



**ELL**  
Environmental  
Holdings Limited

ANNUAL REPORT  
2018 年報



**ELL Environmental  
Holdings Limited**  
**強泰環保控股有限公司\***

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

\* For identification purpose only  
僅供識別

Stock Code 股份代號 : 1395



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## Corporate Information

### 公司資料

#### DIRECTORS

##### EXECUTIVE DIRECTORS

CHAU On Ta Yuen (*Chairman*)  
CHAN Kwan (*Chief Executive Officer*)  
Rajiv SUHENDRA

##### NON-EXECUTIVE DIRECTORS

CHAN Pak Lam Brian  
CHAU Chi Yan Benny (will be re-designated from a non-executive director to an executive director with effect from 1 April 2019)

##### INDEPENDENT NON-EXECUTIVE DIRECTORS

NG Chung Yan Linda  
NG Man Kung  
SZE Yeuk Lung Benedict

#### BOARD COMMITTEES

##### AUDIT COMMITTEE

NG Chung Yan Linda (*Chairlady*)  
NG Man Kung  
SZE Yeuk Lung Benedict  
CHAU Chi Yan Benny (will step down as a member with effect from 1 April 2019)

##### NOMINATION COMMITTEE

CHAU On Ta Yuen (*Chairman*)  
CHAN Kwan  
NG Chung Yan Linda  
NG Man Kung  
SZE Yeuk Lung Benedict

##### REMUNERATION COMMITTEE

NG Man Kung (*Chairman*)  
CHAN Pak Lam Brian  
NG Chung Yan Linda  
SZE Yeuk Lung Benedict

#### REGISTERED OFFICE

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

#### 董事

##### 執行董事

周安達源 (*主席*)  
陳昆 (*行政總裁*)  
蘇堅人

##### 非執行董事

陳栢林  
周致人 (將由非執行董事調任為執行董事，由二零一九年四月一日生效)

##### 獨立非執行董事

伍頌恩  
吳文拱  
施若龍

#### 董事委員會

##### 審核委員會

伍頌恩 (*主席*)  
吳文拱  
施若龍  
周致人 (將不再擔任成員，由二零一九年四月一日生效)

##### 提名委員會

周安達源 (*主席*)  
陳昆  
伍頌恩  
吳文拱  
施若龍

##### 薪酬委員會

吳文拱 (*主席*)  
陳栢林  
伍頌恩  
施若龍

#### 註冊辦事處

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

**HEADQUARTERS IN THE PEOPLE'S REPUBLIC OF CHINA  
(THE "PRC" OR "CHINA")**

Rugao Hengfa Municipal and Industrial Wastewater Treatment Facility  
North of Huimin Road  
Rugao Economic and Technological Development Zone  
Jiangsu Province  
The PRC

**於中華人民共和國（「中國」）的總部**

如皋恆發市政及工業污水處理設施  
中國  
江蘇省  
如皋經濟技術開發區  
惠民路北側

**PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

Units 1-3, 11th Floor, Westlands Centre  
20 Westlands Road  
Hong Kong

**香港主要營業地點**

香港  
華蘭路20號  
華蘭中心11樓1-3室

**AUTHORISED REPRESENTATIVES**

CHAN Kwan  
KWOK Siu Man

**授權代表**

陳昆  
郭兆文

**COMPANY SECRETARY**

KWOK Siu Man

**公司秘書**

郭兆文

**CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive, P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

**開曼群島主要股份過戶登記處**

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive, P. O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR**

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21st Floor  
148 Electric Road  
North Point  
Hong Kong

**香港證券登記分處**

寶德隆證券登記有限公司  
香港  
北角  
電氣道148號  
21樓2103B室



## Corporate Information

### 公司資料

#### PRINCIPAL BANKERS

Chiyu Banking Corporation Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Bank of China (Hong Kong) Limited

#### INDEPENDENT AUDITORS

Deloitte Touche Tohmatsu  
Certified Public Accountants

#### LEGAL ADVISORS

##### AS TO HONG KONG LAW:

H.M. Chan & Co  
in association with Taylor Wessing

##### AS TO PRC LAW:

King & Wood Mallesons

##### AS TO CAYMAN ISLANDS LAW:

Maples and Calder

#### WEBSITE

[www.ellhk.com](http://www.ellhk.com)

#### LISTING INFORMATION

##### Stock Code

1395

##### Board Lot

5,000 shares

#### 主要來往銀行

集友銀行有限公司  
香港上海滙豐銀行有限公司  
中國銀行(香港)有限公司

#### 獨立核數師

德勤•關黃陳方會計師行  
執業會計師

#### 法律顧問

##### 有關香港法律：

陳浩銘律師事務所  
與泰樂信聯營

##### 有關中國法律：

金杜律師事務所

##### 有關開曼群島法律：

邁普達律師事務所

#### 公司網站

[www.ellhk.com](http://www.ellhk.com)

#### 上市資料

##### 股份代號

1395

##### 買賣單位

5,000股股份

**Dear Shareholders,**

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of ELL Environmental Holdings Limited (“**ELL Environmental**” or the “**Company**”, together with its subsidiaries, the “**Group**”), I present the annual report for the year ended 31 December 2018 (the “**Year**”).

Looking back at 2018, in the face of a slowdown of recovery in the global economy as well as the adverse impact of factors such as trade protectionism, China's economic development remained stagnant in the second half of the year. According to data from China's National Bureau of Statistics, the growth of the country's gross domestic product for the year was 6.6%, and it experienced an ongoing slowdown during the year. Although the Chinese economy faced significant challenges, the environmental protection industry in China boomed steadily in 2018 under the support of relevant national policies. In recent years, the Chinese government has been vigorously promoting the environmental protection industry and has increased its attention on wastewater treatment issues and its support to related industries. The revised *Water Pollution Prevention and Control Law of the People's Republic of China* has been effective since 1 January 2018, under which 55 major amendments were made for the delineation of the responsibility for water environment quality and the implementation of a total discharge control system and a pollutant discharge licence system in order to boost the demand for wastewater treatment businesses in China and to create new opportunities for the market. The Company kept a keen pulse on the market changes over the past year and adopted a practical and prudent approach towards expanding its businesses.

Despite the Chinese government contributing significant investments towards the environmental protection industry, competition in the industry has been intensified due to ample opportunities, posing challenges to the Group's business environment. In view of this, the Group succeeded in tapping into new business areas in 2016. In the fourth quarter of 2016, the Group acquired Weal Union Limited (“**Weal Union**”) and its subsidiary in Indonesia, PT Rimba Palma Sejahtera Lestari (“**RPSL**”), which is engaged in the biomass power generation business in Jambi, Indonesia. RPSL's power plant has two generating units, which are used mainly for the operation of its palm kernel oil production facility and for solving the issue of undersupply of electricity in the area. Since the completion of the

**致各位股東：**

本人謹代表強泰環保控股有限公司（「強泰環保」或「本公司」，連同其附屬公司，統稱「本集團」）董事（「董事」）會（「董事會」）呈報截至二零一八年十二月三十一日止年度（「本年度」）的年報。

回顧二零一八年，面對全球經濟復蘇步伐減弱，加上貿易保護主義等不利因素，中國經濟發展於下半年增長放緩。根據中國國家統計局數據顯示，全年國內生產總值增長與預期相若，為6.6%，於年內增長持續放緩。雖然中國經濟發展面臨不少挑戰，中國環保行業在國家政策的支持下，於2018年依然穩步向上發展。中國政府近年大力推動環保行業，增加對污水處理問題的關注及對相關行業的支持。新修訂的《中華人民共和國水污染防治法》於二零一八年一月一日起實施，其中五十五處重大修改確立了水環境品質責任，實施總量控制制度以及排污許可制度，令中國對水污染業務的需求得以提升，為市場帶來新機遇。本公司在過去一年一直緊密關注市場變化，以務實及審慎的態度拓展業務。

儘管中國政府在環境保護行業投入了不少資源，龐大的市場機遇令行業競爭日趨激烈，為本集團的營商環境帶來挑戰。有見及此，本集團於二零一六年成功發展新的業務方向。於二零一六年第四季度，本集團收購了旭衡有限公司（「旭衡」）及其印尼附屬公司PT Rimba Palma Sejahtera Lestari（「RPSL」），該公司在印尼占碑省從事生物質發電業務。RPSL的發電廠擁有兩台發電機組，主要支持其棕櫚仁榨油廠的運營，並補



## Chairman's Statement 主席報告

acquisition the Group has been devoted to investing in the reconstruction of the power generation facilities, in order to improve the efficiency of the power plants and lower the cost of sales. However, in 2018, the project revenue was less than satisfactory, with the Indonesian subsidiary RPSL recording net operating loss of approximately HK\$9.1 million (excluding impairment losses). One of the main reasons was a lower-than-expected utilization rate of the biomass power plant, which increased the difficulty in predicting the return of this project. We shall continue to monitor the performance of the power plant and the development of the neighboring areas and shall strive to enhance the efficiency of the power plants and lower the cost of sales so as to create higher returns.

In terms of the Group's domestic businesses, management has been actively reviewing and adjusting the business direction of the Group to address the significant increase in the costs of the wastewater treatment facility and capital expenditures. On 21 September 2016, the Group entered into an agreement with Nantong Jiahe Technology Investment Development Co., Ltd. (the "**Purchaser**"), an independent third party, for the disposal of all of the Group's equity interest in Rugao Honghao Metal Surface Water Treatment Company Limited ("**Rugao Honghao**") to the Purchaser at a cash consideration of RMB55.0 million. The Group received the cash consideration in full during the Year, believing that the disposal would provide funding for the Group's business expansion. In addition, the Group will continue to operate the two wastewater treatment facilities in Jiangsu Province, China, namely Hai'an Hengfa Wastewater Treatment Company Limited ("**Haian Hengfa**") and Rugao Hengfa Water Treatment Company Limited ("**Rugao Hengfa**"). Meanwhile, the Group has been cooperating and negotiating with the local authorities to raise the tariffs for Rugao Hengfa, and having reached the final stage of negotiations, expects that Rugao Hengfa and the local authorities will be able to soon reach a consensus on a tariff raise. Upon tariff adjustment, the revenue and gross profit of the Group are expected to increase, strengthening its financial position in the coming years.

For the Year, ELL Environmental recorded a revenue of approximately HK\$79.1 million, representing a year-on-year increase of 0.1%, the gross profit was HK\$10.7 million, representing a year-on-year increase of 120.5% and the net loss was HK\$144.7 million, including impairment of HK\$39.9 million to the goodwill and HK\$79.7 million to the property, plant and equipment in relation to the biomass power generation project in Indonesia.

足當地電力需求的缺口。自完成收購以來，為了提高發電廠的效率及降低銷售成本，本集團致力投資發電設施改建工程。然而在二零一八年度，項目收益未如理想，印尼附屬公司RPSL錄得約9.1百萬港元淨營運虧損（不包括減值虧損），其中主要原因是生物質發電廠的利用率低於預期，提高了此項目回報的不確定性。我們將持續監控發電廠的表現及鄰近地區發展，並致力提高發電廠效率及降低銷售成本，以提升項目回報。

針對本集團的國內業務，近年污水處理設施成本及資本開支大幅增加，管理層正致力調整業務方向。於二零一六年九月二十一日，本集團與獨立廠商南通嘉禾科技投資開發有限公司（「**買方**」）訂立協議，向其出售如皋宏皓金屬表面水處理有限公司（「**如皋宏皓**」）100%股權，現金代價為人民幣55.0百萬元，相關出售事項的所有款項已於本年度全數收取，相信其出售能為本集團帶來資金以拓展業務。另外，本集團將繼續營運位於中國江蘇省的兩座污水處理設施，即海安恆發污水處理有限公司（「**海安恆發**」）及如皋恆發水處理有限公司（「**如皋恆發**」）。同一時間，本集團亦正積極配合當地政府就調高如皋恆發的水價商討細節，並已進入最後階段，展望如皋恆發在調價上能與當地政府於短期內達成共識。在完成水價調整後，預期本集團收入及毛利將有所提升，令其未來幾年的財政狀況更為穩健。

於本年度，強泰環保錄得營業收入約79.1百萬港元，按年增加0.1%，而毛利為10.7百萬港元，按年上升120.5%，以及淨虧損為144.7百萬港元，當中包括與印尼生物質發電項目相關的商譽減值39.9百萬港元及物業、廠房及設備減值79.7百萬港元。

Looking forward, China's water industry will continue to secure regular demands and investments. Under the condition that the risks and returns are in line with the management's expectations, the Company will seek to develop more wastewater treatment projects and explore opportunities to diversify into other business areas of environmental protection. In the coming future, the Company will continue adhering to its prudent and stable operation policies, and will give priority to shareholders' interests by adopting strategies and plans which are in the best interests of the Company and its shareholders, hence stabilizing the Group's profit-making trend and achieving steady growth.

Once again, I would like to express my gratitude to my fellow Directors and staff. We are well aware that our staff, customers and partners are the key to our sustained and stable development. In the coming year, our management and staff will strive to deliver better performance, maintain close liaison with our partners, provide high-quality services to our customers and generate attractive returns for our investors and shareholders.

**Chau On Ta Yuen**  
*Chairman*

Hong Kong, 22 March 2019

展望未來，中國水務行業將持續有一定的需求及投資。在風險及回報符合管理層期望的條件下，本公司將積極考慮發展更多其他污水處理項目，並探索拓展其他環保業務的可能。本公司在未來日子將繼續貫徹謹慎穩健的主要運營方針，以股東的利益為首要考量，適時採取對本公司和股東最有利的戰略和方案，讓集團的盈利得以回穩並得以穩步增長。

在此我向各位董事及員工表示感謝，我們深明員工、顧客和合作夥伴是持續穩定發展的關鍵。強泰環保的管理層及員工將致力提高表現，與合作夥伴緊密聯繫，為客戶提供優質的服務，以及為投資者及股東帶來可觀的回報。

主席  
**周安達源**

香港，二零一九年三月二十二日





## Management Discussion and Analysis

### 管理層討論與分析

#### BUSINESS REVIEW

In 2018, mounting international trade conflicts posed challenges to global economic growth. Under the support of the government's fiscal policies and the modification of macroeconomic policies, the Chinese economy prevented itself from suffering a sharp decline in its growth in the second half of 2018, with China's gross domestic product (GDP) for the Year reaching RMB90,030.9 billion, which was beyond expectation.

The issue of environmental protection has become a global concern in recent years. In accordance with the "13th Five-Year Plan" for Nationwide Integrated Treatment of Rural Environment (全國農村環境綜合整治「十三五」規劃), the Chinese government has repeatedly voiced its support for the water treatment industry to achieve full collection and treatment of wastewater in built-up areas of cities, and to accelerate comprehensive rural environment management in 130,000 administrative villages. Meanwhile, the report to the 19th National Congress of the Communist Party of China highlighted the Chinese government's commitment to preventing and controlling pollution before 2020, and to achieving a fundamental improvement in the ecological environment by 2035. We are, therefore, expected to see a continuous growth in China's environmental protection industry in the upcoming years.

ELL Environmental is an environmental protection industry services provider which offers a one-stop approach to the provision of wastewater treatment services using the "Build-Operate-Transfer" or "BOT" mode. Our services range from the design of wastewater treatment facilities, through the procurement of suitable equipment and materials to the supervision of construction as well as the ongoing operation and maintenance of the facilities throughout long-term concession periods. ELL Environmental has actively adhered to the national policies, flexibly responding to market changes and making use of development opportunities in both China and overseas, to stably operate the Group's wastewater treatment business. However, as competition in the industry has become increasingly intense, wastewater treatment projects are not as profitable as in the past. In October 2016, the Group acquired Weal Union Limited and its subsidiary in Indonesia, PT Rimba Palma Sejahtera Lestari ("RPSL") (collectively as "Weal Union Group"). In Indonesia, being the fourth most populous country in the world, the renewable energy industry is set to gain from the undersupply of electricity due to rapid urbanisation and continuing support given by the local government to the environmental protection industry. The management believes that the acquisition is in line with the Group's objective of expanding into other environmental protection businesses and beneficial to shareholders' interests and the long-term development of the Group as a whole. However, during the Year, the biomass power generation plant in Indonesia has yet to achieve its expected utilization

#### 業務回顧

回顧二零一八年，國際貿易衝突持續升溫，令全球經濟增長面臨挑戰。中國經濟在政府財政政策的支持及宏觀經濟政策調整下，避免了二零一八年下半年經濟增長過快下滑，全年國內生產總值(國內生產總值)達至人民幣900,309億元，比預期目標高。

隨著環保議題受到全球關注，中國政府多番表示支持水治理行業，以實現城市建成區污水全收集全處理，加快實現《全國農村環境綜合整治「十三五」規劃》中十三萬個建制村環境綜合整治目標任務。同時，中國共產黨第十九次全國代表大會的報告提出二零二零年前要堅決打好污染防治的攻堅戰，並定下二零三五年生態環境根本好轉的目標。因此，我們預期未來數年中國環保行業將持續增長。

強泰環保是一家環保產業服務供應商，採用「建設 — 經營 — 移交」或「BOT」模式提供一站式污水處理服務，涵蓋設計污水處理設施、採購合適的設備及材料、監督設施建設以及在整個漫長特許期內持續運營及保養設施。強泰環保一直積極配合國家政策，靈活面對市場變化，把握中國及海外的發展機遇，以穩定經營集團的污水處理業務。然而，行業競爭日漸激烈，污水處理項目回報不及以往。於二零一六年十月，本集團收購了旭衡有限公司及其印尼附屬公司PT Rimba Palma Sejahtera Lestari (「RPSL」)(統稱「旭衡集團」)。印尼是世界上第四人口大國，快速城市化令電力需求出現缺口，加上當地政府近年持續給予環保行業各種支持，利好可再生能源行業。管理層認為此項收購符合本集團向其他環保業務擴張的目標，且有利於本集團的長期發展及股東利益。但由於年內地區市場耗電量較低，印尼生物質發電廠尚未達到其預期利用率。此乃由於印尼政府計劃的數個城市發展項目



## Management Discussion and Analysis 管理層討論與分析

rate due to the low market consumption of electricity in the region. This was mainly due to the fact that several urban development projects planned by the Indonesian government had been aborted, which led to a slowdown in economic growth and the local market development, hence reducing power consumption and demand, which in turn eased the power supply shortage in the vicinity of our biomass power plant. Moreover, the construction of the electricity grid connecting the South Sumatra region of Indonesia, where our biomass power plant is located, and the North Sumatra region, where the demand of electricity is higher, along with other infrastructure projects, had also been aborted, which contributed to the continued low utilization level of the power plant. The Group has also been actively negotiating with various parties on the potential collaboration in new businesses which enable self-consumption of the electricity generated by our power plants, as well as the potential disposal of the assets or equity of RPSL to external parties. At the same time, the Group will explore other suitable environmental protection projects, especially BOT investment projects, in order to provide a more stable cash flow and investment returns for the Group.

ELL Environmental's two wastewater treatment facilities are currently both located in Jiangsu Province, China, namely the Hai'an Hengfa Facility and the Rugao Hengfa Facility (both defined below). In 2016, the Group entered into an equity transfer agreement with Nantong Jiahe Technology Investment Development Co., Ltd. ("**Nantong Jiahe**") to dispose of all the Group's equity interest in Rugao Honghao (defined below). The remittance of consideration payment in connection with the disposal had been fully received in September 2018. Due to an increase in operating costs and the diminishing profitability of the Rugao Honghao Facility (defined below), it is believed that such disposal will provide funding for the Group's future business development and increase the overall growth in its return.

In terms of tariff adjustment, Rugao Hengfa Water Treatment Company Limited has made it into the last stage of examinations and discussions with the local government. As the tariff adjustment will not only raise the tariff to a reasonable level but also make up for the price difference in previous years, it is set to bring a remarkable growth in the revenue of the Group.

滯後，令經濟增長率及當地市場的發展放緩，減少了電力消耗及需求，從而降低我們生物質發電廠附近區域的電力供應缺口；另外，建設連接印尼蘇門答臘島南部（我們的生物質發電廠所在區域）及蘇門答臘島北部（電力需求更高）的輸電線及其他基礎設施工程停滯，亦導致發電廠維持較低利用率。本集團亦積極與各方磋商，物色可利用我們發電廠所產生電力的新項目，以及向外界各方出售RPSL資產或權益的商機。同時，我們亦會探索其他合適的環保相關項目，尤其為BOT投資項目，以為本集團提供更穩健的現金流及投資回報。

目前，強泰環保的兩座污水處理設施均位於中國江蘇省，包括海安恆發設施及如皋恆發設施（兩者的定義見下文）。於二零一六年，本集團與南通嘉禾科技投資發展有限公司（「南通嘉禾」）就出售本集團於如皋宏皓（定義見下文）的全部權益訂立股權轉讓協議。出售項目的代價支付匯款已於二零一八年九月全數收取。由於如皋宏皓設施（定義見下文）的營運成本增加及盈利能力削弱，此出售決策能為集團未來業務發展提供資金來源，加強整體回報增長。

在調整水價方面，如皋恆發水處理有限公司正進入各項審查及與當地政府商討細節的最後階段。有關水價調整之事宜除了將升級後的水價提升至合理水準外，亦會補回過去年度的差價，因此預期水價調整將為本集團帶來可觀的收入增長。



## Management Discussion and Analysis

### 管理層討論與分析

#### OUTLOOK

In view of the aforementioned market risks and uncertainties, the Company aims to expand its business steadily in line with the principles of stability and prudence, solidify its strong foundation in China's wastewater treatment market, continue to provide high-quality services to customers, leverage its extensive experience and expertise to develop environmental protection-related industrial chain projects and actively explore potential environmental protection businesses. Meanwhile, we shall strengthen our internal management and investment project strategy management to achieve corporate sustainable development.

#### FINANCIAL REVIEW

##### REVENUE

Our total revenue remained at HK\$79.1 million for the Year as compared to HK\$79.0 million for the previous year. During the Year, (i) construction revenue of HK\$11.2 million was recognized due to the incurrence of construction costs for our upgrade works of the wastewater treatment facility (“**Rugao Hengfa Facility**”) of Rugao Hengfa Water Treatment Company Limited (“**Rugao Hengfa**”) which was absent in the previous year; (ii) the revenue from wastewater treatment facility operation services decreased by HK\$15.6 million or 42.0% from HK\$37.1 million for the previous year to HK\$21.5 million for the Year, primarily due to the absence of the revenue generated from the operation of our wastewater treatment facility (“**Rugao Honghao Facility**”) of Rugao Honghao Metal Surface Water Treatment Company Limited (“**Rugao Honghao**”), which was disposed of during the previous year, and (iii) the offsetting effect from the increase in revenue from the sales of electricity generated from the biomass power plants in Indonesia by HK\$4.4 million or 16.6% from HK\$26.8 million for the previous year to HK\$31.2 million for the Year.

##### COST OF SALES

Our total cost of sales decreased by HK\$5.8 million or 7.8% from HK\$74.1 million for the previous year to HK\$68.4 million for the Year, primarily due to (i) the absence of cost of sales from the operation of Rugao Honghao in the Year which amounted to HK\$12.9 million for the previous year, (ii) the offsetting effect of the recognition of construction costs for our upgrade works of Rugao Hengfa Facility amounting to HK\$8.9 million which was absent in the previous year, and (iii) the increase in operating costs of our Haian Hengfa Municipal Wastewater Treatment Facility (“**Haian Hengfa Facility**”) by HK\$1.7 million or 19.3% from HK\$8.7 million for the previous year to HK\$10.4 million for the Year.

#### 未來展望

鑑於市場上的風險及不穩定性日漸增加，本公司將繼續保持審慎穩健的原則，穩步擴張業務；堅守在中國污水處理業務的穩固根基，一如既往地向客戶提供優越的服務；善用多年來累積的經驗和專業知識，發展環保相關產業鏈的項目，積極探索具潛力的環保業務。同時，我們將加強內部管理及投資項目決策管理，以達至企業可持續發展。

#### 財務回顧

##### 營業收入

我們本年度的營業收入總額維持在79.1百萬港元的水平，而去年則為79.0百萬港元。年內，(i)因由如皋恆發水處理有限公司(「如皋恆發」)的污水處理設施(「如皋恆發設施」)的升級工程而產生建設成本而確認建設營業收入11.2百萬港元，而去年並無有關收入；(ii)污水處理設施營運服務的營業收入由去年的37.1百萬港元減少15.6百萬港元或42.0%至本年度21.5百萬港元，主要由於因去年內出售如皋宏皓金屬表面水處理有限公司(「如皋宏皓」)而導致本年度並無該公司的污水處理設施(「如皋宏皓設施」)營運產生的營業收入，及(iii)因銷售印尼生物質發電廠產生的電力帶來的營業收入由去年26.8百萬港元增加4.4百萬港元或16.6%至本年度31.2百萬港元所產生的抵銷影響。

##### 銷售成本

我們的銷售成本總額由去年74.1百萬港元減少5.8百萬港元或7.8%至本年度68.4百萬港元，主要由於(i)本年度並無由如皋宏皓營運的銷售成本，而去年該銷售成本則為12.9百萬港元，(ii)確認如皋恆發設施升級工程的建設成本8.9百萬港元而產生的抵銷影響，而去年並無有關成本，及(iii)海安恆發市政污水處理設施(「海安恆發設施」)的營運成本由去年的8.7百萬港元增加1.7百萬港元或19.3%至本年度10.4百萬港元。



## Management Discussion and Analysis 管理層討論與分析

### GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit increased by HK\$5.8 million or 120.5% from HK\$4.8 million for the previous year to HK\$10.7 million for the Year, primarily due to (i) the decrease in gross loss from the operation of our biomass power plants in Indonesia by HK\$5.1 million or 86.8% from HK\$5.9 million for the previous year to HK\$0.8 million for the Year, and (ii) the recognition of construction margin arising from the upgrade works of the Rugao Hengfa Facility amounting to HK\$2.3 million for the Year, which was absent for the previous year.

Our gross profit margin increased from 6.1% for the previous year to 13.5% for the Year, as the effect of the factors discussed above.

### IMPAIRMENT LOSS

During the Year, we recognised an impairment loss of HK\$39.9 million (2017: HK\$43.9 million) to the goodwill arising on acquisition of Weal Union Group (the “**Goodwill**”), and an impairment loss of HK\$79.7 million (2017: nil) to the property, plant and equipment in our Indonesian subsidiary RPSL (the “**PPE of RPSL**”). The valuation, and hence the impairment loss, of the Goodwill as well as the PPE of RPSL was determined by using the value-in-use approach in calculating the recoverable amount based on the discounted cash flow model (the “**DCF model**”). This approach implies the adoption of the assumption on the ongoing operation of the existing business in RPSL, with the parameters of the DCF model taken according to the latest information available to the management. The calculated net present value of the cash flows generated from the operation of RPSL decreased by HK\$127.6 million or 71.3% from HK\$179.1 million for the previous year to HK\$51.5 million for the Year primarily due to the decreases in (i) the expected electricity unit price by 25.3% in the forthcoming one-year period as compared to the existing contracted price, according to the offered price from the sole buyer of the electricity generated by the power plants of RPSL, (ii) the expected growth rate on the sales of electricity and (iii) the gross margin ratio, notwithstanding the offsetting effect from the increase in gross profit from the expected sales of pellets in the future. The recoverable amount of Weal Union Group and the particulars regarding the impairment testing on goodwill are disclosed in notes 17 and 18 to the consolidated financial statements as set out in this annual report.

### 毛利及毛利率

我們的毛利由去年4.8百萬港元增加5.8百萬港元或120.5%至本年度的10.7百萬港元，主要由於(i)營運印尼生物質發電廠而錄得的毛損由去年5.9百萬港元減少5.1百萬港元或86.8%至本年度0.8百萬港元，及(ii)確認本年度由如皋恆發設施的升級工程產生的建設利潤2.3百萬港元，而去年並無有關款項。

我們的毛利率由去年的6.1%增加至本年度的13.5%，主要為上文所討論因素帶來的影響。

### 減值虧損

年內，我們就收購旭衡集團產生的商譽（「**商譽**」）確認減值虧損39.9百萬港元（二零一七年：43.9百萬港元）以及就我們的印尼附屬公司RPSL的物業、廠房及設備（「**RPSL的物業、廠房及設備**」）確認減值虧損79.7百萬港元（二零一七年：無）。商譽及RPSL的物業、廠房及設備的估值以及減值虧損均按貼現現金流模型（「**貼現現金流模型**」）以使用價值法計算可收回金額的方法釐定。此法意味應用RPSL現有業務持續營運的假設，以及根據管理層可取得的最新資料採取的貼現現金流模型參數。計算得出來的RPSL業務營運所得現金流量淨現值由去年的179.1百萬港元減少127.6百萬港元或71.3%至本年度的51.5百萬港元，主要是由於(i)根據RPSL發電廠所產電力唯一買家所報價格，預期未來一年的電價將較現有合約價減少25.3%；(ii)電力銷售預期增長率下降；及(iii)毛利率下降，而不論顆粒未來預期銷售的毛利上升所帶來的抵銷效果。旭衡集團的可收回金額及有關商譽減值測試的詳情已於本年報所載綜合財務報表附註17及18中披露。

## Management Discussion and Analysis

### 管理層討論與分析

#### VALUATION

The Group engaged an independent professional valuer to perform such impairment testing using the value-in-use approach, which requires the use of key assumptions, including the discount rate, terminal growth rate, budgeted sales, gross margin and earnings before interest, tax, depreciation and amortization (“**EBITDA**”) margin.

#### PARAMETERS OF THE VALUATION MODEL AND KEY ASSUMPTIONS

The parameters of the valuation model for the impairment testing of Weal Union Group are illustrated as follows:

#### 估值

本集團聘請獨立專業估值師採用使用價值法進行該減值測試，這需要使用主要假設，包括貼現率、永久增長率、預算銷售、毛利率及息稅折舊及攤銷前利潤（「**EBITDA**」）率。

#### 估值模式參數及主要假設

旭衡集團的減值測試的估值模式參數載列如下：

		<b>For the year ended</b>	
		<b>31 December</b>	
		<b>截至十二月三十一日</b>	
		<b>止年度</b>	
		<b>2018</b>	<b>2017</b>
		<b>二零一八年</b>	<b>二零一七年</b>
Annual sales growth rate	年銷售增長率	40.1%	37.5%
Gross margin (as % of revenue)	毛利率(佔收入%)	23.1%	43.6%
EBITDA margin (as % of revenue)	EBITDA率(佔收入%)	17.3%	36.9%
Adopted discount rate	所採納的貼現率	18.4%	18.2%
Long-term growth rate	長期增長率	5.0%	5.0%

In the table above:

- (a) Annual sales growth rate refers to the average annual growth rate over a five-year forecast period, estimated based on past performance and management's expectations of market development.
- (b) Gross margin and EBITDA margin refer to the average margin of gross profit and earnings before interest, tax, depreciation and amortization, respectively, as a percentage of revenue over a five-year forecast period, estimated based on the management's expectations for the market development.
- (c) The discount rates used reflect specific risks relating to the relevant operating segment, which include country risk and certain company specific risk in execution of the business strategy.
- (d) Long-term growth rate is estimated based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

上述表中：

- (a) 年銷售增長率指五年預測期的平均年增長率，乃基於過往表現及管理層對市場發展的預期進行估計。
- (b) 毛利率及EBITDA率指五年預測期內毛利以及息稅折舊及攤銷前利潤分別佔收入百分比的平均利潤率，乃基於管理層對市場發展的預期進行估計。
- (c) 所使用的貼現率反映與相關經營分類有關的特定風險，包括執行業務策略時的國家風險及若干公司特定風險。
- (d) 長期增長率乃基於相關行業增長預測進行估計，且並無超過相關行業的平均長期增長率。



## Management Discussion and Analysis 管理層討論與分析

Key assumptions considered for the valuation included (but are not limited to) the following:

- (a) there will be no major changes in the existing political, legal, fiscal and economic conditions in the country that Weal Union Group is operating;
- (b) there will be no substantial fluctuation in the economic outlook and specific industry outlook affecting the continuity of the business of Weal Union Group;
- (c) there are no material changes, after the date of this annual report, in the relevant corporate tax rate, interest rate, long-term borrowing rate, and exchange rate from that currently prevailing in the country that Weal Union Group is operating which may significantly impact its business;
- (d) the profit forecasts of Weal Union Group provided to the valuer by the Company have been compiled based on fair and reasonable assumptions that can be materialised; and
- (e) the operation of Weal Union Group complied with all applicable laws.

### THE VALUE-IN-USE APPROACH

According to HKAS 36 Impairment of Assets, the recoverable amount is defined as the higher of an asset's or a cash-generating unit's fair value less costs of disposal and its value-in-use. The management is formulating the business plan regarding the Indonesia business, which may include a potential disposal of the assets or the equity of RPSL in the future should a suitable opportunity arises to maximise the benefit to the Group and its shareholders. However, as at 31 December 2018, no binding offers have been concluded in relation to the restructuring or disposal of RPSL. Accordingly, Weal Union Group and the PPE of RPSL were valued based on its value-in-use, with the assumption that RPSL shall remain in operation. In the event a disposal of the Weal Union Group or any of the PPE of RPSL is materialised at favourable terms, we may revalue the enterprise value of the Weal Union Group as well as the PPE of RPSL based on fair value less costs of disposal, and an adjustment or reversal of the impairment on the PPE of RPSL could be resulted. As at the date of this annual report, no definitive agreement has been entered into in connection to any restructuring or disposal of the Weal Union Group. The Directors will update the shareholders as and when appropriate in accordance with applicable laws and requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

估值師所作出之主要假設包括但不限於以下各項：

- (a) 旭衡集團經營業務所在國家之現有政治、法律、財政及經濟狀況不會發生重大變動；
- (b) 不含有影響旭衡集團業務持續經營之經濟前景及特定行業前景之重大波動；
- (c) 於本年報日期後，旭衡集團經營業務所在國家之現行相關企業稅率、利率、長期借款利率及匯率並無出現可能對旭衡集團業務造成重大影響之重大變動；
- (d) 本公司向估值師提供之旭衡集團之盈利預測乃基於可實現之公平合理假設而編製；及
- (e) 旭衡集團之營運遵守所有適用法律。

### 使用價值法

根據香港會計準則第36號資產減值，可收回金額定義為資產或現金產生單位的公允值減出售成本與其使用價值兩者中之較高者。管理層現正就印尼業務制定業務規劃，其中包括於未來適當商機湧現時出售RPSL資產或權益以提高本集團及其股東之利益。然而，於二零一八年十二月三十一日，尚未就重組或出售RPSL簽訂任何具約束力要約。因此，旭衡集團及RPSL的物業、廠房及設備已按其使用價值估值，並假設RPSL仍將繼續營運。倘能以有利條款出售旭衡集團或任何RPSL的物業、廠房及設備，則我們可按公允值減出售成本重新估值旭衡集團或RPSL的物業、廠房及設備的企業價值，而這可能導致RPSL的物業、廠房及設備減值調整或撥回。截至本年報日期，尚未就重組或出售旭衡集團訂立最終協議。董事將根據適用法律及香港聯合交易所有限公司證券上市規則的規定於適當時候向股東提供更新資料。



## Management Discussion and Analysis

### 管理層討論與分析

#### ADMINISTRATIVE EXPENSES

Our administrative expenses increased by HK\$8.0 million or 32.2% from HK\$24.7 million for the previous year to HK\$32.7 million for the Year. As a percentage of our revenue, our administrative expenses represented 31.3% and 41.3% for the years ended 31 December 2017 and 2018, respectively. The increase of our administrative expenses was primarily attributable to the increase in administrative expenses in our Indonesia operation by HK\$5.4 million or 68.7% from HK\$7.9 million for the previous year to HK\$13.3 million for the Year, mainly for business development purposes.

#### FINANCE COSTS

Our finance costs increased by HK\$0.7 million or 50.2% from HK\$1.4 million for the previous year to HK\$2.2 million for the Year, primarily due to the interest expense on a short-term borrowing made during the Year.

#### LOSS BEFORE TAX

Our loss before tax increased by HK\$90.2 million or 177.3% from HK\$50.9 million for the previous year to HK\$141.1 million for the Year, primarily due to the factors mentioned above.

#### INCOME TAX EXPENSE

Our income tax expense decreased by HK\$6.3 million or 63.9% from HK\$9.9 million for the previous year to HK\$3.6 million for the Year, primarily due to the decrease in the current tax expense in Rugao Hengfa by HK\$2.9 million or 56.9% from HK\$5.1 million for the previous year to HK\$2.2 million for the Year as a result of the disapproval of our claims for certain tax allowances for prior years and therefore recognised as the income tax expense in the previous year, which was absent for the Year.

#### LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

Our loss attributable to owners of the Company increased by HK\$78.6 million or 128.8% from HK\$61.1 million for the previous year to HK\$139.7 million for the Year, primarily due to the factors mentioned above.

#### 行政開支

我們的行政開支由去年的24.7百萬港元增加8.0百萬港元或32.2%至本年度的32.7百萬港元。截至二零一七年及二零一八年十二月三十一日止年度，我們行政開支佔營業收入的百分比分別為31.3%及41.3%。行政開支增加主要是由於有關印尼業務營運的行政開支由去年的7.9百萬港元增加5.4百萬港元或68.7%至本年度的13.3百萬港元，主要作業務發展用途。

#### 融資成本

我們的融資成本由去年的1.4百萬港元增加0.7百萬港元或50.2%至本年度的2.2百萬港元，主要由一項年內作出的短期借款的利息開支所致。

#### 除稅前虧損

我們錄得的除稅前虧損由去年的50.9百萬港元增加90.2百萬港元或177.3%至本年度的141.1百萬港元，主要由上文所述原因所致。

#### 所得稅開支

我們的所得稅開支由去年的9.9百萬港元減少6.3百萬港元或63.9%至本年度的3.6百萬港元，主要由於如皋恆發的即期稅項開支由去年的5.1百萬港元減少2.9百萬港元或56.9%至本年度的2.2百萬港元，原因為過往年度要求的若干免稅額未獲批准而於去年確認為所得稅開支所致，而本年度並無有關款項。

#### 本公司擁有人應佔虧損

本公司擁有人應佔虧損由去年的61.1百萬港元增加78.6百萬港元或128.8%至本年度的139.7百萬港元，主要由上文所述原因所致。



## Management Discussion and Analysis 管理層討論與分析

### BANK BORROWINGS

As at 31 December 2018, the Group had: (i) an unsecured one-year bank loan with a carrying amount of HK\$28.0 million, which was denominated in Hong Kong dollars (2017: HK\$28.0 million) with variable interest rates at Hong Kong Interbank Offered Rate (HIBOR) plus 1.4% per annum, repayable on demand; (ii) an unsecured five-year bank loan with a carrying amount of HK\$9.0 million, which was denominated in United States dollars (2017: HK\$11.2 million) with variable interest rates at London Interbank Offered Rate (LIBOR) plus 1.4% per annum, and (iii) a secured 6-month bank loan with a carrying amount of HK\$2.3 million, which was denominated in Renminbi with a fixed interest rate of 5.1% per annum (2017: nil), secured by HK\$11.4 million of receivables under service concession arrangements.

### LIQUIDITY AND FINANCIAL RESOURCES

Our principal liquidity and capital requirements primarily relate to investments in our projects, construction of our wastewater treatment facilities and purchase of equipment, as well as costs and expenses. As at 31 December 2018, the net assets of the Group was HK\$374.4 million, representing a decrease by HK\$147.4 million or 28.3% as compared with that of HK\$521.8 million as at 31 December 2017.

### GEARING RATIO

The Group's gearing ratio is calculated by dividing total debt by total equity and total debt is the bank borrowings. The gearing ratio was kept stable, being 0.1 as at 31 December 2017 and at 31 December 2018.

### CHARGE ON ASSETS

As at 31 December 2018, the Group's receivables under service concession arrangements amounting to HK\$11.4 million was used to secure a bank facility of HK\$2.3 million (2017: nil).

### 銀行借款

於二零一八年十二月三十一日，本集團有(i)一筆賬面值為28.0百萬港元的一年期無抵押銀行貸款，該貸款以港元計值(二零一七年：28.0百萬港元)，按香港銀行同業拆息(HIBOR)加年息1.4%之浮動利率計息及須按要求償還；(ii)一筆賬面值為9.0百萬港元的五年期無抵押銀行貸款，該貸款以美元計值(二零一七年：11.2百萬港元)，按倫敦銀行同業拆息(LIBOR)加年息1.4%之浮動利率計息；及(iii)一筆賬面值為2.3百萬港元的六個月有抵押銀行貸款，該貸款以人民幣計值(二零一七年：無)，按年息5.1%之固定利率計息，以服務特許權安排下的應收款項11.4百萬港元作抵押。

### 流動資金及財務資源

我們主要的流動資金及資本需求主要與我們的項目投資、污水處理設施建設及設備購買以及成本及開支有關。於二零一八年十二月三十一日，本集團的資產淨值為374.4百萬港元，較二零一七年十二月三十一日的521.8百萬港元減少147.4百萬港元或28.3%。

### 資產負債比率

本集團的資產負債比率按債務總額除以權益總額計算，而債務總額為銀行借款。資產負債比率維持穩定，於二零一七年十二月三十一日及於二零一八年十二月三十一日均為0.1。

### 資產抵押

於二零一八年十二月三十一日，本集團服務特許權安排下的應收款項共11.4百萬港元用於取得一筆2.3百萬港元的銀行融資(二零一七年：無)。





## Management Discussion and Analysis

### 管理層討論與分析

#### TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash requirements for the Group's strategy or direction from time to time can be met.

#### CAPITAL EXPENDITURES

Our major capital expenditures consist primarily of expenditures to upgrade and improve the Group's wastewater treatment facilities. During the Year, we incurred HK\$8.9 million on capital expenditures for the upgrade works of the Rugao Hengfa Facility (2017: nil).

#### FOREIGN EXCHANGE RISKS

Individual member companies in Mainland China and Indonesia within the Group have limited foreign currency risk as most of the transactions are denominated and settled in Renminbi and Indonesian Rupiah, respectively. The Group did not have significant foreign currency exposures from its operations. However, our consolidated financial statements are presented in Hong Kong dollars. Any appreciation or depreciation of Hong Kong dollar against Renminbi and Indonesian Rupiah will affect our financial position and will be reflected in the exchange reserve. The Group does not have a foreign currency hedging policy. The management monitors the Group's foreign exchange fluctuation exposure closely. In light of the unpredictable fluctuations of Renminbi against Hong Kong dollar, the Group has managed to minimize the exposures in Renminbi by converting a majority of the cash and bank balances into United States dollars or Hong Kong dollars. Management considers the volatility of the exchange rate of Hong Kong dollar against Indonesian Rupiah and the Group's currency exposures to Indonesian Rupiah to be acceptable.

#### SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS

On 21 September 2016, the Group entered into an agreement with Nantong Jiahe for the sale of all of the equity interest of Rugao Honghao at a cash consideration of RMB55.0 million which was fully settled during the Year. Save as disclosed in this annual report, the Group did not have any significant investments, material acquisitions or disposals of assets, subsidiaries, associates or joint ventures during the Year.

#### 庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故於本年度內維持健康的流動資金狀況。董事會緊密監察本集團的流動資金狀況以確保本集團的資產、負債及其他承擔的流動資金結構可應付其不時的資金需求。為支持本集團不時之策略或方向，過剩的現金將用作適當的投資以滿足本集團的現金需要。

#### 資本開支

我們的重大資本開支主要包括本集團污水處理設施升級及改造工程的開支。年內，我們因如皋恆發設施的升級工程而產生資本開支8.9百萬港元（二零一七年：無）。

#### 外匯風險

由於大部分交易均分別以人民幣及印尼盾列值及結算，因此本集團旗下位於中國內地及印尼的個別成員公司僅分別承受有限的外幣風險。本集團之業務並無重大外幣風險。然而，我們的綜合財務報表以港元呈列。任何港元兌人民幣及印尼盾升值或貶值將影響我們的財務狀況，並將於匯兌儲備中反映。本集團並無外幣對沖政策。管理層密切監察本集團的外匯浮動風險。由於人民幣兌港元出現未能預期的波動，本集團透過將大部分現金及銀行結餘轉換為美元或港元以盡量減低人民幣風險。管理層認為港元兌印尼盾的匯率波動及本集團面臨的印尼盾貨幣風險是可接受的。

#### 重大投資、收購及出售事項

於二零一六年九月二十一日，本集團與南通嘉禾訂立協議，出售如皋宏皓100%股權，現金代價為人民幣55.0百萬元，並已於年內支付。除本年報所披露外，於本年度本集團概無任何重大投資、重大收購或出售資產、附屬公司、聯營公司或合營企業。



## Management Discussion and Analysis 管理層討論與分析

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in this annual report, the Group has no plan authorised by the Board for other material investments or additions of capital assets as at the date of this annual report.

### CONTINGENT LIABILITIES

The Group had no contingent liabilities as at 31 December 2018. As at 31 December 2017, a fine from a court case against Rugao Hengfa ranging from RMB100,000 to RMB5,000,000 was disclosed as a contingent liability of the Group. The case was fully settled at a final fine of RMB60,000 during the Year. For details, please refer to the Company's announcements dated 12 November 2017, 14 November 2017 and 9 May 2018, respectively.

### EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 227 (2017: 227) employees (including the Directors). Employee costs (including Directors' emoluments) amounted to HK\$21.0 million for the Year (2017: HK\$20.2 million). Our remuneration policy for the Directors and our senior management members and general staff is based on their experience, level of responsibility, length of service and general market conditions. Any discretionary bonus and other merit payments are linked to the financial results of the Group and the individual performance of the Directors and our senior management members and general staff. The Group provides on-the-job training where appropriate.

The Company has adopted a share option scheme on 5 September 2014 for the purpose of providing incentives and rewards to eligible directors and employees of the Group.

### EVENTS AFTER THE REPORTING DATE

The Group had no material event subsequent to 31 December 2018 and up to the date of this annual report.

### FINAL DIVIDEND

No final dividend for the Year has been recommended by the Board (2017: nil).

### 重大投資或資本資產的未來計劃

除本年報所披露者外，於本年報日期，本集團並無已獲董事會批准有關其他重大投資或增添資本資產的計劃。

### 或然負債

於二零一八年十二月三十一日，本集團並無或然負債。於二零一七年十二月三十一日，如皋恆發訴訟案件中人民幣100,000元至人民幣5,000,000元的罰款已披露為本集團的或然負債。年內已就有關案件全數支付人民幣60,000元的總罰款。詳情請參閱本公司日期分別為二零一七年十一月十二日、二零一七年十一月十四日及二零一八年五月九日的公告。

### 僱員及薪酬政策

於二零一八年十二月三十一日，本集團共有227名(二零一七年：227名)僱員(包括董事)。本年度的僱員成本(包括董事酬金)為21.0百萬港元(二零一七年：20.2百萬港元)。我們的董事及高級管理層成員以及一般員工的薪酬政策乃根據彼等的經驗、所負責任、服務年期及一般市場情況釐定。任何酌情花紅及其他獎勵金均與本集團財務業績及董事、高級管理層成員以及一般員工的個人表現掛鈎。本集團在適當時提供在職培訓。

本公司於二零一四年九月五日採納一項購股權計劃，旨在激勵及獎勵本集團的合資格董事及僱員。

### 報告日後事項

於二零一八年十二月三十一日後及直至本年報日期，本集團概無重大事項。

### 末期股息

董事會不建議就本年度派發末期股息(二零一七年：無)。



## Environmental, Social and Governance Report

### 環境、社會及管治報告

#### ABOUT THIS REPORT

This is the third Environmental, Social and Governance (“ESG”) Report (this “Report”) published by ELL Environmental Holdings Limited (“ELL Environmental” or the “Company”, together with its subsidiaries, collectively known as the “Group”, “we” or “us”), which is principally engaged in wastewater treatment and biomass power generation businesses, with an aim to describe our approaches and strategies in pursuit of sustainable development.

#### REPORTING PERIOD AND SCOPE

The reporting period of this Report is from 1 January 2018 to 31 December 2018 (the “Reporting Period”). Unless otherwise stated, this Report covers the sustainability initiatives and performances of our core businesses: (i) operation services of two wastewater treatment facilities in Jiangsu Province, the People Republic of China (“PRC”, or “China”), namely the Hai'an Hengfa Facility as well as the Rugao Hengfa Facility; and (ii) biomass power generation business in Jambi, Indonesia, supported by a palm kernel oil production facility with two generating units.

#### REPORTING STANDARD

This Report is prepared in accordance with the requirements of the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) under Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Listing Rules”), and has been approved by the Board of Directors.

#### YOUR OPINION

We see every stakeholder’s opinion as a golden opportunity which put forward the Group’s long term success and growth. Should you have any enquiry or comment about the Report and our sustainability performances, you are welcome to send your feedback to us at [ell@anli.com.hk](mailto:ell@anli.com.hk).

#### 關於本報告

此乃強泰環保控股有限公司(「強泰環保」或「本公司」)，連同其附屬公司統稱「本集團」或「我們」)刊發的第三份環境、社會及管治報告(本「報告」)，本公司主要從事污水處理和生物質發電業務，報告旨在描述我們尋求可持續發展的方針和策略。

#### 報告期間和範圍

本報告的報告期間為二零一八年一月一日至二零一八年十二月三十一日(「報告期間」)。除非另有說明，本報告涵蓋我們核心業務的可持續發展舉措和表現：(i) 中華人民共和國(「中國」)江蘇省兩個污水處理設施的運營服務，即海安恆發設施和如皋恆發設施；及(ii) 印尼占碑的生物質發電業務，由一個棕櫚仁油生產設施支持，該設施有兩個發電機組。

#### 報告準則

本報告根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄二十七環境、社會及管治報告指引的要求編製，並已獲董事會批准。

#### 您的意見

我們將各持分者的意見視為一個黃金機會，以推動本集團的持續成功。如您對本報告和我們的可持續發展表現有任何查詢或意見，歡迎您將反饋發送至我們的電郵 [ell@anli.com.hk](mailto:ell@anli.com.hk)。



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

### SUSTAINABILITY APPROACH

As one of our core principles, sustainability does not only facilitate us to better understand our environmental footprint and make social contributions, but also helps us optimize our business practices and develop key and sustainable relationships with different stakeholders. With an aim to bring long term value to our stakeholders and the Group, we strive to operate in a responsible and transparent way, take great care of our employees, uphold the quality of our products and services, respond to our customers' opinions and expectations etc., in order to build a better environment and society to achieve sustainability.

To put the above mission into practice, the Group has formulated the Environmental, Social and Governance Policy to motivate our subsidiaries and employees to actively fulfill our environmental and social responsibilities regarding environmental protection, health and safety, conduct and ethics as well as legal compliance.

The following four sections summarize our major approaches in achieving sustainability:

### 可持續發展方針

作為我們的核心原則之一，可持續發展不僅有助我們更理解自身的環境足跡和作出社會貢獻，而且有助於我們優化我們的業務策略，並與不同持分者建立關鍵和可持續的關係。為了給我們持分者和本集團帶來長期價值，我們致力以負責任和透明的方式營運，愛護我們的僱員，維護我們產品和服務的品質，回應客戶的意見和期望等，以建立更好的環境和社會，實現可持續發展。

為了將上述使命付諸實踐，本集團已制定環境、社會和管治政策，以推動我們的附屬公司和僱員積極履行我們在環境保護、健康和 safety、行為和道德以及法律合規方面的環境和社會責任。

以下四節概述我們實現可持續發展的主要方法：

<b>Corporate Governance</b> 企業管治	P30
<ul style="list-style-type: none"> <li>Upholding business ethics and integrity in daily operation</li> <li>在日常經營中秉持商業道德和誠信原則</li> </ul>	
<b>Creating Green Fortune</b> 創造綠色財富	P32-44
<ul style="list-style-type: none"> <li>Striving to reduce our environmental footprint while bringing positive impact to the environment through our products and services</li> <li>致力減少我們的環境足跡，同時通過我們的產品和服務為環境帶來積極影響</li> </ul>	
<b>Caring for Our People</b> 關愛員工	P25-31
<ul style="list-style-type: none"> <li>Providing our employees with a harmonious and caring workplace</li> <li>為員工提供和諧及關愛的工作環境</li> </ul>	
<b>Community Contributions</b> 社區貢獻	P31
<ul style="list-style-type: none"> <li>Promoting the participation in community activities to bring positive impact to the local society</li> <li>推動社區活動的參與，為當地社會帶來積極影響</li> </ul>	



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

### STAKEHOLDER ENGAGEMENT

The Group recognizes that stakeholders play a critical role in our continuing success and understands that their views and opinions are essential for our sustainable development. We cherish every opportunity to engage our stakeholders and endeavor to address their concerns. The Group has established different effective communication channels to interact with and collect feedback from our stakeholders, so as to adjust our business strategies to better respond to their needs and expectations, reinforce major relationships and anticipate risks.

The table below summarizes the list of key stakeholders of the Group we have identified together with the corresponding daily communication channels:

### 持分者參與

本集團深明持分者在我們的持續成功中發揮著關鍵作用，並理解彼等的觀點和意見對我們的可持續發展至關重要。我們珍惜每一次與持分者互動的機會，並致力為他們排難解憂。本集團已建立不同有效的溝通渠道，與我們的持分者互動並收集彼等的反饋，以調整我們的業務策略，更好地回應彼等的需求和期望，加強主要關係並預測風險。

下表概述我們已識別的本集團主要持分者類別以及相應的日常溝通渠道：



## Environmental, Social and Governance Report

### 環境、社會及管治報告

Stakeholder Group 持分者群體	Communication Channels 溝通渠道	
Employees 僱員	<ul style="list-style-type: none"> <li>• Online Survey</li> <li>• 網上調查</li> <li>• Meeting</li> <li>• 會議</li> <li>• Interview</li> <li>• 訪談</li> </ul>	<ul style="list-style-type: none"> <li>• Staff Mailbox</li> <li>• 員工郵箱</li> <li>• Training</li> <li>• 培訓</li> <li>• Intranet</li> <li>• 內聯網</li> </ul>
Contractors 承包商	<ul style="list-style-type: none"> <li>• Online Survey</li> <li>• 網上調查</li> <li>• Meeting</li> <li>• 會議</li> </ul>	<ul style="list-style-type: none"> <li>• Interview</li> <li>• 訪談</li> </ul>
Shareholders and Investors 股東和投資者	<ul style="list-style-type: none"> <li>• Online Survey</li> <li>• 網上調查</li> <li>• General Meeting</li> <li>• 股東大會</li> <li>• Financial Results Press Conference</li> <li>• 財務業績新聞發佈會</li> </ul>	<ul style="list-style-type: none"> <li>• Telephone Interview</li> <li>• 電話訪談</li> <li>• Company website</li> <li>• 公司網站</li> <li>• Announcement</li> <li>• 公告</li> <li>• Financial Report</li> <li>• 財務報告</li> </ul>
Government Authorities (except Environmental Protection Department) 政府當局(環境保護署除外)	<ul style="list-style-type: none"> <li>• Online Survey</li> <li>• 網上調查</li> <li>• Interview</li> <li>• 訪談</li> </ul>	<ul style="list-style-type: none"> <li>• Visit</li> <li>• 到訪</li> <li>• Site Visit</li> <li>• 實地考察</li> </ul>
Non-governmental Organizations/ Environmental Protection Department 非政府組織/環境保護署	<ul style="list-style-type: none"> <li>• Online Survey</li> <li>• 網上調查</li> <li>• Interview</li> <li>• 訪談</li> </ul>	<ul style="list-style-type: none"> <li>• Visit</li> <li>• 到訪</li> <li>• Site Visit</li> <li>• 實地考察</li> </ul>
Suppliers 供應商	<ul style="list-style-type: none"> <li>• Online Survey</li> <li>• 網上調查</li> <li>• Interview</li> <li>• 訪談</li> </ul>	<ul style="list-style-type: none"> <li>• Site Visit</li> <li>• 實地考察</li> </ul>
Business Partners 商業夥伴	<ul style="list-style-type: none"> <li>• Online Survey</li> <li>• 網上調查</li> <li>• Cooperation Meeting</li> <li>• 合作會議</li> </ul>	<ul style="list-style-type: none"> <li>• Site Visit</li> <li>• 實地考察</li> </ul>
Community 社區	<ul style="list-style-type: none"> <li>• Social Media (such as public account on Wechat/WhatsApp)</li> <li>• 社交媒體(例如微信官方賬戶/WhatsApp)</li> <li>• Company Website</li> <li>• 公司網站</li> </ul>	<ul style="list-style-type: none"> <li>• Interview</li> <li>• 訪談</li> <li>• Seminar</li> <li>• 研討會</li> </ul>

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### MATERIALITY ASSESSMENT

In order to understand the expectations and opinions of our stakeholders, and to enhance the specific and responsive qualities of the Report, apart from the abovementioned daily communication channels, the Group also conducted a stakeholder survey during the Reporting Period to enable stakeholders from various sectors to rank sustainability issues based on importance as well as share their views on our sustainable development performance.

Step 1: We identified 19 environmental, social and governance-related issues that are critical to the Group and its stakeholders through continuous reviews on previous and existing engagement results, applicable reporting standards, industry trend in sustainable development as well as daily operations. The 19 issues we identified are set out below:

### 重要性評估

為瞭解我們持分者的期望和意見，並提高本報告的特定和回應品質，除了上述日常溝通渠道之外，本集團亦在報告期間進行了持分者調查，以確保來自不同類別的持分者能夠根據重要性對可持續發展問題進行評分，並分享彼等對我們可持續發展表現的看法。

步驟1：我們持續評估以往和現有的參與結果、適用的報告準則、可持續發展行業趨勢以及日常運營，識別出對本集團及其持分者舉足輕重的19個環境、社會和管治相關問題。我們已識別的19個問題如下：

<b>Employment and Labor Practices</b> 僱傭及勞工常規	<b>Environmental Protection</b> 環境保護
1) Diversification and Equal Opportunities (Age, Gender, Employment Category, Geographic Location, etc.) 多樣化和平等機會(年齡、性別、職業類別、地理位置等)	6) Air Emissions Management 氣體排放管理
2) Recruiting and Maintaining Talents 招聘和挽留人才	7) Energy Consumption 能源消耗
3) Training and Development 培訓和發展	8) Wastewater Management 污水管理
4) Labor Practices 勞工常規	9) Greenhouse Gas Emissions 溫室氣體排放
5) Occupational Health and Safety 職業健康與安全	10) Hazardous and Non-Hazardous Waste Management 有害和無害廢棄物管理
	11) Noise Management 噪聲管理
	12) Resource Utilization and Mitigation Measures 資源利用和緩解措施
	13) Green Procurement 綠色採購



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

Corporate Governance 企業管治	Community Investment 社區投資
14) Anti-Fraud and Corruption 反舞弊腐敗	17) Participation in Volunteer Activities 參與志願活動
15) Supplier Selection Process and Tendering Management 供應商甄選流程和招標管理	18) Charitable donations 慈善捐贈
16) Child Labor and Forced Labor 童工和強制勞工	19) Fundraising Work 籌款工作

Step 2: After identifying the critical issues, we invited stakeholders from different sectors to participate in an online survey to rank the above issues to understand how material or influential the issues are in their views.

步驟2：在識別重大議題後，我們邀請不同界別的持分者參與網上調查，對上述議題進行評分，以瞭解該等議題對彼等的重要性或影響。

Step 3: The corresponding results were collected and analyzed together with the opinions from the management for materiality analysis.

步驟3：收集並分析相應的結果以及管理層對重要性分析的意見。

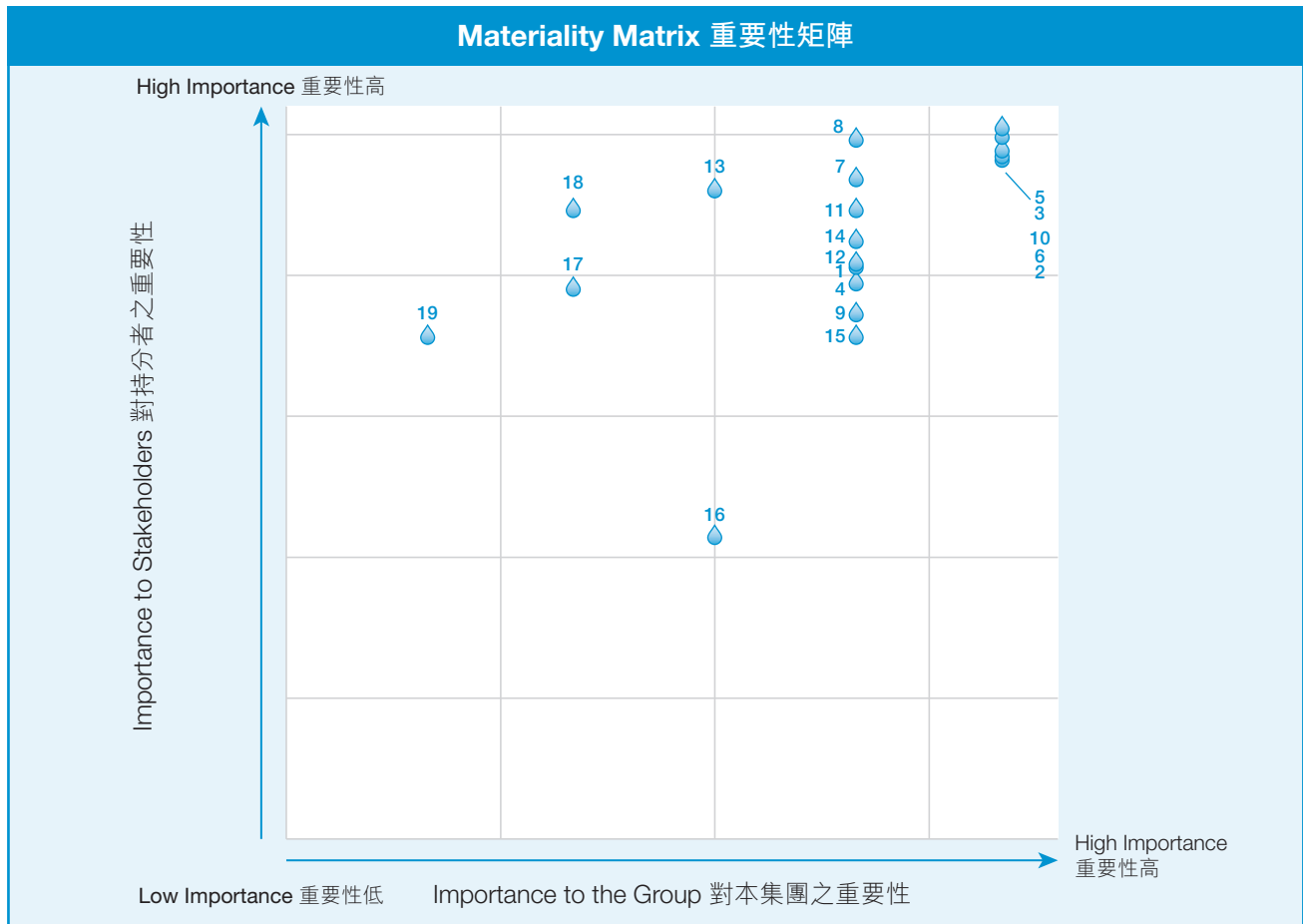


# Environmental, Social and Governance Report

## 環境、社會及管治報告

The below materiality matrix shows the results of the materiality analysis:

以下重要性矩陣展示重要性分析的結果：



Afore-said materiality assessment indicates that the most significant material aspects include:

根據上述重要性矩陣，所識別的關鍵議題包括：

ESG Categories ESG 類別	Material Aspects 重大層面	Section 章節
Employment and Labor Practices 僱傭及勞工常規	2) Recruiting and Maintaining Talents 招聘和挽留人才 3) Training and Development 培訓和發展 5) Occupational Health and Safety 職業健康與安全	Caring for Our People 關愛員工
Environmental Protection 環境保護	6) Air Emissions Management 氣體排放管理 10) Hazardous and Non-Hazardous Waste Management 有害和無害廢棄物管理	Creating Green Fortune 創造綠色財富

We strive to ensure proper measures on the most significant issues are addressed adequately throughout our business activities.

我們致力確保整個業務活動中已針對最重大的議題採取適當的措施。



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

### CARING FOR OUR PEOPLE

We believe that employees are core to the success of our business and the driving force to achieve our vision and mission. As such, we always adhere to a people-oriented concept, and attach great importance to employees' physical and mental wellbeing. By developing a comprehensive welfare system, offering continuous professional training, providing diversified career paths as well as complying with applicable laws and regulations in relations to labor practice, the Group strives to create a supportive and quality working environment for our employees and inspires them to grow with us.

During the Reporting Period, the Group and its employees were not aware of any violation of labor-related laws and regulations, including but not limited to the "Labor Law of the PRC" (《中華人民共和國勞動法》), the "Social Insurance Law of the PRC" (《中華人民共和國社會保險法》), the "Work Safety Law of the PRC" (《中華人民共和國安全生產法》) and the "Law of the PRC on the Prevention and Control of Occupational Diseases" (《中華人民共和國職業病防治法》).

### EMPLOYEE OVERVIEW

As of 31 December 2018, we had a total of 209<sup>1</sup> employees. Detailed classifications are as follows:

### 關愛員工

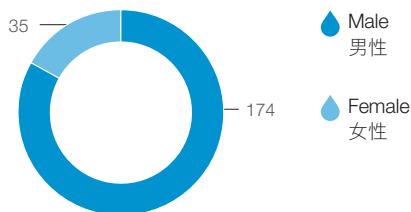
我們相信員工是我們業務成功的核心，也是實現我們的願景和使命的推動力。因此，我們始終堅持以人為本的理念，重視員工的身心健康。通過建立全面的福利體系、提供持續的專業培訓和多元化的職業發展道路以及遵守與勞工常規相關的適用法律法規，本集團努力為員工創造一個良好並具備支援的工作環境，並激勵彼等與我們一起成長。

在報告期間，本集團及其員工並未發現任何違反勞動相關法律法規的行為，包括但不限於《中華人民共和國勞動法》、《中華人民共和國社會保險法》、《中華人民共和國安全生產法》及《中華人民共和國職業病防治法》。

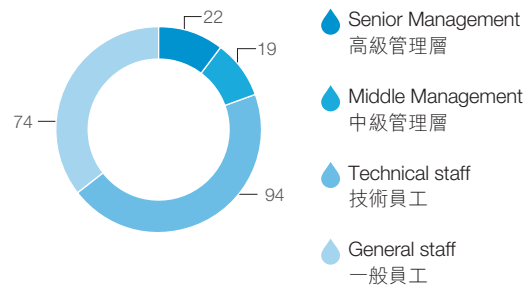
### 員工概覽

截至二零一八年十二月三十一日，我們合共聘用了209<sup>1</sup>名僱員。詳細分類如下：

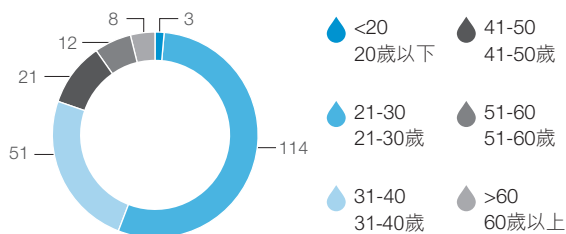
#### By Gender 按性別分類



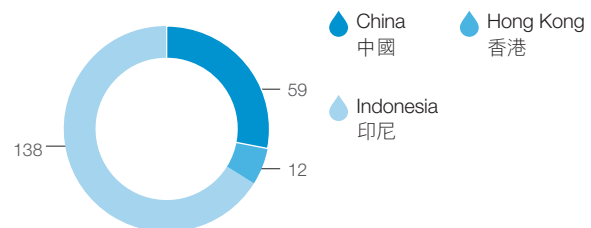
#### By Employment Category 按僱傭類別分類



#### By Age 按年齡分類



#### By Geographical location 按地區分類



<sup>1</sup> This is the total number of employees in the Group (including directors) as at 31 December 2018.

<sup>1</sup> 此為截止二零一八年十二月三十一日，本集團所聘用的員工總數(包括董事)。



## Environmental, Social and Governance Report

### 環境、社會及管治報告

#### RECRUITING AND RETAINING OUR TALENTS

Since recruiting and retaining talent are vital to our business growth, we recognize the importance of a diversified workforce to our long-term competitive advantage. All employees and job applicants are treated fairly and equally regardless of their age, gender, marital status, race, color, nationality, ethnic or national origin, religion or sexual orientation. As such, we are also intolerant to any forms of discrimination in the workplace.

We are committed to protecting the rights, interests, welfare and benefits of our employees. The Group's employee handbook sets out the terms of working hours, leaves and rest periods. The remuneration package our employees receive encompasses basic salary, allowances and bonuses etc. In addition, for our wastewater treatment business in Jiangsu Province, China, employees are paid with pension, medical, unemployment, maternity, work-related injury insurance and housing provident fund. As for our biomass power generation business in Jambi, Indonesia, employees are provided with pension, health insurance, work-related injury insurance and termination compensation.

Other welfare and benefits include:

**Overtime Allowance**  
加班津貼

**Medical Allowance**  
醫療津貼

**Meal Allowance**  
膳食津貼

**Discretionary Bonus**  
酌情花紅

**Religious Holiday Allowance**  
宗教節日津貼

**Mourning Allowance**  
慰問金

#### 招聘及挽留人才

由於招聘和挽留人才對我們的業務發展至關重要，我們認識到多元化僱傭對我們長期競爭優勢的重要性。不論年齡、性別、婚姻狀況、種族、膚色、國籍、民族或民族血統、宗教或性取向如何，所有僱員和求職者都受到公正和平等的對待。因此，我們也不能容忍在工作場所有任何形式的歧視。

我們致力保障員工的權利、利益和福利。本集團的員工手冊規定了工作時間、休假和休息時間的條款。員工薪酬待遇包括基本工資、津貼和獎金等。此外，對於我們在中國江蘇省的污水處理業務，員工可享有養老保險、醫療保險、失業保險、生育保險、工傷保險和住房公積金。至於我們在印尼占碑的生物質發電業務，我們為員工提供退休金、健康保險、工傷保險和終止聘用賠償金。

其他待遇及福利包括：



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

### DEVELOPING OUR TALENTS

Believing that our sustainable growth largely depends on the capability and dedication of our workforce, we have been investing significant resources in development and training to boost the potentials of our employees.

In terms of development, we offer a comprehensive career prospect to all employees with regard to their work ability and attitude. As such, we have developed a comprehensive performance appraisal system to assess employees' performance on a regular basis in terms of their working results, abilities of organization and management as well as interpersonal skills. Employees with outstanding performance in the appraisal will be offered promotions and salary increment.

As for training, we are dedicated to offering a variety of training programs tailored to our employees in different levels and stages in line with our business development strategy, with an aim that they are equipped with the professional skills and industrial knowhow in order to make concrete contributions to the Group.

### 發展人才

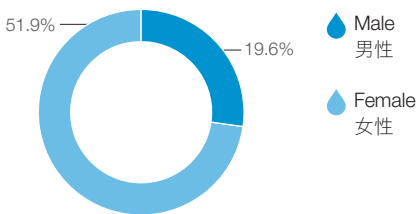
我們認為，可持續發展在很大程度上取決於員工的能力和貢獻，因此我們一直在發展和培訓方面投入大量資源，以提升僱員的潛力。

在發展方面，我們為所有僱員提供全面的職業前景，當中取決於彼等的工作能力和態度。因此，我們建立了一套全面的績效考核體系，以定期評估僱員的工作成績，組織和管理能力以及人際交往能力。在評估中表現良好的僱員將獲得晉升和加薪。

在培訓方面，我們致力於根據我們的業務發展戰略，為不同級別和階段的僱員提供各種專門制定的培訓計劃，目的是讓彼等吸收專業技能和行業知識，為本集團作出具體貢獻。

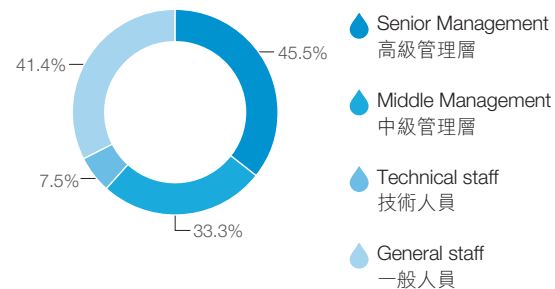
#### Percentage of employees trained by gender

按性別劃分的受訓僱員百分比



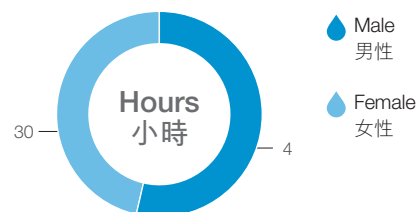
#### Percentage of employees trained by employee category

按僱員類別劃分的受訓僱員百分比:



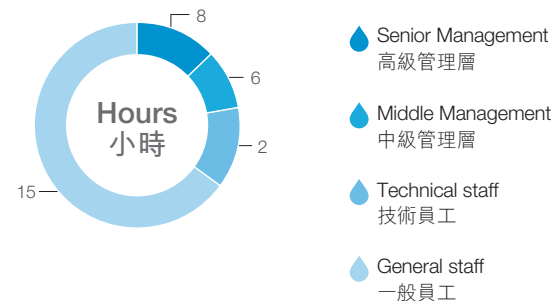
#### Average training hours completed per employee by gender

按性別劃分的每位僱員完成的平均受訓時數



#### Average training hours completed per employee by employee category

按僱員類別劃分的每位僱員完成的平均受訓時數





## Environmental, Social and Governance Report

### 環境、社會及管治報告

#### LABOR STANDARDS

In strict compliance with applicable local laws and regulations including the “Provisions on the Prohibition of Using Child Labor” (《禁止使用童工規定》), we adopt a policy of zero-tolerance towards recruiting forced labor and child labor. To avoid child labor, we will only recruit candidates that have reached a legal working age. Our employee handbook has set out terms in working hour, overtime policy and dismissal. Employees who work overtime will be compensated with allowance. As such, occurrence forced labor can be prevented. Moreover, we will validate the identity documents of our employees to ensure that they have reached legal working age to avoid hiring child labor.

During the Reporting Period, the Group did not identify any non-compliance in relation to forced labor or child labor.

#### SAFEGUARDING OUR TALENTS

We regard employees as the greatest asset of the group. Hence, safeguarding the health and safety of the physical and mental wellbeing of our employees is of paramount importance with no doubt. We are committed to providing employees with a safe working environment and eliminating potential health and safety risks in our workplace to achieve the principle of “safety first, prevention emphasized” in both our wastewater treatment facilities as well as biomass power generation business.

In terms of occupational safety, we are obliged by the “Work Safety Law of the PRC” (《中華人民共和國安全生產法》) by covering all employees in our wastewater treatment facilities with personal protective equipment and first-aid kits to protect them from potential workplace injuries and fatalities. We will also conduct regular fire drills and checkups for fire equipment, machinery and facilities to reduce fire risks to the largest extent. In addition, we will carry out emergency drills, evacuations and accident drills regularly and provide safety training from time to time, hence enhancing employees’ awareness in workplace safety as well as equipping them with knowledge and skills in handling emergency cases. For both wastewater treatment facilities and biomass power generation plant, specific working units or safety officers are arranged to take up the role of monitoring the implementation of safety measures and controlling related risks.

#### 僱傭準則

我們對招募強制勞工和童工採取零容忍態度，並嚴格遵守當地適用的法律法規，包括《禁止使用童工規定》。為了避免童工，我們將只招募達到法定工作年齡的求職者。我們的僱員手冊規定了工作時間、加班政策和解僱條款。加班的僱員將獲得津貼補助以防止強制勞工的發生。此外，我們將驗證僱員的身份證明文件，以確保彼等達到法定工作年齡，避免僱用童工。

在報告期內，本集團未發現任何與強制勞工或童工相關的違規行為。

#### 保障人才

我們認為員工為本集團最大的資產。因此，保障僱員身心健康和安全至關重要。我們致力於為員工提供安全的工作環境，消除工作場所的潛在健康和 safety 風險，以實現污水處理設施和生物質發電業務中的「安全第一，預防為主」原則。

在職業安全方面，我們遵守《中華人民共和國安全生產法》，為我們的污水處理設施的所有僱員提供個人保護設備和急救用品，以保護彼等免受潛在的工傷和死亡。我們還將定期對消防設備、機械和設施進行消防演習和檢查，以最大程度地降低火災風險。此外，我們會定期進行緊急演習、疏散和意外演習，並不時提供安全訓練，從而提高僱員的工作安全意識，並為彼等提供處理緊急事故的知識和技能。我們已就污水處理設施和生物質發電廠安排特定的工作單位或安全專員承擔監測安全措施執行情況和控制相關風險的職責。



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

For the sake of safeguarding our employees' wellbeing at work, we have complied with applicable requirements under the "Law of the PRC on the Prevention and Control of Occupational Diseases" 《中華人民共和國職業病防治法》 in PRC and the Government Regulation No.50 of 2012 regarding the implementation of Occupational Safety and Health Management System in Jambi, Indonesia through providing annual health checkups for employees in the wastewater treatment facilities, and purchasing health insurance for employees in biomass power generation unit respectively. Also, we are highly concerned about employees' work-life balance. As a result, we organize a multitude of leisure activities such as gatherings and sport activities to gather our employees together, and at the same time to build a more energetic and dynamic team. For example, in our biomass power generation plant in Jambi, we had organized regular badminton activities and held a futsal competition during the Reporting Period.

With the aforementioned measures, we are pledged to building a safe working environment for every employee in the hope that zero work injury and casualties can be achieved in the near future. During the Reporting Period, neither the Group nor its subsidiaries were aware of any incompliance of occupational health and safety-related laws and regulations.

### SUPPLY CHAIN MANAGEMENT

As a responsible corporate citizen, the Group is committed to selecting and working with suppliers and business partners who share our vision of sustainable development. During the Reporting Period, we worked with a total of 135 suppliers. We prefer to source local suppliers as a way to reduce carbon emissions due to transportation of goods across countries.

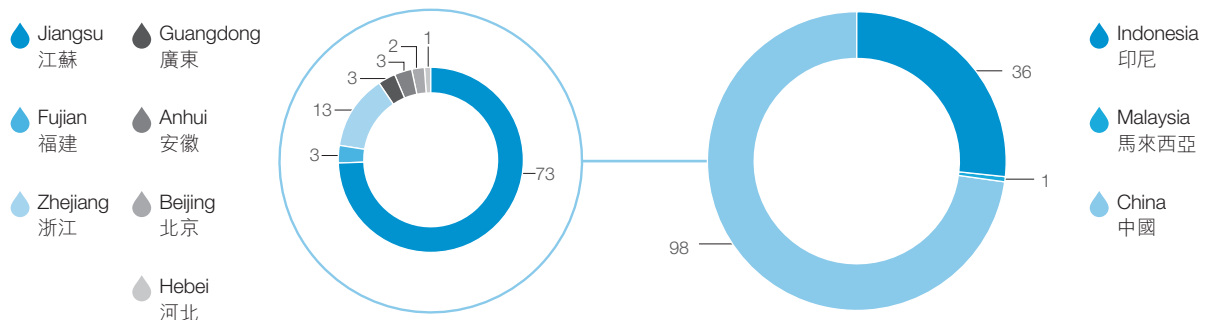
為保障僱員安康，我們已遵守《中華人民共和國職業病防治法》和關於在印尼占碑實施職業安全健康管理制度的《二零一三年第50號政府法規》的適用規定，分別為污水處理設施的僱員提供年度健康檢查，並為生物質發電機組的僱員購買健康保險。此外，我們高度關注僱員的工作與生活平衡。因此，我們組織了大量的業餘休閒活動，如聚會和體育活動，讓員工聚首一堂，同時建立一個更有活力和幹勁的團隊。例如，我們定期在我們於占碑的生物質發電廠組織羽毛球活動，並在報告期內舉辦五人制足球比賽。

通過上述措施，我們承諾為每位僱員營造一個安全的工作環境，希望在不久的將來實現零工傷和零傷亡。在報告期內，本集團及其附屬公司均未發現任何不符合職業健康和 safety 相關法律法規的情況。

### 供應鏈管理

作為一個負責任的企業公民，本集團致力於選擇與我們有著共同可持續發展願景的供應商和商業夥伴，並與其合作。在報告期內，我們總共與135名供應商合作。我們傾向與當地供應商合作以減少跨國運輸貨物產生的碳排放。

**No. of Suppliers by Geographical Location in 2018**  
2018年按地理位置劃分的供應商數量





## Environmental, Social and Governance Report

### 環境、社會及管治報告

Our ESG policy has set out the Code of Conduct which expects our suppliers and business partners to uphold environmental, social and ethical standards at all times, including but not limited to treating their employees fairly, having zero tolerance to child labor and forced labor, maintaining a safe and healthy workplace, upholding business ethics and integrity. We will conduct assessment on a regular basis to ensure suppliers' operations do not violate our Code. We may suspend the cooperation with suppliers who violate the Code until they have taken remedial actions.

Apart from managing suppliers' environmental and social risks, since we understand that the way we cooperate with our suppliers and business partners has a significant impact on the quality of our services, we also strictly regulate the product and service quality of our suppliers. We have developed a comprehensive assessment system to assess potential suppliers, in terms of their qualifications, supply ability, quality, price, reputation etc. Qualified suppliers will be recorded in our List of Qualified Suppliers. We will also conduct regular assessments with our existing suppliers to ensure their product and service quality can be maintained.

### CORPORATE GOVERNANCE

The Group has established a risk management and internal control systems. Different functions and procedures of the systems are responsible by the Board of directors, the audit committee, the management of the Group and the internal control review team. The system monitors risks of the Group including, but not limited to, operational, financial, reporting and compliance risks. The system also aims at covering ESG related risk factors in order to govern the identified ESG risks to the businesses and provide a robust monitoring system in all aspects. We strive to constantly enhance the system and expand the coverage of the risk factors in a feasible way.

For more details about the Group's policies and approaches in corporate governance, please refer to the section headed "Corporate Governance Report" in the Annual Report.

我們的環境、社會和管治政策制定行為守則，該守則要求我們的供應商和商業夥伴始終堅持環境、社會和道德標準，包括但不限於公平對待員工、禁止童工和強制勞工、維護安全健康的工作場所及堅持商業道德和誠信。我們將定期進行評估，以確保供應商的營運不違反我們的守則。在供應商採取補救措施之前，我們可能會暫停與違反該守則的供應商合作。

除了管理供應商的環境和社會風險之外，我們明白與供應商和商業夥伴的合作方式對我們的服務品質有重大影響，因此我們亦嚴格監管供應商的產品和服務品質。我們制定了一套全面的評估系統來評估潛在供應商的資質、供應能力、品質、價格、聲譽等。合資格供應商將記錄在我們的合資格供應商名單中。我們亦會對現有供應商進行定期評估，以確保彼等的產品和服務品質得以保持。

### 企業管治

本集團已成立風險管理及內部監控系統。該系統的不同職能及程序由董事會、審核委員會、本集團管理層及內部監控檢討團隊負責。該系統監察本集團的風險，包括但不限於營運、財務、申報及合規風險。該系統亦旨在涵蓋環境、社會及管治相關風險因素，以監管在業務上已識別的環境、社會及管治風險，並提供一套全方位且活躍的監控系統。我們持續努力提升該系統，並以可行方式擴大風險因素的覆蓋範疇。

更多有關本集團在企業管治方面的政策及方法的詳情，請參閱年報「企業管治報告」一節。



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

### ETHICAL CULTURE

Believing that sound corporate governance is fundamental to effective and proper management of the Group in the interests of its stakeholders, we are committed to maintaining high standards of integrity and honesty in all aspects of its business in adherence to all applicable laws and regulations, including but not limited to the “Criminal Law of the PRC” (《中華人民共和國刑法》) and the “Anti-Unfair Competition Law of the PRC” (《中華人民共和國反不正當競爭法》). As such, we have introduced an anti-corruption policy to ensure a high level of integrity and compliance.

Our employees of all levels are required to comply with the Code of Conduct, which sets out our requirements on standard of ethics and business integrity in avoidance of the occurrence of unethical deeds such as corruption, fraud, money-laundering, bribery and extortion. Besides, we have a whistle-blowing policy in place, encouraging and guiding our employees and related third-parties to raise concerns, in confidence, about misconduct, malpractice or irregularities in any matters related to the Group. Anti-corruption trainings are also provided from time to time to employees to enhance their ethical awareness.

During the Reporting Period, we were not aware of any confirmed cases or complaints against the Group or its employees regarding corruption, bribery, fraud, extortion and money-laundering.

### COMMUNITY CONTRIBUTIONS

The Group always seeks to be a positive force in the communities in which it operates and values community contributions. We actively involved in supporting the community through charity work and caring for the underprivileged.

For our biomass generation plant in Jambi, we are adhered to the guidelines set out in Jambi City Regional Regulation No. 01 of 2016 concerning Corporate Social Responsibility, which advocates the implementation of social welfare program, green activities, health and education incentives.

During the Reporting Period, our biomass generation plant in Jambi, Indonesia initiated donation programs during Muslim New Year and Indonesia Independence Day, in the form of monetary donation and donation of daily necessities such as rice, sugar, cooking oil etc. to the surrounding communities to spread the warmth and care to the neighborhood. In addition, we donated Rupiah 500,000 to Mosque Nurul Jannah for the celebration of Prophet Nabi Muhammad 2018.

### 道德文化

我們相信完善的企業管治是本集團為了其持分者的利益進行有效和適當管理的基礎，我們致力於在其業務的各個方面保持高標準的誠實守信原則，遵守所有適用的法律法規，包括但不限於《中華人民共和國刑法》及《中華人民共和國反不正當競爭法》。因此，我們制定反腐敗政策，以維持高度的誠信合規。

我們要求各級僱員遵守行為守則，該守則規定了我們對道德標準和商業誠信的要求，以避免貪污、詐騙、洗黑錢、賄賂和勒索等不道德行為。此外，我們制定了舉報政策，鼓勵並指導我們的僱員和相關第三方舉報與本集團相關的任何不當行為、瀆職或違規行為。本集團亦不時向僱員提供反貪污培訓，以提高彼等的道德意識。

在報告期內，我們並未發現任何針對本集團或其僱員有關貪污、賄賂、詐騙、勒索和洗黑錢的案件或投訴。

### 社區貢獻

本集團向來積極為當地社區作出正面影響，並重視社區貢獻。我們積極參與慈善工作和照顧弱勢群體以支持社區。

對於我們在占碑的生物質發電廠，我們遵守占碑市2016年關於企業社會責任的第01號區域法規中規定的指導方針，該指導方針宣導實施社會福利計劃、綠色活動、健康和教育措施。

在本報告期內，我們位於印尼占碑的生物質發電廠在穆斯林新年和印尼獨立日期間開展捐贈項目，向周圍的社區提供金錢援助和捐贈大米、糖、食用油等日常必需品，為鄰居送上溫暖和關懷。此外，我們亦捐贈了500,000盾予Nurul Jannah清真寺，以慶祝先知穆罕默德的誕辰。





## Environmental, Social and Governance Report

### 環境、社會及管治報告

#### CREATING GREEN FORTUNE

Taking up the role as a pioneering environmental solutions provider, we understand that our daily operations in tackling pollutions and efforts in protecting the environment are inseparable in relationship. Hence, we spare no efforts in upholding our quality of products and services in the highest standards, and taking up various environmental measures to reduce emissions and save natural resources, in pursuance of achieving environmental sustainability.

Our wastewater treatment and biomass generation businesses are bound by a number of environment-related laws and regulations in the jurisdictions where we operate, including but not limited to the “Environmental Law of the PRC” (《中華人民共和國環境保護法》), the Law of the PRC on Prevention and Control of Atmospheric Pollution” (《中華人民共和國大氣污染防治法》) in mainland China, Law of the Republic of Indonesia No. 32 Year 2009 on Environmental Protection and Management as well as Government Regulation No. 41/1999 on Air Pollution Control, Law of the Republic of Indonesia Number 7 Year 2004 regarding Water Resources in Indonesia.

During the Reporting Period, environmental non-compliance incidents at our Rugao Hengfa Facility were identified in which the facility was accused of not fully complying with Regulations on the Administration of Construction Project Environmental Protection (《建設項目環境保護管理條例》), the Law of the People’s Republic of China on Prevention and Control of Water Pollution (《中華人民共和國水污染防治法》) and the Law of the People’s Republic of China on the Prevention and Control of Atmospheric Pollution (《中華人民共和國大氣污染防治法》), where administrative fines of RMB1.54 million in aggregate was charged. After thorough consideration, the Company decided not to appeal for the charge. As at the date of this report, the fine was fully settled. Improvement in control procedures has been implemented in the facility during the Reporting Period, including but not limited to:

1. Procurement of sealing facilities to collect odour generated in the pump houses;
2. Replacement of malfunctioned facilities such as speed reducer in the adjustment pre-sedimentation tank and 4 pushers;
3. Repairing of the chemical dosing facility in the reaction sedimentation tank;
4. Engagement of a third party inspection institution to conduct regular and continuous inspections on chemicals such as cyanide and sulphide in wastewater; and
5. Installing back-up online chemical oxygen demand (“COD”) analysers for continuous and more accurate monitoring of the level of COD in wastewater.

#### 創造綠色財富

作為一個領先的環境解決方案提供者，我們認識到我們在處理污染方面的日常運作和保護環境的努力有著不可分割的關係。因此，我們不遺餘力地堅持最高標準的產品和服務品質，並採取各種環境措施減少排放和節約自然資源，以實現環境可持續發展。

我們的污水處理和生物質發電業務受我們經營所在司法權區的若干環境相關法律法規的約束，包括但不限於在中國大陸的《中華人民共和國環境保護法》及《中華人民共和國大氣污染防治法》，在印尼的2009年印度尼西亞共和國第32號《環境保護和管理法》以及關於空氣污染控制的第41／1999號政府法規和關於水資源的2004年印尼共和國第7號法律。

在報告期內，本公司已識別如皋恆發設施環境違規事件，該設施被指控未完全遵守《建設項目環境保護管理條例》、《中華人民共和國水污染防治法》和《中華人民共和國大氣污染防治法》的規定，被處以行政罰款總計人民幣154萬元。經過充分考慮後，本公司決定不就罰款進行上訴。截至本報告日期，罰款已全數結清。在本報告期內，該設施已於管理程序實施改善措施，包括但不限於：

1. 採購密封設施，收集泵房產生的臭氣；
2. 更換調節預沉澱池中的減速器和4台推動器等故障設施；
3. 修復反應沉澱池加藥設施；
4. 聘請第三方檢驗機構就污水中的氰化物和硫化物等化學品進行定期和持續的檢驗；及
5. 安裝備用的在線化學需氧量分析儀，對污水中的化學需氧量水平進行連續和更準確的監測。



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

### WASTEWATER TREATMENT

Our wastewater treatment facilities in Jiangsu Province, China adopt the “Build-Operate-Transfer” (BOT) model to provide one-stop wastewater handling services which cover municipal sewage and industrial sewage for the local residents and factories located in Haiyan County and Rugao City.

As a responsible wastewater treatment service provider, we are duty-bound to ensure the quality and cleanliness of wastewater to be discharged after treatment. For this sake, once municipal or industrial sewage is transported to our facilities, it will undergo a series of sophisticated treatment processes, ranging from filtration, sedimentation, adjustment, acidification, anaerobic reaction to sterilization, through which the concentration of pollutants, suspended solids (SS), COD, biological oxygen demand (BOD), ammonia etc. in wastewater can be reduced to a great extent to avoid pollution to the nearby water bodies and fulfil the requirements of relevant laws and regulations including Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (《城鎮污水處理廠污染物排放標準》) and Discharge Limits of Water Pollutants (《水污染排放限值》).

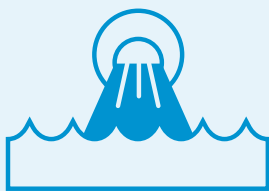
In behalf of the above delicate and continuously improving wastewater treatment technique, we are proud to announce that the quantity of COD reduction in wastewater has increased 46% as compared to that in 2017, indicating that the quantity of oxidizable pollutants in wastewater has been greatly reduced, hence alleviating the problem of water pollution.

### 污水處理

我們在中國江蘇省的污水處理設施採用「建設-經營-移交」(BOT)模式，為海安縣和如皋市的當地居民和工廠提供一站式污水處理服務，涵蓋城市污水和工業污水。

作為負責任的污水處理服務供應商，我們有責任確保處理後污水的品質和清潔度。為此，當市政或工業污水輸送到我們的設施，其將經過一系列複雜的處理過程，從過濾、沉澱、調節、酸化、厭氧反應到殺菌，以減少污水中的污染物、懸浮固體(SS)、化學需氧量、生物需氧量(BOD)、氨等的濃度以避免對附近水體的污染，並滿足相關法律法規的要求，包括《城鎮污水處理廠污染物排放標準》及《水污染排放限值》。

為上述需要小心處理且不斷改進的污水處理技術，我們自豪地宣佈，污水中化學需氧量的減少量與二零一七年相比增加了46%，表明污水中可氧化污染物量已大大減少，從而緩解了水污染問題。



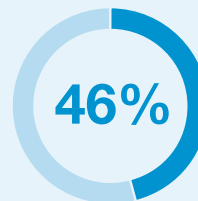
Wastewater treatment daily capacity:  
每日污水可處理量:

**80,000** tonnes 噸

**7,459** tonnes 噸  
of COD reduced in 2018  
二零一八年化學需氧量減少

**22,456,382** tonnes 噸

of wastewater treated in 2018  
二零一八年處理污水量

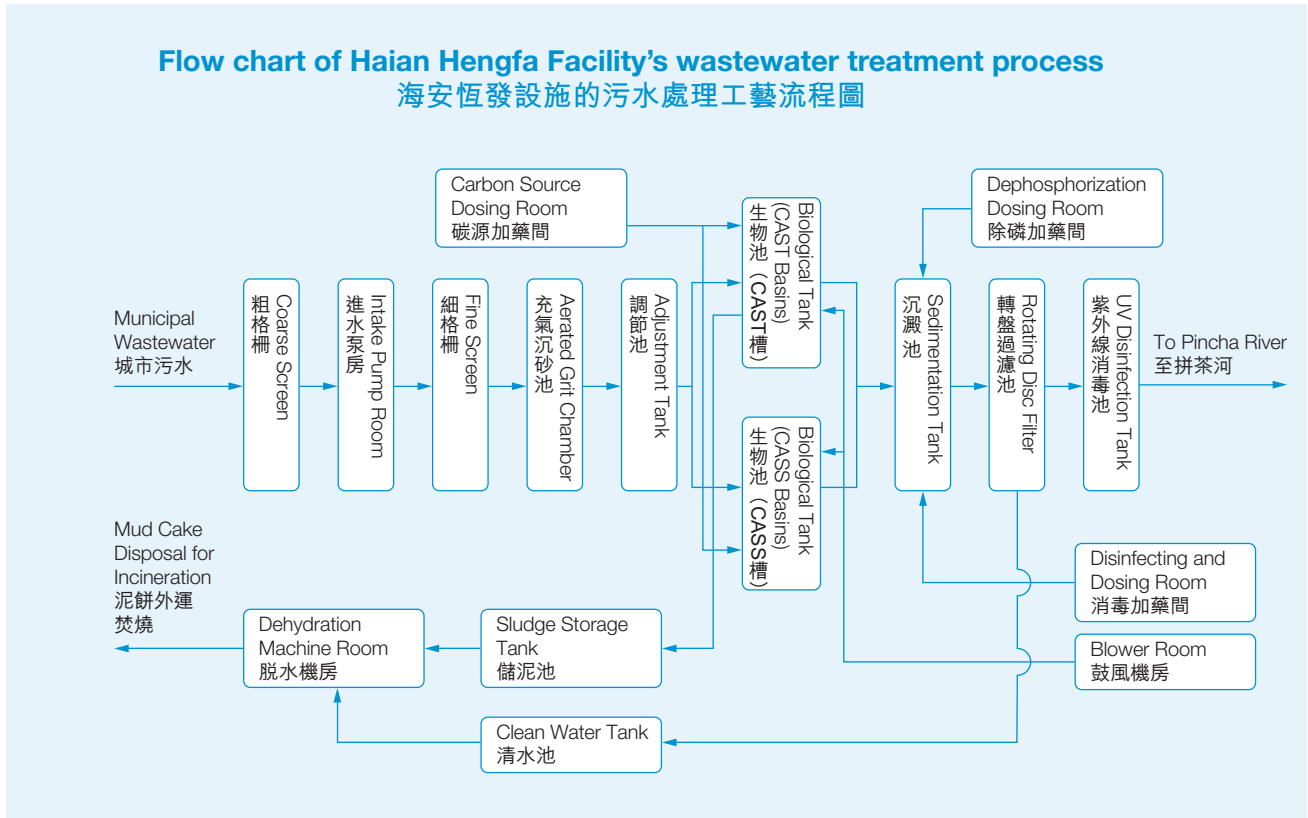


% increase in COD Reduction  
as compared with 2017  
化學需氧量減少的百分比比較  
二零一七年增加

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

Below is a flowchart illustration of the Haian Hengfa Facility's wastewater treatment process:

以下為海安恆發設施的污水處理工藝流程圖：

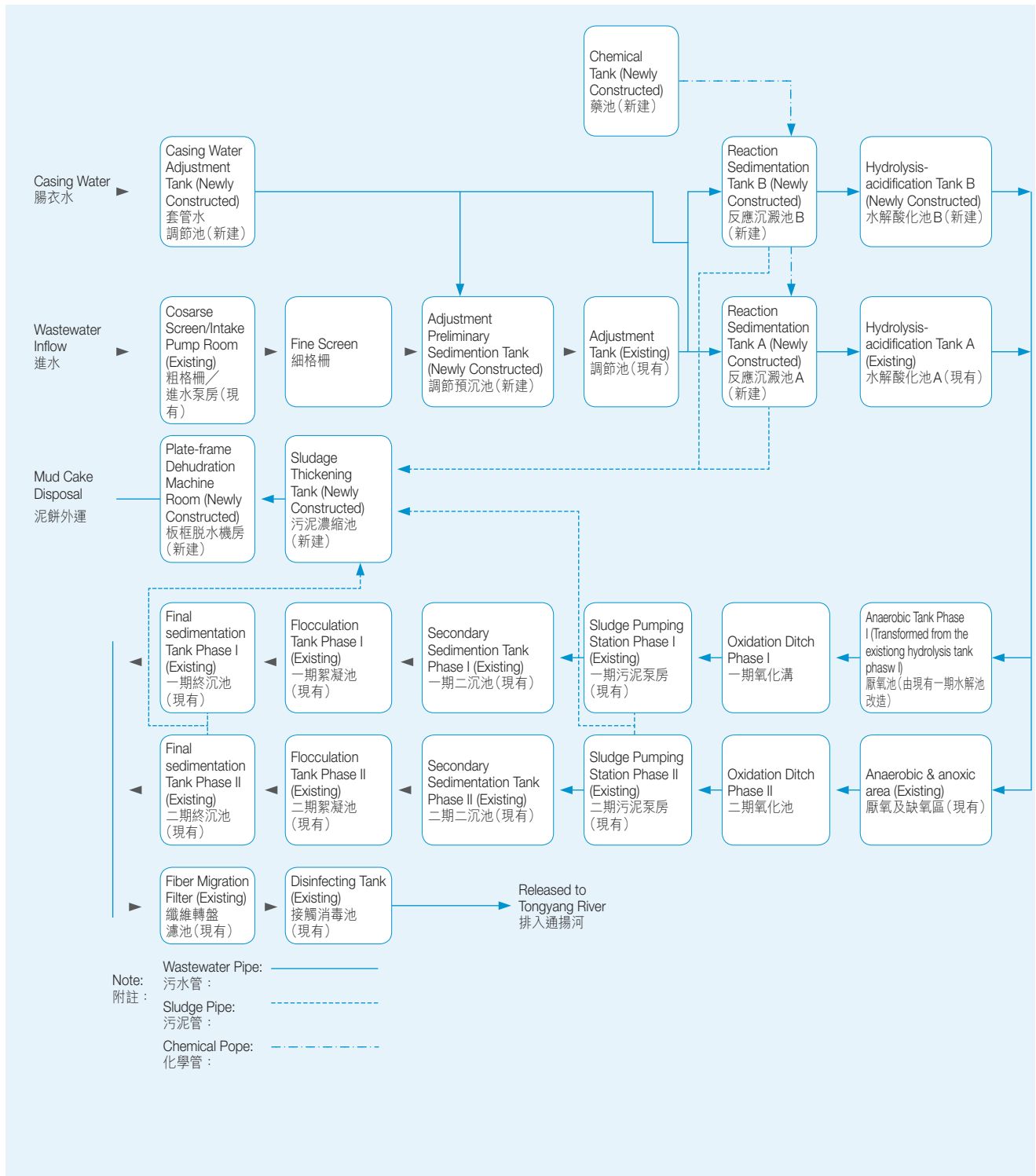




## Environmental, Social and Governance Report 環境、社會及管治報告

Below is a flowchart illustration of the Rugao Hengfa Facility's wastewater treatment process (Class 1A):

以下為如皋恆發設施的污水處理工藝流程圖(一級標準的A標準)：





## Environmental, Social and Governance Report

### 環境、社會及管治報告

#### EMISSION MANAGEMENT

During our daily operations, our wastewater treatment facilities generate certain emissions, mainly encompassing air pollutants and odor generated from the treatment processes, wastewater from domestic use and cleaning, noise from various treatment facilities, general refuse as well as solid waste generated from treatment such as sand and sludge.

#### Air

In order to comply with the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (《城鎮污水處理廠污染物排放標準》) and Class 2 Standards in the Ambient Air Quality Standards (《環境空氣質量標準》), our wastewater treatment facilities have adopted the following mitigation measures, striving for reducing air pollution in the surrounding area:

- Sealing the adjustment tank to collect odor for further deodorization treatment
- Setting barriers around the treatment plant
- Enhancing greening in the surroundings to absorb odor so as to minimize the negative impact to the nearby residents
- Transport and handle solid waste generated from sedimentation tank or grid in a timely manner to minimize its odor
- Washing and spraying sludge regularly

#### Case Study – Newly Installed Biological Deodorization Equipment

Odor pollution is a common issue in wastewater treatment plants, usually caused by emissions such as sulphur derivatives and nitrogen derivatives. We have installed biological deodorization equipment in our Rugao Hengfa Facility and put it into operation during the Reporting Period. The biological deodorization technology has numerous advantages, including high treatment efficiency, no secondary pollution, low cost, convenient management and maintenance. Biological filter method, biological trickling filter method and soil filter method are the three main types of biological deodorization technology.

We apply the biological filter method for our biological deodorization equipment. Odor substances are degraded into CO<sub>2</sub>, H<sub>2</sub>O or small molecule organic compounds which are harmless and odorless. With the newly installed biological deodorization equipment, we have successfully safeguarded the safety and health of our staff as well as adhered to the national 13th Five-Year environmental policy for improving environment quality.

#### 排放管理

我們的污水處理設施於日常營運會產生一定的排放，主要包括空氣污染物及處理過程發出的臭味、生活及清潔用水、處理設施製造的噪音、一般廢物及處理過程中產生的固體廢物，如沙塵及污泥。

#### 空氣

為了遵守《城鎮污水處理廠污染物排放標準》及《環境空氣質量標準》中的二級標準，我們的污水處理設施已採納下列緩解措施，力求減少周邊地區的空氣污染：

- 封閉調節池以收集臭氣作進一步除臭處理
- 於處理廠外圍設置屏障
- 綠化周圍以吸收臭氣，減少為附近居民帶來的負面影響
- 及時清運及處理由沉澱池或格柵產生的固體廢物以減少臭氣
- 定期清洗及噴灑污泥

#### 案例研究 – 新裝生物除臭設備

臭氣污染為污水處理廠的常見問題，主要由硫化物及氮氣衍生物等排放所致。我們在如皋恆發設施安裝生物除臭設備並於報告期內投入營運。生物除臭科技有多種好處，包括高處理效能、沒有二次污染、低成本、易於管理及維護。生物除臭科技的三大種類為生物濾波方法、生物滴濾方法及土壤滲濾方法。

我們就生物除臭設備採用生物濾波方法。臭氣物質會被分解為二氧化碳、水分子或無害及無臭的微細分子有機化合物。我們透過新裝的生物除臭設備確保員工的安全及健康得以受到保障，並響應國家「十三五」規劃中有關改善環境質素的環保政策。



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

### Wastewater

Our wastewater treatment facilities operate in stringent compliance with the Integrated Wastewater Discharge Standard (《污水綜合排放標準》) and Class 1-A or Class 1-B of Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants (《城鎮污水處理廠污染物排放標準》) (GB18918-2002). Both our Rugao Hengfa and Haian Hengfa Facilities have obtained the Permits for Pollutants Discharge in Jiangsu Province (《江蘇省排放污染物許可證》) and adopt the Cyclic Activated Sludge Technology (CAST) approach and Moving Bed Biofilm Reactor (MBBR) treatment approach respectively to lower the concentration of pollutants in wastewater. To ensure the treated wastewater meets the discharge standards, we have formulated a comprehensive service commitment policy which sets out measures and requirements for quality assurance and inspection of wastewater on a regular basis.

### Noise

Since wastewater treatment process involves the use of pumps, blowers, sludge scrapers and dehydrators, the noise emitted from these machinery or facilities is also one of our concerns. To abide by applicable laws and regulations including but not limited to the Emission Standard for Industrial Enterprises Noise at Boundary (《工業企業廠界環境噪聲排放標準》) (GB12348-2008), we have established various measures to lower the noise to an acceptable level, such as taking vibration reduction measures in dehydrators, sealing the blower room and greening the surrounding area to absorb sound, therefore minimizing the negative impact posed to the residents nearby.

### Waste

Waste generated from our wastewater treatment facilities mainly constitutes general refuse, grid residue and sediment. Since we fully understand that the way we handle waste, either hazardous or non-hazardous, may pose a significant impact on the environment, we have formulated comprehensive waste management system to regulate our employees to handle waste properly by transferring the waste to the environmental department or registered treatment facilities for further treatment or handling.

In terms of the handling of sludge produced from wastewater treatment processes, to ensure safe disposal in accordance with the Standard for Pollution Control on Hazardous Waste Storage (《危險廢物貯存污染控制標準》) (GB18597-2001) and avoid secondary pollution, we will first dehydrate the sludge through a drying machine before sending it to certified third-party for further treatment or landfilling, such that the size and volume of the sludge can be greatly reduced, hence lowering the negative impact on the environment.

### 污水

我們的污水處理設施於營運時嚴格遵守《污水綜合排放標準》及《城鎮污水處理廠污染物排放標準》(GB18918-2002)的一級標準的A排放標準或一級標準的B排放標準。我們的如皋恆發及海安恆發設施均取得《江蘇省排放污染物許可證》，以及分別採納循環活性污泥技術(CAST)方法及流動式接觸床廢水生物膜反應(MBBR)處理方法以減少污水中的污染物濃度。為確保已處理的污水達至排放標準，我們已制訂全面服務承諾政策，就質素保證及定期監測污水制定措施及要求。

### 噪音

由於污水處理過程涉及到泵、鼓風機、刮污泥機及脫水器的使用，操作此等機器或設施而製造的噪音亦為我們關切的問題。為遵守相關法例及規例包括但不僅限於《工業企業廠界環境噪聲排放標準》(GB12348-2008)，我們已制定不同措施將噪音減少至可接受水平，如於脫水器採用減震措施、封閉鼓風房及綠化周邊地區以吸收噪音，因而減低對附近居民造成的負面影響。

### 廢物

因我們的污水處理設施產生的廢物主要包括一般廢物、格柵殘渣及沉澱物。我們深知處理有害或無害的廢物均會對環境構成重大影響，因此，我們已制定全面的廢物管理系統，規管員工以妥善處理廢物，將廢物轉交至環境部門或認可處理設施作進一步處理。

就污水處理過程中產生的污泥處理方式，為確保安全及妥善處置以符合《危險廢物貯存污染控制標準》(GB18597-2001)並避免二次污染，我們會先透過烘乾機器烘乾污泥，再將其移交至許可的第三方作進一步處理或填埋，以便大幅減少污泥的容積及總量，並因而減低對環境的負面影響。



## Environmental, Social and Governance Report

### 環境、社會及管治報告

#### RESOURCES MANAGEMENT

Based on our business nature, our wastewater treatment facilities mainly consume purchased electricity, water for domestic use, fuel for mobile vehicles and non-road machinery and stationary fuel for kitchen to support daily operations. We did not encounter any problem in terms of water sourcing as we mainly source water from regional water supply companies. To conserve natural resources, we have conducted the following measures within the facilities:

- Lowering the wind level of the blower depending on the quality of wastewater and dissolved oxygen to save energy
- Prohibiting idling of motor vehicle engines
- Reusing treated wastewater to wash filter belt and flocculant
  
- Prioritizing the use of water-efficient production method and equipment

#### BIOMASS POWER GENERATION AND PALM KERNEL OIL

In Jambi City of Indonesia, the Group owns a biomass power generation plant consisting of a palm kernel oil mill which sells palm kernel oil and combusts biomass wastes to generate electricity for self-usage and for sale to the state-owned electricity company Perusahaan Listrik Negara (PLN) via PLN's power supply network, devoting ourselves into bringing positive impact to the environment by replacing non-renewable energy with renewable green energy.

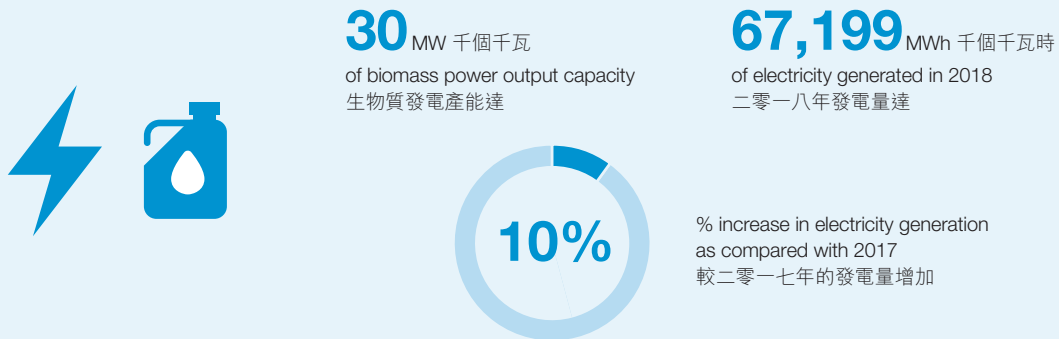
#### 資源管理

基於我們的業務性質，我們的污水處理設施主要消耗外購電力、生活用水、供車輛及非道路用機械的燃料及供廚房用固定用燃料，以支持日常營運。因我們的水主要來自地區性供水公司，因此我們並無就獲取水源遇到任何難題。為了節約水資源，我們亦已於設施採納以下措施：

- 按污水水質及溶解氧氣減低鼓風機的風力以節約能源
- 禁止讓汽車引擎空轉
- 重用已經過處理的污水清潔過濾帶及凝聚劑
- 優先使用能夠有效節水的生產方法及設備

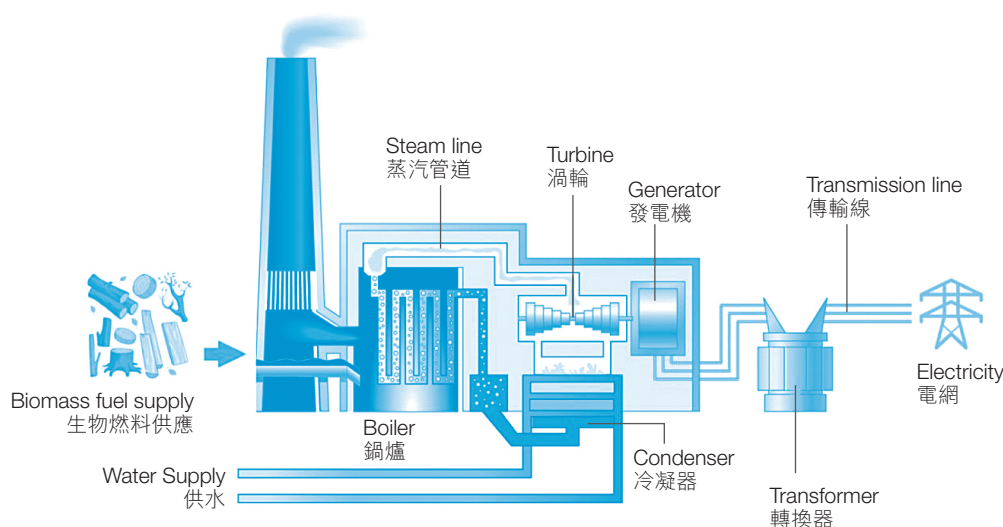
#### 生物質發電及棕櫚仁榨油

於印尼占碑市，本集團擁有一間生物質發電廠，其中包括一所棕櫚仁油榨油廠，該油廠出售棕櫚仁油，及透過燃燒生物質廢棄物發電供自用及出售至國有電力公司Perusahaan Listrik Negara，致力透過以可再生能源取代非再生能源，為環境帶來正面影響。



Below is a flowchart illustration of the Jambi Facility's biomass power generation process:

占碑設施的生物質發電廠發電過程列於下圖：



**Case Study – Biomass power generation plant in Jambi came into full operations to leverage more electricity supply to the household end-users from 2018**

案例研究 – 占碑生物質發電廠自二零一八年全面投入運作，並調動更多電力予家庭終端用戶

During the Reporting Period, the two generating units of our biomass power generation plant in Jambi were put into full operations. With increasing electricity generated, the Group has managed to supply more environmentally-friendly energy to local users, thereby making significant contributions to the national bioenergy development.

報告期內，我們位於占碑的生物質發電廠的兩個發電機組已全面投入運作。透過提供更多電力，本集團得以向本地用戶提供環保能源，對國家生物能源發展作出重大貢獻。

**EMISSION MANAGEMENT**

**排放管理**

Emissions of our biomass power generation plant mainly arise from the air emissions and GHG emissions from the combustion process and the use of vehicles and generator, wastewater from the production process, hazardous and non-hazardous waste including ash from the boiler, used battery, used oil and oil filter etc. To lower our emission to the greatest extent, we have set up comprehensive policies and measures to properly manage and reduce our primary emissions to air, wastewater, noise and waste.

我們的生物質發電廠的排放物主要源自燃燒過程及使用汽車及發電機而產生的廢氣溫室氣體排放物、生產過程產生的污水、有害及無害廢物包括鍋爐的灰燼、廢電池、廢油及油隔等。為大程度減低排放，我們已訂立全面政策及措施以妥善管理及減少我們主要的空氣排放、污水、噪音及廢物。





## Environmental, Social and Governance Report

### 環境、社會及管治報告

#### Air

Exhaust gas and dust are major air emissions being generated during our production process. To ensure the air emissions level fulfils the requirements of applicable laws and regulations, including but not limited to the Government Regulation No. 41/1999 on Air Pollution Control with the prescribed limits, we have engaged a third-party inspection institution to carry out an inspection on the concentration of substances in air such as sulfur dioxide, carbon monoxide, ammonia etc. As for odor generated from the storage of wet fuel, we have sealed the fuel stock feed to physically prevent the spread of odor.

#### Wastewater

Wastewater will be generated during the production process. To avoid wastewater being discharged improperly and resulting in water pollution, we stringently comply with the Government Regulation No. 82/2001 on management of water quality to handle the wastewater from the production process in our wastewater treatment plants, as well as the municipal sewage in the septic tank before discharge. We will carry out regular inspection on the quality of wastewater, in which substances such as suspended solids, pH, metals, phosphate etc. are tested.

#### Noise

For the noise generated from the facilities within the production process, we have adopted the following measures in favor of complying with the requirements of the Decree of the State Minister for Environment of the Republic of Indonesia concerning Noise Level Standards (KEP48/MENLH/11/1996) and minimizing the negative impact to the surrounding residents:

- Growing a bamboo plant along the entrance of the palm kernel oil mill for noise absorption
- Installing rubber dampers on windows and doors for shock absorption
- Prioritizing the purchase of low noise equipment and silencer

#### 空氣

廢氣及粉塵為我們的生產過程產生的主要空氣排放。為了確保空氣排放水平達到相關法例及規例，包括但不僅限於關於空氣污染控制的第41/9999號政府規例的規定標準的要求，我們已聘請第三方監察機構就空氣物質如二氧化硫、一氧化碳及氨的濃度作出檢測。就濕燃料存儲產生的臭氣，我們已封蓋燃料進口處，從源頭阻止臭氣擴散。

#### 污水

生產過程中會產生污水。為避免污水不當排放及導致水質污染，我們嚴謹遵守關於水質管理的第82/2001政府規例，在排放前處理由我們的污水處理廠的生產過程中產生的污水及在化糞池中的城鎮污水。我們將定期監測污水水質，檢測項目包括懸浮固體、酸鹼值、金屬及磷酸鹽。

#### 噪音

就設施的生產過程製造的噪音，我們已根據《印度尼西亞共和國有關噪聲水平標準的國家環境部長法令》(KEP48/MENLH/11/1996)的要求採納下列政策，以減低對附近居民造成的負面影響：

- 於棕櫚仁油榨油廠的入口兩側種植竹子以吸收噪聲
- 於窗及門安裝橡膠減震器作減震緩沖
- 優先選購低噪音設備及消聲器



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

### Waste

The crushing of palm kernel and combustion of palm kernel expeller will generate certain hazardous waste such as used battery, used oil, jerry cans and oil filter from excavator, wheel loader, generator and drum, as well as non-hazardous waste including ash and general refuse. For hazardous waste, we have already obtained the Temporary Hazardous Waste and Toxic Material Storage License under the requirements of the Government Regulation of the Republic of Indonesia (No. 18 of 1999) on Waste Management of Hazardous Waste and Toxic Materials. As for the non-hazardous waste, in order to minimize the amount of waste disposed, we will reuse the ash for backfilling the uneven land of our power plant.

### RESOURCES MANAGEMENT

Our biomass power generation plants consume primarily electricity, water, and fuel for both vehicles and the power generators. To reduce the reliance on nonrenewable fuel and optimize the use of energy, more than 96% of our electricity consumption was sourced from our biomass power generation plants. Despite that no difficulty was encountered for water sourcing, we are striving our best to further reduce our water consumption in all possible ways. For instance, a cooling tower was installed in our power generator which allows water used for cooling down the turbines in the power generation units to be recycled for other use, and hence results in an overall reduction in water consumption.

### GREEN OPERATIONS

Apart from stringent management on the emissions and resource consumption within our operations, we also advocate our employees to take environmentally friendly initiatives during daily operations to promote and achieve a green lifestyle. Examples of the initiatives within our offices or plants include:

- Set air conditioners at designated temperature
- Switch off all air-conditioning, lights and electrical appliances when idled
- Using recycled paper for printing and copying
- Encouraging electronic communication to reduce the dependence on paper
- Promoting green procurement by preferring the purchase of energy-efficient electrical appliances and water-efficient facilities, and advocating the suppliers to reduce the use of packaging materials

### 廢物

壓榨棕櫚仁油及燃燒棕櫚仁渣會產生由挖土機、裝載機、發電機及鼓輪產生的若干有害廢物如廢電池、廢油、油罐及油隔，以及無害廢物如灰燼及一般廢物。我們已根據《印度尼西亞共和國有關有害及有毒物質廢棄物管理的政府規例》（一九九九年第十八號）的要求取得予有害廢棄物及有毒物質暫存許可證。就無害廢物而言，為了減低廢棄廢物量，我們將重用灰燼填充我們電力廠不平坦的土地。

### 資源管理

我們的生物質發電廠主要消耗電力、水及汽車用及發電機用燃料。為減少對非再生燃料的依賴及充分利用能源，我們電力消耗中超過96%來自我們的生物質發電廠。雖然在取得水源方面未有遭遇任何困難，但我們正致力盡一切方法進一步節約用水。例如，我們已於發電機內安裝冷卻塔，令冷卻發電機組渦輪的用水可循環作其他用途，繼而減低整體耗水量。

### 綠色營運

除針對營運的排放及資源使用的嚴格管理外，我們亦鼓勵僱員於日常營運中採用環保措施以推廣及實現綠色生活。此等於我們的辦公室或工廠所實現的措施包括：

- 設置冷氣機溫度於適當水平
- 於非辦公時間，關閉所有的空調、燈管及電器
- 使用循環用紙進行列印及複印
- 鼓勵透過電子方式溝通，減少依賴用紙
- 提倡綠色採購，購買具能源效益的電器及具節水標籤的設施，以及鼓勵供應商減少使用包裝材料

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### KEY ENVIRONMENTAL FIGURES

### 關鍵環境數據

Emissions 排放物			
Environmental Performance 環境表現	Unit 單位	2018 二零一八年	2017 二零一七年
Air Emissions 氣體排放			
Nitrous Oxides (NO <sub>x</sub> ) 氮氧化物 (NO <sub>x</sub> )	kg 千克	<b>849.99</b>	938.25
Sulfur Oxides (SO <sub>x</sub> ) 硫氧化物 (SO <sub>x</sub> )	kg 千克	<b>15.95</b>	17.47 <sup>2</sup>
Particulate Matters (PM) 懸浮顆粒 (PM)	kg 千克	<b>29.69</b>	35.97
GHG Emissions 溫室氣體排放			
Total GHG Emissions (Scope 1 & Scope 2) <sup>3</sup> 溫室氣體排放總量 (範圍一及範圍二) <sup>3</sup>	tonnes of CO <sub>2</sub> e 公噸二氧化碳當量	<b>7,258.63</b>	7,711.21
Direct Emissions (Scope 1) 直接排放 (範圍一)	tonnes of CO <sub>2</sub> e 公噸二氧化碳當量	<b>361.07</b>	453.06 <sup>4</sup>
Indirect Emissions (Scope 2) 間接排放 (範圍二)	tonnes of CO <sub>2</sub> e 公噸二氧化碳當量	<b>6,903.29</b>	6,870.62
GHG Removal (Scope 1) 溫室氣體減除 (範圍一)	tonnes of CO <sub>2</sub> e 公噸二氧化碳當量	<b>5.73</b>	0.48
Total GHG Emissions (Scope 1 & Scope 2) per floor area 每樓面面積的溫室氣體排放總量 (範圍一及範圍二)	tonnes of CO <sub>2</sub> e/m <sup>2</sup> 公噸二氧化碳當量/平方米	<b>0.04</b>	0.05
Total GHG Emissions (Biogenic) <sup>5</sup> 溫室氣體排放總量 (生物) <sup>5</sup>	tonnes of CO <sub>2</sub> e 公噸二氧化碳當量	<b>21,772.74</b>	N/A 不適用
Hazardous and Non-hazardous Waste 有害及無害廢棄物			
Total hazardous waste produced 產生的有害廢棄物總量	tonnes 公噸	<b>27.95</b>	8.95
Total hazardous waste per floor area 每樓面面積的有害廢棄物總量	kg/m <sup>2</sup> 千克/平方米	<b>0.17</b>	0.05
Total non-hazardous waste produced 產生的無害廢棄物總量	tonnes 公噸	<b>28,112.86</b>	23,633.49 <sup>6</sup>
Total waste disposed 處理的廢棄物總量	tonnes 公噸	<b>28,112.86</b>	23,633.49
Other general refuse <sup>7</sup> 其他一般廢物 <sup>7</sup>	tonnes 公噸	<b>96.50</b>	N/A 不適用
Sludge 污泥	tonnes 公噸	<b>28,016.36</b>	23,633.49
Total non-hazardous waste produced per floor area 每樓面面積的產生的無害廢棄物總量	kg/m <sup>2</sup> 千克/平方米	<b>169.68</b>	165.34 <sup>5</sup>

Use of Resources <sup>8</sup> 資源使用 <sup>8</sup>			
Environmental Performance 環境表現	Unit 單位	2018 二零一八年	2017 二零一七年
Energy 能源			
Total energy consumption 能源消耗總量	MWh 千個千瓦時	<b>20,516.11</b>	11,304.72
Purchased electricity 購入電力	MWh 千個千瓦時	<b>9,732.75</b>	9,663.04
Biomass (for internal used) <sup>9</sup> 生物質(內部使用) <sup>9</sup>	MWh 千個千瓦時	<b>9,490.36</b>	N/A 不適用
Diesel oil 柴油	MWh 千個千瓦時	<b>1,244.92</b>	1,537.30
Liquefied Petroleum Gas 液化石油氣	MWh 千個千瓦時	<b>8.95</b>	96.75
Liquefied Natural Gas 液化天然氣	MWh 千個千瓦時	<b>1.66</b>	7.63
Unleaded Petrol <sup>10</sup> 無鉛汽油 <sup>10</sup>	MWh 千個千瓦時	<b>37.47</b>	N/A 不適用
Total energy consumption per floor area 每樓面面積的能源消耗總量	kWh/m <sup>2</sup> 千瓦時/平方米	<b>123.83</b>	69.20
Water 水			
Total water consumption 總用水量	m <sup>3</sup> 立方米	<b>319,862.20</b>	329,855.30
Total water consumption per floor area 每樓面面積的總用水量	m <sup>3</sup> /m <sup>2</sup> 立方米/平方米	<b>1.93</b>	2.02

<sup>2</sup> The emission amount of sulfur oxides in 2017 has been restated since the methodology for calculating SOx and GHG emissions has been technically updated during the Reporting Period.

<sup>3</sup> According to the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) issued by World Business Council For Sustainable Development and World Resources Institute, scope 1 direct emissions cover GHG emissions directly produced by businesses owned or controlled by the Group, while scope 2 indirect emissions cover GHG emissions of "indirect energy" resulted from electricity (purchased or acquired), thermal energy, refrigeration and steam internally consumed by the Group.

<sup>4</sup> The amount of direct GHG emissions in 2017 has been restated since the methodology for calculating SOx and GHG emissions has been technically updated during the Reporting Period.

<sup>5</sup> Amount of GHG emissions (biogenic) has been added this year due to improvement in data collection method. during the Reporting Period.

<sup>2</sup> 由於報告期間硫氧化物及溫室氣體的排放計算方法已進行技術性更新，二零一七年的硫氧化物的排放量經調整。

<sup>3</sup> 根據世界可持續發展工商理事會及世界資源研究所發佈的《溫室氣體核算議定書：企業核算及報告標準》(修訂版)，範圍一直接排放涵蓋由本集團擁有或控制的業務直接產生的溫室氣體排放，而範圍二間接排放涵蓋來自集團內部消耗，包括購入或取得的電力、熱能、冷凍及蒸氣所引致的「間接能源」溫室氣體排放。

<sup>4</sup> 由於報告期間硫氧化物及溫室氣體的排放計算方法已進行技術性更新，二零一七年的直接溫室氣體排放經調整。

<sup>5</sup> 溫室氣體排放量(生物質)於本年度納入，原因為於報告期間數據收集方法得到改善。



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

- <sup>6</sup> The amount of total non-hazardous waste produced and total non-hazardous waste produced per floor area in 2017 have been restated due to update in data collection method.
- <sup>7</sup> Amount of other general refuse has been added this year due to improvement in data collection method during the Reporting Period.
- <sup>8</sup> Due to business nature, the Group is not involved in the use of packaging material for finished products.
- <sup>9</sup> Amount of energy consumption from biomass has been added this year due to improvement in data collection method.
- <sup>10</sup> Consumption of unleaded petrol has been added this year due to technical update in data collection method.
- <sup>6</sup> 於二零一七年產生的無害廢棄物總量及每樓面面積的產生的無害廢棄物總量經重列，原因為數據收集方法更新。
- <sup>7</sup> 其他一般廢物的數量於本年度納入，原因為於報告期間數據收集方法得到改善。
- <sup>8</sup> 基於業務性質，本集團並不涉及製成品的包裝物料使用。
- <sup>9</sup> 生物質的能源消耗量於本年度納入，原因為數據收集方法得到改善。
- <sup>10</sup> 無鉛汽油消耗量於本年度納入，原因為數據收集方法已進行技術性更新。

### PRIVACY PROTECTION

We endeavor to protect the privacy of data within the Group, including but not limited to customers' information, business information, financial information, confidential information etc., in order to safeguard the rights of the Group and our customers. To prevent information leakage, without prior consent or permission, employees are not allowed to disclose any confidential information to the third parties. Based on our business nature, intellectual property right is not a material issue.

### ADVERTISING AND LABELLING

The Group conducts promotion for our products and services in accordance with relevant laws and regulations, including but not limited to the "Advertising Law of the PRC" (《中華人民共和國廣告法》) and ensure the accuracy and reliability of the content of our advertising and promotional materials in order to protect consumer rights. Due to our business nature, product labelling is not applicable to the Group.

### 私隱保障

為保障本集團及其客戶的權益，我們竭力保護本集團內的私隱數據，包括但不限於客戶資料、業務資料、財務資料、保密資料等。為防止資料外洩，未經事先同意或批准，僱員不得向第三方披露任何保密資料。基於我們的業務性質，知識產權並非重大事項。

### 廣告及標籤

本集團根據相關法律及條例(包括但不限於《中華人民共和國廣告法》)推廣我們的產品和服務，並確保我們的廣告及推廣材料內容的準確性及真實性，以保障消費者權益。基於我們的業務性質，產品標籤並不適用於本集團。



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

### HKEX ESG GUIDE CONTENT INDEX

### 聯交所《環境、社會及管治報告指引》內容索引

Subject Areas, Aspects, General Disclosure and KPIs 主要範疇、層面、一般披露及關鍵績效指標	Chapter/Disclosure 章節／披露內容	Page 頁次	
<b>A. Environmental</b> A. 環境			
<b>Aspect A1: Emissions</b> 層面 A1：排放物			
General Disclosure 一般披露  Information on: 有關廢氣及溫室氣體排放、向水及土地的排污、有害及無害廢棄物的產生等的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. (b) 遵守對問題產生者有重大影響之相關法例及規例的資料。	Creating Green Fortune 創造綠色財富	32-44	
KPI A1.1 關鍵績效指標 A1.1	The types of emissions and respective emissions data. 排放物種類及相關排放數據。	Creating Green Fortune 創造綠色財富	42
KPI A1.2 關鍵績效指標 A1.2	Greenhouse gas emissions in total and where appropriate, intensity. 溫室氣體總排放量及密度(如適用)。	Creating Green Fortune 創造綠色財富	42
KPI A1.3 關鍵績效指標 A1.3	Total hazardous waste produced and where appropriate, intensity. 所產生有害廢棄物總量及密度(如適用)。	Creating Green Fortune 創造綠色財富	42
KPI A1.4 關鍵績效指標 A1.4	Total non-hazardous waste produced and where appropriate, intensity. 所產生無害廢棄物總量及密度(如適用)。	Creating Green Fortune 創造綠色財富	42

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<b>Aspect A1: Emissions</b> <b>層面 A1：排放物</b>			
KPI A1.5 關鍵績效指標 A1.5	Description of measures to mitigate emissions and results achieved. 描述減低排放量的措施及所得成果。	Creating Green Fortune 創造綠色財富	32-44
KPI A1.6 關鍵績效指標 A1.6	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved. 描述處理有害及無害廢棄物的方法、減低產生量的措施及所得成果。	Creating Green Fortune 創造綠色財富	32-44
<b>Aspect A2: Use of Resources</b> <b>層面 A2：資源使用</b>			
General Disclosure 一般披露		Creating Green Fortune 創造綠色財富	32-44
Policies on the efficient use of resources, including energy, water and other raw materials. 有效使用資源(包括能源、水及其他原材料)的政策。 Note: Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc. 註：資源可用於生產、儲存、運輸、樓宇及電子設備等。			
KPI A2.1 關鍵績效指標 A2.1	Direct and/or indirect energy consumption by type in total and intensity. 按類型劃分的直接及／或間接能源總耗量及密度。	Creating Green Fortune 創造綠色財富	43
KPI A2.2 關鍵績效指標 A2.2	Water consumption in total and intensity. 總用水量及密度。	Creating Green Fortune 創造綠色財富	43
KPI A2.3 關鍵績效指標 A2.3	Description of energy use efficiency initiatives and results achieved. 描述能源使用效益措施及所得成果。	Creating Green Fortune 創造綠色財富	32-44



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<b>Aspect A2: Use of Resources</b> 層面 A2：資源使用			
KPI A2.4 關鍵績效指標 A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved. 描述尋求適用水源上可有任何問題，以及提升用水效益計劃及所得成果。	Creating Green Fortune 創造綠色財富	32-44
KPI A2.5 關鍵績效指標 A2.5	Total packaging material used for finished products, and if applicable, with reference to per unit produced. 製成品所用包裝材料的總量及每生產單位估量(如適用)。	The Group is not involved in the use of packaging material of products. 本集團並不涉及產品的包裝物料使用。	N/A 不適用
<b>Aspect A3: The Environment and Natural Resources</b> 層面 A3：環境及天然資源			
General Disclosure 一般披露	Policies on minimising the issuer's significant impact on the environment and natural resources. 減低問題產生者對環境及天然資源造成重大影響的政策。	Creating Green Fortune 創造綠色財富	32-44
KPI A3.1 關鍵績效指標 A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them. 描述業務活動對環境及天然資源的重大影響及已採取管理有關影響的行動。	Creating Green Fortune 創造綠色財富	32-44



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<i>Employment and Labour Practices</i> 僱傭及勞工常規			
<b>Aspect B1: Employment</b> 層面 B1：僱傭			
General Disclosure 一般披露  Information on: 有關薪酬及解僱、招聘及晉升、工作時數、假期、平等機會、多元化、反歧視以及其他待遇及福利的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. (b) 遵守對問題產生者有重大影響的相關法律及規例的資料。	Caring for Our people 關愛員工	25-31	
KPI B1.1 關鍵績效指標 B1.1	Total workforce by gender, employment type, age group and geographical region. 按性別、僱傭類型、年齡組別及地區劃分的僱員總數。	Employee Overview 僱員概覽	25
KPI B1.2 關鍵績效指標 B1.2	Employee turnover rate by gender, age group and geographical region. 按性別、年齡組別及地區劃分的僱員流失比率。	Not disclosed during the Reporting Period 於報告期間暫不披露	N/A 不適用



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<b>Aspect B2: Health and Safety</b> 層面 B2：健康與安全			
General Disclosure 一般披露  Information on: 有關提供安全工作環境及保障僱員避免職業性危害的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer, relating to providing a safe working environment and protecting employees from occupational hazards. (b) 遵守對問題產生者有重大影響的相關法律及規例的資料。	Safeguarding Our Talents 保障人才	28-29	
KPI B2.1 關鍵績效指標 B2.1	Number and rate of work-related fatalities. 因工作關係而死亡的人數及比率。	Not disclosed during the reporting period 本報告期間暫不披露	N/A 不適用
KPI B2.2 關鍵績效指標 B2.2	Lost days due to work injury. 因工傷損失工作日數。	Not disclosed during the reporting period 本報告期間暫不披露	N/A 不適用
KPI B2.3 關鍵績效指標 B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored. 描述所採納的職業健康與安全措施，以及相關執行及監察方法。	Safeguarding Our Talents 保障人才	28-29

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<b>Aspect B3: Development and Training</b> <b>層面 B3：發展及培訓</b>			
General Disclosure 一般披露	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. 有關提升僱員履行工作職責的知識及技能的政策。描述培訓活動。	Developing Our Talents 發展人才	27
KPI B3.1 關鍵績效指標 B3.1	The percentage of employees trained by gender and employee category. 按性別及僱員類別劃分的受訓僱員百分比。	Developing Our Talents 發展人才	27
KPI B3.2 關鍵績效指標 B3.2	The average training hours completed per employee by gender and employee category. 按性別及僱員類別劃分，每名僱員完成受訓的平均時數。	Developing Our Talents 發展人才	27
<b>Aspect B4: Labour Standards</b> <b>層面 B4：勞工準則</b>			
General Disclosure 一般披露	Information on: 有關防止童工或強制勞工的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour. (b) 遵守對問題產生者有重大影響的相關法律及規例的資料。	Labor Standards 僱傭準則	28



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<b>Aspect B4: Labour Standards</b> <b>層面 B4：勞工準則</b>			
KPI B4.1 關鍵績效指標 B4.1	Description of measures to review employment practices to avoid child and forced labour. 描述檢討招聘慣例的措施以避免童工及強制勞工。	Labor Standards 僱傭準則	28
KPI B4.2 關鍵績效指標 B4.2	Description of steps taken to eliminate such practices when discovered. 描述在發現違規情況時消除有關情況所採取的步驟。	Not disclosed during the Reporting Period 於報告期間暫不披露	N/A 不適用
<i>Operating Practices</i> 營運慣例			
<b>Aspect B5: Supply Chain Management</b> <b>層面 B5：供應鏈管理</b>			
General Disclosure 一般披露		Supply Chain Management 供應鏈管理	29-30
Policies on managing environmental and social risks of the supply chain. 管理供應鏈的環境及社會風險政策。			
KPI B5.1 關鍵績效指標 B5.1	Number of suppliers by geographical region. 按地區劃分的供應商數目。	Supply Chain Management 供應鏈管理	29-30
KPI B5.2 關鍵績效指標 B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored. 描述有關聘用供應商的慣例，向其執行有關慣例的供應商數目、以及有關慣例的執行及監察方法。	Not disclosed during the Reporting Period 於報告期間暫不披露	N/A 不適用

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<b>Aspect B6: Product Responsibility</b> <b>層面 B6：產品責任</b>			
General Disclosure 一般披露		Creating Green Fortune 創造綠色財富	32-44
Information on: 有關所提供產品和服務的健康與安全、廣告、標籤及私隱事宜以及補救方法的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. (b) 遵守對問題產生者有重大影響的相關法律及規例的資料。			
KPI B6.1 關鍵績效指標 B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons. 已售或已運送產品總數中因安全與健康理由而須回收的百分比。	The Group is not involved in manufacturing. 本集團並無參與生產。	N/A 不適用
KPI B6.2 關鍵績效指標 B6.2	Number of products and service related complaints received and how they are dealt with. 接獲關於產品及服務的投訴數目以及應對方法。	Not disclosed during the Reporting Period 於報告期間暫不披露	N/A 不適用
KPI B6.3 關鍵績效指標 B6.3	Description of practices relating to observing and protecting intellectual property rights. 描述與維護及保障知識產權有關的慣例。	Not applicable to the Group's business. 不適用於本集團業務。	N/A 不適用
KPI B6.4 關鍵績效指標 B6.4	Description of quality assurance process and recall procedures. 描述質量檢定過程及產品回收程序。	The Group is not involved in manufacturing. 本集團並無參與生產。	N/A 不適用
KPI B6.5 關鍵績效指標 B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored. 描述消費者資料保障及私隱政策，以及相關執行及監察方法。	Privacy Protection 私隱保障	44



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<b>Aspect B7: Anti-corruption</b> <b>層面 B7：反貪污</b>			
General Disclosure 一般披露  Information on: 有關防止賄賂、勒索、欺詐及洗黑錢的： (a) the policies; and (a) 政策；及 (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering. (b) 遵守對問題產生者有重大影響的相關法律及規例的資料。		Ethical Culture 道德文化	31
KPI B7.1 關鍵績效指標 B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases. 於報告期內對問題產生者或其僱員提出並已審結的貪污訴訟案件的數目及訴訟結果。	Ethical Culture 道德文化	31
KPI B7.2 關鍵績效指標 B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored. 描述防範措施及舉報程序，以及相關執行及監察方法。	Ethical Culture 道德文化	31

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Community 社區			
<b>Aspect B8: Community Investment</b> <b>層面 B8：社區投資</b>			
General Disclosure 一般披露		Community Contributions 社區貢獻	31
Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests. 有關以社區參與來了解問題產生者營運所在社區需要和確保其業務活動會考慮社區利益的政策。			
KPI B8.1 關鍵績效指標 B8.1	Focus areas of contribution. 專注貢獻範疇。	Not disclosed during the Reporting Period 於報告期間暫不披露	N/A 不適用
KPI B8.2 關鍵績效指標 B8.2	Resources contributed to the focus area. 在專注範疇所動用資源。	Not disclosed during the Reporting Period 於報告期間暫不披露	N/A 不適用



## Directors' and Senior Management's Biographical Details 董事及高級管理層之個人履歷

### Mr. Chau On Ta Yuen

Mr. Chau On Ta Yuen, aged 71, was appointed as a Director of the Company on 18 March 2014 and was re-designated as the chairman of the Board (the “**Chairman**”) and an executive Director of the Company on 5 September 2014. He has been the chairman of the nomination committee of the Board (the “**Nomination Committee**”) since 5 September 2014. Mr. Chau also holds directorships in certain subsidiaries of the Company and is mainly responsible for business development and formulation of strategies of the Group. He joined the Group in December 2002 as a director of Everbest Water Treatment Development Company Limited (“**Everbest**”), an indirect wholly-owned subsidiary of the Company. Mr. Chau is a director of and owns 90% of the issued shares in Wealthy Sea Holdings Limited (“**Wealthy Sea**”), a substantial shareholder of the Company.

Mr. Chau obtained a bachelor's degree in Chinese language and literature from Xiamen University (廈門大學) in the PRC in August 1968. He is currently a member of the 12th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議), a deputy officer of the Social and Legal Affairs Committee of the Chinese People's Political Consultative Conference (全國政協社會和法制委員會) and the vice chairman and the secretary-general of the 10th board of directors of the Hong Kong Federation of Fujian Associations (香港福建社團聯會). Mr. Chau was awarded the Bronze Bauhinia Star and the Silver Bauhinia Star by the Hong Kong government in 2010 and 2016, respectively.

### 周安達源先生

周安達源先生，71歲，於二零一四年三月十八日獲委任為本公司董事，並於二零一四年九月五日調任為本公司董事會主席（「**主席**」）兼執行董事。彼自二零一四年九月五日起一直為董事會的提名委員會（「**提名委員會**」）主席。周先生亦持有本公司若干附屬公司的董事職務，並主要負責本集團的業務發展及策略制訂。彼於二零零二年十二月加入本集團擔任本公司間接全資附屬公司恆發水務發展有限公司（「**恆發**」）的董事。周先生為本公司主要股東潤海集團有限公司（「**潤海**」）的董事並擁有其已發行股份的90%。

周先生於一九六八年八月獲中國廈門大學頒發漢語言文學學士學位。彼現時為中國人民政治協商會議第十二屆全國委員會委員、全國政協社會和法制委員會副主任及香港福建社團聯會第十屆董事會副主席兼秘書長。周先生於二零一零年及二零一六年分別獲香港政府授予銅紫荊星章和銀紫荊星章。





## Directors' and Senior Management's Biographical Details

### 董事及高級管理層之個人履歷

Mr. Chau has held directorships in various companies listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). Mr. Chau was the chairman and an executive director of China Ocean Industry Group Limited (stock code: 651) from September 2007 and has ceased to be the chairman and has been re-designated as a non-executive director and appointed as the honorary chairman since June 2015. Mr. Chau has also been appointed as an independent non-executive director of Redco Properties Group Limited (stock code: 1622), Come Sure Group (Holdings) Limited (stock code: 794), Good Resources Holdings Limited (stock code: 109) and Hua Long Jin Kong Company Limited (stock code: 1682) since January 2014, February 2009, July 2007 and September 2017, respectively. Mr. Chau had also been an executive director of Rosan Resources Holdings Limited (stock code: 578) from March 2000 to November 2006, an independent non-executive director of Hao Wen Holdings Limited (stock code: 8019) from June 2003 to August 2009, GR Properties Limited (stock code: 108) from December 2008 to September 2010 and Leyou Technologies Holdings Limited (stock code: 1089) from December 2010 to May 2016. Mr. Chau is the father of Mr. Chau Chi Yan Benny, a non-executive Director of the Company (who will be re-designated as an executive Director of the Company with effect from 1 April 2019).

#### Mr. Chan Kwan

Mr. Chan Kwan, aged 36, was appointed as a Director of the Company on 25 February 2014 and was re-designated as an executive Director and the chief executive officer of the Company on 5 September 2014. He has been a member of the Nomination Committee since 5 September 2014. Mr. Chan also holds directorships in certain subsidiaries of the Company and is mainly responsible for all major affairs of the Group, including project construction and operation, business development, marketing and formulation of strategies. Mr. Chan joined the Group in March 2007 as a director of Everbest. Prior to joining the Group, Mr. Chan was a database administrator at Panda Restaurant Group, Inc. in Los Angeles, the United States of America (“**US**”), from February 2005 to December 2006.

周先生於多間香港聯合交易所有限公司（「**聯交所**」）上市公司擔任董事職務。周先生自二零零七年九月起擔任中海重工集團有限公司（股份代號：651）主席兼執行董事，自二零一五年六月起，不再任職主席，並被調任為非執行董事及獲委任為名譽主席。周先生分別自二零一四年一月、二零零九年二月、二零零七年七月及二零一七年九月起亦獲委任為力高地產集團有限公司（股份代號：1622）、錦勝集團（控股）有限公司（股份代號：794）、天成國際集團控股有限公司（股份代號：109）及華隆金控有限公司（股份代號：1682）獨立非執行董事。周先生亦於二零零零年三月至二零零六年十一月擔任融信資源控股有限公司（股份代號：578）執行董事、於二零零三年六月至二零零九年八月擔任皓文控股有限公司（股份代號：8019）、於二零零八年十二月至二零一零年九月擔任國銳地產有限公司（股份代號：108）及於二零一零年十二月至二零一六年五月擔任樂遊科技控股有限公司（股份代號：1089）獨立非執行董事。周先生為本公司非執行董事周致人先生的父親，而周致人先生將調任本公司執行董事，由二零一九年四月一日生效。

#### 陳昆先生

陳昆先生，36歲，於二零一四年二月二十五日獲委任為本公司董事，並於二零一四年九月五日調任為本公司執行董事兼行政總裁。彼自二零一四年九月五日起一直為提名委員會成員。陳先生亦持有本公司若干附屬公司的董事職務，並主要負責本集團一切重大事務，包括項目建設及營運、業務發展、市場推廣及策略制訂。陳先生於二零零七年三月加入本集團，擔任恆發的董事。於加入本集團前，陳先生於二零零五年二月至二零零六年十二月為美利堅合眾國（「**美國**」）洛杉磯 Panda Restaurant Group, Inc. 的數據庫管理員。



## Directors' and Senior Management's Biographical Details 董事及高級管理層之個人履歷

Mr. Chan obtained a bachelor's degree in science from the Iowa State University of Science and Technology in the US in December 2004. He is a member of the 12th Fujian Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議福建省委員會), a standing committee member of the 10th board of directors of the Hong Kong Federation of Fujian Associations (香港福建社團聯會), the chief supervisor of the 10th Hong Kong Minxi Association Ltd. (香港閩西聯會), the vice-president of the 11th Supervision Committee of Lung Yen Residents Association of Hong Kong Limited (香港龍岩同鄉會), and the president of the 2nd Hong Kong Federation of Overseas Chinese Youth Committee (香港華僑華人總會). Mr. Chan is the elder brother of Mr. Chan Pak Lam Brian, a non-executive Director of the Company.

Mr. Chan is the sole director of and holds a 20% shareholding interest in Everbest Environmental Investment Limited ("**Everbest Environmental**"), a controlling shareholder of the Company. Mr. Chan also owns 25% of the issued shares in Kingdrive Limited ("**Kingdrive**"). Kingdrive owned all the issued shares in Carlton Asia Limited which owns approximately 1.42% of the issued shares of the Company.

### Mr. Radius Suhendra

Mr. Radius Suhendra, aged 45, was appointed as an executive Director of the Company on 21 October 2016. Mr. Suhendra is mainly responsible for all major affairs of an Indonesia-incorporated subsidiary of the Company, which was acquired by the Group in late 2016. He has been overseeing the construction and operation of the palm kernel oil mill and the ancillary biomass power plants in that subsidiary.

He obtained a bachelor's degree in business administration from Ohio State University, the US in 1996. He has 15 years of experience in managing businesses in heavy industries in Asia, including 7 years in managing ferrous trading business of a ferrous alloy trading firm between 1998 and 2005 in Singapore. From 2006 to 2010, Mr. Suhendra was the president director of PT. Indoferro which operates blast furnace producing nickel pig iron in Indonesia.

陳先生於二零零四年十二月獲美國愛荷華州立大學(Iowa State University of Science and Technology)頒發理學學士學位。彼為中國人民政治協商會議第十二屆福建省委員會委員、香港福建社團聯會第十屆董事會常務會董、香港閩西聯會第十屆監事長、香港龍岩同鄉會第十一屆監督委員會副會長及香港華僑華人總會青年委員會第二屆主席。陳先生為本公司非執行董事陳栢林先生的胞兄。

陳先生為本公司控股股東Everbest Environmental Investment Limited ("**Everbest Environmental**")的唯一董事，並持有其20%的股權。陳先生亦擁有Kingdrive Limited ("**Kingdrive**")25%的已發行股份。Kingdrive擁有Carlton Asia Limited全部已發行股份，而Carlton Asia Limited擁有本公司約1.42%的已發行股份。

### 蘇堅人先生

蘇堅人先生，45歲，於二零一六年十月二十一日獲委任為本公司執行董事。蘇先生主要負責本集團於二零一六年年終收購的本公司於印尼註冊成立附屬公司的所有重大事項。彼一直在監督該附屬公司的棕櫚仁油榨油廠及自備生物質電廠的建造及營運。

蘇先生於一九九六年取得美國俄亥俄州立大學工商管理學士學位。彼在亞洲重工業業務管理方面擁有15年的經驗，包括於一九九八年至二零零五年7年在新加坡一間鐵合金交易公司負責管理黑色金屬交易業務。自二零零六年至二零一零年期間，蘇先生為PT. Indoferro的總裁董事，PT. Indoferro的業務為在印尼使用高爐生產含鎳生鐵。



## Directors' and Senior Management's Biographical Details

### 董事及高級管理層之個人履歷

#### Mr. Chan Pak Lam Brian

Mr. Chan Pak Lam Brian, aged 30, was appointed as a Director of the Company on 18 March 2014 and was re-designated as a non-executive Director of the Company on 5 September 2014. He has been a member of the remuneration committee of the Board (the “**Remuneration Committee**”) since 5 September 2014. He is also a director of three subsidiaries of the Company. Mr. Chan obtained a bachelor's degree in communication from Purdue University in the US in May 2011. Since March 2013, Mr. Chan has been working as marketing and sales director at PT. Indoferro. He has been involved in the business of the Group since September 2012 when he was appointed as a director of Exuberant Legacy Holdings Ltd. (“**Exuberant**”), a company incorporated in Hong Kong, which was intended by the then shareholders of Everbest Environmental to be used as the holding company for the purpose of the listing of the shares of the Company on the Stock Exchange. While serving as a director of Exuberant, Mr. Chan was involved in exploring business opportunities in the environmental-related industry within the larger Asia region and was also responsible for the setting up and maintenance of the Company's information technology system. Mr. Chan continued to be involved in the Group's business after he had been appointed as a Director on 18 March 2014. Mr. Chan is the younger brother of Mr. Chan Kwan, an executive Director and the chief executive officer of the Company.

#### Mr. Chau Chi Yan Benny

Mr. Chau Chi Yan Benny, aged 37, was appointed as a Director of the Company on 18 March 2014 and was re-designated as a non-executive Director of the Company on 5 September 2014. He has been a member of the audit committee of the Board (the “**Audit Committee**”) since 5 September 2014 and also holds directorships in certain subsidiaries of the Company. Mr. Chau will be re-designated from a non-executive Director to an executive Director of the Company upon his appointment as the deputy general manager of the Group and will step down as a member of the Audit Committee, all with effect from 1 April 2019.

Prior to joining the Group, Mr. Chau worked as an international trade department manager of China Ocean Shipbuilding Industry Group Limited from February 2011 to August 2013 and a business adviser at Vodafone Ltd. in the United Kingdom (the “**UK**”) from November 2005 to September 2008.

Mr. Chau was a consultant of Convoy Financial Services Limited from August 2012 to June 2017. He obtained a bachelor's degree in arts from Manchester Metropolitan University in the UK in September 2005. He is also registered as a technical representative of the Professional Insurance Brokers Association in Hong Kong. Mr. Chau is (i) the son of Mr. Chau On Ta Yuen, an executive Director of the Company and the Chairman and (ii) a director and a shareholder of Wealthy Sea, a substantial shareholder of the Company.

#### 陳栢林先生

陳栢林先生，30歲，於二零一四年三月十八日獲委任為本公司董事，並於二零一四年九月五日調任為本公司非執行董事。彼自二零一四年九月五日起一直為董事會的薪酬委員會（「**薪酬委員會**」）成員。彼亦為本公司三間附屬公司的董事。陳先生於二零一一年五月獲美國普渡大學頒發傳播學學士學位。自二零一三年三月起，陳先生一直在PT. Indoferro擔任市場推廣及銷售總監。彼自二零一二年九月起已參與本集團業務，當時彼獲委任為一間香港註冊成立公司強泰控股有限公司（「**強泰**」）的董事，而Everbest Environmental當時的股東擬就本公司股份於聯交所上市將強泰作為控股公司。在擔任強泰董事時，陳先生參與在亞洲更多地區探索環保相關行業的業務機會，亦負責本公司資訊科技系統的設立及保養。陳先生於二零一四年三月十八日獲委任為董事後繼續參與本集團業務。陳先生為本公司執行董事兼行政總裁陳昆先生的胞弟。

#### 周致人先生

周致人先生，37歲，於二零一四年三月十八日獲委任為本公司董事，並於二零一四年九月五日調任為本公司非執行董事。彼自二零一四年九月五日起一直為董事會的審核委員會（「**審核委員會**」）成員，亦持有本公司若干附屬公司的董事職務。周先生將於獲委任為本集團副總經理後由非執行董事調任為本公司執行董事，並將退任審核委員會成員，均自二零一九年四月一日生效。

於加入本集團前，周先生於二零一一年二月至二零一三年八月擔任中海船舶重工集團有限公司國際貿易部經理，及於二零零五年十一月至二零零八年九月擔任英國（「**英國**」）Vodafone Ltd.業務顧問。

周先生於二零一二年八月至二零一七年六月擔任康宏理財服務有限公司的顧問。彼於二零零五年九月獲英國曼徹斯特城市大學頒發文學學士學位。彼亦為香港專業保險經紀協會的註冊業務代表。周先生為(i)本公司執行董事兼主席周安達源先生之子及(ii)本公司主要股東潤海的董事及股東。



## Directors' and Senior Management's Biographical Details 董事及高級管理層之個人履歷

### Ms. Ng Chung Yan Linda

Ms. Ng Chung Yan Linda, aged 43, was appointed as an independent non-executive Director of the Company on 5 September 2014. She has been the chairlady of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee since 5 September 2014.

Ms. Ng has been a director of Linda C.Y. Ng (CPA) Limited (previously known as Tseung & Ng (CPA) Limited) since April 2012, prior to which she was the sole proprietor of Linda C.Y. Ng & Co., an accounting firm, from January 2008 to April 2013. Ms. Ng has also been a director of Futurelink Limited since February 2004. She has been a part-time lecturer in the School of Continuing and Professional Education of City University of Hong Kong since October 2015 and a part-time lecturer at HKCA Learning Media Limited since August 2010, and was a part-time lecturer at Accountancy Training Company (International) Limited from September 2007 to April 2010. She has been the author of "Financial Reporting in Hong Kong: SME Edition 2015/16" published in December 2015 and "Practical Guide to Financial Reporting Standards in Hong Kong" published by CCH Hong Kong Limited since September 2013. She was a director of Learning Is Fun Association Limited from June 2007 to June 2012. Ms. Ng was a staff accountant at Ernst & Young from September 2000 to September 2001, and was promoted to senior accountant in October 2001 until she left that firm in October 2002.

Ms. Ng obtained a master's degree in professional accounting from the Hong Kong Polytechnic University in October 2009 and a bachelor's degree in business administration from Hong Kong University of Science and Technology in November 1997. She has been a certified professional forensic accountant of The Institute of Certified Forensic Accountants since September 2011, a certified tax adviser and an associate of the Taxation Institute of Hong Kong since September 2010, a fellow of the Association of Chartered Certified Accountants in the UK since October 2005 and a practising member of Hong Kong Institute of Certified Public Accountants since January 2005.

### 伍頌恩女士

伍頌恩女士，43歲，於二零一四年九月五日獲委任為本公司獨立非執行董事。彼自二零一四年九月五日起一直為審核委員會主席以及薪酬委員會及提名委員會各自之成員。

伍女士自二零一二年四月起擔任伍頌恩會計師事務所有限公司(前稱蔣伍會計師事務所有限公司)董事，此前彼於二零零八年一月至二零一三年四月為會計師行伍頌恩會計師事務所的獨資經營者。伍女士亦自二零零四年二月起擔任Futurelink Limited的董事。彼自二零一五年十月起為香港城市大學專業進修學院的兼職講師、自二零一零年八月起為HKCA Learning Media Limited的兼職講師、自二零零七年九月至二零一零年四月為Accountancy Training Company (International) Limited的兼職講師。彼為於二零一五年十二月出版的《Financial Reporting in Hong Kong: SME Edition 2015/16》的作者及為自二零一三年九月起CCH Hong Kong Limited出版的《Practical Guide to Financial Reporting Standards in Hong Kong》的作者。彼自二零零七年六月至二零一二年六月擔任Learning Is Fun Association Limited的董事。伍女士於二零零零年九月至二零零一年九月為安永會計師事務所的會計職員，其後於二零零一年十月獲晉升為高級會計師，直至二零零二年十月離職。

伍女士於二零零九年十月獲香港理工大學頒發專業會計學碩士學位，及於一九九七年十一月獲香港科技大學頒發工商管理學士學位。彼自二零一一年九月起為註冊法證會計師協會(The Institute of Certified Forensic Accountants)執業專業法證會計師、自二零一零年九月為香港稅務學會的執業稅務顧問及資深會員、自二零零五年十月起為英國特許公認會計師公會資深會員及自二零零五年一月起為香港會計師公會執業會員。



## Directors' and Senior Management's Biographical Details

### 董事及高級管理層之個人履歷

#### Mr. Ng Man Kung

Mr. Ng Man Kung, aged 67, was appointed as an independent non-executive Director of the Company on 5 September 2014. He has been the chairman of the Remuneration Committee and a member of each of the Audit Committee and the Nomination Committee since 5 September 2014.

Mr. Ng was a business consultant of China Orient Asset Management (International) Holding Limited, a company principally engaged in investment, from January 2014 to April 2015. He worked at Chiyu Banking Corporation Ltd. from July 1969 to December 2012 and was a chief executive from April 1992 to July 2012. Mr. Ng was an honorary president of the 37th Chinese Bankers Club, Hong Kong, a member of the Council of Hong Kong Polytechnic University from April 1999 to March 2003 and a member of the 10th Fujian Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議福建省委員會). Mr. Ng completed an extension course in banking at the Hong Kong Polytechnic University in September 1982.

Mr. Ng has also been an independent non-executive director of each of Fujian Holdings Limited (stock code: 181) since June 2014, Guoan International Limited (stock code: 143) and HKBridge Financial Holdings Limited (stock code: 2323) since March 2016 and Shanghai Zendai Property Limited (stock code: 755) since May 2017. Mr. Ng was a non-executive director of Roma Group Limited (stock code: 8072) from August 2017 to December 2017. The issued shares of all the above companies are listed on the Stock Exchange.

Mr. Ng has also been the chairman of the supervisory board of Well Link Bank in Macau since 31 March 2018.

#### 吳文拱先生

吳文拱先生，67歲，於二零一四年九月五日獲委任為本公司獨立非執行董事。彼自二零一四年九月五日起一直為薪酬委員會主席以及審核委員會及提名委員會各自之成員。

吳先生自二零一四年一月至二零一五年四月擔任中國東方資產管理(國際)控股有限公司的業務顧問，該公司主要從事投資業務。彼於一九六九年七月至二零一二年十二月於集友銀行有限公司任職，於一九九二年四月至二零一二年七月擔任總經理。吳先生為第37屆香港銀行華員會名譽會長、於一九九九年四月至二零零三年三月為香港理工大學校董會成員及為中國人民政治協商會議第十屆福建省委員會委員。吳先生於一九八二年九月修畢香港理工大學銀行業校外課程。

吳先生亦分別自二零一四年六月起擔任閩港控股有限公司(股份代號：181)、自二零一六年三月起擔任國安國際有限公司(股份代號：143)及港橋金融控股有限公司(股份代號：2323)及自二零一七年五月起擔任上海証大房地產有限公司(股份代號：755)的獨立非執行董事。吳先生於二零一七年八月至二零一七年十二月期間擔任羅馬集團有限公司(股份代號：8072)的非執行董事。所有上述公司的已發行股份均於聯交所上市。

吳先生亦自二零一八年三月三十一日起擔任澳門立橋銀行監事會主席。



## Directors' and Senior Management's Biographical Details 董事及高級管理層之個人履歷

### Mr. Sze Yeuk Lung Benedict

Mr. Sze Yeuk Lung Benedict, aged 48, was appointed as an independent non-executive Director of the Company on 5 September 2014. He has been a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee since 5 September 2014.

Mr. Sze is currently the principal of Dacheng Law Offices. He obtained a degree of juris doctor from the Southwestern University in the US in December 1999. Mr. Sze also obtained a master's degree in business administration and a bachelor's degree in science from the Loyola Marymount University in the US in December 1993 and May 1992, respectively.

Mr. Sze is qualified as a lawyer in the US, Hong Kong as well as the PRC. In June 2000, he was admitted to the practice of law in the State of California and in the US District Court of the Central District of California, and is currently a member of the State Bar of California. In September 2001, he was admitted to practise in the US Court of Appeals for the Ninth Circuit. In March 2004, he was admitted as a Solicitor to the High Court of Hong Kong. In February 2008, he passed the National Judicial Examination of the PRC and was granted qualification as a legal professional by the Ministry of Justice in the PRC. In April 2014, he was admitted to the Bar of the Supreme Court of the US.

Mr. Sze is a member of the All-China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會) (the "ACFROC"), a member of the legal advisory committee of the ACFROC (中國僑聯法律顧問委員會), an overseas legal adviser of the legal advisory committee of the ACFROC in Jiangsu Province (江蘇省中國僑聯法律顧問委員會), an overseas legal adviser of the ACFROC in Zhejiang Province (浙江省中國僑聯), a member of the 11th Fujian Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議福建省委員會), a legal adviser of the Sy Clan Association of HK Limited (香港施氏宗親會) as well as a voluntary legal adviser of each of the Hong Kong CPPCC of Fukien Province Members Association (福建省港區政協委員聯誼會), the Hong Kong Federation of Fujian Associations (香港福建社團聯會) and the 16th board of The Federation of Jin Jiang Hong Kong Associations (香港晉江社團總會).

### 施若龍先生

施若龍先生，48歲，於二零一四年九月五日獲委任為本公司獨立非執行董事。彼自二零一四年九月五日起一直為審核委員會、薪酬委員會及提名委員會各自之成員。

施先生現時為大成律師事務所的負責人。彼於一九九九年十二月獲美國西南大學頒發法學博士學位。施先生亦分別於一九九三年十二月及一九九二年五月獲美國洛約拉馬利蒙特大學頒發工商管理碩士學位及理學學士學位。

施先生為合資格美國、香港以及中國律師。於二零零零年六月，彼取得在加利福尼亞州及美國加利福尼亞中區聯邦地區法院(United States District Court of the Central District of California)的律師職業資格，現時為加利福尼亞州律師協會(State Bar of California)會員。於二零零一年九月，彼取得在美國聯邦第九巡迴上訴法院的律師資格。於二零零四年三月，彼取得香港高等法院大律師資格。於二零零八年二月，彼通過中國國家司法考試，獲中國司法部授予法律專業人員資格。於二零一四年四月，彼獲美國最高法院納入為大律師。

施先生為中華全國歸國華僑聯合會(「中國僑聯」)會員、中國僑聯法律顧問委員會會員、江蘇省中國僑聯法律顧問委員會海外法律顧問、浙江省中國僑聯海外法律顧問、中國人民政治協商會議第十一屆福建省委員會委員、香港施氏宗親會法律顧問，以及福建省港區政協委員聯誼會、香港福建社團聯會及香港晉江社團總會第十六屆理事會各自的義務法律顧問。



## Directors' and Senior Management's Biographical Details

### 董事及高級管理層之個人履歷

#### SENIOR MANAGEMENT

##### Mr. Fan Chi Chiu

Mr. Fan Chi Chiu, aged 33, joined our Group in April 2015 and was appointed as the chief financial officer of the Company on 1 June 2015. He is mainly responsible for financial management and reporting, investor relations, fund raising and capital management of our Group. He assists the chief executive officer of the Company in our strategic planning and business development, as well as the Group's compliance with applicable laws and regulations in Hong Kong and the PRC. Since 24 July 2017, he has been serving as an executive director of Grace Wine Holdings Limited (stock code: 8146), a company listed on GEM of the Stock Exchange.

Prior to joining the Group, Mr. Fan was a finance director of Vantasia Holdings (H.K.) Limited from April 2014 to March 2015. He was an analyst in Barclays Investment Bank from July 2011 to March 2014 and a senior associate of Pricewaterhouse Coopers from October 2007 to June 2011.

Mr. Fan obtained a bachelor's degree in professional accountancy from The Chinese University of Hong Kong in July 2007. Mr. Fan is a member of the Hong Kong Institute of Certified Public Accountants.

##### Mr. Wang Zili

Mr. Wang Zili, aged 56, was appointed as the deputy general manager of the wastewater treatment facility operated by Haian Hengfa, a subsidiary of the Company (the "**Haian Hengfa Facility**") on 18 March 2014. Mr. Wang joined the Group in February 2005 and is mainly responsible for overseeing operational matters related to the Haian Hengfa Facility. Prior to joining the Group, Mr. Wang was vice chairman and general manager of Beijing Solar Power Nutritious Engineering Development Co., Ltd. (北京瑞權營養工程發展有限公司), a deputy general manager of National Youth Services Centre (中國青少年社會服務中心) and a researcher of Zhuzhou Electric Locomotive Research Institute (鐵道部株洲電力機車研究院), and had worked at Shenzhen Recruitment Services Company (深圳市人才服務公司). Mr. Wang obtained a bachelor's degree in engineering from Dalian Railway Institute (大連鐵道學院) (now known as Dalian Jiaotong University (大連交通大學)) in the PRC in July 1983.

#### 高級管理層

##### 范智超先生

范智超先生，33歲，於二零一五年四月加入本集團，於二零一五年六月一日獲委任為本公司財務總監。彼主要負責本集團的財務管理和申報、投資者關係、集資和資金管理。彼協助本公司行政總裁實施策略規劃及業務發展以及監督本集團遵守香港及中國適用法律法規的情況。彼自二零一七年七月二十四日起擔任怡園酒業控股有限公司(股份代號：8146，一間在聯交所GEM上市的公司)的執行董事。

於加入本集團前，范先生於二零一四年四月至二零一五年三月為萬安控股(香港)有限公司財務主管。彼於二零一一年七月至二零一四年三月為巴克萊投資銀行研究員及於二零零七年十月至二零一一年六月為羅兵咸永道會計師事務所高級審計員。

范先生於二零零七年七月獲得香港中文大學頒發專業會計學學士學位。范先生為香港會計師公會會員。

##### 汪自力先生

汪自力先生，56歲，於二零一四年三月十八日獲委任為本公司附屬公司海安恆發所營運污水處理設施(「**海安恆發設施**」)副總經理。汪先生於二零零五年二月加入本集團，主要負責監督海安恆發設施相關營運事宜。於加入本集團前，汪先生曾擔任北京瑞權營養工程發展有限公司副主席及總經理、中國青少年社會服務中心副總經理、鐵道部株洲電力機車研究院研究員以及曾於深圳市人才服務公司任職。汪先生於一九八三年七月獲中國大連鐵道學院(現稱大連交通大學)頒發工程學士學位。



## Directors' and Senior Management's Biographical Details 董事及高級管理層之個人履歷

### COMPANY SECRETARY

#### Mr. Kwok Siu Man

Mr. Kwok Siu Man has been appointed as the company secretary of the Company since 18 March 2014. Mr. Kwok is an executive director and the head, corporate secretarial of Boardroom Corporate Services (HK) Limited and a director of Boardroom Share Registrars (HK) Limited, our Hong Kong branch share registrar. He is presently a fellow member of each of the Institute of Chartered Secretaries and Administrators in England (“**ICSA**”), The Hong Kong Institute of Chartered Secretaries (“**HKICS**”), The Association of Hong Kong Accountants, The Hong Kong Institute of Directors, the Institute of Financial Accountants in England and the Institute of Public Accountants in Australia, a Chartered Governance Professional of both the ICSA and the HKICS and a member of the Hong Kong Securities and Investment Institute. He also possesses professional qualifications in arbitration, tax, securities and investment, financial planning and human resource management. He was the chief examiner of the “Corporate Secretaryship/Hong Kong Company Secretarial Practice” module of the international qualifying examinations of the HKICS and its longest-serving council member/director. In addition, Mr. Kwok has completed the Common Professional Examination in England and Wales, obtained a post-graduate diploma in laws and earned a bachelor’s degree of arts and a professional diploma in company secretaryship and administration.

Mr. Kwok has an aggregate of over 25 years of extensive in-house corporate secretarial, legal and management experience gained at company secretary and other senior positions from reputable overseas and Hong Kong (including Hang Seng Index Constituent stock and Hang Seng Mid-Cap 50) companies. He was the managing director of a top-notch financial printer in Hong Kong with international affiliation and an independent non-executive director of a company listed on the Main Board of the Stock Exchange. He was named in the “International WHO’S WHO of Professionals” in 1999 and has been an adjudicator of the Best Annual Reports Awards organised by the Hong Kong Management Association and a member of the Board of Review appointed by the government of Hong Kong under the Inland Revenue Ordinance. He is currently an independent non-executive director of Tak Lee Machinery Holdings Limited (stock code: 8142), a company listed on GEM of the Stock Exchange, the company secretary and a joint company secretary of a number of companies listed on the Stock Exchange and the vice-chairman of a charity fund in Hong Kong. Mr. Kwok is also an executive committee member of Federation of Share Registrars Limited.

### 公司秘書

#### 郭兆文先生

郭兆文先生自二零一四年三月十八日以來出任本公司的公司秘書。郭先生為寶德隆企業服務(香港)有限公司的執行董事兼企業秘書部主管及我們香港證券登記分處寶德隆證券登記有限公司的董事。彼現為英國特許秘書及行政人員公會(「**ICSA**」)、香港特許秘書公會(「**港秘書會**」)、香港專業會計師協會、香港董事學會、英國註冊財務會計師公會及澳洲公共會計師協會的資深會員、ICSA及港秘書會特許管治專業人員以及香港證券及投資學會會員。彼亦具備仲裁、稅務、證券及投資、財務策劃及人力資源管理方面等專業資格。彼曾為港秘書會國際會員資格考試「企業秘書學／香港公司秘書實務」的主考官及為該會服務年資最長的理事會成員／董事。此外，郭先生已完成英格蘭及威爾士的普通法專業考試，取得法學深造文憑，且擁有文學學士學位及公司秘書及行政學專業文憑。

郭先生於多家知名海外及香港(包括恒生指數成份股及恒生50中型市值股)公司擔任公司秘書及其他高級職位期間，在機構內部的企業秘書、法律及管理方面合共積累逾25年的豐富經驗。彼曾為一間擁有國際聯繫並具領先地位的香港財經印刷公司的董事總經理及一間於聯交所主板上市的公司的獨立非執行董事。彼於一九九九年名列國際專業人士名人錄(International WHO’S WHO of Professionals)，並曾擔任香港管理專業協會舉辦的「最佳年報獎」的評判以及獲香港政府按稅務條例委任為稅務上訴委員會成員。彼目前為聯交所GEM上市公司德利機械控股有限公司(股份代號：8142)之獨立非執行董事、多間聯交所上市公司的公司秘書及聯席公司秘書，及一間香港慈善基金的副主席。郭先生亦擔任證券登記公司總會有限公司執行委員會成員。





## Corporate Governance Report 企業管治報告

The Company is committed to fulfilling its responsibilities to the Company's shareholders (the **"Shareholders"**) and protecting and enhancing Shareholder value through good corporate governance.

The directors of the Company (the **"Directors"**) recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company and its subsidiaries (the **"Group"**) so as to achieve effective accountability, and to enable our shareholders to evaluate how the principles of the CG Code (has defined below) have been applied.

### CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all applicable code provisions as set out in the Corporate Governance Code set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **"Listing Rules"** and the **"CG Code"**, respectively) throughout the year ended 31 December 2018 (the **"Year"**), except as disclosed in this report.

### SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 to the Listing Rules (the **"Model Code"**) as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on each of the Directors, all of them confirmed that they had complied with the required standard set out in the Model Code during the Year.

### BOARD OF DIRECTORS

#### RESPONSIBILITIES

The board of Directors (the **"Board"**) is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group's business plans and strategies, reviewing the Company's financial results and performance and approving its interim and annual results upon the review and recommendation of the audit committee of the Board (the **"Audit Committee"**); approving the appointment or re-appointment of the Board members upon the recommendation of the nomination committee of the Board (the **"Nomination Committee"**); approving the remuneration package of the Directors and senior management of the Company (the **"Senior Management"**) upon the recommendation of the

本公司致力履行其對本公司股東(「股東」)之職責，並透過良好企業管治維護及提高股東價值。

本公司董事(「董事」)深信要達至有效的問責制度及確保我們的股東能夠評估應用企業管治守則(定義見下文)原則的方式，在本公司及其附屬公司(「本集團」)之管理架構及內部管控制程中引進良好企業管治的元素非常重要。

### 企業管治慣例

除本報告所披露者外，本公司於截至二零一八年十二月三十一日止年度(「本年度」)內應用香港聯合交易所有限公司證券上市規則附錄十四所載企業管治守則(分別為「上市規則」及「企業管治守則」)的原則及遵守所有適用守則條文。

### 董事進行證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)，作為董事進行證券交易之操守準則。經本公司向各董事作出具體查詢後，彼等確認彼等於本年度一直遵守標準守則所規定之準則。

### 董事會

#### 職責

董事會(「董事會」)主要負責監察及監管本集團之業務事宜管理及整體表現。董事會確立本集團之價值及標準，並確保本集團擁有必需之財務及人力資源支持以達致其目標。董事會履行的職能包括但不限於制訂本集團業務計劃及策略、因應董事會轄下審核委員會(「審核委員會」)的審閱及推薦建議審查本公司財務業績及表現、批准本公司中期及年度業績；並因應董事會轄下提名委員會(「提名委員會」)的推薦建議，批准委任或再委任董事會成員；因應董事會轄下薪酬委員會(「薪酬委員會」)的推薦建議，批准本公司董事及高級管理層(「高級管理



remuneration committee of the Board (the “**Remuneration Committee**”), deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group’s corporate governance, and all other functions reserved to the Board under the Company’s articles of association (the “**Articles of Association**”). The Board may from time to time delegate certain functions to the Senior Management if and when considered appropriate. The Senior Management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

## COMPOSITION

The Company is committed to the view that the Board should include a balanced composition of executive and independent non-executive Directors so that there is a strong independent element on the Board which can effectively exercise independent judgement.

Currently, the Board comprises the following eight Directors:

### Executive Directors (the “EDs”)

Mr. Chau On Ta Yuen (*Chairman*)  
Mr. Chan Kwan (*Chief Executive Officer*)  
Mr. Radius Suhendra

### Non-executive Directors (the “NEDs”)

Mr. Chan Pak Lam Brian  
Mr. Chau Chi Yan Benny (who will be re-designated from a NED to an ED with effect from 1 April 2019)

### Independent Non-executive Directors (the “INEDs”)

Ms. Ng Chung Yan Linda  
Mr. Ng Man Kung  
Mr. Sze Yeuk Lung Benedict

The biographical details of each of the Directors are set out in the section headed “Directors’ and Senior Management’s Biographical Details” of this annual report.

Mr. Chau On Ta Yuen, the chairman of the Board (the “**Chairman**”), is the father of Mr. Chau Chi Yan Benny, a NED (who will be re-designated as an ED with effect from 1 April 2019). He is also a substantial shareholder (as defined in the Listing Rules) of the Company. Mr. Chan Kwan, the chief executive officer of the Company (the “**Chief Executive Officer**”), is the elder brother of Mr. Chan Pak Lam Brian, a NED. Mr. Chan Kwan owns

層)的薪酬組合，決定所有重大財務(包括主要的資本支出)及營運事項，發展、監察及審查本集團的企業管治，及所有其他根據本公司之組織章程細則(「**組織章程細則**」)須由董事會負責的職能。董事會可於其認為適當之時，不時授予高級管理層若干職能。高級管理層主要負責執行董事會採納及不時獲指派的業務計劃、策略及政策。

## 組成

本公司一向認為董事會中執行董事及獨立非執行董事之組合應保持均衡，使董事會在很大程度上保持獨立，從而能夠有效作出獨立判斷。

目前，董事會由以下八位董事組成：

### 執行董事(「執行董事」)

周安達源先生(主席)  
陳昆先生(行政總裁)  
蘇堅人先生

### 非執行董事(「非執行董事」)

陳栢林先生  
周致人先生(將由非執行董事調任為執行董事，由二零一九年四月一日生效)

### 獨立非執行董事(「獨立非執行董事」)

伍頌恩女士  
吳文拱先生  
施若龍先生

各董事的履歷資料列載於本年度報告「董事及高級管理層之個人履歷」內。

董事會主席(「**主席**」)周安達源先生為非執行董事周致人先生之父親，而周致人先生將調任為執行董事，由二零一九年四月一日生效。彼亦為本公司之主要股東(定義見上市規則)。本公司行政總裁(「**行政總裁**」)陳昆先生為非執行董事陳



## Corporate Governance Report 企業管治報告

20% of the issued shares of a controlling shareholder (as defined in the Listing Rules) of the Company. Save as aforesaid, there was no financial, business, family or other material relationship among the Directors.

The EDs are responsible for the leadership and control of the Company and overseeing the Group's businesses development, formulation of strategies and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

The INEDs participate in the Board meetings to bring in an independent judgment to bear on the issues of strategy, policy, performance, accountability, resources, key appointments and standards of conducts and scrutinize the Company's performance in achieving agreed corporate goals and objectives. They are also responsible for ensuring a high standard of financial and other mandatory reporting of the Board as well as providing a balance in the Board in order to effectively exercise an independent judgment on the corporate actions of the Company so as to protect Shareholders' interest and the overall interest of the Group.

Throughout the Year, the Company had three INEDs, which complied with the requirement of the Listing Rules that (i) the number of INEDs must represent at least one-third of the Board members; and (ii) at least one of the INEDs has appropriate professional qualifications or accounting or related financial management expertise.

Each of the INEDs has made an annual confirmation of independence in writing pursuant to Rule 3.13 of the Listing Rules and the Board is satisfied that all the INEDs have been independent and met the independent guidelines set out in Rule 3.13 of the Listing Rules during the Year and up to the date of this annual report.

Proper insurance coverage in respect of legal actions against the Directors' liability has been arranged by the Company.

### DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Any Director will receive formal, comprehensive and tailored-made induction on the first occasion of his/her appointment to ensure a proper understanding of the Company's operations and business and full awareness of the Director's responsibilities under the statutes and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

栢林先生之兄長。陳昆先生持有本公司控股股東(定義見上市規則)已發行股本的20%。除上述者外，董事之間並無財務、業務、家族或其他重大關係。

執行董事負責領導、管控本公司與監控本集團業務發展、策略制定，並透過指導及監督本公司事項，共同負責促進本公司邁向成功。

獨立非執行董事參與董事會會議，為有關策略、政策、表現、問責制、資源、重要委任及行為準則提供獨立判斷，並仔細審察本公司於實現協定企業目標及宗旨之表現。彼等亦負責確保董事會提供高標準之財務及其他規定匯報，並於董事會內提供平衡作用，務求有效行使對本公司企業行動的獨立判斷，以保障股東權益及本集團整體權益。

於本年度，本公司擁有三名獨立非執行董事，此乃符合上市規則規定，即(i)獨立非執行董事的人數須佔董事會成員人數的至少三分之一；及(ii)至少有一名獨立非執行董事具備適當專業資格或會計或相關財務管理專業知識。

各獨立非執行董事已根據上市規則第3.13條以書面形式作出年度獨立性確認，而董事會信納，於本年度及直至本年報日期，全體獨立非執行董事均具獨立性並符合上市規則第3.13條載的獨立性指引。

本公司已就針對董事責任之法律訴訟安排適當的保險。

### 董事就任須知及持續專業發展

任何董事於首次接受委任時將接受正式、全面及專門為其而設之就任須知，以確保適當地了解本公司的營運及業務，並完全清楚董事在成文法則及普通法、上市規則、法律及其他監管規定以及本公司業務及管治政策下的責任。



## Corporate Governance Report 企業管治報告

The Company from time to time provides briefings to all Directors to develop and refresh the Directors' duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, each of Mr. Chau On Ta Yuen, Mr. Chan Kwan, Mr. Radius Suhendra, Mr. Chan Pak Lam Brian, Mr. Chau Chi Yan Benny, Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict has attended seminars/conference/forums and/or read newspapers, journals and materials relating to the economy, general business, corporate governance and directors' duties and responsibilities.

### MEETINGS OF BOARD AND BOARD COMMITTEES AND DIRECTORS' ATTENDANCE RECORDS

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to all Directors at least 14 days in advance. For additional Board meetings which require discussion and resolution of significant issues arising from the operations of the Company, notice is given in a reasonable time in advance. Before each Board meeting, a draft agenda is sent to all Directors at least three days or such other period as agreed in advance in order to allow the Directors to include any other matters in the agenda that is required for discussion and resolution in the meeting. To enable the Directors to be properly briefed on issues arising at the Board meetings and to make informed decisions, Board papers together with all appropriate and relevant information in relation to the matters of the meeting are sent to all Directors three days or such other period as agreed before each Board meeting. All Directors should have access to the advice and services of the company secretary of the Company (the "Company Secretary") with a view to ensuring that the Board procedures and all applicable rules and regulations are followed. The Company Secretary is responsible for keeping all Board meetings minutes. Draft minutes are normally circulated to the Directors for comments within a reasonable time after each meeting and the final version is open for the Directors' inspection. According to the Listing Rules, any Directors and their close associates (as defined in the Listing Rules) with a material interest in the transactions to be discussed at the Board meetings will abstain from deliberating and voting on resolutions approving such transactions and are not to be counted in the quorum of the meetings.

本公司不時向全體董事提供簡報，以制定及更新董事的職責及責任。本公司亦承擔費用鼓勵全體董事參加相關培訓課程，並要求彼等向本公司提供其培訓記錄。根據本公司存置之培訓記錄，周安達源先生、陳昆先生、蘇堅人先生、陳栢林先生、周致人先生、伍頌恩女士、吳文拱先生及施若龍先生各人已就經濟、一般業務、企業管治及董事職責及責任等議題出席研討會／會議／論壇及／或閱讀相關報章、期刊及材料。

### 董事會會議、董事會轄下委員會及董事出席記錄

董事會計劃每年舉行四次會議，大約每季舉行一次，並最少提前十四天向全體董事發出通知。對於需要討論及決議因本公司經營而產生的重大事項之額外董事會會議，將提前一段合理時間發出通知。於每次董事會會議前，最少提前三天或經協定的其他期間向全體董事發出議程稿本，以便董事可於議程內加入需要在會上商討及議決的任何其他事宜。在每次董事會會議前，為使董事能夠適當知悉董事會會議產生之議題簡要及作出知情決定，將提前三天或經協定的其他期間向全體董事發出有關董事會文件及所有關於會議事項之適用及相關資料。全體董事應有權獲得本公司之公司秘書（「公司秘書」）之意見和服務，以確保董事會程序及所有適用規則和法規得到遵守。公司秘書負責保管所有董事會會議記錄。於每次會議後，通常於合理期間內提供會議記錄稿本予董事傳閱，以便董事給予意見，而最終確認版本公開供董事查閱。根據上市規則，任何於董事會會議行將討論交易中擁有重大權益之董事及其緊密聯繫人（定義見上市規則）將須就批准該等交易的決議案進行商議及放棄其表決權，及不計入會議法定人數。

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During the Year, one annual general meeting of the Company (the “AGM”) and four Board meetings were held. The table below sets out the attendance by the Directors of these meetings:

於本年度，已舉行一次本公司股東週年大會（「股東週年大會」）及四次董事會會議。下表載列董事出席該等會議之情況：

Name 姓名		Meetings attended/ Eligible to attend 出席會議次數/ 有資格出席會議次數	
		Board Meetings 董事會會議	AGM 股東週年大會
<b>EDs</b>	<b>執行董事</b>		
Chau On Ta Yuen	周安達源	4/4	1/1
Chan Kwan	陳昆	4/4	1/1
Radius Suhendra	蘇堅人	0/4	0/1
<b>NEDs</b>	<b>非執行董事</b>		
Chan Pak Lam Brian	陳栢林	2/4	0/1
Chau Chi Yan Benny	周致人	4/4	1/1
<b>INEDs</b>	<b>獨立非執行董事</b>		
Ng Chung Yan Linda	伍頌恩	4/4	1/1
Ng Man Kung	吳文拱	4/4	0/1
Sze Yeuk Lung Benedict	施若龍	4/4	1/1

Apart from the Board meetings, the Chairman met with the NEDs (including the INEDs) without the presence of the other EDs during the Year.

除董事會會議外，主席亦於本年度與非執行董事（包括獨立非執行董事）在沒有其他執行董事在場的情況下會面。

### BOARD DIVERSITY POLICY

The Board adopted a Board diversity policy on 5 September 2014 and discussed all measurable objectives set for implementing the policy.

### 董事會多元化政策

董事會於二零一四年九月五日採納董事會多元化政策，並討論就實施政策而設定的所有可衡量目標。

The Company recognises and embraces the benefits of having a diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company’s business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, race, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be made upon the merits and contribution that the selected candidates will bring to the Board.

本公司明白並深信董事會成員多元化之利益，並致力確保董事會具備適用於本公司業務要求的技巧、經驗及思維多元化之平衡配套。董事會所有委任將繼續以沿才委任為基準，兼顧董事會成員多元化之利益，並將根據一系列多元化思維（包括但不限於性別、年齡、種族、文化及教育背景、族裔、專業經驗、技能、知識及服務年期）挑選候選人。本公司將根據所挑選候選人將會對董事會作出的功績及貢獻作出最終決定。



## CHAIRMAN AND CHIEF EXECUTIVE

The roles of the Chairman and the Chief Executive Officer are separated and assumed by different individuals to ensure a balance of power and authority so that power is not vested in any member of the Board. Mr. Chau On Ta Yuen, the Chairman, is responsible for business development and formulation of strategies of the Group while Mr. Chan Kwan, the Chief Executive Officer, is responsible for all major affairs of the Group, including project construction and operation, business development, marketing and formulation of strategies.

## BOARD COMMITTEES

The Board has established three Board committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee, to oversee particular aspects of the Company's affairs. The Board committees are provided with sufficient resources to discharge their duties.

The written terms of reference for each of the Board committees named above are in line with the Listing Rules and are posted on the respective websites of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and the Company.

## AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with the CG Code. It consists of three INEDs, namely Ms. Ng Chung Yan Linda, serving as the chairlady, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict and Mr. Chau Chi Yan Benny, a NED (who will step down as a member with effect from 1 April 2019).

The principal responsibilities of the Audit Committee include:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and considering any questions of resignation or dismissal of that auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

## 主席及行政總裁

主席及行政總裁負責不同任務及由不同人士擔當，以確保權力及授權之平衡，令權力不屬於董事會任何成員。主席周安達源先生負責本集團業務發展及策略制定，而行政總裁陳昆先生則負責本集團所有主要事務，包括項目建設及運營、業務開發、市場營銷及策略制定。

## 董事會轄下委員會

董事會已設立三個董事會轄下委員會，即審核委員會、薪酬委員會及提名委員會，以專門監控本公司不同方面之指定事項。董事會轄下委員會均獲提供履行其各自職責之充分資源。

上述各董事會轄下委員會之書面職權範圍均符合上市規則，並分別刊登於香港聯合交易所有限公司（「聯交所」）及本公司網站上。

## 審核委員會

董事會設立具備書面職權範圍及符合企業管治守則之審核委員會。審核委員會包括三名獨立非執行董事，即伍頌恩女士（擔任主席）、吳文拱先生及施若龍先生及非執行董事周致人先生（其將不再擔任成員，由二零一九年四月一日生效）。

審核委員會主要責任包括：

- 就外部核數師的委聘、續聘及解聘向董事會提供建議、批准外部核數師薪酬及聘用條款，及考慮任何有關該核數師辭職或解聘的問題；
- 根據適用準則審查及監察外部核數師之獨立性、客觀性及核數程序之有效性；



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- developing and implementing a policy on the engagement of an external auditor to supply non-audit services and reporting the same to the Board, and identifying and making recommendations on any matters in respect of which it considers that an action or improvement is needed;
- discussing with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations, and ensuring proper co-ordination where more than one audit firm is involved;
- discussing problems and reservations arising from the interim and final audits, and any matters the external auditor may wish to discuss (in the absence of the Senior Management where necessary);
- monitoring the integrity of the Company's financial statements, annual report and financial statements, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgements contained in them;
- reviewing the Company's financial controls, risk management and internal control systems;
- discussing the risk management and internal control systems with the Senior Management to ensure that the Senior Management has performed its duties in establishing and maintaining effective systems, including matters on adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- considering findings of major investigations on risk management and internal control matters as delegated by the Board or on its own initiative and the Senior Management's response to these findings;
- where an internal audit function exists, ensuring co-ordination between the internal and external auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
- reviewing the Group's financial and accounting policies and practices;
- 制定及執行聘任外部核數師之政策，以提供非核數服務並向董事會匯報有關情況，以及就其認為需要行動或改善的任何事項確定及作出建議；
- 於核數工作開始前先與外聘核數師討論核數性質及範疇以及申報責任，及若涉及多於一間核數公司，確保各公司之間相互妥為協調；
- 討論中期及年度核數過程中產生的問題及保留意見，以及外聘核數師可能希望討論的任何事宜（有需要時，應在高級管理層不在場情況下進行有關討論）；
- 監察本公司財務報表、年度報告及財務報表、半年度報告及（如為刊登而擬備）季度報告之完整性，並審查其中所載重大財務匯報判斷；
- 審查本公司財務管控、風險管理及內部管控系統；
- 與高級管理層討論風險管理及內部管控系統，確保高級管理層已履行職責建立及維持有效的系統，包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠、以及培訓課程及有關預算又是否充足的事宜；
- 根據董事會委託或其本身主動提議，考慮對風險管理及內部管控事項重大調查結果及高級管理層對有關調查結果之回應；
- 倘若有內部審核職能部門，確保內部與外部核數師之間的協調，確保內部審核職能部門獲得足夠的資源及於本公司內具有適當的地位，並審查及監察其有效性；
- 審查本集團財務及會計之政策及常規；



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- reviewing the external auditor's management letter, any material queries raised by such auditor to the Senior Management about the accounting records, financial accounts or systems of control and the Senior Management's response;
- ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- reporting to the Board on the matters set out in the Audit Committee's terms of reference;
- reviewing the arrangements that employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and ensuring that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- acting as the key representative body for overseeing the Company's relations with the external auditor;
- establishing a whistle-blowing policy and system for employees of the Company and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company;
- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and the Senior Management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors;
- reviewing the Company's compliance with the CG Code and the disclosure in the Corporate Governance Report in the Company's annual report;
- 審查外部核數師管理層函件、該核數師向高級管理層提出任何有關會計記錄、財務賬目或管控制度之重大查詢及高級管理層之回應；
- 確保董事會將會就外部核數師管理層函件所提出事項及時給予回應；
- 就審核委員會職權範圍所載事宜向董事會匯報；
- 審查本公司僱員可保密使用的安排，以提出有關在財務匯報、內部管控或其他事項等方面的潛在不正當行為之關切，並確保有適當安排，以公平獨立地調查上述事項及採取適當跟進行動；
- 作為負責監察本公司與外部核數師之間的關係的主要代表機構；
- 為本公司僱員及與公司有往來者（如客戶及供應商）制定舉報政策及系統，以保密地就涉及本公司的任何事項中的潛在不正當行為向審核委員會提出關切；
- 制定及檢討本公司的企業管治政策及常規，並向董事會提出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- 制定、檢討及監察適用於僱員及董事的行為守則及合規手冊（如有）；
- 檢討本公司對企業管治守則的遵守情況及在本公司年報企業管治報告內的披露事項；



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- reviewing on-going connected transactions of the Company and ensuring compliance with the terms of approval by the Shareholders;
- reviewing the findings of internal investigations and the Senior Management's responses in relation to any suspected fraud or irregularities or failures of internal controls or infringement of laws, rules and regulations; and
- considering any other topics as determined by the Board.

During the Year, two Audit Committee meetings were held whereat the Audit Committee reviewed, among others, (i) the audited consolidated financial results of the Company for the year ended 31 December 2017 ("Year 2017"); (ii) the unaudited consolidated financial results of the Company for the six months ended 30 June 2018; (iii) the internal control and risk management systems of the Group; and (iv) the effectiveness of the Group's internal audit function. The attendance of individual members was set out in the following table.

- 檢討本公司的持續關聯交易，確保其符合股東批准的條款；
- 檢討內部調查的調查結果以及高級管理層對任何欺詐或違規嫌疑、違反內部控制或違法違規嫌疑的應對措施；及
- 考慮董事會釐定的任何其他議題。

於本年度內，已舉行兩次審核委員會會議，審核委員會於會議上分別(其中包括)(i)審閱本公司截至二零一七年十二月三十一日止年度(「二零一七年度」)的經審核綜合財務業績；(ii)審閱本公司截至二零一八年六月三十日止六個月的未經審核綜合財務業績；(iii)檢討本集團的內部管控及風險管理系統；及(iv)本集團的內部審核職能的有效性。下表載列個別成員的出席情況。

Name 姓名		Meetings attended/ Eligible to attend 出席會議次數/ 有資格出席會議次數
Ms. Ng Chung Yan Linda	伍頌恩女士	2/2
Mr. Ng Man Kung	吳文拱先生	2/2
Mr. Sze Yeuk Lung Benedict	施若龍先生	2/2
Mr. Chau Chi Yan Benny	周致人先生	2/2

### REMUNERATION COMMITTEE

The Remuneration Committee was established with written terms of reference in compliance with the CG Code. The Remuneration Committee consists of three INEDs, namely Mr. Ng Man Kung, serving as the chairman, Ms. Ng Chung Yan Linda and Mr. Sze Yeuk Lung Benedict, and Mr. Chan Pak Lam Brian, a NED. The principal responsibilities of the Remuneration Committee include:

- making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and the Senior Management and on the establishment of a formal and transparent procedure for developing a remuneration policy;

### 薪酬委員會

董事會已設立具備書面職權範圍及符合企業管治守則的薪酬委員會。薪酬委員會成員包括三名獨立非執行董事，即吳文拱先生(擔任主席)、伍頌恩女士及施若龍先生及非執行董事陳栢林先生。薪酬委員會主要責任包括：

- 就本公司關於全體董事與高級管理層薪酬的政策及結構及設立正式及透明的薪酬政策制定程序向董事會提供推薦意見；



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- reviewing and approving the Senior Management's remuneration proposals by reference to the Board's corporate goals and objectives;
- making recommendations to the Board on the remuneration packages of individual EDs and the Senior Management and such packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- making recommendations to the Board on the remuneration of the NEDs;
- considering salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group;
- reviewing and approving compensation payable to the EDs and the Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
- reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration; and
- reviewing the Group's policy on expense reimbursements for the Directors and the Senior Management.
- 參考董事會的企業目標及宗旨審查及批准高級管理層的薪酬建議；
- 就個別執行董事及高級管理層的薪酬組合向董事會提供推薦意見，而有關薪酬組合包括實物福利、退休金權利及補償付款（包括喪失或終止其任職或委任的任何應付補償）；
- 就非執行董事的薪酬向董事會提供推薦意見；
- 考慮可供比較公司所支付薪金、時間的投放、責任及本集團其他成員的僱用條件；
- 檢討及批准向執行董事及高級管理層就喪失或終止其職務或委任有關的賠償，以確保有關賠償按有關合約條款釐定，若未能按有關合約條款釐定，賠償亦須公平合理，不會對公司造成過重負擔；
- 檢討及批准關於罷免或解聘行為不當董事的補償安排，以確保有關安排按合約條款釐定，若未能按有關合約條款釐定，有關賠償亦須合理適當；
- 確保概無董事或其任何聯繫人（定義見上市規則）參與釐定其本身薪酬；及
- 審閱本集團的董事及高級管理層費用報銷政策。



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During the Year, two Remuneration Committee meetings were held whereat the Remuneration Committee reviewed and recommended to the Board for consideration, among others, the adjustment to the Director's fee of all the Directors with effect from 1 January 2018 and the bonus payment to the EDs for Year 2017. The attendance of individual members was set out in the following table.

Name 姓名	Meetings attended/ Eligible to attend 出席會議次數/ 有資格出席會議次數
Mr. Ng Man Kung 吳文拱先生	2/2
Ms. Ng Chung Yan Linda 伍頌恩女士	2/2
Mr. Sze Yeuk Lung Benedict 施若龍先生	2/2
Mr. Chan Pak Lam Brian 陳栢林先生	1/2

During the Year, the Remuneration Committee also assessed the performance of the executive Directors and the senior management of the Company and approved the terms of the executive Directors' service contracts.

### NOMINATION COMMITTEE

The Nomination Committee was established with written terms of reference in compliance with the CG Code. It consists of three INEDs, namely Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict, and two EDs, namely Mr. Chau On Ta Yuen and Mr. Chan Kwan with Mr. Chau On Ta Yuen serving as the chairman. The principal responsibilities of the Nomination Committee include:

- reviewing the structure, size and diversity (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, with due regard for the benefits of diversity on the Board;
- assessing the independence of the INEDs;
- reviewing the Board diversity policy of the Company and Directors' nomination policy, as appropriate; and reviewing the measurable objectives that the Board has set for implementing such Board diversity policy, and the progress in achieving the objectives; and

於本年度內，已舉行兩次薪酬委員會會議，薪酬委員會於會議上審閱及向董事會推薦考慮(其中包括)自二零一八年一月一日起調整全體董事的董事袍金及向執行董事支付二零一七年度花紅。下表載列個別成員的出席情況。

於本年度內，薪酬委員會亦已評估本公司執行董事及高級管理層的表現，並已批准執行董事服務合約的條款。

### 提名委員會

董事會已設立具備書面職權範圍及符合企業管治守則的提名委員會。提名委員會包括三名獨立非執行董事，即伍頌恩女士、吳文拱先生及施若龍先生及兩名執行董事，即周安達源先生及陳昆先生。周安達源先生擔任提名委員會主席。提名委員會主要責任包括：

- 至少每年檢討董事會結構、規模及多元化(包括技巧、知識及經驗)，並就任何建議變動向董事會提供推薦意見，以補充本公司的企業策略；
- 物色具備合適資格可擔任董事的人士，並就挑選提名有關人士出任董事向董事會提供推薦意見，並適當考慮董事會多元化的益處；
- 評估獨立非執行董事的獨立性；
- 檢討本公司董事會多元化政策及董事提名政策(如適用)；及審查董事會為推行該董事會多元化政策所設定可衡量宗旨及實現該等宗旨的進度；及



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- making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for the Directors, in particular, the Chairman and the chief executives.

During the Year, two Nomination Committee meetings were held whereat the Nomination Committee, among others, (i) assessed the independence of the INEDs; (ii) recommended to the Board for consideration the re-appointment of all the retiring Directors as Directors at the 2018 AGM; (iii) reviewed the structure, size and diversity of the Board; and (iv) reviewed the Board diversity policy. The attendance of individual members was set out in the following table.

- 就董事委任或重新委任以及(尤其是主席及行政總裁)的繼任計劃, 向董事會提供推薦意見。

於本年度內, 已舉行兩次提名委員會會議, 提名委員會於會議上(其中包括)(i) 評估獨立非執行董事的獨立性; (ii) 推薦董事會考慮於二零一八年股東週年大會上重新委聘所有退任董事為董事; (iii) 檢討董事會結構、規模及多元化; 及(iv) 檢討董事會的多元化政策。下表載列個別成員的出席情況。

Name 姓名		Meetings attended/ Eligible to attend 出席會議次數/ 有資格出席會議次數
Mr. Chau On Ta Yuen	周安達源先生	2/2
Mr. Chan Kwan	陳昆先生	2/2
Mr. Ng Man Kung	吳文拱先生	2/2
Ms. Ng Chung Yan Linda	伍頌恩女士	2/2
Mr. Sze Yeuk Lung Benedict	施若龍先生	2/2

### NOMINATION POLICY

The Board has adopted a nomination policy (the “**Nomination Policy**”) which aims to:

- set out the criteria and process in the nomination and appointment of Directors;
- ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company; and
- ensure the Board’s continuity and appropriate leadership at Board level.

### CRITERIA

The Nomination Committee shall consider the following criteria in evaluating and selecting candidates for directorships:

- character, reputation and integrity;
- qualifications, experience and accomplishments, including professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategy;

### 提名政策

董事會已採納提名政策(「**提名政策**」), 旨在:

- 載列提名及委任董事的準則及程序;
- 確保董事會具備切合本公司所需的技能、經驗及多元化觀點; 及
- 確保董事會的持續性及維持其領導角色。

### 準則

提名委員會在評估及挑選候選人擔任董事時應考慮下列準則:

- 品格、聲譽與誠信;
- 資格、經驗及成就, 包括與本公司業務及企業策略相關的專業資格、技能、知識及經驗;



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- willingness to devote adequate time to discharge duties as a Board member and other directorships and significant commitments;
  - requirement for the Board to have independent directors in accordance with the Listing Rules and whether the candidates would be considered independent by reference to the independence guidelines set out in the Listing Rules;
  - Board diversity policy and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;
  - any other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Nomination Committee from time to time for nomination of Directors and succession planning; and
  - such other perspectives appropriate to the Company's business.
- 是否願意投放足夠時間履行身為董事會成員的職責及其他董事及重大承擔;
  - 根據上市規則，董事會需包括獨立董事的規定，以及參考上市規則所載有關獨立性的指引，候選人是否被視為獨立;
  - 提名委員會為達致董事會成員多元化而採納的董事會多元化政策及任何可計量目標;
  - 適用於本公司業務及其繼任計劃的任何其他因素，及董事會及/或提名委員會可不時採納及/或修訂有關董事提名及繼任計劃的因素(如適用);及
  - 適用於本公司業務的該等其他觀點。

### NOMINATION PROCEDURES

#### (A) APPOINTMENT OF NEW DIRECTOR

- (i) The Nomination Committee shall, upon receipt of the proposal on appointment of the new Director, the biographical information (or relevant details) of such candidate and evaluate such candidate based on the criteria as set out in above paragraph of "Criteria" to determine whether such candidate is qualified for directorship.
- (ii) The Nomination Committee may request candidates to provide additional information and documents, if considered necessary.
- (iii) If the process yields one or more desirable candidates, the Nomination Committee shall rank them by order of preference based on the needs of the Company (including but not limited to ensuring that the Board has a balance of skills, experience and diversity of perspectives) and reference check of each candidate (where applicable).

### 提名程序

#### (A) 委任新董事

- (i) 提名委員會應在收到委任新董事的建議及該候選人的個人資料(或相關詳情)後，依據上段「準則」所載之準則評估該候選人以決定該候選人是否合資格擔任董事。
- (ii) 提名委員會可要求候選人提供額外資料及文件(如有必要)。
- (iii) 如過程涉及一個或多個合意的候選人，提名委員會應根據本公司的需要(包括但不限於確保董事會擁有平衡的技能、經驗及多元化觀點)及每位候選人的證明審查(如適用)排列彼等的優先次序。



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- (iv) The Nomination Committee shall then recommend appointment of the appropriate candidate for directorship and the candidate shall provide his/her written consent (i) to be appointed as a Director, and (ii) to the public disclosure of his/her personal data on any documents or the relevant websites for the purpose of or in relation to his/her standing for election as a Director.
  - (v) For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the above paragraph of "Criteria" to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to the Shareholders in respect of the proposed election of Director at the general meeting.
  - (vi) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for election at any general meeting.
- (iv) 提名委員會隨後應就委任合適候選人擔任董事一事提出建議，而候選人應就(i)獲委任為董事；(ii)為其參選董事在任何文件或相關網站公開披露其個人資料等事宜提供其書面同意。
  - (v) 就任何經股東提名於本公司股東大會上選舉為董事的人士，提名委員會應依據上段「準則」評估該候選人，以釐定該候選人是否合資格擔任董事及提名委員會及/或董事會應就於股東大會上委任董事的提案向股東提出建議(如適用)。
  - (vi) 對推薦候選人於股東大會上參選的所有事宜，董事會擁有最終決定權。

### (B) RE-ELECTION OF DIRECTOR AT GENERAL MEETING

- (i) Retiring Directors are eligible for nomination by the Board to stand for re-election at a general meeting of the Company.
- (ii) The Nomination Committee shall review the retiring Director's overall contribution and service to the Company, including his/her attendance of Board meetings and, where applicable, general meetings, and his/her level of participation and performance on the Board.
- (iii) The Nomination Committee shall also review and determine whether the retiring Director continues to meet the criteria as set out in above paragraph.
- (iv) The Nomination Committee and/or the Board shall then make recommendation to the Shareholders in respect of the proposed re-election of the Director at the general meeting.
- (v) The Board shall have the final decision on all matters relating to its recommendation of candidates to stand for re-election at any general meeting.

### (B) 於股東大會上重選董事

- (i) 退任董事合資格獲董事會提名在本公司股東大會上參選。
- (ii) 提名委員會應檢討退任董事對本公司的整體貢獻及服務，包括其董事會會議及(如適用)股東大會出席率以及在董事會的參與程度及表現。
- (iii) 提名委員會亦應檢討及釐定退任董事是否仍然符合上段所載準則。
- (iv) 提名委員會及/或董事會應就於股東大會上重選董事的提案向股東提出建議。
- (v) 對推薦候選人於股東大會上參選的所有事宜，董事會擁有最終決定權。



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### REGULAR REVIEW

The Nomination Committee will conduct regular review on (i) the effectiveness of the Nomination Policy to ensure that it remains relevant to the Company's needs and reflects both current regulatory requirements and good corporate governance practice, and (ii) the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and business needs.

### BOARD'S CORPORATE GOVERNANCE FUNCTIONS

The Company has adopted the code provisions stated in the CG Code and the Board is responsible for determining the corporate governance policies of and performing the corporate governance functions of the Company. The Board has, amongst other matters, reviewed this corporate governance report in discharge of its corporate governance functions, ensuring compliance with the Listing Rules.

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of Messrs. Chau On Ta Yuen and Chan Kwan has further entered into a service contract with the Company in respect of their appointment as ED with the Company on 24 August 2018, and Mr. Radius Suhendra, another ED, has entered into a service contract with the Company for acting in such a capacity for an initial term of three years commencing on 21 October 2016.

Each of the NEDs (including INEDs) has further entered into an appointment letter on 24 August 2018 in respect of their appointment as NED or INED (as the case may be).

None of the Directors has or is proposed to have a service contract or letter of appointment with the Company or any of its subsidiaries other than contracts or letters of appointment expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

All the Directors, including the INEDs, are subject to retirement by rotation and eligible for re-election in accordance with the Articles of Association. At each AGM, one-third of the Directors for the time being (or if their number is not three or a multiple of three, then the number nearest to but not less than one-third) will retire from office by rotation provided that every Director will be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he/she retires and shall be eligible for re-election thereafter.

### 定期檢討

提名委員會將會定期檢討(i)提名政策的效率，以確保其與本公司需求相關以及可反映現時的法規規定及良好的企業管治常規；及(ii)董事會的架構、規模及組成以及在有需要時向董事會提出修訂建議，以完善本公司企業策略及切合業務需要。

### 董事會的企業管治職能

本公司已採納企業管治守則之守則條文及董事會負責釐定企業管治政策及執行本公司的企業管治職能。董事會已審閱(其中包括)本企業管治報告，履行其企業管治職能，以確保遵守上市規則。

### 委任及重選董事

執行董事周安達源先生及陳昆先生各自與本公司自二零一八年八月二十四日進一步訂立服務合約，同意擔任執行董事，同時執行董事蘇堅人先生已與本公司訂立服務合約擔任此職務，初始任期為三年，自二零一六年十月二十一日起生效。

各非執行董事(包括獨立非執行董事)根據其各自與本公司自二零一八年八月二十四日進一步訂立的委任書，同意相關委任。

概無董事已或擬與本公司或其任何附屬公司訂立服務合約或委任書，惟不包括將於一年內屆滿或僱主可確定無須作出補償(法定補償除外)的合約或委任書。

全體董事(包括獨立非執行董事)須依據組織章程細則輪席退任及符合重選資格。於每次股東週年大會上，當時三分之一董事(如數目少於三或非三的倍數，則最接近之數，但不得低於三分之一)將輪席退任，惟各董事須最少每三年退任一次。退任董事須留任直至彼將退任之大會結束為止，屆時將符合資格膺選連任。



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According to the Articles of Association,

- (a) the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election at that meeting; and
- (b) the Company may by ordinary resolution in general meetings elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election.

However, the Company will comply with code provision A.4.2 of the CG Code that any Director who fills a casual vacancy shall hold office until the following general meeting of the Company.

### REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year are set out in note 10 to the Notes to the Consolidated Financial Statements in this annual report.

Pursuant to code provision B.1.5 of the CG Code, the remuneration of the members of the Senior Management (other than the Directors) whose particulars are contained in the section headed "Directors' and Senior Management's Biographical Details" in this annual report for the Year by band is set out below:

Remuneration band (in HK\$) 薪酬組別 (港元)		Number of individuals 人數
Nil to 1,000,000	零至1,000,000	1
1,000,001 to 1,500,000	1,000,001 至 1,500,000	1

根據組織章程細則，

- (a) 董事會可不時及隨時委任任何人士為董事，以填補董事會臨時空缺或出任董事會新增成員。就此獲委任的任何董事僅任職至下屆股東週年大會舉行為止，惟屆時將符合資格膺選連任；及
- (b) 本公司可通過普通決議案於股東大會選出任何人士出任董事，以填補董事會臨時空缺或出任董事會新增成員。就此獲委任的任何董事僅任職至本公司下一屆股東週年大會舉行為止，惟屆時將符合資格膺選連任。

然而，本公司將遵守企業管治守則之守則條文第A.4.2條，填補臨時空缺的任何董事須任職至本公司下一屆股東大會舉行為止。

### 董事及高級管理層薪酬

本年度內董事的薪酬詳情列載於本年報綜合財務報表附註的附註10內。

根據企業管治守則之守則條文第B.1.5條，董事以外的高級管理層（其資料按組別載列於本年報「董事及高級管理層之個人履歷」內）之薪酬列載如下：



## INDEPENDENT AUDITORS' REMUNERATION

The fees charged by Deloitte Touche Tohmatsu (“**Deloitte**”) in respect of the auditing services for the Year amounted to approximately HK\$1,300,000. During the Year, no fees were incurred for non-auditing services.

Both the Board and the Audit Committee have agreed to recommend the re-appointment of Deloitte as the Company’s independent auditors for the ensuing year at the 2019 AGM.

## DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements for the Year, which give a true and fair view of the Group’s state of affairs, results and cash flows for the Year and are properly prepared on a going concern basis in accordance with the applicable statutory requirements as well as accounting and financial reporting standards. The Directors were not aware of any material uncertainties which may affect the Group’s business or cast significant doubt upon the Group’s ability to continue as a going concern.

In addition, Deloitte has stated in the independent auditors’ report its reporting responsibility on the Company’s consolidated financial statements for the Year.

## RISK MANAGEMENT AND INTERNAL CONTROL

The Board is responsible for maintaining sound and effective risk management and internal control systems in order to protect the interest of the Company and its Shareholders. The risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Our Group has established an enterprise risk management (the “**ERM**”) framework in order to implement effective risk management efforts. Our ERM framework comprises two key elements, namely risk management structure and risk management process. It defines a simple and clear risk management structure as well as the responsibilities as below.

## 獨立核數師酬金

德勤 • 關黃陳方會計師行(「**德勤**」)就於本年度提供的核數服務收取的費用約為1,300,000港元。本年度並無產生非核數服務費用。

董事會及審核委員會均同意建議於二零一九年股東週年大會上續聘德勤為本公司來年的獨立核數師。

## 董事對財務報表的責任

董事確認彼等有責任根據適用的法定規定及會計及財務報告準則編製本年度綜合財務報表，以真實公平地反映本集團於本年度的事務狀況、業績及現金流量，並按持續經營基準妥為編製。董事並無發現有任何重大不確定因素可能影響本集團業務或對本集團持續經營能力產生重大懷疑。

此外，德勤已於獨立核數師報告述明其對本公司於本年度內綜合財務報表的申報責任。

## 風險管理及內部管控

董事會負責維持完善及有效之風險管理及內部管控系統，從而保障本公司及其股東之利益。風險管理及內部管控系統旨在管理而非消除未能達成業務目標之風險，而且只能就不會有重大的失實陳述或缺失作出合理而非絕對的保證。

本集團已確立企業風險管理(「**企業風險管理**」)框架，以進行有效之風險管理。我們的企業風險管理框架主要包含兩部份，即風險管理架構及風險管理流程。其界定了下文簡單明確的風險管理架構以及職責。



## RISK MANAGEMENT STRUCTURE

### BOARD OF DIRECTORS

The Board has a duty to ensure the effectiveness of the risk management and internal control systems of the Group (the “**ERM system**”). The Board oversees the ERM system, assesses and evaluates the Group’s business strategies and risk tolerance. The Board reviews, with the assistance of the Audit Committee, at least annually the effectiveness of the ERM system and monitors the ERM system in an on-going manner.

### AUDIT COMMITTEE

The Audit Committee has the primary responsibility for risk management and internal control after the Board. It assists the Board in overseeing the Group’s ERM system by providing support and advice, including on-going monitoring of the execution of risk management processes, reviewing the Group’s risk register as well as reviewing and approving the internal control review plan and results.

### MANAGEMENT

The management of the Group (the “**Management**”) is responsible for identifying and monitoring the risks relevant to the Group during daily operations, including strategic, operational, financial, reporting and compliance risks. The Management reports to the Board and the Audit Committee on the risks identified and their changes. The Management is also responsible for developing appropriate internal control measures to mitigate the risks, and identify and resolve material internal control defects.

### INTERNAL CONTROL

The Group has established the internal audit function and the scope of work includes reviewing the effectiveness of the ERM system. The scope of the risk management and internal control review is risk-based and is reviewed by the Audit Committee. The internal audit function is able to communicate with the Audit Committee directly regarding the results of its review.

## 風險管理架構

### 董事會

董事會有責任確保本集團風險管理及內部管控系統(「**企業風險管理系統**」)之有效性。董事會監督企業風險管理系統，評估及評定本集團業務策略及風險承受能力。董事會在審核委員會之協助下，至少每年檢討企業風險管理系統之有效性及持續監察企業風險管理系統。

### 審核委員會

除董事會外，審核委員會對風險管理及內部管控負有主要責任。審核委員會透過提供支持及意見，協助董事會監督本集團之企業風險管理系統，包括持續監察風險管理流程之執行、檢討本集團之風險登記冊以及審閱及批准內部管控檢討計劃及結果。

### 管理層

本集團管理層(「**管理層**」)負責識別及監察日常運營期間與本集團相關之風險，包括策略、運營、財務、報告及合規風險。管理層向董事會及審核委員會報告已識別風險及其變化。管理層亦負責制定適當的內部管控措施以降低風險，及識別及解決重大內部管控缺陷。

### 內部管控

本集團已成立內部審核職能部門，其工作範圍包括檢討企業風險管理系統之有效性。風險管理及內部管控檢討之範圍乃基於風險而定，並由審核委員會檢討。內部審核職能部門可就其檢討結果直接與審核委員會交流。

## RISK MANAGEMENT PROCESS

Our ERM framework defines the procedures for identifying, assessing, responding and monitoring risks and their changes. Through regular discussions with each operating function, the Group strengthens the understanding of risk management such that all employees can understand and report various risks they have identified in a timely manner. It enhances the Group's ability to identify and manage risks.



To identify and prioritize material risks throughout the Group, the Management communicates with each operating function, collects significant risk factors that affect the Group from bottom to top, including strategic, operational, financial, reporting and compliance risks. After identifying all relevant risks, the Management assesses the potential impact and possibilities of the risks and prioritizes the risks. Appropriate internal control measures are then developed to mitigate the risks identified and the changes of risks are monitored in an on-going manner.

## MAIN FEATURES OF OUR RISK MANAGEMENT AND INTERNAL CONTROL SYSTEMS

### MAINTAIN AN EFFECTIVE INTERNAL CONTROL SYSTEM (OPERATIONAL LEVEL)

- Establish clear internal control policies and procedures, and clearly define the responsibilities, authorities and accountabilities of each key position;
- Establish code of conduct and explain the Group's requirements on integrity and ethical value to all staff;
- Establish a whistle-blowing mechanism and encourage employees to report incidents of misconduct or fraud;
- Establish appropriate level of information technology to assess rights and avoid the leakage of price-sensitive information; and

## 風險管理流程

我們的企業風險管理架構規定了識別、評估、響應及監察風險及其變化的程序。透過定期與各運營部門討論，本集團加強對風險管理的了解，以便全體僱員能夠及時了解並報告彼等已識別之各種風險。該流程提升本集團識別及管理風險之能力。

為識別本集團內部重大風險並分清主次，管理層與各運營部門進行溝通，收集自下而上影響本集團各個方面的重大風險因素，包括策略、運營、財務、報告及合規風險。在識別所有相關風險後，管理層對風險的潛在影響及可能性進行評估並分清主次風險。管理層隨後制定適當的內部管控措施以降低已識別風險及持續監察風險變化。

## 我們的風險管理及內部管控系統之主要特點

### 維持有效之內部管控系統（運營層面）

- 制定明確的內部管控政策及程序，及清楚界定各關鍵職位之責任、權限及職責；
- 確立行為守則，並向全體員工闡釋本集團有關誠信及道德價值的的要求；
- 確立舉報機制，鼓勵僱員報告不當行為或欺詐事件；
- 確立適度的資訊科技水平，以評估權限及避免洩漏股價敏感信息；及



## Corporate Governance Report 企業管治報告

- Establish inside information disclosure policy, including reporting channel and responsible person of disclosure, unify response to external enquiries and obtain advice from professional financial adviser or the Stock Exchange if necessary.

During the Year, the Board had reviewed the effectiveness of risk management and internal control policies and procedures, including those related to financial reporting and Listing Rules compliance. The Board has considered the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions during the review of the effectiveness of the ERM system.

### ON-GOING RISK MONITORING (RISK MANAGEMENT LEVEL)

Based on the ERM framework and risk management policies established by the Board, the Management communicates with each operating function, and collects significant risk factors that affect the Group from bottom to top. The Group has established a risk register to record the risks identified, and the Management assesses the potential impact and possibilities of the risks and develops appropriate internal control measures to mitigate the risks identified.

During the Year, the Management conducted an evaluation of the Group's risk management structure and procedures and submitted a risk assessment report to the Board and the Audit Committee, including a 3-year internal control review plan, to enable the Board and the Audit Committee to effectively monitor the major risks of the Group and understand how the Management responds to and mitigates the risks.

### INTERNAL CONTROL DEPARTMENT

During the Year, the Group had not established an internal control department internally. Instead, the Group engaged an external internal control consulting company, Avista Group, to conduct an assessment and evaluation on the effectiveness of internal control measures and systems of the Group. Certain internal control enhancement suggestions have been identified and the Management has established action plans for improving the internal control effectiveness accordingly. An internal control review report has been provided to the Audit Committee which has also been reported to the Board about the findings and improvement measures.

No material internal control deficiency has been identified during the Year and the Board considers that the ERM system to be adequate and effective.

- 確立內幕消息披露政策，包括報告渠道及披露之負責人、統一答复外部查詢及在必要時徵詢專業財務顧問或聯交所意見。

於本年度，董事會已檢討風險管理及內部管控政策及程序之有效性，包括與財務報告及上市規則合規相關之政策及程序。董事會於檢討企業風險管理系統之有效性期間，考慮多種因素，包括資源充足性、僱員資歷及經驗、培訓計劃及會計預算、內部審核及財務報告職能。

### 持續風險監控（風險管理層面）

基於董事會制定之企業風險管理架構及風險管理政策，管理層與各運營部門進行溝通，並收集自下而上影響本集團的重大風險因素。本集團已設立風險登記冊以記錄已識別風險，而管理層評估風險之潛在影響及可能性，制定適當的內部管控措施以降低已識別風險。

於本年度，管理層對本集團之風險管理架構及程序進行評估，並向董事會及審核委員會提交風險評估報告，包括3年內部管控檢討計劃，以令董事會及審核委員會能夠有效監察本集團之主要風險及了解管理層應對及降低風險之措施。

### 內部管控部門

於本年度，本集團並未在公司內部設立內部管控部門，而是委聘了外部的內部管控諮詢公司艾華迪集團評估及評價本集團內部管控措施及系統的成效。若干內部管控改進建議已獲識別，而管理層已就改進內部管控成效制定相應的行動計劃。內部管控檢討報告已呈予審核委員會，而審核委員會亦已向董事會匯報有關的結果及改進措施。

於本年度，本集團並無識別重大內部管控缺陷，而董事會認為企業風險管理系統屬完善及有效。

# Corporate Governance Report

## 企業管治報告

### MAJOR RISKS OF THE GROUP

Our risk management process has identified the following as major risks of the Group and their changes.

### 本集團之主要風險

我們的風險管理流程已識別本集團之以下主要風險及其變化。

Risk 風險	Description 描述	Key Risk Mitigations 主要風險緩解措施	Changes 變化
Electricity demand in Jambi, Indonesia 印尼占碑的電力需求	<p>The Group is engaged in biomass power generation business in Indonesia. Electricity is sold to Perusahaan Listrik Negara, a state-owned electricity corporation in Indonesia. The consumption of electricity and hence, the sales of electricity by our power plants are subject to the demand in the region. If the level of consumption decreases or cannot be sustained in the future, the Company could suffer a significant loss from operation, and the investment in the power plants cannot be recovered.</p> <p>本集團於印尼從事生物質發電業務。電力出售予印尼一家國有電力企業 Perusahaan Listrik Negara。電力消耗及我們發電廠的電力銷售受該地區的需求影響。倘日後消耗水平下降或無法持續，本公司的營運會遭受重大損失，發電廠的投資亦無法收回。</p>	<ul style="list-style-type: none"> <li>— Invest in technology researches and studies to improve the efficiency of electricity generation to reduce cost</li> <li>— 投資技術研發以提高發電之效率，降低成本</li> <li>— Develop other businesses, e.g. biofuel pellet manufacturing business, for better utilization of the production capacities of the power plants</li> <li>— 發展其他業務(例如生物燃料球團生產業務)從而更好利用發電廠的產能</li> </ul>	<p>Increased 上升</p>

Risk 風險	Description 描述	Key Risk Mitigations 主要風險緩解措施	Changes 變化
Credit 信貸	<p>Customers or counterparties of the Company are local government authorities. Payment from them could be longer than the credit period granted to them due to the complexity of their internal administrative procedures. The Group might suffer from a financial loss or liquidity difficulty in the case of delay in payment.</p> <p>本公司客戶或對手方為當地政府部門。由於其內部行政程序之複雜性，彼等之付款可能遲於授予彼等之信貸期。本集團或會因付款延誤遭受財務虧損或流動資金困難。</p>	<ul style="list-style-type: none"> <li>— Frequently communicate with customers to follow up the outstanding balance</li> <li>— 經常與客戶溝通，以跟進未償還餘額</li> <li>— Maintain sufficient cash flow to avoid liquidity problem</li> <li>— 維持充足的現金流量以避免流動資金問題</li> <li>— Regularly perform impairment review to assess the recovery of account receivables and provide sufficient impairment to avoid over-statement of balance</li> <li>— 定期進行減值檢討以評估應收賬款之可收回性並作出足夠的減值撥備以避免呈列過高結餘</li> </ul>	<p>Unchanged</p> <p>無變化</p>



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Risk 風險	Description 描述	Key Risk Mitigations 主要風險緩解措施	Changes 變化
Pricing and cost recovery 定價及成本補償	<p>The Group operates the wastewater treatment facilities at a pre-determined tariff rate specified at the time the Build, Operate and Transfer (BOT) agreement is entered into. The circumstances of tariff adjustment are also specified that the Company has only limited ability to change / re-negotiate the tariffs. The increase in operating costs due to an increase in utilization of the wastewater treatment facilities might not be fully compensated that the Company could suffer from loss or decrease in profitability.</p> <p>本集團按訂立建設、經營及移交 (BOT) 協議時預先決定的費率運營污水處理設施。水費調整之情況亦表明本公司變更／重新協定水費的能力有限。因增加使用污水處理設施導致之運營成本增加可能無法完全得到補償，因此本公司或會遭受虧損或盈利減少。</p>	<ul style="list-style-type: none"> <li>— On-going cost control to avoid unnecessary spending</li> <li>— Negotiate with supplier to minimize the increase in costs</li> <li>— Diversify the services offered to compensate the potential decrease in profit margin</li> <li>— 持續進行成本控制以避免不必要的開支</li> <li>— 與供應商協商盡量減小成本增加額</li> <li>— 擴充所提供服務類別以補償利潤率之潛在減少</li> </ul>	Decrease 減少



## DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong and the Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the “Guidelines on Disclosure of Inside Information” published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements/circulars and its website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group’s affairs, so that only the EDs, the Company Secretary and the chief financial officer of the Company (the “**Chief Financial Officer**”) are authorised to communicate with parties outside the Group.

## 內幕消息之披露

本集團確認其根據香港法例第571章證券及期貨條例及上市規則所應履行之責任，最高原則是凡涉及內幕消息，必須在有所決定後即時公佈。處理及發佈內幕消息之程序及內部管控措施如下：

- 本集團處理事務時會充分考慮上市規則及香港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」項下之披露規定；
- 本集團透過財務報告、公告／通告及其網站等途徑，向公眾廣泛及非獨家地披露資料，以實施及披露其公平披露政策；
- 本集團已經嚴格禁止未經授權使用機密或內幕消息；及
- 本集團已就外界對本集團事務的查詢訂立及執行回應程序，以致唯有執行董事、公司秘書及本公司財務總監（「**財務總監**」）方獲授權與本集團外部通訊。



## COMPANY SECRETARY

Mr. Kwok Siu Man (“**Mr. Kwok**”) was nominated by Boardroom Corporate Services (HK) Limited (“**Boardroom**”) to act as the Company Secretary and Boardroom has been providing certain corporate secretarial services to the Company pursuant to an engagement letter entered into between the Company and Boardroom. The primary person at the Company with whom Mr. Kwok has been contacting in respect of company secretarial matters is Mr. Fan Chi Chiu, the Chief Financial Officer.

Mr. Kwok had delivered and attended relevant seminars for over 15 hours during the Year.

## SHAREHOLDERS' RIGHTS

### PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

There are no provisions allowing the Shareholders to make proposals or move resolutions at the general meeting under the memorandum of association of the Company and the Articles of Association (the “**M&A**”). Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the “**EGM**”) to do so in accordance with the “Procedures for Shareholders to convene an EGM” set out below.

### PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EGM

Article 12.3 of the Articles of Association stipulates that:

General meetings shall be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists hold as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company, which carries the right of voting at general meetings of the Company.

## 公司秘書

郭兆文先生(「**郭先生**」)由寶德隆企業服務(香港)有限公司(「**寶德隆**」)提名擔任公司秘書。寶德隆已根據本公司與寶德隆簽訂的聘任函件向本公司提供若干企業秘書服務。郭先生就公司秘書事宜與本公司中就公司秘書事宜與郭先生聯絡的主要人士為財務總監范智超先生。

郭先生於本年度內出席相關研討會並於會上講話超過15個小時。

## 股東權利

### 在股東大會上提呈建議的程序

根據本公司的組織章程大綱及組織章程細則(「**大綱及細則**」),概無守則條文允許股東於股東週年大會上提呈建議或作出動議。然而,有意股東可按照下文所載「股東召開股東特別大會的程序」召開股東特別大會(「**股東特別大會**」)提呈建議或作出動議。

### 股東召開股東特別大會的程序

組織章程細則第12.3條規定:

股東大會應按存放於本公司在香港的主要辦事處名冊上其中兩位或以上的股東的書面要求召開股東大會,指明本次會議的對象,並由請求人簽署,條件是該等請求人於存放請求書之日須持有本公司不少於十分之一的繳足股本,賦予他們於本公司股東大會的投票權。



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General meetings may also be convened on the written requisition of any one member of the Company, which is a recognised clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong specifying the objects of the meeting and signed by the requisitioner, provided that such requisitioner holds as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company, which carries the right of voting at general meetings of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitioner(s) himself/herself/themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to him/her/them by the Company.

### PROCEDURES FOR SHAREHOLDERS TO SEND ENQUIRIES TO THE BOARD

Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to the Directors or management of the Company. Such questions, requests and comments can be addressed to the Company by mail to its principal place of business in Hong Kong, presently at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong or by email to [ell@anli.com.hk](mailto:ell@anli.com.hk).

Shareholders should direct their questions about their shareholdings or change of correspondence address or dividend instructions by mail to the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong, which has been appointed by the Company to deal with Shareholders for share registration and related matters.

本公司亦可按其中一位股東的書面要求召開股東大會，該股東應為認可結算所（或其代名人），其請求書存放於本公司在香港的主要辦事處內，指明本次會議的對象，並由請求人簽署，條件是該請求人於存放請求書之日須持有本公司不少於十分之一的繳足股本，賦予他於本公司股東大會的投票權。

如果董事會並未於存放請求書之日起21日內正式召開一個將於額外的21天內舉行的會議，請求人本身或他們當中任何超過一半總投票權的人士，可以同樣的方式（盡可能接近董事會可召開會議的方式）召開股東大會，條件是如此召開的任何會議不得在存放請求書之日起三個月期滿後舉行，以及所有因董事會不履行而對請求人造成的合理費用應當由本公司向請求人作出賠償。

### 股東向董事會發出查詢的程序

股東可於任何時間向本公司董事或管理層提出問題、要求公眾可用資料及提供意見及建議。該等問題、要求及意見可透過郵件寄至其香港主要營業地點，現時位於香港鰂魚涌華蘭路20號華蘭中心11樓1-3室或透過電郵發送至 [ell@anli.com.hk](mailto:ell@anli.com.hk)。

股東可將有關彼等持股或通訊地址變動的問題或股息指示透過郵件寄送至本公司的香港股份過戶登記分處寶德隆證券登記有限公司，地址為香港北角電氣道148號21樓2103B室，寶德隆證券登記有限公司已獲本公司委任處理股東的股份登記及相關事宜。



## Corporate Governance Report 企業管治報告

### COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a Shareholders' communication policy with the objective of enhancing investor relations and investors' understanding of the Company's business performance and strategies.

Information about the Company will be communicated to the Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), announcements and circulars, the AGMs and the EGMs that may be convened, as well as by all the published disclosures submitted to the Stock Exchange and its corporate communications made available by the Company on the respective websites of the Stock Exchange and the Company.

### CONSTITUTIONAL DOCUMENTS

There were no changes in the constitutional documents of the Company during the Year.

Pursuant to Rule 13.90 of the Listing Rules, the Company has posted its M&A on the respective websites of the Stock Exchange and the Company.

### 股東通訊

本公司採用股東通訊政策，旨在加強投資者關係和投資者對本公司之經營業績和策略之理解。

本公司向股東及投資人士傳達本公司資料的主要渠道為：本公司的財務報告（中期及年度報告）、公告及通函、股東週年大會及可能召開的股東特別大會，並將所有呈交予聯交所的本公司已公佈披露資料及公司通訊登載在聯交所及本公司網站。

### 憲章文件

於本年度內，本公司的憲章文件並無改動。

根據上市規則第13.90條，本公司已分別於聯交所及本公司網站刊登其大綱及細則。

The directors of the Company (the “**Directors**”) present their report and the audited consolidated financial statements of the Company and its subsidiaries (the “**Group**”) for the year ended 31 December 2018 (the “**Year**”).

## PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are the provision of wastewater treatment services in Jiangsu Province, the People's Republic of China (the “**PRC**”) and the generation of electricity by biomass power plants in Jambi, the Republic of Indonesia (“**Indonesia**”). The principal activities and other particulars of its principal subsidiaries are set out in note 40 to the Notes to the Consolidated Financial Statements in this annual report.

## RESULTS

The results of the Group for the Year and the state of affairs of the Group as at 31 December 2018 are set out on pages 124 to 263 of this annual report.

## DIVIDEND POLICY

### OBJECTIVES

The dividend policy of the Company (the “**Dividend Policy**”) aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company (the “**Shareholders**”).

### PRINCIPLES AND GUIDELINES

1. The board of Directors (the “**Board**”) adopts the policy that, in recommending or declaring dividends, the Company shall maintain adequate and sufficient cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.
2. The Company does not have any pre-determined dividend payout ratio.
3. The Board has the full discretion to declare and distribute dividends to the Shareholders, subject to the articles of association of the Company (the “**Articles of Association**”), all applicable laws and regulations and the factors set out below.

本公司董事(「**董事**」)提呈本公司及其附屬公司(「**本集團**」)截至二零一八年十二月三十一日止年度(「**本年度**」)之董事會報告及經審核綜合財務報表。

## 主要業務

本公司之主要業務為投資控股。其主要附屬公司之業務為於中華人民共和國(「**中國**」)江蘇省提供污水處理服務，及於印度尼西亞共和國(「**印尼**」)占碑省的生物質發電廠發電。其主要附屬公司之主要業務及其他資料列載於本年報綜合財務報表附註的附註40。

## 業績

本集團於本年度之業績及於二零一八年十二月三十一日之財務狀況列載於本年報第124頁至第263頁。

## 股息政策

### 目的

本公司股息政策(「**股息政策**」)旨在載列本公司就宣派、派付或分發其純利予本公司股東(「**股東**」)作為股息時擬應用的原則及指引。

### 原則及指引

1. 本董事會(「**董事會**」)採納的政策為，在建議或宣派股息時，本公司應維持足夠及充足現金儲備，以應付其營運資金需求、未來增長以及其股權價值。
2. 本公司並無任何預定派息率。
3. 根據本公司組織章程細則(「**組織章程細則**」)及所有適用法律及法規及下列因素的規定，董事會可全權酌情宣派及分發股息予股東。



## Directors' Report 董事會報告

- |  |   |
|--|---|
| <p>4. The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends:</p> <ul style="list-style-type: none"><li>• financial results;</li><li>• cash flow situation;</li><li>• business conditions and strategies;</li><li>• expected future operations and earnings;</li><li>• capital requirements and expenditure plans;</li><li>• interests of Shareholders;</li><li>• any restrictions on payment of dividends; and</li><li>• any other factors that the Board may consider relevant.</li></ul> | <p>4. 董事會在考慮宣派及派付股息時，應同時考慮下列有關本集團的因素：</p> <ul style="list-style-type: none"><li>• 財務業績；</li><li>• 現金流量情況；</li><li>• 業務狀況及策略；</li><li>• 預期未來營運及盈利；</li><li>• 現金需求及開支計劃；</li><li>• 股東的利益；</li><li>• 任何派付股息的限制；及</li><li>• 董事會可能視為相關的任何其他因素。</li></ul> |
| <p>5. Depending on the financial conditions of the Company and the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period as follows:</p> <ul style="list-style-type: none"><li>• interim dividend;</li><li>• final dividend;</li><li>• special dividend; and</li><li>• any distribution of net profits that the Board may deem appropriate.</li></ul>   | <p>5. 視乎本公司及本集團的財政狀況以及上述條件及因素，董事會可在財政年度或期間建議及／或宣派下列股息：</p> <ul style="list-style-type: none"><li>• 中期股息；</li><li>• 末期股息；</li><li>• 特別股息；及</li><li>• 任何董事會認為合適的純利分發。</li></ul>   |
| <p>6. Any final dividend for a financial year will be subject to the Shareholders' approval.</p>   | <p>6. 任何財政年度之末期股息均須由股東批准。</p>   |
| <p>7. The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.</p>  | <p>7. 本公司可以董事會認為合適的形式宣派及派付股息，包括現金或代息股份或其他形式。</p>  |
| <p>8. Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles of Association, and all applicable laws and regulations.</p>   | <p>8. 任何未領取的股息應被沒收及應根據組織章程細則及所有適用法律及法規歸本公司。</p>   |

### REVIEW

The Board will review the Dividend Policy as appropriate from time to time.

### 檢討

董事會將在有需要時檢討股息政策。

## DIVIDENDS

No interim dividend was paid or declared for the six months ended 30 June 2018 (2017: nil).

During its meeting held on 22 March 2019, the Board has resolved not to recommend the payment of any final dividend for the Year (2017: nil).

## BUSINESS REVIEW

A review of the business of the Group during the Year and the potential future development of the Group's business is set out in the Chairman's Statement on pages 5 to 7 of this annual report.

No important event affecting the Group has occurred since the end of the Year and up to the date of this report.

The performance analysis of the Group for the Year using financial key performance indicators is set out in the Management Discussion and Analysis on pages 8 to 17 of this annual report.

## PRINCIPAL RISKS OF THE GROUP

A discussion on the principal risks and uncertainties faced by the Group, together with the Group's internal control, is set out on pages 80 to 86 of this annual report. The financial risks are covered in note 34 to the Notes to the Consolidated Financial Statements in this annual report. A more comprehensive analysis of the Group's risk factors (excluding the operation of the palm kernel oil mill and the ancillary biomass power plants by a subsidiary of the Company in Indonesia, which the Group acquired in late 2016) is set out on pages 29 to 46 of the prospectus of the Company dated 12 September 2014 (the "**Prospectus**"). The risk factors relating to the operation of the palm kernel oil mill and the ancillary biomass power plants in Indonesia are set out on pages 35 to 37 of the Company's circular dated 24 August 2016.

## 股息

並無就截至二零一八年六月三十日止六個月派發或宣派中期股息(二零一七年：無)。

於二零一九年三月二十二日舉行的會議上，董事會議決不就本年度建議宣派任何末期股息(二零一七年：無)。

## 業務回顧

本集團本年度之業務回顧與本集團的潛在未來業務發展之論述均載於本年報主席報告第5頁至第7頁。

自本年度結束後及直至本報告日期，概無發生任何影響本集團之重大事件。

本集團採用財務關鍵表現指標的本年度表現分析載於本年報管理層討論與分析第8頁至第17頁。

## 本集團主要風險

關於本集團面臨的主要風險及不確定因素，連同本集團內部管控的討論載於本年報第80至86頁。財務風險載於本年報綜合財務報表附註的附註34。對本集團風險因素的更為全面的分析(不包括本集團於二零一六年年末收購的本公司印尼附屬公司營運仁油榨油廠及自備生物質發電廠的風險因素)載於本公司日期為二零一四年九月十二日的招股章程(「招股章程」)第29至46頁。有關營運印尼仁油榨油廠及自備生物質發電廠的風險因素載於本公司日期為二零一六年八月二十四日的通函第35至37頁。



## Directors' Report 董事會報告

### COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON THE GROUP

The Group operates its business mainly in Hong Kong, the PRC and Indonesia.

During the Year, save as disclosed in the rest of this annual report, as far as the Company is aware, there was no breach of or non-compliance with applicable laws and regulations of Hong Kong, the PRC and Indonesia by our Group that has a significant impact on the business and operations of our Group.

### ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Details of the environmental, social and governance of the Group are set out in the Environmental, Social and Governance Report on pages 18 to 54 of this annual report.

### RELATIONSHIPS WITH STAKEHOLDERS

An account of the Group's key relationships with its stakeholders are set out in the Environmental, Social and Governance Report on pages 18 to 54 of this annual report.

### FINANCIAL SUMMARY

A summary of the Group's results for the Year and assets and liabilities as at 31 December 2018 and for the past four financial years are set out on page 264 of this annual report. This summary does not form part of the audited financial statements.

### ANNUAL GENERAL MEETING

The Company will hold its annual general meeting on Friday, 21 June 2019 (the "2019 AGM"), the notice of which will be published and dispatched to the Shareholders in due course in the manner as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively).

### 遵守對本集團有重大影響的相關法律及法規

本集團主要在香港、中國及印尼經營業務。

除於本年報其他地方所披露者外，於本年度，就本公司所知，本集團概無違反或不遵守對本集團業務及營運有重大影響的香港、中國及印尼適用法律及法規。

### 環境、社會及管治

本集團之環境、社會及管治詳情列載於本年報第18頁至第54頁環境、社會及管治報告。

### 與持份者之關係

本集團與其持份者之主要關係之闡述已載於本年報第18至54頁之環境、社會及管治報告內。

### 財務摘要

本集團的本年度業績及於二零一八年十二月三十一日及過去四個財政年度之資產及負債摘要列載於本年報第264頁。本摘要並不構成經審核財務報表之一部份。

### 股東週年大會

本公司將於二零一九年六月二十一日(星期五)舉行其股東週年大會(「二零一九年股東週年大會」)，股東週年大會通告將按香港聯合交易所有限公司證券上市規則(分別為「聯交所」及「上市規則」)所規定之方式於稍後時間刊登及寄發予股東。



## CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the 2019 AGM, the register of members of the Company will be closed from Tuesday, 18 June 2019 to Friday, 21 June 2019 (both dates inclusive), during which period no transfer of shares of the Company (the "Shares") will be effected. In order to qualify for attending and voting at the 2019 AGM, the non-registered Shareholders must lodge all transfer documents, accompanied by the relevant share certificates, with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 17 June 2019.

## PRE-EMPTIVE RIGHTS

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

## MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the Group's revenue was attributable to (i) two customers who are local government authorities in the PRC for the wastewater treatment business, and (ii) one customer who is a state-owned company in Indonesia for the sale of electricity generated by ancillary power plant of the palm kernel oil mill. They jointly accounted for 100% of the Group's revenue, where the two local government authorities in the PRC accounted for 48.0% and 12.5% of the Group's revenue, respectively, and the state-owned company in Indonesia accounted for 39.5% of the Group's revenue. The purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for 25.7% and 72.6%, respectively of the Group's total purchases.

An Indonesia-incorporated subsidiary of the Company has been procuring direct labour, repairs and maintenance services, plant and machinery acquisition services, administrative services, consultancy services and certain spare parts and equipment from PT Global Inovasi Prima, an associate of Fusion Joy Holdings Inc., whose beneficial owners are close associates (as defined in the Listing Rules) of one of the Directors. For details, please refer to note 38(b) to the Notes to the Consolidated Financial Statements in this annual report.

## 暫停辦理股份過戶登記手續

為釐定股東出席二零一九年股東週年大會並於會上投票的權利，本公司將自二零一九年六月十八日(星期二)至二零一九年六月二十一日(星期五)(包括首尾兩日)暫停股份登記，期內將不會辦理本公司股份(「股份」)過戶登記手續。為符合資格出席二零一九年股東週年大會並於會上投票，非登記股東須將所有過戶文件連同有關股票於二零一九年六月十七日(星期一)下午四時三十分前送達本公司香港股份過戶登記分處寶德隆證券登記有限公司，地址為香港北角電氣道148號21樓2103B室，以辦理登記手續。

## 優先購買權

根據組織章程細則或開曼群島法例，並無優先購買權之規定，致使本公司須按比例向現有股東發售新股。

## 主要客戶及供應商

於本年度，本集團的營業收入來自(i)向兩名客戶提供污水處理服務，該兩名客戶為中國地方政府機關；及(ii)向一名客戶銷售仁油榨油廠的自備發電廠生產的電力，該客戶為印尼的國有公司。其合共佔本集團營業收入的100%，其中，兩家中國地方政府機關分別佔本集團營業收入的48.0%及12.5%，而印尼國有公司佔本集團營業收入的39.5%。本集團最大供應商及五名最大供應商應佔採購額佔本集團總採購額之百分比分別為25.7%及72.6%。

本公司的印尼附屬公司一直自PT Global Inovasi Prima (Fusion Joy Holdings Inc. 的一間聯營公司)獲取直接勞動、維修及維護服務、廠房及機器收購服務、行政服務、諮詢服務及若干零部件及設備，Fusion Joy Holdings Inc.的實益擁有人是一名董事的緊密聯繫人(定義見上市規則)。有關詳情，請參閱本年報綜合財務報表附註的附註38(b)。





## Directors' Report 董事會報告

Save as disclosed above, none of the Directors or any of their close associates or any Shareholders (who, to the best knowledge of the Directors, own more than 5% of the number of issued Shares) had any beneficial interest in the Group's five largest customers and suppliers.

### SHARE CAPITAL

Details of movements in the share capital of the Company during the Year, together with the reasons therefor, are set out in note 30 to the Notes to the Consolidated Financial Statements in this annual report.

### DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2018, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to HK\$395.9 million (2017: HK\$402.9 million). This amount included the Company's share premium account of HK\$408.6 million as at 31 December 2018 (2017: HK\$409.0 million), which may be distributed provided that immediately following the date on which the dividend is distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business.

### DIRECTORS

The following are the Directors during the Year and up to the date of this report:

#### Executive Directors

CHAU On Ta Yuen ("Mr. Chau") (Chairman)<sup>N</sup>  
CHAN Kwan ("Mr. Chan") (Chief Executive Officer)<sup>N</sup>  
Rajiv SUHENDRA

#### Non-executive Directors (the "NEDs")

CHAN Pak Lam Brian ("Mr. Brian Chan")<sup>R</sup>  
CHAU Chi Yan Benny ("Mr. Benny Chau")<sup>A</sup>

#### Independent Non-executive Directors (the "INEDs")

NG Chung Yan Linda ("Ms. Ng")<sup>A/R/N</sup>  
NG Man Kung ("Mr. Ng")<sup>A/R/N</sup>  
SZE Yeuk Lung Benedict ("Mr. Sze")<sup>A/R/N</sup>

A = member of the audit committee of the Board (the "Audit Committee")  
R = member of the remuneration committee of the Board  
N = member of the nomination committee of the Board

除上文披露者外，概無董事或其任何緊密聯繫人或任何股東（據董事所知，擁有已發行股份數目5%以上）擁有本集團五名最大客戶及供應商之任何實益權益。

### 股本

本公司於本年度之股本變動詳情及有關原因列載於本年報綜合財務報表附註的附註30內。

### 本公司之可分派儲備

於二零一八年十二月三十一日，本公司根據開曼群島公司法條文計算的可供分派儲備為395.9百萬港元（二零一七年：402.9百萬港元）。此金額包括本公司於二零一八年十二月三十一日可分派的股份溢價賬408.6百萬港元（二零一七年：409.0百萬港元），惟緊隨分派股息之日期後，本公司須有能力支付其於一般業務過程中到期應付之債務。

### 董事

於本年度及直至本報告日期之董事如下：

#### 執行董事

周安達源（「周先生」）（主席）<sup>N</sup>  
陳昆（「陳先生」）（行政總裁）<sup>N</sup>  
蘇堅人

#### 非執行董事（「非執行董事」）

陳栢林（「陳栢林先生」）<sup>R</sup>  
周致人（「周致人先生」）<sup>A</sup>

#### 獨立非執行董事（「獨立非執行董事」）

伍頌恩（「伍女士」）<sup>A/R/N</sup>  
吳文拱（「吳先生」）<sup>A/R/N</sup>  
施若龍（「施先生」）<sup>A/R/N</sup>

A = 董事會審核委員會（「審核委員會」）成員  
R = 董事會薪酬委員會成員  
N = 董事會提名委員會成員



## Directors' Report 董事會報告

In accordance with article 16.18 of the Articles of Association, Mr. Chan, Mr. Benny Chau and Ms. Ng shall retire by rotation at the 2019 AGM and all of them, being eligible, have offered themselves for re-election.

### CONFIRMATION OF INDEPENDENCE OF INEDs

The Company has received from each of the INEDs, namely Ms. Ng, Mr. Ng and Mr. Sze, an annual written confirmation of his/her independence pursuant to Rule 3.13 of the Listing Rules. As at the date of this report, the Company considers all of them to be independent.

### DIRECTORS' BIOGRAPHIES

The biographical details of the Directors are set out on pages 55 to 63 of this annual report.

### DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election at the forthcoming 2019 AGM has a service contract or an appointment letter with the Company that is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 38 to the Notes to the Consolidated Financial Statements in this annual report, none of the Directors or an entity connected with a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group, to which the Company or any of its subsidiaries was a party, subsisted during or at the end of the Year.

根據組織章程細則第16.18條，陳先生、周致人先生及伍女士將於二零一九年股東週年大會上輪席退任，且彼等均符合資格並已願意膺選連任。

### 確認獨立非執行董事之獨立性

本公司已收到各獨立非執行董事，即伍女士、吳先生及施先生依據上市規則第3.13條對其獨立性之年度確認書。本公司於本報告日期認為彼等均具獨立性。

### 董事之個人履歷

董事之個人履歷詳情載於本年報第55至63頁。

### 董事服務合約

擬於應屆二零一九年股東週年大會上膺選連任之董事概無與本公司訂立本公司不能決定於一年內無需做出賠償（法定補償除外）之服務合約或委任函件。

### 董事於重大交易、安排或合約的權益

除本年報綜合財務報表附註的附註38所披露者外，於本年度內或年末，概無董事或與董事有關連的任何實體與本公司或其任何附屬公司訂立對本集團業務屬重大的任何交易、安排或合約中直接或間接擁有重大權益。

## CHARITABLE DONATION

During the Year, the Group has donated certain amount of cash and daily necessities to the surrounding communities in Jambi, Indonesia. Also, we donated IDR500,000 to Mosque Nurul Jannah for the celebration of Prophet Nabi Muhammad 2018. (2017: nil)

## SHARE OPTION SCHEME

On 5 September 2014, the Company adopted a share option scheme (the “**Share Option Scheme**”) to enable the Company to grant options to the eligible participants as incentives or rewards for their contribution or potential contribution to the Group.

The Share Option Scheme took effect on 26 September 2014. During the Year, no options were granted, exercised or cancelled or lapsed and as at 31 December 2018, options comprising 500,000 Shares, representing approximately 0.045% of the issued Shares, were outstanding under the Share Option Scheme.

The maximum number of Shares in respect of the options granted by the Company under the Share Option Scheme and any other share option schemes must not in aggregate exceed 80,000,000 Shares (representing 10% of the Shares in issue immediately upon completion of the Share Offer (as defined in the Prospectus) and approximately 7.22% of the Shares in issue as at the date of this report). Excluding the abovementioned options comprising 500,000 Shares granted during the year ended 31 December 2016, the total number of Shares available for issue under the Share Option Scheme was 79,500,000 Shares, which represented approximately 7.18% of the issued Shares as at the date of this report.

## 慈善捐款

於本年度內，本集團已向印尼占碑周圍的社區捐贈若干現金及日常必需品。我們亦向Nurul Jannah清真寺捐贈500,000印尼盾以慶祝先知穆罕默德的誕辰(二零一七年：無)。

## 購股權計劃

於二零一四年九月五日，本公司採納一項購股權計劃(「**購股權計劃**」)，令本公司能夠向合資格參與者授予購股權作為彼等對本集團作出貢獻或潛在貢獻的激勵或獎勵。

購股權計劃於二零一四年九月二十六日生效。於本年度，概無購股權獲授出、獲行使或註銷或失效，及於二零一八年十二月三十一日，根據購股權計劃下尚未行使的購股權可發行的股份包括500,000股股份，約佔已發行股份的0.045%。

本公司根據購股權計劃及任何其他購股權計劃授出的購股權所涉及的最大股份數目合共不得超過80,000,000股股份(分別相當於緊接股份發售(定義見招股章程)完成後已發行股份的10%及於本報告日期已發行股份的約7.22%)。除截至二零一六年十二月三十一日止年度授予的上述包括500,000股股份的購股權外，根據購股權計劃可予發行的股份總數為79,500,000股股份，佔於本報告日期已發行股份的約7.18%。



Details of the options granted and outstanding under the Share Option Scheme are set out as follows:

購股權計劃項下已授出及未行使購股權之詳情載列如下：

Name of option holder 購股權持有人名稱	Position held in the Group 於本集團擔任的職位	Date of Grant 授予日期	Number of underlying Shares comprised in options 購股權所包括的相關股份數目			Lapsed/cancelled during the Year 本年度內已失效/註銷	Outstanding as at 31 December 2018 於二零一八年十二月三十一日尚未行使	Exercise price per Share 每股股份行使價 HK\$ 港元
			Outstanding as at 1 January 2018 於二零一八年一月一日尚未行使	Granted during the Year 本年度內已授出	Exercised during the Year 本年度內已行使			
Mr. Fan Chi Chiu ("Mr. Fan") 范智超先生 (「范先生」)	Chief financial officer 財務總監	14 April 2016 二零一六年 四月十四日	500,000	—	—	—	500,000	0.52

The options granted to Mr. Fan shall vest over a period of three years commencing on the date of grant. The closing price of the Shares immediately before the date of grant was HK\$0.50 per Share, as stated in the daily quotation sheet issued by the Stock Exchange. Those options are exercisable from 14 April 2017 to 13 April 2026.

授予范先生的購股權將於授出日期起三年期間內歸屬。緊接授出日期之前的股份收市價為每股0.50港元(聯交所每日報價表所示)。該等購股權於二零一七年四月十四日至二零二六年四月十三日間可予行使。

The principal terms of the Share Option Scheme are set out as follows:

購股權計劃之主要條款載列如下：

## 1. PURPOSE

The purpose of the Share Option Scheme is to enable the Company to grant options to Eligible Participants (as defined in paragraph 2 below) as incentives or rewards for their contribution or potential contribution to the Group.

## 1. 目的

購股權計劃的目的為令本公司向合資格參與者(定義見下文第2段)授出購股權作為彼等對本集團作出貢獻或潛在貢獻的激勵或獎勵。

## 2. ELIGIBLE PARTICIPANTS

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine to any full-time or part-time employees, potential employees, executives or officers (including executive, non-executive and independent non-executive directors) of the Company or any of its subsidiaries, and any suppliers, customers, agents and advisers who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries (the "Eligible Participants").

## 2. 合資格參與者

董事會可酌情向本公司或其任何附屬公司的任何全職或兼職僱員、潛在僱員、行政人員或高級職員(包括執行、非執行及獨立非執行董事)及董事會單獨認為將會對或已經對本公司及/或其任何附屬公司作出貢獻的任何供應商、客戶、代理人及顧問(「合資格參與者」)授出購股權以認購董事會可能決定的有關數目新股份。

### 3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

The maximum number of Shares in respect of the options granted by the Company under the Share Option Scheme and any other share option schemes must not in aggregate exceed 80,000,000 Shares (representing 10% of the Shares in issue immediately upon completion of the Share Offer (as defined in the Prospectus) and approximately 7.22% of the Shares in issue as at the date of this report).

### 4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT UNDER THE SHARE OPTION SCHEME

The maximum number of Shares comprising in the options that may be granted under the Share Option Scheme to any Eligible Participant shall not, when aggregated with

- (a) any Shares issued upon exercise of options under the Share Option Scheme or options under other schemes which have been granted to that Eligible Participant;
- (b) any Shares which would be issued upon the exercise of outstanding options under the Share Option Scheme or options under other schemes granted to that Eligible Participant; and
- (c) any cancelled Shares which were the subject of options under the Share Option Scheme or options under other schemes which had been granted to and accepted by that Eligible Participant,

in any 12-month period up to the offer date, exceed 1% of the number of Shares in issue on the offer date. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company to the Shareholders, which shall comply with the Listing Rules; and
- (ii) the approval of the Shareholders in a general meeting at which that Eligible Participant and his/her/its associates (as defined in the Listing Rules) shall abstain from voting.

### 3. 可發行的股份數目上限

本公司根據購股權計劃及任何其他購股權計劃授出的購股權所涉及的股份數目合共不得超過80,000,000股股份(分別相當於緊接股份發售(定義見招股章程)完成後已發行股份的10%及於本報告日期已發行股份的約7.22%)。

### 4. 各參與者於購股權計劃下的最高權益

於直至要約日期止任何12個月期間，根據購股權計劃可能授予任何合資格參與者的購股權所涉及的最多股份數目計及以下各項

- (a) 因行使購股權計劃項下的購股權或根據其他計劃已經授予該合資格參與者的購股權已發行的任何股份；
- (b) 因行使購股權計劃項下的未行使的購股權或根據其他計劃已經授予該合資格參與者的購股權將發行的任何股份；及
- (c) 註銷購股權計劃項下的購股權或根據其他計劃已授予合資格參與者並獲合資格參與者接納的購股權所涉及的任何股份，

不得超過於要約日期已發行股份數目的1%。任何進一步授出超過該1%限制的購股權應受以下各項規限：

- (i) 本公司遵守上市規則向股東發佈通函；及
- (ii) 股東於股東大會批准，而合資格參與者及其聯繫人(定義見上市規則)應放棄投票。



Where any grant of options to a substantial shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue on the date of such grant; and (ii) having an aggregate value, based on the official closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the date of grant, in excess of HK\$5.0 million, such further grant of the options shall be subject to the approval of the Shareholders with such person/entity and his/her/its core connected persons (as defined in the Listing Rules) abstaining from voting in favour at the general meeting.

Any grant of options to any Director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates under the Share Option Scheme is subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the grantee of an option).

## 5. PERIOD WITHIN WHICH THE SECURITIES MUST BE EXERCISED UNDER AN OPTION

Unless otherwise provided in the respective grantee's offer document, each of the grantees to whom an option has been granted under the Share Option Scheme shall be entitled to exercise his/her/its option in the following manner:

- (a) up to 33% of the Shares that are subject to the option so granted to him/her/its (rounded down to the nearest whole number) at any time during the period commencing on the first anniversary of the date on which such option is granted (the "**Commencement Date**") and ending on the expiry of the period to be notified by the Board to each grantee (the "**Option Period**"), within which the option may be exercisable provided that the Option Period of time shall not exceed a period of ten years commencing on the Commencement Date;

倘向本公司主要股東(定義見上市規則)或獨立非執行董事或彼等各自的任何聯繫人授出任何購股權會導致截至授出日期(包括該日)止12個月期間因向該人士已授出或將予授出之所有購股權(包括已行使、已註銷及尚未行使購股權)獲行使而發行及將予發行之股份(i)總計佔於該授出日期已發行股份超過0.1%;及(ii)總值(根據股份於授出日期於聯交所每日報價表所示之官方收市價計算)超過5.0百萬港元,則進一步授出該等購股權須獲股東於股東大會批准(有關人士/實體及其核心關連人士(定義見上市規則)須放棄投贊成票)。

根據購股權計劃向本公司任何董事、最高行政人員或主要股東(定義見上市規則)或彼等各自的任何聯繫人授出任何購股權,須事先經獨立非執行董事(不包括本身為購股權承授人的獨立非執行董事)批准。

## 5. 證券必須在期限內根據購股權行使

除非各承授人的要約文件另行規定,否則根據購股權計劃獲授予購股權的各承授人應有權以下列方式行使其購股權:

- (a) 於授出購股權當日(「**開始日期**」)的第一週年起至董事會告知各承授人可行使購股權的期限(「**購股權期限**」)屆滿為止的期間(惟購股權期限自開始日期起不應超過十年)內任何時間,承授人獲授予的購股權所涉及股份的最多33%(四捨五入至最接近的整數);

- (b) up to 66% of the Shares that are subject to the option so granted to him/her/its (rounded down to the nearest whole number) at any time during the period commencing on the second anniversary of the Commencement Date and ending on the expiry of the Option Period; and
- (c) up to 100% of the Shares that are subject to the option so granted to him/her/its (rounded down to the nearest whole number) at any time during the period commencing on the third anniversary of the Commencement Date and ending on the expiry of the Option Period.

**6. MINIMUM PERIOD, IF ANY, FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED**

There is no minimum period for which an option granted must be held before it can be exercised unless otherwise imposed by the Directors.

**7. PERIOD FOR AND CONSIDERATION PAYABLE ON ACCEPTANCE OF AN OPTION**

An offer for the grant of option must be accepted within the time period specified in the relevant offer document. A sum of HK\$1.00 is payable as consideration upon acceptance of the offer.

**8. BASIS OF DETERMINING THE EXERCISE PRICE**

The exercise price in relation to each option offered to an Eligible Participant shall be determined by the Board (or its committee) in its sole discretion, save that such price shall not be less than the highest of:

- (a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant, which must be a day on which the Stock Exchange is open for business of dealing in securities (the “**Business Day**”);
- (b) the average of the official closing prices of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the date of grant; and
- (c) the nominal value of a Share.

- (b) 於開始日期的第二週年起至購股權期限屆滿為止的期間內任何時間，承授人獲授予的購股權所涉及股份的最多66%（四捨五入至最接近的整數）；及
- (c) 於開始日期的第三週年起至購股權期限屆滿為止的期間內任何時間，承授人獲授予的購股權所涉及股份的最多100%（四捨五入至最接近的整數）。

**6. 購股權在其可行使之前必須持有的最短期限（如有）**

除非董事另行施加規定，概無就所授出購股權設有在其可行使之前必須持有的最短期限。

**7. 接納購股權的期限及應付代價**

授出購股權的要約必須在有關要約文件指定的期限內接納。接納要約後，應付1.00港元作為代價。

**8. 釐定行使價的基準**

提供予合資格參與者的各份購股權的相關行使價應當由董事會（或其委員會）全權釐定，惟有關價格將不得低於以下各項最高者：

- (a) 授出日期（須為聯交所開市進行證券交易業務的日子（「營業日」））聯交所每天報價表所列的股份正式收市價；
- (b) 緊接授出日期前五個營業日聯交所每天報價表所列的股份正式平均收市價；及
- (c) 股份的面值。



## 9. REMAINING LIFE OF THE SHARE OPTION SCHEME

The Share Option Scheme will remain in force for a period of 10 years commencing on 26 September 2014.

## EQUITY-LINKED AGREEMENTS

Save for the share option granted with details set out under the section headed "Share Option Scheme" in this report, the Company has not entered into any equity-linked agreements in respect of the Shares during the Year.

## ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES

At no time during the Year or at the end of the Year was the Company or any of its subsidiaries a party to any arrangement to enable a Director to acquire benefits by means of the acquisition of the Shares or any shares in or debentures of other body corporate.

## MANAGEMENT CONTRACT

No contracts (except for the executive Directors' service contracts) concerning the management and administration of the whole or any substantial part of the business of the Company or its subsidiaries were entered into or existed during the Year.

## REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five individuals with the highest emoluments for the Year are set out in notes 10 and 11, respectively to the Notes to the Consolidated Financial Statements in this annual report.

## 9. 購股權計劃的剩餘期限

購股權計劃將自二零一四年九月二十六日起計10年期間維持有效。

## 股票掛鉤協議

除本報告「購股權計劃」一節所詳述之已授出購股權外，本公司於本年度概無就股份訂立任何股票掛鉤協議。

## 董事購入股份的安排

本公司或其任何附屬公司於本年度或年末任何時間概無訂立任何安排，致使董事可藉購入股份或其他法人團體的任何股份或債權證而獲益。

## 管理合約

於本年度內，就本公司或其附屬公司整體或任何重要環節業務方面並無訂立或存在管理及行政合約（執行董事的服務合約除外）。

## 董事薪酬及五名最高薪酬人士

於本年度內，董事薪酬及五名最高薪酬人士的詳情分別載於本年報綜合財務報表附註的附註10及11。



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

As at 31 December 2018, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO")), which were required: (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), were as follows:

Interest in the Company's ordinary Shares of HK\$0.0001 each

**本公司董事及最高行政人員於本公司及其相聯法團的股份、相關股份及債權證中的權益及淡倉**

於二零一八年十二月三十一日，本公司董事或最高行政人員於本公司或其任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有：(i) 根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益或淡倉）；或(ii) 根據證券及期貨條例第352條須登記於該條所指登記冊的權益或淡倉；或(iii) 根據上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉如下：

於本公司每股面值0.0001港元的普通股股份之權益

Name of Directors/Chief Executive 董事／最高行政人員姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares Held 所持股份數目	Approximate percentage of Shareholding Interest in the Company 於本公司股權 概約百分比
Mr. Chau 周先生	Interest in a controlled corporation 受控法團權益	225,000,000 <sup>(1)</sup>	20.31%
Mr. Chan 陳先生	Interest in controlled corporations 受控法團權益	390,700,000 <sup>(2)</sup>	35.26%

Notes:

- (1) Wealthy Sea Holdings Limited (“**Wealthy Sea**”) which held 225,000,000 Shares is owned as to 90% and 10% by Mr. Chau, an executive Director and the chairman of the Board (the “**Chairman**”), and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively.
- (2) Everbest Environmental Investment Limited (“**Everbest Environmental**”) which held 375,000,000 Shares was owned as to 50%, 30% and 20% by Ms. Wong Shu Ying (“**Ms. Wong**”), Ms. Judy Chan and Mr. Chan, an executive Director and the chief executive officer of the Company (the “**Chief Executive Officer**”), respectively. Mr. Chan is the sole director of Everbest Environmental. Ms. Wong is the mother of all of Ms. Judy Chan, Mr. Chan and Mr. Brian Chan, a NED. Mr. Chan also owns 25% of the issued shares in Kingdrive Limited which in turn owns 100% of the issued shares in Carlton Asia Limited (“**Carlton Asia**”). Carlton Asia held 15,700,000 Shares and is accustomed to act in accordance with the directions of Mr. Chan.
- (3) All the above Shares were held in long position.

Save as disclosed above, as at 31 December 2018, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares, or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange or to be entered in the register referred to in the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2018, to the best of the Directors' knowledge, the following entities or persons (other than the Directors and chief executives of the Company) had or were deemed or taken to have an interest and/or a short position in the Shares or the underlying Shares, which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or which was recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

附註：

- (1) 潤海集團有限公司(「**潤海**」)持有225,000,000股股份，並由執行董事兼董事會主席(「**主席**」)周先生及王美玲女士(周先生的妻子)分別擁有90%及10%。
- (2) Everbest Environmental Investment Limited (「**Everbest Environmental**」)持有375,000,000股股份並由王穗英女士(「**王女士**」)、陳芳女士及本公司執行董事兼行政總裁(「**行政總裁**」)陳先生分別擁有50%、30%及20%。陳先生為Everbest Environmental的唯一董事。王女士為陳芳女士、陳先生及非執行董事陳栢林先生的母親。陳先生亦持有Kingdrive Limited 25%的已發行股份，而該公司擁有Carlton Asia Limited (「**Carlton Asia**」) 100%已發行股份。Carlton Asia擁有15,700,000股股份及慣於按照陳先生的指示行事。
- (3) 上述所有股份均以好倉持有。

除上文所披露者外，於二零一八年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份或債權證中擁有須知會本公司及聯交所或須登記於證券及期貨條例所指登記冊或根據標準守則須知會本公司及聯交所的任何權益或淡倉。

## 主要股東及其他人士於本公司股份及相關股份中的權益及淡倉

於二零一八年十二月三十一日，就董事所知，下列實體或人士(本公司董事及最高行政人員除外)擁有或被視作或當作於股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部的條文作出披露或記錄於根據證券及期貨條例第336條本公司須存置的登記冊內的權益及／或淡倉。

## Directors' Report 董事會報告

Interest in the Company's ordinary Shares of HK\$0.0001 each

於本公司每股面值0.0001港元的普通股  
份之權益

Name of Shareholders 股東姓名／名稱	Capacity/Nature of Interest 身份／權益性質	Number of Shares Held 所持股份數目	Approximate Percentage of Shareholding Interest in the Company 佔本公司股權 概約百分比
Everbest Environmental	Beneficial interest 實益權益	375,000,000 <sup>(1)</sup>	33.84%
Ms. Wong 王女士	Interest in controlled corporations 受控法團權益	380,790,000 <sup>(1) &amp; (2)</sup>	34.37%
Mr. Chan Chun Keung 陳進強先生	Interest in a controlled corporation and interest held by spouse 受控法團權益及配偶所持權益	380,790,000 <sup>(1) &amp; (2)</sup>	34.37%
Wealthy Sea 潤海	Beneficial interest 實益權益	225,000,000 <sup>(3)</sup>	20.31%
Ms. Wong Mei Ling 王美玲女士	Interest held by spouse 配偶所持權益	225,000,000 <sup>(3)</sup>	20.31%
Morgan Top Trading Co., Ltd.	Beneficial interest 實益權益	143,300,000	12.93%

Notes:

附註：

- |   |  |
|---|--|
| <p>(1) Each of Everbest Environmental and Hightop Investment Limited (“<b>Hightop</b>”) is owned as to 50% by Ms. Wong and therefore, Ms. Wong is deemed to be interested in the 375,000,000 Shares and 5,790,000 Shares held by Everbest Environmental and Hightop respectively pursuant to the SFO.</p> <p>(2) Hightop is also owned as to 50% by Mr. Chan Chun Keung, the husband of Ms. Wong. Therefore, Mr. Chan Chun Keung is deemed to be interested in the 5,790,000 Shares held by Hightop and 375,000,000 Shares deemed to be held by Ms. Wong pursuant to the SFO.</p> | <p>(1) Everbest Environmental 及高峻投資有限公司(「<b>高峻</b>」)各由王女士擁有50%，因此，根據證券及期貨條例，王女士被視為分別於Everbest Environmental 及高峻所持有的375,000,000股及5,790,000股股份中擁有權益。</p> <p>(2) 高峻亦由陳進強先生擁有50% (王女士的丈夫)。因此，根據證券及期貨條例，陳進強先生被視為於高峻所持有的5,790,000股股份及視為王女士所持有的375,000,000股股份中擁有權益。</p> |
|---|--|



## Directors' Report 董事會報告

- (3) Wealthy Sea is owned as to 90% and 10% by Mr. Chau, an executive Director and the Chairman, and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively. Ms. Wong Mei Ling is, therefore, deemed to be interested in the 225,000,000 Shares held by Wealthy Sea controlled by Mr. Chau pursuant to the SFO.
- (4) All the above Shares were held in long position.

Save as disclosed above, as at 31 December 2018, the Directors were not aware of any entities or persons (other than a Director or the chief executive of the Company) which/who had, or were deemed or taken to have interests or short positions in the Shares or the underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be entered in the register kept by the Company under the SFO.

### RETIREMENT BENEFIT SCHEMES/PENSION SCHEME

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the “**MPF Scheme**”) in Hong Kong under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) for employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's operations in the PRC are required to participate in the central pension schemes operated by the local municipal governments, the assets of which are held separately from those of the Group. Contributions are made by the Group based on a percentage of the participating employees' salaries and are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes. The employer contributions vest fully once made.

Under the Indonesia Labour Law, companies are required to pay separation, appreciation and compensation benefits to their employees if the conditions specified in the Indonesia Labour Law are met. The Company's subsidiaries in Indonesia estimate their liability for employee service entitlement benefits in order to meet and cover the minimum benefits requirement to be paid to employees under the Indonesia Labour Law. For further information, please refer to note 36 to the Notes to the Consolidated Financial Statements in this annual report.

- (3) 潤海由執行董事兼主席周先生及王美玲女士(周先生的妻子)分別擁有90%及10%。因此,根據證券及期貨條例,王美玲女士被視為於周先生控制的潤海所持有的225,000,000股股份中擁有權益。
- (4) 上述所有股份均以好倉持有。

除上文所披露者外,於二零一八年十二月三十一日,董事並不知悉有任何實體或人士(董事或本公司最高行政人員除外)於股份或相關股份中擁有或被視為或當作擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露的權益或淡倉,或須登記於本公司根據證券及期貨條例存置的登記冊的權益或淡倉。

### 退休福利計劃／退休金計劃

本集團遵照香港法例第485章強制性公積金計劃條例為合資格參與強制性公積金計劃(「**強積金計劃**」)的僱員在香港設立一項定額供款強積金計劃。供款按僱員基本薪酬的某一百分比計算,並於根據強積金計劃規則規定需要支付時自損益扣除。強積金計劃資產與本集團資產分開以獨立管理基金持有。本集團按強積金計劃作出的僱主供款全數歸屬於僱員。

本集團於中國業務的僱員須參加由當地市政府營辦的中央退休金計劃,該等計劃的資產與本集團資產分開持有。供款乃由本集團根據中央退休金計劃的規則按參與僱員薪金的某一百分比計算,並於應付時從損益扣除。僱主的供款於其作出供款時即全面歸屬。

根據《印尼勞工法》,倘《印尼勞工法》中指明的條件適用,公司必須向其僱員支付離職、升職及賠償福利。本公司的印尼附屬公司,會估計僱員服務應付福利的負債,以符合及涵蓋《印尼勞工法》必須向僱員提供福利的最低要求。進一步資料,請參閱本年報綜合財務報表附註的附註36。



## Directors' Report 董事會報告

No forfeited contributions were incurred during the Year. For further information, please refer to note 36 to the Notes to the Consolidated Financial Statements in this annual report.

### SUFFICIENCY OF PUBLIC FLOAT

Based on the information publicly available to the Company and within the knowledge of the Directors, the Company maintained adequate public float (i.e. at least 25% of the issued Shares being held by the public) during the Year and up to the date of this report.

### RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the ordinary course of business by the Group during the Year are set out in note 38 to the Notes to the Consolidated Financial Statements in this annual report.

### CONNECTED TRANSACTIONS

During the Year, the Group had not conducted any “one-off connected transaction” or “continuing connected transaction” (as defined under Chapter 14A of the Listing Rules) which is subject to reporting and annual review requirements under the Listing Rules. The transactions disclosed in note 38 to the Notes to the Consolidated Financial Statements in this annual report as related party transactions did not fall under the definition of “connected transaction” or “continuing connected transaction” (as defined under Chapter 14A of the Listing Rules) or are fully exempt continuing connected transactions under Rule 14A.73 of the Listing Rules.

本年度並無產生沒收供款。進一步資料，請參閱本年報綜合財務報表附註的附註36。

### 足夠公眾持股量

根據本公司所取得的公開資料及據董事所知，本公司於本年度及直至本報告日期維持足夠公眾持股量（即至少25%的已發行股份由公眾持有）。

### 關聯方交易

本集團於本年度在日常業務過程中進行的關聯方交易詳情載於本年報綜合財務報表附註的附註38。

### 關連交易

於本年度內，本集團並無進行任何須遵守上市規則項下申報及年度審閱規定的「一次性關連交易」或「持續關連交易」（定義見上市規則第14A章）。本年報綜合財務報表附註的附註38披露為關聯方交易的交易不符合「關連交易」或「持續關連交易」（定義見上市規則第14A章）的定義，並是根據上市規則第14A.73條規定獲全面豁免的持續關連交易。

## DEED OF NON-COMPETITION

Each of Ms. Judy Chan, Mr. Chan (an executive Director and the Chief Executive Officer), Ms. Wong, Everbest Environmental (a company owned by Ms. Wong, Ms. Judy Chan and Mr. Chan as to 50%, 30% and 20%, respectively), Mr. Chau (an executive Director and the Chairman) and Wealthy Sea (a company owned as to 90% and 10% by Mr. Chau and his wife, respectively) (collectively, the “**Controlling Shareholders**”) executed a deed of non-competition (the “**Deed of Non-Competition**”) in favour of the Group on 5 September 2014. Pursuant to the Deed of Non-Competition, each of the Controlling Shareholders has unconditionally and irrevocably agreed, undertaken to and covenanted with the Company (for itself and for the benefits of other members of the Group) that it/he/she would not, and would procure its/his/her associates (other than members of the Group) not to, directly or indirectly, either on its/his/her own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise, and whether for profit, reward or otherwise) any activity or business which competes or is likely to compete, directly or indirectly, with the business of operating wastewater treatment facilities in the PRC by the Group as described in the Prospectus and any other business from time to time conducted, carried on or contemplated to be carried on by any member of the Group or in which any member of the Group is engaged or has invested or which any member of the Group has otherwise publicly announced its intention to enter into, engage in or invest in (whether as principal or agent and whether undertaken directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement).

The Company has received from each of the Controlling Shareholders an annual written declaration as to the compliance with the terms of the Deed of Non-Competition during the Year. The INEDs have reviewed the compliance by each of the Controlling Shareholders with the Deed of Non-Competition and not aware of the occurrence of any adverse event, confirmed that the Controlling Shareholders had not been in breach of the Deed of Non-Competition during the Year.

## DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors is considered to have interests in a business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the business of the Group and has any other conflicts of interest, as required to be disclosed under the Listing Rules.

## 不競爭契據

陳芳女士、陳先生(執行董事兼行政總裁)、王女士、Everbest Environmental(一家由王女士、陳芳女士及陳先生分別擁有50%、30%及20%的公司)、周先生(執行董事兼主席)及潤海(一家由周先生及其妻子分別擁有90%及10%的公司)(統稱「**控股股東**」)各自與本集團於二零一四年九月五日就本集團的利益訂立不競爭契據(「**不競爭契據**」)。根據不競爭契據,控股股東各自無條件及不可撤回地同意、向本公司(為其本身及本集團其他成員公司的利益)承諾及契諾,其不會及會促使其聯繫人(本集團成員公司除外)不會直接或間接地以自己的名義或聯同或代表任何人士、商號或公司(其中包括)進行、參與、從事、收購或持有任何直接或間接與招股章程所述本集團在中國經營的污水處理設施業務,以及本集團任何成員公司不時經營、進行或擬進行或本集團任何成員公司從事或投資或本集團任何成員公司已公開宣佈其有意訂立、從事或投資(不論是否以主事人或代理人身份及不論是否直接或透過任何法人團體、合夥、合營公司或其他合約或其他安排進行)的任何其他業務競爭或可能競爭的任何活動或業務或於當中擁有權益(在各個情況下不論是否以股東、董事、合夥人、代理人、僱員或其他身份及不論以牟利、獎勵或其他方式)。

於本年度內,本公司已接獲各控股股東就遵行不競爭契據條款的年度書面聲明函。獨立非執董事已審閱各控股股東遵行不競爭契據之情況及並未得悉任何不利事件的發生,并已確認控股股東於本年度並無違反不競爭契據。

## 董事於競爭業務的權益

於本年度及直至本報告日期,概無董事被認為於與本集團業務直接或間接競爭或可能產生競爭的業務(本集團業務除外)中擁有權益及擁有根據上市規則須予披露的任何其他利益衝突。

## SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed above and in note 38 to the Notes to the Consolidated Financial Statements in this annual report, no Shareholder or any of its subsidiaries had a material interest, either directly or indirectly, in any contract of significance (whether for the provision of services to the Group or not) to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

## PERMITTED INDEMNITIES

Pursuant to the Articles of Association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him/her as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his/her favour, or in which he/she is acquitted. In addition, proper insurance coverage in respect of legal actions against the Directors' liability has been arranged. The relevant provisions in the Articles of Association and the Directors' liability insurance were in force during the Year and as at the date of this report.

## TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the Shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Shares, they are advised to consult their professional advisers.

## EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2018, the Group had 209 (2017: 227) employees (including the Directors). Employee costs, including Directors' emoluments, amounted to approximately HK\$21.0 million for the Year (2017: approximately HK\$20.2 million). The remuneration policy for the Directors, senior management members and general staff is based on their experience, level of responsibility, length of service and general market conditions. Any discretionary bonus and other merit payments are linked to the financial results of the Group and the individual performance of the Directors, senior management members and general staff.

The Group provides on-the-job training where appropriate.

The Company adopted the Share Option Scheme on 5 September 2014 for the purpose of providing incentives and rewards to eligible participants including the directors and employees of the Group.

## 股東於重大合約之權益

除上文及本年報綜合財務報表附註的附註38所披露者外，概無股東或其任何附屬公司於本年度內在本公司或其任何附屬公司屬訂約方且與本集團業務有重大關係的任何合約（不論是否向本集團提供服務）中直接或間接擁有任何重大權益。

## 獲准許彌償

根據組織章程細則，每名董事以董事身份對其獲判勝訴或無罪的任何訴訟（不論民事或刑事）進行抗辯，所引致或蒙受之一切損失或責任應從本公司資產當中獲得彌償。此外，本公司已就董事可能面對之法律訴訟作適當投保安排。組織章程細則之相關條文及董事責任保險均於本年度及截至本報告日期生效。

## 稅項寬減

本公司並不知悉股東因持有股份而可獲得任何稅項寬減。倘股東不確定購買、持有、出售、處置或買賣股份或行使股份相關權利方面的稅務影響，彼等應諮詢專業顧問。

## 僱員及薪酬政策

於二零一八年十二月三十一日，本集團共有209名（二零一七年：227名）僱員（包括董事）。本年度的僱員成本（包括董事酬金）約為21.0百萬港元（二零一七年：約20.2百萬港元）。董事、高級管理層成員及一般員工的薪酬政策乃根據彼等的經驗、所負責任、服務年期及一般市場情況釐定。任何酌情花紅及其他獎勵金均與本集團的財務業績及董事、高級管理層成員及一般員工的個人表現掛鉤。

本集團在適當時提供在職培訓。

本公司於二零一四年九月五日採納購股權計劃，旨在激勵及獎勵本集團的合資格參與者，包括董事及僱員。

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company repurchased 3,000,000 Shares on the Stock Exchange for an aggregate consideration of HK\$473,295 excluding transaction costs. All the above repurchased Shares had been cancelled on 28 December 2018. The nominal value of the total issued capital of the Company was reduced by HK\$300. The repurchases were effected by the Directors for the enhancement of shareholders' value.

Particulars of the repurchases during the Year are as follows:

Period of repurchase 回購月份	Number of Shares repurchased 回購股份數目	Price per Share 每股價格		Aggregate consideration (excluding transaction costs) 總代價 (不包括交易成本) (HK\$) (港元)
		Highest 最高 (HK\$) (港元)	Lowest 最低 (HK\$) (港元)	
September 2018 二零一八年九月	445,000	0.150	0.149	66,645
October 2018 二零一八年十月	1,555,000	0.160	0.150	246,650
November 2018 二零一八年十一月	845,000	0.160	0.160	135,200
December 2018 二零一八年十二月	155,000	0.160	0.160	24,800
	3,000,000			473,295

Save as disclosed above, the Company did not redeem any of its Shares listed on the Main Board of the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the Year.

## 購買、出售或贖回上市證券

於本年度內，本公司於聯交所以總代價 473,295 港元 (不包括交易成本) 回購 3,000,000 股股份。所有上述回購股份已於二零一八年十二月二十八日註銷。本公司的全部已發行股本面值減少 300 港元。董事為提升股東價值而進行該等回購。

於本年度內，回購詳情如下：

除上文所披露者外，本公司概無贖回其於聯交所主板上市的任何股份，且本公司或其任何附屬公司亦無於本年度內買賣任何該等股份。





## Directors' Report 董事會報告

### CORPORATE GOVERNANCE

Details of the principal corporate governance policies and practices adopted by the Company are set out in the Corporate Governance Report on pages 64 to 90 of this annual report.

### REVIEW BY AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls. As at the date of this report, the Audit Committee comprises four members, namely Ms. Ng (who is also the chairlady of the Audit Committee), Mr. Ng and Mr. Sze, all being the INEDs and Mr. Benny Chau, a NED. The Audit Committee has reviewed with the Company's management the accounting principles and practices adopted by the Group and the annual consolidated results of the Group for the Year.

### UPDATE ON THE DIRECTORS' INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in Directors' information since the date of the 2018 interim report of the Company are set out below:

Mr. Chau Chi Yan Benny will be re-designated from a non-executive Director to an executive Director upon his appointment as the deputy general manager of the Group and will step down as a member of the Audit Committee, with effect from 1 April 2019.

### 企業管治

本公司採納之主要企業管治政策及慣例之詳情載於本年報第64至90頁之企業管治報告。

### 由審核委員會審閱

本公司已遵照上市規則第3.21條及上市規則附錄十四所載之企業管治守則第C.3段成立審核委員會，旨在審閱及監督本集團的財務申報程序、風險管理及內部控制。截至本報告日期，審核委員會包括四名成員，即獨立非執行董事伍女士（其亦擔任審核委員會主席）、吳先生及施先生及非執行董事周致人先生。審核委員會已與本公司管理層審閱本集團所採納的會計原則及慣例以及本集團於本年度的年度綜合業績。

### 根據上市規則第13.51B(1)條更新董事資料

根據上市規則第13.51B(1)條，董事自本公司二零一八年中報日期以來的資料變動載列如下：

非執行董事周致人先生將調任為執行董事，由二零一九年四月一日生效。



## INDEPENDENT AUDITOR

Ernst & Young resigned as the independent auditor of the Group with effect from 29 November 2016. Deloitte Touche Tohmatsu was appointed as the independent auditor of the Company with effect from the same date to fill the casual vacancy following the resignation of Ernst & Young.

The consolidated financial statements of the Group for the Year have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming 2019 AGM. Having been approved by the Board upon the Audit Committee's recommendation, a resolution to re-appoint Deloitte Touche Tohmatsu as the independent auditor of the Company and to authorise the Directors to fix their remuneration will be proposed at the forthcoming 2019 AGM.

On behalf of the Board

**Chau On Ta Yuen**  
*Chairman*

Hong Kong, 22 March 2019

## 獨立核數師

安永會計師事務所辭任本集團獨立核數師，自二零一六年十一月二十九日起生效。德勤•關黃陳方會計師行於同日獲委任為本公司獨立核數師以填補安永會計師事務所辭任後的臨時職位空缺。

本集團就本年度之綜合財務報表經已由德勤•關黃陳方會計師行審核，德勤•關黃陳方會計師行將退任及符合資格並願意於即將舉行之二零一九年股東週年大會接受續聘。經董事會根據審核委員會的推薦意見批准，續聘請德勤•關黃陳方會計師行為本公司獨立核數師並授權董事訂定彼等薪酬之決議案將於即將舉行之二零一九年股東週年大會提呈。

代表董事會

*主席*  
**周安達源**

香港，二零一九年三月二十二日

# Deloitte.

# 德勤

## TO THE SHAREHOLDERS OF ELL ENVIRONMENTAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

### OPINION

We have audited the consolidated financial statements of ELL Environmental Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as “the **Group**”) set out on pages 124 to 263, which comprise the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with 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 (“**HKSAs**”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the **Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

致強泰環保控股有限公司股東

(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124至263頁的強泰環保控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一八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入表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)真實而中肯地反映了貴集團於二零一八年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為擬備。

### 意見的基礎

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



## Independent Auditors' Report 獨立核數師報告

### TO THE SHAREHOLDERS OF ELL ENVIRONMENTAL HOLDINGS LIMITED

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致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS

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

### 關鍵審計事項

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

#### Key audit matter

關鍵審計事項

#### How our audit addressed the key audit matter

我們的審計如何對關鍵審計事項進行處理

#### **Revenue and profit from construction services and imputed interest income on receivables under service concession arrangements**

來自建造服務的營業收入及溢利以及服務特許權安排下應收款項推算利息收入

We identified recognition of revenue and profit from construction services and imputed interest income on receivables under service concession arrangements as a key audit matter due to the significant estimation made by the Group's management.

由於 貴集團管理層所作重大估計，我們將來自建造服務的營業收入及溢利以及服務特許權安排下應收款項的推算利息收入認定為關鍵審計事項。

As disclosed in note 4 to the consolidated financial statements, revenue from construction of wastewater treatment facilities under the terms of build-operate-transfer (the "BOT") arrangement are estimated on a cost-plus basis in which the construction margin is estimated with reference to a prevailing market rate of gross margins of market comparable at the time of construction. Revenue from construction services is recognised using the percentage-of-completion method measured by reference to the proportion of costs incurred to date to the estimated total cost of the construction contract.

如綜合財務報表附註4所披露，根據建設—經營—移交（「BOT」）安排條款來自建造污水處理設施的營業收入以成本加成法估計，而建設毛利率乃參考於建造時可資比較的現行市場毛利率估計。來自建造服務的營業收入採用完工百分比方法確認入賬，及參考迄今已產生成本佔建造合約估計總成本的比例計量。



## Independent Auditors' Report 獨立核數師報告

### TO THE SHAREHOLDERS OF ELL ENVIRONMENTAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS (Cont'd)

### 關鍵審計事項(續)

#### Key audit matter 關鍵審計事項

#### How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理

#### **Revenue and profit from construction services and imputed interest income on receivables under service concession arrangements – continued**

來自建造服務的營業收入及溢利以及服務特許權安排下應收款項推算利息收入 — 續

Our procedures in relation to recognition of revenue and profit from construction services and imputed interest income on receivables under service concession arrangements included:

- Examining the related BOT agreements entered into between the governments and the Group to assess the appropriateness of the related accounting treatment adopted by the Group;
- Understanding the Group's estimation of the construction margin, the available industry and market data of market comparables at the time of construction and the involvement of an independent valuer appointed by the Group for the revenue from construction services;

Imputed interest income from wastewater treatment facilities under BOT arrangement is recognised from time to time on receivables under service concession arrangements on an accrual basis using the effective interest method by discounting the estimated future cash receipts over the service concession period at the estimated effective interest rate computed at initial recognition.

The Group engages an independent qualified valuer to access the prevailing market rate of gross margin of market comparable and the effective interest rate for service concession arrangements as mentioned above.

我們就確認來自建造服務的營業收入及溢利以及服務特許權安排下應收款項的推算利息收入採取的程序包括：

- 審查政府與 貴集團訂立的相關BOT協議，以評估 貴集團所採納相關會計處理的適當性；
- 對於來自建造服務的營業收入，了解 貴集團對建設毛利率的估計、建造時可得可資比較市場的行業與市場數據及 貴集團委聘的獨立估值師的參與；

服務特許權安排下的應收款項不時會使用實際利率法按累計基準確認BOT安排條款下污水處理設施的推算利息收入，並按照初始確認時計算的估計實際利率將服務特許期的估計未來現金收入貼現。

貴集團聘請獨立合資格估值師評估上述可資比較市場的現行市場毛利率及服務特許權安排的實際利率。

**TO THE SHAREHOLDERS OF ELL ENVIRONMENTAL HOLDINGS LIMITED**

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致強泰環保控股有限公司股東

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**KEY AUDIT MATTERS (Cont'd)**

**關鍵審計事項(續)**

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<p><b>Revenue and profit from construction services and imputed interest income on receivables under service concession arrangements – continued</b> 來自建造服務的營業收入及溢利以及服務特許權安排下應收款項推算利息收入 — 續</p>	
<p>As disclosed in notes 5 and 16 to the consolidated financial statements, the Group recognised revenue and profit from construction services of HK\$11,151,000 and HK\$2,276,000, respectively, and imputed interest income on receivables under service concession arrangements of HK\$15,123,000, during the year ended 31 December 2018.</p>	<p>如綜合財務報表附註5及16所披露，截至二零一八年十二月三十一日止年度，貴集團確認來自建造服務的營業收入及溢利分別為11,151,000港元及2,276,000港元，服務特許權安排下應收款項的推算利息收入為15,123,000港元。</p>
<ul style="list-style-type: none"> <li>• Assessing the reasonableness of the percentage-of-completion measured by reference to the proportion of costs incurred to date to the estimated total cost of the construction contract;</li> <li>• Verifying the construction costs incurred during the year by examining the contracts, invoices, completion reports and other supporting documents on a sample basis;</li> <li>• Evaluating the estimated total cost of construction contract by reference to the signed contracts and approved budgets;</li> <li>• Evaluating the reasonableness of estimated effective interest rate for the imputed interest income on receivables under service concession arrangements by benchmarking against market data; and</li> <li>• Working with our internal valuation experts to evaluate the appropriateness of all the construction margins and effective interest rates estimated by the management of the Group.</li> </ul>	<ul style="list-style-type: none"> <li>• 評估參考迄今已產生成本佔建造合約估計總成本的比例計量的完工百分比的合理性；</li> <li>• 透過抽樣審查合約、發票、完工報告及其他證明文件，核查年內產生的建造成本；</li> <li>• 參考已簽訂合約及已批准預算評估建造合約的估計總成本；</li> <li>• 以市場數據為基準評估服務特許權安排下應收款項的推算利息收入的估計實際利率的合理性；及</li> <li>• 與我們的內部估值專家合作評估 貴集團管理層估計的所有建設毛利率及實際利率的適當性。</li> </ul>



## Independent Auditors' Report 獨立核數師報告

### TO THE SHAREHOLDERS OF ELL ENVIRONMENTAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS (Cont'd)

### 關鍵審計事項(續)

#### Key audit matter 關鍵審計事項

#### How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理

#### *Impairment assessment of property, plant and equipment and goodwill* 物業、廠房及設備及商譽減值評估

We identified impairment assessment of property, plant and equipment and goodwill as a key audit matter due to the significant judgments made by the management in assessing the recoverable amount of the cash-generating unit ("CGU") comprising goodwill, which are derived from value in use calculations using discounted cash flow model.

During the year ended 31 December 2018, the Group recognised an impairment loss of HK\$79,743,000 in respect of property, plant and equipment and HK\$39,889,000 in respect of goodwill after assessing the recoverable amount of CGU which is principally engaged in the biomass power generation business in the Republic of Indonesia (the "Indonesia"). Details are disclosed in notes 15, 17 and 18 to the consolidated financial statements.

Our procedures in relation to impairment assessment of goodwill included:

- Understanding the Group's impairment assessment process, including the impairment model, preparation of the cash flow projections and involvement of an independent valuer appointed by the Group;
- Evaluating the appropriateness of impairment model applied by the management;
- Evaluating the accuracy of the management's cash flow forecasts by comparing the actual results of the CGU to the previously forecasted results;

由於 貴集團管理層在評估包含商譽的現金產生單位(「現金產生單位」)的可收回金額(由貼現現金流模型計算使用價值產生)時會作出重大判斷，我們將物業、廠房及設備及商譽減值評估確定為關鍵審計事項。

截至二零一八年十二月三十一日止年度， 貴集團於評估現金產生單位可收回金額後已就物業、廠房及設備及就商譽分別確認減值虧損79,743,000港元及39,889,000港元，而現金產生單位主要在印度尼西亞共和國(「印尼」)從事生物質發電業務。詳情披露於綜合財務報表附註15、17及18。

我們就商譽減值評估採取的程序包括：

- 了解 貴集團減值評估的過程(包括減值模型、現金流量預測的編製及 貴集團委聘的獨立估值的參與)；
- 評估管理層運用減值模型的恰當性；
- 透過將現金產生單位的實際結果與此前預測結果進行比較，以評估管理層的現金流量預測的準確度；



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致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS (Cont'd)

### 關鍵審計事項(續)

Key audit matter 關鍵審計事項	How our audit addressed the key audit matter 我們的審計如何對關鍵審計事項進行處理
<b>Impairment assessment of property, plant and equipment and goodwill – continued</b> 物業、廠房及設備及商譽減值評估 — 續	
<p>Management's assessment of property, plant and equipment and goodwill impairment is highly judgmental and is dependent on certain key assumptions including the discount rate, growth rates, budgeted sales and gross margin, which are affected by expected future market or economic conditions, particularly those in the Indonesia.</p>	<p>管理層對物業、廠房及設備及商譽減值的評估過程涉及重大判斷，而該評估取決於若干重要假設，包括貼現率、增長率及預算銷售及毛利率，前述各項均受預期未來市場或經濟情況所影響，尤其是印尼的未來市場或其經濟狀況。</p>
<p>An independent qualified professional valuer is engaged to assess the recoverable amount of the CGU.</p>	<p>貴集團聘請一名獨立合資格專業估值師評估現金產生單位的可收回金額。</p>
<ul style="list-style-type: none"> <li>• Assessing the reasonableness of growth rates applied in the forecast based on historical experiences and trends;</li> <li>• Comparing the budgeted sales and gross margin against historical performance and the management's business plan in respect of the CGU; and</li> <li>• Working with our internal valuation experts to evaluate the reasonableness of discount rate applied in the management's cash flow forecasts.</li> </ul>	<ul style="list-style-type: none"> <li>• 根據過往經驗及趨勢評估運用於該預測中的增長率的合理性；</li> <li>• 將預算銷售及毛利率與過往表現及管理層就現金產生單位作出的業務計劃進行比較；及</li> <li>• 與內部估值專家合作，評估管理層預測現金流量時所用貼現率的合理性。</li> </ul>





## Independent Auditors' Report

### 獨立核數師報告

#### TO THE SHAREHOLDERS OF ELL ENVIRONMENTAL HOLDINGS LIMITED

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#### OTHER INFORMATION

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

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

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

#### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with 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.

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

致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

#### 其他信息

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

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

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

#### 董事及治理層就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

治理層須負責監督貴集團的財務報告過程。



## Independent Auditors' Report 獨立核數師報告

### TO THE SHAREHOLDERS OF ELL ENVIRONMENTAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

### 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存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並按照我們協定的委聘條款僅向全體股東出具包括我們意見的核數師報告。除此之外，我們的報告不可作其他用途。我們並不就本報告之內容對任何其他人士承擔任何責任或接受任何義務。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重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述被視作重大。

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。



## Independent Auditors' Report

### 獨立核數師報告

#### TO THE SHAREHOLDERS OF ELL ENVIRONMENTAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

#### 核數師就審計綜合財務報表承擔的責任(續)

- 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。
- 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止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體呈列方式、結構和內容，包括披露，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，以對綜合財務報表發表意見。我們負責集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

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



## Independent Auditors' Report 獨立核數師報告

### TO THE SHAREHOLDERS OF ELL ENVIRONMENTAL HOLDINGS LIMITED

(incorporated in the Cayman Islands with limited liability)

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Wu Ka Ming.

#### Deloitte Touche Tohmatsu

Certified Public Accountants  
Hong Kong

22 March 2019

致強泰環保控股有限公司股東

(於開曼群島註冊成立的有限公司)

### 核數師就審計綜合財務報表承擔的責任(續)

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

從與治理層溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律或法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是胡家明。

#### 德勤•關黃陳方會計師行

執業會計師  
香港

二零一九年三月二十二日

## Consolidated Statement of Profit or Loss

### 綜合損益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Revenue	營業收入	5		
Construction services	建設服務		11,151	—
Wastewater treatment facility operation services	污水處理設施營運服務		21,531	37,091
Sales of electricity generated from biomass power plants	銷售生物質發電廠生產的電力		31,245	26,800
Imputed interest income on receivables under service concession arrangements	服務時許權安排下應收就款項的推算利息收入		15,123	15,073
			79,050	78,964
Cost of sales	銷售成本		(68,368)	(74,120)
Gross profit	毛利		10,682	4,844
Other income and gains	其他收入及收益	7	2,692	8,252
Gain on disposal of a subsidiary	出售一間附屬公司收益	29	—	6,035
Impairment loss recognised in respect of goodwill	就商譽確認的減值虧損	17	(39,889)	(43,863)
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	15	(79,743)	—
Administrative expenses	行政開支		(32,670)	(24,710)
Finance costs	融資成本	8	(2,177)	(1,449)
Loss before tax	除稅前虧損	9	(141,105)	(50,891)
Income tax expense	所得稅開支	12	(3,562)	(9,856)
Loss for the year	年內虧損		(144,667)	(60,747)
(Loss) profit for the year attributable to:	以下各方應佔年內(虧損)溢利：			
Owners of the Company	本公司擁有人		(139,718)	(61,074)
Non-controlling interests	非控股權益		(4,949)	327
			(144,667)	(60,747)
			HK cents 港仙	HK cents 港仙
Loss per share	每股虧損	14		
— Basic	— 基本		(12.58)	(5.50)
— Diluted	— 攤薄		(12.58)	(5.50)



## Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收益表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the year	年內虧損	<b>(144,667)</b>	(60,747)
<b>Other comprehensive (expense) income</b>	<b>其他全面(開支)收入</b>		
<i>Items that may be reclassified subsequently to profit or loss:</i>	<i>隨後可能重新分類至損益的項目：</i>		
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	<b>(2,568)</b>	13,739
Fair value change on debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具之公允值變動	<b>(128)</b>	—
Fair value change on available-for-sale investments	可供出售投資之公允值變動	—	(305)
Investment revaluation reserve released upon disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具後解除的投資重估儲備	<b>404</b>	—
Investment revaluation reserve released upon disposal of available-for-sale investments	出售可供出售投資後解除的投資重估儲備	—	(492)
<i>Item that will not be reclassified to profit or loss:</i>	<i>將不會重新分類至損益的項目：</i>		
Actuarial loss of defined benefit retirement plan	界定福利退休計劃之精算虧損	<b>(35)</b>	(21)
<b>Total comprehensive expense for the year</b>	<b>年內全面開支總額</b>	<b>(146,994)</b>	(47,826)
Total comprehensive (expense) income for the year attributable to:	以下各方應佔年內全面(開支)收入總額：		
Owners of the Company	本公司擁有人	<b>(141,843)</b>	(49,200)
Non-controlling interests	非控股權益	<b>(5,151)</b>	1,374
		<b>(146,994)</b>	(47,826)

## Consolidated Statement of Financial Position

### 綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>NON-CURRENT ASSETS</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	54,493	134,326
Deposits for purchase of property, plant and equipment	購買物業、廠房及設備之按金		2,661	3,408
Receivables under service concession arrangements	服務特許權安排下的應收款項	16	285,230	290,159
Goodwill	商譽	17	—	42,242
Available-for-sale investments	可供出售投資	19	—	10,311
Debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具	19	8,193	—
Restricted bank deposits	受限制銀行存款	22	5,882	12,427
			<b>356,459</b>	492,873
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨		728	554
Receivables under service concession arrangements	服務特許權安排下的應收款項	16	29,109	28,970
Trade receivables	貿易應收款項	20	8,018	6,284
Prepayments and other receivables	預付款項及其他應收款項	21	7,385	64,394
Income tax recoverable	可收回所得稅		930	338
Debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具	19	23,060	—
Restricted bank deposits	受限制銀行存款	22	5,882	—
Bank balances and cash	銀行結餘及現金	22	44,317	35,515
			<b>119,429</b>	136,055
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	23	4,971	9,313
Other payables and accruals	其他應付款項及應計費用	24	7,682	5,614
Amounts due to related parties	應付關聯方款項	25	3,424	6,474
Bank borrowings — due within one year	銀行借款 — 一年內到期	26	32,517	30,240
Income tax payables	應付所得稅		164	4,108
			<b>48,758</b>	55,749
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>70,671</b>	80,306
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>427,130</b>	573,179



## Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2018 於二零一八年十二月三十一日

		NOTES 附註	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	30	111	111
Reserves	儲備	31	350,392	492,687
Equity attributable to owners of the Company	本公司擁有人應佔權益		350,503	492,798
Non-controlling interests	非控股權益		23,873	29,024
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>374,376</b>	521,822
<b>NON-CURRENT LIABILITIES</b>	<b>非流動負債</b>			
Bank borrowings — due after one year	銀行借款 — 一年後到期	26	6,720	8,960
Deferred tax liabilities	遞延稅項負債	27	34,186	33,591
Provision for major overhauls	重大檢修撥備	28	11,040	8,635
Retirement benefit obligations	退休福利責任	36	808	171
			52,754	51,357
			427,130	573,179

The consolidated financial statements on pages 124 to 263 were approved and authorised for issue by the Board of Directors on 22 March 2019 and are signed on its behalf by:

第124至263頁的綜合財務報表經董事會於二零一九年三月二十二日批准及授權刊發，並由下列人士代為簽署：

**Chau On Ta Yuen**  
周安達源  
Chairman  
主席

**Chan Kwan**  
陳昆  
Executive Director  
執行董事



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										Total 總計 HK\$'000 千港元
		Issued capital 已發行股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Share	Other	Exchange	General	Investment	Retained	Sub-total 小計 HK\$'000 千港元	Non- controlling interests 非控股權益 HK\$'000 千港元	
				option	reserve	reserve	reserve	revaluation	earnings			
				reserve				reserve				
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元 (note 31a) (附註31a)	HK\$'000 千港元	HK\$'000 千港元 (note 31b) (附註31b)	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 January 2017	於二零一七年一月一日	111	409,031	54	(31,476)	(16,535)	20,597	505	159,665	541,952	27,650	569,602
(Loss) profit for the year	年內(虧損)溢利	—	—	—	—	—	—	—	(61,074)	(61,074)	327	(60,747)
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	12,692	—	—	—	12,692	1,047	13,739
Fair value change on available-for-sale investments	可供出售投資之公允價值變動	—	—	—	—	—	—	(305)	—	(305)	—	(305)
Investment revaluation reserve released upon disposal of available-for-sale investments	出售可供出售投資後解除的投資重估儲備	—	—	—	—	—	—	(492)	—	(492)	—	(492)
Actuarial loss of defined benefit retirement plan	界定福利退休計劃之精算虧損	—	—	—	—	—	—	—	(21)	(21)	—	(21)
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	—	—	—	—	12,692	—	(797)	(61,095)	(49,200)	1,374	(47,826)
Recognition of equity-settled share-based payments	確認以權益結算基於股份的付款	—	—	46	—	—	—	—	—	46	—	46
Transfer to general reserve	轉撥至一般儲備	—	—	—	—	—	408	—	(408)	—	—	—
		—	—	46	—	—	408	—	(408)	46	—	46
At 31 December 2017	於二零一七年十二月三十一日	111	409,031	100	(31,476)	(3,843)	21,005	(292)	98,162	492,798	29,024	521,822



## Consolidated Statement of Changes in Equity 綜合權益變動表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔										
		Issued capital	Share premium	Share option reserve	Other reserve	Exchange reserve	General reserve	Investment revaluation reserve	Retained earnings	Sub-total	Non-controlling interests	Total
		已發行股本	股份溢價	購股權儲備	其他儲備	匯兌儲備	一般儲備	投資重估儲備	保留盈利	小計	非控股權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note 31a)		(note 31b)					
					(附註 31a)		(附註 31b)					
Loss for the year	年內虧損	-	-	-	-	-	-	-	(139,718)	(139,718)	(4,949)	(144,667)
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(2,366)	-	-	-	(2,366)	(202)	(2,568)
Fair value change on debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具之公允值變動	-	-	-	-	-	-	(128)	-	(128)	-	(128)
Investment revaluation reserve released upon disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具後解除的投資重估儲備	-	-	-	-	-	-	404	-	404	-	404
Actuarial loss of defined benefit retirement plan	界定福利退休計劃之精算虧損	-	-	-	-	-	-	-	(35)	(35)	-	(35)
<b>Total comprehensive (expense) income for the year</b>	<b>年內全面(開支)收益總額</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,366)</b>	<b>-</b>	<b>276</b>	<b>(139,753)</b>	<b>(141,843)</b>	<b>(5,151)</b>	<b>(146,994)</b>
Repurchase of ordinary shares	普通股回購	-	(473)	-	-	-	-	-	-	(473)	-	(473)
Recognition of equity-settled share-based payments	確認以權益結算基於股份的付款	-	-	21	-	-	-	-	-	21	-	21
Transfer to general reserve	轉撥至一般儲備	-	-	-	-	-	705	-	(705)	-	-	-
		-	(473)	21	-	-	705	-	(705)	(452)	-	(452)
At 31 December 2018	於二零一八年十二月三十一日	111	408,558	121	(31,476)	(6,209)	21,710	(16)	(42,296)	350,503	23,873	374,376

## Consolidated Statement of Cash Flows

### 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Operating activities</b>	<b>經營活動</b>		
Loss before tax	除稅前虧損	<b>(141,105)</b>	(50,891)
Adjustments for:	對以下各項作出調整：		
Bank interest income	銀行利息收入	<b>(979)</b>	(260)
Interest income from available-for-sale investments	可供出售投資的利息收入	—	(501)
Interest income from debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具的利息收入	<b>(650)</b>	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>12,949</b>	12,402
Depreciation of assets classified as held for sale	分類為持作出售資產折舊	—	11
Provision for major overhauls	重大檢修撥備	<b>2,058</b>	1,349
Share-based payments	基於股份的付款	<b>21</b>	46
Finance costs	融資成本	<b>2,177</b>	1,449
Gains on disposal of available-for-sale investments	出售可供出售投資的收益	—	(492)
Loss on disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具的虧損	<b>404</b>	—
Gain on disposal of a subsidiary	出售一間附屬公司收益	—	(6,035)
Impairment loss recognised in respect of goodwill	就商譽確認的減值虧損	<b>39,889</b>	43,863
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	<b>79,743</b>	—
Contribution to defined benefit retirement plans	界定福利退休計劃供款	<b>604</b>	152
		<b>(4,889)</b>	1,093
(Increase) decrease in inventories	存貨(增加)減少	<b>(192)</b>	356
Decrease in receivables under service concession arrangements	服務特許權安排下的應收款項減少	<b>4,940</b>	21,298
Increase in trade receivables	貿易應收款項增加	<b>(2,070)</b>	(3,444)
Decrease (increase) in prepayments and other receivables	預付款項及其他應收款項減少(增加)	<b>56,563</b>	(1,828)
Decrease in trade payables	貿易應付款項減少	<b>(4,033)</b>	(11,596)
Increase in other payables and accruals	其他應付款項及應計費用增加	<b>2,254</b>	1,458
Cash from operations	經營產生的現金	<b>52,573</b>	7,337
Income tax paid	已付所得稅	<b>(7,003)</b>	(5,470)
<b>Net cash from operating activities</b>	<b>經營活動產生的現金淨額</b>	<b>45,570</b>	1,867



## Consolidated Statement of Cash Flows 綜合現金流量表

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Investing activities</b>	<b>投資活動</b>		
Purchases of debt instruments at fair value through other comprehensive income	購買透過其他全面收益按公允值計量的債務工具	(31,198)	—
Purchases of property, plant and equipment	購買物業、廠房及設備	(12,490)	(3,024)
Proceeds on disposal of debt instruments at fair value through other comprehensive income	出售透過其他全面收益按公允值計量的債務工具的所得款項	10,126	—
Interest received from available-for-sale investments	已收可供出售投資的利息	1,138	1,022
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	—	80
Bank interest received	已收銀行利息	979	260
Deposits for purchase of property, plant and equipment	購買物業、廠房及設備之按金	747	(3,408)
Placement of restricted bank deposits	存置受限制銀行存款	—	(12,427)
Purchases of available-for-sale investments	購買可供出售投資	—	(10,601)
Proceeds on disposal of available-for-sale investments	出售可供出售投資的所得款項	—	23,632
Net cash inflow from disposal of a subsidiary (note 29)	出售一間附屬公司的現金流入淨額 (附註29)	—	2,883
<b>Net cash used in investing activities</b>	<b>投資活動使用的現金淨額</b>	<b>(30,698)</b>	<b>(1,583)</b>
<b>Financing activities</b>	<b>融資活動</b>		
Repayment from a related party	一名關聯方還款	(3,050)	(68)
Repayments of bank borrowings	償還銀行借款	(2,424)	(4,497)
Interest paid	已付利息	(1,612)	(1,034)
Payment on repurchase of shares	回購股份的付款	(473)	—
New bank borrowings raised	新造銀行借款	2,181	11,200
<b>Net cash (used in) from financing activities</b>	<b>融資活動(所用)產生的現金淨額</b>	<b>(5,378)</b>	<b>5,601</b>
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物增加淨額</b>	<b>9,494</b>	<b>5,885</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>年初現金及現金等價物</b>	<b>35,515</b>	<b>29,085</b>
Effect of foreign exchange rate changes, net	外匯匯率變動的影響，淨額	(692)	545
<b>Cash and cash equivalents at end of the year</b>	<b>年末現金及現金等價物</b>	<b>44,317</b>	<b>35,515</b>
Represented by: Bank balances and cash	指： 銀行結餘及現金	<b>44,317</b>	<b>35,515</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 1. GENERAL

ELL Environmental Holdings Limited (the “Company”) is incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office of the Company is P.O. Box 39, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and the principal place of business of the Company is Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 40.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

#### NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR

ELL Environmental Holdings Limited and its subsidiaries (collectively referred to as “the Group”) has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) for the first time in the current year:

HKFRS 9  
香港財務報告準則第9號  
HKFRS 15

香港財務報告準則第15號  
HK(IFRIC) — Int 22  
香港(國際財務報告詮釋委員會)  
— 詮釋第22號  
Amendments to HKFRS 2

香港財務報告準則第2號(修訂本)  
Amendments to HKFRS 4

香港財務報告準則  
第4號(修訂本)  
Amendments to HKAS 28

香港會計準則第28號(修訂本)

Amendments to HKAS 40  
香港會計準則第40號(修訂本)

Financial Instruments  
金融工具  
Revenue from Contracts with Customers and the related  
Amendments  
客戶合約收入及相關修訂  
Foreign Currency Transactions and Advance Consideration  
外幣交易與預付代價

Classification and Measurement of Share-based Payment  
Transactions

基於股份的付款交易的分類及計量  
Applying HKFRS 9 Financial Instruments with  
HKFRS 4 Insurance Contracts

對香港財務報告準則第4號保險合約應用香港財務報  
告準則第9號金融工具

As part of the Annual Improvements to HKFRSs  
2014 — 2016 Cycle

作為香港財務報告準則二零一四年至二零一六年週期年度  
改進之一部分

Transfers of Investment Property  
轉讓投資物業

### 1. 一般事項

強泰環保控股有限公司(「本公司」)為一間在開曼群島註冊成立的獲豁免有限責任公司，其股份於香港聯合交易所有限公司(「聯交所」)上市。本公司的註冊辦事處地址為PO Box 39, Ugland House, Grand Cayman, KY1-1104, Cayman Islands，本公司的主要營業地點位於香港華蘭路20號華蘭中心11樓1-3室。

本公司為投資控股公司。其主要附屬公司的主要活動載於附註40。

綜合財務報表以港元(「港元」)列值，港元亦為本公司功能貨幣。

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

#### 於本年度強制生效之新訂香港財務報告準則及修訂本

於本年度，強泰環保控股有限公司及其附屬公司(統稱「本集團」)已首次採用以下由香港會計師公會(「香港會計師公會」)頒佈之新訂香港財務報告準則及修訂本：



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont’d)

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

#### HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and HKAS 11 and the related interpretations.

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 於本年度強制生效之新訂香港財務報告準則及修訂本(續)

除下述者外，於本年度應用新訂香港財務報告準則及修訂本對本集團本年度及過往年度的財務表現及狀況及／或此等綜合財務報表所載的披露並無重大影響。

#### 香港財務報告準則第15號客戶合約收入

本集團已於本年度首次應用香港財務報告準則第15號。香港財務報告準則第15號取代香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋。

本集團已追溯應用香港財務報告準則第15號，而首次應用該準則的累計影響於二零一八年一月一日首次應用日期確認。於首次應用日期之任何差異於期初保留盈利(或其他權益部分(倘合適))確認，並無重列比較資料。此外，根據香港財務報告準則第15號之過渡條文，本集團僅選擇對於二零一八年一月一日尚未完成之合約追溯應用該準則，及已就於首次應用日期前作出的所有合約修改採用實際權宜手段，並於首次應用日期反映所有修改的綜合影響。因此，若干比較資料未必可與根據香港會計準則第18號及香港會計準則第11號及相關詮釋編製的比較資料作比較。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont’d)

##### HKFRS 15 REVENUE FROM CONTRACTS WITH CUSTOMERS (Cont’d)

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Construction services of wastewater treatment facilities
- Wastewater treatment facility operation services
- Sales of electricity generated from biomass power plants

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Information about the Group’s performance obligations and the accounting policies resulting from application of HKFRS 15 are disclosed in notes 5 and 3 respectively.

The Group has performed an assessment of the impact of the adoption of HKFRS 15 and concluded that the revenue recognition of construction and operation of wastewater treatment facilities and biomass power generation business are the same as the revenue recognition prior to the adoption of HKFRS 15. Accordingly, the application of HKFRS 15 does not have material financial impact on the timing and amounts of revenue recognised in prior and current years.

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 於本年度強制生效之新訂香港財務報告準則及修訂本(續)

##### 香港財務報告準則第15號客戶合約收入(續)

本集團主要自下列由客戶合約產生之主要來源確認收益：

- 污水處理設施的建設服務
- 污水處理設施的營運服務
- 銷售生物質發電廠產生的電力

香港財務報告準則第15號引入確認營業收入之五個步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：按合約中之履約責任分配交易價
- 第五步：於實體完成履約責任時(或就此)確認營業收入

有關應用香港財務報告準則第15號而導致之本集團履約責任及會計政策詳情已分別於附註5及附註3披露。

本集團已就應用香港財務報告準則第15號之影響進行評估，並認為就建造及營運污水處理設施及生物質發電業務所確認之營業收入與採納香港財務報告準則第15號前所確認之營業收入相同。因此，應用香港財務報告準則第15號並無對過往年度及本年度確認營業收入之時間及金額構成重大財務影響。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont’d)

##### HKFRS 9 FINANCIAL INSTRUMENTS

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

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

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

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

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 於本年度強制生效之新訂香港財務報告準則及修訂本(續)

##### 香港財務報告準則第9號金融工具

本集團於本年度應用香港財務報告準則第9號金融工具及其他香港財務報告準則之相關相應修訂本。香港財務報告準則第9號就1) 金融資產及金融負債之分類及計量，2) 金融資產之預期信貸虧損(「預期信貸虧損」)及3) 一般對沖會計引入新規定。

本集團已根據香港財務報告準則第9號所載之過渡條文應用香港財務報告準則第9號，即對於二零一八年一月一日(首次應用日期)尚未終止確認之工具追溯應用分類及計量規定(包括預期信貸虧損模式項下之減值)，且並無對已於二零一八年一月一日已終止確認之工具應用有關規定。於二零一七年十二月三十一日之賬面值與於二零一八年一月一日之賬面值之差額於期初保留盈利及其他權益部份確認而並無重列比較資料。

因此，若干比較資料未必可與根據香港會計準則第39號金融工具：確認和計量編製之比較資料作比較。

應用香港財務報告準則第9號而產生之會計政策於附註3披露。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont’d)

##### HKFRS 9 FINANCIAL INSTRUMENTS (Cont’d)

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement of financial assets subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 January 2018.

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 於本年度強制生效之新訂香港財務報告準則及修訂本(續)

##### 香港財務報告準則第9號金融工具(續)

首次應用香港財務報告準則第9號產生之影響概要

下表列示須根據香港財務報告準則第9號及香港會計準則第39號受預期信貸虧損規限之金融資產於首次應用日期二零一八年一月一日之分類及計量情況。

			Available-for-sale investments 可供出售投資	Debt instruments at fair value through other comprehensive income 透過其他全面收益按公允值計量的債務工具
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Closing balance at 31 December 2017 – HKAS 39		於二零一七年十二月三十一日的期末結餘 — 香港會計準則第39號	10,311	—
Effect arising from initial application of HKFRS 9:		初始應用香港財務報告準則第9號所產生的影響：		
Reclassification		重新分類		
From available-for-sale investments	(a)	自可供出售投資	(10,311)	10,311
Opening balance at 1 January 2018		於二零一八年一月一日的期初結餘	—	10,311



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont’d)

##### HKFRS 9 FINANCIAL INSTRUMENTS (Cont’d)

Notes:

#### (a) Available-for-sale (“AFS”) investments

*From AFS debt investments to FVTOCI*

Listed bonds with a fair value of HK\$10,311,000 were reclassified from available-for-sale investments to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. Related fair value losses of HK\$292,000 continued to accumulate in the investment revaluation reserve as at 1 January 2018.

There was no impact on the amounts recognised in relation to these assets from the application of HKFRS 9.

### 2. 採用新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

#### 於本年度強制生效之新訂香港財務報告準則及修訂本（續）

##### 香港財務報告準則第9號金融工具（續）

附註：

#### (a) 可供出售（「可供出售」）投資

*由可供出售債務投資至透過其他全面收益按公允值計量*

公允值10,311,000港元之上市債券已由可供出售投資重新分類至透過其他全面收益按公允值計量之債務工具，此乃由於該等投資乃在為收取合約現金流以及出售有關資產之業務模式而持有，而有關投資合約現金流僅為支付本金及未償還本金利息。於二零一八年一月一日，有關公允值虧損292,000港元繼續累積至投資重估儲備。

應用香港財務報告準則第9號概無對就該等資產而確認之金額造成影響。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont’d)

##### HKFRS 9 FINANCIAL INSTRUMENTS (Cont’d)

Notes: (Cont’d)

#### (b) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all trade receivables. Except for those which had been determined as credit impaired under HKAS 39, trade receivables have been assessed individually with outstanding significant balances, the remaining balances are grouped based on internal credit rating. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore estimated the expected loss rates for the trade receivables and the contract assets on the same basis.

Except for those which had been determined as credit impaired under HKAS 39, ECL for other financial assets at amortised cost, including restricted bank deposits and bank balances, are assessed on 12m ECL basis as there had been no significant increase in credit risk since initial recognition.

All of the Group’s debt instruments at FVTOCI are listed bonds that are graded in the top credit rating among rating agencies. Therefore, these investments are considered to be low credit risk investments and the loss allowance is assessed on 12m ECL basis.

As at 1 January 2018, there was no additional credit loss allowance recognised against retained earnings.

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 於本年度強制生效之新訂香港財務報告準則及修訂本(續)

##### 香港財務報告準則第9號金融工具(續)

附註：(續)

#### (b) 預期信貸虧損模式項下之減值

本集團應用香港財務報告準則第9號簡化方法計量預期信貸虧損，對全部貿易應收款項使用全期預期信貸虧損。除根據香港會計準則第39號釐定為信貸減值者外，具有重大未付結餘之貿易應收款項已個別評估，而餘額根據內部信用評級分組。合約資產涉及未開單之在建工程，並與相同類型合約之貿易應收款項具有大致相同之風險特徵。因此，本集團已按相同基準估計貿易應收款項及合約資產之預期虧損率。

除根據香港會計準則第39號釐定為信貸減值者外，按攤銷成本計量之其他金融資產(包括已抵押銀行存款及銀行結餘)之預期信貸虧損，已按12個月預期信貸虧損基準評估，原因為自首次確認以來信貸風險並無顯著增加。

本集團所有透過其他全面收益按公允值計量之債務工具皆為獲得評級機構最高信貸評級之上市債券。因此，該等投資被視為低信貸風險投資，而虧損撥備按12個月預期信貸虧損基準評估。

於二零一八年一月一日，並無對保留盈利確認額外信貸虧損撥備。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSs THAT ARE MANDATORILY EFFECTIVE FOR THE CURRENT YEAR (Cont’d)

#### IMPACT ON THE OPENING CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION ARISING FROM THE APPLICATION OF ALL NEW STANDARDS

As a result of the changes in the Group’s accounting policies above, the opening consolidated statement of financial position had to be restated. The following table shows the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 於本年度強制生效之新訂香港財務報告準則及修訂本(續)

應用所有新訂準則對期初簡明綜合財務狀況表的影響

由於本集團會計政策的上述變動，期初綜合財務狀況表須予以重列。下表列示就各個受影響項目所確認的調整。不受變動影響的項目未有包括在內。

		31 December 2017 (Audited) 二零一七年 十二月三十一日 (經審核) HK\$'000 千港元	HKFRS 9 香港財務報 告準則第9號 HK\$'000 千港元	1 January 2018 (Restated) 二零一八年 一月一日 (經重列) HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>			
Available-for-sale investments	可供出售投資	10,311	(10,311)	—
Debt instruments at fair value through other comprehensive income	透過其他全面收益按公允值計量的債務工具	—	10,311	<b>10,311</b>
Others with no adjustments	其他並無調整的項目	482,562	—	<b>482,562</b>



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSs IN ISSUE BUT NOT YET EFFECTIVE

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 16  
香港財務報告準則第16號  
HKFRS 17  
香港財務報告準則第17號  
HK(IFRIC) – Int 23  
香港(國際財務報告詮釋委員會)  
— 詮釋第23號  
Amendments to HKFRS 3  
香港財務報告準則第3號(修訂本)  
Amendments to HKFRS 9  
香港財務報告準則第9號(修訂本)  
Amendments to HKFRS 10  
and HKAS 28  
香港財務報告準則第10號及  
香港會計準則第28號(修訂本)  
Amendments to HKAS 1  
and HKAS 8  
香港會計準則第1號及  
香港會計準則第8號(修訂本)  
Amendments to HKAS 19  
香港會計準則第19號(修訂本)  
Amendments to HKAS 28  
香港會計準則第28號(修訂本)  
Amendments to HKFRSs  
香港財務報告準則(修訂本)

Leases<sup>1</sup>  
租賃<sup>1</sup>  
Insurance Contracts<sup>2</sup>  
保險合同<sup>2</sup>  
Uncertainty over Income Tax Treatments<sup>1</sup>  
所得稅處理的不確定性<sup>1</sup>  
Definition of a Business<sup>4</sup>  
業務的定義<sup>4</sup>  
Prepayment Features with Negative Compensation<sup>1</sup>  
反向補償提前還款特徵<sup>1</sup>  
Sale or Contribution of Assets between an Investor and  
its Associate or Joint Venture<sup>3</sup>  
投資者與其聯營公司或合營企業之  
間的資產銷售或注資<sup>3</sup>  
Definition of Material<sup>5</sup>  
重大的定義<sup>5</sup>  
Plan Amendment, Curtailment or Settlement<sup>1</sup>  
計劃修正、縮減或清償<sup>1</sup>  
Long-term Interests in Associates and Joint Ventures<sup>1</sup>  
於聯營公司及合營企業之長期權益<sup>1</sup>  
Annual Improvements to HKFRSs 2015 - 2017 Cycle<sup>1</sup>  
香港財務報告準則二零一五年至二零一七年週期之年度改進<sup>1</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 January 2019.
- <sup>2</sup> Effective for annual periods beginning on or after 1 January 2021.
- <sup>3</sup> Effective for annual periods beginning on or after a date to be determined.
- <sup>4</sup> Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2020.

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 已頒佈但尚未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則：

- <sup>1</sup> 於二零一九年一月一日或之後開始之年度期間生效。
- <sup>2</sup> 於二零二一年一月一日或之後開始之年度期間生效。
- <sup>3</sup> 於將釐定的日期或之後開始的年度期間生效。
- <sup>4</sup> 適用於收購日期為二零二零年一月一日或之後開始的首個年度期間開始當日或之後進行的業務合併。
- <sup>5</sup> 於二零二零年一月一日或之後開始的年度期間生效。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSS IN ISSUE BUT NOT YET EFFECTIVE (Cont’d)

Except for the new and amendments to HKFRSs mentioned below, the directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

#### HKFRS 16 LEASES

HKFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. HKFRS 16 will supersede HKAS 17 *Leases* and the related interpretations when it becomes effective.

HKFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

除下文所述之新訂及經修訂香港財務報告準則外，本公司董事預期應用所有其他新訂及經修訂香港財務報告準則於可見將來將不會對綜合財務報表造成重大影響。

#### 香港財務報告準則第16號租賃

香港財務報告準則第16號為識別出租人及承租人之租賃安排及會計處理引入綜合模式。一經生效，香港財務報告準則第16號將取代香港會計準則第17號租賃及相關的詮釋。

香港財務報告準則第16號以客戶能否控制所識別資產區分租賃及服務合約。除短期租賃及低價值資產租賃外，經營租賃及融資租賃之差異自承租人會計處理中移除，並以承租人須就所有租賃將予確認使用權資產及相應負債之模式取代。

使用權資產初步按成本計量，其後按成本(除若干例外情況外)減累計折舊及減值虧損計量，並就任何租賃負債重新計量作出調整。租賃負債初步按當日尚未支付租金付款之現值計量。其後，租賃負債就利息及租金付款以及(其中包括)租賃修訂之影響作出調整。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSS IN ISSUE BUT NOT YET EFFECTIVE (Cont’d)

##### HKFRS 16 LEASES (Cont’d)

Under HKAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement for land rights where the Group is a lessee. The application of HKFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by HKFRS 16.

As at 31 December 2018, there is no non-cancellable operating lease commitments (2017: nil).

In addition, the Group currently considers refundable rental deposits paid of HK\$45,000 as rights under leases to which HKAS 17 applies. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost and such adjustments are considered as additional lease payments. Adjustments to refundable rental deposits paid would be included in the carrying amount of right-of-use assets.

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第16號租賃(續)

根據香港會計準則第17號，本集團已就本集團作為承租人的土地權的融資租賃安排確認資產及相關融資租賃負債。應用香港財務報告準則第16號可能導致該等資產的分類出現潛在變動，取決於本集團是否單獨呈列使用權資產或將相應相關資產將資產(如已擁有)之同一分列項目內呈列。

除若干亦適用於出租人的要求外，香港財務報告準則第16號大致轉承香港會計準則第17號之出租人會計處理規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，香港財務報告準則第16號要求更詳盡披露。

於二零一八年十二月三十一日，概無擁有不可撤銷經營租賃承擔(二零一七年：無)。

此外，本集團現時認為已支付之可退回租賃按金45,000港元為適用香港會計準則第17號之租賃項下之權利。根據香港財務報告準則第16號項下租賃付款之定義，該等按金並不為與使用相關資產權利有關的付款，因此，該等按金之賬面值或會調整為攤銷成本且該等調整被視為額外租賃付款。已付可退回租賃按金之調整將計入使用權資產之賬面值。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Cont’d)

#### NEW AND AMENDMENTS TO HKFRSS IN ISSUE BUT NOT YET EFFECTIVE (Cont’d)

##### HKFRS 16 LEASES (Cont’d)

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and not apply this standard to contracts that were not previously identified as containing a lease applying HKAS 17. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of HKFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained earnings without restating comparative information.

### 3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

### 2. 採用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

#### 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

##### 香港財務報告準則第16號租賃(續)

應用新規定可能導致上文所述的計量、呈列及披露變動。本集團擬選擇實際權宜手段，就先前應用香港會計準則第17號識別為租賃之合約應用香港財務報告準則第16號，而並無就先前應用香港會計準則第17號識別為租賃之合約應用該準則。因此，本集團不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團(作為承租人)擬選擇經修訂追溯法應用香港財務報告準則第16號，並將確認首次應用對期初保留盈利的累計影響，而並無重列比較資料。

### 3. 重大會計政策

綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則編製。此外，綜合財務報表載有聯交所證券上市規則及香港公司條例規定之適用披露事項。

綜合財務報表按歷史成本基準編製，惟下文的會計政策說明者(於各報告期末按公允值計量的若干金融工具)除外。

歷史成本一般按交換貨物及服務之代價之公允值計量。





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

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

### 3. 重大會計政策(續)

公允值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格，不論該價格是否直接觀察可得或使用另一種估值技術估計。估計資產或負債公允值時，本集團考慮了市場參與者於計量日期為該資產或負債定價時會考慮的資產或負債的特徵。在該等綜合財務報表中計量及／或披露的公允值均在此基礎上予以釐定，惟香港財務報告準則第2號基於股份的付款範圍內之基於股份的付款交易、香港會計準則第17號租賃範圍內之租賃交易以及與公允值部分類似但並非公允值的計量(例如，香港會計準則第2號存貨中的可變現淨值或香港會計準則第36號資產減值中的使用價值)除外。

此外，就財務報告而言，公允值計量根據公允值計量之輸入數據可觀察程度及輸入數據對公允值計量之整體重要性分類為第一級、第二級或第三級，載述如下：

- 第一級輸入數據為實體於計量日期可以取得的相同資產或負債於活躍市場的報價(未經調整)；
- 第二級輸入數據為就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據為資產或負債的不可觀察輸入數據。

主要會計政策載列如下。



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

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### BASIS OF CONSOLIDATION

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

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

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

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

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

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

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

### 3. 重大會計政策(續)

#### 綜合基準

綜合財務報表包括本公司及受本公司及其附屬公司控制的實體的財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對被投資方行使權力；
- 透過參與被投資方業務而享有或有權取得被投資方的可變回報；及
- 有能力行使其權力以影響其回報。

倘事實及情況顯示上述三項控制因素中的一項或多項出現變化，本集團會重新評估其是否控制被投資方。

本集團於獲得附屬公司的控制權時將該附屬公司綜合入賬，並於失去附屬公司的控制權時停止綜合入賬。具體而言，年內收購或出售附屬公司的收入及開支自本集團獲得對附屬公司之控制權當日起計入綜合損益表至本集團不再控制附屬公司當日為止。

損益及其他全面收益的各個項目歸屬於本公司的擁有人及非控股權益。附屬公司全面收益總額歸屬於本公司的擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。

必要時，調整附屬公司財務報表，使其會計政策與本集團之會計政策一致。

所有有關本集團各成員公司間的交易、集團內公司間資產及負債、權益、收入、開支及現金流量會於綜合計算時全數抵銷。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### BASIS OF CONSOLIDATION (Cont'd)

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

#### GOODWILL

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

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination, which represent the lowest level at which the goodwill is monitored for internal management purposes and not larger than an operating segment.

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit (or groups of cash-generating units).

On disposal of the relevant cash-generating unit or any of the cash-generating unit within the group of cash-generating units, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. When the Group disposes of an operation within the cash-generating unit (or a cash-generating unit within a group of cash-generating units), the amount of goodwill disposed of is measured on the basis of the relative values of the operation (or the cash-generating unit) disposed of and the portion of the cash-generating unit (or the group of cash-generating units) retained.

### 3. 重大會計政策(續)

#### 綜合基準(續)

於附屬公司之非控股權益與本集團於當中之權益分開呈列，指相關附屬公司清盤後其持有人可按比例分佔其資產淨值之現時擁有權權益。

#### 商譽

收購業務產生的商譽以於收購業務日期既定之成本減累計減值虧損(如有)入賬。

為進行減值測試，商譽乃分配至預期將從合併所帶來的協同效益中受惠的各個本集團的現金產生單位(或現金產生單位組合)，而該單位(或單位組合)指就內部管理目的監控商譽的最低水平且不過經營分類。

獲得商譽分配的現金產生單位(或現金產生單位組合)每年進行減值測試及每當有跡象顯示該單位可能出現減值時更為頻繁地進行減值測試。就於某一報告期間收購產生的商譽而言，獲得商譽分配的現金產生單位(或現金產生單位組合)於該報告期末前進行減值測試。倘現金產生單位的可收回金額低於該單位的賬面值，則首先分配減值虧損以減低分配至該單位的任何商譽的賬面值，然後按該單位(或現金產生單位組合)內各項資產的賬面值所佔比例分配至該單位的其他資產。

於出售相關現金產生單位或現金產生單位組合中的任何現金產生單位時，商譽的應佔金額計入釐定的出售損益金額。當本集團出售現金產生單位(或現金產生單位組合中的現金產生單位)內之業務時，所出售商譽金額按所出售業務(或現金產生單位)與所保留現金單位(或現金產生單位組合)部分之相對價值計量。



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

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### REVENUE FROM CONTRACTS WITH CUSTOMERS (UPON APPLICATION OF HKFRS 15 IN ACCORDANCE WITH TRANSITIONS IN NOTE 2)

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

### 3. 重大會計政策(續)

#### 客戶合約收入(根據附註2過渡性條文應用香港財務報告準則第15號後)

根據香港財務報告準則第15號，當(或於)達成履約義務時，本集團確認收益，即於特定履約義務的相關商品或服務的「控制權」轉讓予客戶時確認。

履約義務指一項明確商品及服務(或一批商品或服務)或一系列大致相同的明確商品及服務。

倘符合以下其中一項標準，則控制權隨時間轉移，而收益乃參照完全滿足相關履約義務的進展情況而隨時間確認：

- 客戶於本集團履約時同時收取及消耗本集團履約所提供的利益；
- 本集團的履約導致創建及增強客戶於本集團履約時所控制的資產；或
- 本集團的履約並未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。

否則，收益於客戶獲得明確商品或服務控制權的時間點確認。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### REVENUE FROM CONTRACTS WITH CUSTOMERS (UPON APPLICATION OF HKFRS 15 IN ACCORDANCE WITH TRANSITIONS IN NOTE 2) (Cont'd)

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted for and presented on a net basis.

#### OVER TIME REVENUE RECOGNITION: MEASUREMENT OF PROGRESS TOWARDS COMPLETE SATISFACTION OF A PERFORMANCE OBLIGATION

##### INPUT METHOD

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

### 3. 重大會計政策(續)

#### 客戶約收入(根據附註2過渡性條文應用香港財務報告準則第15號後)(續)

合約資產指本集團收取代價以換取本集團向客戶轉讓貨品或服務之權利(尚未成為無條件)。其根據香港財務報告準則第9號就減值作出評估。相反，應收款項則指本集團收取代價之無條件權利，即該代價到期應付前僅需時間推移。

合約負債指本集團就已向客戶收取代價(或代價金額已到期)而承擔向該客戶轉移貨品或服務的責任。

與合約相關之合約資產及合約負債乃按淨額列賬。

#### 隨時間確認收益：計量完全履行履約責任的進度

##### 投入法

完全履行履約責任的進度乃根據投入法計量，即根據本集團為履行履約責任所付出或投入(相對於預期對履行有關履約責任的總投入)確認收益，此方法最能反映本集團於轉移貨品或服務控制權時的履約表現。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### OVER TIME REVENUE RECOGNITION: MEASUREMENT OF PROGRESS TOWARDS COMPLETE SATISFACTION OF A PERFORMANCE OBLIGATION (Cont'd)

##### EXISTENCE OF SIGNIFICANT FINANCING COMPONENT

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

##### REVENUE FROM CONSTRUCTION SERVICE OF WASTEWATER TREATMENT FACILITIES

Revenue from provision of construction services of wastewater treatment facilities is derived from long-term contracts with customers. Such contracts are entered into before the services begin. Under the term of contracts, the Group is contractually required to perform the services at the customers' specified sites that the Group's performance creates and enhances an asset that the customer controls as the Group performs. The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

### 3. 重大會計政策(續)

#### 隨時間確認收益：計量完全履行履約責任的進度(續)

##### 存在重大融資成份

於釐定交易價時，倘向客戶轉移貨品或服務時(不論以明示或暗示方式)協定之付款時間為客戶或本集團帶來重大融資利益，則本集團就金額時間值的影響而調整已承諾之代價金額。於該等情況下，合約含有重大融資成份。不論於合約中以明示呈列或合約訂約方協定的支付條款暗示融資承諾，合約中均存在重大融資成份。

就相關貨品或服務的支付與轉移期間少於一年的合約而言，本集團就任何重大融資成份應用不調整交易價的簡易處理方法。

##### 來自污水處理設施之建造服務之營業收入

提供污水處理設施建造服務的營業收入來自與客戶訂立的長期合約。該等合約於服務開始前訂立。根據合約條款，本集團須按合約於客戶指定地點提供服務，而本集團的履約會產生及增強一項於本集團履約時由客戶控制的資產。完全履行履約責任的進度乃根據投入法計量，即根據本集團為履行履約責任所付出或投入(相對於預期對履行有關履約責任的總投入)確認收益，此方法最能反映本集團於轉移貨品或服務控制權時的履約表現。



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

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### REVENUE RECOGNITION (PRIOR TO 1 JANUARY 2018)

##### REVENUE FROM OPERATION OF WASTEWATER TREATMENT FACILITIES

Revenue from provision of wastewater treatment operating services is recognised at a point in time when service is rendered.

##### REVENUE FROM BIOMASS POWER GENERATION BUSINESS

Revenue from sales of electricity generated from biomass power plants under service concession arrangement is recognised when the Group has transmitted to the customers and the customers accepted the electricity supplied.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

The Group's policy for the recognition of revenue from construction services is described in the accounting policy for construction contracts below.

Service income, including that from operating service provided under service concession arrangements, is recognised when services are provided.

Sales of electricity generated from biomass power plants is recognised when the goods and services are delivered.

### 3. 重大會計政策(續)

#### 營業收入確認(二零一八年一月一日前)

來自營運污水處理設施的營業收入

來自營運污水處理設施的營業收入於提供服務時於某一時間點確認。

來自生物質發電業務的營業收入

來自服務特許權安排下生物質發電廠產生的電力銷售的營業收入於本集團已向客戶輸送所供應電力且客戶已接受所供應電力時確認。

營業收入乃按已收或應收代價的公允值計量。營業收入已就估計客戶退貨、回扣及其他類似折扣作出扣減。

營業收入於收益的金額能可靠計量；未來經濟效益將可能流入本集團及本集團的各個業務活動的特定條件達到(如下文所述)時確認。

本集團就確認來自建造服務的營業收入的政策於下文建造合約的會計政策內闡釋。

服務收入(包括來自根據服務特許權安排所提供的經營服務)於提供服務時確認。

生物質發電廠產生的電力銷售於貨物及服務交付時確認。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### REVENUE RECOGNITION (PRIOR TO 1 JANUARY 2018) (Cont'd)

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

#### CONSTRUCTION CONTRACTS

Where the outcome of a construction contract including construction or upgrade services of the infrastructure under a service concession arrangement can be estimated reliably, revenue and costs are recognised in profit or loss by reference to the stage of completion of the contract activity at the end of the reporting period as measured by the proportion that the value of work performed to date to the estimated total contract costs. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipts is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

### 3. 重大會計政策(續)

#### 營業收入確認(二零一八年一月一日前)(續)

來自投資之股息收入於股東有權收取款項時確認。

利息收入乃參考未償還本金額與實際適用利率後按時間分配基準累計。實際適用利率指透過金融資產之預計年期將估計日後所收取現金準確貼現至該項資產於初步確認時之賬面淨值之利率。

#### 建造合約

在建造合約(包括根據服務特許權安排提供之基礎設施建造或升級服務)之結果能夠可靠地預測時,營業收入及成本乃參考報告期末合約活動於完成階段按當日已進行工程價值及估計合約總成本之比例計量,並於損益中確認。合約工程變更、索償以及獎勵性付款僅於金額能可靠地計量及認為很大可能收回之情況下才包括在內。

在建造合約之結果無法可靠地預測時,則只有在發生的合約成本將來很可能收回的情況下才能確認合約收入。合約成本於其產生之期間確認為開支。

在總合約成本有可能超逾總合約收入時,預期之虧損即時確認為開支。





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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### CONSTRUCTION CONTRACTS (Cont'd)

When a contract covers a number of assets, the construction of each asset is treated as a separate contract when separate proposals have been submitted for each asset, each asset has been separately negotiated and the costs and revenues of each asset can be separately identified. A group of contracts, performed concurrently or in a continuous sequence, is treated as a single construction contract when the contracts were negotiated as a single package and they are so closely inter-related that they constitute a single project with an overall profit margin.

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

#### LEASING

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

Operating lease payments are recognised as an expense on a straight line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis.

### 3. 重大會計政策(續)

#### 建造合約(續)

在一項合約包括多項資產之情況下，如已就每項資產各自提交方案、就每項資產單獨談判及可單獨識別每項資產的成本和收入，則每項資產之建造合約被視作獨立之合約。在有多項合約同時進行或依次持續進行的情況下，倘有關合約以整體方式洽商及互有密切關係以致構成一項可按整體方式計算利潤率的單一項目，則此等合約被視作一項單一建造合約。

倘由開始生效至今所產生的合約成本加已確認溢利及減去已確認虧損後，超逾按進度開發賬單的數額，則盈餘會被視為應收合約工程客戶的款項。倘按進度開發賬單的數額超逾至今所產生的合約成本加已確認溢利減已確認虧損，則盈餘會被列為應付合約工程客戶的款項。有關工程進行前已收取的款項計入綜合財務狀況表為負債，並入賬列為已收墊款。就已進行工程已開發賬單而客戶尚未支付的款項計入綜合財務狀況表的貿易及其他應收款項項下。

#### 租賃

租賃條款將所有權的絕大部分風險及回報轉移至承租人時，有關租賃即歸類為融資租賃。所有其他租賃均歸類為經營租賃。

經營租賃付款以直線法於有關租期內確認為開支。根據經營租賃所產生的或然租金乃於其產生的期間內確認為開支。

倘訂立經營租賃可獲得租賃優惠，該等優惠作為負債確認。總優惠利益以直線法扣減租金開支確認。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### LEASING (Cont'd)

Land rights held under capitalised finance lease are included in property, plant and equipment and not depreciated.

#### LEASEHOLD LAND AND BUILDING

When the Group makes payments for a property interest which includes both land and building elements, the Group assesses the classification of each element separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the entire consideration (including any lump-sum upfront payments) are allocated between the leasehold land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element at the initial recognition.

To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the leasehold land and building elements, the entire property is generally classified as if the leasehold land is under finance lease.

#### FOREIGN CURRENCIES

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

### 3. 重大會計政策(續)

#### 租賃(續)

以資本化融資租賃持有的土地權計入物業、廠房及設備，而且不會折舊。

#### 租賃土地及樓宇

當本集團就包括土地及樓宇兩部分之物業權益付款時，本集團根據評估各部分擁有權所附帶的絕大部分風險及回報是否已轉讓予本集團而獨立評估各個部分的分類，除非肯定兩個部分均屬經營租賃，於此情況下，整個租賃分類為經營租賃。具體而言，全部代價(包括任何一次性預付款項)於初步確認時按租賃土地成分及樓宇成分中租賃權益的相對公允價值比例於土地及樓宇部分之間分配。

倘租賃付款能夠可靠分配，則以經營租賃入賬的租賃土地權益於綜合財務狀況表中呈列為「預付租賃付款」，並於租期內按直線法攤銷。倘租賃付款無法於租賃土地及樓宇成分間可靠分配，則整項物業一般會歸類為猶如租賃土地乃根據融資租賃擁有。

#### 外幣

於編製各個別集團實體的財務報表時，以該實體功能貨幣以外貨幣(外幣)進行的交易按交易日期的現行匯率確認。於報告期末，以外幣列值的貨幣項目以釐定公平值當日的現行匯率重新換算。以外幣計值按歷史成本計量的非貨幣項目不予重新換算。

結算及重新換算貨幣項目產生的匯兌差額於產生期間於損益內確認。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FOREIGN CURRENCIES (Cont'd)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

#### BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

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

### 3. 重大會計政策(續)

#### 外幣(續)

為呈列綜合財務報表，本集團營運的資產及負債均以各報告期末的匯率換算為本集團的呈列貨幣（即港元），而收入及開支項目則以期間平均匯率進行換算。所產生的匯兌差額（如有）則於其他全面收入確認並累計計入匯兌儲備項下的權益（在適當情況下歸屬於非控股權益）。

於出售海外業務（即出售本集團於海外業務之所有權益，或出售涉及失去對一間包含海外業務之附屬公司控制權，或部分出售包含其保留權益成為金融資產之海外業務之合營安排或聯營公司權益）時，於本公司擁有人應佔該業務於權益累計之所有匯兌差額重新分類至損益。

海外業務收購所產生之已收購可識別資產商譽及公允值調整視作該海外業務的資產及負債，並按各報告期末的匯率重新換算。產生之匯兌差額於其他全面收益確認。

#### 借款成本

直接來自收購、興建或生產合資格資產（指必須經一段長時間方可作其擬定用途或出售之資產）之借款成本加入該等資產之成本，直至資產大致上可作其擬定用途或出售為止。

所有其他借款成本在其產生期內於損益確認。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### GOVERNMENT GRANTS

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

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

#### RETIREMENT BENEFIT COSTS AND TERMINATION BENEFITS

Payments to defined contribution retirement benefit plan are recognised as expenses when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

### 3. 重大會計政策(續)

#### 政府補助

在合理肯定本集團符合政府補助的附帶條件及將會收到補助的情況下，政府補助方會予以確認。

作為抵銷已產生的支出或虧損或旨在給予本集團即時財務支持(而無未來有關成本)的應收政府補助，於其成為應收款項的期間於損益確認。

#### 退休福利成本及離職福利

向定額供款退休福利計劃的付款於僱員提供服務令彼等有權收取該等供款時確認為開支。

對於界定福利退休福利計劃，提供福利的成本是採用預期累計福利單位法予以確定，並在每個年度報告期末執行精算估價。重新計量(包括精算損益、資產上限(如適用)變動之影響及計劃資產回報(不包括利息))即時於綜合財務狀況表反映，並於其產生期間於其他全面收益確認為支出或抵免。於其他全面收益確認之重新計量即時於保留盈利反映，將不會重新分類至損益。過往服務成本乃於計劃修訂期於損益確認。利息淨額乃使用於期初對界定福利負債或資產淨額貼現率計算。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### RETIREMENT BENEFIT COSTS AND TERMINATION BENEFITS (Cont'd)

Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognises any related restructuring costs.

### 3. 重大會計政策(續)

#### 退休福利責任費用及離職福利(續)

界定福利成本分類如下：

- 服務成本(包括目前服務成本、過往服務成本以及削減及結算之收益及虧損)；
- 利息開支或收入淨額；及
- 重新計量。

本集團將首兩項界定福利成本呈報為損益之項目。計劃縮減收益及虧損以過往服務成本入賬。

綜合財務狀況表內確認之退休福利責任代表本集團界定福利退休計劃實際虧損或盈餘。由此計算產生之盈餘將不多於以該計劃收回款項模式的經濟收益或該計劃之未來供款減額之現值。

離職福利負債會於本集團實體無法再撤回離職福利邀約及當其確認任何相關重組成本(取其較早者)時確認。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### SHORT-TERM AND OTHER LONG-TERM EMPLOYEE BENEFITS

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another HKFRS requires or permits the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another HKFRS requires or permits their inclusion in the cost of an asset.

#### SHARE-BASED PAYMENT

##### EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

###### *Share options granted to employees*

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration of all non-market vesting condition is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share option reserve.

### 3. 重大會計政策(續)

#### 短期及其他長期僱員福利

短期僱員福利於僱員提供服務時按預期支付福利的未折現金額確認。所有短期僱員福利均確認為開支，除非有另一項香港財務報告準則規定或允許將福利計入資產成本則作別論。

僱員累計福利(如工資及薪金、年假及病假)於扣除已付金額後確認為負債。

就其他長期僱員福利確認的負債按本集團截至報告日期預期就僱員所提供服務作出的估計未來現金流出的現值計量。服務成本、利息及重新計量引致負債賬面值的任何變動於損益確認，惟有另一項香港財務報告準則規定或允許計入資產成本則作別論。

#### 基於股份的付款

##### 以權益結算基於股份的付款交易

###### *授予僱員的購股權*

向僱員及提供類似服務之其他人士作出以權益結算基於股份的付款乃按授出日期權益工具的公允值計量。

於以權益結算基於股份的付款的公允值(於授出日期釐定，未考慮所有非市場歸屬條件)，基於本集團預計將最終歸屬之權益工具按直線法於歸屬期內支銷，而權益(購股權儲備)亦相應增加。於各報告期末，本集團根據對所有相關的非市場歸屬條件的評估修訂其對預期歸屬的權益工具數目之估計。修訂原有估計之影響(如有)於損益內確認，以使累計開支能反映經修訂估計，而購股權儲備亦作出相應調整。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### SHARE-BASED PAYMENT (Cont'd)

##### EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS (Cont'd)

##### Share options granted to employees (Cont'd)

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained earnings.

#### TAXATION

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

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

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

### 3. 重大會計政策(續)

#### 基於股份的付款(續)

以權益結算基於股份的付款交易  
(續)

##### 授予僱員的購股權(續)

於行使購股權之時，先前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日後被沒收或於屆滿日期仍未獲行使，先前於購股權儲備確認之款項將轉撥至保留溢利。

#### 稅項

所得稅開支指現時應付稅項及遞延稅項的總和。

現時應付稅項乃按年內應課稅溢利計算。應課稅溢利與「除稅前虧損」不同，乃由於其他年度應課稅或可扣稅的收入或開支及永不須課稅或不可扣稅的項目所致。本集團乃按報告期末已實行或實際已實行之稅率計算即期稅項負債。

遞延稅項乃就綜合財務報表中資產及負債之賬面值與用於計算應課稅溢利的相應稅基之差額確認。遞延稅項負債一般會就所有應課稅暫時性差額予以確認，而遞延稅項資產一般於可能有應課稅溢利用以抵銷可扣稅暫時性差額時就所有可扣稅暫時性差額予以確認。若暫時性差額乃因商譽或首次確認一項既不影響應課稅溢利亦不影響會計溢利之交易(業務合併除外)中之其他資產及負債而產生，則不予確認有關資產及負債。此外，若暫時性差額是源自商譽之初步確認，則不確認遞延稅項負債。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### TAXATION (Cont'd)

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

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

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

### 3. 重大會計政策(續)

#### 稅項(續)

遞延稅項負債乃就與附屬公司投資相關之應課稅暫時性差額予以確認，惟若本集團可控制暫時性差額之撥回及暫時性差額於可見未來很可能不會撥回之情況除外。與該等投資及權益相關的可扣稅暫時性差額所產生的遞延稅項資產，僅於很可能有足夠應課稅溢利可以抵銷暫時性差額的利益且預計於可見將來可以撥回時確認。

遞延稅項資產的賬面值在報告期末進行檢討，並於不再可能有足夠應課稅溢利可用以備抵將收回的全部或部分資產時作出相應扣減。

遞延稅項資產及負債乃根據於報告期末已實行或實際已實行的稅率(及稅法)，按清償該負債或變現該資產期間預期適用的稅率計量。

遞延稅項負債及資產的計量反映本公司在報告期末預期收回或清償其資產及負債賬面值所用方式可能導致的稅務後果。

倘有可執行合法權利許可將即期稅項資產與即期稅項負債抵銷，且與同一稅務機關徵收之所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

即期及遞延稅項於損益內確認，惟倘即期及遞延稅項有關之項目於其他全面收益或直接於權益確認之情況下，則即期及遞延稅項亦分別於其他全面收益或直接於權益內確認。倘對業務合併進行初步會計處理而產生即期或遞延稅項，則稅務影響計入業務合併的會計處理。





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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment including held for use in the production or supply of goods or services, or for administrative purposes are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of under construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets less their residual values over their estimated useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 3. 重大會計政策(續)

#### 物業、廠房及設備

持作用於生產或提供貨物或服務或作行政用途之物業、廠房及設備乃按成本減後續累計折舊及後續累計減值虧損(如有)列賬於綜合財務狀況表。

興建中作生產、供應或行政用途之物業按成本減任何已確認減值虧損列賬。成本包括專業費用及(就合資格資產而言)根據本集團會計政策資本化的借款成本。在該等物業於完工及準備好作預定用途時,分類至物業、廠房及設備之適當類別。當此等資產準備好作預定用途時,會按照與其他物業資產相同的基準開始計算折舊。

確認折舊乃以直線法在資產的估計可使用年期內撇銷其成本減其殘值。估計使用年期、殘值及折舊方法於各報告期末審閱,任何估計變動之影響按預期基準入賬。

物業、廠房及設備項目會在出售或預期繼續使用資產不會帶來未來經濟利益時終止確認。出售或停用物業、廠房及設備項目所產生之任何盈虧為該資產出售所得款項與賬面值之差額,於損益中確認。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### IMPAIRMENT ON TANGIBLE ASSETS OTHER THAN GOODWILL (SEE THE ACCOUNTING POLICY IN RESPECT OF GOODWILL ABOVE)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that these assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable amount of tangible assets are estimated individually, when it is not possible to estimate the recoverable amount individually, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or a cash-generating unit) for which the estimates of future cash flows have not been adjusted.

### 3. 重大會計政策(續)

#### 除商譽(請參閱上文有關商譽的會計政策)外的有形資產的減值

於報告期末，本集團審閱其使用年期有限的有形資產的賬面值，衡量是否有跡象顯示此等資產已出現減值虧損。倘出現任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)之程度。

有形資產已個別估計可收回金額，倘不能個別估計可收回金額時，本集團則估計該資產所屬之現金產生單位之可收回金額。倘能識別合理一致的分配基準，公司資產亦會分配至個別現金產生單位，或以其他方式分配至能識別合理一致分配基準的現金產生單位最小組別。

可收回金額為公允值減出售成本及使用價值之較高者。於評估使用價值時，估計日後現金流量乃採用稅前貼現率貼現至其現值，該貼現率反映貨幣時間價值之現行市場評估及尚未就日後現金流量之估計作出調整之資產(或現金產生單位)之特有風險。



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

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### IMPAIRMENT ON TANGIBLE ASSETS OTHER THAN GOODWILL (SEE THE ACCOUNTING POLICY IN RESPECT OF GOODWILL ABOVE) (Cont'd)

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 3. 重大會計政策(續)

#### 除商譽(請參閱上文有關商譽的會計政策)外的有形資產的減值(續)

倘估計資產(或現金產生單位)之可收回金額將少於其賬面值,則資產(或現金產生單位)之賬面值將調減至其可收回金額。於分配減值虧損時,首先分配減值虧損以減少任何商譽的賬面值(如適用),其後根據該單位各資產的賬面值按比例分配至其他資產。資產賬面值不得減少至低於其公允價值減出售成本(如可計量)、其使用價值(如可計量)及零之中的最高值。已另行分配至資產之減值虧損數額按比例分配至該單位其他資產。減值虧損即時於損益確認。

倘減值虧損其後撥回,該項資產(或現金產生單位)之賬面值將增加至其經修訂之估計可收回金額,惟增加後之賬面值不得超過倘若該資產(或現金產生單位)於過往年度並無確認減值虧損所釐定之賬面值。減值虧損之撥回即時於損益確認。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### SERVICE CONCESSION ARRANGEMENTS

##### CONSIDERATION GIVEN BY THE GRANTOR

A financial asset (receivable under service concession arrangement) is recognised to the extent that (a) the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services rendered and/or the consideration paid and payable by the Group for the right to charge users of the public service; and (b) the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if the payment is contingent on the Group ensuring that the infrastructure meets specified quality of efficiency requirements. The financial asset (receivable under service concession arrangement) is accounted for in accordance with the policy set out for “Financial instruments” below.

##### OPERATING SERVICES

Revenue and costs relating to operating services are accounted for in accordance with the policy for “Revenue from contracts with customers” upon application of HKFRS 15 in accordance with transitions in note 2 and “Revenue recognition” prior to 1 January 2018 above.

##### CONTRACTUAL OBLIGATIONS TO RESTORE THE INFRASTRUCTURE TO A SPECIFIED LEVEL OF SERVICEABILITY

The Group has contractual obligations which it must fulfil as a condition of its licence, that is (a) to maintain the wastewater treatment facilities it operates to a specified level of serviceability and/or (b) to restore the plants to a specified condition before they are handed over to the grantor at the end of the service concession arrangement. These contractual obligations to maintain or restore the wastewater treatment facilities are recognised and measured in accordance with the policy set out for “Provisions” below.

### 3. 重大會計政策(續)

#### 服務特許權安排

##### 授予人給予之代價

所確認財務資產(服務特許權安排下之應收款項)以下列者為限：(a)本集團有無條件權利就所提供建築服務向授予人或按其指示收取現金或其他金融資產及／或本集團就向公共服務使用者收費之權利而支付及應付之代價；及(b)授予人擁有有限酌情權(如有)逃避付款，通常因為協議可依法強制執行。倘授予人以合約方式擔保向本集團支付(a)指定或待定金額，或(b)已收公共服務用戶之款項與指定或待定金額兩者間之差額(如有)，而儘管付款須以本集團確保基礎設施符合規定質素及效率要求為條件，本集團仍擁有無條件權利收取現金。金融資產(服務特許權安排下之應收款項)根據下文「金融工具」所載之政策列賬。

##### 經營服務

與經營服務有關之營業收入及成本按根據附註2過渡性條文應用香港財務報告準則第15號後之「客戶合約收入」及上述於二零一八年一月一日前之「營業收入確認」之政策列賬。

##### 修復基礎設施至特定可提供服務水平的合約責任

本集團為獲取許可證而須承擔的合約責任為(a)保養其經營的污水處理設施，確保符合特定的可提供服務水平及／或(b)於服務特許權安排結束時，在移交廠房予授予人之前，將其修復至替定狀態。該等保養或修復污水處理設施的合約責任乃根據下文「撥備」所載政策確認與計量。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are determined on a first-in, first-out method. Net realisable value represents the estimated selling price for inventories less all costs of completion and cost necessary to make the sale.

#### PROVISIONS

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision, including those arising from the contractual obligation specified in the service concession arrangement to maintain or restore the infrastructure before it is handed over to the grantor, is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

### 3. 重大會計政策(續)

#### 存貨

存貨以成本及可變現淨值兩者之間較低者入賬。存貨成本乃按先入先出法釐定。可變現淨值指存貨的估計售價減所有完工成本及銷售所需成本。

#### 撥備

倘本集團須就過往事件承擔現時(法定或推定)責任，及本集團有可能須履行該項責任，並可對責任的金額作出可靠估計時，則會確認撥備。

已確認為撥備的金額(包括服務特許權安排於移交授予人之前為維持或恢復基建而指定的合約責任所產生者)為對報告期末履行現時責任所需代價的最佳估計，並考慮與責任有關的風險及不明朗因素。倘使用履行現時責任所需的估計現金流量計量撥備，其賬面值為相關現金流量的現值(倘貨幣時間價值之影響重大)。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liabilities and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liabilities, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

### 3. 重大會計政策(續)

#### 金融工具

金融資產及金融負債於集團實體成為工具合約條文的訂約方時確認。所有日常購買或出售金融資產乃按交易日基準確認及終止確認。日常買賣乃指須按市場規定或慣例所釐定的時限內交付資產的金融資產買賣。

除自二零一八年一月一日根據香港財務報告準則第15號初步計量由客戶合約收入產生的貿易應收款項外，金融資產及金融負債初步按公允值計量。於初步確認時，收購或發行金融資產及金融負債(除透過損益按公允值計量的金融資產及金融負債外)所產生直接交易成本將視乎情況計入或扣除自金融資產或金融負債的公允值。收購透過損益按公允值計量的金融資產或金融負債的直接應佔交易成本即時於損益確認。

實際利率法乃計算金融資產或金融負債攤銷成本及分攤相關期間利息收入及利息開支的方法。實際利率乃透過金融資產或金融負債的預期年期或(如適用)較短期間將估計未來現金收入及付款(包括所有構成整體實際利率的已付或已收費用及代價、交易成本及其他溢價或折讓)準確貼現至於初步確認時的賬面淨值的利率。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)*

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which HKFRS 3 *Business Combinations* applies.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產

*金融資產分類及後續計量(根據附註2過渡性條文應用香港財務報告準則第9號後)*

符合以下條件的金融資產其後按攤銷成本計量：

- 以收取合約現金流量為目的之業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及尚未償還本金之利息。

符合下列條件的金融資產其後透過其他全面收益按公允值(「透過其他全面收益按公允值」)計量：

- 以達致收取合約現金流量及出售目的而持有金融資產之業務模式下持有之金融資產；及
- 合約條款於指定日期產生之現金流量純粹為支付本金及尚未償還本金之利息。

所有其他金融資產其後透過損益按公允值(「透過損益按公允值」)計量，惟在首次應用／首次確認金融資產日期，倘該股權投資並非持作買賣，亦非由於收購方在香港財務報告準則第3號業務合併所適用的業務合併中確認的或然代價，則本集團可不可撤銷地選擇於其他全面收益(「其他全面收益」)呈列股權投資公允值的其後變動。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產分類及後續計量(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

(i) 攤銷成本及利息收入

其後按攤銷成本及債務工具計量之金融資產之利息收入使用實際利率法確認。利息收入乃對金融資產賬面總值應用實際利率計算，惟其後出現信貸減值之金融資產除外(見下文)。對於其後出現信貸減值之金融資產而言，利息收入按金融資產自下個報告期起之攤銷成本應用實際利率確認。倘信貸減值金融工具之信貸風險有所改善，致使金融資產不再信貸減值，則利息收入自釐定有關資產不再出現信貸減值後之報告期開始對賬面總值應用實際利率確認。





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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

(ii) Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in OCI and accumulated under the heading of investment revaluation reserve. Impairment allowances are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

(iii) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產分類及後續計量(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

(ii) 分類為透過其他全面收益按公允值計量之債務工具

分類為透過其他全面收益按公允值計量之債務工具，其賬面值之後續變動會於損益中確認，有關變動乃由實際利率法計算之利息收入及外匯收益及虧損所致。該等債務工具賬面值之所有其他變動均於其他全面收益中確認，並於投資重估儲備項下累計。於損益中確認之減值撥備連同其他全面收益之相應調整並無減少該等債務工具之賬面值。該等金額與債務工具按攤銷成本計量並於損益中確認之金額相符。如該等債務工具終止確認，則先前於其他全面收益確認之累計收益或虧損將重新分類至損益。

(iii) 透過損益按公允值計量的金融資產

金融資產如不符合按攤銷成本或透過其他全面收益按公允值計量或指定為透過其他全面收益按公允值計量的條件，則透過損益按公允值計量。



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Classification and subsequent measurement of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

##### (iii) Financial assets at FVTPL (Cont'd)

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the “other income and gains” line item.

*Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2)*

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables, receivables under service concession arrangements, financial assets at FVTOCI, restricted bank deposits and bank balances and cash). The amount of ECL is updated at the end of the reporting period to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“**12m ECL**”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the end of the reporting period. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the end of the reporting period as well as the forecast of future conditions.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產分類及後續計量(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

##### (iii) 透過損益按公允值計量的金融資產(續)

於各報告期末，透過損益按公允值計量的金融資產按公允值計量，而任何公允值收益或虧損於損益確認。於損益確認的收益或虧損淨額不包括就金融資產所賺取的任何股息或利息，並計入「其他收入及收益」項目內。

*金融資產之減值(根據附註2過渡性條文應用香港財務報告準則第9號後)*

本集團根據香港財務報告準則第9號就發生減值之金融資產(包括貿易及其他應收款項、服務特許權安排下的應收款項、透過其他全面收益按公允值計量的金融資產、受限制銀行存款及銀行結餘及現金)確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各報告期末更新，以反映自初步確認後信貸風險的變動。

全期預期信貸虧損指因相關工具的預期使用期內所有可能的違約事件而將產生之預期信貸虧損。相反，12個月預期信貸虧損(「**12個月預期信貸虧損**」)指預期於報告期末後12個月內可能發生的違約事件導致之全期預期信貸虧損部份。評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告期末當前狀況的評估以及對未來狀況的預測作出調整。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

The Group always recognises lifetime ECL for trade receivables. The ECL on these assets are assessed individually for debtors with significant balances.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

#### (i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產之減值(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

本集團經常就貿易應收賬款確認全期預期信貸虧損。該等資產的預期信貸虧損乃就具有巨額結餘的債務人個別作出評估。

就所有其他工具而言，本集團計量的虧損撥備等於12個月預期信貸虧損，惟倘自初始確認以來信貸風險顯著增加，則本集團確認全期預期信貸虧損。評估是否應確認全期預期信貸虧損乃基於自初始確認以來發生違約之可能性或風險是否顯著增加。

#### (i) 信貸風險顯著增加

於評估自初始確認以來信貸風險是否顯著增加時，本集團將於報告日期金融工具發生之違約風險與初始確認日起金融工具發生之違約風險進行比較。在進行該評估時，本集團會考慮合理且可支持的定量及定性資料，包括無需付出不必要的成本或努力而可取得之過往經驗及前瞻性資料。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

##### (i) Significant increase in credit risk (Cont'd)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產之減值(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

##### (i) 信貸風險顯著增加(續)

特別是，在評估信貸風險是否已顯著增加時，會考慮以下資料：

- 金融工具的外部(如有)或內部信貸評級的實際或預期顯著惡化；
- 信貸風險外部市場指標的顯著惡化，如信貸利差、債務人的信貸違約掉期價格大幅增加；
- 預計會導致債務人償還債務能力大幅下降的業務、財務或經濟狀況的現有或預測的不利變動；
- 債務人經營業績的實際或預期顯著惡化；
- 導致債務人償還債務能力大幅下降的債務人監管、經濟或技術環境的實際或預期的重大不利變動。

不論上述評估之結果如何，本集團認為，倘合約付款逾期超過30天，則自初始確認以來信貸風險已顯著增加，除非本集團有合理且可支持之資料證明屬其他情況。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

(i) Significant increase in credit risk (Cont'd)

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of “investment grade” as per globally understood definitions.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產之減值(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

(i) 信貸風險顯著增加(續)

儘管如此，倘債務工具於報告日期釐定為具有較低信貸風險，則本集團可假設債務工具之信貸風險自初始確認以來並未顯著增加。在以下情況下，債務工具會釐定為具有較低信貸風險：i)其違約風險較低；ii)借款人短期內絕對有能力履行其合約現金流量責任；及iii)經濟及商業環境之長期不利變動可能但未必會降低借款人履行合約現金流量責任之能力。本集團認為，倘債務工具之內部或外部信貸評級為國際通用的「投資級別」，則該債務工具具有較低信貸風險。

本集團定期監察識別信貸風險是否顯著上升所用標準之有效性，並酌情修訂以確保該標準能夠在款項逾期前識別信貸風險之顯著上升。

(ii) 違約之定義

就內部信貸風險管理而言，本集團認為內部產生或獲取自外部來源之資料顯示債務人不太可能向債權人(包括本集團)全額還款(不考慮本集團持有之任何抵押品)時將構成違約事件。



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

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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

##### (ii) Definition of default (Cont'd)

Irrespective of the above, the Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

##### (iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產之減值(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

##### (ii) 違約之定義(續)

不論上述結果如何，倘該工具逾期超過90天，則本集團認為已發生違約，除非本集團有合理可作為依據之資料顯示更滯後之違約準則更為適合則作別論。

##### (iii) 信貸減值金融資產

當發生對金融資產之估計未來現金流量產生不利影響之一項或多項違約事件時，金融資產即出現信貸減值。金融資產信貸減值之證據包括以下可觀察事件：

- (a) 發行人或借款人陷入重大財困；
- (b) 違反合約，如違約或逾期事件；
- (c) 借款人之貸款人因與借款人出現財困相關之經濟或合約原因，而向借款人授予貸款人在一般情況下不會考慮之優惠條件；
- (d) 借款人可能破產或進行其他財務重組；或
- (e) 因財困導致金融資產之活躍市場消失。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

#### (iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

#### (v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產之減值(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

#### (iv) 撇銷政策

當有資料顯示交易對手陷入重大財困，且並無實際收回可能(例如交易對手已被清盤或進入破產程序，或就貿易應收款項而言，款項逾期超過兩年，以較早者為準)，本集團會撇銷金融資產。已撇銷之金融資產仍可根據本集團之收回程序進行法律行動，在適當情況下應聽取法律建議。撇銷構成取消確認事項。任何後續收回款項會於損益中確認。

#### (v) 預期信貸虧損之計量及確認

預期信貸虧損之計量為違約概率、違約虧損(即違約時虧損程度)及違約風險之函數。違約概率及違約虧損之評估乃基於歷史數據按前瞻性資料作調整。預期信貸虧損的估計反映公正及概率加權金額，有關金額乃根據發生相應違約風險的金額作為加權數值而釐定。

一般而言，預期信貸虧損及按根據合約應付本集團之所有合約現金流量與本集團預期收取之現金流量之間的差額(按初始確認時釐定之實際利率貼現)估計。



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

##### (v) Measurement and recognition of ECL (Cont'd)

Where ECL is measured on a collective basis or cater for cases where evidence at the individual instrument level may not yet be available, the financial instruments are grouped on the internal credit basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產之減值(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

##### (v) 預期信貸虧損之計量及確認(續)

倘按集體基準計量預期信貸虧損或並無迎合個別工具層面之證據之情況，金融工具按內部信貸基準分組：

- 金融工具性質(即本集團之貿易及其他應收款項、應收融資租賃款項及應收客戶款項作為單獨組別評估。向關聯方提供之貸款按個別基準評估預期信貸虧損)；
- 逾期狀況；
- 債務人之性質、規模及行業；及
- 外部信貸評級(如有)。

管理層定期檢討分組方法，確保各組別之組成項目仍然具有類似之信貸風險特徵。

利息收入按金融資產之總賬面值計算，除非該金融資產已發生信貸減值，則利息收入按金融資產之攤銷成本計算。





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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Impairment of financial assets (upon application of HKFRS 9 in accordance with transitions in note 2) (Cont'd)*

(v) Measurement and recognition of ECL (Cont'd)

Except for investments in debt instruments that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the FVTOCI reserve without reducing the carrying amount of these debt instruments.

*Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018)*

Financial assets are classified into the following specified categories: AFS financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產之減值(根據附註2過渡性條文應用香港財務報告準則第9號後)(續)*

(v) 預期信貸虧損之計量及確認(續)

除債務工具投資透過其他全面收益按公允值計量外，本集團透過調整其賬面值就所有金融工具於損益中確認減值收益或虧損，惟透過虧損撥備賬確認相應調整之貿易應收款項及其他應收款項除外。就透過其他全面收益按公允值計量之債務工具投資外，虧損撥備於其他全面收益中確認並透過其他全面收益按公允值計量儲備中累計而不會減少該等債務工具之賬面值。

*金融資產分類及後續計量(於二零一八年一月一日應用香港財務報告準則第9號前)*

金融資產分類為下列特定類別：可供出售金融資產及貸款及應收款項。分類視乎金融資產之性質及目的而定並於首次確認時釐定。所有日常購買或出售之金融資產按交易日基準確認及終止確認。購買或出售為須於市場規則或慣例設定時限之內交付資產之購買或出售金融資產。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Classification and subsequent measurement of financial assets  
(before application of HKFRS 9 on 1 January 2018) (Cont'd)*

(i) AFS financial assets

AFS financial assets are non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL. The Group designated listed debt securities as AFS financial assets on initial recognition of those items.

Equity and debt securities held by the Group that are classified as AFS financial assets are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS debt instruments relating to interest income calculated using the effective interest method, and changes in foreign exchange rates, if applicable are recognised in profit or loss. Dividends on AFS equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產分類及後續計量(於二零一八年一月一日應用香港財務報告準則第9號前)(續)*

(i) 可供出售金融資產

可供出售金融資產為指定為可供出售或並非分類為(a)貸款及應收款項、(b)持有至到期日投資或(c)透過損益按公允值列賬的金融資產的非衍生工具。本集團於初步確認上市債券證券時指定若干項目為可供出售金融資產。

除公允值不能可靠計量之未報價股權投資外，本集團所持有被分類為可供出售金融資產之權益及債務證券於各報告期末按公允值計量。與採用實際利率法計算之利息收入有關的可供出售債務工具的賬面值變動及外匯匯率變動(如適用)於損益確認。當本集團收取股息之權利確立，可供出售權益工具之股息均於損益中確認。可供出售金融資產賬面值的其他變動乃於其他全面收益中確認，並於投資重估儲備項下累計。

對在活躍市場並無報價及公允值不能可靠計量之可供出售股權投資，於各報告期末按成本減已識別減值虧損計量。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

*Classification and subsequent measurement of financial assets (before application of HKFRS 9 on 1 January 2018) (Cont'd)*

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including receivables under service concession agreements, trade receivables, other receivables, restricted bank deposits and bank balances) are measured at amortised cost using the effective interest method, less any identified impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

*Impairment of financial assets (before application of HKFRS 9 on 1 January 2018)*

Financial assets, are assessed for indicators of impairment at the end of the reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

*金融資產分類及後續計量(於二零一八年一月一日應用香港財務報告準則第9號前)(續)*

(ii) 貸款及應收款項

貸款及應收款項為有固定或可確定付款額，但在活躍市場中並無報價的非衍生金融資產。於初步確認後，貸款及應收款項(包括服務特許權協議下的應收款項、貿易應收款項、其他應收款項、受限制銀行存款及銀行結餘)均以實際利率法按攤銷成本減任何已識別減值計量。

利息收入採用實際利率確認，惟所確認利息可能並不重大的短期應收款項除外。

*金融資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)*

金融資產均於報告期末評估是否存在減值跡象。倘有客觀證據顯示初步確認金融資產後出現的一項或多項事件影響金融資產之估計未來現金流量，則金融資產視作出現減值。

就可供出售股權投資而言，倘股權投資的公允值大幅或長期跌至低於其成本值，則該下跌視為減值之客觀證據。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

##### *Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Cont'd)*

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When a trade or other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### *金融資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)(續)*

所有其他金融資產的減值客觀證據可包括：

- 發行人或對手方出現嚴重財政困難；或
- 違反合約，如違約或拖欠利息或本金；或
- 借款人有可能破產或進行財務重組。

就按攤銷成本列賬的金融資產而言，減值虧損金額以資產賬面值與按該金融資產原實際利率貼現之估計未來現金流量現值間的差額確認。

所有金融資產的減值虧損會直接於金融資產賬面值中調減，惟貿易及其他應收款項則除外，其賬面值會通過使用撥備賬調減。撥備賬的賬面值變動會於損益內確認。

當貿易或其他應收款項被視為不可收回時，於撥備賬內撇銷。其後收回的過往撇銷款項將計入損益。

當可供出售金融資產被視為出現減值時，先前於其他全面收益內確認的累計收益或虧損於該期間內重新分類至損益。



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### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

##### *Impairment of financial assets (before application of HKFRS 9 on 1 January 2018) (Cont'd)*

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investment, impairment losses previously recognised in profit or loss are not reversed through profit or loss.

##### *Derecognition of financial assets*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### *金融資產減值(於二零一八年一月一日應用香港財務報告準則第9號前)(續)*

就按攤銷成本計量的金融資產而言，倘於其後期間，減值虧損金額減少且有關減少可客觀聯繫至確認減值虧損後發生的事件，則先前確認的減值虧損可透過損益撥回，惟減值撥回當日資產的賬面值不得超過未確認減值時應有的攤銷成本。

就可供出售股權投資而言，先前於損益確認的減值虧損不會透過損益撥回。

##### *終止確認金融資產*

本集團僅會於資產現金流量之合約權力屆滿或其轉讓金融資產並已向另一實體轉移資產絕大部分擁有權風險及回報時終止確認金融資產。倘本集團並未轉移亦未保留擁有權之絕大部分風險及回報，並繼續控制已轉移資產，則本集團確認從其於該資產之保留權益及與其可能須支付金額有關之負債。倘本集團仍保留已轉移金融資產擁有權之絕大部分風險及回報，本集團將繼續確認該金融資產以及確認已收所得款項之有抵押借款。

終止確認按攤銷成本計量之一項金融資產時，該資產賬面值與已收及應收代價總和之差額於損益中確認。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS (Cont'd)

##### *Derecognition of financial assets (Cont'd)*

On derecognition of an investment in a debt instrument classified as at FVTOCI upon application of HKFRS 9, the cumulative gain or loss previously accumulated in the FVTOCI reserve is reclassified to profit or loss.

On derecognition of an AFS financial asset, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

#### FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

##### *Classification as debt or equity*

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### *Equity instrument*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instrument issued by the Company are recognised at the proceeds received, net of direct issue costs.

##### *Financial liabilities at amortised cost*

Financial liabilities including trade payables, other payables, amounts due to related parties and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### *終止確認金融資產(續)*

應用香港財務報告準則第9號後，於終止確認分類為透過其他全面收益按公允值計量之債務工具投資時，先前於透過其他全面收益按公允值計量儲備中累計之累計收益或虧損將重新分類至損益。

於終止確認可供出售金融資產時，先前於投資重估儲備中累計之累計收益或虧損將重新分類至損益。

#### 金融負債及權益工具

##### *分類為債務或權益*

債務及權益工具乃根據所合約安排的內容以及金融負債及權益工具的定義分類為金融負債或權益。

##### *權益工具*

權益工具為證明實體的資產於扣除其所有負債後的剩餘權益的任何合約。本公司所發行的權益工具乃按已收所得款項扣除直接發行成本確認。

##### *按攤銷成本列值的金融負債*

金融負債(包括貿易應付款項、其他應付款項、應付關連方款項及銀行借款)於其後採用實際利率法按攤銷成本計量。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going 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.

### CRITICAL JUDGEMENT IN APPLYING ACCOUNTING POLICIES

The following is the critical judgement, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

#### AMORTISATION OF LAND RIGHTS

The Group classified the land rights held by a subsidiary, PT Rimba Palma Sejahtera Lestri ("RPSL"), in Indonesia as finance leases because the management considered that substantially all risks and rewards are transferred to RPSL, even if at the end of the lease term, titles do not pass to RPSL. Indonesian land rights are granted for a stated period of time, with an extension option at an immaterial cost. Land rights are also renewable after the extended period term expires. Given the fact that land rights can be extended at RPSL's option, the management considered that the term of land rights is sufficiently long to indicate the transfer of risks and rewards from the government to RPSL and the government's interest in the residual value of the underlying land is considered as insignificant. Also, the management considered that RPSL has the ability and intent to renew the land leases in perpetuity, the useful life of the land rights are in perpetuity and hence are not depreciated.

### 4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用本集團會計政策(載於附註3)時,本公司董事須就未能直接從其他來源取得的資產及負債的賬面值作出判斷、估計及假設。該等估計及相關假設乃根據過往經驗及其他被視為相關的因素作出。實際結果與該等估計或有所不同。

該等估計及相關假設會作持續檢討。倘對會計估計的修訂僅影響估計修訂的期間,則於該期間確認有關修訂,或倘修訂影響當前及未來期間,則於修訂期間及未來期間確認有關修訂。

### 應用會計政策時的關鍵判斷

下列為本公司董事於應用本集團會計政策的過程中所作出且對於綜合財務報表中確認的金額具有最重大影響的關鍵判斷(除該等涉及估計者外(見下文))。

#### 土地權攤銷

本集團將附屬公司PT Rimba Palma Sejahtera Lestri(「RPSL」)於印尼持有的土地權分類為融資租賃,原因是管理層認為其絕大部分風險及回報已轉讓予RPSL,儘管於租賃期末土地業權尚未轉讓至RPSL。印尼土地權於規定時期內獲授予,可選擇以非重大成本延期。延長期限到期後,土地權亦可續期。鑑於RPSL可選擇延長土地權,管理層認為土地權的期限之足以表明風險及回報由政府轉讓至RPSL,政府於相關土地剩餘價值的權益被視為無關緊要。管理層亦認為RPSL能夠及有意續簽永久地契,土地權的使用年期為永久,因此不會貶值。



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### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### KEY SOURCES OF ESTIMATION UNCERTAINTY

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### ESTIMATED IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL RELATING TO BUSINESS OPERATION IN INDONESIA

Determining whether property, plant and equipment and goodwill is impaired requires an estimation of the recoverable amount of the cash-generating unit (“CGU”) to which the property, plant and equipment and goodwill has been allocated, which is the higher of the value in use or fair value less costs of disposal. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, or change in facts and circumstances which results in downward revision of future cash flows, further impairment loss may arise. During the year ended 31 December 2018, the Group recognised an impairment loss of HK\$79,743,000 in respect of property, plant and equipment and HK\$39,889,000 in respect of goodwill after assessing the recoverable amount of CGU which is principally engaged in the biomass power generation business in the Indonesia (“Biomass Plant”).

The management’s assessment of property, plant and equipment and goodwill impairment is highly judgmental and is dependent on certain key assumptions including the discount rate, growth rates and budgeted sales, and gross margin, which are affected by expected future market or economic conditions, particularly those in the Indonesia. An independent qualified professional valuer is engaged to assess the recoverable amount of the CGU. The detail assumptions were set out in note 18.

### 4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

#### 估計不明朗因素的主要來源

以下乃有關日後的主要假設及於報告期末的估計不明朗因素的其他主要來源，而該等假設及估計不明朗因素或會導致須對下一個財政年度資產及負債的賬面值作出重大調整的重大風險。

#### 與印尼的業務運營相關的估計物業、廠房及設備及商譽減值

決定物業、廠房及設備及商譽有否減值須估計物業、廠房及設備及商譽所分配至的現金產生單位(「現金產生單位」)的可收回金額(使用價值或公允值減出售成本之較高者)。計算使用價值須本集團估計預期來自現金產生單位的未來現金流量及合適的貼現率以計算現值。倘實際的未來現金流量低於預期，或事實及環境變化導致向下修訂未來現金流量，則可能產生更大的減值虧損。於截至二零一八年十二月三十一日止年度，於評估主要於印尼從事生物質發電業務的現金產生單位(「生物質發電廠」)的可收回金額後，本集團分別就物業、廠房及設備及就商譽確認減值虧損79,743,000港元及39,889,000港元。

管理層對物業、廠房及設備及商譽減值的評估過程涉及重大判斷，而該評估取決於若干重要假設，包括貼現率、增長率及預算銷售及毛利率，前述各項均受預期未來市場或經濟情況所影響，尤其是印尼的未來市場或其經濟狀況。本集團聘請一名獨立合資格專業估值師評估現金產生單位的可收回金額。詳細假設載於附註18。





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### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

##### SERVICE CONCESSION ARRANGEMENTS

The Group entered into the build-operate-transfer (the “**BOT**”) arrangements in wastewater treatment. The Group concluded that the BOT arrangements are service concession arrangements under HK(IFRIC)-Int 12 *Service Concession Arrangements*, 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.

Revenue from the construction of wastewater treatment facilities under the terms of a BOT contract is estimated on a cost-plus basis in which the construction margin is determined with reference to a prevailing market rate of gross margins of market comparables at the time of construction, and is recognised using the percentage-of-completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract. The revenue from the construction of wastewater treatment facilities has recognised during the year ended 31 December 2018 was HK\$11,151,000 (2017: nil).

Imputed interest income is recognised from time to time on receivables under service concession arrangements on an accrual basis using the effective interest method by discounting the estimated future cash receipts over the service concession period at the effective interest rate computed at initial recognition.

The relevant effective interest rate is determined with reference to the yield of corporate bonds of comparable infrastructure companies in the People's Republic of China (the “**PRC**”).

### 4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

#### 估計不明朗因素的主要來源(續)

##### 服務特許權安排

本集團已訂立污水處理建設一經營一移交(「**BOT**」)安排。本集團認為有關BOT安排均屬香港(國際財務報告詮釋委員會)一詮釋第12號服務特許權安排下的服務特許權安排，因為當地政府控制並監管本集團按預定服務費以基礎設施提供的服務。此外，在特許權協議到期後，有關基礎設施須無償轉歸當地政府。

根據BOT合約條款來自建造污水處理設施的營業收入以成本加成法估計，而建設毛利率乃參考於建造時可資比較市場的現行市場毛利率釐定，並採用完工百分比方法確認入賬，及參考截至當日已產生的成本佔相關合約的估計總成本的比例計量。截至二零一八年十二月三十一日止年度，確認來自建造污水處理設施的營業收入為11,151,000港元(二零一七年：無)。

服務特許權安排下的應收款項不時會使用實際利率法按累計基準確認推算利息收入，並按照初始確認時計算的實際利率將服務特許期的估計未來現金收入貼現。

相關實際利率經參考可資比較的中華人民共和國(「**中國**」)基建公司的公司債券收益率釐定。



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

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### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

##### PROVISION FOR MAJOR OVERHAULS OF WASTEWATER TREATMENT FACILITIES TO A SPECIFIED LEVEL OF SERVICEABILITY

The Group has contractual obligations (a) to maintain the wastewater treatment facilities it operates to a specified level of serviceability and (b) to restore the facilities to a specified condition before they are handed over to the grantor at the end of the service concession arrangement. These contractual obligations to maintain or restore infrastructure, except for any upgrade element, are recognised and measured in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the end of each reporting period. The estimation of the expenditure requires the Group to estimate the expected future cash outlays on major overhauls of the wastewater treatment facilities over the service concession periods and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the provision for major overhauls carried as a liability in the consolidated statement of financial position as at 31 December 2018 was HK\$11,040,000 (2017: HK\$8,635,000), further details of which are set out in note 28.

##### PROVISION OF ECL AND IMPAIRMENT OF RECEIVABLES UNDER SERVICES CONCESSION ARRANGEMENTS AND TRADE RECEIVABLES

During the year ended 31 December 2018, the Group individually calculate ECL for the receivables under services concession arrangements and trade receivables. The provision rates are based on internal credit ratings. The rates are based on the Group's historical default rates. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. The provision of ECL is sensitive to changes in estimates. The information about the ECL are disclosed in note 34.

### 4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

#### 估計不明朗因素的主要來源(續)

使污水處理設施達致特定可提供服務水平的重大檢修撥備

本集團的合約責任為(a)保養其經營的污水處理設施，確保符合特定的可提供服務水平及(b)於服務特許權安排結束時，在移交該等設施予授予人之前，將其修復至指定狀態。該等保養或修復基礎設施的合約責任(升級部分除外)乃根據香港會計準則第37號撥備、或然負債及或然資產予以確認與計量，即按各報告期末履行當前責任所需開支的最佳估計值進行確認與計量。估計開支時本集團須估計服務特許期內污水處理設施重大檢修的預計未來現金開支，並選擇適當貼現率以計算該等現金流量的現值。於二零一八年十二月三十一日的綜合財務狀況表內列作負債的重大檢修撥備的賬面值為11,040,000港元(二零一七年：8,635,000港元)，有關進一步詳情載於附註28。

#### 預期信貸虧損撥備及服務特許權安排下的應收款項減值及貿易應收款項

於截至二零一八年十二月三十一日止年度，本集團就服務特許權安排下的應收款項及貿易應收款項個別計算預期信貸虧損。撥備率乃以內部信貸評級為基準。該等比率乃以本集團的過往違約率為基準。於每個報告日期，重新評估過往觀察的違約率，並已考慮前瞻性資料的變動。預期信貸虧損的撥備易受估計的變動影響。預期信貸虧損的資料於附註34披露。



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

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### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

##### PROVISION OF ECL AND IMPAIRMENT OF RECEIVABLES UNDER SERVICES CONCESSION ARRANGEMENTS AND TRADE RECEIVABLES (Cont'd)

During the year ended 31 December 2017, the policy for provision for impairment of receivables under service concession arrangements is based on the evaluation of collectability and ageing analysis of accounts and on the management's estimation. A considerable amount of estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each trade and other receivable. If the financial conditions of receivables under service concession arrangement were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

#### CURRENT TAX AND DEFERRED TAX

The Group is subject to income taxes in Hong Kong, the PRC and the Republic of Indonesia (the "Indonesia"). The Group carefully evaluates tax implications of its transactions in accordance with prevailing tax regulations and makes tax provision accordingly. However, a judgement is required in determining the Group's provision for income taxes as there are many transactions and calculations of which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact on the income tax and deferred tax provision in the periods in which the determination is made. The carrying amount of deferred tax liabilities is set out in the consolidated statement of financial position and note 27.

### 4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

#### 估計不明朗因素的主要來源(續)

預期信貸虧損撥備及服務特許權安排下的應收款項減值及貿易應收款項(續)

於截至二零一七年十二月三十一日止年度，服務特許權安排下的應收款項減值撥備政策乃根據可收回性評估及賬目賬齡分析以及管理層的估計作出。於評估該等應收款項的最終變現數額時須作出大量估計，包括各貿易及其他應收款項現時的信譽及過往收回歷史。倘服務特許權安排下的應收款項的財務狀況惡化，導致其付款能力降低，則可能須作額外撥備。

#### 即期稅項及遞延稅項

本集團於香港、中國及印度尼西亞共和國(「印尼」)須繳納所得稅。本集團審慎評估現行稅務規例對其交易的稅務影響並相應地計提稅項撥備。然而，於釐定本集團的所得稅撥備時須作出判斷，乃因於日常業務過程中未能準確釐定最終須繳納稅項的交易及計算相當繁多。若有關事項的最終稅務結果與初始入賬額不同，則該差額將影響釐定稅款期間的所得稅及遞延稅項撥備。遞延稅項負債的賬面值載於綜合財務狀況表及附註27。



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

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### 4. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

##### CURRENT TAX AND DEFERRED TAX (Cont'd)

Deferred tax liabilities have been recognised for withholding taxes that would be payable on certain portion of the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in the PRC since it is probable that these subsidiaries will distribute such earnings in the foreseeable future. Where the final distribution portion of earnings is larger than the amount that initially recorded, the differences will impact on the income tax in the periods in which the distribution is made. Further details of the temporary difference associated with investment in subsidiaries are set out in note 27.

### 4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

#### 估計不明朗因素的主要來源(續)

##### 即期稅項及遞延稅項(續)

已就本集團於中國所成立的附屬公司須繳納預扣稅的若干部分未匯回盈利應繳納的預扣稅確認遞延稅項負債，原因為該等附屬公司於可見將來可能會分派有關盈利。倘盈利的最終分派部分高於最初入賬的金額，該等差額將影響分派期間的所得稅。與於該等附屬公司之投資相關的暫時性差額的進一步詳情載於附註27。

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

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### 5. REVENUE

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Types of goods and services</b>	<b>商品及服務類別</b>		
Construction services	建設服務	11,151	—
Wastewater treatment facility operation services	污水處理設施營運服務	21,531	37,091
Sales of electricity generated from biomass power plants	銷售生物質發電廠產生的電力	31,245	26,800
Revenue from goods and services	商品及服務營業收入	63,927	63,891
Imputed interest income on receivables under service concession arrangements	服務特許權安排下應收款項推算利息收入	15,123	15,073
		79,050	78,964

		2018 二零一八年 HK\$'000 千港元
<b>Timing of revenue recognition</b>	<b>收入確認時點</b>	
A point in time	於某一時間點	52,776
Over time	隨時間	11,151
Revenue from goods and services	商品及服務營業收入	63,927

The contracts for construction services, wastewater treatment facility operation services and sales of electricity generated from biomass power plants are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

建設服務、污水處理設施營運服務、銷售生物質發電廠產生的電力合約期限均為一年或以下。如香港財務報告準則第15號所批准，並無披露分配至該等未履行合約的交易價。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 5. REVENUE (Cont'd)

Set out below is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information.

		2018 二零一八年			Total 總計
		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	HK\$'000 千港元
Construction services	建設服務	—	11,151	—	11,151
Wastewater treatment facilities operation services	污水處理設 施營運服務	—	21,531	—	21,531
Sales of electricity generated from biomass power plants	銷售生物質發電廠 產生的電力	—	—	31,245	31,245
Revenue from contracts with customers	來自客戶合約 的營業收入	—	32,682	31,245	63,927
Imputed interest income on receivables under service concession arrangements	服務特許權安排下 應收款項推算 利息收入	—	15,123	—	15,123
Total revenue	營業收入總額	—	47,805	31,245	79,050

### 6. SEGMENTAL INFORMATION

The Group is engaged in the construction and operation of wastewater treatment facilities and biomass power generation business. Information reported to the Group's chief operating decision maker (i.e. the executive directors) for the purposes of resource allocation and assessment of performance is focused on geographical location of its manpower and customers including Hong Kong, PRC and Indonesia.

### 5. 營業收入(續)

以下為來自客戶合約的營業收入與分部資料所披露金額的對賬：

### 6. 分部資料

本集團從事建設及營運污水處理設施以及生物質發電業務。呈報予本集團主要營運決策人(即執行董事)，以作為資源分配及表現評估之用的資料集中在其人力資源及客戶的地理位置，包括香港、中國及印尼。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. SEGMENTAL INFORMATION (Cont'd)

#### SEGMENT REVENUE AND RESULTS

The following is an analysis of Group's revenue and results by reportable and operating segments:

#### Year ended 31 December 2018

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Results</b>	<b>業績</b>				
Segment revenue	分部收入	—	47,805	31,245	79,050
Segment (loss) profit	分部(虧損)溢利	(17,776)	10,330	(93,751)	(101,197)
<b>Unallocated expenses</b>	<b>未分配開支</b>				
Administrative expenses	行政開支				(19)
Impairment loss recognised in respect of goodwill	已確認商譽減值虧損				(39,889)
Loss before tax	除稅前虧損				(141,105)

#### Year ended 31 December 2017

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Results</b>	<b>業績</b>				
Segment revenue	分部收入	—	52,164	26,800	78,964
Segment (loss) profit	分部(虧損)溢利	(14,929)	11,620	(9,739)	(13,048)
<b>Unallocated expenses</b>	<b>未分配開支</b>				
Administrative expenses	行政開支				(15)
Gain on disposal of a subsidiary	出售一間附屬公司收益				6,035
Impairment loss recognised in respect of goodwill	已確認商譽減值虧損				(43,863)
Loss before tax	除稅前虧損				(50,891)

There are no inter-segment sales for both years.

All of the segment revenue reported above is from external customers.

### 6. 分部資料(續)

#### 分部收入及業績

本集團可呈報及經營分部的收入及業績分析如下：

#### 截至二零一八年十二月三十一日止年度

#### 截至二零一七年十二月三十一日止年度

兩個年度均無分部間銷售。

上述呈報的所有分部收入均來自外部客戶。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. SEGMENTAL INFORMATION (Cont'd)

#### SEGMENT ASSETS AND LIABILITIES

The following is an analysis of Group's assets and liabilities by reportable and operating segments:

At 31 December 2018

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Assets</b>	<b>資產</b>				
Segment and total consolidated assets	分部綜合資產及綜合資產總值	51,295	338,082	86,511	475,888
<b>Liabilities</b>	<b>負債</b>				
Segment and total consolidated liabilities	分部綜合負債及綜合負債總值	42,410	54,561	4,541	101,512

### 6. 分部資料(續)

#### 分部資產及負債

本集團按可呈報及經營分部劃分之資產及負債分析如下：

於二零一八年十二月三十一日

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	計入分部溢利或虧損或分部資產之金額：				
Additions to non-current assets (note)	添置非流動資產(附註)	—	1,156	11,334	12,490
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認之減值虧損	—	—	79,743	79,743
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	410	12,539	12,949
Bank interest income	銀行利息收入	57	34	888	979



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. SEGMENTAL INFORMATION (Cont'd)

#### SEGMENT ASSETS AND LIABILITIES (Cont'd)

At 31 December 2017

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<i>Assets</i>	<i>資產</i>				
Segment and total consolidated assets	分部綜合資產及綜合資產總值	85,283	341,046	202,599	628,928
<i>Liabilities</i>	<i>負債</i>				
Segment and total consolidated liabilities	分部綜合負債及綜合負債總值	47,700	53,714	5,692	107,106

For the year ended 31 December 2017

### 6. 分部資料(續)

#### 分部資產及負債(續)

於二零一七年十二月三十一日

截至二零一七年十二月三十一日止年度

		Hong Kong 香港 HK\$'000 千港元	PRC 中國 HK\$'000 千港元	Indonesia 印尼 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	計入分部溢利或虧損或分部資產之金額：				
Additions to non-current assets (note)	添置非流動資產(附註)	—	469	2,555	3,024
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	366	12,036	12,402
Depreciation of assets classified as held for sale	分類為持作出售資產折舊	—	11	—	11
Bank interest income	銀行利息收入	14	47	199	260

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 6. SEGMENTAL INFORMATION (Cont'd)

#### SEGMENT ASSETS AND LIABILITIES (Cont'd)

The Group's non-current assets by geographical location of the assets are detailed below:

		Non-current assets 非流動資產	
		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
PRC	中國	287,570	291,817
Indonesia	印尼	54,814	178,318
		<b>342,384</b>	470,135

Note: Non-current assets excluded debt instruments at FVTOCI, available-for-sale investments and restricted bank deposits.

### 6. 分部資料(續)

#### 分部資產及負債(續)

本集團按資產之地區劃分之非流動資產詳列如下：

附註：非流動資產不包括透過其他全面收益按公允值計量的債務工具可供出售投資及受限制銀行存款。

Revenue from customers of the corresponding years contributing over 10% of the Group's revenue are as follows:

相應年度佔本集團收入10%以上的客戶如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Customer A from the PRC segment	中國分部客戶A	37,600	41,947
Customer B from the Indonesia segment	印尼分部客戶B	31,245	26,800
Customer C from the PRC segment	中國分部客戶C	10,205	10,217

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 7. OTHER INCOME AND GAINS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Bank interest income	銀行利息收入	979	260
Interest income from debt instruments at FVTOCI/available-for-sale investments	透過其他全面收益按公允值計入的債務工具／可供出售投資的利息收入	650	501
Gain on disposal of available-for-sale investments	出售可供出售投資收益	—	492
Foreign exchange (loss) gain, net	外匯(虧損)收益淨額	(3,816)	526
Government grants (note)	政府補助(附註)	1,365	2,319
Refund of value-added tax	增值稅退稅	3,114	3,488
Others	其他	400	666
		<b>2,692</b>	<b>8,252</b>

Note: Government grants have been received from local governments in Jiangsu Province for the purpose of carrying out environmental protection works. There were no unfulfilled conditions or contingencies relating to these grants as at 31 December 2018 and 2017.

附註：就實施環保工程得到江蘇省地方政府的補助。於二零一八年及二零一七年十二月三十一日概無有關該等補助的未完成條件或或然事件。

### 8. FINANCE COSTS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest on bank borrowings	銀行借款的利息	1,612	1,034
Increase in discounted amounts of provision for major overhauls arising from the passage of time (note 28)	由於時間流逝而產生的重大檢修撥備的貼現金額增加(附註28)	565	415
		<b>2,177</b>	<b>1,449</b>

### 8. 融資成本

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 9. LOSS BEFORE TAX

### 9. 除稅前虧損

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax has been arrived at after charging (crediting):	除稅前虧損已扣除(計入):		
Employee benefit expense (including directors' remuneration (note 10)):	僱員福利開支(包括董事酬金(附註10)):		
Salaries and other benefits	薪金及其他福利	<b>18,642</b>	18,084
Discretionary bonus	酌情花紅	<b>120</b>	120
Pension scheme contributions (note)	退休金計劃供款(附註)	<b>2,236</b>	1,973
Share-based payments	基於股份的付款	<b>21</b>	46
		<b>21,019</b>	20,223
Cost of construction services	建設服務成本	<b>8,875</b>	—
Cost of wastewater treatment facilities operation services rendered	提供污水處理設施營運服務的成本	<b>27,039</b>	40,393
Cost of power plant operation (including cost of inventories recognised as expenses of HK\$21,999,000 (2017: HK\$25,054,000))	發電廠營運成本(包括確認為開支的存貨成本21,999,000港元(二零一七年: 25,054,000港元))	<b>33,060</b>	33,727
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>12,949</b>	12,402
Impairment loss recognised in respect of goodwill	就商譽確認的減值虧損	<b>39,889</b>	43,863
Impairment loss recognised in respect of property, plant and equipment	就物業、廠房及設備確認的減值虧損	<b>79,743</b>	—
Depreciation of assets classified as held for sale	分類為持作出售資產折舊	—	11
Minimum lease payments under operating lease	經營租賃下的最低租賃付款	—	59
Auditors' remuneration	核數師薪酬	<b>1,300</b>	1,300
Foreign exchange loss (gain), net	外匯虧損(收益)淨額	<b>3,816</b>	(526)
Provision for major overhauls	重大檢修撥備	<b>2,058</b>	1,349

Note: At 31 December 2018, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2017: nil).

附註：於二零一八年十二月三十一日，本集團概無被沒收供款可減少未來年度的退休金計劃供款(二零一七年：無)。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

Directors' and chief executive's remuneration for the year, disclosed pursuant to the applicable Listing Rules and Companies Ordinance, is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Directors' fees	董事袍金	2,060	2,085
Other emoluments:	其他酬金：		
Salaries and other benefits	薪金及其他福利	2,345	987
Pension scheme contributions	退休金計劃供款	18	18
		2,363	1,005
		4,423	3,090

#### (A) INDEPENDENT NON-EXECUTIVE DIRECTORS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Ms. Ng Chung Yan Linda	伍頌恩女士	120	120
Mr. Ng Man Kung	吳文拱先生	120	120
Mr. Sze Yeuk Lung Benedict	施若龍先生	100	100
		340	340

The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

There were no other emoluments payable to the independent non-executive directors during the year (2017: nil).

### 10. 董事及最高行政人員薪酬

根據適用上市規則及公司條例已披露之年內董事及最高行政人員薪酬如下：

#### (A) 獨立非執行董事

上述獨立非執行董事之酬金乃就彼等作為本公司董事所提供服務之薪酬。

年內並無支付獨立非執行董事其他酬金(二零一七年：無)。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

#### (B) EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

### 10. 董事及最高行政人員薪酬 (續)

#### (B) 執行董事及非執行董事

		Fees	Salaries and other benefits	Pension scheme contributions	Total emoluments
		袍金	薪金及其他福利	退休金計劃供款	酬金總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
<b>Year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>				
<b>Executive Directors</b>	<b>執行董事</b>				
Mr. Chau On Ta Yuen	周安達源先生	1,320	68	—	1,388
Mr. Chan Kwan (Chief Executive)	陳昆先生(行政總裁)	100	1,834	18	1,952
Mr. Suhendra Radius	蘇堅人先生	100	—	—	100
		<b>1,520</b>	<b>1,902</b>	<b>18</b>	<b>3,440</b>
<b>Non-Executive Directors</b>	<b>非執行董事</b>				
Mr. Chan Pak Lam Brian	陳栢林先生	100	443	—	543
Mr. Chau Chi Yan Benny	周致人先生	100	—	—	100
		<b>200</b>	<b>443</b>	<b>—</b>	<b>643</b>
		<b>1,720</b>	<b>2,345</b>	<b>18</b>	<b>4,083</b>

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Cont'd)

#### (B) EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS (Cont'd)

	Fees	Salaries and other benefits	Pension scheme contributions	Total emoluments
	袍金	薪金及其他福利	退休金計劃供款	酬金總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
<b>Year ended 31 December 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>			
<b>Executive Directors</b>	<b>執行董事</b>			
Mr. Chau On Ta Yuen	1,320	69	—	1,389
Mr. Chan Kwan (Chief Executive)	100	918	18	1,036
Mr. Suhendra Radius	125	—	—	125
	1,545	987	18	2,550
<b>Non-Executive Directors</b>	<b>非執行董事</b>			
Mr. Chan Pak Lam Brian	100	—	—	100
Mr. Chau Chi Yan Benny	100	—	—	100
	200	—	—	200
	1,745	987	18	2,750

The executive directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments shown above were for their services as directors of the Company or its subsidiaries.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year.

### 10. 董事及最高行政人員薪酬 (續)

#### (B) 執行董事及非執行董事 (續)

上述執行董事酬金乃就彼等提供與管理本公司及本集團事務有關之服務之薪酬。

上述非執行董事酬金乃就彼等作為本公司或其附屬公司之董事所提供服務之薪酬。

年內並無董事或最高行政人員放棄或同意放棄任何薪酬之安排。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 11. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two directors (2017: two directors), details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining three (2017: three) non-director, highest paid employees are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Employees' salaries and other benefits	僱員薪金及其他福利	2,902	2,204
Discretionary bonus	酌情花紅	119	100
Pension scheme contributions	退休金計劃供款	75	32
Share-based payments	基於股份的付款	21	46
		<b>3,117</b>	2,382

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		Number of employees 僱員數目	
		2018 二零一八年	2017 二零一七年
Nil to HK\$1,000,000	零至 1,000,000 港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	2	1
		<b>3</b>	3

### 11. 五名最高薪酬僱員

年內五名最高薪酬僱員包括兩名(二零一七年: 兩名)董事, 其薪酬之詳情載列於上文附註10。年內餘下三名(二零一七年: 三名)非董事之最高薪酬僱員之薪酬詳情載列如下:

薪酬屬於以下範圍非董事的最高薪酬僱員的數目如下:



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. INCOME TAX EXPENSE

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
PRC tax	中國稅項		
Charge for the year	年內支出	2,464	6,493
Underprovision in prior years	過往年度撥備不足	38	2,584
Deferred tax (note 27)	遞延稅項(附註27)	1,060	779
Total tax charge for the year	年內稅項支出總額	3,562	9,856

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 had been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2017: nil).

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the consolidated financial statements.

Withholding tax is calculated at 5% of the dividend income received from a subsidiary in the PRC.

### 12. 所得稅開支

根據開曼群島及英屬處女群島(「英屬處女群島」)規則及法規，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。

由於本集團於年內並無於香港產生任何可評稅溢利(二零一七年：無)，故概無計提香港利得稅撥備。

於二零一八年三月二十一日，香港立法會通過《2017年稅務(修訂)(第7號)條例草案》(「條例草案」)，引入兩級制利得稅率制度。條例草案於二零一八年三月二十八日簽署成為法律並於翌日刊憲。根據兩級制利得稅率制度，合資格集團實體的首2百萬港元利潤將按8.25%稅率徵稅，而超過2百萬港元利潤將按16.5%稅率徵稅。不符合兩級制利得稅率制度的集團實體的利潤將繼續按16.5%的統一稅率徵稅。本公司董事認為，於實施兩級制利得稅率制度後涉及的金額就綜合財務報表而言並不重大。

自一間中國附屬公司收到的股息收益按5%計算預扣稅。



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. INCOME TAX EXPENSE (Cont'd)

The provision for the PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in the PRC as determined in accordance with the relevant income tax rules and regulations of the PRC.

No provision for Indonesian income tax had been made as the Group did not generate any assessable profits arising in Indonesia during the year (2017: nil).

Haian Hengfa Wastewater Treatment Company Limited (“**Haian Hengfa**”) and Rugao Hengfa Water Treatment Company Limited (“**Rugao Hengfa**”) obtained preferential income tax treatment whereby their income taxes are charged at the taxable profit with an exemption of 10% of the revenue generated for the year ended 31 December 2016. However, the in-charge PRC tax bureau of Rugao Hengfa issued a notice in March 2018 that Rugao Hengfa did not fulfil the conditions for preferential income tax treatment after conducting reassessment for the years ended 31 December 2014, 2015 and 2016. Accordingly, additional PRC tax provision for the possible denial of preferential income tax treatment to both Rugao Hengfa and Haian Hengfa at HK\$2,584,000 in total for the year ended 31 December 2017 was recognised. Taxable profit for Haian Hengfa and Rugao Hengfa have been prepared without the exemption of 10% for the year ended 31 December 2018.

### 12. 所得稅開支(續)

中國所得稅撥備是根據位於中國的附屬公司所適用並按中國相關所得稅規則及規例所釐定的各企業所得稅率而作出。

由於本集團於年內並無於印尼產生任何可評稅溢利(二零一七年：無)，故概無計提印尼所得稅撥備。

海安恆發污水處理有限公司(「**海安恆發**」)及如皋恆發水處理有限公司(「**如皋恆發**」)獲得所得稅優惠待遇，據此，將就減免10%於截至二零一六年十二月三十一日止年度產生的營業收入的應課稅溢利繳納所得稅。然而，規管如皋恆發的中國稅務局於二零一八年三月發出通知，稱在對截至二零一四年、二零一五年及二零一六年十二月三十一日止年度進行重新評估後發現如皋恆發並不滿足所得稅優惠待遇的條件。因此，截至二零一七年十二月三十一日止年度，就如皋恆發及海安恆發的所得稅優惠待遇可能被否決確認額外中國稅項撥備合共2,584,000港元。於計算截至二零一八年十二月三十一日止年度海安恆發及如皋恆發的應課稅溢利時未有計及該10%的減免。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 12. INCOME TAX EXPENSE (Cont'd)

A reconciliation of the tax expense applicable to (loss) profit before tax at the statutory rates for jurisdictions in which the Company's subsidiaries are domiciled to the tax expense at the Group's effective tax rate is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss before tax	除稅前虧損	(141,105)	(50,891)
Tax at the statutory tax rates at 25%	按法定稅率25%計算的稅項	(35,276)	(12,723)
Underprovision in prior years	過往年度撥備不足	38	2,584
Effect of withholding tax on the distributable profits of the Group's subsidiaries in the PRC	預扣稅對本集團中國附屬公司可供分配溢利的影響	268	974
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(2,591)	(341)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	37,015	16,819
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	3,847	2,293
The effect of deductive temporary difference not recognised	未確認可扣除暫時性差額之影響	261	250
Tax charge for the year	年內稅項支出	3,562	9,856

### 13. DIVIDEND

No interim or final dividend was proposed during both years, nor has any dividend been proposed since the end of the reporting period.

### 12. 所得稅開支(續)

按本公司附屬公司註冊成立所在司法權區的法定稅率計算的除稅前(虧損)溢利適用的稅項開支與按本集團實際稅率計算的稅項開支的對賬如下：

### 13. 股息

兩個年度內均未有建議派付中期或末期股息，自報告期末以來亦未有建議派付任何股息。

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### 14. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loss for the purposes of basic and diluted loss per share, being loss for the year attributable to owners of the Company	就每股基本及攤薄虧損而言之虧損，即本公司擁有人應佔年內虧損	<b>(139,718)</b>	(61,074)

		Number of shares 股份數目	
		2018 二零一八年 '000 千股	2017 二零一七年 '000 千股
Weighted average number of ordinary shares for the purpose of basic loss per share	就每股基本虧損而言之普通股加權平均數	<b>1,110,975</b>	1,111,000

For the years ended 31 December 2018 and 2017, the computation of diluted loss per share does not assume the exercise of the Company's outstanding share option since their exercise would result in a decrease in loss per share.

### 14. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損的計算基於下列數據：

截至二零一八年及二零一七年十二月三十一日止年度，因本公司購股權之行使會導致每股虧損減少，故計算每股攤薄虧損時並未假設行使本公司未行使的購股權。

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## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		Construction in progress 在建工程 HK\$'000 千港元	Land rights 土地權 HK\$'000 千港元	Land and buildings 土地及樓宇 HK\$'000 千港元	Equipment and machines 設備及機器 HK\$'000 千港元	Office equipment 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本							
At 1 January 2017	於二零一七年 一月一日	287	5,033	6,125	133,763	824	1,255	147,287
Additions	添置	179	402	119	1,710	212	402	3,024
Disposal	出售	—	—	—	—	—	(111)	(111)
Transfer	轉讓	(470)	—	448	22	—	—	—
Exchange realignment	匯兌重列	4	14	17	517	28	34	614
At 31 December 2017	於二零一七年 十二月三十一日	—	5,449	6,709	136,012	1,064	1,580	150,814
Additions	添置	10,541	426	90	1,042	391	—	12,490
Disposal	出售	—	—	—	—	(8)	(224)	(232)
Exchange realignment	匯兌重列	(978)	(330)	(366)	(7,227)	(36)	(36)	(8,973)
<b>At 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>	<b>9,563</b>	<b>5,545</b>	<b>6,433</b>	<b>129,827</b>	<b>1,411</b>	<b>1,320</b>	<b>154,099</b>
DEPRECIATION AND IMPAIRMENT	折舊及減值							
At 1 January 2017	於二零一七年 一月一日	—	—	89	2,765	531	772	4,157
Provided for the year	年內撥備	—	—	520	11,639	121	122	12,402
Eliminated by disposal	透過出售撇銷	—	—	—	—	—	(31)	(31)
Exchange realignment	匯兌重列	—	—	(5)	(80)	16	29	(40)
At 31 December 2017	於二零一七年 十二月三十一日	—	—	604	14,324	668	892	16,488
Provided for the year	年內撥備	—	—	544	12,141	128	136	12,949
Impairment loss recognised for the year	年內已確認減值虧損	6,158	3,198	3,619	66,655	39	74	79,743
Eliminated by disposal	透過出售撇銷	—	—	—	—	—	(213)	(213)
Exchange realignment	匯兌重列	(573)	(297)	(418)	(8,022)	(28)	(23)	(9,361)
<b>At 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>	<b>5,585</b>	<b>2,901</b>	<b>4,349</b>	<b>85,098</b>	<b>807</b>	<b>866</b>	<b>99,606</b>
CARRYING VALUES	賬面值							
<b>At 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>	<b>3,978</b>	<b>2,644</b>	<b>2,084</b>	<b>44,729</b>	<b>604</b>	<b>454</b>	<b>54,493</b>
At 31 December 2017	於二零一七年 十二月三十一日	—	5,449	6,105	121,688	396	688	134,226



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The above property, plant and equipment, except for construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Land and buildings	0% — 9%
Equipment and machines	10% — 20%
Office equipment	18% — 20%
Motor vehicles	12.5% — 20%

During the year ended 31 December 2018, the Group carried out a review of the recoverable amounts of the related property, plant and equipment of the subsidiary, PT Rimba Plama Sejahtera Lestari, which are used in the Group's biomass power generation business. The recoverable amounts of the relevant assets have been determined on the basis of their value in use. These valuations are performed by independent qualified professional valuers from AVISTA Group, who are members of the Institute of Valuers and not connected with the Group. The review led to the recognition of an impairment loss of HK\$79,743,000 (2017: nil) which has been recognised in profit or loss for the year ended 31 December 2018. The impairment loss is charged pro rata to the property, plant and equipment of the subsidiary related to the biomass power generation business. The impairment loss on property, plant and equipment has been disclosed in the profit or loss as a separate line item. Details are set out in note 18.

Management also assessed the potential for impairment of the Group's remaining property, plant and equipment and is satisfied that no objective evidence of impairment loss existed for these assets.

### 15. 物業、廠房及設備(續)

上述物業、廠房及設備(在建工程除外)按下列年率以直線法計提折舊：

土地及樓宇	0% — 9%
設備及機器	10% — 20%
辦公室設備	18% — 20%
汽車	12.5% — 20%

截至二零一八年十二月三十一日止年度，本集團對附屬公司 PT Rimba Plama Sejahtera Lestari 於本集團生物質發電業務所使用相關物業、廠房及設備之可收回金額進行審閱。有關資產的可收回金額已以其使用價值為基準釐定。該等估值工作乃由與本集團並無關連之獨立合資格估值師兼估值師學會成員艾華迪集團進行。該審閱導致確認減值虧損 79,743,000 港元(二零一七年：零)，而有關減值虧損已於截至二零一八年十二月三十一日止年度在損益確認。減值虧損按比例自有關生物質發電業務的附屬公司的物業、廠房及設備中扣除。物業、廠房及設備之減值虧損已於損益披露為一項獨立項目。詳情載於附註 18。

管理層亦已評估本集團餘下物業、廠房及設備之潛在減值，並信納並無客觀證據顯示該等資產存在減值虧損。



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### 16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The Group entered into a number of service concession arrangements with certain governmental authorities in the PRC on a BOT basis in respect of its wastewater treatment services. Pursuant to the service concession arrangements, the Group has to design, construct, operate and manage wastewater treatment facilities in the PRC over the service concession periods. The governmental authorities guarantee that the Group will receive minimum annual payments in connection with the arrangements or receive a top up fee depending on the volume of water that the wastewater treatment facilities treated. The Group is generally entitled to use the wastewater treatment facilities and the related facilities (the “**Facilities**”). However, the Group has the obligation to maintain the Facilities in good condition and the Facilities will be transferred to the relevant governmental authorities at a specified level of serviceability upon expiry of the concession periods. The service concession arrangements do not contain renewal options. The BOT agreements do not grant any termination rights to any of the contracting parties.

### 16. 服務特許權安排下的應收款項

本集團已與若干中國政府機關就污水處理服務按BOT基準訂立多項服務特許權安排。根據服務特許權安排，本集團須於服務特許期內設計、建造、經營及管理中國污水處理設施。政府機關保證本集團將就有關安排收取最低年度付款或依據污水處理設施處理的污水量收取補足費用。本集團通常有權使用污水處理設施及相關設施（「**該等設施**」），然而，本集團有責任維持該等設施處於良好狀況且該等設施將於特許期屆滿後按一定可提供服務水平移交有關政府機關。服務特許權安排不包含續期選擇權。BOT安排概無授予任何訂約方任何終止權。

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### 16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

As at 31 December 2018, the Group had 4 (2017: 4) service concession arrangements on wastewater treatment with two governmental authorities in the PRC and a summary of the major terms of the principal service concession arrangements are set out as follows:

### 16. 服務特許權安排下的應收款項(續)

於二零一八年十二月三十一日，本集團與兩個中國政府機關訂立4項(二零一七年：4項)污水處理的服務特許權安排，主要服務特許權安排的主要條款概要載列如下：

Name of company as operator* 作為運營商的公司名稱*	Name of wastewater treatment facility 污水處理設施名稱	Location 位置	Nature of grantor 授予人名稱	Type of service concession equipment 服務特許權設備類型	Designed processing capacity 設計處理能力	Service concession period 服務特許期
Haian Hengfa 海安恆發	Haian Hengfa Municipal Wastewater Treatment Facility (Phase I) 海安恆發市政污水處理設施(一期)	Haian County, Nantong City 南通市海安縣	Haian County Construction Bureau 海安縣建設局	BOT on wastewater treatment 有關污水處理的BOT	20,000	28 years from 2002 to 2030 and extended to 2036 in 2013 28年，從二零零二年起計至二零三零年止，並於二零一三年延長至二零三六年
Haian Hengfa 海安恆發	Haian Hengfa Municipal Wastewater Treatment Facility (Phase II) 海安恆發市政污水處理設施(二期)	Haian County, Nantong City 南通市海安縣	Haian County Construction Bureau 海安縣建設局	BOT on wastewater treatment 有關污水處理的BOT	20,000	22.5 years from 2013 to 2036 22.5年，從二零一三年起計至二零三六年的止
Rugao Hengfa 如皋恆發	Rugao Hengfa Municipal and Industrial Wastewater Treatment Facility (Phase I) 如皋恆發市政及工業污水處理設施(一期)	Rugao County, Nantong City 南通市如皋縣	Rugao Economic and Technological Development Zone Administrative Committee 如皋經濟技術開發區管委會	BOT on wastewater treatment 有關污水處理的BOT	20,000	25 years from 2007 to 2032 and extended to 2035 in 2009 25年，從二零零七年起計至二零三二年止，並於二零零九年延長至二零三五年
Rugao Hengfa 如皋恆發	Rugao Hengfa Municipal and Industrial Wastewater Treatment Facility (Phase II) 如皋恆發市政及工業污水處理設施(二期)	Rugao County, Nantong City 南通市如皋縣	Rugao Economic and Technological Development Zone Administrative Committee 如皋經濟技術開發區管委會	BOT on wastewater treatment 有關污水處理的BOT	20,000	25 years from 2015 to 2035 25年，從二零一五年起計至二零三五年止

\* The official name of the grantor is in Chinese. The English translation is for identification purposes only.

\* 授予人的官方名稱為中文名稱。英文名稱翻譯僅供參考。



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

Pursuant to the service concession agreements, the Group is granted the rights to use the property, plant and equipment of the wastewater treatment facilities and certain related land during the service concession periods. The Group is required to surrender these items of property, plant and equipment to the grantors at a specified level of serviceability at the end of the respective service concession periods. As at 31 December 2017 and 2018, the title certificates with respect to certain land use rights of certain wastewater treatment facilities to which the Group's service concession arrangements relate have not been registered under the names of the relevant Group companies. The directors of the Company are of the opinion that the Group is entitled to the lawful and valid occupation or use of the buildings and land to which the above-mentioned land use rights during the respective concession periods for nil consideration for providing wastewater treatment services under the relevant BOT agreements.

For the year ended 31 December 2018, revenue and profit were recognised for exchanging construction services for a financial asset amounting and HK\$11,151,000 (2017: nil) and HK\$2,276,000 (2017: nil). Considerations for revenue related to the construction and operation services under BOT arrangements were recognised as "receivables under service concession arrangements" in the consolidated statement of financial position.

### 16. 服務特許權安排下的應收款項(續)

根據服務特許權協議，本集團獲授權於服務特許期內使用污水處理設施的物業、廠房及設備以及若干相關土地。本集團須於各服務特許期結束時按一定可提供服務水平將該等物業、廠房及設備項目移交授予人。於二零一七年及二零一八年十二月三十一日，有關本集團服務特許權安排的若干污水處理設施的若干土地使用權的業權證書並未登記於有關本集團公司的名下。本公司的董事認為，根據相關BOT安排，本集團有權於相關特許期內就提供污水處理服務以零代價合法有效佔用或使用該等與上述土地使用權有關的樓宇及土地。

截至二零一八年十二月三十一日止年度，就以建造服務交換金融資產確認營業收入及溢利金額為11,151,000港元(二零一七年：無)及2,276,000港元(二零一七年：無)。與BOT安排項下建造及經營服務有關的營業收入代價於綜合財務狀況表確認為「服務特許權安排下的應收款項」。

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Receivables under service concession arrangements	服務特許權安排下的應收款項	<b>314,339</b>	319,129
Portion classified as current assets	分類為流動資產的部分	<b>(29,109)</b>	(28,970)
Portion classified as non-current assets	分類為非流動資產的部分	<b>285,230</b>	290,159

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### 16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

The following is an aged analysis of receivables under service concession arrangements, based on the invoice date, at the end of the reporting period:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Billed:	已開具發票：		
Within 3 months	3個月內	12,113	12,243
4 to 6 months	4至6個月	7,268	7,341
		<b>19,381</b>	19,584
Not yet billed	尚未開具發票	<b>294,958</b>	299,545
		<b>314,339</b>	319,129

Upon adoption of HKFRS 9 on 1 January 2018, the Group applies the simplified approach to provide for expected credit losses. For receivables under service concession arrangements, they are assessed individually for impairment allowance based on the historical credit losses experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of each reporting period, including time value of money where appropriate.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's receivables under service concession arrangements for impairment, no additional credit loss allowance was recognised upon application of HKFRS 9 as the amount was considered as insignificant. The Group does not hold any collateral over these balances.

As at 31 December 2017, the Group has assessed the creditworthiness, past payment history and subsequent settlement, and considered that the amounts are still recoverable. The Group does not hold any collateral over these balances.

### 16. 服務特許權安排下的應收款項(續)

於報告期末，根據發票日期對服務特許權安排下應收款項的賬齡分析如下：

於二零一八年一月一日採納香港財務報告準則第9號後，本集團應用簡化方法為預期信貸虧損作出撥備。服務特許權安排下的應收款項根據過往信貸虧損經驗就減值撥備作個別評估，並按與債務人、整體經濟狀況以及就目前及各報告期末狀況的預測方向所作評估(包括金錢的時間價值)(如適用)有關的特定因素作出調整。

於二零一八年一月一日，本公司董事就減值審閱及評估本集團服務特許權安排下的應收款項，而於採納香港財務報告準則第9號後並無確認額外信貸虧損撥備，原因是有關金額並不重大。本集團並無就該等結餘持有任何抵押品。

於二零一七年十二月三十一日，本集團已評估有關的信譽、過往付款紀錄及其後清償，並認為該等金額仍可收回。本集團並無就該等結餘持有任何抵押品。



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### 16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

Receivables under service concession arrangements are usually due for settlement within 10 days after each month end. Included in the Group's receivables under service concession arrangements are debtors with aggregate carrying amount of HK\$19,381,000 (2017: HK\$19,584,000) which have been past due at the end of the reporting period for which the Group has not provided for impairment loss.

Aging of receivables under service concession arrangements which are past due but not impaired as at 31 December 2017 is as follows:

		2017 二零一七年 HK\$'000 千港元
Within 1 month	1個月內	4,902
1 — 3 months	1至3個月	7,341
4 — 6 months	4至6個月	7,341
Total	總額	19,584

### 16. 服務特許權安排下的應收款項(續)

服務特許權安排下的應收款項通常於每月底後10日內到期結算。本集團服務特許權安排下的應收款項包括賬面值總額為19,381,000港元(二零一七年: 19,584,000港元)之債務, 該債務已於報告期末逾期, 惟本集團並無就此作出減值虧損撥備。

於二零一七年十二月三十一日逾期但無減值之服務特許權安排下的應收款項之賬齡分析如下:

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### 17. GOODWILL

### 17. 商譽

		HK\$'000 千港元
<b>COST</b>		
At 1 January 2017	於二零一七年一月一日	85,699
Exchange adjustments	匯兌調整	299
At 31 December 2017	於二零一七年十二月三十一日	85,998
Exchange adjustments	匯兌調整	(4,591)
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>81,407</b>
<b>IMPAIRMENT</b>		
At 1 January 2017	於二零一七年一月一日	—
Impairment loss recognised for the year	年內確認之減值虧損	43,863
Exchange adjustments	匯兌調整	(107)
At 31 December 2017	於二零一七年十二月三十一日	43,756
Impairment loss recognised for the year	年內確認之減值虧損	39,889
Exchange adjustments	匯兌調整	(2,238)
<b>At December 2018</b>	<b>於二零一八年十二月</b>	<b>81,407</b>
<b>CARRYING VALUES</b>		
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>—</b>
At 31 December 2017	於二零一七年十二月三十一日	42,242

Particulars regarding impairment testing on goodwill are disclosed in note 18.

有關商譽減值測試的詳情於附註18披露。

The amount represents goodwill arising on the acquisition of Weal Union Limited and its subsidiary (the “Weal Union Group”) on 21 October 2016. The recoverable amounts of the relevant assets have been determined on the basis of their value in use. These valuations are performed by independent qualified professional valuers from AVISTA Group, who are members of the Institute of Valuers and not connected with the Group. The impairment loss is charged pro rata to the property, plant and equipment of the subsidiary related to the biomass power generation business. The impairment loss on goodwill has been disclosed in the profit or loss as a separate line item. Details are set out in note 18.

金額表示於二零一六年十月二十一日收購旭衡有限公司及其附屬公司(「旭衡集團」)產生的商譽。有關資產的可收回金額已以其使用價值為基準釐定。該等估值工作乃由與本集團並無關連之獨立合資格估值師兼估值師學會成員艾華迪集團進行。減值虧損按比例自有關生物質發電業務的附屬公司的物業、廠房及設備中扣除。商譽之減值虧損已於損益披露為一項獨立項目。詳情載於附註18。



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### 18. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL

For the purposes of impairment testing, the property, plant and equipment used in Biomass Plant and the goodwill arising on acquisition of Weal Union Group have been allocated to only one CGU, comprising one subsidiary in the investment holding and one subsidiary in the biomass power generation business.

During the year ended 31 December 2018, the Group recognised an impairment loss of HK\$79,743,000 (2017: nil) in respect of property, plant and equipment used in Biomass Plant and HK\$39,889,000 (2017: HK\$43,863,000) in respect of goodwill arising on acquisition of Weal Union Group.

Taking into consideration that (i) the new offered electricity unit price by the counterparty for the forth-coming one year period has decreased by 25.3% compared to the latest contracted price; (ii) the electricity grid construction by the government to connect the South Sumatra region, where the Biomass Plant was located, and the North Sumatra region, where the demand of electricity is higher, had been aborted; (iii) the 10-year forecast of electricity growth rate in Sumatra, Indonesia, where the Biomass Plant is located, as published by the Ministry of Energy and Mineral Resources in the first quarter of 2018 had dropped to 9.1% from 11.2% as published in the first quarter of 2017, it is expected that the future electricity unit price will drop and the growth of electricity demand will slow down, and (iv) the increase in gross profit from the expected sales of pellets in the future. Therefore, the expected utilisation growth rate of the Biomass Plant in near term is lowered. There is also no clarity as to when or whether the aforesaid infrastructure will resume and when the local economy will start to improve. Accordingly, the valuation of Weal Union Group, and hence the recoverable amount of the property, plant and equipment and goodwill, is impaired due to the lower growth rate and delay in the realisation of the expected return.

### 18. 物業、廠房及設備及商譽減值

為進行減值測試，生物質發電廠所用的物業、廠房及設備以及收購旭衡集團產生的商譽已分配至唯一一個現金產生單位，包含充擔投資控股公司的一個附屬公司及從事生物質發電業務的一個附屬公司。

截至二零一八年十二月三十一日止年度，本集團就生物質發電廠所用的物業、廠房及設備以及就收購旭衡集團產生的商譽分別確認減值虧損79,743,000港元(二零一七年：無)及39,889,000港元(二零一七年：43,863,000港元)。

考慮到(i)對手方就未來一年期間新開出的電力單位價格較最近期的合約價格下降25.3%；(ii)由政府建設、將蘇門答臘島南部(生物質發電廠所在地區)與蘇門答臘島北部(有較高的用電需求)連接的電網建設已被中止；(iii)能源及礦產資源部於二零一八年第一季度公佈之印尼蘇門答臘島(生物質發電廠所在地區)的電力增長率10年期預測從二零一七年第一季度公佈的11.2%降至9.1%，預期未來電價將下降及電力需求增長將會減緩，及(iv)未來顆粒預期銷售的毛利上升。因此，短期內生物質發電廠的預期利用增長率將會下降。目前亦不清楚上述基礎設施工程何時或是否會恢復建設以及當地經濟何時會開始好轉。因此，旭衡集團的估值及物業、廠房及設備及商譽的可收回金額因較低增長率及預期回報延遲實現而減值。



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### 18. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL (Cont'd)

The recoverable amount of Weal Union Group has been determined on the basis of value in use calculations which use cash flow projections based on financial budgets approved by the management. According to HKAS 36, the recoverable amount is defined as the higher of an asset's or CGU's fair value less costs of disposal and its value in use. When there is no basis for making a reliable estimate of the price at which an orderly transaction to sell the asset would take place between market participants at the measurement date under current market conditions, value in use approach is a possible way to estimate the recoverable amount. Given that there is no or limited recent transaction with similar business as Weal Union Group observed, the management believes that it is more appropriate to adopt value in use approach for calculating the recoverable amount of Weal Union Group for the impairment test. In view of the above, when preparing the cash flow projects for the impairment assessment of the property, plant and equipment and goodwill as at 31 December 2018, certain assumptions in the cash flow projections (such as utilisation rate and unit price) during the budget period are adjusted. Expected cash inflows/outflows, when include budgeted sales of electricity and pellets and gross margin have been adjusted based on the performance of the biomass power plants for the year ended 31 December 2018 and the management's expectations for the market development. The financial budgets were approved by the management, covering a 5-year period, and a discount rate of 18.4% (2017: 18.2%). Cash flows at Weal Union Group beyond the 5-year period are extrapolated using a growth rate at 5% (2017: 5%). The long term growth rate was estimated based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

### 18. 物業、廠房及設備及商譽減值(續)

旭衡集團的可收回金額乃根據使用價值計算釐定，該項計算使用了基於管理層所批准之財務預算的現金流量預測。根據香港會計準則第36號，可收回金額定義為資產或現金產生單位的公允價值減出售成本與其使用價值兩者中之較高者。倘並無基準能夠可靠估計市場參與者在現行市況下於計量日期可能進行有序交易出售資產的價格，則使用價值法是估計可回收金額的可行方式。鑑於近期完全沒有或較少可觀察到的涉及類似於旭衡集團之業務的交易，管理層認為就減值測試採用使用價值法計算旭衡集團的可收回金額較為適當。鑑於以上所述，編製用於二零一八年十二月三十一日物業、廠房及設備及商譽減值評估的現金流量預測時，預算期間現金流量預測的若干假設(例如利用率及單位價格)已予調整。預期現金流入／流出(包括電力及顆粒的預算銷售、毛利率及原材料價格通脹)乃根據生物質發電廠截至二零一八年十二月三十一日止年度的表現及管理層對市場發展之預期進行調整。已獲管理層批准之財務預算週期為五年，貼現率為18.4%(二零一七年：18.2%)。旭衡集團超過五年期間之現金流量乃採用5%(二零一七年：5%)的增長率推算。該長期增長率乃基於相關行業的增長預測估計，且不超過相關行業的平均長期增長率。



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### 18. IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND GOODWILL (Cont'd)

The effect of the reasonably possible change in key assumption on the calculation of value in use of the CGU of Weal Union Group, which would cause the carrying amount to exceed its recoverable amount is disclosed below.

If the discount rate increased by 1% or 2% and all other variables were held constant, the carrying amount of the CGU of Weal Union Group would exceed its recoverable amount by approximately HK\$2,190,000 or HK\$4,146,000 respectively, at 31 December 2018.

If the budgeted sales decreased by 3% or 5% and all other variables were held constant, the carrying amount of the CGU of Weal Union Group would exceed its recoverable amount by approximately HK\$3,677,000 or HK\$6,128,000 respectively, at 31 December 2018.

If the gross margin decreased by 3% or 5% and all other variables were held constant, they carrying amount of the CGU of Weal China Group would exceed its recoverable amount by approximately HK\$12,793,000 or HK\$21,322,000 respectively at 31 December 2018.

### 18. 物業、廠房及設備及商譽減值(續)

有關旭衡集團的現金產生單位計算使用價值的主要假設的合理可能變動的影響，並導致賬面值超出其可收回金額之披露如下。

倘貼現率上升1%或2%，而所有其他變數維持不變，旭衡集團於二零一八年十二月三十一日的現金產生單位的賬面值會超出其可收回金額分別約2,190,000港元或4,146,000港元。

倘預算銷售下降3%或5%，而所有其他變數維持不變，旭衡集團於二零一八年十二月三十一日的現金產生單位的賬面值會超出其可收回金額分別約3,677,000港元或6,128,000港元。

倘毛利率下降3%或5%，而所有其他變數維持不變，旭衡集團於二零一八年十二月三十一日的現金產生單位的賬面值會超出其可收回金額分別約12,793,000港元或21,322,000港元。

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### 19. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME/AVAILABLE-FOR-SALE INVESTMENTS

### 19. 透過其他全面收益按公允值計量的債務工具／可供出售投資

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Listed debt securities classified as available-for-sale investments, at fair value	分類為可供出售投資的上市債務證券，按公允值	—	10,311
Listed debt securities classified as debt instruments at fair value through other comprehensive income	分類為透過其他全面收益按公允值計量的債務工具的上市債務證券	<b>31,253</b>	—
		<b>31,253</b>	10,311

		Interest rate 利率	Maturity date 到期日	2018 二零一八年 HK\$'000 千港元
Listed bond		4.75%	11 Feb 2019 二零一九年二月十一日	<b>3,980</b>
Listed bond		6.53%	25 Feb 2019 二零一九年二月二十五日	<b>3,178</b>
Listed bond		5.25%	25 Apr 2019 二零一九年四月二十五日	<b>3,984</b>
Listed bond		6.75%	22 May 2019 二零一九年五月二十二日	<b>3,953</b>
Listed bond		3.25%	2 July 2019 二零一九年七月二日	<b>7,965</b>
Listed bond		6.00%	4 Nov 2020 二零二零年十一月四日	<b>8,193</b>
				<b>31,253</b>
Analysed as:	分析為：			
Non-current	非流動			<b>8,193</b>
Current	流動			<b>23,060</b>
				<b>31,253</b>

Details of impairment assessment are set out in note 34.

減值評估詳情載列於附註34。



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### 20. TRADE RECEIVABLES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Trade receivables	貿易應收款項	<b>8,018</b>	6,284

As at 31 December 2018 and 1 January 2018, trade receivables from contracts with customers amounted to HK\$8,018,000 and HK\$6,284,000 respectively.

Trade debtors mainly arise from sales of electricity generated from biomass power plants. The Company's credit terms are negotiated at terms determined and agreed with its trade customers. The credit periods are ranging from 30 to 60 days.

The following is an aged analysis of trade receivables, presented based on the invoice dates:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 – 30 days	0至30日	<b>5,088</b>	3,901
31 – 60 days	31至60日	<b>2,930</b>	2,383
		<b>8,018</b>	6,284

### 20. 貿易應收款項

於二零一八年十二月三十一日及二零一八年一月一日，自客戶合約的貿易應收款項分別為8,018,000港元及6,284,000港元。

貿易債務人主要因銷售生物質發電廠產生的電力產生。本公司之信貸期乃按與其貿易客戶磋商及協定的條款而訂立。信貸期為30至60日。

貿易應收款項按發票日期列示之賬齡分析如下：



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### 20. TRADE RECEIVABLES (Cont'd)

The Company maintains a defined credit policy to assess the credit quality of the trade customers. The collection is closely monitored to minimise any credit risk associated with these trade receivables. There is no allowance for doubtful debts for both years. None of the above trade receivables is either past due or impaired.

Upon adoption of HKFRS 9 on 1 January 2018, the Group applies the simplified approach to provide for expected credit losses. For trade receivables, they are assessed individually for impairment allowance based on the historical credit losses experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of each reporting period, including time value of money where appropriate.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's trade receivables for impairment, no additional credit loss allowance was recognised upon application of HKFRS 9 as the amount was considered as insignificant. The Group does not hold any collateral over these balances.

As at 31 December 2017, the Group has assessed the creditworthiness, past payment history and subsequent settlement, and considered that the amounts are still recoverable. The Group does not hold any collateral over these balances.

### 20. 貿易應收款項(續)

本公司設有既定之信貸政策，以評核各貿易客戶之信貸質素。密切注視收款情況，以將該等貿易應收款項之任何相關信貸風險減至最低。兩個年度並無呆壞賬撥備。上述貿易應收款項概無逾期或減值。

於二零一八年一月一日採納香港財務報告準則第9號後，本集團應用簡化方法為預期信貸虧損作出撥備。貿易應收款項根據過往信貸虧損經驗就減值撥備作個別評估，並按與債務人、整體經濟狀況以及就目前及各報告期末狀況的預測方向所作評估(包括金錢的時間價值)(如適用)有關的特定因素作出調整。

於二零一八年一月一日，本公司董事就減值審閱及評估本集團的貿易應收款項，而於採納香港財務報告準則第9號後並無確認額外信貸虧損撥備，原因是有關金額並不重大。本集團並無就該等結餘持有任何抵押品。

於二零一七年十二月三十一日，本集團已對其信譽、過往還款記錄及其後之結賬作出評估，並認為該數額仍可收回。本集團並無就該等結餘持有任何抵押品。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 21. PREPAYMENTS AND OTHER RECEIVABLES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Consideration receivable (note)	應收代價(附註)	—	60,600
Other receivables	其他應收款項	3,085	1,711
Other debtors, deposits and prepayments	其他應收賬項、按金及預付款項	4,300	2,083
		<b>7,385</b>	64,394

Note: The balance represented the consideration receivable for the disposal of a subsidiary. It was unsecured, non-interest bearing and repayable according to the agreements entered by the Group and an independent third party. The balance had been settled as part of consideration for the disposal of a subsidiary during the year ended 31 December 2018. Details are set out in note 29.

Details of impairment assessment are set out in note 34.

### 21. 預付款項及其他應收款項

附註：該結餘指出售一間附屬公司的應收代價。該款項為無抵押，不計息並按本集團與一名獨立第三方訂立的協議償還。該結餘已結清，作為於截至二零一八年十二月三十一日止年度出售一間附屬公司的代價詳情載於附註29。

減值評估的詳情載於附註34。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 22. RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH

### 22. 受限制銀行存款及銀行結餘及現金

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Restricted bank deposits	受限制銀行存款	<b>11,764</b>	12,427
Bank balances and cash	銀行結餘及現金	<b>26,087</b>	30,901
Time deposits	定期存款	<b>18,230</b>	4,614
		<b>56,081</b>	47,942
Less: Restricted bank deposits	減：受限制銀行存款		
— non-current portion	— 非流動部份	<b>(5,882)</b>	(12,427)
Restricted bank deposits	受限制銀行存款		
— current portion	— 流動部份	<b>(5,882)</b>	—
		<b>44,317</b>	35,515
Restricted bank deposits and bank balances and cash denominated in:	以下列貨幣計值的受限制銀行存款及銀行結餘及現金：		
Renminbi (“RMB”)	人民幣(「人民幣」)	<b>16,713</b>	17,802
HK\$	港元	<b>2,291</b>	12,785
United States dollars (“US\$”)	美元(「美元」)	<b>23,574</b>	629
Indonesian Rupiah (“IDR”)	印尼盾(「印尼盾」)	<b>13,503</b>	16,726
		<b>56,081</b>	47,942

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.3% (2017: 0.01% to 0.3%) per annum. Short-term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates at 1.1% (2017: 1.1%) per annum.

銀行現金根據每天銀行存款利率按浮動利率賺取利息，年利率介乎0.01%至0.3%（二零一七年：0.01%至0.3%）。短期定期存款的存款期各異，介乎一天至三個月不等，視乎本集團即時現金需求而定，而利息則按各個短期定期存款利率賺取，年利率為1.1%（二零一七年：1.1%）。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 22. RESTRICTED BANK DEPOSITS AND BANK BALANCES AND CASH (Cont'd)

During the year ended 31 December 2017, PT. Sentosa Jaya Purnama (“SJP”), a subsidiary of the Group, entered into a service agreement with an independent third party in order to build and operate a 10 mega watt plant for the independent third party in Indonesia. Under the service agreement, SJP is required to place a restricted deposit denominated in IDR for 33 months up to 45 months. Restricted bank deposits carry fixed interest rate at 6% per annum.

The bank balances, time deposits and restricted bank deposits are deposited with creditworthy banks with no recent history of default.

Details of impairment assessment are set out in note 34.

### 23. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date.

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
0 to 60 days	0至60日	2,790	2,705
61 to 90 days	61至90日	504	1,321
Over 90 days	90日以上	1,677	5,287
		<b>4,971</b>	9,313

Included in the Group's trade payables are construction retention payables of HK\$75,000 (2017: HK\$2,201,000).

### 22. 受限制銀行存款及銀行結餘及現金(續)

截至二零一七年十二月三十一日止年度，本集團附屬公司PT. Sentosa Jaya Purnama(「SJP」)與一名獨立第三方訂立一項服務協議，以為該獨立第三方於印尼建設及營運一個10兆瓦特的發電廠。根據該服務協議，SJP須存置一筆以印尼盾計值的受限制存款，為期33至45個月。受限制銀行存款按6%的固定年利率計息。

銀行結餘、定期存款及受限制銀行存款乃存入近期並無違約記錄的信譽良好銀行。

減值評估的詳情載於附註34。

### 23. 貿易應付款項

貿易應付款項按發票日期列示之賬齡分析如下：

本集團貿易應付款項包括工程應付保留金75,000港元(二零一七年：2,201,000港元)。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 24. OTHER PAYABLES AND ACCRUALS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other payables	其他應付款項	5,581	1,466
Accruals	應計費用	2,101	4,148
		<b>7,682</b>	5,614

### 24. 其他應付款項及應計費用

### 25. AMOUNTS DUE TO RELATED PARTIES

As at 31 December 2018, the balance represents amount due to a close family member of a director, amounting to HK\$3,424,000 (2017: HK\$6,474,000).

The amounts are unsecured, interest-free and repayable on demand.

### 25. 應付關聯方款項

於二零一八年十二月三十一日，結餘指應付一名董事的一名近親的款項3,424,000港元(二零一七年：6,474,000港元)。

該等款項為無抵押，不計息和按要求償還。

### 26. BANK BORROWINGS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
On demand or within one year	按要求或一年內	32,517	30,240
In the second year	第二年	2,240	2,240
In the third to fifth year inclusive	第三年至第五年(包括首尾兩年)	4,480	6,720
		<b>39,237</b>	39,200
Less: Amount due within one year shown under current liabilities	減：一年內到期並列作流動負債之款項	<b>(32,517)</b>	(30,240)
Amount due after one year	一年後到期款項	<b>6,720</b>	8,960
Current — secured (note)	即期 — 有抵押(附註)	2,277	—
Current — unsecured	即期 — 無抵押	30,240	30,240
Non-current — unsecured	非即期 — 無抵押	6,720	8,960
		<b>39,237</b>	39,200

### 26. 銀行借款

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 26. BANK BORROWINGS (Cont'd)

The bank borrowings comprise of:

### 26. 銀行借款(續)

銀行借款包括：

		Effective interest rate 實際利率	Carrying amount 賬面值	
			2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Fixed-rate borrowing:	固定利率借款：			
Secured RMB bank borrowing	有抵押人民幣 銀行借款	5.10%	<b>2,277</b>	—
Floating-rate borrowings:	浮動利率借款：			
Unsecured HK\$ bank borrowing	無抵押港元 銀行借款	2.73%	<b>28,000</b>	28,000
Unsecured US\$ bank borrowing	無抵押美元 銀行借款	3.43%	<b>8,960</b>	11,200
<b>Total bank borrowings</b>	<b>銀行借款總額</b>		<b>39,237</b>	39,200

Note: The RMB bank borrowing is secured by HK\$11,386,000 (2017: nil) receivables under service concession arrangements.

附註：人民幣銀行借款以服務特許權安排下的應收款項11,386,000港元(2017年：無)作抵押。

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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 27. DEFERRED TAX LIABILITIES

The following are the major deferred tax liabilities and assets recognised and movements thereon during the current and prior years:

		Provision for major overhauls 重大檢修撥備 HK\$'000 千港元	Temporary difference related to service concession arrangements 與服務特許 權安排有關的 暫時性差額 HK\$'000 千港元	Withholding taxes 預扣稅 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	1,653	(29,735)	(3,169)	(31,251)
Credited (charged) to profit or loss during the year	計入(扣自)年內損益	441	(1,646)	29	(1,176)
Exchange realignment	匯兌重列	65	(1,132)	(97)	(1,164)
At 31 December 2017	於二零一七年十二月三十一日	2,159	(32,513)	(3,237)	(33,591)
Credited (charged) to profit or loss during the year	計入(扣自)年內損益	258	(1,500)	173	(1,069)
Exchange realignment	匯兌重列	(38)	481	31	474
At 31 December 2018	於二零一八年十二月三十一日	2,379	(33,532)	(3,033)	(34,186)

At 31 December 2018, the Group had unused tax losses of HK\$26,484,000 (2017: HK\$11,096,000) available for offset against future taxable profits. No deferred tax asset has been recognised on the tax losses, as in the opinion of the directors of the Company, the future profit streams of these subsidiaries are uncertain. The tax losses could be carried forward for a maximum of five years.

At 31 December 2018, the Group has deductible temporary differences of HK\$14,331,000 (2017: HK\$13,295,000). No deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

### 27. 遞延稅項負債

以下為於本年度及過往年度確認的主要遞延稅項負債及資產及其變動：

於二零一八年十二月三十一日，本集團有未動用稅項虧損26,484,000港元(二零一七年：11,096,000港元)可用作抵銷未來應課稅溢利。由於本公司董事認為，該等附屬公司的未來溢利來源不確定，故未就稅項虧損確認遞延稅項資產。稅項虧損最多可結轉五年。

於二零一八年十二月三十一日，本集團有可扣稅暫時性差額14,331,000港元(二零一七年：13,295,000港元)。由於產生應課稅溢利而可用以抵銷可扣稅暫時性差額之可能性不大，故並無就該等可扣稅暫時性差額確認遞延稅項資產。



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 27. DEFERRED TAX LIABILITIES (Cont'd)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position and reported as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Net deferred tax liabilities	遞延稅項負債淨額	<b>34,186</b>	33,591

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in the PRC. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate of 5% may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

### 27. 遞延稅項負債(續)

為呈列目的，若干遞延稅項資產及負債已於綜合財務狀況表抵銷並報告如下：

根據中國企業所得稅法，在中國成立的外資企業向外國投資者宣派的股息須繳納10%的預扣稅。該規定自二零零八年一月一日起生效，適用於二零零七年十二月三十一日之後獲得的盈利。倘中國與該等外國投資者所在司法權區有簽訂稅務條約，則可按較低稅率5%繳納預扣稅。因此，本集團須就該等於中國成立的附屬公司自二零零八年一月一日起所得盈利而分派的股息繳納預扣稅。

### 28. PROVISION FOR MAJOR OVERHAULS

Pursuant to the service concession agreements entered into by the Group, the Group has contractual obligations to maintain the Facilities it operates to a specified level of serviceability and/or to restore the Facilities to a specified condition before they are handed over to the grantors at the end of the service concession periods. These contractual obligations to maintain or restore the Facilities, except for any upgrade element, are recognised and measured in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period. The future expenditure on these maintenance and restoration costs are collectively referred to as "major overhauls". The estimation basis is reviewed on an ongoing basis, and revised where appropriate.

### 28. 重大檢修撥備

根據本集團所訂立的服務特許權協議，本集團須承擔合約責任，以保養其經營的該等設施，確保其符合一定可提供服務水平及／或於服務特許期結束時，在將該等設施轉讓予授予人前，將其修復至指定狀況。保養或修復該等設施的合約責任(除升級部分外)按香港會計準則第37號撥備、或然負債及或然資產予以確認及計量，換言之，按報告期末履行現有責任所需開支的最佳估計金額列賬。有關該等保養及修復費用的未來開支統稱為「重大檢修」。估計基準持續獲檢討並於適當時修訂。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 28. PROVISION FOR MAJOR OVERHAULS (Cont'd)

The movements in the provision for major overhauls of the Facilities during the year are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
At 1 January	於一月一日	8,635	6,611
Addition	添置	2,058	1,349
Increase in discounted amounts arising from the passage of time (note 8)	由於時間流逝而產生的貼現金額增加(附註8)	565	415
Exchange realignment	匯兌重列	(218)	260
As 31 December	於十二月三十一日	11,040	8,635

### 29. DISPOSAL OF A SUBSIDIARY

The Group entered into an agreement with an independent third party which is indirectly wholly-owned by the Rugao Economic and Technological Development Zone Administrative Committee (the “Purchaser”) on 21 September 2016 and a supplemental agreement subsequently on 28 February 2017 (the “Agreements”) for the disposal of the entire equity interest in Rugao Honghao Metal Water Treatment Company Limited (the “Disposal”). The consideration of the Disposal is RMB55,000,000 (approximately HK\$64,548,000). The Agreements also stipulated that the Purchaser will be responsible for all operating costs and capital expenditure on an as-incurred basis (the “Additional Payment Arrangements”) with effect from 15 November 2016 (as revised under the supplement agreements) and until the date of completion of the Disposal.

### 28. 重大檢修撥備(續)

年內，該等設施的重大檢修撥備變動如下：

### 29. 出售一間附屬公司

本集團於二零一六年九月二十一日與一名獨立第三方(「買方」，由如皋經濟技術開發區管委會間接全資擁有)訂立一份協議，及之後於二零一七年二月二十八日訂立一份補充協議(「該等協議」)，出售如皋宏皓金屬水處理有限公司的全部股權(「出售事項」)。出售事項的代價為人民幣55,000,000元(約64,548,000港元)。該等協議亦規定，買方將承擔自二零一六年十一月十五日(經補充協議修訂)至完成出售事項日期產生的全部營運成本及資本開支(「額外付款安排」)。

## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

#### 29. DISPOSAL OF A SUBSIDIARY (Cont'd)

During the year ended 31 December 2017, the Group transferred the ownership of Rugao Honghao to the Purchaser. The net assets of Rugao Honghao at the date of disposal were as follows:

##### CONSIDERATION RECEIVED AND RECEIVABLE:

		HK\$'000 千港元
Cash received	已收現金	2,893
Deferred cash consideration receivable	應收遞延現金代價	61,655
<b>Total consideration received and receivable</b>	<b>已收及應收代價總額</b>	<b>64,548</b>

##### ANALYSIS OF ASSETS AND LIABILITIES OVER WHICH CONTROL WAS LOST:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	426
Receivables under service concession arrangements	服務特許權安排下的應收款項	66,545
Inventories	存貨	53
Other receivables and prepayments	其他應收款項及預付款項	1,150
Bank balances and cash	銀行結餘及現金	10
Trade payables	貿易應付款項	(153)
Other payables and accruals	其他應付款項及應計費用	(853)
Provision for major overhauls	重大檢修撥備	(1,328)
Deferred tax liabilities	遞延稅項負債	(7,337)
<b>Net assets disposed of</b>	<b>已出售資產淨值</b>	<b>58,513</b>

##### GAIN ON DISPOSAL OF A SUBSIDIARY:

		HK\$'000 千港元
Consideration received and receivable	已收及應收代價	64,548
Net assets disposed of	已出售資產淨值	(58,513)
		<b>6,035</b>

#### 29. 出售一間附屬公司(續)

截至二零一七年十二月三十一日止年度，本集團將如皋宏皓的所有權轉讓予買方。如皋宏皓於出售日期的資產淨值如下：

##### 已收及應收代價：

##### 失去控制權之資產及負債分析：

##### 出售一間附屬公司收益：



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### 29. DISPOSAL OF A SUBSIDIARY (Cont'd)

#### NET CASH INFLOW ARISING ON DISPOSAL:

		HK\$'000 千港元
Cash received	已收現金	2,893
Less: bank balances and cash disposed of	減：已出售銀行結餘及現金	(10)
		2,883

The deferred consideration was settled in cash by the Purchaser during the year ended 31 December 2018.

### 29. 出售一間附屬公司(續)

#### 出售產生的現金流入淨額：

遞延代價將由買方於截至二零一八年十二月三十一日止年度期間以現金結算。

### 30. SHARE CAPITAL

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Authorised:	法定：		
3,800,000,000 ordinary shares of HK\$0.0001 each	3,800,000,000 股每股面值 0.0001 港元的普通股	<b>380</b>	380
Issued and fully paid:	已發行及繳足：		
1,108,000,000 (2017: 1,111,000,000) ordinary shares of HK\$0.0001 each	1,108,000,000 股 (二零一七年： 1,111,000,000 股) 每股面值 0.0001 港元 的普通股	<b>111</b>	111

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

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### 30. SHARE CAPITAL (Cont'd)

A summary of movements in the Company's issued capital is as follows:

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
At 1 January 2017, 31 December 2017 and 1 January 2018	於二零一七年一月一日、 二零一七年十二月三十一日及 二零一八年一月一日	1,111,000,000	111
Shares repurchased and cancelled	回購及撤銷股份	(3,000,000)	N/A 不適用*
<b>31 December 2018</b>	<b>二零一八年 十二月三十一日</b>	<b>1,108,000,000</b>	<b>111</b>

\* Amount less than HK\$1,000.

During the year, the Company repurchased its own ordinary shares through the Stock Exchange of Hong Kong Limited as follows:

Month of repurchase 回購月份	No. of ordinary shares 普通股股份數目	Price per share 每股價格		Aggregate consideration paid 已付總代價 HK\$'000 千港元
		Highest 最高 HK\$ 港元	Lowest 最低 HK\$ 港元	
September 2018 二零一八年九月	445,000	0.150	0.149	66
October 2018 二零一八年十月	1,555,000	0.160	0.150	247
November 2018 二零一八年十一月	845,000	0.160	0.160	135
December 2018 二零一八年十二月	155,000	0.160	0.160	25
	3,000,000			473

### 30. 股本(續)

本公司的已發行股本變動概述如下：

\*金額少於1,000港元。

年內，本公司經香港聯合交易所有限公司回購其本身的普通股，詳情如下：



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### 30. SHARE CAPITAL (Cont'd)

The above ordinary shares were cancelled on 28 December 2018 upon repurchasing in the respective months.

None of the Company's subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

### 31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity.

#### (A) OTHER RESERVE

The balance mainly represents a HK\$113,780,000 debit reserve resulting from the share swap pursuant to the group reorganisation (details set out in notes 24 and 25(a)(i) for the year ended 31 December 2014) and a HK\$82,304,000 credit reserve resulting from capitalisation of shareholders' loans (details set out in note 25(a)(i) for the year ended 31 December 2014).

#### (B) GENERAL RESERVE

The transfers from retained earnings to the general reserve were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC.

### 30. 股本(續)

於各自月份回購後，上述普通股已於二零一八年十二月二十八日註銷。

本公司附屬公司於年內概無購買、出售或贖回任何本公司的上市證券。

### 31. 儲備

於本年度及過往年度，本集團儲備數額及其變動呈列於綜合權益變動表。

#### (A) 其他儲備

該結餘主要指根據集團重組的股份互換產生的113,780,000港元扣除儲備(詳情載於截至二零一四年十二月三十一日止年度的附註24及25(a)(i))及股東貸款資本化產生的82,304,000港元信貸儲備(詳情載於截至二零一四年十二月三十一日止年度的附註25(a)(i))。

#### (B) 一般儲備

根據有關中國規則及法規以及本公司於中國成立的附屬公司的組織章程細則將保留溢利轉化為一般儲備。

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

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### 32. PARTIAL-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS

The table below shows details of non-wholly-owned subsidiary of the Group that has material non-controlling interests:

Name of company 公司名稱	Form of entity 實體形式	Place of incorporation/ operation 註冊成立/ 營運地點	Percentage of equity interest held by non-controlling interest 非控股權益所持股權百分比		(Loss)/profit for the year allocated to non-controlling interests by the Group 本集團分配予非控股權益的年內(虧損)/溢利		Accumulated balance of non-controlling interests 非控股權益的累計結餘	
			2018 二零一八年 %	2017 二零一七年 %	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Haian Hengfa 海安恆發	Incorporated 註冊成立	PRC 中國	30	30	(445)	246	27,122	27,909
Individually immaterial subsidiaries with non-controlling interest	擁有非控股權益的個別非重大附屬公司						(3,249)	1,115
							23,873	29,024

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below presents amounts before intragroup eliminations.

### 32. 擁有重大非控股權益的非全資附屬公司

擁有重大非控股權益的本集團非全資附屬公司的詳情載列於下：

本集團擁有重大非控股權益的附屬公司的財務資料概要載於下文。以下財務資料概要呈列集團內公司間對銷前的數額。

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### 32. PARTIAL-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (Cont'd)

#### HAIAN HENGFA

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Current assets	流動資產	<b>17,102</b>	16,187
Non-current assets	非流動資產	<b>90,369</b>	93,709
Current liabilities	流動負債	<b>(1,781)</b>	(2,384)
Non-current liabilities	非流動負債	<b>(15,285)</b>	(14,482)
Equity attributable to owners of the Company	本公司擁有人應佔權益	<b>63,283</b>	73,693
Non-controlling interests of Haian Hengfa	海安恆發的非控股權益	<b>27,122</b>	19,337
Revenue	營業收入	<b>10,205</b>	10,217
(Loss) profit attributable to owners of the Company	本公司擁有人應佔(虧損)溢利	<b>(1,038)</b>	573
(Loss) profit attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔(虧損)溢利	<b>(445)</b>	246
(Loss) profit for the year	年內(虧損)溢利	<b>(1,483)</b>	819

### 32. 擁有重大非控股權益的非全 資附屬公司(續)

#### 海安恆發



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### 32. PARTIAL-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTERESTS (Cont'd)

#### HAIAN HENGFA (Cont'd)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Other comprehensive (expense) income attributable to owners of the Company	本公司擁有人應佔其他全面(開支)收益	(800)	2,353
Other comprehensive (expense) income attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔其他全面(開支)收益	(342)	1,008
Other comprehensive (expense) income for the year	年內其他全面(開支)收益	(1,142)	3,361
Total comprehensive (expense) income attributable to owners of the Company	本公司擁有人應佔全面(開支)收益總額	(1,838)	2,926
Total comprehensive (expense) income attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔全面(開支)收益總額	(787)	1,254
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	(2,625)	4,180
Net cash flows from operating activities	來自經營活動的現金流量淨額	1,219	2,581
Net cash flows used in investing activities	投資活動使用的現金流量淨額	(317)	(139)
Net cash flows used in financing activities	融資活動使用的現金流量淨額	—	(2,258)
Net increase in bank balances and cash	銀行結餘及現金增加淨額	902	184

### 32. 擁有重大非控股權益的非全 資附屬公司(續)

#### 海安恆發(續)

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### 33. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debts and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts, which includes the bank borrowings disclosed in note 26 and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on an annual basis. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt.

### 34. FINANCIAL INSTRUMENTS

#### (A) CATEGORIES OF FINANCIAL INSTRUMENTS

##### FINANCIAL ASSETS

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Loans and receivables	貸款及應收款項	—	435,666
Available-for-sale investments	可供出售投資	—	10,311
Debt instruments at FVTOCI	透過其他全面收益 按公允值計量的債務工具	31,253	—
Financial assets at amortised cost	按攤銷成本計量的金融資產	381,523	—
		<b>412,776</b>	445,977

##### FINANCIAL LIABILITIES

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Amortised cost	攤銷成本	53,213	56,453

### 33. 資本風險管理

本集團管理其資本以確保本集團旗下實體將能夠繼續持持續經營基準經營，同時透過優化債務及股權之平衡讓股東的回報最大化。本集團的整體策略與去年保持不變。

本集團的資本架構包括債務，其中包括附註26披露的銀行借款及本公司擁有人應佔權益(包括已發行股本及儲備)。

本公司董事每年檢討資本架構。作為檢討的一部分，董事考慮資本成本及與各類資本有關的風險。根據董事的推薦建議，本集團將藉由派付股息、發行新股份及回購股份，以及發行新債務或贖回現有債務平衡其整體資本架構。

### 34. 金融工具

#### (A) 金融工具類別

##### 金融資產

##### 金融負債



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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include receivables under service concession arrangements, debt instruments at FVTOCI, trade receivables, other receivables, restricted bank deposits, bank balances and cash, trade payables, other payables, amounts due to related parties and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk and other price risk), foreign currency risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

#### MARKET RISK

##### (i) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to the floating-rate bank borrowings (see note 26 for details of these borrowings). The Group cash flow interest rate risk is mainly concentrated on HIBOR arising from the Group's HK\$ denominated borrowings. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

The Group was exposed to fair value rate risk in relation of fixed-rate borrowings (see note 26 for details of these borrowings). The Group aims at keeping borrowings at variable rates.

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策

本集團主要金融工具包括服務特許權安排下的應收款項、透過其他全面收益按公允值計量的債務工具、貿易應收款項、其他應收款項、受限制銀行存款、銀行結餘及現金、貿易應付款項、其他應付款項、應付關聯方款項及銀行借款。有關金融工具之詳情已於各附註披露。與該等金融工具相關的風險包括市場風險(利率風險及其他價格風險)、外匯風險、信貸風險及流動資金風險。下文載列有關減低該等風險的政策。管理層管理及監察該等風險以確保能及時且有效實施適當措施。

#### 市場風險

##### (i) 利率風險

本集團就其浮動利率銀行借款而面臨現金流量利率風險(該等借款詳情參見附註26)。本集團現金流量利率風險主要集中於本集團以港元計值的借款所產生的香港銀行同業拆息。本集團的政策為保持借款按浮動利率計息，以將公允值利率風險降至最低。

本集團面臨有關固定利率借款的公允值利率風險(該等借款之詳情請參閱附註26)。本集團旨在保持浮動利率借款。

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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### MARKET RISK (Cont'd)

##### (i) Interest rate risk (Cont'd)

The Group's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of interest rate arising from the bank borrowings.

Total interest revenue/income from financial assets that are measured at amortised cost or at FVTOCI is as follows:

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策(續)

##### 市場風險(續)

##### (i) 利率風險(續)

本集團所面臨的金融負債利率風險詳述於本附註流動資金風險管理一節。本集團現金流量利率風險主要集中於銀行借款所引致的利率浮動。

按攤銷成本或透過其他全面收益按公允值計量的金融資產的利息收入／收益總額如下：

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest revenue	利息收入		
Financial assets at amortised cost	按攤銷成本計量的金融資產	<b>16,102</b>	—
Loans and receivables	貸款及應收款項	—	15,333
Other income and gains	其他收入及收益		
Debt instruments at FVTOCI	透過其他全面收益按公允值計量的債務工具	<b>650</b>	—
Available-for-sale investments	可供出售投資	—	501
		<b>16,752</b>	15,834

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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### MARKET RISK (Cont'd)

##### (i) Interest rate risk (Cont'd)

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Interest expense on financial liabilities not measured at FVTPL: Financial liabilities at amortised cost	並非透過損益按公允值計量的金融負債的利息開支：按攤銷成本計量的金融資產	2,177	1,449

##### Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for bank borrowings at the end of the reporting period.

For floating-rate borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2018 would have decreased/increased by approximately HK\$196,000 (2017: HK\$196,000). This is mainly attributable to the Group's exposure to interest rates on its variable rate bank borrowings.

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策(續)

##### 市場風險(續)

##### (i) 利率風險(續)

##### 敏感度分析

以下敏感度分析已按於報告期末銀行借款所面臨的利率風險釐定。

就浮動利率借款而言，該分析乃假設於報告期末未清償的負債於全年一直未清償而編製。向內部主要管理人員匯報利率風險時採用利率增加或減少50個基點，代表管理層對利率合理可能變動作出的評估。

倘利率上升／下降50個基點，而所有其他變數維持不變，則本集團截至二零一八年十二月三十一日止年度的除稅後溢利將減少／增加約196,000港元(二零一七年：196,000港元)。此乃主要歸因於本集團就其浮息銀行借款面臨利率風險。



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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### MARKET RISK (Cont'd)

##### (ii) Other price risk

The Group is exposed to debt securities price risk through its investments in available-for-sale investments. The management manages this exposure by maintaining a portfolio of investments with different risk profiles. The Group's other price risk is mainly concentrated on equity and debt instruments operating in infrastructure industry sector quoted in the Stock Exchange.

##### Other price sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity and debt price risks at the reporting date.

If the prices of the respective debt instruments had been 5% higher/lower investment revaluation reserve would have increased/decreased by approximately HK\$1,562,000 (2017: increased/decreased by approximately HK\$509,000) for the Group as a result of the change in fair value of debt instruments at FVTOCI (2017: available-for-sale investments).

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策(續)

##### 市場風險(續)

##### (ii) 其他價格風險

本集團透過其於可供出售投資的投資而須面臨債務證券價格風險。管理層透過持有風險情況不同的投資組合管理有關風險。本集團其他價格風險主要集中於從事基建業務並在聯交所報價之權益及債務工具。

##### 其他價格敏感度分析

以下敏感度分析乃根據於報告日期面臨的權益及債務價格風險而釐定。

倘各有關債務工具的價格上升/下跌5%，則本集團投資重估儲備將由於透過其他全面收益按公允值計量的債務工具(二零一七年：可供出售投資)的公允值變動而增加/減少約1,562,000港元(二零一七年：增加/減少約509,000港元)。



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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Individual companies in the PRC and Indonesia within the Group have 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 principal subsidiaries mainly carried out transactions in RMB and IDR, therefore any appreciation or depreciation of HK\$ against RMB and IDR will affect the Group's consolidated financial position and be reflected in the exchange reserve.

As at 31 December 2018, individual companies in Hong Kong within the Group have foreign currency exposure because available-for-sale investments of approximately HK\$31,253,000 (2017: HK\$10,311,000) and a bank borrowing of HK\$8,960,000 (2017: HK\$11,200,000) were denominated in US\$. The Group considers that the currency exposures in related to the US\$ are insignificant as HK\$ is pegged to the US\$. Therefore, this balance is excluded from the sensitivity analysis.

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策(續)

##### 外幣風險

外幣風險為外匯匯率變動導致金融工具價值波動的風險。由於本集團旗下位於中國和印尼的各公司大部分交易採用的貨幣與其業務有關功能貨幣相同，因此本集團旗下位於中國和印尼的各公司僅承受有限的外幣風險。然而，由於主要附屬公司主要以人民幣及印尼盾開展交易，因此，港元兌人民幣及印尼盾的任何升值或貶值將對本集團的綜合財務狀況產生影響，並於匯兌儲備中反映。

於二零一八年十二月三十一日，由於可供出售投資約31,253,000港元（二零一七年：10,311,000港元）及一筆銀行借款8,960,000港元（二零一七年：11,200,000港元）以美元計值，故本集團旗下的香港各公司須承擔外幣風險。由於港元與美元掛鈎，本集團認為與美元相關的貨幣風險甚微。因此，該項結餘不包含於敏感度分析。



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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### CREDIT RISK

As at 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties arises from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position. The Group's credit risk is primarily attributable to its receivables under service concession arrangements, trade receivables and other receivables. The Group is exposed to concentration of credit risk as the major customers of the Group are the grantors in the PRC and consumer in Indonesia. The directors of the Company consider that these customers are local government authorities in the PRC and the Indonesia which are financially sound and accordingly no provision is required.

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors consider that the Group's credit risk is significantly reduced.

As at 31 December 2018, the Group's credit risk is also attributable to its other receivables. Included in other receivables are mainly consideration receivable from an independent third party which is indirectly wholly-owned by the Rugao Economic and Technological Development Zone Administrative Committee. The directors of the Company consider that the credit risk is minimal.

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策(續)

##### 信貸風險

於二零一八年十二月三十一日，本集團所面臨將會因交易對手未能履行責任而造成本集團財務損失的最高信貸風險乃產生自綜合財務狀況表所列的相關已確認金融資產的賬面值。本集團的信貸風險主要源自其服務特許權安排下的應收款項、貿易應收款項及其他應收款項。由於本集團的主要客戶為於中國的授予人及印尼的用戶，本集團面臨集中信貸風險。本公司董事認為該等客戶為財務狀況穩健的中國及印尼地方政府機構，因此無須作出撥備。

為盡量減低信貸風險，本集團的管理層已指派一支團隊，負責釐定信貸限額、信貸批核及其他監察程序，以確保採取跟進行動收回過期債項。此外，本集團於報告期末檢討各個別貿易債務的可收回金額，以確保就不可收回金額確認足夠的減值虧損。就此而言，董事認為，本集團的信貸風險已大為減少。

於二零一八年十二月三十一日，本集團的信貸風險亦與其他應收款項有關。計入其他應收款項的項目主要是來自如皋經濟技術開發區管委會間接全資擁有的一名獨立第三方的應收代價。本公司董事認為該信貸風險極低。



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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### CREDIT RISK (Cont'd)

The credit risk for bank deposits is limited because the directors of the Company consider that the counterparties are financially sound.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating 內部信貸評級	Description 說明	Trade receivables/ contract assets 貿易應收款項/ 合約資產	Other financial assets/other items 其他金融資產/ 其他項目
Low risk 低風險	The counterparty has a low risk of default and does not have any past-due amounts 交易對手的違約風險較低，且並無任何逾期款項	Lifetime ECL - not credit-impaired 全期預期信貸虧損 — 未發生信貸減值	12-month ECL 12個月預期信貸虧損
Watch list 觀察名單	Debtor frequently repays after due dates but usually settle after due date 債務人經常於到期日後還款但通常於到期後結清	Lifetime ECL - not credit-impaired 全期預期信貸虧損 — 未發生信貸減值	12-month ECL 12個月預期信貸虧損
Doubtful 存疑	There have been significant increases in credit risk since initial recognition through information developed internally or external resources 信貸風險自初始確認以來顯著增加(透過內部或外部資源開發之信息)	Lifetime ECL - not credit-impaired 全期預期信貸虧損 — 未發生信貸減值	Lifetime ECL - not credit-impaired 全期預期信貸虧損 — 未發生信貸減值
Loss 虧損	There is evidence indicating the asset is credit-impaired 有證據顯示有關資產已發生信貸減值	Lifetime ECL - credit-impaired 全期預期信貸虧損 — 已發生信貸減值	Lifetime ECL - credit-impaired 全期預期信貸虧損 — 已發生信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人陷入嚴重的財務困難且本集團不認為日後可收回有關款項	Amount is written off 撇銷有關金額	Amount is written off 撇銷有關金額

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策(續)

##### 信貸風險(續)

本公司董事認為對手方財務狀況穩健，因此銀行存款的信貸風險有限。

本集團內部信貸風險級別評估包括以下類別：

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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### CREDIT RISK (Cont'd)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策(續)

##### 信貸風險(續)

本集團金融資產的信貸風險敞口(須進行預期信貸虧損評估)詳情如下：

2018 二零一八年	Notes 附註	External credit rating 外部 信貸評級	Internal credit rating 內部 信貸評級	12-month or lifetime ECL 12個月或全期預期信貸虧損	Gross carrying amount 賬面總額 HK\$'000 千港元
<b>Debt instruments at FVTOCI</b> 透過其他全面收益按公允值計量的債務工具					
Investments in listed bonds 上市債券投資	19	AA	N/A 不適用	12-month ECL 12個月預期信貸虧損	31,253
<b>Financial assets at amortised cost</b> 按攤銷成本計量的金融資產					
Receivables under service concession arrangements 服務特許權安排下的應收款項	16	N/A 不適用	Low risk (note 1) 低風險(附註1)	12-month ECL (individual assessment) 12個月預期信貸虧損(獨立評估)	314,339
Restricted bank deposits 受限制銀行存款	22	AA	N/A 不適用	12-month ECL 12個月預期信貸虧損	11,764
Bank balances 銀行結餘	22	AA+	N/A 不適用	12-month ECL 12個月預期信貸虧損	44,317
Other receivables 其他應收款項	21	N/A 不適用	Low risk (note 2) 低風險(附註2)	12-month ECL 12個月預期信貸虧損	3,085
Trade receivables - goods and services 貿易應收款項 - 產品與服務	20	N/A 不適用	Low risk (note 1) 低風險(附註1)	Lifetime ECL (individual assessment) 全期預期信貸虧損(獨立評估)	8,018

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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### CREDIT RISK (Cont'd)

Notes:

- For receivables under service concession arrangements and trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The trade receivables are assessed for ECL individually. The average loss rate is 0.038%.
- For the purposes of internal credit risk management, the Group uses past due information to assess whether credit risk has increased significantly since initial recognition.

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策(續)

##### 信貸風險(續)

附註：

- 就服務特許權安排下的應收款項及貿易應收款項而言，本集團已應用香港財務報告準則第9號的簡化方法以全期預期信貸虧損計量虧損撥備。貿易應收款項的預期信貸虧損乃個別評估。平均虧損率為0.038%。
- 就內部信貸風險管理而言，本集團使用逾期資料評估信貸風險自初始確認以來是否大幅增加。

	Past due 逾期 HK\$'000 千港元	Not past due/ No fixed repayment terms 未逾期/ 無固定還款期限 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Other receivables 其他應收款項	—	3,085	3,085



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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### LIQUIDITY RISK

The Group's liquidity position and its compliance with lending covenants is monitored closely by the management of the Company, to ensure that the Group maintains sufficient reserve of cash and adequate committed line of funding from major financial institutions to meet its liquidity requirement in the short and long term. The Group finances its working capital requirements through a combination of funds generated from operations and bank and other borrowings.

##### *Liquidity and interest risk tables*

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

### 34. 金融工具(續)

#### (B) 金融風險管理目標及政策(續)

##### 流動資金風險

本公司管理層密切監察本集團的資金流動狀況及其是否遵守貸款契諾，以確保本集團維持足夠的現金儲備以及主要金融機構承諾提供足夠的資金，以滿足其短期及長期流動資金需要。本集團透過從經營業務所產生的資金以及銀行及其他借款滿足其營運資金需要。

##### *流動資金及利率風險表*

下表詳列本集團非衍生金融負債的剩餘合約期。下表乃根據金融負債的未折現現金流量而開列，該等金融負債乃根據本集團可能須付款的最早日期分類。其他非衍生金融負債之到期日乃按協定還款日期而釐定。該等列表包括利息及本金流量。利息流量只限於浮動利率，而未折現之金額乃來自報告期末之利率曲線。

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## 綜合財務報表附註

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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (B) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### LIQUIDITY RISK (Cont'd)

##### Liquidity and interest risk tables (Cont'd)

		Weighted average effective interest rate	Repayable on demand or 3 months or less 須按要或3個月或以內償還	3 - 6 months 3至6個月	6 - 12 months 6至12個月	1 - 3 years 1至3年	Over 3 years 超過3年	Total undiscounted cash flows 未折現現金流量總額	Carrying amount at
									31.12.2018
		加權平均實際利率	或3個月或以內償還	個月	個月	年	3年	現金流量總額	於二零一八年十二月三十一日的賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>2018</b>	<b>二零一八年</b>								
Trade payables	貿易應付款項	—	4,971	—	—	—	—	4,971	4,971
Other payables	其他應付款項	—	5,581	—	—	—	—	5,581	5,581
Bank borrowings	銀行借款	3.03	28,000	2,311	2,511	4,819	2,308	39,949	39,237
Amounts due to related parties	應付關聯方款項	—	3,424	—	—	—	—	3,424	3,424
			<b>41,976</b>	<b>2,311</b>	<b>2,511</b>	<b>4,819</b>	<b>2,308</b>	<b>53,925</b>	<b>53,213</b>
		加權平均實際利率	或3個月或以內償還	個月	個月	年	3年	現金流量總額	於二零一七年十二月三十一日的賬面值
		%	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		%	千港元	千港元	千港元	千港元	千港元	千港元	千港元
<b>2017</b>	<b>二零一七年</b>								
Trade payables	貿易應付款項	—	9,313	—	—	—	—	9,313	9,313
Other payables	其他應付款項	—	1,466	—	—	—	—	1,466	1,466
Bank borrowings	銀行借款	3.3	28,000	—	2,618	4,997	4,702	40,317	39,200
Amounts due to related parties	應付關聯方款項	—	6,474	—	—	—	—	6,474	6,474
			<b>45,253</b>	<b>—</b>	<b>2,618</b>	<b>4,997</b>	<b>4,702</b>	<b>57,570</b>	<b>56,453</b>

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

### 34. 金融工具 (續)

#### (B) 金融風險管理目標及政策 (續)

##### 流動資金風險 (續)

##### 流動資金及利率風險表 (續)

倘浮動利率變動與於報告期末釐定的利率估計有別，則上述所包含非衍生金融負債的浮動利率工具金額亦會有變。



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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (C) FAIR VALUE

The fair values of available-for-sale investments are based on quoted market prices.

The Group enters into a derivative financial instrument with a financial institution with an investment grade credit rating. The derivative financial instrument, which is a cross currency swap, is measured using valuation techniques similar to swap models, using present value calculations. The models incorporate various market observable inputs including the foreign exchange spot and forward rates and interest rate curves. The carrying amount of the cross currency swap is the same as its fair value.

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

#### ASSETS MEASURED AT FAIR VALUE

		Fair value measurement using quoted prices in active markets (Level 1) 按活躍市場報價 計量的公允價值 (第一級) HK\$'000 千港元
<b>As at 31 December 2018</b>	於二零一八年十二月三十一日	
Debt instruments at fair value through other comprehensive income	透過其他全面收益 按公允價值計量的債務工具	<b>31,253</b>
<b>As at 31 December 2017</b>	於二零一七年十二月三十一日	
Available-for-sale investments Debt investments	可供出售投資 債務投資	10,311

### 34. 金融工具(續)

#### (C) 公允值

可供出售投資之公允值乃按市場報價計算。

本集團與一間具投資級別信貸評級的金融機構訂立衍生金融工具。衍生金融工具(即交叉貨幣互換)採用現值計算法按類似互換模型的估值技巧計量。該等模型納入多項可觀察市場輸入數據,包括即期及遠期外匯匯率及利率曲線。交叉貨幣互換的賬面值與其公允值相同。

下表列示本集團金融工具的公允值計量層級:

#### 按公允價值計量的資產



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#### 35. SHARE OPTION SCHEME

The Company's share option scheme (“**Share Option Scheme**”), was adopted pursuant to a resolution passed on 5 September 2014 for the primary purpose of providing incentives to directors and eligible employees for their contribution or potential contribution to our Group. Under the Scheme, the board of directors of the Company may grant options to eligible employees, including directors of the Company and its subsidiaries, to subscribe for shares in the Company.

At 31 December 2018, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 500,000 (31 December 2017: 500,000), representing 0.045% (31 December 2017: 0.045%) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

The limit on the total number of Company's shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company at any time shall not exceed 30% of the Shares in issue from time to time (the “**Maximum Limit**”). The maximum number of Shares in respect of which options under the Share Option Scheme and any other share option schemes of our Company may be granted is 10% of the Shares in issue immediately upon completion of the share offer, being 80,000,000 Shares (the “**Scheme Limit**”), excluding for this purpose the number of shares which would be issued on the exercise in full of the options granted under the Share Option Scheme or any other schemes of our Company but not cancelled, lapsed or exercised; the number of Shares which have been allotted and issued pursuant to the exercise of any options granted under the Share Option Scheme or any other schemes of our Company; and the number of cancelled Shares.

#### 35. 購股權計劃

本公司根據於二零一四年九月五日通過的決議案採納購股權計劃（「**購股權計劃**」），主要旨在激勵對本集團作出貢獻或可能作出貢獻的董事及合資格僱員。根據該計劃，本公司董事會可向合資格僱員授出購股權，其中包括本公司及其附屬公司的董事，以認購本公司股份。

於二零一八年十二月三十一日，根據該計劃已授出但尚未行使的購股權涉及的股份數目為500,000股（二零一七年十二月三十一日：500,000股），相當於本公司於該日期已發行股份之0.045%（二零一七年十二月三十一日：0.045%）。在未經本公司股東事先批准之情況下，根據該計劃授出之購股權所涉之股份總數目，於任何時候不得超過本公司已發行股份之10%。在未經本公司股東事先批准之情況下，於任何一年向任何個人已授予及可能授予之購股權所涉及之已發行及將予發行之股份數目不得超過本公司於任何時間已發行股份之1%。

根據購股權計劃及本公司任何其他購股權計劃已授出而尚未行使之所有未行使購股權獲行使時可予發行之本公司股份總數目的上限，於任何時候不得超過不時已發行股份之30%（「**最高限額**」）。根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份最高數目為緊接股份發售完成後已發行股份的10%，即80,000,000股股份（「**計劃限額**」），就此而言，不包括根據購股權計劃或本公司任何其他計劃授出的購股權（以並無註銷、失效或獲行使者為限）獲悉數行使時可能發行的股份數目；因行使根據購股權計劃或本公司任何其他計劃授出的任何購股權而已配發及發行的股份數目；及已註銷股份之數目。



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### 35. SHARE OPTION SCHEME (Cont'd)

No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the Maximum Limit being exceeded.

Any grant of options to a director, chief executive or substantial shareholder of our Company or any of their respective associates is required to be approved by our independent non-executive directors (excluding any independent non-executive director who is the grantee of the options). If the Board determines to offer to grant options to a substantial shareholder or an independent non-executive director or any of their respective associates which will result in the number of shares issued and to be issued in excess of 0.1% of the issued shares or with an aggregate value (based on the closing price of the shares at the date of grant) in excess of HK\$5,000,000 within any 12-month period is subject to approval by shareholders of the Company in general meeting.

The subscription price for the Company's shares on the exercise of options under Share Option Scheme shall be at least the highest of: (a) the closing price of the shares as stated in Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the 5 business days immediately preceding the date of grant; and (c) the nominal value of the share.

### 35. 購股權計劃(續)

倘根據本公司的任何計劃(包括購股權計劃)授出的購股權導致超出最高限額,則不得授出該等購股權。

向本公司董事、最高行政人員或主要股東或彼等各自的任何聯繫人授出任何購股權,須經本公司獨立非執行董事(不包括本身為購股權承授人的任何獨立非執行董事)批准。倘董事會決議向主要股東或獨立非執行董事或任何彼等各自的聯繫人授出購股權,而導致任何十二個月期間內已發行及將予發行股份數目超過已發行股份的0.1%或超過5,000,000港元價值總額(根據於授出日期股份收市價計算),則須經本公司股東於股東大會上的批准。

本公司行使購股權計劃授出的購股權之股份認購價不得低於下列三者中之最高者:(a)股份於授出日期(必須為營業日)在聯交所每日報價表所報收市價股份;(b)於緊接授出日期前五個營業日在聯交所每日報價表所報平均收市價;及(c)股份面值。



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For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 35. SHARE OPTION SCHEME (Cont'd)

During the year ended 31 December 2018, movements of the Company's share options held by senior management were as follows:

		Number of share options 購股權數目			Exercisable share options at the end of the year 於年底 可行使之 購股權
		Outstanding at the beginning of the year 於年初 尚未行使	Granted during the year 於本年度 已授出	Outstanding at the end of the year 於年底 尚未行使	
<b>For the year ended 31 December 2018</b>	<b>截至二零一八年 十二月三十一日 止年度</b>				
Year of grant of options 2016	授出購股權年度 二零一六年	500,000	—	500,000	—
Weighted average exercise price (HK\$)	加權平均行使價(港元)	0.52	—	0.52	—

The estimated fair value of the options granted on 14 April 2016 is HK\$0.25.

The exercise price of the options of HK\$0.52 was equal to the market price of the shares on the date of grant. Options granted must be taken up within 30 days of the date of grant — 14 April 2016, upon payment of HK\$1.00 per option. Each of the grantees to whom an option has been granted under the Scheme shall be entitled to exercise their options up to 33%, 66% and 100% of the shares that are subject to the option so granted to them at any time during the period commencing from the first, second and third anniversaries of the date. The options will vest over a period of three years from the date of grant and the chief financial officer will still be employed on the date of vesting and exercise. The validity period of the options is ten years from the date of grant and the options shall lapse at the expiry of the validity period. The fair value at grant date is estimated using a binomial pricing model, taking into account the terms and conditions upon which the options were granted. The contractual life of each option granted is ten years. There is no cash settlement of the options.

### 35. 購股權計劃(續)

於截至二零一八年十二月三十一日止年度期間，由高級管理層持有本公司購股權之變動如下：

於二零一六年四月十四日授出的購股權之估計公允值為0.25港元。

購股權行使價為0.52港元，相當於授出日期的股份市價。已授出購股權須於授出日期後30日內承購(即二零一六年四月十四日)，承授人須支付每股購股權1.00港元。根據購股權計劃，於授出購股權當日的第一週年、第二週年、第三週年起期間內任何時間，獲授予購股權的各承授人應有權行使其獲授予的購股權所涉及股份分別不超過33%、66%及100%。購股權的權利將在授予日期起計的三年期間內歸屬，且財務總監於歸屬及行使日期將仍受僱於本公司。購股權的有效期為自授出日期起計十年內及購股權將在有效期屆滿時失效。授出日期的公允值乃按二項式定價模式估算，計及授出購股權所依據之條款及條件。已授出之每份購股權之合約年期為十年。購股權概無現金支付。



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### 35. SHARE OPTION SCHEME (Cont'd)

The fair value was calculated using the Binomial model. The inputs into the model were as follows:

Weighted average share price	0.52
Exercise price	0.52
Expected dividend yield (%)	1.35
Expected volatility (%)	47.69
Risk-free interest rate (%)	1.33
Expected life of share options (years)	10

Expected volatility was determined by using the historical volatility of the comparable companies' share prices over the previous 7-10 years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

During the year ended 31 December 2018, the Group has recognised approximately HK\$21,000 of share-based payment expense in profit or loss (2017: HK\$46,000).

### 36. RETIREMENT BENEFIT OBLIGATIONS

#### (A) DEFINED CONTRIBUTION RETIREMENT PLAN OPERATING IN HONG KONG

The Group operates a defined contribution MPF Scheme in Hong Kong under the Mandatory Provident Fund Schemes Ordinance for employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

### 35. 購股權計劃(續)

公允值乃按二項式定價模式計算。上述模式之輸入數據如下：

加權平均股價	0.52
行使價	0.52
預期股息率 (%)	1.35
預期波幅 (%)	47.69
無風險利率 (%)	1.33
購股權的預期年期 (年)	10

預期波幅利用可供比較公司過去七至十年股價之歷史波幅釐定。模型所用預期年期已根據管理層之最佳估計就不可轉讓、行使限制及行為考慮因素之影響作出調整。

於截至二零一八年十二月三十一日止年度，本集團已於損益內確認基於股份的付款開支約21,000港元(二零一七年：46,000港元)。

### 36. 退休福利責任

#### (A) 於香港實行之界定供款退休計劃

本集團遵照強制性公積金計劃條例為合資格參與強積金計劃的僱員在香港設立一項定額供款強積金計劃。供款按僱員基本薪酬的某一百分比計算，並於根據強積金計劃規則規定需要支付時自損益扣除。強積金計劃資產與本集團資產分開以獨立管理基金持有。本集團按強積金計劃作出的僱主供款全數歸屬於僱員。



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### 36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

#### (B) DEFINED CONTRIBUTION RETIREMENT PLAN OPERATING IN THE PRC

The employees of the Group's operations in the PRC are required to participate in central pension schemes operated by the local municipal governments, the assets of which are held separately from those of the Group. Contributions are made by the Group based on a percentage of the participating employees' salaries and are charged to profit or loss as they become payable in accordance with the rules of the central pension schemes. The employer contributions vest fully once made.

#### (C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA

Under the Indonesia Labor Law, companies are required to pay separation, appreciation and compensation benefits to their employees if the conditions specified in the Indonesia Labor Law are met. The Group's subsidiaries in Indonesia, estimates its liability for employee service entitlement benefits in order to meet and cover the minimum benefits requirement to be paid to employees under the Indonesia Labor Law.

The plan exposes the Group to actuarial risks such as investment risk, interest rate risk, longevity risk and salary risk.

#### INVESTMENT RISK

The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Indonesian government bonds; if the return on plan asset is below this rate, it will create a plan deficit.

### 36. 退休福利責任(續)

#### (B) 於中國實行之界定供款退休計劃

本集團於中國業務的僱員須參加由當地市政府營辦的中央退休金計劃，該等計劃的資產與本集團資產分開持有。供款乃由本集團根據中央退休金計劃的規則按參與僱員薪金的某一百分比作出，並於應付時從損益扣除。僱主的供款於其作出供款時即全數歸屬。

#### (C) 於印尼實行之界定福利退休計劃

根據《印尼勞工法》，倘《印尼勞工法》中指明的條件適用，則公司必須向其僱員支付離職、升職及賠償福利。本集團的印尼附屬公司估計僱員服務應付福利的負債，以符合及涵蓋《印尼勞工法》必須向僱員提供福利的最低要求。

該計劃使本集團面臨精算風險，如投資風險、利率風險、長壽風險及薪金風險。

#### 投資風險

界定福利計劃負債的現值按參考印尼政府債券釐定的貼現率計算；倘計劃資產回報率低於貼現率，則會形成計劃虧絀。



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### 36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

#### (C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

##### INTEREST RATE RISK

A decrease in the bond interest rate will increase the plan liability.

##### LONGEVITY RISK

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

##### SALARY RISK

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

The post-employment benefits are unfunded.

The most recent actuarial valuation of the present value of the defined benefit obligation was carried out at 31 December 2018 by PT Dayamandiri Dharmakonsilindo, an independent actual consulting firm in Indonesia. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

### 36. 退休福利責任(續)

#### (C) 於印尼實行之界定福利退休計劃(續)

##### 利率風險

債券利率降低將增加計劃負債。

##### 長壽風險

界定福利計劃負債的現值乃參考對計劃參與人於僱用期間及期後離世的最佳估計而計算。計劃參與人預期壽命延長將增加計劃負債。

##### 薪金風險

界定福利計劃負債的現值乃參考計劃參與人的未來薪金而計算。因此，計劃參與人薪金上升將增加計劃負債。

本集團並無提供離職後福利。

界定福利責任現值最近之精算估值乃由印尼一間獨立精算顧問公司PT Dayamandiri Dharmakonsilindo於二零一八年十二月三十一日進行。界定福利責任現值及相關的目前服務成本及過往服務成本按預計單位貸記法計量。

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### 36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

#### (C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

##### SALARY RISK (Cont'd)

##### (i) Current service cost:

The current service cost and the net interest expense for the year are included in the employee benefits expense in profit or loss. Of the expense for the year, HK\$256,000 (2017: HK\$152,000) has been included in the administrative expenses.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

##### (ii) Retirement benefit obligations:

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit plan is as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Present value of funded defined benefit obligation	已注資界定福利責任現值	808	171
Fair value of plan assets	計劃資產的公允值	—	—
Net liability arising from defined benefit obligations	界定福利責任產生的負債淨額	808	171

### 36. 退休福利責任(續)

#### (C) 於印尼實行之界定福利退休計劃(續)

##### 薪金風險(續)

##### (i) 目前服務成本：

目前服務成本及年內利息開支淨額計入損益表的僱員福利開支。年內開支256,000港元(二零一七年：152,000港元)已計入行政開支。

界定福利負債淨額之重新計量計入其他全面收益。

##### (ii) 退休福利責任：

本集團就其界定福利計劃的責任產生的計入綜合財務狀況表的金額如下：

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### 36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

#### (C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

##### SALARY RISK (Cont'd)

##### (ii) Retirement benefit obligations: (Cont'd)

Movements in the present value of the defined benefit obligations in the current year are as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Opening defined benefit obligation	年初界定福利責任	171	—
Current service cost	目前服務成本	246	181
Interest cost	利息成本	16	1
Past service cost, including gains on curtailments	過往服務成本(包括縮減收益)	3	(30)
Adjustment related to termination plan	有關終止計劃調整	313	—
Remeasurement losses:	重新計量虧損:		
— Actuarial gains and losses arising from experience adjustments	— 經驗調整所產生之精算收益及虧損	(26)	7
— Actuarial gains and losses arising from change in demographic assumptions	— 人口假設變動所產生之精算收益及虧損	33	14
Income in the OCI	其他全面收益之收益	73	—
Benefits paid	已付福利	(2)	(1)
Exchange differences on foreign plans	海外計劃匯兌差額	(19)	(1)
Closing defined benefit obligation	年末界定福利責任	808	171

##### (iii) Key assumptions:

The principal assumptions used for the purposes of the actuarial valuations were as follows:

		2018 二零一八年	2017 二零一七年
Discount rate	貼現率	8.68%	7.4%
Expected rate of salary increase	預期薪金升幅	4.5%	4.5%

### 36. 退休福利責任(續)

#### (C) 於印尼實行之界定福利退休計劃(續)

##### 薪金風險(續)

##### (ii) 退休福利責任:(續)

界定福利責任現值於本年度的變動如下:

##### (iii) 關鍵假設:

精算估值所用主要假設如下:

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### 36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

#### (C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

##### SALARY RISK (Cont'd)

##### (iii) Key assumptions: (Cont'd)

Significant actuarial assumptions for the determination of the defined obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

		Increase in rate 利率上升 %	Increase in net defined benefit obligations 界定福利 責任淨額增加 HK\$'000 千港元	Decrease in rate 利率下降 %	Increase in net obligation benefit 界定福利 責任淨額增加 HK\$'000 千港元
<b>As at 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>				
Discount rate(s)	貼現率	1	1	1	42
Expected rate(s) of salary increase	預期薪金升幅	1	42	1	-

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

### 36. 退休福利責任(續)

#### (C) 於印尼實行之界定福利退休計劃(續)

##### 薪金風險(續)

##### (iii) 關鍵假設(續)

釐定界定責任之重大精算假設為貼現率及預期薪金增幅。以下敏感度分析根據於報告期末各假設出現合理可能變動而其他假設維持不變而釐定。

由於部分假設可能互相關連，單一獨立假設變動不太可能發生，以上呈列敏感度分析不一定能代表界定福利責任之實際變動。



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### 36. RETIREMENT BENEFIT OBLIGATIONS (Cont'd)

#### (C) DEFINED BENEFIT RETIREMENT PLAN OPERATING IN INDONESIA (Cont'd)

##### SALARY RISK (Cont'd)

##### (iii) Key assumptions: (Cont'd)

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the consolidated statement of financial position.

### 36. 退休福利責任(續)

#### (C) 於印尼實行之界定福利退休計劃(續)

##### 薪金風險(續)

##### (iii) 關鍵假設(續)

此外，於呈列以上敏感度分析時，界定福利責任之現值於報告期末以預計單位貸記法計量，與應用於計算綜合財務狀況表內確認之界定福利責任負債之方法相同。

### 37. CAPITAL COMMITMENT

### 37. 資本承擔

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Capital expenditure in respect of service concession arrangement contracted for but not provided in the consolidated financial statements	有關已訂約但未於綜合財務報表作出撥備的服務特許權安排的資本開支	1,312	—





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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 38. RELATED PARTY TRANSACTIONS

- (a) The Group has sub-leased the commercial premises located at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong (the “**Office Premises**”) for use as offices from Dragonfield Management Limited (“**Dragonfield**”), a company controlled by close family members of a director of the Company. On 5 September 2014, the Group entered into a commercial premises sublease agreement with Dragonfield for the continuing use and occupation of the Office Premises after the listing, retrospectively, effective from 27 August 2014 to 26 August 2016 at a rent of HK\$276,000 per annum (the “**Sublease Agreement**”).

On 11 December 2015, the Group entered into an administrative services sharing agreement with Dragonfield Management Limited (“**Dragonfield**”), a company substantially owned by close family members of a director of the Company in connection with the sharing of administrative services, retrospectively, effective from 1 July 2018 to 30 June 2021. The Group was charged for the shared administrative services, which includes the rent to Dragonfield for the area of the office precioues used by the Group, on a cost basis.

### 38. 關聯方交易

- (a) 本集團向龍田管理有限公司(「龍田」)(由本公司一名董事近親控制的公司)分租位於香港華蘭路20號華蘭中心11樓1-3室的商用物業(「辦公室物業」)用作辦公室。於二零一四年九月五日，本集團與龍田訂立商用物業分租協議，以於上市後持續使用及佔用辦公室物業，並追溯生效，自二零一四年八月二十七日起至二零一六年八月二十六日止，年租金為276,000港元(「分租協議」)。

於二零一五年十二月十一日，本集團已就共享行政服務與龍田管理有限公司(「龍田」，由本公司一名董事的近親持有絕大部分股權)訂立行政服務共享協議，追溯生效，自二零一八年七月一日起至二零二一年六月三十日止。相關共享行政服務按成本基準向本集團收費，其中包括租賃龍田作本集團辦公室物業用途。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 38. RELATED PARTY TRANSACTIONS (Cont'd)

(a) (Cont'd)

The total amount of shared administrative services expenses charged to profit or loss during the year ended 31 December 2018 was HK\$3,335,000 (2017: HK\$3,216,000)

There is no amount due to Dragonfield for both years.

(b) During the year ended 31 December 2018, HK\$621,000 (2017: HK\$1,658,000) services fee and rental expenses were paid to related companies over which a director of the Company has significant influence to operate, monitor and maintain the two power plants of the Group.

(c) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	5,612	4,368
Post-employment benefits	離職後福利	36	76
		<b>5,648</b>	4,444

The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends. Further details of compensation of directors' emoluments are included in note 10.

### 38. 關聯方交易(續)

(a) (續)

截至二零一八年十二月三十一日止年度計入損益的共享行政服務開支總額為3,335,000港元(二零一七年: 3,216,000港元)。

兩個年度並無應付龍田之款項。

(b) 於截至二零一八年十二月三十一日止年度, 已支付621,000港元(二零一七年: 1,658,000港元)服務費用及租金開支予關聯公司, 而本公司一名董事對關聯公司擁有重大影響力, 從而影響本集團兩座發電廠的營運、監督及維護。

(c) 主要管理層人員的薪酬

於年內董事及主要管理層其他人員的薪酬如下:

董事及主要行政人員之薪酬由薪酬委員會經考慮個人表現及市場趨勢後釐定。董事酬金的進一步詳情載於附註10。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

#### STATEMENT OF THE FINANCIAL POSITION OF THE COMPANY

### 39. 本公司的財務狀況表

#### 本公司的財務狀況表

		2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	283,433	283,433
Available-for-sale investments	可供出售投資	—	10,311
Debt instruments at FVTOCI	透過其他全面收益 按公允值計量的債務工具	8,193	—
Amount due from subsidiaries	應收附屬公司款項	109,393	90,037
		<b>401,019</b>	383,781
<b>Current assets</b>	<b>流動資產</b>		
Other receivables	其他應收款項	172	172
Amounts due from subsidiaries	應收附屬公司款項	7,209	40,997
Debt instruments at FVTOCI	透過其他全面收益 按公允值計量的債務工具	23,060	—
Bank balances and cash	銀行結餘及現金	17,292	1,881
		<b>47,733</b>	43,050
<b>Current liabilities</b>	<b>流動負債</b>		
Accruals	應計費用	1,300	1,300
Amount due to a subsidiary	應付一間附屬公司款項	51,340	22,451
		<b>52,640</b>	23,751
<b>Net current (liabilities) assets</b>	<b>流動(負債)資產淨值</b>	<b>(4,907)</b>	19,299
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>396,112</b>	403,080
<b>Equity</b>	<b>權益</b>		
Issued capital	已發行股本	111	111
Reserves	儲備	396,001	402,969
<b>Total equity</b>	<b>總權益</b>	<b>396,112</b>	403,080

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 39. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

#### MOVEMENT IN EQUITY OF THE COMPANY

### 39. 本公司的財務狀況表(續)

#### 本公司權益變動

		Issued capital 已發行股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Share option reserve 購股權儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Retained earnings (accumulated losses) 保留盈利 (累計虧損) HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	111	409,031	54	505	332	410,033
Loss for the year	年內虧損	—	—	—	—	(6,202)	(6,202)
Fair value change on available-for-sale investments	可供出售投資之公允值變動	—	—	—	(305)	—	(305)
Investment revaluation reserve released upon disposal of available-for-sale investments	出售可供出售投資後解除投資重估儲備	—	—	—	(492)	—	(492)
Total comprehensive expenses for the year	年內全面開支總額	—	—	—	(797)	(6,202)	(6,999)
Recognition of equity-settled share-based payments	確認以權益結算基於股份的付款	—	—	46	—	—	46
At 31 December 2017	於二零一七年十二月三十一日	111	409,031	100	(292)	(5,870)	403,080
Loss for the year	年內虧損	—	—	—	—	(6,792)	(6,792)
Fair value change on debt instruments at FVTOCI	透過其他全面收益按公允值計量的債務工具之公允值變動	—	—	—	(128)	—	(128)
Investment revaluation reserve released upon disposal of debt instruments at FVTOCI	出售透過其他全面收益按公允值計量的債務工具後解除投資重估儲備	—	—	—	404	—	404
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	—	—	—	276	(6,792)	(6,516)
Recognition of equity-settled share-based payments	確認以權益結算基於股份的付款	—	—	21	—	—	21
Repurchase of ordinary shares (note 30)	普通股回購(附註30)	—	(473)	—	—	—	(473)
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>111</b>	<b>408,558</b>	<b>121</b>	<b>(16)</b>	<b>(12,662)</b>	<b>396,112</b>

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 31 December 2018 and 2017 are as follows:

### 40. 本公司主要附屬公司的詳情

於二零一八年及二零一七年十二月三十一日，本公司主要附屬公司的詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地點	Place of operation 營運 地點	Issued and fully paid/ registered ordinary share capital 已發行及繳足/ 已註冊普通股股本	Proportion of nominal value of issued ordinary share capital held by the Group 本集團持有已發行普通股股本面值比例		Principal activities 主要活動
				2018 二零一八年 %	2017 二零一七年 %	
Haian Hengfa ("海安恆發污水處理有限公司") (notes a & c) 海安恆發 (「海安恆發污水處理有限公司」)(附註a及c)	PRC 中國	PRC 中國	RMB30,000,000 人民幣 30,000,000 元	70	70	Wastewater treatment 污水處理
Rugao Hengfa ("如皋恆發水處理有限公司") (notes b & c) 如皋恆發 (「如皋恆發水處理有限公司」)(附註b及c)	PRC 中國	PRC 中國	US\$9,880,000 9,880,000 美元	100	100	Wastewater treatment 污水處理
Shanghai Taihuan ("上海泰環環保科技有公司") (notes b & c) 上海泰環 (「上海泰環環保科技有公司」) (附註b及c)	PRC 中國	PRC 中國	HK\$400,000 400,000 港元	100	100	Dormant 暫無業務
Rugao Taihuan ("如皋泰環環保科技有限 公司") (notes b & c) 如皋泰環 (「如皋泰環環保科技有公司」) (附註b及c)	PRC 中國	PRC 中國	US\$1,000,000 1,000,000 美元	100	100	Wastewater treatment 污水處理
ELL Environmental Limited	BVI 英屬處女群島	BVI 英屬處女群島	US\$100 100 美元	100	100	Investment holding 投資控股



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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Cont'd)

### 40. 本公司主要附屬公司的詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地點	Place of operation 營運 地點	Issued and fully paid/ registered ordinary share capital 已發行及繳足/ 已註冊普通股 股本	Proportion of nominal value of issued ordinary share capital held by the Group 本集團持有已發行普通股股本面值比例		Principal activities 主要活動
				2018 二零一八年 %	2017 二零一七年 %	
Everbest Water Treatment Development 恆發水務發展	Hong Kong 香港	Hong Kong 香港	HK\$82,304,273 82,304,273 港元	100	100	Investment holding 投資控股
Grand Target Holdings Limited Water Treatment Company Limited	BVI 英屬處女群島	BVI 英屬處女群島	US\$100 100 美元	100	100	Investment holding 投資控股
Greatcorp International Limited 宏皓國際有限公司	Hong Kong 香港	Hong Kong 香港	HK\$100 100 港元	100	100	Investment holding 投資控股
Eternity Time Group Limited	BVI 英屬處女群島	BVI 英屬處女群島	US\$100 100 美元	100	100	Investment holding 投資控股
Weal Union Ltd 旭衡有限公司	Hong Kong 香港	Hong Kong 香港	HK\$250 250 港元	100	100	Investment holding 投資控股
Absolute Praise Limited	Cayman Islands 開曼群島	Cayman Islands 開曼群島	US\$100 100 美元	100	100	Dormant 暫無業務

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Cont'd)

### 40. 本公司主要附屬公司的詳情 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ registration 成立/ 註冊地點	Place of operation 營運 地點	Issued and fully paid/ registered ordinary share capital 已發行及繳足/ 已註冊普通股 股本	Proportion of nominal value of issued ordinary share capital held by the Group 本集團持有已發行普通股股本面值比例		Principal activities 主要活動
				2018 二零一八年 %	2017 二零一七年 %	
PT. Rimba Plama Sejahtera	Indonesia 印尼	Indonesia 印尼	IDR230,900 million 230,900百萬印尼盾	<b>95</b>	95	Manufacturing and sale of electricity and palm kemei oil 生產及出售電力及棕櫚仁油
PT. Sentosa Jaya Purnama	Indonesia 印尼	Indonesia 印尼	IDR25,000 million 25,000百萬印尼盾	<b>95</b>	95	Dormant 暫無業務
PT. ELL Environmental Limited	Indonesia 印尼	Indonesia 印尼	IDR2,000 million 2,000百萬印尼盾	<b>99</b>	99	Provision of administration and management services to group companies 向集團公司提供行政管理服務

Notes:

- (a) This entity is registered as a Sino-foreign equity joint venture under the laws of PRC.
- (b) These entities are registered as wholly-owned foreign enterprises under the laws of PRC.
- (c) The English names of these entities represent management's best effort at translating their Chinese names as these entities did not register any official English names.

附註：

- (a) 該實體根據中國法律註冊為中外合資經營企業。
- (b) 該等實體根據中國法律註冊為外商獨資企業。
- (c) 鑑於該等實體並未註冊任何官方英文名稱，該等實體的英文名稱乃由管理層盡力從彼等中文名稱翻譯得出。

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

For the year ended 31 December 2018 截至二零一八年十二月三十一日止年度

### 40. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (Cont'd)

Except for ELL Environmental Limited and Eternity Time Group Limited, all subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results of the year or constitute a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

### 41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Bank borrowings 銀行借款 HK\$'000 千港元	Amount due to a related party 應付一名關聯方款項 HK\$'000 千港元	Interest payment 利息支付 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2017	於二零一七年一月一日	32,426	6,542	—	38,968
Financing cash flows	融資現金流量	6,703	(68)	(1,034)	5,601
Interest expense	利息開支	—	—	1,034	1,034
Exchange differences	匯兌差額	71	—	—	71
At 31 December 2017	於二零一七年十二月三十一日	39,200	6,474	—	45,674
Financing cash flows	融資現金流量	(243)	(3,050)	—	(3,293)
Interest expense	利息開支	—	—	(1,612)	(1,612)
Exchange differences	匯兌差額	280	—	1,612	1,892
At 31 December 2018	於二零一八年十二月三十一日	39,237	3,424	—	42,661

### 40. 本公司主要附屬公司的詳情 (續)

除 ELL Environmental Limited 及 Eternity Time Group Limited 外，所有附屬公司由本公司間接持有。

上表列示董事認為主要影響年度業績或構成本集團資產淨值之主要部分之本公司附屬公司。董事認為，提供其他附屬公司之詳情會令篇幅過於冗長。

### 41. 融資活動產生之負債對賬

下表詳列融資活動產生之本集團負債變動，包括現金及非現金變動。融資活動產生之負債乃指其現金流量或未來現金流量於本集團綜合現金流量表中分類為融資活動產生的現金流量。



## Five-Year Financial Summary 五年財務概要

### RESULTS

### 業績

		Year ended 31 December 截至十二月三十一日止年度				
		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue	營業收入	85,183	145,462	100,317	78,964	<b>79,050</b>
Profit (loss) before tax	除稅前溢利 (虧損)	22,136	36,229	18,522	(50,891)	<b>(141,105)</b>
Income tax (expenses) credit	所得稅(開支) 抵免	(10,861)	3,920	(7,029)	(9,856)	<b>(3,562)</b>
Profit (loss) for the year	年內溢利(虧損)	11,275	40,149	11,493	(60,747)	<b>(144,667)</b>

### ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

### 資產、負債及非控股權益

		At 31 December 於十二月三十一日				
		2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Total assets	總資產	437,796	610,439	681,140	628,928	<b>475,888</b>
Total liabilities	總負債	(72,967)	(95,304)	(111,538)	(107,106)	<b>(101,512)</b>
Non-controlling interests	非控股權益	(28,234)	(27,593)	(27,650)	(29,024)	<b>(23,873)</b>
		336,595	487,542	541,952	492,798	<b>350,503</b>



ELL  
Environmental  
Holdings Limited