774	201,508
1 to 3 months	一至三個月	156,037	111,216
Over 3 months but within 1 year	多於三個月但一年內	209,039	98,639
		<b>554,850</b>	411,363

Trade debtors are usually due within 30 days from the date of billing. The Group does not hold any collateral over these balances. Further details on the Group's credit policy are set out in note 27(a).

#### (b) Impairment of trade debtors

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 1(l)(i)).

### 19 貿易及其他應收款項(續)

#### (a) 賬齡分析

截至報告期末，貿易應收賬款按發票日期及經扣除呆賬撥備的賬齡分析如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 month	189,774	201,508
1 to 3 months	156,037	111,216
Over 3 months but within 1 year	209,039	98,639
	<b>554,850</b>	411,363

貿易應收款項通常自開票日期起計三十日內到期。本集團並無就該等結餘持有任何抵押品。本集團信貸政策的進一步詳情載於附註27(a)。

#### (b) 貿易應收款項減值

貿易應收款項的減值虧損計入撥備賬，除非本集團相信收回有關款項的機會極微，於該情況下，減值虧損直接與貿易應收款項對銷。(見附註1(l)(i))。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 19 TRADE AND OTHER RECEIVABLES (Cont'd)

#### (b) Impairment of trade debtors (Cont'd)

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
At 1 January	於一月一日	—	—
Impairment loss recognised	已確認減值虧損	29,835	—
At 31 December	於十二月三十一日	29,835	—

At 31 December 2016, trade debtors of RMB81,602,000 (2015: Nil) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered. Consequently, specific allowances for doubtful debts of RMB29,835,000 (2015: Nil) were recognised.

#### (c) Trade debtors that are not impaired

The ageing analysis of trade debtors that are neither individually nor collectively considered to be impaired are as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Neither past due nor impaired	既未逾期亦未減值	185,754	201,508
Less than 3 months past due	逾期三個月以內	144,287	111,216
Over 3 months but within 1 year past due	逾期多於三個月但一年內	173,042	98,639
		503,083	411,363

### 19 貿易及其他應收款項(續)

#### (b) 貿易應收款項減值(續)

年內呆賬撥備變動(包括特別及綜合虧損部分)如下：

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
At 1 January	—	—
Impairment loss recognised	29,835	—
At 31 December	29,835	—

於二零一六年十二月三十一日，貿易應收賬款人民幣81,602,000元(二零一五年：零)個別被釐定減值。個別減值的應收款項與陷入財務困難的客戶有關，管理層預計僅可收回部分應收款項。因此，確認呆賬特定撥備人民幣29,835,000元(二零一五年：零)。

#### (c) 未減值的貿易應收賬款

並無個別或集體視作減值的貿易應收款項賬齡分析如下：

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Neither past due nor impaired	185,754	201,508
Less than 3 months past due	144,287	111,216
Over 3 months but within 1 year past due	173,042	98,639
	503,083	411,363

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 19 TRADE AND OTHER RECEIVABLES (Cont'd)

#### (c) Trade debtors that are not impaired (Cont'd)

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of local government authorities and industrial entities in the PRC that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of the past due balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

### 20 CASH AND CASH EQUIVALENTS

#### (a) Cash and cash equivalents comprise:

Cash on hand	手頭現金
Cash at bank	銀行現金

At 31 December 2016, cash and cash equivalents placed with banks in the mainland China amounted to RMB993,684,000 (2015: RMB287,812,000). Remittance of funds out of mainland China is subject to the relevant rules and regulations of foreign exchange control promulgated by the PRC government.

### 19 貿易及其他應收款項(續)

#### (c) 未減值的貿易應收賬款(續)

並無逾期亦未減值的應收款項與多名近期無拖欠紀錄的客戶有關。

已逾期但尚未減值的應收款項與多個和本集團有良好交易紀錄的中國當地政府機構及工業實體有關。基於過往經驗，由於信貸質素並無重大改變且餘額仍被視為可全數收回，管理層認為毋須就該等逾期餘額計提減值撥備。

### 20 現金及現金等價物

#### (a) 現金及現金等價物包括：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash on hand	手頭現金	2,829	4,356
Cash at bank	銀行現金	1,031,078	378,144
		<b>1,033,907</b>	382,500

於二零一六年十二月三十一日，存放於中國內地銀行的現金及現金等價物金額為人民幣993,684,000元(二零一五年：人民幣287,812,000元)。將資金匯出中國境外須遵守中國政府頒佈的相關的外匯管制的規章制度。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 20 CASH AND CASH EQUIVALENTS (Cont'd)

### 20 現金及現金等價物(續)

#### (b) Reconciliation of profit before taxation to cash generated from operations:

#### (b) 除稅前溢利與經營活動所得現金的對賬：

		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Profit before taxation	除稅前溢利		<b>616,928</b>	670,575
Adjustments for:	經調整以下各項：			
Depreciation	折舊	10	<b>164,524</b>	108,844
Amortisation of lease prepayments	預付租賃款項攤銷	11	<b>7,151</b>	4,827
Amortisation of intangible assets	無形資產攤銷	12	<b>54,799</b>	30,905
Impairment loss of intangible assets	無形資產減值虧損	12	<b>12,911</b>	—
Impairment of goodwill	商譽減值	13	<b>2,026</b>	—
Finance costs	融資成本	5(a)	<b>88,159</b>	70,157
Foreign exchange loss	外匯虧損		<b>35,347</b>	11,710
Interest income	利息收入	4(a)	<b>(4,727)</b>	(483)
Share of profits of associates	分佔聯營公司的溢利		<b>(1,527)</b>	(1,115)
Share of profit of a joint venture	分佔一家合營企業的溢利		<b>(533)</b>	(361)
Net loss on disposal of property, plant and equipment	處置物業、廠房及設備虧損淨值		<b>247</b>	62
Write down of inventories	存貨撥備	18	<b>279</b>	847
Impairment of trade receivables	貿易應收款項減值	19(b)	<b>29,835</b>	—
Gain on bargain acquisition of subsidiary	議價收購附屬公司之收益	4(b)	—	(138,461)
Equity settled share based payments	以權益結算的股份支付	23	<b>3,413</b>	—
Changes in working capital:	營運資本變動：			
Decrease in inventories	存貨減少		<b>5,917</b>	3,891
Increase in trade and other receivables	貿易及其他應收款項增加		<b>(29,433)</b>	(59,049)
Increase in gross amount due from customers for contract work	應收客戶合約工程款項總額增加		<b>(32,387)</b>	(53,702)
(Decrease)/increase in deferred income	遞延收入(減少)/增加		<b>(277)</b>	545
Decrease in trade and other payables	貿易及其他應付款項減少		<b>(147,776)</b>	(89,551)
Cash generated from operations	經營業務所得現金		<b>804,876</b>	559,641

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 21 TRADE AND OTHER PAYABLES

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Trade payables	貿易應付款項	96,347	81,384
Other payables and accruals	其他應付款項及應計費用	386,815	235,449
Amounts due to related parties (note 29(d)(ii))	應付關聯方款項 (附註 29(d)(ii))	2,904	4,718
		<b>486,066</b>	<b>321,551</b>

All of the trade payables, other payables, accruals and amounts due to related parties are expected to be settled within one year or are repayable on demand.

The credit period granted by the suppliers ranges from 30 days to 90 days.

As of the end of the reporting period, the ageing analysis of trade payables, based on the invoice date, is as follows:

### 21 貿易及其他應付款項

所有貿易應付款項、其他應付款項、應計費用及應付關聯方款項預期將於一年內結算或按要求償還。

供應商授出的信貸期介乎30日至90日不等。

截至報告期末，貿易應付款項按發票日期的賬齡分析如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within 1 month	一個月內	47,305	37,920
1 to 3 months	一至三個月	30,730	24,434
Over 3 months but within 1 year	多於三個月但一年內	11,779	11,236
Over 1 year	一年以上	6,533	7,794
		<b>96,347</b>	<b>81,384</b>



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 22 BANK LOANS

At 31 December 2016, the bank loans were repayable as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within 1 year or on demand	一年內或按要求	1,047,659	642,276
After 1 year but within 2 years	一年後但兩年內	714,496	417,137
After 2 years but within 5 years	兩年後但五年內	892,141	751,848
After 5 years	五年後	182,917	198,305
Sub-total	小計	1,789,554	1,367,290
Total	總計	2,837,213	2,009,566

Notes:

- (i) Bank loans of the Group as at 31 December 2016 were floating-rate loans which carried interest rates ranged from 1.18% to 7.00% (2015: 1.79% to 7.38%).
- (ii) At 31 December 2016, the bank loans were secured as follows:

### 22 銀行貸款

於二零一六年十二月三十一日，應償還銀行貸款如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within 1 year or on demand	一年內或按要求	1,047,659	642,276
After 1 year but within 2 years	一年後但兩年內	714,496	417,137
After 2 years but within 5 years	兩年後但五年內	892,141	751,848
After 5 years	五年後	182,917	198,305
Sub-total	小計	1,789,554	1,367,290
Total	總計	2,837,213	2,009,566

附註：

- (i) 於二零一六年十二月三十一日，本集團之銀行貸款為浮息貸款，按介乎1.18%至7.00%（二零一五年：1.79%至7.38%）之利率計息。
- (ii) 於二零一六年十二月三十一日，銀行貸款抵押情況如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Secured	有抵押	2,584,074	1,935,209
Unsecured	無抵押	253,139	74,357
		2,837,213	2,009,566

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 22 BANK LOANS (Cont'd)

Notes: (Cont'd)

- (ii) At 31 December 2016, the bank loans were secured as follows: (Cont'd)

Secured bank loans as at 31 December 2016 were secured by certain of the Group's charge rights of water supply, wastewater processing, waste processing and electricity supply, property, plant and equipment (note 10), lease prepayments (note 11), the equity interests of Qingyuan Lvyou, Guangzhou Yinglong and Guangzhou Liangang and a minority shareholder's property (2015: secured by certain of the Group's charge rights of water supply and wastewater processing, property, plant and equipment (note 10), lease prepayments (note 11), the equity interests of Qingyuan Lvyou, Guangzhou Yinglong and Guangzhou Liangang and a minority shareholder's property).

Bank loans amounted to RMB147,629,000 as at 31 December 2016 were guaranteed by former shareholder of Guangzhou Yinglong (2015: RMB169,236,000 were guaranteed by former shareholders of Guangzhou Yinglong and Heyuan Solid).

- (iii) Bank loans amounted to RMB2,830,213,000 as at 31 December 2016 (2015: RMB1,967,098,000) are subject to the fulfillment of covenants relating to certain of the Group's balance sheet ratios, as are commonly found in lending arrangements with financial institutions. Pursuant to the terms of the bank loan agreements, certain subsidiaries are not allowed to distribute profit and/or to obtain other external financing prior to the lender's approval and/or to exceed/below the financial ratio. If the Group were to breach the covenants the drawn down facilities would become payable on demand. The Group regularly monitors its compliance with these covenants. Further details of the Group's management of liquidity risk are set out in note 27(b). As at 31 December 2016, none of the covenants of the Group had been breached (2015: Nil).
- (iv) As at 31 December 2016, total balance of past due current loan was RMB7,000,000 (2015: Nil) which was secured by a minority shareholder's property.

### 22 銀行貸款(續)

附註：(續)

- (ii) 於二零一六年十二月三十一日，銀行貸款抵押情況如下：(續)

於二零一六年十二月三十一日，有抵押銀行貸款乃以本集團若干供水、污水處理、廢物處理及電力供應收費權、物業、廠房及設備(附註10)、租賃預付款(附註11)以及清遠綠由、廣州盈隆及廣州蓮港的股權及少數股東的物業作抵押(二零一五年：以本集團若干供水及污水處理收費權、物業、廠房及設備(附註10)、租賃預付款(附註11)以及清遠綠由、廣州盈隆及廣州蓮港股權及少數股東的物業作抵押)。

於二零一六年十二月三十一日，金額為人民幣147,629,000元之銀行貸款由廣州盈隆之前任股東進行擔保(二零一五年：人民幣169,236,000元由廣州盈隆及河源固廢之前任股東進行擔保)。

- (iii) 由於屬一般常見的金融機構借款安排，於二零一六年十二月三十一日金額為人民幣2,830,213,000元(二零一五年：人民幣1,967,098,000元)之銀行貸款須履行有關本集團若干資產負債表比率的契諾。根據銀行貸款協議條款，若干附屬公司在獲得借方批准前不得進行溢利分配及／或獲取其他外部融資及／或超出／低於財務比率。倘本集團違反契諾，已提取融資將須按要求償還。本集團根據該等契諾定期監控其合規情況。有關本集團流動資金風險管理的進一步詳情載於附註27(b)。於二零一六年十二月三十一日，概無違反本集團之契諾(二零一五年：無)。
- (iv) 於二零一六年十二月三十一日，逾期的即期貸款總結餘為人民幣7,000,000元(二零一五年：無)，該款項乃以少數股東物業作抵押。

## 23 EQUITY SETTLED SHARE-BASED TRANSACTIONS

On 12 November 2015, the board of directors of the Company approved the adoption of a share award scheme (the “Share Award Scheme”) under which shares of the Company (the “Awarded Shares”) may be awarded to selected employees (the “Selected Employees”) in accordance with the provisions of the Share Award Scheme. The Board shall not make any further award of Awarded Shares which will result in the aggregate nominal value of the Shares awarded under the Scheme exceeding 10% of the issued share capital of the Company at the time of such Award. The maximum number of Awarded Shares which may be awarded to a Selected Employee under the Scheme shall not exceed 1% of the issued share capital of the Company at the time of such award.

The Share Award Scheme was adopted in order to recognize and motivate the contributions of the Selected Employees and to provide them with the incentives or awards for their commitment and contribution to the Group. By providing a competitive incentive package, the Share Award Scheme also serves to retain and attract suitable personnel for the further development of the Group, and to align the interests of the Selected Employees with those of the shareholders of the Company in attaining long-term business objectives of the Group.

The Share Award Scheme shall terminate on the earlier of (i) the 10th anniversary date of the date of adoption; and (ii) such date of early termination as determined by the board by a resolution of the board. Termination of the Scheme shall not affect any subsisting rights of any Selected Employee under the Scheme.

## 23 以權益結算的股份支付

於二零一五年十一月十二日，本公司董事會已經批准採納股份獎勵計劃（「股份獎勵計劃」），根據股份獎勵計劃之條款，本公司股份（「獎勵股份」）可授予獲選僱員（「獲選僱員」）。倘董事會授出獎勵股份後會導致根據計劃已授出的股份的總面值超過本公司於授出時已發行股本之10%，則不應再進一步授出獎勵股份。獲選僱員根據計劃獲授的獎勵股份的最高數目不得超過本公司於授出時的已發行股本的1%。

採納股份獎勵計劃旨在認可及激勵獲選僱員之貢獻並就其對本集團的奉獻及貢獻提供激勵或獎勵。通過提供競爭性的激勵方案，股份獎勵計劃亦可挽留及吸引適合本集團進一步發展的員工並在實現本集團長期業務目標中使獲選僱員的利益與本公司股東的利益保持一致。

股份獎勵計劃於(i)採納日期的第10個週年日；及(ii)董事會透過董事會決議案決定提早終止的有關日期（以較早者為準）終止。終止計劃不會影響該計劃項下任何獲選僱員的任何存續權。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 23 EQUITY SETTLED SHARE-BASED TRANSACTIONS (Cont'd)

Details of the shares held under the Share Award Scheme are set out below:

		Average purchase price	No. of shares held	Value of shares	
		平均購買價	持有股份數目	股份價值	
		HKD 港元	'000 千股	HKD'000 千港元	RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日		—	—	—
Shares purchased during year 2015	於二零一五年購買的股份	2.67	3,827	10,205	8,411
At 31 December 2015 and 1 January 2016	於二零一五年 十二月三十一日及 二零一六年一月一日		3,827	10,205	8,411
Shares purchased during year 2016	於二零一六年購買的股份	2.01	11,700	23,494	20,001
Shares granted during year 2016	於二零一六年授出的股份		(1,653)	(3,965)	(3,270)
At 31 December 2016	於二零一六年 十二月三十一日		13,874	29,734	25,142

During the year ended 31 December 2016, the Company granted 1,653,000 shares to 72 employees of the Group. The fair value of these Awarded Shares amounted to RMB3,413,000.

The estimated fair value of the Awarded Shares on the grant date is determined by reference to the market price of the Company's shares.

The Group recognised share award expenses of RMB3,413,000 during the year ended 31 December 2016 (2015: Nil) with a corresponding decrease in reserve within equity.

### 23 以權益結算的股份支付(續)

根據股份獎勵計劃所持股份之詳情如下：

截至二零一六年十二月三十一日止年度，本公司向本集團72名僱員授出1,653,000股股份。該等獎勵股份的公平值為人民幣3,413,000元。

獎勵股份於授出日期的估計公平值參考本公司股份的市價釐定。

本集團於截至二零一六年十二月三十一日止年度確認股份獎勵開支人民幣3,413,000元(二零一五年：無)，而權益內的儲備相應減少。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### 24 綜合財務狀況表的所得稅

(a) Current taxation in the consolidated statement of financial position represents:

(a) 綜合財務狀況表中的即期稅項為：

		RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日	19,537
Provision for PRC income tax	中國所得稅撥備	62,525
PRC income tax paid	中國所得稅支付	(59,420)
At 31 December 2015	於二零一五年十二月三十一日	22,642
At 1 January 2016	於二零一六年一月一日	22,642
Provision for PRC income tax (note 6(a))	中國所得稅撥備(附註6(a))	120,074
PRC income tax paid	中國所得稅支付	(70,899)
At 31 December 2016	於二零一六年十二月三十一日	71,817

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

#### (b) Deferred tax assets and liabilities recognised:

##### (i) Movement of each component of deferred tax assets and liabilities

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:		PRC dividend withholding tax 中國股息預扣稅 RMB'000 人民幣千元	Revenue recognition 收益確認 RMB'000 人民幣千元	Intangible assets 無形資產 RMB'000 人民幣千元	Government grant 政府補助 RMB'000 人民幣千元	Provisions 撥備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	11,494	9,112	42,274	(2,958)	—	59,922
Charged/(credited) to profit or loss	於損益內扣除/(計入)	—	6,850	(52)	—	—	6,798
Additions through acquisition of subsidiaries	透過收購附屬公司之添置	—	1,665	168,017	—	—	169,682
At 31 December 2015	於二零一五年十二月三十一日	11,494	17,627	210,239	(2,958)	—	236,402
At 1 January 2016	於二零一六年一月一日	11,494	17,627	210,239	(2,958)	—	236,402
(Credited)/charged to profit or loss	於損益內(計入)/扣除	(11,494)	12,267	(12,950)	—	(5,429)	(17,606)
At 31 December 2016	於二零一六年十二月三十一日	—	29,894	197,289	(2,958)	(5,429)	218,796

### 24 綜合財務狀況表的所得稅(續)

#### (b) 已確認遞延稅項資產及負債：

##### (i) 遞延稅項資產及負債各組成部分之變動

於綜合財務狀況表內確認的遞延稅項(資產)/負債組成部分及年內變動如下：

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

### 24 綜合財務狀況表的所得稅(續)

#### (b) Deferred tax assets and liabilities recognised: (Cont'd)

##### (i) Movement of each component of deferred tax assets and liabilities (Cont'd)

Reconciliation to the consolidated statement of financial position

The deferred taxation is recognised on the consolidated statement of financial position as follows:

#### (b) 已確認遞延稅項資產及負債：(續)

##### (i) 遞延稅項資產及負債各組成部分之變動(續)

與綜合財務狀況表對賬

於綜合財務狀況表確認的遞延稅項如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Net deferred tax liabilities recognised on the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項負債淨額	227,183	239,360
Net deferred tax assets recognised on the consolidated statement of financial position	於綜合財務狀況表確認的遞延稅項資產淨值	(8,387)	(2,958)
		<b>218,796</b>	236,402

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

#### (c) Deferred tax assets not recognised

##### *Cumulative tax losses*

In accordance with the accounting policy set out in note 1(t), the Group has not recognised deferred tax assets in respect of cumulative tax losses of certain subsidiaries located in Hong Kong and subsidiaries in the PRC of RMB128,383,000 and RMB22,337,000 as at 31 December 2016 (2015: loss of RMB58,108,000 and RMB10,400,000), respectively, as it is not probable that future taxable income against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. As at 31 December 2016, tax losses for these PRC subsidiaries amounting to RMB1,391,000, RMB2,891,000, RMB2,780,000, RMB2,616,000 and RMB12,659,000 will expire, if unused, by the end of 2017, 2018, 2019, 2020 and 2021 respectively. The tax losses of subsidiaries located in Hong Kong do not expire under current tax legislation.

### 24 綜合財務狀況表的所得稅(續)

#### (c) 未確認遞延稅項資產

##### *累計稅項虧損*

根據附註1(t)所載會計政策，本集團並無就若干香港及中國附屬公司於二零一六年十二月三十一日金額分別為人民幣128,383,000元及人民幣22,337,000元(二零一五年：人民幣58,108,000元及人民幣10,400,000元虧損)的累計稅項虧損確認遞延稅項資產，因為日後於稅務司法管轄區及實體獲得可用來抵扣虧損的應課稅收入的可能性並不大。於二零一六年十二月三十一日，該等中國附屬公司稅務虧損金額於二零一七年、二零一八年、二零一九年、二零二零年及二零二一年分別為人民幣1,391,000元、人民幣2,891,000元、人民幣2,780,000元、人民幣2,616,000元及人民幣12,659,000元將會到期(如未被使用)。香港附屬公司之稅務虧損在現有的稅務環境下將不會過期。



24 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Cont'd)

24 綜合財務狀況表的所得稅(續)

(d) Deferred tax liabilities not recognised

(d) 未確認遞延稅項負債

*Dividend withholding tax*

*股息預扣稅*

According to the CIT Law and its implementation rules, dividends receivable by non-PRC corporate residents from PRC enterprises are subject to withholding income tax at 10%, unless reduced by tax treaties or arrangements, for profits earned since 1 January 2008. Pursuant to the Sino-Hong Kong Double Tax Arrangement and the related regulations, a qualified Hong Kong tax resident will be liable for a reduced withholding tax rate of 5% on dividends from a PRC enterprise if the Hong Kong tax resident is the “beneficial owner” and holds 25% or more of the equity interest of the PRC enterprise. As all of the Group’s PRC subsidiaries are directly or indirectly owned by a Hong Kong incorporated subsidiary which is the qualified Hong Kong tax resident, a rate of 5% is applicable to the calculation of the PRC dividend withholding tax.

根據企業所得稅法及其實施條例，非中國企業居民自中國企業應收的股息須就自二零零八年一月一日起賺取的溢利繳納10%的預扣所得稅，除非獲稅務協定或安排減免。根據內地與香港訂立的《雙重徵稅安排》及相關法規，倘一名合資格香港稅務居民為「實益擁有人」並持有其25%或以上的股權，則該香港稅務居民須就其來自中國企業的股息按優惠稅率5%繳納預扣稅。由於本集團所有中國附屬公司歸一間於香港註冊成立的附屬公司(其為合資格香港稅務居民)直接或間接擁有，故計算中國股息預扣稅項適用的稅率為5%。

At 31 December 2016, deferred tax liabilities in respect of the dividend withholding tax relating to the undistributed profits of the Company’s subsidiaries were not recognised as the Company controls the dividend policy of these subsidiaries. Based on the assessment made by management as at the end of each reporting period, it was determined that certain of the undistributed profits of the Company’s subsidiaries would not be distributed in the foreseeable future. Deferred tax liabilities with carrying value of RMB11,494,000 was thus reversed for the year ended 31 December 2016. The amounts of undistributed profit of the Company’s subsidiaries are set out below:

於二零一六年十二月三十一日，並未確認與本公司附屬公司未分派溢利有關的股息預扣稅的遞延稅項負債，乃由於本公司控制該等附屬公司的股息政策。根據管理層於各報告期末作出的評估，本公司附屬公司若干未分配溢利已確定不會於可見未來進行分派。因此，賬面值為人民幣11,494,000元的遞延稅項負債於截至二零一六年十二月三十一日止年度被撥回。本公司附屬公司未分派溢利金額載列如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Distributable profits earned by PRC subsidiaries on or after 1 January 2008	中國附屬公司於二零零八年一月一日或之後賺取之可分派溢利	1,745,539	1,160,023

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(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 25 DEFERRED INCOME

### 25 遞延收入

		<b>2016</b> 二零一六年 <b>RMB' 000</b> 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
At 1 January	於一月一日	<b>15,119</b>	11,832
Additions through acquisition of a subsidiary	通過收購一間附屬公司 之添置	—	2,742
Other additions	其他添置	<b>100</b>	655
Credited to profit or loss (note 4(a))	計入損益(附註4(a))	<b>(377)</b>	(110)
At 31 December	於十二月三十一日	<b>14,842</b>	15,119

Deferred income consists of deferred government grants. The grants from local government was conditional and the conditions would be fulfilled upon the completion of construction of certain fixed assets of Guangyuan Xizhou Environmental Enterprises Company Limited (“Guangyuan Xizhou”) and Guangzhou Lvyou. The grant will be recognised as income in profit or loss on a systematic basis over the useful life of the fixed assets. The deferred income was not yet amortised as at 31 December 2016.

遞延收入包括遞延政府補貼。來自地方政府的補貼為有條件，且該等條件將於廣元西洲環保實業有限公司(「廣元西洲」)及廣州綠由若干固定資產的建設完成後達成。該補貼將於固定資產的可使用年期內按系統基準於損益表確認為收入。於二零一六年十二月三十一日，遞延收入並無攤銷。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 26 CAPITAL, RESERVES AND DIVIDENDS

#### (a) Share capital

##### (i) Issued share capital of the Company

		Number of shares 股份數目		
		'000 千股	HKD' 000 千港元	RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日	1,442,082	144,208	114,403
Shares issuance (note (ii))	股份發行(附註(ii))	287,116	13,712	10,989
Share subdivision (note (iii))	股份拆細(附註(iii))	4,587,594	—	—
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年 十二月三十一日、 二零一六年一月一日 及二零一六年 十二月三十一日	6,316,792	157,920	125,392

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息，並於本公司股東大會上享有每股一票投票權。就本公司的剩餘資產而言，所有普通股享有同等地位。

### 26 資本、儲備及股息

#### (a) 股本

##### (i) 本公司已發行股本

		Number of shares 股份數目		
		'000 千股	HKD' 000 千港元	RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日	1,442,082	144,208	114,403
Shares issuance (note (ii))	股份發行(附註(ii))	287,116	13,712	10,989
Share subdivision (note (iii))	股份拆細(附註(iii))	4,587,594	—	—
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年 十二月三十一日、 二零一六年一月一日 及二零一六年 十二月三十一日	6,316,792	157,920	125,392

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 26 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

#### (a) Share capital (Cont'd)

##### (ii) Shares issuance

On 23 February 2015, 87,115,959 ordinary shares were issued to GIC Special Investments Pte Ltd. at a price of RMB5.57 (HKD7.12) per share. After deduction of transaction costs, the issued share capital and share premium of the Company were increased by RMB6,886,000 and RMB478,185,000 respectively.

On 29 October 2015, 200,000,000 ordinary shares were issued to Mr. Gu Yaokun at a price of RMB2.1 (HKD2.575) per share. After deduction of transaction costs, the issued share capital and share premium of the Company were increased by RMB4,103,000 and RMB418,161,000 respectively.

##### (iii) Share subdivision

It represented the effects of adjustments made to the number of shares as a result of the share subdivision.

### 26 資本、儲備及股息(續)

#### (a) 股本(續)

##### (ii) 股份發行

於二零一五年二月二十三日，本公司以每股人民幣5.57元(7.12港元)向GIC特殊投資有限公司發行87,115,959股普通股。扣除交易成本後，本公司已發行股本及股份溢價分別增加人民幣6,886,000元及人民幣478,185,000元。

於二零一五年十月二十九日，按每股人民幣2.1元(2.575港元)的價格向古耀坤先生發行200,000,000股普通股。扣除交易成本後，本公司已發行股本及股份溢價分別增加人民幣4,103,000元及人民幣418,161,000元。

##### (iii) 股份拆細

其為因股份拆細而對股份數目作出調整的影響。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 26 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

### 26 資本、儲備及股息(續)

#### (b) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

#### (b) 權益組成部份的變動

本集團綜合權益各組成部分年初及年末之間結餘的對賬載於綜合權益變動表。本公司各權益組成部分年初及年末之間變動的詳情載列如下：

		Share capital	Share premium	Shares held under the Share Award Scheme 根據股份獎勵計劃 所持有股份	Capital reserve	Exchange reserve	Accumulated losses	Total
		股本 RMB' 000 人民幣千元	股份溢價 RMB' 000 人民幣千元	所持有股份 RMB' 000 人民幣千元	資本儲備 RMB' 000 人民幣千元	匯兌儲備 RMB' 000 人民幣千元	累計虧損 RMB' 000 人民幣千元	總計 RMB' 000 人民幣千元
At 1 January 2015	於二零一五年一月一日	114,403	528,765	—	171,998	(20,341)	(14,585)	780,240
Loss for the year	年內虧損	—	—	—	—	—	(11,551)	(11,551)
Other comprehensive income	其他全面收益	—	—	—	—	81,386	—	81,386
<b>Total comprehensive income</b>	<b>全面收益總額</b>	—	—	—	—	81,386	(11,551)	69,835
Shares issuance (note 26(a)(ii))	股份發行(附註26(a)(ii))	10,989	896,346	—	—	—	—	907,335
Share purchased under Share Award Scheme (note 23)	根據股份獎勵計劃所購回股份(附註23)	—	—	(8,411)	—	—	—	(8,411)
Dividends	股息	—	(91,781)	—	—	—	—	(91,781)

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(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 26 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

### 26 資本、儲備及股息(續)

#### (b) Movements in components of equity (Cont'd)

#### (b) 權益組成部份的變動(續)

	Share capital	Share premium	Shares held under the Share Award Scheme 根據股份獎勵計劃 所持有股份	Capital reserve	Exchange reserve	Accumulated losses	Total
	股本 RMB' 000 人民幣千元	股份溢價 RMB' 000 人民幣千元	所持有股份 RMB' 000 人民幣千元	資本儲備 RMB' 000 人民幣千元	匯兌儲備 RMB' 000 人民幣千元	累計虧損 RMB' 000 人民幣千元	總計 RMB' 000 人民幣千元
<b>At 31 December 2015 and 1 January 2016</b>							
於二零一五年十二月三十一日 及二零一六年一月一日	125,392	1,333,330	(8,411)	171,998	61,045	(26,136)	1,657,218
Loss for the year	—	—	—	—	—	(42,423)	(42,423)
Other comprehensive income	—	—	—	—	98,079	—	98,079
<b>Total comprehensive income</b>	—	—	—	—	98,079	(42,423)	55,656
Share purchased under Share Award Scheme (note 23)	—	—	(20,001)	—	—	—	(20,001)
Equity settled share-based payments (note 23)	—	143	3,270	—	—	—	3,413
Dividends	—	(153,137)	—	—	—	—	(153,137)
<b>At 31 December 2016</b>							
於二零一六年十二月三十一日	125,392	1,180,336	(25,142)	171,998	159,124	(68,559)	1,543,149

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 26 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

#### (b) Movements in components of equity (Cont'd)

##### (i) Share premium

Under the Companies Law of the Cayman Islands, the funds in the Company's share premium account are distributable to the equity shareholders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

##### (ii) PRC statutory reserves

According to the current PRC Company Law, the Group's entities in the PRC are required to transfer 10% of their profit after taxation to statutory surplus reserve until the surplus reserve balance reaches 50% of the registered capital. For the purpose of calculating the transfer to reserve, the profit after taxation shall be the amount determined based on the statutory financial statements prepared in accordance with PRC accounting standards. The transfer to this reserve has to be made before distribution of dividend by these entities.

Statutory surplus reserve can be used to make good previous years' losses, if any, and for capitalisation issue provided that the balance after such issue is not less than 25% of the registered capital of the respective entities.

##### (iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations with functional currencies other than the RMB presentation currency. The reserve is dealt with in accordance with the accounting policy set out in note 1(w).

### 26 資本、儲備及股息(續)

#### (b) 權益組成部份的變動(續)

##### (i) 股份溢價

根據開曼群島公司法，倘緊隨建議派發股息當日後，本公司將能夠償付於日常業務過程中到期之債務，則本公司之股份溢價賬之資金可分派予本公司權益股東。

##### (ii) 中國法定儲備

根據現行中國公司法，本集團中國之公司須將除稅後溢利之10%轉撥至法定盈餘儲備，直至盈餘儲備結餘達至註冊資本的50%。就計算轉撥至儲備之金額而言，除稅後溢利須按照根據中國會計準則編製之法定財務報表進行釐定。該項轉撥須於該等實體分派股息之前進行。

法定盈餘儲備可用於彌補過往年度虧損(如有)及資本化發行，惟有關發行後之結餘不得低於各相關實體註冊資本之25%。

##### (iii) 匯兌儲備

匯兌儲備包括換算功能貨幣為人民幣呈列貨幣以外的業務財務報表產生的所有相關外匯差額。該儲備乃根據附註1(w)所載的會計政策處理。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 26 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

#### (b) Movements in components of equity (Cont'd)

##### (iv) Capital reserve

The capital reserve of the Group represents the difference between (a) the nominal value of share capital of a subsidiary acquired; and (b) the nominal value of the shares issued by the Company in exchange under the reorganisation of the Group on 31 May 2011.

The capital reserve of the Company represents the excess of the consolidated net assets represented by the shares acquired over the nominal value of shares issued by the Company in exchange under the reorganisation.

#### (c) Distributability of reserves

As at 31 December 2016, the aggregate amounts of reserves available for distribution to equity shareholders of the Company was around RMB1,258,633,000 (2015: RMB1,470,781,000), which comprises of share premium, shares held under Share Award Scheme, accumulated losses and capital reserve of the Company.

### 26 資本、儲備及股息(續)

#### (b) 權益組成部份的變動(續)

##### (iv) 資本儲備

本集團的資本儲備指(a)所收購附屬公司股本的面值；及(b)本公司於二零一一年五月三十一日根據本集團的重組為交換而發行的股份的面值之間的差額。

本公司的資本儲備指所收購股份所佔綜合資產淨值超過本公司根據重組在交易所發行股份面值的部份。

#### (c) 可供分派儲備

於二零一六年十二月三十一日，可供分派予本公司權益股東的儲備總額約為人民幣1,258,633,000元(二零一五年：人民幣1,470,781,000元)，包括本公司的股份溢價、根據股份獎勵計劃所持有股份、累計虧損及資本儲備。



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 26 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

### 26 資本、儲備及股息(續)

#### (d) Dividends

#### (d) 股息

(i) Dividends payable to equity shareholders of the Company attributable to the year

(i) 年內應付本公司權益股東之股息：

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Interim dividend declared and paid of HKD0.0119 per ordinary share (2015: HKD0.005 per ordinary share after share subdivision)	64,660	25,161
Final dividend of HKD0.0067 per ordinary share proposed after the end of the reporting period (2015: final dividend of HKD0.0073 per ordinary share and a special dividend of HKD0.0101 per ordinary share)	37,312	88,477
	<b>101,972</b>	<b>113,638</b>

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

(ii) 於本年度批准及支付上一財政年度應付本公司權益股東之股息：

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Final dividend in respect of the previous financial year of HKD0.0073 and a special dividend of HKD0.0101 per ordinary share (2015: final dividend in respect of the previous financial year of HKD0.03 and a special dividend of HKD0.025 per ordinary share)	88,477	66,620

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 26 CAPITAL, RESERVES AND DIVIDENDS (Cont'd)

#### (e) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for the shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors its capital structure on the basis of an adjusted net debt-to-equity ratios. For this purpose, adjusted net debt is calculated as total bank loans less deposits with a bank with original maturity date over three months and cash and cash equivalents. The Group's adjusted net debt-to-equity ratio at 31 December 2016 and 2015 was as follows:

		Note 附註	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
<b>Bank loans:</b>	<b>銀行貸款：</b>			
Current liabilities	流動負債	22	<b>1,047,659</b>	642,276
Non-current liabilities	非流動負債	22	<b>1,789,554</b>	1,367,290
Total debt	總債務		<b>2,837,213</b>	2,009,566
Less: Cash and cash equivalents	減：現金及現金等價物	20	<b>(1,033,907)</b>	(382,500)
Deposits with a bank with original maturity date over three months	存放於銀行原始到期日超過三個月之存款		<b>(5,837)</b>	(5,626)
Adjusted net debt	經調整淨債務		<b>1,797,469</b>	1,621,440
Total equity	權益總額		<b>3,234,567</b>	2,896,555
Adjusted net debt-to-equity ratio	經調整淨債務權益比率		<b>0.56</b>	0.56

As disclosed in note 22, no further external financing could be obtained by certain subsidiaries prior to the lenders' approval.

### 26 資本、儲備及股息(續)

#### (e) 資本管理

本集團管理資本的主要目標為保障本集團持續經營的能力，以便其能為股東持續提供回報，及維持最佳資本結構以減低資本成本。

本集團採用經調整淨債務權益比率監察其資本架構。就此而言，經調整淨債務以總銀行貸款減現金及現金等價物及存放於銀行原始到期日超過三個月之存款計算得出。於二零一六年及二零一五年十二月三十一日，本集團的經調整淨債務權益比率如下：

如附註22所披露，貸出方批准前若干附屬公司概無獲得進一步外部融資。

## 27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

### (a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables and gross amounts due from customers for contract work. Management has a credit policy in place and the exposures to credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days from the date of billing. Debtors with balances that are more than 12 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which the customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers.

## 27 金融風險管理及金融工具的公平值

信貸、流動資金、利率及貨幣風險乃於本集團的日常業務過程中產生。下文載述本集團所面對的風險及本集團就管理該等風險所採取的金融風險管理政策及慣例。

### (a) 信貸風險

本集團之信貸風險主要來自貿易及其他應收款項以及應收客戶合約工程款項總額。管理層設有信貸政策，並持續監察信貸風險。

就貿易及其他應收款項而言，信貸超過某數額之客戶均需接受獨立信貸評估。此等評估主要針對客戶以往到期時之還款記錄及現時的還付能力，並考慮客戶的個別資料及客戶所處的經濟環境的資料。貿易應收款項由發出賬單當日起計30日內到期。尚有結餘逾期超過12個月之債務人須結算所有未償還結餘後方可獲進一步信貸。一般而言，本集團並無向客戶收取抵押品。

本集團所面對的信貸風險主要受每名客戶的個別特性所影響，而非客戶經營所在的行業或國家，因此當本集團面對個別客戶的重大風險時，將產生高度集中的信貸風險。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Cont'd)

#### (a) Credit risk (Cont'd)

As at 31 December 2016, trade and other receivables and gross amounts due from customers for contract work of the group amounted to RMB1,630,963,000 (2015: RMB1,337,217,000), of which RMB128,483,000 (2015: RMB142,468,000) was due from the largest customer and RMB350,481,000 (2015: RMB337,494,000) was due from the five largest customers in aggregate of the Group. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated statement of financial position. Since the parties to BOT arrangements are local government authorities in the PRC, the Group considers the credit risk is low.

The Group does not provide any other guarantees which would expose the Group to credit risk as at 31 December 2016.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from gross amounts due from customers for contract work and trade and other receivables are set out in notes 17 and 19, respectively.

### 27 金融風險管理及金融工具的公平價值(續)

#### (a) 信貸風險(續)

於二零一六年十二月三十一日，本集團的貿易及其他應收款項以及應收客戶合約工程款項總額為人民幣1,630,963,000元(二零一五年：人民幣1,337,217,000元)，其中人民幣128,483,000元(二零一五年：人民幣142,468,000元)為應收最大客戶款項，而人民幣350,481,000元(二零一五年：人民幣337,494,000元)為本集團五大客戶欠款總額。最高信貸風險指綜合財務狀況表內各項金融資產的賬面值。由於BOT安排的訂約方為中國地方政府機構，故本集團認為信貸風險較低。

於二零一六年十二月三十一日，本集團並無提供任何會使本集團面臨信貸風險的其他擔保。

有關本集團所面臨自應收客戶合約工程款項總額及貿易及其他應收款項產生的信貸風險的進一步量化披露分別載列於附註17及19。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Cont'd)

#### (b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

		31 December 2016					
		Contractual undiscounted cash outflow					
		二零一六年十二月三十一日合約未貼現現金流出					
		Within 1 year or on demand 一年內或 按要求 RMB'000 人民幣千元	More than 1 year but less than 2 years 超過一年 但少於兩年 RMB'000 人民幣千元	More than 2 years but less than 5 years 超過兩年 但少於五年 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
Bank loans	銀行貸款	1,094,236	739,227	926,437	192,015	2,951,915	2,837,213
Trade and other payables	貿易及其他應付款項	486,066	—	—	—	486,066	486,066
Total	總計	1,580,302	739,227	926,437	192,015	3,437,981	3,323,279

### 27 金融風險管理及金融工具的公平 值(續)

#### (b) 流動資金風險

本集團旗下之獨立營運實體須自行負責現金管理工作，包括現金盈餘之短期投資及籌措貸款以應付預期現金需求，惟如借貸超出若干預定授權水準，則須獲本公司董事會之批准方可作實。本集團之政策是定期監察流動資金所需及遵守借貸契諾，確保本集團維持充裕的現金儲備，以及從主要財務機構取得足夠的承諾信貸融資，以應付其短期及長期流動資金需求。

下表列示本集團的非衍生金融負債於各報告期末的剩餘合約到期日，其乃根據合約未貼現現金流量(包括利用報告期末的即期利率計算的利息款項)及本集團須付款的最早日期計算得出：

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(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Cont'd)

### 27 金融風險管理及金融工具的公平價值(續)

#### (b) Liquidity risk (Cont'd)

#### (b) 流動資金風險(續)

		31 December 2015					
		Contractual undiscounted cash outflow					
		二零一五年十二月三十一日合約未貼現現金流出					
		Within 1 year or on demand 一年內或 按要求	More than 1 year but less than 2 years 但少於兩年	More than 2 years but less than 5 years 超過兩年	More than 5 years 五年以上	Total	Carrying amount
		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
Bank loans	銀行貸款	706,591	468,203	814,618	208,435	2,197,847	2,009,566
Trade and other payables	貿易及其他應付款項	321,551	—	—	—	321,551	321,551
Total	總計	1,028,142	468,203	814,618	208,435	2,519,398	2,331,117

#### (c) Interest rate risk

The Group's interest rate risk arises primarily from variable rates bank loans, which expose the Group to cash flow interest rate risk.

As at 31 December 2016, it is estimated that a general increase 100 basis points in interest rates, with all other variables held constant, would have decreased the Group's profit after tax for the year by approximately RMB24,710,000 (2015: RMB17,565,000), mainly as a result of higher finance costs on bank loans. The impact on the Group's profit after tax is estimated as an annualised impact on interest expense of such a change in interest rates. The analysis is performed on the same basis for 2015.

#### (c) 利率風險

本集團的利率風險主要來自按浮動利率發出的銀行貸款，使本集團面臨現金流利率風險。

於二零一六年十二月三十一日，在所有其他可變因素維持不變的情況下，倘利率增加100個基點，本集團於年內之除稅後溢利將會分別減少約人民幣24,710,000元(二零一五年：人民幣17,565,000元)，主要由於銀行貸款融資成本增加所致。本集團除稅後溢利所受之影響會按有關利率變動對年度利息支出之影響估計。二零一五年之分析乃按相同基準進行。

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(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS(Cont'd)

#### (d) Currency risk

Individual companies within the Group has limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. However, as the Company and other investment holding subsidiaries incorporated in the Cayman Islands, BVI and Hong Kong have their functional currencies in HKD, therefore any appreciation or depreciation of RMB against HKD will affect the Group's financial position and result of operation.

#### (e) Fair value measurement

The carrying amounts of the Group's financial instruments are not materially different from their fair values as at 31 December 2016 and 2015.

#### (f) Estimation of fair value

The following summarizes the major methods and assumptions used in estimating the fair values of financial instruments.

##### (i) *Gross amounts due from customers for contract work*

Gross amounts due from customers for contract work are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method.

### 27 金融風險管理及金融工具的公平值(續)

#### (d) 貨幣風險

由於本集團內部個別公司之大部分交易均以與彼等營運有關之功能貨幣屬相同之貨幣計值，故彼等之外匯風險並不重大。然而，由於本公司及其於開曼群島、英屬處女群島及香港註冊成立之投資控股附屬公司的功能貨幣為港元，因此，人民幣兌港元之滙率上升或下降將影響本集團財務狀況及經營狀況。

#### (e) 公平值評估

本集團金融工具的賬面值與其於二零一六年及二零一五年十二月三十一日的公平值並無重大不同。

#### (f) 公平值估計

下文概述估計金融工具公平值時所採用的主要方法及假設。

##### (i) *應收客戶合約工程款項總額*

應收客戶合約工程款項總額初步按公平值確認，其後採用實際利率法按攤銷成本列賬。

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### 27 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (Cont'd)

#### (f) Estimation of fair value (Cont'd)

##### (ii) Trade and other receivables

Trade receivables are initially recognised at fair value and thereafter stated at amortised cost less allowance for impairment of doubtful debts. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the end of the reporting period.

##### (iii) Bank loans

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments at the end of the reporting period.

##### (iv) Property, plant and equipment

The fair value of property, plant and equipment recognised as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly. The fair value of items of plant, equipment, fixtures and fittings is based on the market approach and cost approaches using quoted market prices for similar items when available and replacement cost when appropriate.

### 27 金融風險管理及金融工具的公平價值(續)

#### (f) 公平值估計(續)

##### (ii) 貿易及其他應收款項

貿易應收款項初步按公平值確認，其後按攤銷成本減呆賬減值撥備列賬。公平值根據未來本金及利息現金流量的現值，按報告期末的市場利率貼現計算。

倘使用貼現現金流量法，估計未來現金流量乃以管理層最佳估計為基準，而貼現率則為類似工具於報告期末的市場相關比率。

##### (iii) 銀行貸款

公平值於報告期末估計為未來現金流量的現值，按類似金融工具的現行市場利率貼現。

##### (iv) 物業、廠房及設備

因業務合併而確認的物業、廠房及設備的公平值，乃以市值為基準。物業市值乃自願買家及自願賣家在適當市場推廣後，雙方在知情及自願的情況下，於估值日在公平交易中買賣物業的估計金額。廠房、設備、固定設施及裝置的公平值乃根據市場法及成本法，採用類似項目的市場報價(如有)及重置成本(倘適用)而釐定。



## Notes to the financial statements 財務報表附註

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### 28 COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2016 not provided for in the financial statements were as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Contracted for	已訂約	222,364	83,068
Authorised but not contracted for	已批准但未訂約	1,486,176	2,017,547
		<b>1,708,540</b>	2,100,615

- (b) At 31 December 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within 1 year	一年內	7,323	4,958
After 1 year but within 5 years	一年後但五年內	17,129	16,160
After 5 years	五年後	29,921	45,616
		<b>54,373</b>	66,734

Operating leases mainly represent a land use right leasing arrangement with a total leasing period of 16 years.

### 28 承擔

- (a) 於二零一六年十二月三十一日，尚未清償且並無於財務報表撥備的資本承擔如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Contracted for	已訂約	222,364	83,068
Authorised but not contracted for	已批准但未訂約	1,486,176	2,017,547
		<b>1,708,540</b>	2,100,615

- (b) 於二零一六年十二月三十一日，根據不可撤銷經營租賃應付之未來最低租賃付款總額如下：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Within 1 year	一年內	7,323	4,958
After 1 year but within 5 years	一年後但五年內	17,129	16,160
After 5 years	五年後	29,921	45,616
		<b>54,373</b>	66,734

經營租賃主要指總租期為16年的土地使用權租賃安排。

## Notes to the financial statements 財務報表附註

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### 29 MATERIAL RELATED PARTY TRANSACTIONS

The directors are of the view that related parties of the Group include the following individuals/companies:

### 29 重大關聯方交易

董事認為本集團的關聯方包括以下人士／公司：

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Mr. Tsui Cham To 徐湛滔先生	Controlling Shareholder 控股股東
Mr. Xu Juwen 徐炬文先生	Executive Director 執行董事
Mr. Gu Yaokun (ii)  古耀坤先生 (ii)	A minority shareholder of the Company/ Executive Director 本公司少數股東／執行董事
Mr. Gu Jiatao 古嘉濤先生	Close family member of Mr. Gu Yaokun 古耀坤先生之關係密切的家庭成員
Ms. Liang Yanxia 梁艷霞女士	Close family member of Mr. Gu Yaokun 古耀坤先生之關係密切的家庭成員
Mr. Lu Zhiji 盧志基先生	A former minority shareholder of Guangzhou Yinglong 廣州盈隆前少數股東
Mr. Gan Yongxiong 甘永雄先生	Key management personnel 主要管理人員
Guangzhou To Kee (i) 廣州滔記 (i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangzhou Tian Tian Cleaning and Washing Company Limited (“Tian Tian”) (i) 廣州天天快潔洗滌有限公司(「天天」)(i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Longmen Yagang Copper Company Limited (“Longmen Copper”) (i) 龍門亞鋼銅業有限公司(「龍門亞鋼」)(i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangyuan Zhongtao Textile Company Limited (“Guangyuan Zhongtao”) (i) 廣元中滔紡織有限公司(「廣元中滔」)(i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangyuan Haitao Textile Company Limited (“Guangyuan Haitao”) (i) 廣元海滔紡織有限公司(「廣元海滔」)(i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Guangyuan To Kee Textile Company Limited (“Guangyuan To Kee”) (i) 廣元滔記紡織有限公司(「廣元滔記」)(i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Haiqin Tiancheng (i) 海沁天誠 (i)	Joint Venture of the Group 本集團合營公司

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 29 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

### 29 重大關聯方交易(續)

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Guangzhou Haiqin Tiancheng Environmental Consultancy Company Limited (“Haiqin Tiancheng Consultancy”)(i) 廣州市海沁天誠環境諮詢有限公司(「海沁天誠諮詢」)(i)	Effectively owned by the Controlling Shareholder 由控股股東實際擁有
Zhuhai Yingrun Environmental Protection Technology Company Limited (“Zhuhai Yingrun”)(i) 珠海市盈潤環保科技有限公司(「珠海盈潤」)(i)	Effectively owned by the close family member of Mr. Gu Yaokun 由古耀坤先生之關係密切的家庭成員實際擁有
Guangzhou Lvyou (i)(iii) 廣州綠由 (i)(iii)	Former effectively owned by Mr. Gu Yaokun 先前由古耀坤先生實際擁有
Guangdong Lvyou Environmental Equipment Company Limited (“Lvyou Equipment”) (i)(iii) 廣東綠由環保設備有限公司(「綠由設備」)(i)(iii)	Former effectively owned by Mr. Gu Yaokun 先前由古耀坤先生實際擁有
Guangdong Longtao (i)(iii) 廣東龍滔 (i)(iii)	Former effectively owned by the Controlling Shareholder 先前由控股股東實際擁有
Guangzhou Nansha Development Zone Lvjie Disposal Recycling Store (“Nansha Lvjie”) (i) 廣州南沙開發區綠傑廢舊金屬物品回收站(「南沙綠傑」)(i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Panyu Luopu Kunrun Information Technology and Consulting Services Department (“Luopu Kunrun”) (i) 廣州市番禺區洛浦坤潤資訊技術諮詢服務部(「洛浦坤潤」)(i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Wofeng Biological Technology Company Limited (“Guangzhou Wofeng”) (i) 廣州市沃豐生物科技有限公司(「廣州沃豐」)(i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Lvchi Environmental Protection Technology Company Limited (“Guangzhou Lvchi”) (i) 廣州綠馳環保科技有限公司(「廣州綠馳」)(i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 29 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

### 29 重大關聯方交易(續)

Name of related party 關聯方姓名／名稱	Relationship with the Group 與本集團的關係
Guangzhou Lvhao Technology Service Company Limited (“Guangzhou Lvhao”) (i) 廣州綠灑技術服務有限公司(「廣州綠灑」)(i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Anjing Environmental Protection Technology Company Limited (“Guangzhou Anjing”) (i) 廣州市安淨環保科技有限公司(「廣州安淨」)(i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Lvcheng Industrial Company Limited (“Guangzhou Lvcheng”) (i) 廣州市綠城工業有限公司(「廣州綠城」)(i)	Effectively owned by Mr. Gu Yaokun 由古耀坤先生實際擁有
Guangzhou Yanchen Zhili Profession Company Limited (“Guangzhou Yanchen Zhili”) (i) 廣州煙塵治理專業有限公司(「廣州煙塵治理」)(i)	Mr. Tsui Cham To is a member of key management personnel of the entity 徐湛滔先生為該實體的主要管理人員之一
Hengyang Lvtao Environmental Ceramsite Equipment Company Limited (“Hengyang Lvtao”) (i) 衡陽綠陶環保陶粒設備有限公司(「衡陽綠陶」)(i)	Mr. Gu Yaokun is a member of key management personnel of the entity 古耀坤先生為該實體的主要管理人員之一

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(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 29 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

Notes:

- (i) The English translation of the names is for reference only. The official names of these companies are in Chinese.
- (ii) Mr. Gu Yaokun subscribed 60,000,000 ordinary shares of the Company and became a minority shareholder on 7 August 2014. Mr. Gu Yaokun further subscribed 200,000,000 ordinary shares of the Company in August 2015.
- (iii) The Group acquired 100% equity shares of Guangzhou Lvyou and Guangdong Longtao during the year ended 31 December 2015. Guangzhou Lvyou, Guangdong Longtao and Lvyou Equipment, the subsidiary of Guangzhou Lvyou, were no longer related parties and became subsidiaries of the Company upon completion of the acquisition. The following disclosure of the related party transactions related to the above companies is for the period prior to the completion of acquisition.

#### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's director as disclosed in note 7 and certain of the highest paid employees as disclosed in note 8, is as follows:

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Salaries and other benefits	薪金及其他福利	16,792	8,903
Share-based payments	以股份為基礎的付款	954	—
Retirement scheme contributions	退休計劃供款	160	109
		<b>17,906</b>	9,012

### 29 重大關聯方交易(續)

附註：

- (i) 英文版中名稱的英譯僅供參考。該等公司的官方名稱為中文名稱。
- (ii) 古耀坤先生於二零一四年八月七日認購本公司60,000,000股普通股，並成為少數股東。又於二零一五年八月認購本公司200,000,000股普通股。
- (iii) 截至二零一五年十二月三十一日止年度，本集團收購廣州綠由和廣東龍滔100%權益股份。廣州綠由、廣東龍滔及綠由設備(其為廣州綠由的附屬公司)不再為關聯方，並於收購完成後成為本公司的附屬公司。上述公司於完成收購前期間有關之關聯方交易之披露如下。

#### (a) 主要管理人員薪酬

主要管理人員薪酬(包括向附註7所披露本公司董事及附註8所披露若干最高薪酬僱員支付的款項)如下：

	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Salaries and other benefits	16,792	8,903
Share-based payments	954	—
Retirement scheme contributions	160	109
	<b>17,906</b>	9,012

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 29 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

#### (b) Recurring transactions

Particulars of significant transactions between the Group and the above related parties during the year ended 31 December 2016 and 2015 are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Provision of wastewater processing services to Tian Tian (note)	向天天提供污水處理服務(附註)	4,107	5,462
Provision of sludge treatment services to Guangzhou Lvyou	向廣州綠由提供污泥處理服務	—	23,533
Receive of technical testing services from Haiqin Tiancheng	自海沁天誠獲得技術測試服務	787	1,150
Receive of consulting services from Haiqin Tiancheng Consultancy	自海沁天誠諮詢獲得諮詢服務	1,369	—
Receive of consultancy services from:	自以下公司獲得顧問服務：		
– Nansha Lvjie	– 南沙綠傑	776	—
– Luopu Kunrun	– 洛浦坤潤	2,628	—
– Guangzhou Wofeng	– 廣州沃豐	1,708	—
– Guangzhou Lvchi	– 廣州綠馳	1,429	—
– Guangzhou Lvhao	– 廣州綠灝	319	—
– Guangzhou Anjing	– 廣州安淨	971	—
		<b>7,831</b>	—

Note: The related party transaction constitutes continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the paragraph headed “Continuing connected transactions” of the section headed “Report of the Directors” of this annual report.

### 29 重大關聯方交易(續)

#### (b) 經常性交易

截至二零一六年及二零一五年十二月三十一日止年度，本集團與上述關聯方所進行的重大交易詳情如下：

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Provision of wastewater processing services to Tian Tian (note)	4,107	5,462
Provision of sludge treatment services to Guangzhou Lvyou	—	23,533
Receive of technical testing services from Haiqin Tiancheng	787	1,150
Receive of consulting services from Haiqin Tiancheng Consultancy	1,369	—
Receive of consultancy services from:		
– Nansha Lvjie	776	—
– Luopu Kunrun	2,628	—
– Guangzhou Wofeng	1,708	—
– Guangzhou Lvchi	1,429	—
– Guangzhou Lvhao	319	—
– Guangzhou Anjing	971	—
	<b>7,831</b>	—

附註：該關聯方交易構成上市規則第14A章所界定的持續關連交易。上市規則第14A章所規定的披露呈列在本年報「董事會報告」章節的「持續關連交易」內。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 29 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

### 29 重大關聯方交易(續)

#### (c) Non-recurring transactions

#### (c) 非經常性交易

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Provision of technical testing services to Mr. Gu Yaokun	向古耀坤先生提供技術測試服務	194	—
Acquisition of Guangzhou Lvyou from Mr. Gu Yaokun	向古耀坤先生收購廣州綠由權益	—	307,062
Acquisition of Guangzhou Lvyou from Mr. Gu Jiatao	向古嘉濤先生收購廣州綠由權益	—	150,822
Acquisition of Guangzhou Lvyou from Ms. Liang Yanxia	向梁艷霞女士收購廣州綠由權益	—	80,829
Acquisition of Guangdong Longtao from Guangzhou To Kee	向廣州滔記收購廣東龍滔權益	—	10,000
Entrusted operation revenue from Guangzhou Lvyou	來自廣州綠由的委託營運收益	—	66,800
Purchase of equipments from:	向以下公司採購設備：		
– Lvyou Equipment	– 綠由設備	—	6,208
– Guangzhou Lvyou	– 廣州綠由	—	1,235
– Hengyang Lvtao	– 衡陽綠陶	14,122	—
		<b>14,122</b>	7,443

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 29 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

#### (c) Non-recurring transactions (Cont'd)

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Advances to:	向以下各方作出的墊款：		
- Guangzhou To Kee	- 廣州滔記	—	19,912
- Guangzhou Lvcheng	- 廣州綠城	99,000	—
- Mr. Gu Yaokun	- 古耀坤先生	—	19,960
- Guangzhou Yanchen Zhili	- 廣州煙塵治理	4,500	—
- Guangzhou Lvyou	- 廣州綠由	—	12,200
- Mr. Gan Yongxiong	- 甘永雄先生	250	—
- Guangdong Longtao	- 廣東龍滔	—	4,800
- Haiqin Tiancheng	- 海沁天誠	—	1,634
- Haiqin Tiancheng Consultancy	- 海沁天誠諮詢	1,000	—
- Zhuhai Yingrun	- 珠海盈潤	1,123	—
		<b>105,873</b>	58,506
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Advances from:	來自以下各方的墊款：		
- Mr. Gu Yaokun	- 古耀坤先生	50,000	—

### 29 重大關聯方交易(續)

#### (c) 非經常性交易(續)

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Advances to:	向以下各方作出的墊款：		
- Guangzhou To Kee	- 廣州滔記	—	19,912
- Guangzhou Lvcheng	- 廣州綠城	99,000	—
- Mr. Gu Yaokun	- 古耀坤先生	—	19,960
- Guangzhou Yanchen Zhili	- 廣州煙塵治理	4,500	—
- Guangzhou Lvyou	- 廣州綠由	—	12,200
- Mr. Gan Yongxiong	- 甘永雄先生	250	—
- Guangdong Longtao	- 廣東龍滔	—	4,800
- Haiqin Tiancheng	- 海沁天誠	—	1,634
- Haiqin Tiancheng Consultancy	- 海沁天誠諮詢	1,000	—
- Zhuhai Yingrun	- 珠海盈潤	1,123	—
		<b>105,873</b>	58,506
		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Advances from:	來自以下各方的墊款：		
- Mr. Gu Yaokun	- 古耀坤先生	50,000	—



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 29 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

### 29 重大關聯方交易(續)

#### (d) Balances with related parties

#### (d) 與關聯方的結餘

##### (i) Amounts due from related parties

##### (i) 應收關聯方款項

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
<b>Current</b>	<b>即期</b>		
Trade receivables from:	應收以下各方貿易款項：		
– Tian Tian	– 天天	3,239	500
– Zhuhai Yingrun	– 珠海盈潤	—	20
<b>Sub-total</b>	<b>小計</b>	<b>3,239</b>	<b>520</b>
Other receivables from:	其他應收以下各方款項：		
– Guangzhou To Kee	– 廣州滔記	—	621
– Mr. Tsui Cham To	– 徐湛滔先生	495	463
– Mr. Gu Yaokun	– 古耀坤先生	121,620	224,450
– Haiqin Tiancheng	– 海沁天誠	1,455	1,455
– Haiqin Tiancheng Consultancy	– 海沁天誠諮詢	1,024	—
– Guangyuan Zhongtao	– 廣元中滔	—	40
– Guangyuan Haitao	– 廣元海滔	—	40
– Guangyuan To Kee	– 廣元滔記	—	40
– Nansha Lvjie	– 南沙綠傑	47	—
– Luopu Kunrun	– 洛浦坤潤	1,799	—
– Guangzhou Wofeng	– 廣州沃豐	617	—
– Guangzhou Lvchi	– 廣州綠馳	999	—
– Guangzhou Lvhao	– 廣州綠灝	3,371	—
– Guangzhou Anjing	– 廣州安淨	1,500	—
– Zhuhai Yingrun	– 珠海盈潤	854	—
<b>Sub-total</b>	<b>小計</b>	<b>133,781</b>	<b>227,109</b>
<b>Total</b>	<b>總計</b>	<b>137,020</b>	<b>227,629</b>

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 29 MATERIAL RELATED PARTY TRANSACTIONS (Cont'd)

#### (d) Balances with related parties (Cont'd)

##### (ii) Amounts due to related parties

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Trade payables to Haiqin Tiancheng	應付海沁天誠之貿易款項	353	700
Other payables to:	其他應付以下各方款項：		
– Mr. Tsui Cham To	– 徐湛滔先生	—	409
– Guangyuan To Kee	– 廣元滔記	—	300
– Haiqin Tiancheng	– 海沁天誠	50	270
– Guangzhou To Kee	– 廣州滔記	—	3,039
– Hengyang Lvtao	– 衡陽綠陶	2,501	—
		<b>2,904</b>	4,718

The balances with these related parties are unsecured, interest free and have no fixed repayment terms.

### 29 重大關聯方交易(續)

#### (d) 與關聯方的結餘(續)

##### (ii) 應付關聯方款項

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
Trade payables to Haiqin Tiancheng	應付海沁天誠之貿易款項	353	700
Other payables to:	其他應付以下各方款項：		
– Mr. Tsui Cham To	– 徐湛滔先生	—	409
– Guangyuan To Kee	– 廣元滔記	—	300
– Haiqin Tiancheng	– 海沁天誠	50	270
– Guangzhou To Kee	– 廣州滔記	—	3,039
– Hengyang Lvtao	– 衡陽綠陶	2,501	—
		<b>2,904</b>	4,718

與該等關聯方的結餘為無抵押、免息且無固定償還期限。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 30 NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD

- (i) On 31 December 2016, Guangzhou Xintao entered into an agreement with local government authorities. Pursuant to the agreement, the local government and Guangzhou Xintao will jointly collaborate to commence the construction and operation of the project. On 19 January 2017, Guangzhou Xintao and a third party, which is an investment company authorised by the local government, further jointly set up a project company named Yulin Futao Enterprises Co., Ltd., to construct and operate the project. The estimated capital expenditure for the project is approximately RMB240,000,000. The construction work is estimated to be completed in December 2018.
- (ii) During the year ended 31 December 2016, the Group has entered to a sales and purchases agreement with a third party to dispose 99% of equity interest of Xintao Environmental Technology Company Limited ("Xintao Environmental") at a consideration of RMB100,000,000. The Group has received a deposit of RMB30,000,000 from the third party as at 31 December 2016. As part of agreement terms, Guangzhou Xintao has to transfer a land use right to Xintao Environmental before disposal of Xintao Environmental. On 2 March 2017, Guangzhou Xintao has completed the above transfer of the land use right to Xintao Environmental.

### 30. 報告期後非調整事項

- (i) 於二零一六年十二月三十一日，廣州新滔與當地政府機構簽訂協議。根據協議，當地政府與廣州新滔將共同合作開展該項目的建設及運營。於二零一七年一月十九日，廣州新滔與一家第三方公司（為該當地政府授權投資公司）進一步共同成立一間名為玉林市福滔實業有限責任公司的項目公司，以建設及運營該項目。該項目的估計資本開支約為人民幣240,000,000元。建設工程估計於二零一八年十二月完成。
- (ii) 截至二零一六年十二月三十一日止年度，本集團與一名第三方簽訂一份買賣協議，以代價人民幣100,000,000元將廣州新滔環保科技有限公司（「新滔環保」）99%的股權出售。截至二零一六年十二月三十一日，本集團已自該第三方收取按金人民幣30,000,000元。作為協議條款的一部分，廣州新滔須於出售新滔環保前將土地使用權轉讓予新滔環保。於二零一七年三月二日，廣州新滔完成上述對新滔環保的土地使用權轉讓。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 31 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

(Expressed in Renminbi)

### 31 公司層面之財務狀況表

(以人民幣呈列)

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	901,670	812,700
Other receivables	其他應收款項	7,544	—
		<b>909,214</b>	812,700
<b>Current assets</b>	<b>流動資產</b>		
Other receivables	其他應收款項	1,217,037	1,245,270
Cash and cash equivalents	現金及現金等價物	6,078	11,970
Deposits with banks with original maturity date over three months	存放於銀行原始到期日超過三個月之存款	3,287	3,076
		<b>1,226,402</b>	1,260,316
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項	1,913	917
Bank loans	銀行貸款	65,566	185,425
		<b>67,479</b>	186,342
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>1,158,923</b>	1,073,974
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>2,068,137</b>	1,886,674
<b>Non-current liability</b>	<b>非流動負債</b>		
Bank loans	銀行貸款	524,988	229,456
		<b>524,988</b>	229,456
<b>Net assets</b>	<b>資產淨值</b>	<b>1,543,149</b>	1,657,218

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 31 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (Cont'd)

(Expressed in Renminbi)

		Note	2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元
		附註		
<b>CAPITAL AND RESERVES</b>	股本及儲備	26(b)		
Share capital	股本		125,392	125,392
Reserves	儲備		1,417,757	1,531,826
<b>Total equity</b>	<b>權益總額</b>		<b>1,543,149</b>	<b>1,657,218</b>

Approved and authorised for issue by the board of directors on 31 March 2017.

)  
)  
) Directors  
)  
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(以人民幣呈列)

於二零一七年三月三十一日經董事會批准及授權刊發。

董事

### 32 IMMEDIATE AND ULTIMATE CONTROLLING PARTIES

At 31 December 2016, the directors consider the immediate controlling party to be Keen Vast Holding Limited (建大控股有限公司), while the ultimate controlling party of the Company as at 31 December 2016 to be Mr. Tsui Cham To.

### 32 直接及最終控股方

董事認為，於二零一六年十二月三十一日的直接控股方為建大控股有限公司，而本公司於二零一六年十二月三十一日的最終控股方為徐湛滔先生。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

### 33 截至二零一六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響

截至本財務報表刊發日期，香港會計師公會已頒佈多項新修訂及新準則。該等新修訂及新準則於截至二零一六年十二月三十一日止年度尚未生效，此等財務報表亦無採用該等新修訂及新準則。以下為可能與本集團相關的有關準則。

	<b>Effective for accounting periods beginning on or after 於以下日期或 之後開始的 會計期間生效</b>
Amendments to HKAS 7, <i>Statement of cash flows: Disclosure initiative</i> 香港會計準則第7號現金流量表：披露指引之修訂	1 January 2017 二零一七年 一月一日
Amendments to HKAS 12, <i>Income taxes: Recognition of deferred tax assets for unrealised losses</i> 香港會計準則第12號所得稅：就未實現虧損確認遞延稅項資產之修訂	1 January 2017 二零一七年 一月一日
HKFRS 9, <i>Financial instruments</i> 香港財務報告準則第9號金融工具	1 January 2018 二零一八年 一月一日
HKFRS 15, <i>Revenue from contracts with customers</i> 香港財務報告準則第15號客戶合約收益	1 January 2018 二零一八年 一月一日
Amendments to HKFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i> 香港財務報告準則第2號以股份為基礎的付款：以股份為基礎的付款交易的確認及計量之修訂	1 January 2018 二零一八年 一月一日
HKFRS 16, <i>Leases</i> 香港財務報告準則第16號租賃	1 January 2019 二零一九年 一月一日

**33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016**  
(Cont'd)

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements. Further details of the expected impacts are discussed below. As the Group has not completed its assessment, further impacts may be identified in due course and will be taken into consideration when determining whether to adopt any of these new requirements before their effective date and which transitional approach to take, where there are alternative approaches allowed under the new standards.

**HKFRS 9, Financial instruments**

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. Expected impacts of the new requirements on the Group's financial statements are as follows:

**33 截至二零一六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響**  
(續)

本集團正在評估該等修訂在首個應用期間預期產生的影響。目前，本集團認為採納該等修訂、新準則及詮釋不大可能對綜合財務報表產生重大影響。預期影響之進一步詳情討論如下。由於本集團尚未完成其評估，進一步影響將於適時確認及於釐定是否於該等新訂準則生效前採納該等準則及採取何種過渡方法（是否存在新訂準則批准之其他方法）時予以考慮。

**香港財務報告準則第9號，金融工具**

香港財務報告準則第9號將取代有關金融工具會計處理方法的現有準則香港會計準則第39號，金融工具：確認及計量。香港財務報告準則第9號引入分類及計量金融資產、計算金融資產減值的新規定。另一方面，香港財務報告準則第9號納入且並無大幅變動香港會計準則第39號有關確認及終止確認金融工具及金融負債分類的規定。新規定對本集團財務報表之預計影響如下：

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

#### (a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (FVTPL) and (3) fair value through other comprehensive income (FVTOCI) as follows:

- The classification for debt instruments is determined based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then effective interest, impairments and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity's business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

### 33 截至二零一六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響 (續)

#### (a) 分類及計量

香港財務報告準則第9號包括金融資產的三個主要分類類別：(1)按攤銷成本計量、(2)透過損益按公平值計量(FVTPL)及(3)透過其他全面收益按公平值計量(FVTOCI)如下：

- 債務工具分類乃根據實體管理金融資產的業務模式及資產的合約現金流量特性釐定。倘債務工具分類為FVTOCI，則實際利率、減值及出售收益／虧損將於損益內確認。
- 就股本證券而言，FVTPL之分類不計及實體之業務模式。唯一不同的是倘股本證券並非持作買賣及實體不可撤回地選擇指定該證券為FVTOCI。倘股本證券被指定為FVTOCI，則只有該證券的股息收入將於損益確認。該證券之收益、虧損及減值將於其他全面收益確認，不得循環使用。



## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated)(以人民幣列示，惟另有註明者除外)

### 33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

#### (a) Classification and measurement (Cont'd)

Based on the preliminary assessment, the Group expects that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9.

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). The Group currently does not have any financial liabilities designated at FVTPL and therefore this new requirement may not have any impact on the Group on adoption of HKFRS 9.

### 33 截至二零一六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響 (續)

#### (a) 分類及計量(續)

根據初步評估，本集團預期其當前按攤銷成本及FVTPL計量的金融資產將於採納香港財務報告準則第9號後持續遵循各自的分類及計量。

香港財務報告準則第9號項下金融負債之分類及計量與香港會計準則第39號很大程度上保持一致，惟香港財務報告準則第9號規定，因該金融負債自身信貸風險而指定按FVTPL計量之金融負債的公平值變動於其他全面收益(不得重新分類至損益)確認。本集團目前並無指定按FVTPL計量的金融負債，故該新規定對本集團採納香港財務報告準則第9號並無任何影響。

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### 33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

#### (b) Impairment

The new impairment model in HKFRS 9 replaces the “incurred loss” model in HKAS 39 with an “expected credit loss” model. Under the expected credit loss model, it will no longer be necessary for a loss event to occur before an impairment loss is recognised. Instead, an entity is required to recognise and measure expected credit losses as either 12-month expected credit losses or lifetime expected credit losses, depending on the asset and the facts and circumstances. This new impairment model may result in an earlier recognition of credit losses on the Group’s trade receivables and other financial assets. However, a more detailed analysis is required to determine the extent of the impact.

#### HKFRS 15, Revenue from contracts with customers

HKFRS 15 establishes a comprehensive framework for recognising revenue from contracts with customers. HKFRS 15 will replace the existing revenue standards, HKAS 18, Revenue, which covers revenue arising from sale of goods and rendering of services, and HKAS 11, Construction contracts, which specifies the accounting for revenue from construction contracts. The Group is currently assessing the impacts of adopting HKFRS 15 on its financial statements. Based on the preliminary assessment, the Group has identified the following areas which are likely to be affected:

##### Timing of revenue recognition

The Group’s revenue recognition policies are disclosed in note 1(v). Currently, revenue arising from construction contracts and the provision of services is recognised over time, whereas revenue from the sale of goods is generally recognised when the risks and rewards of ownership have passed to the customers.

### 33 截至二零一六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響 (續)

#### (b) 減值

香港財務報告準則第9號的新減值模式以「預計信貸虧損」模式取代香港會計準則第39號的「已產生虧損」。根據預計信貸虧損模式，於減值虧損確認前毋須再發生虧損事件。取而代之，根據資產及事實與情況，實體須確認及計量預計信貸虧損為12個月預計信貸虧損或存續期預計信貸虧損。該新減值模式可能導致提早確認本集團貿易應收款項及其他金融資產之信貸虧損。然而，本集團須就釐定影響之程度而作出更為詳細之分析。

#### 香港財務報告準則第15號，客戶合約收益

香港財務報告準則第15號建立了確認客戶合約收益的全面框架。香港財務報告準則第15號將取代現有收益準則：香港會計準則第18號，收益（涵蓋銷售貨物及提供服務所產生的收入）及香港會計準則第11號，建築合約（訂明建築合約收益的會計處理方法）。本集團目前正在評估採納香港財務報告準則第15號對其財務報表之影響。根據初步評估，本集團已識別以下有可能受影響之領域：

##### 收益確認時間

本集團的收益確認政策披露於附註1(v)。目前，建築合約及提供服務所產生之收益隨時間予以確認，而銷售貨物之收益通常於風險及所有權得益轉移至客戶時予以確認。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

Under HKFRS 15, revenue is recognised when the customer obtains control of the promised good or service in the contract. HKFRS 15 identifies 3 situations in which control of the promised good or service is regarded as being transferred over time:

- (a) When the customer simultaneously receives and consumes the benefits provided by the entity's performance, as the entity performs;
- (b) When the entity's performance creates or enhances an asset (for example work in progress) that the customer controls as the asset is created or enhanced;
- (c) When the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If the contract terms and the entity's activities do not fall into any of these 3 situations, then under HKFRS 15 the entity recognises revenue for the sale of that good or service at a single point in time, being when control has passed. Transfer of risks and rewards of ownership is only one of the indicators that will be considered in determining when the transfer of control occurs.

### 33 截至二零一六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響 (續)

根據香港財務報告準則第15號，收益於客戶獲得合約內所承諾貨物及服務之控制權時予以確認。香港財務報告準則第15號確定了以下對承諾貨物或服務之控制被視為隨時間轉移之三種情況：

- (a) 當客戶於實體履約時同時接受及使用實體履約所提供之利益時；
- (b) 當實體履約創造或增強一項於資產被創造或增強時由客戶控制之資產（如在建工程）時；
- (c) 當實體之履約並無創造對實體而言具替代用途之資產，且該實體對迄今完成之履約付款具有可執行權利時。

倘合約條款及實體業務並不屬於該3種情況之任何一種，則根據香港財務報告準則第15號，實體於單一時間點（即控制權已轉移時）確認出售該貨物或服務之收入。風險及所有權得益轉讓僅為釐定控制權轉移時考慮的其中一項指標。

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### 33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

As a result of this change from the risk-and-reward approach to the contract-by-contract transfer-of-control approach, it is possible that once the Group adopts HKFRS 15 some of the Group's contract manufacturing and residential property development activities that are currently recognised at a point in time may meet the HKFRS 15 criteria for revenue recognition over time. This will depend on the terms of the sales contract and the enforceability of any specific performance clauses in that contract, which may vary depending on the jurisdiction in which the contract would be enforced. It is also possible that for the remainder of the Group's contracts the point in time when revenue is recognised may be earlier or later than under the current accounting policy. However, further analysis is required to determine whether this change in accounting policy may have a material impact on the amounts reported in any given financial reporting period.

#### HKFRS 16, Leases

As disclosed in note 1(k), the Group's leases are operating leases. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease.

### 33 截至二零一六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響 (續)

由於風險與報酬法轉變為按逐個合約轉讓控制權法，一旦本集團採納香港財務報告準則第15號，則有可能本集團若干目前於單一時間點確認的合約生產及住宅物業發展活動或會滿足香港財務報告準則15號有關收益隨時間確認之標準。這將取決於銷售合約之條款及該合約中任何特定表現條款的可強制執行性，或會因合約所執行之司法權區不同而有別。本集團合約餘下部分於收益確認的單個時間點可能早於或晚於當前會計政策。然而，於釐定該會計政策變動是否可能對於任何所示財務報告期間所呈報金額產生影響時須作出進一步分析。

#### 香港財務報告準則第16號，租賃

誠如附註1(k)所披露，本集團的租賃為經營租賃。本集團作為出租人與其他人士作為承租人訂立若干租賃。

香港財務報告準則第16號預期不會對出租人之權益或租賃義務有重大影響。

## Notes to the financial statements 財務報表附註

(Expressed in Renminbi unless otherwise indicated) (以人民幣列示，惟另有註明者除外)

### 33 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2016 (Cont'd)

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease. As disclosed in note 28(b), at 31 December 2016 the Group's future minimum lease payments under non-cancellable operating leases amount to RMB54,373,000 for land use right, the majority of which is payable in more than 5 years. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

The Group is considering whether to adopt HKFRS 16 before its effective date of 1 January 2019. However, early adoption of HKFRS 16 is only permitted if this is no earlier than the adoption of HKFRS 15. It is therefore unlikely that HKFRS 16 will be adopted before the effective date of HKFRS 15, being 1 January 2018.

### 33 截至二零一六年十二月三十一日止年度已頒佈但尚未生效的修訂、新準則及詮釋的可能影響 (續)

香港財務報告準則第16號將主要影響本集團作為物業、廠房及設備承租人就若干物業(現時分類為經營租賃)的會計處理方法。預期應用新會計模式將導致資產及負債均有所增加，及影響租約期間於損益表確認開支的時間。誠如附註28(b)所披露，於二零一六年十二月三十一日，本集團於不可撤銷經營租約項下就土地使用權的未來最低租約款項將達人民幣54,373,000元，其中大部分應於五年後支付。因此，一旦採納香港財務報告準則第16號，若干該等款項可能須按照相應使用權資產確認為租賃負債。經考慮實際權益方法的適用性及調整現時與採納香港財務報告準則第16號之間已訂立或終止的任何租約及折讓影響後，本集團將須進行更為詳細的分析以釐定於採納香港財務報告準則第16號時經營租約承擔所產生的新資產及負債的金額。

本集團正考慮是否於香港財務報告準則第16號之生效日期二零一九年一月一日前採納該準則。然而，提早採納香港財務報告準則第16號僅在沒有提早採納香港財務報告準則第15號之情況下獲批准。因此，本集團不太可能於香港財務報告準則第15號之生效日期二零一八年一月一日前採納香港財務報告準則第16號。

## Financial Summary

### 財務概要

The following table summarizes the consolidated results, assets and liabilities of the Group for the five years ended 31 December:

下表概述本集團於截至十二月三十一日止五個年度的綜合業績、資產及負債：

		2016 二零一六年 RMB' 000 人民幣千元	2015 二零一五年 RMB' 000 人民幣千元	2014 二零一四年 RMB' 000 人民幣千元 (Restated) (經重列)	2013 二零一三年 RMB' 000 人民幣千元 (Restated) (經重列)	2012 二零一二年 RMB' 000 人民幣千元 (Restated) (經重列)
Results	業績					
Turnover	營業額	1,865,940	1,434,959	818,116	386,827	312,266
Profit before taxation	除稅前溢利	616,928	670,575	373,858	218,531	173,695
Income tax	所得稅	102,468	69,323	34,542	39,186	29,404
Profit attributable to equity holders of the Company	本公司權益持有人應佔溢利	519,137	598,916	336,478	179,050	144,193
Assets	資產					
Non-current assets	非流動資產	4,768,081	4,258,442	2,214,636	897,761	685,137
Current assets	流動資產	2,103,607	1,246,351	637,318	589,425	240,392
Total assets	資產總額	6,871,688	5,504,793	2,851,954	1,487,186	925,529
Liabilities	負債					
Non-current liabilities	非流動負債	2,031,579	1,621,769	817,417	436,798	448,855
Current liabilities	流動負債	1,605,542	986,469	539,908	163,285	158,899
Total liabilities	負債總額	3,637,121	2,608,238	1,357,325	600,083	607,754
Total equity	權益總額	3,234,567	2,896,555	1,494,629	887,103	317,775
Total equity of attributable to equity holders of the Company	本公司權益持有人應佔權益總額	3,225,381	2,882,692	1,471,395	884,968	316,537



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