



# ELL ENVIRONMENTAL HOLDINGS LIMITED

强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的有限公司)*

Stock Code 股份代號 : 1395

**2016** ANNUAL REPORT 年報

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## DIRECTORS

### EXECUTIVE DIRECTORS

CHAU On Ta Yuen (*Chairman*)  
CHAN Kwan (*Chief Executive Officer*)  
Radius SUHENDRA (*appointed on 21 October 2016*)

### NON-EXECUTIVE DIRECTORS

CHAN Pak Lam Brian  
CHAU Chi Yan Benny

### INDEPENDENT NON-EXECUTIVE DIRECTORS

NG Chung Yan Linda  
NG Man Kung  
SZE Yeuk Lung Benedict

## BOARD COMMITTEES

### AUDIT COMMITTEE

NG Chung Yan Linda (*Chairlady*)  
CHAU Chi Yan Benny  
NG Man Kung  
SZE Yeuk Lung Benedict

### 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

P.O. Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

## 董事

### 執行董事

周安達源 (*主席*)  
陳昆 (*行政總裁*)  
蘇堅人 (*於二零一六年十月二十一日  
獲委任*)

### 非執行董事

陳栢林  
周致人

### 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*)  
周致人  
吳文拱  
施若龍

### 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

P.O. Box 309, Ugland House  
Grand Cayman, KY1-1104  
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 *FCS*

**授權代表**

陳昆  
郭兆文 *FCS*

**COMPANY SECRETARY**

KWOK Siu Man *FCS*

**公司秘書**

郭兆文 *FCS*

**CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR**

Maples Fund Services (Cayman) Limited  
P.O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

**開曼群島主要股份過戶登記處**

Maples Fund Services (Cayman) Limited  
P.O. Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

**HONG KONG BRANCH SHARE REGISTRAR**

Boardroom Share Registrars (HK) Limited  
31st 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  
31樓

## 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)

### STOCK CODE

1395

### 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)

### 股份代號

1395

**Dear Shareholders,**

On behalf of the board of directors (the “**Directors**” and the “**Board**”, respectively) of ELL Environmental Holdings Limited (“**ELL Environmental**” or the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present the annual report for the year ended 31 December 2016 (the “**Year**”).

ELL Environmental started as an environmental solution provider in China, providing wastewater treatment services in Jiangsu Province. Over the past decade, ELL Environmental has laid down a solid business foundation in China. So far, the Group's business has been a great success and the Company has earned an excellent reputation from the services it provided. Nevertheless, the market has become more and more challenging due to the increased competition and thus the diminishing opportunities in securing new wastewater treatment projects with satisfactory expected return. As such, the Group has been actively looking for potential investments outside its current sector to regain the momentum for growth. After long studying and strategic planning, the Group has identified its new direction of future development. In the fourth quarter of 2016, the Group acquired Weal Union Limited (“**Weal Union**”) and its subsidiary in the Republic of Indonesia (“**Indonesia**”) which is engaged in biomass power generation business in Jambi, Indonesia. The Board expects that the demand for power supply in Indonesia will undergo an upward trend, and the biomass power generation market has a huge potential given its environmental-friendly nature for which the local government has been strongly encouraging and supporting. The acquisition commensurates with the Group's strategy in expansion and diversification into other environmental protection business, and is conducive to the Group's long-term development and shareholders' interest. At present, the Group is investing in improvement works in the power generation facilities to facilitate its efficiency enhancement. Furthermore, the Group is also looking into other environmental protection projects in Indonesia including but not limited to biofuel pellets production. The management is enthusiastic about the new element of growth of ELL Environmental, and is confident of delivering a satisfactory return from the new investments in the future.

**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」）欣然呈報截至二零一六年十二月三十一日止年度（「本年度」）的年報。

強泰環保作為中國環保解決方案提供商起家，在江蘇省提供污水處理服務。過去十年來，強泰環保在中國打下了堅實的業務基礎。至今為止，本集團業務取得了巨大成功，且本公司憑著優秀的服務贏得了良好的聲譽。可是由於競爭加劇，尋找預期回報合適的新污水處理項目愈加困難，市場上充滿挑戰。因此，本集團一直在積極尋找其現有行業以外的潛在投資機會，以獲得增長動力。經過長期的研究及戰略規劃後，本集團終於物色到新的未來發展方向。於二零一六年第四季度，本集團收購旭衡有限公司（「旭衡」）及其印度尼西亞共和國（「印尼」）附屬公司，該公司在印尼占碑省從事生物質發電業務。董事會預計，印尼的供電需求將上漲，且鑑於生物質發電的環保性質，再加上受到當地政府強烈鼓勵及支持，其潛在市場相當龐大。此項收購符合本集團向其他環保業務擴張及多元佈局的戰略，且有利於本集團的長期發展及股東利益。本集團現正投資發電設施改建工程，以提高效率。此外，本集團亦在印尼尋找其他環保項目，包括但不限於生物燃料顆粒。管理層對強泰環保這一新增長元素抱有希望，並且有信心此項新投資未來將帶來令人滿意的回報。

## Chairman's Statement 主席報告

During 2016, the Group entered into an agreement to dispose of 100% interest in Rugao Honghao Metal Water Treatment Company Limited\* (如皋宏皓金屬表面水處理有限公司) (“**Rugao Honghao**”), an indirect wholly-owned subsidiary of the Company before completion of the disposal and which operates the wastewater treatment facility (the “**Rugao Honghao Facility**”), to 南通嘉禾科技投資開發有限公司 (Nantong Jiahe Technology Investment Development Co., Ltd\*) (“**Nantong Jiahe**”). The decision was made after the Board's consideration of the diminishing profitability of the Rugao Honghao Facility due to an increase in operating costs in recent years. The management believes that a higher return can be achieved by allocating the funding to new investments and the Group's overall growth in return can be further strengthened.

For the Year, ELL Environmental recorded a revenue of approximately HK\$100.3 million with a year-on-year decrease of 31%. The gross profit was HK\$34.3 million, down by 32% year-on-year. The decrease in revenue and gross profit was primarily due, among other things, to the decrease in construction revenue and recognitions of construction margin arising from the upgrade works of our wastewater treatment facilities. The net profit was HK\$11.5 million, down by 71% year-on-year.

Looking forward, the Group will continue its successful business philosophy in being proactive in looking for new growth, while staying cautious in risk assessments for its expansion.

I hereby would like to express my gratitude to my fellow Directors, shareholders and staff. The management and staff of ELL Environmental will strive to deliver better performance and generate attractive returns to our investors and shareholders.

**Chau On Ta Yuen**  
Chairman

Hong Kong, 24 March 2017

於二零一六年，本集團訂立一項協議，向南通嘉禾科技投資發展有限公司(「南通嘉禾」)出售在出售事項完成前為本公司間接全資附屬公司及經營污水處理設施(「如皋宏皓設施」)的如皋宏皓金屬表面水處理有限公司(「如皋宏皓」)之全部權益。作出這項決定是董事會考慮到近年來如皋宏皓設施盈利能力因營運成本增加而遭到削弱。管理層認為，將資金分配到新投資將能夠實現更高回報，且本集團的整體回報增長會得到進一步加強。

於本年度，強泰環保錄得營業收入約100.3百萬港元，按年減少31%。毛利為34.3百萬港元，按年下跌32%。營業收入及毛利減少乃主要由於(其中包括)建設營業收入的減少及確認因我們污水處理設施的升級工程而產生的建設利潤減少。純利為11.5百萬港元，按年減少71%。

展望未來，本集團將堅持其成功的經營理念，繼續前瞻性地尋找新增長機會，同時對其擴張計劃進行審慎的風險評估。

本人謹此向董事、股東及員工致以衷心感謝。強泰環保的管理層及員工將致力提高表現，為投資者及股東創造吸引回報。

主席  
周安達源

香港，二零一七年三月二十四日

\* the English translation of Chinese name is for information purpose only and should not be regarded as the official English translation of such Chinese name.



## BUSINESS REVIEW

In 2016, the global economy suffered from political uncertainties resulting from elections in multiple countries. Despite the weak recovery of the global economy, China attained an economic growth rate of 6.7% in 2016, contributing 33.2% of the global economic growth. It remains a powerhouse of the global economic growth.

As environmental protection is a global concern, China is in urgent need of environmental protection services and the State Council emphasised the need to promote the environmental protection industry in its 13th Five-Year Plan. In April 2015, the State Council released the Action Plan for Prevention and Treatment of Water Pollution. In October of the same year, it issued a document concerning the reform of wastewater treatment tariff systems. In this context, we expect the wastewater treatment industry in China to see a continuous and rapid development. The Company is committed to actively exploring and capturing market opportunities available, and steadily operating its wastewater treatment business.

Rugao Hengfa Water Treatment Company Limited (“**Rugao Hengfa**”) has completed its upgrade works and commenced trial commissioning, while awaiting examination and approval by the local government. Haian Hengfa Wastewater Treatment Company Limited (“**Haian Hengfa**”), on the other hand, is undergoing various examinations and approval processes by the local government. With the completion of the upgrade of the wastewater treatment plants of Rugao Hengfa and Haian Hengfa, respectively, we are in a favourable position to negotiate with the relevant governmental departments to adjust upward the wastewater treatment tariffs and in turn, expect the increased wastewater treatment tariffs to contribute positively to the Company's revenue and gross profit in the near future.

On 21 September 2016, the Group entered into an agreement to sell all of the equity interest of Rugao Honghao to Nantong Jiahe to provide an additional source of capital to fund the Group's operations and future business development opportunities. As at 31 December 2016, Rugao Honghao remained as a subsidiary of the Company and we continue to operate three wastewater treatment facilities in Jiangsu Province, including the facilities of Haian Hengfa and Rugao Hengfa. During the Year, these two facilities treated a total of 20 million tonnes of wastewater.

## 業務回顧

二零一六年，多國選舉帶來政治不確定性，全球經濟因而出現不穩定因素。在全球經濟復甦乏力的背景下，二零一六年中國經濟增速為6.7%，對全球經濟增長的貢獻率高達33.2%，仍然扮演著全球經濟發展引擎的重要角色。

隨著環保議題受到全球關注，中國對環境污染治理服務需求殷切，國務院在「十三五」規劃強調大力推進環保產業。國務院於二零一五年四月推出《水污染防治行動計劃》；同年十月，國務院發佈有關水價改革的文件，污水處理行業持續快速發展。強泰環保積極把握目前的市場機遇，穩定經營集團的污水處理業務。

如皋恆發水處理有限公司（「**如皋恆發**」）已經完成升級工程，現已進入調試階段並正待當地政府審核。另一方面，海安恆發污水處理有限公司（「**海安恆發**」）則正與當地政府進行各項審核及商討細節。隨著如皋恆發及海安恆發各自的污水處理廠升級工程完成，本公司處於有利地位可與相關的政府部門就上調水價作出商討，而更高的水價將在近期內有助增加本公司收入及提升毛利。

二零一六年九月二十一日，強泰環保向南通嘉禾出售如皋宏皓100%股權，為集團之營運資金及未來業務發展機遇提供額外資金來源。於二零一六年十二月三十一日，如皋宏皓仍為本公司之附屬公司，強泰環保會繼續營運位於江蘇省的三座污水處理設施，包括海安恆發及如皋恆發設施。這兩座污水處理設施於本年度合共處理二千萬噸污水。



## Management Discussion and Analysis

### 管理層討論與分析

The Company has been actively supporting national policies and coping with market changes in a flexible way. In response to the “Belt and Road” Initiative launched by the Central Government, the Group has been paying close attention to development opportunities in the PRC and abroad. The acquisition of Weal Union has marked the milestone as the Company’s first step to invest in the Indonesian environmental protection business. At present, the Group is actively improving its power generation facilities in order to speed up the development of its biomass generation business.

### OUTLOOK

Facing the changing market, the Company will continue to implement its prudent and stable operation strategies, based on the solid foundation laid down over the past years. The Group will actively cooperate with local governments in reviewing and discussing the details of upward adjustments of water tariffs.

Moreover, the Board expects that Indonesia’s demand for power supply will increase significantly in the near future. As the largest economy in Southeast Asia, Indonesia falls short of power supply. To this end, the Indonesian government has launched the Indonesia Terang / Bright Indonesia Programme, of which the primary objective is to increase national generating capacity of 35,000MW for 10,300 villages by 2019, while improving the national power coverage rate to 97.35%. As part of the Indonesian government’s effort to develop renewable energies, 25% of the 35,000MW power increased under this plan will come from renewable energies. The total investment of this plan is about US\$3 billion (equivalent to IDR40 trillion) with only 14% financed by the government and public expenditure, which creates huge investment space for private capital.

強泰環保一直積極配合國家政策，靈活面對市場變化。為響應中央政府推行「一帶一路」政策，集團密切留意中國及海外的發展機遇。收購旭衡是本公司投資印尼環保業務的第一步。集團目前正積極改善發電廠設施，以加快發展生物質發電業務。

### 未來展望

面對變化萬千的市場環境，強泰環保憑藉過去努力不懈所打下的堅實根基，將貫徹集團謹慎穩健的經營方針。集團將積極配合當地政府進行各項有關水價上調的審核及商討細節。

此外，董事會預期印尼電力供應需求將大幅增加。目前，作為東南亞最大經濟體的印尼國內電力嚴重不足，故印尼政府推行印尼電力普及化方案 (Indonesia Terang/Bright Indonesia Program)，初步目標在二零一九年前全國增加35,000兆瓦的發電量，供應10,300個村莊之電力，並將印尼全國電力普及率提升至97.35%。而為響應印尼政府積極推動可再生能源發展的方針，該計劃增加的35,000兆瓦中有25%將來自再生能源。整項計劃的投資約需30億美元(相當於40兆印尼盾)，預計只有14%由政府及公共開支承擔，為私型企業資本帶來龐大的投資空間。

Indonesia is abundant in biomass resources. It is estimated that the potential total capacity of biomass power generation in Indonesia amounts to 50,000MW. All government policies to promote the development of renewable energies and Indonesia's increasing demand for power supply suggest that Indonesia will make increasingly more efforts to generate power with biomass resources. In this regard, we believe that there is significant potential in Indonesia's biomass power generation market and, therefore, commit to investing in this market in an attempt to improve the Group's biomass power generation facilities and their capacities. The biomass power generation business is not only an expected growth area for the Group, but also a starting point for the Group to launch environmental protection business in Indonesia and/or other regions in Southeast Asia. In the future, we shall actively explore business opportunities in the relevant industries (including production of biomass fuel), with an aim to continue diversifying our environmental protection business portfolios.

## FINANCIAL REVIEW

### REVENUE

Our total revenue decreased by 31.0% to HK\$100.3 million for the Year from HK\$145.5 million for the previous year. The decrease in revenue was primarily attributable to (i) a decrease in construction revenue by 54.6% to HK\$36.2 million for the Year from HK\$79.8 million for the previous year due to the completion of the upgrade works of the wastewater treatment facility of Rugao Hengfa (the **"Rugao Hengfa Facility"**) during the Year; and (ii) the pending water tariff adjustments for the wastewater treatment facilities to cover the increase in costs of raw materials and overheads for the Year, for which negotiation with the local governments is in progress.

### COST OF SALES

Our total cost of sales decreased by 30.5% to HK\$66.0 million for the Year from HK\$95.0 million for the previous year, primarily due to a decrease in total construction costs to HK\$25.5 million for the Year from HK\$60.6 million for the previous year as a result of the completion of the upgrade works of the Rugao Hengfa Facility during the Year as aforementioned. Such decrease in cost of sales was partly offset by (i) the inclusion of the operating costs of the power plants in a subsidiary incorporated in Indonesia amounting to HK\$5.5 million which we only acquired in September 2016; and (ii) the increases in cost of raw materials and overhead costs for the operation of the wastewater treatment facilities as a result of the increased consumptions of raw materials per unit of wastewater treated and the inflation in market prices of such costs.

印尼擁有豐富的生物質資源，據估計，印尼利用生物質發電的潛在總容量可達約50,000兆瓦。政府積極推動可再生能源發展的所有政策及印尼對電力需求持續增長均表明印尼將會越來越多地利用生物質資源進行發電。因此，強泰環保認為印尼的生物質發電市場擁有龐大潛力，故將致力投資以改善本集團生物質發電設施及其產能。生物質發電業務為集團未來可期的增長點，亦可望成為集團在印尼及／或其他東南亞地區開展環保業務的起步點。未來，強泰環保將積極探索相關產業鏈（包括生物燃料生產）的發展可能，繼續尋求發展多元化的環保產業。

## 財務回顧

### 營業收入

我們的營業收入總額由去年的145.5百萬港元減少31.0%至本年度的100.3百萬港元。營業收入減少乃主要由於(i)本年度如皋恒發的污水處理設施（「如皋恒發設施」）的升級工程完成，導致建設營業收入由去年的79.8百萬港元減少54.6%至本年度的36.2百萬港元；及(ii)正在與地方政府協商的污水處理設施水費調整將彌補本年度原材料成本及雜費的漲幅。

### 銷售成本

我們的銷售成本總額由去年的95.0百萬港元減少30.5%至本年度的66.0百萬港元，主要由於前文所述本年度如皋恒發設施的升級工程完成，導致建設成本總額由去年的60.6百萬港元減少至本年度的25.5百萬港元。有關銷售成本減少部份被下列各項抵銷：(i)計入5.5百萬港元我們於二零一六年九月剛收購的於印尼註冊成立的附屬公司之發電廠的營運成本；及(ii)營運污水處理設施的原材料成本及雜項成本增加，原因是每單位處理污水的原材料消耗增加及該等成本的市價通脹。

## Management Discussion and Analysis

### 管理層討論與分析

#### GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit decreased by 32.0% to HK\$34.3 million for the Year from HK\$50.4 million for the previous year, primarily due to (i) a decrease in the recognition of construction margin arising from the upgrade works of the Rugao Hengfa Facility to HK\$10.7 million for the Year from HK\$19.1 million for the previous year due to its completion during the Year as abovementioned; and (ii) the decrease in the gross profit of Rugao Honghao to HK\$0.8 million for the Year from HK\$4.2 million for the previous year due to the increases in cost of raw materials and overhead costs per unit of wastewater treated as abovementioned.

Our gross profit margin maintained at 34.2% for the Year as compared with 34.7% for the previous year, as the effect of the decrease in the construction margin and the increases in the cost of raw materials and overhead costs in relation to the operation of the wastewater treatment facilities offset with each other.

#### OTHER INCOME AND GAINS

Our other income and gains increased by 113.6% to approximately HK\$11.3 million for the Year from HK\$5.3 million for the previous year, which was primarily attributable to (i) an increase in interest income from available-for-sale investments, and (ii) the increase in refund of value-added tax.

#### ADMINISTRATIVE EXPENSES

As a percentage of our revenue, our administrative expenses represented 25.1% and 12.6% for the year ended 31 December 2016 and 2015, respectively. Our administrative expenses increased by 37.8% to HK\$25.2 million for the Year from HK\$18.3 million for the previous year. The increase was primarily attributable to (i) the professional fees of HK\$3.0 million incurred in relation to the acquisition of all the issued shares of Weal Union in connection with the palm kernel oil mill and the ancillary biomass power plants operation business in Indonesia during the Year; and (ii) the increases in staff costs and other office and administrative expenses.

#### 毛利及毛利率

我們的毛利由去年的50.4百萬港元減少32.0%至本年度的34.3百萬港元，主要由於(i)如上文所述如皋恆發設施的升級工程於本年度完成致使確認建設利潤由去年的19.1百萬港元減少至本年度的10.7百萬港元；及(ii)上述每單位處理污水的原材料成本及雜項成本增加，導致如皋宏皓的毛利由去年的4.2百萬港元減少至本年度的0.8百萬港元。

我們的毛利率較去年的34.7%於本年度維持在34.2%，主要由於建設利潤減少及與營運污水處理設施有關的原材料成本及雜項成本上漲互相抵銷。

#### 其他收入及收益

本年度內，我們的其他收入及收益從去年的5.3百萬港元增加113.6%至約11.3百萬港元，此乃主要由於(i)來自可供出售投資的利息收入增加及(ii)增值稅退稅增加。

#### 行政開支

截至二零一六年及二零一五年十二月三十一日止年度，我們的行政開支佔營業收入的百分比分別為25.1%及12.6%。我們的行政開支由去年的18.3百萬港元增加37.8%至本年度的25.2百萬港元。該增加主要由於(i)就印尼的仁油榨油廠及配套生物質發電廠業務而言，本年度收購旭衡的全部已發行股份產生專業費用3.0百萬港元；及(ii)員工成本及其他辦公及行政開支增加。

## FINANCE COSTS

Our finance costs increased by 57.9% to HK\$2.0 million for the Year from HK\$1.2 million for the previous year, primarily due to an increase in interest expenses on the bank loan which the Company drew down in September 2015.

## PROFIT BEFORE TAX

Our profit before tax decreased by 48.9% to HK\$18.5 million for the Year from HK\$36.2 million for the previous year, primarily due to the factors mentioned above.

## INCOME TAX

We recorded an income tax expense of HK\$7.0 million for the Year as compared with an income tax credit of HK\$3.9 million for the previous year, primarily due to the absence in the current year of the one-off tax refund of HK\$10.0 million from the Taxation Bureau of Rugao City, Jiangsu Province, the PRC available in the previous year.

## PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

Our profit attributable to owners of the Company decreased by 73.8% to HK\$10.3 million for the Year from HK\$39.5 million for the previous year, primarily due to the factors mentioned above.

## BANK BORROWINGS

As at 31 December 2016, the Group had a three-year bank loan with a carrying amount of HK\$2.2 million (2015: HK\$5.4 million), which was denominated in Renminbi with a fixed interest rate at 6.77% per annum. This bank loan was secured by the land use right and properties used in the operation of the Group's wastewater treatment business.

As at 31 December 2016, the Group had a one-year bank loan with a carrying amount of HK\$30.3 million, which was denominated in Hong Kong dollars (2015: HK\$29.8 million, which was denominated in Renminbi) with a variable interest rate at Hong Kong Interbank Offered Rate plus 3% per annum (2015: fixed interest rate at 4.5% per annum). The loan is unsecured and repayable on demand.

## 融資成本

我們的融資成本由去年的1.2百萬港元增加57.9%至本年度的2.0百萬港元，主要由於本公司於二零一五年九月所提取銀行貸款的利息開支增加所致。

## 除稅前溢利

我們的除稅前溢利由去年的36.2百萬港元減少48.9%至本年度的18.5百萬港元，主要由於上文所述原因所致。

## 所得稅

我們於本年度錄得所得稅開支7.0百萬港元，而去年則錄得所得稅抵免3.9百萬港元，主要由於本年度沒有去年中國江蘇省如皋市稅務局的一次性退稅10.0百萬港元所致。

## 本公司擁有人應佔溢利

本公司擁有人應佔溢利從去年的39.5百萬港元減少73.8%至本年度的10.3百萬港元，主要是由於上述因素。

## 銀行借款

於二零一六年十二月三十一日，本集團有一筆賬面值為2.2百萬港元的三年期銀行貸款(二零一五年：5.4百萬港元)，該貸款以人民幣計值，按6.77%的固定年利率計息。該筆銀行貸款以用於本集團污水處理業務營運的土地使用權及物業作抵押。

於二零一六年十二月三十一日，本集團有一筆賬面值為30.3百萬港元的一年期銀行貸款，該貸款以港元計值(二零一五年：29.8百萬港元，以人民幣計值)，按香港銀行同業拆息加年息3%之浮動利率計息(二零一五年：固定年利率4.5%)。該貸款乃無抵押及須按要求償還。

## Management Discussion and Analysis

### 管理層討論與分析

#### 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 2016, the net assets of the Group amounted to HK\$569.6 million (2015: HK\$515.1 million), increased by 10.6% as compared with 2015.

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 approximately 0.1 both as at 31 December 2015 and 31 December 2016.

#### 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 need in support of the Group's strategy 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, our capital expenditures incurred for the upgrade works of the Rugao Hengfa Facility amounted to approximately HK\$25.5 million (2015: HK\$60.6 million). These capital expenditures were funded by funds generated from our operating activities, the proceeds from the share offer completed on 26 September 2014 and the Top-up Placing (as defined below).

#### 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。於二零一六年十二月三十一日，本集團的資產淨值為569.6百萬港元（二零一五年：515.1百萬港元），較二零一五年增加10.6%。

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，於二零一五年十二月三十一日及二零一六年十二月三十一日均約為0.1。

#### 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方向，過剩的現金將用作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。本年度，我們因如皋恆發設施的升級工程產生的資本開支達到約25.5百萬港元（二零一五年：60.6百萬港元）。該等資本開支由我們的經營活動所得資金及於二零一四年九月二十六日完成的股份發售及先舊後新配售（定義如下）所得款項撥付。



## FOREIGN EXCHANGE RISKS

Individual 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. 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 fluctuation 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 continued depreciation of Renminbi against Hong Kong dollar recently, 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. The management considers the volatility of the exchange rate of Hong Kong dollar against Indonesian Rupiah and the Group's currency exposures of Indonesian Rupiah to be acceptable.

## SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 21 September 2016, the Group entered into an agreement with Nantong Jiahe to dispose of all the Group's equity interest in Rugao Honghao (the "**Proposed Disposal**"), as detailed under the section headed "Events After the Reporting Date" on page 18 of this annual report. As at 31 December 2016 and the date of this report, the Proposed Disposal has not been completed and Rugao Honghao remained as a subsidiary of the Company.

On 16 June 2016, the Group entered into a share purchase agreement (the "**SPA**") with Fusion Joy Holdings Inc. ("**Fusion Joy**") and Carlton Asia Limited ("**Carlton Asia**") to acquire all the issued shares of Weal Union (the "**Acquisition**"), as detailed under the section headed "Issue of Equity Securities" on page 80 of this annual report. The Acquisition was completed on 21 October 2016 and Weal Union became an indirect wholly owned subsidiary of the Company.

## 外匯風險

由於大部份交易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公司僅承受有限的外幣風險。然而，我們的綜合財務報表以港元呈列。港元兌人民幣及印尼盾的任何升值或貶值將影響我們的財務狀況，並將於匯兌波動儲備中反映。本集團並無外幣對沖政策。管理層密切監察本集團的外匯波動風險。由於近期人民幣兌港元匯率持續貶值，本集團透過將大部份現金及銀行結餘轉換為美元或港元以盡量減少人民幣風險。管理層認為港元兌印尼盾的匯率波幅及本集團面臨的印尼盾貨幣風險是可接受的。

## 重大投資、收購及出售附屬公司、聯營公司及合營企業

於二零一六年九月二十一日，本集團與南通嘉禾就出售本集團於如皋宏皓的全部股權（「**建議出售事項**」）訂立一份協議（詳見本年報第18頁「報告日後事項」一節）。於二零一六年十二月三十一日及本報告日期，建議出售事項尚未完成，如皋宏皓仍然是本公司附屬公司。

於二零一六年六月十六日，本集團與 Fusion Joy Holdings Inc.（「**Fusion Joy**」）及 Carlton Asia Limited（「**Carlton Asia**」）就收購旭衡的全部已發行股份（「**收購事項**」）訂立一份股份購買協議（「**股份購買協議**」）（詳見本年報第80頁「發行股本證券」一節）。收購事項於二零一六年十月二十一日完成及旭衡成為本公司間接全資附屬公司。

## Management Discussion and Analysis

### 管理層討論與分析

Apart from the Acquisition and the Proposed Disposal above, there were no other significant investments, material acquisitions or disposals of subsidiaries, associated companies or joint ventures throughout the Year.

#### CONTINGENT LIABILITIES

As at 31 December 2016, the Group had no contingent liabilities (2015: nil).

#### EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2016, the Group had 223 (2015: 78) employees (including the Directors). Employee costs (including Directors' emoluments) amounted to HK\$12.8 million for the Year (2015: HK\$9.8 million). Our remuneration policy for the Directors and our senior management members 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 senior management members. The Group encourages self-development of its employees and 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.

除上述收購事項及建議出售事項外，於本年度概無其他重大投資、收購或出售附屬公司、聯營公司或合營企業。

#### 或然負債

於二零一六年十二月三十一日，本集團並無或然負債（二零一五年：無）。

#### 僱員及薪酬政策

於二零一六年十二月三十一日，本集團共有223名（二零一五年：78名）僱員（包括董事）。本年度的僱員成本（包括董事酬金）為12.8百萬港元（二零一五年：9.8百萬港元）。我們的董事及高級管理層成員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與高級管理層成員的個人表現掛鈎。本集團鼓勵僱員自我發展，並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。



## USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING AND TOP-UP PLACING

The net proceeds from the initial public offering of the Company's shares (the "Shares") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 26 September 2014 (the "IPO") (after deducting underwriting fees and related expenses) amounted to approximately HK\$77.6 million. As at 31 December 2016, the net proceeds from the IPO had been fully utilised.

In addition, the Company completed a top-up placing of 160,000,000 Shares, raising total net proceeds of HK\$151.1 million in April 2015 (the "Top-up Placing"). The net proceeds from the Top-up Placing had been fully utilised as at 31 December 2016.

The table below sets out a summary of the use of proceeds from the IPO and the Top-up Placing:

## 首次公開發售及先舊後新配售所得款項用途

本公司股份(「股份」)於二零一四年九月二十六日在香港聯合交易所有限公司(「聯交所」)首次公開發售(「首次公開發售」)的所得款項淨額(經扣除包銷費用及相關開支後)約為77.6百萬港元。於二零一六年十二月三十一日，首次公開發售所得款項淨額已獲悉數運用。

此外，本公司於二零一五年四月完成先舊後新配售(「先舊後新配售」)160,000,000股股份，籌得所得款項淨額合共151.1百萬港元。於二零一六年十二月三十一日，先舊後新配售所得款項淨額已獲悉數運用。

下表概述首次公開發售及先舊後新配售所得款項的用途：

Fund raising activities 集資活動	Net proceeds 所得款項淨額	Intended use of proceeds (approximately) 所得款項擬定用途(概約)	Actual use of proceeds as at 31 December 2016 於二零一六年十二月三十一日 所得款項實際用途
The IPO 首次公開發售	HK\$7.5 million 7.5 百萬港元	Capital expenditure for the upgrading works of the Hai'an Hengfa Facility 海安恆發設施升級工程的資本開支	Fully utilised for capital expenditure for the upgrading works of the Hai'an Hengfa Facility 悉數用作海安恆發設施升級工程的資本開支
	HK\$55.2 million 55.2 百萬港元	Capital expenditure for the upgrading works of the Rugao Hengfa Facility 如皋恆發設施升級工程的資本開支	Fully utilised for capital expenditure for the upgrading works of the Rugao Hengfa Facility 悉數用作如皋恆發設施升級工程的資本開支
	HK\$12.3 million 12.3 百萬港元	Potential investment into new wastewater treatment or other environmental protection projects in and outside the PRC <sup>(1)</sup> 中國境內及境外新污水處理或其他環保項目的潛在投資 <sup>(1)</sup>	Fully utilised for the payment of part of the cash consideration to Fusion Joy in relation to the Acquisition (the "Consideration") <sup>(1)</sup> 悉數用作就收購事項而支付予 Fusion Joy 的部份現金代價 (「代價」) <sup>(1)</sup>

## Management Discussion and Analysis

### 管理層討論與分析

<b>Fund raising activities</b> 集資活動	<b>Net proceeds</b> 所得款項淨額	<b>Intended use of proceeds</b> <b>(approximately)</b> 所得款項擬定用途(概約)	<b>Actual use of proceeds as at</b> <b>31 December 2016</b> 於二零一六年十二月三十一日 所得款項實際用途
	HK\$2.6 million 2.6 百萬港元	Capital and general corporate purposes, including administration expenses 資本及一般企業用途，包括行政開支	Fully utilised for working capital related purposes 悉數用作有關營運資金用途
The Top-up Placing 先舊後新配售	HK\$122.7 million 122.7 百萬港元	Potential acquisition of the Wuping Second Waste Water Treatment Facility <sup>(2)</sup> and other potential investments <sup>(1)</sup> 潛在收購武平第二污水處理廠 <sup>(2)</sup> 及其他潛在投資 <sup>(1)</sup>	Approximately HK\$75.0 million was used for the payment of the remaining cash Consideration <sup>(1)</sup> . 約 75.0 百萬港元用作支付剩餘現金代價 <sup>(1)</sup> 。  Approximately HK\$44.6 million was used for capital injection into the target company under the Acquisition for settlement of bank loan. 約 44.6 百萬港元用作向收購事項下目標公司注資，以結算銀行貸款。  Approximately HK\$3.1 million was used for capital injection into the target company under the Acquisition for its capital expenditure 約 3.1 百萬港元用作向收購事項下目標公司注資，作為其資本開支。

Fund raising activities 集資活動	Net proceeds 所得款項淨額	Intended use of proceeds (approximately) 所得款項擬定用途 (概約)	Actual use of proceeds as at 31 December 2016 於二零一六年十二月三十一日 所得款項實際用途
	HK\$28.4 million 28.4 百萬港元	Further capital expenditure required for the upgrading works of the Rugao Hengfa Facility 如皋恆發設施升級工程所需的進一步的資本開支	Fully utilised for further capital expenditure required for the upgrading works of the Rugao Hengfa Facility 悉數用於如皋恆發設施升級工程所需的進一步資本開支
(1) As set out in the Company's annual report for 2015, management of the Group sees huge prospects in other markets, including Indonesia, and seeks to diversify in the environmental protection businesses that are in line with the corporate value and direction of our Company. The completion of the Acquisition enables the Group to diversify its business portfolio to cover palm kernel oil production and bioenergy supply businesses in Indonesia, that are in line with the Indonesian government's national policy to reduce carbon emission and speed up the use of renewable energy. Management is, therefore, of the view that the Acquisition is in line with our corporate value, our planned use of proceeds from the IPO to pursue expansion in environmental protection related business and our planned use of proceeds from the Top-up Placing for potential investments.		(1) 誠如本公司二零一五年年報所載，本集團管理層預期其他市場（包括印尼）前景廣闊，並致力於多元化符合本公司企業價值及方針的環保業務。完成收購事項可使本集團在印尼開展棕櫚仁油生產及生物質能供應業務，進一步增強本集團業務組合的多元性，且新增業務符合印尼政府減少二氧化碳排放及加快開發利用可再生能源的國家政策。因此，管理層認為收購事項符合本公司的企業價值，以及首次公開發售所得款項用作擴大有關環保業務的擬定用途及先舊後新配售所得款項用作潛在投資的擬定用途。	
(2) The Company's plan in connection with the proposed acquisition of Wuping Second Waste Water Treatment Facility as set out in the Company's announcement dated 22 April 2015 has been stalled as the Company has not been able to reach a consensus with the relevant vendors on the commercial terms of such acquisition, especially in light of the continuing devaluation of Renminbi against United States dollars.		(2) 本公司日期為二零一五年四月二十二日的公告所載建議收購武平縣第二污水處理廠的計劃被擱置，此乃由於特別是鑑於人民幣兌美元持續貶值，本公司尚未就收購的商業條款與相關賣方達成一致。	

#### EVENTS AFTER THE REPORTING DATE

On 21 September 2016 (and supplemented by a supplemental agreement dated 28 February 2017), Greatcorp International Limited (“**Greatcorp**”), an indirect wholly-owned subsidiary of the Company, as vendor, and Nantong Jiahe, an independent third party of the Company, as purchaser, entered into an equity transfer agreement in relation to the disposal of Rugao Honghao, an indirect wholly-owned subsidiary of the Company. As at the date of this report, the Proposed Disposal has not been completed and Rugao Honghao remains a subsidiary of the Company. To the best of the Directors’ knowledge, the conditions precedent to the completion have been fulfilled and the parties are ready to proceed to completion and the settlement of the consideration for the Proposed Disposal. The Company is working with the purchaser with its best endeavours to complete the Proposed Disposal as soon as practicable. For further details, please refer to the Company’s announcements dated 21 September 2016 and 28 February 2017, and Notes 29 and 43 to the Notes to the Consolidated Financial Statements in this report.

Save as disclosed above, the Group had no material event subsequent to the end of the Year and up to the date of this report.

#### FINAL DIVIDEND

No final dividend for the Year has been recommended by the Board (2015: HK1 cent per Share).

#### 報告日後事項

於二零一六年九月二十一日（及經日期為二零一七年二月二十八日的補充協議補充），本公司間接全資附屬公司宏皓國際有限公司（「**宏皓**」）（作為賣方）與本公司獨立第三方南通嘉禾（作為買方）就本公司間接全資附屬公司如皋宏皓的出售事項訂立一份股權轉讓協議。於本報告日期，建議出售事項尚未完成，如皋宏皓仍然是本公司附屬公司。據董事所深知，完成的先決條件已實現，雙方已準備繼續完成建議出售事項及結算其代價。本公司盡最大努力與買方合作盡快完成建議出售事項。進一步詳情，請參閱本公司日期為二零一六年九月二十一日及二零一七年二月二十八日的公告，以及本報告綜合財務報表附註所載附註29及43。

除上文所披露者外，於本年度結束後及直至本報告日期，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（二零一五年：每股股份1港仙）。

\* *the English translation of Chinese name is for information purpose only and should not be regarded as the official English translation of such Chinese name.*

This environmental, social and governance report (“**ESG Report**”) is for the purpose of outlining our approaches and strategies in pursuit of sustainable development during the Year. Unless otherwise stated, the ESG Report covers the sustainability initiatives and performances of our Hong Kong office and our core businesses in wastewater treatment services provided by our three wastewater treatment facilities in operation in Jiangsu Province, namely the Hai'an Hengfa Facility, the Rugao Hengfa Facility and the Rugao Honghao Facility. The kernel oil production and biomass power generation business in Jambi Province, Indonesia, acquired by the Group during the Year is excluded in the scope of Report. The ESG Report is prepared in accordance with the Environmental, Social and Governance Reporting Guide set out in Appendix 27 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

## OUR APPROACH TO SUSTAINABILITY DEVELOPMENT

As a green environmental protection enterprise, we are committed to creating sustained value for stakeholders by incorporating environmental, social and governance considerations into our operation. We seek for opportunities to upgrade our facilities in order to meet the PRC government's new environmental policies and this will further enhance our competitiveness in the regions where we operate. We strictly abide by industry standards and relevant applicable laws, including but not limited to the Environmental Protection Law of People's Republic of China, The Environmental Impact Assessment Law of the People's Republic of China and Law of the People's Republic of China on Prevention and Control of Water Pollution. We strive to be a role model in pursuit of sustainability development in the area of green business world.

## STAKEHOLDER ENGAGEMENT

We believe that understanding the views and opinions of our stakeholders is of paramount importance to the long-term success and growth of an environmental protection enterprise. Sustainable development embraces not only our own ESG performance but also our relationship with stakeholders. As such, we are devoted to maintaining close and harmonious relationships with our stakeholders. Continuous engagement with our stakeholders, both formally and informally, enables us to recognize our own strengths and weaknesses to better sharpen our business strategies to respond to their needs and expectations, anticipate risks and strengthen key relationships. We have identified our key stakeholder groups as those who are affected by, or have the ability to

本環境、社會及管治報告(「**ESG 報告**」)旨在概列我們於本年度尋求可持續發展的方法及策略。除非另有說明，否則，ESG 報告涵蓋我們香港辦事處及我們於江蘇省營運的三座污水處理設施提供污水處理服務核心業務的可持續發展計劃及表現，我們的三座污水處理設施包括海安恆發設施、如皋恆發設施及如皋宏皓設施。本集團於本年度收購的印尼占碑省的仁油生產及生物質發電業務沒有列入報告。ESG 報告乃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編製而成。

## 我們的可持續發展方法

作為一家綠色環保企業，我們在業務過程中將環境、社會及管治因素納入考慮，致力於為利益相關者創造持續價值。我們尋求升級我們設施的機會，以符合中國政府新的環保政策，這將會進一步提升我們在經營所在地區的競爭力。我們嚴格遵守行業標準及相關適用法律，包括但不限於《中華人民共和國環境保護法》、《中華人民共和國環境影響評價法》及《中華人民共和國水污染防治法》。我們力爭成為綠色企業界中追求可持續發展的楷模。

## 利益相關者參與

我們認為理解我們利益相關者的觀點及意見對於環保企業的長期成功及發展而言是頭等大事。可持續發展不僅包括我們自身的 ESG 表現，亦包括我們與利益相關者的關係。因此，我們務求與我們的利益相關者保持緊密且和諧的關係。正式及非正式地讓我們的利益相關者持續參與，能夠讓我們認識到我們自身的優勢及劣勢，從而更好地制定我們的業務戰略以迎合他們的需求及期望、預計風險及加強主要關係。我們認為我們的

## Environmental, Social and Governance Report

### 環境、社會及管治報告

influence our business, including employees, governments, suppliers, shareholders, local community and non-governmental organizations. The information collected throughout the stakeholder engagement process serves as an underlying basis for the structure of this report. We will seek ways to step up our effort on stakeholder engagement and review the effectiveness constantly.

#### OUR PEOPLE

The Group regards our human capital as one of the most important assets. People orientation has been deep-seated in our corporate culture. We aspire to be a preferred employer by offering fulfilling career paths, satisfying development opportunities and competitive remuneration packages to our people. In addition, we strive to provide them with a fair, diversified, pleasant and non-discriminating working environment, complemented with a suite of training programs to enable our people to grow with us. As at 31 December 2016, we had a total of 216 employees.

主要利益相關者團體為受到我們業務的影響或擁有影響我們業務能力的團體，包括僱員、政府、供應商、股東、地方社區及非政府組織。透過利益相關者參與流程所收集的信息是本報告結構的相關基準。我們將尋求深化利益相關者參與的方法及持續檢討其效力。

#### 我們的僱員

本集團將我們的人力資本視為最重要的資產之一。以人為本已植根於我們的企業文化中。我們透過向我們的僱員提供能夠實現個人抱負的職業發展道路、令人滿意的發展機會及具有競爭力的薪酬組合，立志成為首選雇主。此外，我們竭力向僱員提供公平、多元化、舒適且無歧視的工作環境，輔以一套培訓計劃，讓我們的僱員與我們一同成長。於二零一六年十二月三十一日，我們擁有合共216名僱員。



## TALENT ACQUISITION AND RETENTION

As an equal opportunity employer with an aim to create a workforce characterized by diversity, regardless of the age, gender, religion, marital status and other facts of job applicants, we only take competences, experience and qualifications into consideration during the decision making process of recruitment. We strictly prohibit labour from working before signing labour contract.

We strictly abide by the Labour Law of the People's Republic of China, the Labour Contract Law of the People's Republic of China and other applicable local laws for protection of the rights, interests, benefits and welfare of our employees. Our employee handbook sets out the standard working hours, paid leaves and dismissal policy to safeguard the rights of our people. We adhere to social security scheme to provide pensions, unemployment, medical, work-related injury and maternity insurance along with housing provident fund (五險一金) to our employees in China whereas 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 for those employees who are eligible to participate in the MPF Scheme. In addition, the Group offers competitive remuneration and compensation package consisting of basic salary and additional allowances to our employees. Basic salary is determined in accordance with the qualifications, experience, work performance, level of responsibility and length of service of our individual employees whereas additional allowances include overtime work allowance, communication allowance, medical allowance, meal allowance and discretionary bonus as compensation and benefits. A comprehensive performance appraisal system which regularly assesses and reviews the performance of all employees has been established. We will take into account the performance appraisal for employee promotion and salary adjustment.

Starting from 2016, to enhance the sense of belonging among our workforce, we have implemented a "rehiring of retiree" scheme in our waste treatment plants such that re-employed staff can continue sharing their valuable expertise and experience while enjoying rehired salary and the pension. During the reporting period, the employee turnover rate of all of our three wastewater treatment facilities is 6%.

## 人才招聘及挽留

作為一個一視同仁的僱主，我們的宗旨是創造多元化的員工隊伍，而不論求職者的年齡、性別、宗教、婚姻狀況及其他因素，我們在招聘流程作出決定時，只會考慮能力、經驗及資格。我們嚴格禁止勞工在簽署勞動合約之前工作。

我們嚴格遵守《中華人民共和國勞動法》、《中華人民共和國勞動合同法》及其他保障我們僱員權利、權益、待遇及福利的適用地方法律。我們的僱員手冊規定了標準工時、帶薪假期及遣散政策以保障僱員的權利。我們遵守社保計劃，向我們中國的僱員提供五險一金，而本集團在香港根據強制性公積金計劃條例，為合資格參與強制性公積金退休福利計劃（「強積金計劃」）之僱員，設立一項定額供款之強積金計劃。此外，本集團向我們的僱員提供具有競爭力的薪酬及待遇組合，包括基本工資及額外津貼。基本工資乃根據我們個別僱員的資格、經驗、工作表現、責任輕重及服務年資釐定，而額外津貼包括加班津貼、通訊津貼、醫療津貼、膳食津貼及酌情花紅作為補償及福利。已訂立定期評估及審核所有僱員表現的綜合表現評估體制。我們在僱員晉升及工資調整時考慮表現評估。

自二零一六年開始，為了提升我們員工隊伍的歸屬感，我們在污水處理廠實施「回聘退休人員」計劃，因此再就業的職員可繼續分享他們寶貴的专业知識及經驗，同時享受回聘工資及退休金。於報告期間，我們三座污水處理設施僱員流動率為6%。



## HEALTH AND SAFETY

We always put health and safety of our employees as one of our top priorities. We are fully committed to offering a safe and healthy working environment to our employees by minimizing the health and safety risks posed to them. With our guiding principle of “safety first, prevention emphasized”, we have established a safety management system of three levels. Under this system, the management of the safety division will be responsible for setting the guidance for the health and safety matters while safety officers of individual departments and teams will act as supervisors and executors respectively, in a bid to root out latent dangers and minimize potential risks immediately. Our occupational health and safety policy has highlighted our care and intention to protect every employee. In case of a safety incident, our employees are required to follow our policy with respect to reporting and investigation of the incident.

We strive to enhance safety awareness in our workplace. The objective of zero-injury rate is always pinpointed in our wastewater treatment facilities. We carry out weekly safety meeting and provide adequate protective equipment to our employees, for example protective gloves and masks, to prevent them from occupational hazards. Also, a comprehensive body check is offered to all employees on an annual basis. We strictly adhere to applicable national laws and regulations, including but not limited to Fire Protection Law and Regulations on the Safety Administration of Dangerous Chemicals.

To augment the ability of emergency preparedness and response of our employees, all of our operating plants are required to carry out emergency drills and safety exercises periodically according to applicable national laws and regulations as well as emergency preparedness plans which cover a wide range of situations including fire and chemical leakage. This way, not only the alertness of our staff can be enhanced, the coordination among different teams in various situations can also be improved. The management will assess the effectiveness of those emergency drills and exercises afterward. We are pleased to announce that there was no work-related fatality during the reporting year.

## 健康與安全

我們始終將我們僱員的健康及安全放在首位。我們透過將僱員面臨的健康及安全風險降至最低，竭盡所能為我們的僱員提供安全及健康的工作環境。結合我們「安全第一，預防為主」的指導原則，我們已制定三級安全管理體制。根據此制度，安全部門的管理層將會負責為健康及安全事宜制定指引，而個別部門及團隊的安全專員將會分別擔任監督人及執行人，力求根除潛在危險且及時將潛在風險降至最低。我們的職業健康及安全政策突出我們保護每一位僱員的關懷及意願。如果發生安全事故，我們的僱員須遵守我們有關報告及調查事故的政策。

我們努力提升我們員工隊伍的安全意識。我們的污水處理設施始終以零工傷率為目標。我們每週開展安全會議並向我們的僱員提供充分的保護設備，例如防護手套及面具，防止他們受到職業危害。同時，每年向所有僱員提供全面身體檢查。我們嚴格遵守適用國家法律及法規，包括但不限於《消防法》及《危險化學品安全管理條例》。

為了增強我們僱員的應急準備與響應能力，我們的所有營運工廠須根據適用國家法律及法規定期開展涵蓋各種情況（包括火災及化學品洩漏）的應急演練、安全演習及應急準備規劃。這種方法不僅可提高我們職員的警覺性，亦可以改善不同團隊在各種情況下的協作能力。管理層隨後將評估這些應急演練及演習的效果。我們欣然宣佈在報告年度內並無與工作有關的死亡事故。

## TRAINING AND DEVELOPMENT

Our sustainable growth and development is underpinned by the skills, knowledge and capabilities of our employees. They transform our visions into actions. To ensure our people are well equipped to perform their duties, apart from on-the-job training, we organize both internal and external training programs that can be categorized mainly into knowledge based and skill based courses. Below are some of the training courses offered during the reporting period:

- wastewater quality testing
- sludge analysis
- standards of treated wastewater sludge
- wastewater treatment facilities operation
- quality control on laboratory test
- standardized management of laboratory
- health and safety

In addition, with the aim to foster a stronger sense of belonging and lay a cornerstone for future enterprise development, mentorship program is launched in some divisions that require a higher level of technical skills, allowing junior employees to gain hands-on and practical experience from senior industry experts.

## LABOUR PRACTICE

In line with applicable labour laws, our labour standard policy stated our standpoint that we adopt a zero tolerance approach to unethical labour practice including but not limited to child labour and forced labour. During the reporting period, we did not identify any issue related to child labour or forced labour within the Group.

## 培訓及發展

我們的可持續增長及發展有賴於我們僱員的技能、知識及能力。他們是我們的願景的踐行者。除了在職培訓外，為了確保我們的員工有能力履行職責，我們組織主要可分為知識課程及技能課程的內部及外部培訓項目。以下是我們在報告期間提供的部份培訓課程：

- 污水質量檢驗
- 污泥分析
- 經處理的污水污泥標準
- 污水處理設施營運
- 實驗室測試的質量控制
- 實驗室的標準管理
- 健康與安全

此外，為了加強歸屬感及為未來企業發展打下基石，在部份部門開展需要更高技術技能水平的導師計劃，讓新進僱員從資深行業專家獲得實踐及實際經驗。

## 勞工慣例

依照合適的勞動法，我們的勞動標準政策表明我們對不道德勞工慣例零容忍的立場，包括但不限於童工及強迫勞工。於報告期間，我們在本集團內並無發現任何與童工或強迫勞工有關的問題。

## **ETHICAL CULTURE**

Business ethics and corporate integrity are the cornerstone of the success of the Group. We are committed to upholding the highest ethical standards in all areas of our operation. We believe that integrity and honesty are the prerequisites to gain respect and trust from various stakeholders. Our Anti-Corruption Policy states our zero-tolerance approach with regard to bribery, extortion, fraud and money laundering. Our employee Code of Conduct clearly outlines our expectations on employees' behavior and every employee is required to understand, accept and follow it accordingly. All levels of our staff, including directors, must strictly adhere to applicable local laws and regulations concerning bribery, extortion, fraud and money laundering.

We have established a Whistle-Blowing Policy to encourage employees and related third parties to raise concerns, in confidence, about misconducts, malpractices or irregularities. Trainings would also be organized to enhance and strengthen the employees' understanding of the materiality of moral standards and integrity. During the reporting period, we did not identify any issue related to bribery, extortion, fraud and money laundering.

## **OUR SUPPLY CHAIN**

During the reporting period, we worked with a total of 128 suppliers. Our suppliers mainly include contractors for our construction works, suppliers for chemicals for our wastewater treatment operations (including sludge treatment), machine parts for our repairs and maintenance of our equipment, service providers for repair and maintenance works and contractors for sludge and sediments disposal. We generally source our chemicals, machine parts and repair and maintenance services from local suppliers.

We are committed to establishing cooperative, sustainable and mutually beneficial relationships with our suppliers. We believe that the ways how we work with our suppliers have an impact on the quality of our products and services. The Group is dedicated to operating in stringent compliance with all applicable local laws and regulations with integrity. Simultaneously, we expect our suppliers to conduct business in a manner that demonstrates best practices in relation to environmental and social matters. Our supplier code of conduct has clearly set out our expectations on suppliers for environmental, social and ethical standards including but not limited to treating their employees fairly, having zero tolerance to child labour and forced labour, maintaining a safe and healthy workplace, upholding strong business ethics to root out corruption and frauds. Regular assessment on the environmental and social performance of suppliers is conducted. Any violation of the law or serious misconducts can result in termination of cooperation until appropriate remedial measures are well adopted.

## **道德文化**

商業道德及企業誠信是本集團成功的基石。我們致力於在我們業務的方方面面維持最高的道德標準。我們認為誠實守信是獲得利益相關者尊重及信任的先決條件。我們反腐敗政策表明我們對於賄賂、勒索、詐騙及洗黑錢零容忍。我們員工行為守則清楚列出我們對僱員行為的期望，而每位僱員須相應了解、接納及遵守該守則。我們所有級別的職員（包括董事）須嚴格遵守有關賄賂、勒索、詐騙及洗黑錢的適用地方法律及法規。

我們已制定舉報政策以鼓勵僱員及有關第三方私下舉報行為不當、失職或不法行為。亦須組織培訓提升及加強僱員對道德標準及誠信重要性的認識。於報告期間，我們並無發現有關賄賂、勒索、詐騙及洗黑錢的任何問題。

## **我們的供應鏈**

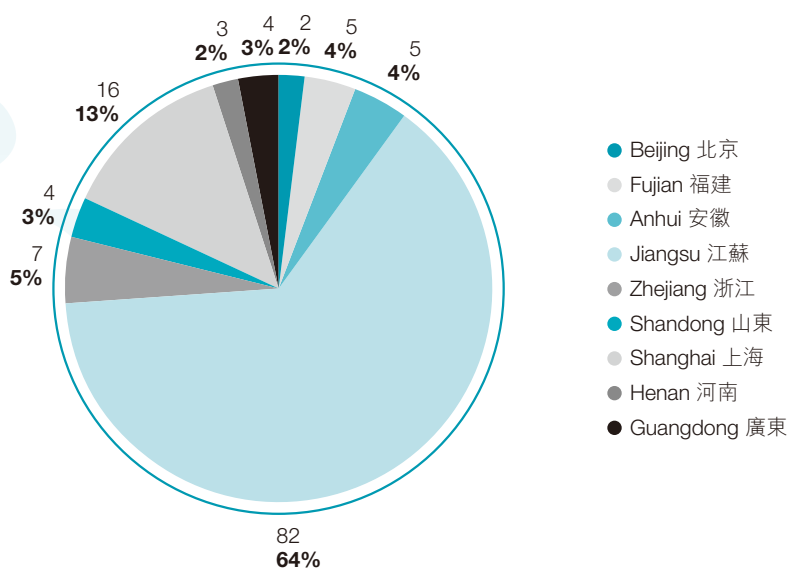
於報告期間，我們與合共128名供應商合作。我們的供應商主要包括我們的建築工程承包商、我們污水處理業務（包括污泥處理）的化學物質供應商、設備維修及保養機器零件供應商、維修及保養工程服務供應商及污泥及沉澱物處理承包商。我們一般自當地供應商採購化學物質、機器零件並獲提供維修及保養服務。

我們致力於與我們的供應商建立合作、可持續且互惠互利的關係。我們認為我們與供應商合作的方式對我們的產品及服務的質量有影響。本集團致力於嚴格遵守所有適用地方法律及法規並誠信經營。同時，我們希望我們的供應商以對環境及社會事宜最佳的做法開展業務。我們的供應商行為守則已明確訂明我們就環境、社會及道德標準對供應商的期待，包括但不限於公平對待其僱員，對童工及強迫勞工採取零容忍態度，維持安全及健康工作場所，維護高尚商業道德標準以根除貪污及詐騙。我們對供應商的環境及社會表現開展定期評估。違反法律或嚴重的行為不當可能導致我們終止合作，直到適當採取合適的補救措施為止。

We have established and adopted a transparent and fair procedure for supplier selection and management, including “Supplier Management Procedures”, “Tender Management Policy”. We have developed an assessment system to assess potential suppliers. Only registered suppliers are eligible to work with our Group.

我們已就供應商篩選及管理制定及採用透明且公平的程序，包括「供應商管理程序」、「招標管理政策」。我們已制定評估制度評估潛在的供應商。僅註冊供應商合資格與本集團合作。

NUMBER OF SUPPLIERS BY GEOGRAPHICAL REGION IN 2016  
二零一六年按地理區域劃分的供應商數目



OUR GREEN BUSINESS

All of our water treatment sites have carried out environmental impact assessment in accordance with related regulations and obtained the operation approval from government. We are committed to be a positive force to our earth by treating effluent with rigorous process to clean up the harmful substances. During the reporting period, our wastewater treatment operation, handling municipal, industrial and heavy metal sewage, has altogether treated a total of 20.8 million tons of wastewater.

我們的綠色業務

我們所有的污水處理站已根據有關的法規開展環境影響評估，並獲得政府的營運批准。我們致力成為保護地球的一分子，以嚴格流程處理污水清除有害物質。於報告期間，我們的污水處理業務處理市民、工業及重金屬污水，污水處理量合共達20.8百萬噸。

## TREATED WASTEWATER

To better safeguard the environment as well as the health and safety of citizens, the quality of effluent after treatment is as of our main concern. We have established a comprehensive "Service Commitment Policy" to systemize the process and procedure of quality inspection. We strictly follow the standards set out by relevant regulatory bodies. Hai'an Hengfa Facility and Rugao Honghao Facility conform with the 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) Class 1-A discharge standard and that of Rugao Hengfa has followed the Class 1-B standard of GB18918-2002. Treated sewage meeting Class 1-A discharge standard of GB18918-2002 would be discharged into the key water basins determined by the state and the provincial government or any closed and semi-closed water bodies such as lake and reservoirs. The discharged pollutant limits of Rugao Honghao Facility, which treats heavy metal wastewater, further complies with standards stipulated by the Emission Standard of Pollutants for Electroplating (《電鍍污染物排放標準》) (GB21900-2008).

## SLUDGE TREATMENT

Sludge is the main waste generated from sewage treatment and water purification process. To properly handle sludge, we have installed sludge drying machine at our facilities. We have followed the Standard for Pollution Control on Hazardous Waste Storage (《危險廢物貯存污染控制標準》) (GB18597-2001) to store sludge temporarily. In an attempt to avoid secondary pollution from the improper disposal of sludge, we employ third-party contractors with relevant licenses granted by the government to collect treated sludge after moisture removal for further treatment and disposal in a safe manner. Part of the sludge will be used in making bricks.

## AIR EMISSIONS

We have developed a comprehensive and sophisticated monitoring system to manage different kinds of emission. Our Emission Policy has outlined the measures we have implemented to reduce different kinds of emission. For odor generated from wastewater treatment process, we have built covers on those structures that will generate odor in a bid to prevent it from spreading out. The emission of waste gas including odor is abided by the Class 2 standard set out in table 4 of the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plants (GB18918-2002).

## 經處理的污水

為了更好保護環境及保障公民的健康與安全，處理後的污水質量是我們關注的主要問題。我們已制定全面的「服務承諾政策」將質量檢驗的流程及程序系統化。我們嚴格遵守相關監管機構訂明的標準。海安恆發設施及如皋宏皓設施遵守《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，如皋恆發設施遵守GB18918-2002的一級標準的B排放標準。符合GB18918-2002的一級標準的A排放標準的經處理污水將會流入國家和省府確定的重點流域及湖泊、水庫等封閉式、半封閉水域。處理重金屬污水的如皋宏皓設施排放的污染物限量進一步遵守《電鍍污染物排放標準》(GB21900-2008)規定的標準。

## 污泥處理

污泥是污水處理及水淨化過程產生的主要污染物。為了適當處理污泥，我們在我們的設施中安裝污泥烘乾機器。我們已遵守《危險廢物貯存污染控制標準》(GB18597-2001)暫時儲存污泥。為了避免不當排放污泥產生二次污染，我們聘用獲政府授予相關許可證的第三方承包商收集脫水後經處理的污泥，以安全的方式進一步處理及排放。部份污泥將用作製磚。

## 氣體排放

我們已制定全面且先進的監測系統管理不同類型的排放。我們的排放政策已概列我們為減少不同類型排放實施的措施。對於污水處理過程產生的臭味，我們已在將產生臭味的結構上建造遮蓋物，以防止臭味散發。包括臭味在內的廢氣排放遵守《城鎮污水處理廠污染物排放標準》(GB18918-2002)表4所載二級標準。



## OUR GREEN OPERATION

As an environmental protection enterprise, we recognize the importance to combat global climatic change in a timely manner. We shoulder the responsibility to take initiatives to reduce the ecological impact by proper management on the use of resource in accordance with our use of resources policy.

### GREENHOUSE GASES (“GHGs”)

Energy consumption in our daily operation accounts for a major part of our GHG emissions. To address the issue, we consistently seek ways to improve energy efficiency and lower electricity usage in our facilities. Apart from ameliorating our facilities, we also promote a green culture in our operation such as reducing the times of business travel and encouraging double-sided printing.

### ENERGY MANAGEMENT

We actively explore opportunity to carry out energy-efficiency upgrade for our equipment. This year, we successfully automatized the controlling system of oxidation ditch in Rugao Hengfa facility which allows the surface aerator to switch automatically according to the dissolved oxygen data. This not only can prevent manual error, but also can reduce the consumption of electricity. On the other hand, energy saving measures have been integrated into our daily operation for example, LED lighting is installed in our office areas and machine with energy efficiency label is purchased.

### WATER MANAGEMENT

Being a pioneer in environmental protection industry, it is our mission to treasure every drop of water. In line with our water saving policy, measures for preservation of water resources have been integrated into our daily operation, for example, recycled water is being used for planting and washing machine.

### WASTE MANAGEMENT

We encourage the 3Rs of cutting down the amount of household solid waste in our operation: Reuse, Reduce & Recycle. Mechanism of source separation of waste is implemented for easier waste recycling. Non-recyclable items will be sent to Sanitation department for further treatment.

## 我們的綠色營運

作為一家環保企業，我們認識到及時應對全球氣候變化的重要性。我們肩負著採取措施減少生態影響的責任，為此，我們根據資源使用政策妥善管理資源使用。

### 溫室氣體

我們日常營運的能源消耗佔我們溫室氣體排放的主要部份。為了解決這一問題，我們不斷尋求方式改善設施的能源效率及降低我們設施的用電量。除了改造我們的設施外，我們亦在我們的營運中推廣綠色文化，例如減少商務旅行的次數及鼓勵雙面打印。

### 能源管理

我們主動探索為我們的設備開展節能升級的機會。今年，我們成功在如皋恆發設施將氧化溝的控制系統自動化，讓表面曝氣機根據溶解氧數據自動轉換。這不僅能夠防止人工錯誤，亦能夠減少用電量。另一方面，節能措施已融入我們的日常營運當中，例如在我們的辦公區域安裝LED燈及購買具備節能標籤的機器。

### 水務管理

作為環保行業的先驅，我們的使命是珍惜每一滴水。根據我們的節水政策，保護水資源的措施已融入到我們的日常營運當中，例如，再循環水用於灌溉及洗衣機。

### 廢棄物管理

我們鼓勵「再利用、減少用及循環用」的3R原則，減少營運過程中產生的生活垃圾。我們實施垃圾分類，以便垃圾回收。不可回收垃圾將送至環衛局進行進一步處理。

### PAPER REDUCTION

Paper-saving measures are implemented in our daily operation, for example, placing paper recycling bins at offices and encouraging use of electronic document. As our core business is wastewater treatment service, our operation does not involve any packaging materials.

### OUR COMMUNITY INVOLVEMENT

As a pioneer in the environmental protection industry, we strive to develop harmonious relationship with local communities where we operate. Our Community Contribution Policy is in place to highlight the approaches we take in this area.

During the reporting period, we have set up the Rugao Hengfa philanthropic education fund which is used to subsidize university students with financial difficulties. To be a socially responsible business enterprise, we will always seek opportunities to give back to our society. In particular, we hope to make use of our expertise to raise the awareness of community on environmental protection in the near future.

### 減少用紙

我們的日常營運實施節約用紙措施，例如，在辦公室放置紙張回收箱及鼓勵使用電子文件。由於我們的核心業務是污水處理服務，我們的營運並無涉及任何包裝材料。

### 我們的社區參與

作為環保行業的先驅，我們努力與我們營運所在的當地社區發展和諧的關係。我們已制定社區貢獻政策顯示我們在該地區採用的方法。

於報告期間，我們已成立如皋恆發慈善教育基金，該基金用於資助有經濟困難的大學生。為了成為一家具有社會責任感的企業，我們將會一直尋找機會回饋社會。具體而言，我們希望不久的將來藉由我們的專業技術提高社區對環境保護的意識。



## 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 69, was appointed as a Director of the Company on 18 March 2014 and was re-designated as 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 since 5 September 2014. Mr. Chau also holds directorships in certain subsidiaries of the Company and is mainly responsible for business development and strategic formulation 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，69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 directorship in various companies listed on 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) and Good Resources Holdings Limited (stock code: 109) since January 2014, February 2009 and July 2007, 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.

### Mr. Chan Kwan

Mr. Chan Kwan, aged 34, 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 of the Board 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 strategic formulation. 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, from February 2005 to December 2006.

周先生於多間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、二零零九年二月及二零零七年七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)及天成國際集團控股有限公司(股份代號：109)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。

### 陳昆先生

陳昆先生，34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董事會的提名委員會成員。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 United States in December 2004. He is a member of the 11th 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 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% 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, which owns approximately 1.41% of the issued Shares.

### Mr. Radius Suhendra

Mr. Radius Suhendra, aged 43, was appointed as a 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 United States 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十一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%的權益。陳先生亦擁有Kingdrive Limited (「**Kingdrive**」)25%的已發行股份。Kingdrive擁有Carlton Asia全部已發行股份，而Carlton Asia擁有約1.41%的已發行股份。

### 蘇堅人先生

蘇堅人先生，43歲，於二零一六年十月二十一日獲委任為本公司董事。蘇先生主要負責本集團於二零一六年年末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 28, 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 since 5 September 2014. Mr. Chan obtained a bachelor's degree in communication from Purdue University in the United States 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 Group. 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 was 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 35, 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 since 5 September 2014 and also holds directorships in certain subsidiaries of the Company.

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 is currently a consultant of Convoy Financial Services Limited. He obtained a bachelor's degree in arts from Manchester Metropolitan University in the United Kingdom in September 2005. He is also registered as a technical representative of the Professional Insurance Brokers Association. Mr. Chau is (i) the son of Mr. Chau On Ta Yuen, an executive Director of the Company and the chairman of the Board and (ii) a director of Wealthy Sea, a substantial shareholder of the Company.

### 陳栢林先生

陳栢林先生，28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成員。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當時的股東擬就本集團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，35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成員，亦持有本公司若干附屬公司的董事職務。

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。

周先生現時為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)本公司執行董事兼董事會主席周安達源先生之子及(ii)本公司主要股東潤海的董事。



## 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 41, was appointed as an independent non-executive Director of the Company on 5 September 2014. She has been the chairman of the audit committee of the Board and a member of each of the remuneration committee and the nomination committee of the Board 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 is 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 practicing member of Hong Kong Institute of Certified Public Accountants since January 2005.

### 伍頌恩女士

伍頌恩女士，41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董事會的審核委員會主席以及董事會的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 65, was appointed as an independent non-executive Director of the Company on 5 September 2014. He has been the chairman of the remuneration committee of the Board and a member of each of the audit committee and the nomination committee of the Board 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, Global Tech (Holdings) Limited (stock code: 143) since March 2016 and China HKBridge Holdings Limited (stock code: 2323) since March 2016.

### Mr. Sze Yeuk Lung Benedict

Mr. Sze Yeuk Lung Benedict, aged 46, 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 of the Board 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 United States 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 United States in December 1993 and May 1992, respectively.

### 吳文拱先生

吳文拱先生，65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董事會的薪酬委員會主席以及董事會的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耀科國際(控股)有限公司(股份代號：143)及自二零一六年三月起擔任中國港橋控股有限公司(股份代號：2323)的獨立非執行董事。

### 施若龍先生

施若龍先生，46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董事會的審核委員會、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。

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

Mr. Sze is qualified as a lawyer in the United States, 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 United States 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 United States 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 United States.

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 (江蘇省僑聯法律顧問委員會), an overseas legal adviser of the ACFROC in Zhejiang Province (浙江省僑聯), 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，彼獲美國高法院納入為大律師。

施先生為中華全國歸國華僑聯合會 (「僑聯」) 會員、中國僑聯法律顧問委員會會員、江蘇省僑聯法律顧問委員會海外法律顧問、浙江省僑聯海外法律顧問、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 31, 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 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.

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 54, was appointed as the deputy general manager of the wastewater treatment facility operated by Hai'an 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 Hai'an 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 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，31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。

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，54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

### Mr. Zhou Yinbing

Mr. Zhou Yinbing, aged 39, was appointed as the deputy general manager of the wastewater treatment facility operated by Rugao Hengfa, a wholly-owned subsidiary of the Company (the “**Rugao Hengfa Facility**”) on 18 March 2014 and is mainly responsible for overseeing operational matters related to the Rugao Hengfa Facility and the wastewater treatment facility operated by Rugao Honghao Metal Water Treatment Company Limited, another wholly-owned subsidiary of the Company. Mr. Zhou joined the Group in February 2004. Prior to joining the Group, Mr. Zhou worked at Nantong Feilong Towngas Fittings Factory (南通飛龍煤氣設備製造廠) from September 1997 to February 2004, providing technological support in the production department.

Mr. Zhou studied economics and management at the Party School of the Jiangsu Provincial Committee of the Communist Party of China (中共江蘇省委黨校) in July 2010, and obtained an associate degree in business administration from the Open University of China (中央廣播電視大學) in July 2006 as well as a diploma in applied electrical and mechanical technology from Jiangsu Province Nantong School of Agriculture (江蘇省南通農業學校) in June 1997. Mr. Zhou was qualified as a wastewater treatment technological management administrator by the Jiangsu Province Housing and Urban-Rural Development (江蘇省住房和城鄉建設廳) in December 2011, an engineer by Jiangsu Province Environmental Protection Department (江蘇省環境保護廳) in January 2008, a work safety administrator by Rugao Administration of Work Safety (如皋市安全生產監督管理局) in June 2006.

### 周銀兵先生

周銀兵先生，39歲，於二零一四年三月十八日獲委任為本公司全資附屬公司如皋恆發所營運污水處理設施（「如皋恆發設施」）副總經理，主要負責監督與如皋恆發設施及本公司另一全資附屬公司如皋宏皓金屬表面水處理有限公司所營運污水處理設施有關的營運事宜。周先生於二零零四年二月加入本集團。於加入本集團前，周先生於一九九七年九月至二零零四年二月在南通飛龍煤氣設備製造廠任職，為生產部門提供技術支持。

周先生於二零一零年七月在中共江蘇省委黨校研修經濟管理、於二零零六年七月獲中央廣播電視大學頒發工商管理副學士學位以及於一九九七年六月獲江蘇省南通農業學校頒發應用機電技術文憑。周先生於二零一一年十二月獲江蘇省住房和城鄉建設廳評定為污水處理技術管理管理員、於二零零八年一月獲江蘇省環境保護廳評定為工程師、於二零零六年六月獲如皋市安全生產監督管理局評定為工作安全管理員。

## 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, aged 58, 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 and the Institute of Financial Accountants in England, The Hong Kong Institute of Chartered Secretaries (“HKICS”), The Association of Hong Kong Accountants, The Hong Kong Institute of Directors and the Institute of Public Accountants in Australia. 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 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 overseas and Hong Kong (including Hang Seng Index Constituent stock and Hang Seng Mid-Cap 50) listed 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 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.

### 公司秘書

#### 郭兆文先生

郭兆文先生，58歲，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、英國註冊財務會計師公會、香港特許秘書公會(「港秘書會」)、香港專業會計師協會、香港董事學會以及澳洲公共會計師協會的資深會員。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。

郭先生於多家海外及香港(包括恒生指數成份股及恒生50中型市值股)上市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。

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 recognize the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Group so as to achieve effective accountability.

## CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all applicable code provisions as set out in the Corporate Governance Code (the “**CG Code**”) set out in Appendix 14 to the Listing Rules throughout 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 (the “**Model Code**”) as contained in Appendix 10 to the Listing Rules as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on the Directors, all of them confirmed that they had complied with the required standard set out in the Model Code during the Year or from the date of appointment as a Director until the end of the Year (as the case might be).

## BOARD OF DIRECTORS

### RESPONSIBILITIES

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 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 remuneration committee of the Board (the “**Remuneration Committee**”), deciding all

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。

董事深信要達至有效的問責制度，在本集團之管理架構及內部監控程序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，本公司於本年度內應用原則及遵守上市規則附錄十四所載企業管治守則(「**企業管治守則**」)的所有適用守則條文。

### 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。經本公司向全體董事作出具體查詢後，彼等確認其於本年度或自獲委任為董事日期起至本年度結束(視情況而定)一直遵守標準守則所規定之準則。

## 董事會

### 職責

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(「**高級管理層**」)的薪酬組合，決定所有重大財務(包括主要



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

### 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, is the father of Mr. Chau Chi Yan Benny, a NED. He is also a substantial shareholder of the Company. Mr. Chan Kwan, the Chief Executive Officer of the Company, is the elder brother of Mr. Chan Pak Lam Brian, a NED. Mr. Chan Kwan owns 20% of the issued shares of a controlling shareholder of the Company. Save as aforesaid, there was no financial, business, family or other material relationship among the Directors.

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,不時授予本集團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

### 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。

董事會主席周安達源先生為非執行董事周致人先生之父親。彼亦為本公司之主要股東。本公司行政總裁陳昆先生為非執行董事陳栢林先生之兄長。陳昆先生持有本公司控股股東已發行股本的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。



The three EDs are responsible for the leadership and control of the Company and overseeing the Group's businesses development, strategic formulation 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 the number of INEDs must represent at least one-third of the Board members and that 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 shall 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.

三位執行董事負責領導、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，以及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均應接受正式、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。

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 updates 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 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就經濟、一般業務、企業管治及董事職責及責任等議題出席的研討會／會議／論壇及／或閱讀相關報章、期刊及最新資訊。

### 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事項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放棄其表決權，及不計入會議法定人數。

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

於本年度，已舉行一次股東週年大會（「股東週年大會」）、一次股東特別大會（「股東特別大會」）及五次董事會會議。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	General Meetings 股東大會
<b>EDs</b> 執行董事			
Chau On Ta Yuen	周安達源	3/5	2/2
Chan Kwan	陳昆	4/5	2/2
Radius Suhendra (appointed on 21 October 2016)	蘇堅人 (於二零一六年十月二十一日獲委任)	2/2	0/0
<b>NEDs</b> 非執行董事			
Chan Pak Lam Brian	陳栢林	2/5	0/2
Chau Chi Yan Benny	周致人	4/5	2/2
<b>INEDs</b> 獨立非執行董事			
Ng Chung Yan Linda	伍頌恩	5/5	2/2
Ng Man Kung	吳文拱	5/5	1/2
Sze Yeuk Lung Benedict	施若龍	5/5	2/2

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

除董事會會議外，董事會主席亦於本年度與全體非執行董事（包括獨立非執行董事）舉行沒有其他執行董事參加的會議。

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. A NED and an INED were not able to attend the AGM held on 20 May 2016 (the “2016 AGM”) and the NED was not able to attend the EGM held on 8 September 2016 (the “2016 EGM”) due to their respective business engagements. Other Board members who attended the 2016 AGM and the 2016 EGM were already of sufficient calibre and number for answering questions raised by the Shareholders at the 2016 AGM and the 2016 EGM. However, to mitigate the above, the date of the forthcoming AGM (the “2017 AGM”) has been discussed earlier to avoid timetable clashes.

企業管治守則之守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會，並對股東的意見有公正的了解。因有各自的公務安排，一名非執行董事及一名獨立非執行董事未能出席於二零一六年五月二十日舉行的股東週年大會（「二零一六年股東週年大會」），及該非執行董事未能出席於二零一六年九月八日舉行的股東特別大會（「二零一六年股東特別大會」）。出席二零一六年股東週年大會及二零一六年股東特別大會的其他董事會成員已具備相當才幹且人數亦足夠以回應股東於二零一六年股東週年大會及二零一六年股東特別大會上提出的問題。不過，為了避免上述情況，應屆股東週年大會（「二零一七年股東週年大會」）的日期已經商討及早召開，以避免時間衝突。

## **BOARD DIVERSITY POLICY**

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

The Company recognises and embraces the benefits of 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.

## **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 strategic formulation 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 strategic formulation.

## **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 and the Company.

## **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，並討論就實行政策而設定的所有可衡量目標。

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。

## **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，並分別刊登於聯交所及本公司網站上。



## 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 a NED, namely Mr. Chau Chi Yan Benny. The terms of reference were revised and adopted on 11 December 2015 to include the responsibility arising from the Stock Exchange's proposal on risk management and internal control under the CG Code applicable to listed issuers with accounting periods on or after 1 January 2016.

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;
- 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 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 accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgements contained in them;

## 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(主席)、吳文拱先生及施若龍先生及一名非執行董事，即周致人先生。職權範圍經修訂並於二零一五年十二月十一日獲採納，以加入因聯交所關於在二零一六年一月一日或之後會計期間適用於上市發行人的企業管治守則項下之風險管理及內部控制的建議而產生之責任。

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；
- 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、年度報告及賬目、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；



- 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 major investigations findings 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;
- 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 arrangements 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;
- 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；
- 倘若有內部核數功能，確保內部與外部核數師之間的協調，確保內部核數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；
- 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；

- 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;
- 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.
- 為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;
- 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及違規嫌疑、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。

During the Year, four Audit Committee meetings were held whereat the Audit Committee (i) reviewed the audited consolidated financial results of the Company for the year ended 31 December 2015; (ii) reviewed the unaudited consolidated financial results of the Company for the six months ended 30 June 2016; (iii) considered the change of independent auditor and (iv) reviewed the internal control and risk management system of the Group. The attendance of individual members was set out in the following table.

於本年度內,舉行四次審核委員會會議,審核委員會於會議上分別(i)審閱本公司截至二零一五年十二月三十一日止年度的經審核綜合財務業績;(ii)審閱本公司截至二零一六年六月三十日止六個月的未經審核綜合財務業績;(iii)考慮更換獨立核數師及(iv)檢討本集團的內部管控及風險管理系統。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	4/4
Mr. Ng Man Kung	吳文拱先生	4/4
Mr. Sze Yeuk Lung Benedict	施若龍先生	4/4
Mr. Chau Chi Yan Benny	周致人先生	3/4

**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 a NED, namely Mr. Chan Pak Lam Brian. 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;
- 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;

**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一名非執行董事，即陳栢林先生。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；
- 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；

- 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.

During the Year, one Remuneration Committee meeting was held whereat the Remuneration Committee reviewed and recommended to the Board for consideration the adjustment on the Director's fee of all the Directors with effect from 1 January 2016 and the bonus payment to the EDs. The attendance of individual members was set out in the following table.

- 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。

於本年度內，舉行一次薪酬委員會會議，薪酬委員會於會議上審閱及向董事會推薦考慮自二零一六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花紅。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. Ng Man Kung 吳文拱先生	1/1
Ms. Ng Chung Yan Linda 伍頌恩女士	1/1
Mr. Sze Yeuk Lung Benedict 施若龍先生	1/1
Mr. Chan Pak Lam Brian 陳栢林先生	0/1

## 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 composition (including the skills, knowledge and experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

## 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、規模及組成（包括技巧、知識及經驗及觀點多元化），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；

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- 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, as appropriate; and reviewing the measurable objectives that the Board has set for implementing such policy, and the progress on achieving the objectives; and
  - making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for the Directors, in particular, the Chairman and the chief executives.
- 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(如適用)；及審查董事會為推行該政策所設定可衡量宗旨及實現該等宗旨的進度；及
  - 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。

During the Year, one Nomination Committee meeting was held whereat the Nomination Committee (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 2016 AGM; (iii) reviewed the structure, size and composition of the Board; and (iv) reviewed the Board diversity policy. The attendance of individual members was set out in the following table.

於本年度內，舉行一次提名委員會會議，提名委員會於會議上(i)評估獨立非執行董事的獨立性；(ii)推薦董事會考慮於二零一六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、規模及組成；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	1/1
Mr. Chan Kwan	陳昆先生	1/1
Mr. Ng Man Kung	吳文拱先生	1/1
Ms. Ng Chung Yan Linda	伍頌恩女士	1/1
Mr. Sze Yeuk Lung Benedict	施若龍先生	1/1

### BOARD'S CORPORATE GOVERNANCE FUNCTIONS

The Company has adopted the code provisions stated in the CG Code and the Board is responsible for 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.

### 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。



## APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the EDs has entered into a service contract with the Company, pursuant to which they have agreed to act as EDs for an initial term of three years with effect from 5 September 2014 (in the case of Messrs. Chau On Ta Yuen and Chan Kwan) or 21 October 2016 (in the case of Mr. Radius Suhendra).

Each of the NEDs (including INEDs) has been appointed for an initial term of three years commencing on 5 September 2014 pursuant to the respective appointment letters entered into with the Company.

None of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries other than contracts 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 thereat.

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.

## 委任及重選董事

各執行董事已與本公司訂立服務合約，據此彼等同意擔任執行董事，初始任期為三年，自二零一四年九月五日（就周安達源先生及陳昆先生而言）或二零一六年十月二十一日（就蘇堅人先生而言）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訂立的委任書已獲委任，初始任期為三年，自二零一四年九月五日開始。

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，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。

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。

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。

## 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 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)

Nil to 1,000,000	零至 1,000,000
1,000,001 to 1,500,000	1,000,001 至 1,500,000

## INDEPENDENT AUDITORS' REMUNERATION

On 29 November 2016, Ernst & Young resigned as the Group's independent auditors, and Deloitte Touche Tohmatsu has been appointed as the new auditor of the Company with effect from 29 November 2016. The fees charged by Deloitte Touche Tohmatsu in respect of the auditing services for the Year amounted to approximately HK\$1,200,000. The fees charged by Ernst & Young in respect of the non-auditing services for the Year amounted to approximately HK\$270,000. The non-auditing services rendered related to the performance of agreed-upon procedures on interim financial report for the six months ended 30 June 2016.

There is no disagreement between the Board and the Audit Committee on the re-appointment of the independent auditors, and they both have agreed to recommend the re-appointment of Deloitte Touche Tohmatsu as the Company's independent auditors for the ensuing year at the 2017 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 state of affairs of the Group and the Group's 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.

## 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報告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：

### Number of individuals 人數

Nil to 1,000,000	零至 1,000,000	3
1,000,001 to 1,500,000	1,000,001 至 1,500,000	1

## 獨立核數師酬金

於二零一六年十一月二十九日，安永會計師事務所辭任本集團獨立核數師，及本公司聘用德勤•關黃陳方會計師行為新核數師，自二零一六年十一月二十九日生效。德勤•關黃陳方會計師行就於本年度提供的核數服務收取的費用約為1,200,000港元。安永會計師事務所就於本年度提供的非核數服務收取的費用約為270,000港元。所提供的非核數服務與就截至二零一六年六月三十日止六個月的中期財務報告履行協議程序有關。

董事會及審核委員會於續聘獨立核數師方面並無意見分歧，且其均同意建議於二零一七年股東週年大會上續聘德勤•關黃陳方會計師行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及本集團的業績及現金流量，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的產生重大懷疑。

In addition, Deloitte Touche Tohmatsu 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

### RISK MANAGEMENT STRUCTURE

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: risk management structure and risk management process. It defines a simple and clear risk management structure as well as the responsibilities as below.

### 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 from 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.

此外，德勤•關黃陳方會計師行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。

## 風險管理及內部管治

### 風險管理架構

董事會負責維持完善及有效之風險管理及內部管治系統，從而保障本公司及其股東之利益。風險管理及內部管治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：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。

### 董事會

董事會有責任確保本集團風險管理及內部管治系統（「**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治負有主要責任。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治檢討計劃及結果。

## 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.

## INDEPENDENT INTERNAL CONTROL CONSULTANT

To ensure the independence of the risk management and internal control review, the Group has outsourced the internal audit function to an independent internal control consultant (the “**IC consultant**”), 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 IC consultant is able to communicate with the Audit Committee directly regarding the results of its review.

## 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.

## 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。

## 獨立內部管控顧問

為確保風險管理及內部管控檢討之獨立性，本集團已外聘一位獨立內部管控顧問(「**內控顧問**」)負責內部審核職能，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。內控顧問可就其檢討結果直接與審核委員會交流。

## 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。



## 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 positions;
- 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
- 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 2016, 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, 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 2016, 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.

## 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
- 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。

於二零一六年，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，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。

於二零一六年，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。



## INDEPENDENT REVIEW

The Group has appointed the IC consultant to conduct an internal control review for the year 2016, and the scope of review has covered the period from 1 January 2016 to 30 November 2016. The Management has established remedial and improvement plans for the internal control weaknesses identified. An internal control review report has been provided to the Audit Committee.

No material internal control deficiency has been identified during 2016 and the Board considers that ERM system is adequate and effective.

## MAJOR RISKS OF THE GROUP

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

## 獨立檢討

本集團已委任內控顧問進行二零一六年內部管檢探討，及檢討範圍涵蓋自二零一六年一月一日至二零一六年十一月三十日期間。管理層已就識別之內部管檢薄弱環節制定補救及改進計劃。內部管檢探討報告已提供予審核委員會。

於二零一六年，本集團並無識別重大內部管檢缺陷，及董事會認為企業風險管理系統屬完善及有效。

## 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
Demand of new energy 新能源需求	<p>The Group has recently been engaged in biomass power generation business in Indonesia. Electricity is sold to Perusahaan Listrik Negara ("PLN"), a state-owned electricity corporation in Indonesia. If PLN reduces its demand for renewable energy or refuses to renew the power supply contract with the Company when it is expired, the Company could suffer a significant loss because PLN is a de facto monopoly over the supply of power in Indonesia.</p> <p>本集團近期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 (「PLN」)。倘若PLN降低其可再生能源需求或在與本公司的供電合約屆滿後拒絕重續，本公司可能遭受重大損失，因為PLN實際上壟斷了印尼的電力供應。</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>— Maintain good communication channels with PLN to avoid customer dissatisfaction</li> <li>— Develop other businesses for better utilization of the production capacities of the power plants</li> <li>— 投資技術研發以提高發電之效率，降低成本</li> <li>— 與PLN維持良好的溝通渠道，以避免引起客戶不滿</li> <li>— 發展其他業務從而更好利用發電廠的產能</li> </ul>	<p>N/A (New business segment)</p> <p>不適用(新業務分部)</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>— Maintain sufficient cash flow to avoid liquidity problem</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>— 經常與客戶溝通，以跟進未償還餘額</li> <li>— 維持充足的現金流量以避免流動資金問題</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呈列過高結餘</li> </ul>	<p>Unchanged 無變化</p>

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 Company 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>本公司按訂立建設、經營及轉讓 (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 immediately 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 and its website;

## 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；

- 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 are authorised to communicate with parties outside the Group.
- 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.

As Mr. Kwok was first appointed as the company secretary of a Hong Kong Hang Seng Index constituent stock company in 1991 and has been acting in such capacity for a number of other reputable companies listed on the Stock Exchange at substantial times since then, he was not required to have at least 15 hours of relevant continuous professional development training for five consecutive years from 2012 (including the Year) under the Listing Rules. However, despite the above exemption, Mr. Kwok had delivered talks at 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 EGM to do so in accordance with the “Procedures for Shareholders to convene an EGM” set out below.

## 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。

由於郭先生原初於一九九一年獲一家香港恒生指數成份股股份公司委任作為公司秘書，並曾於若干在聯交所上市的其他良好聲譽公司長期擔任該職位，因此，彼自二零一二年起連續五年(包括本年度)無須根據上市規則接受至少15個小時相關連續專業發展培訓。然而，儘管享有上述豁免，但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」召開股東特別大會提呈建議或作出動議。

## **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.

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) 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 them by the Company.

## **PROCEDURES FOR SHAREHOLDERS TO SEND ENQUIRES 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 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).

## **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。

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（或其代理人），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)。



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 31st Floor, 148 Electric Road, North Point, Hong Kong, which has been appointed by the Company to deal with Shareholders for share registration and related matters.

## 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), the AGMs and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications 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31樓，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。

## 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）、股東週年大會及其他可能召開的股東大會，並將所有呈交予聯交所的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。

## Directors' Report 董事會報告

The Directors of the Company present their report and the audited consolidated financial statements of the Company and its subsidiaries for 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 PRC and the generation of electricity by biomass power plants in Jambi, Indonesia. The principal activities and other particulars of its principal subsidiaries are set out in note 41 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 2016 are set out on pages 94 to 199 of this annual report.

### DIVIDENDS

No interim dividend was paid or declared for the six months ended 30 June 2016 (2015: HK2 cents per Share).

During its meeting held on 24 March 2017, the Board has resolved not to declare the payment of any final dividend for the Year (2015: HK1 cent per Share).

### 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 6 of this annual report.

Save as disclosed in the section headed "Events after the Reporting Date" on page 18 of this annual report, there is no important event affecting the Group that has occurred since the end of the Year and up to the date of this report.

The performance analysis using financial key performance indicators is set out in the Management Discussion and Analysis on pages 7 to 18 of this annual report.

本公司董事提呈本公司及其附屬公司於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國江蘇省提供污水處理服務，及於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41。

### 業績

本集團於本年度之業績及於二零一六年十二月三十一日之財務狀況列載於本年報第94頁至第199頁。

### 股息

並無就截至二零一六年六月三十日止六個月派發或宣派中期股息(二零一五年：每股股份2港仙)。

於二零一七年三月二十四日舉行的會議上，董事會議決不就本年度宣派任何末期股息(二零一五年：每股股份1港仙)。

### 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6頁。

除本年報第18頁「報告日後事項」一節所披露者外，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。

採用財務關鍵表現指標的表現分析載於本年報管理層討論與分析第7頁至第18頁。

## 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 53 to 58 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 (the "Circular").

## 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 for certain non-compliance with the Indonesian laws by PT Rimba Palma Sejahtera Lestari, a non-wholly owned subsidiary of the Company, as disclosed in the Circular, and as far as the Company is aware, there was no breach of or non-compliance with applicable laws and regulations of Indonesia that have a significant impact on the Group's ongoing corporate maintenance and business activities in Indonesia. As disclosed in the Company's announcement of 23 September 2016, all such non-compliance matters as stated in the Circular, including obtaining and maintaining relevant licences and permits, and submitting reports to applicable Indonesian authorities as required by such licences and permits have been fully rectified.

Further, during the Year, as far as the Company is aware, there was no breach of or non-compliance with applicable laws and regulations of Hong Kong and the PRC by our Group that has a significant impact on the business and operations of our Group.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The details on environmental, social and governance are set out in the Environmental, Social and Governance Report on pages 19 to 28 of this annual report.

## 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53至58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（「通函」）第35至37頁。

## 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。

於本年度內，本公司非全資附屬公司PT Rimba Palma Sejahtera Lestari存在若干違反印尼法律的情況，詳情披露於通函，此外，就本公司所知，概無違反或不遵守對本集團在印尼維持公司持續經營及業務活動有重大影響的印尼適用法律及法規。誠如本公司於二零一六年九月二十三日之公告所披露，通函所載所有有關違法事宜（包括取得及維持相關牌照及許可，及按相關牌照及許可的要求向適用印尼主管機關提交報告）已被悉數糾正。

除此之外，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及中國適用法律及法規。

## 環境、社會及管治

環境、社會及管治詳情列載於本年報第19頁至第28頁環境、社會及管治報告。

## FINANCIAL SUMMARY

A summary of the results for the Year and the assets and liabilities of the Group as at 31 December 2016 and for the past four financial years are set out on page 200 of this annual report. This summary does not form part of the audited financial statements.

## ANNUAL GENERAL MEETING

The Company will hold the 2017 AGM on Friday, 19 May 2017, the notice of which will be published and dispatched to the Shareholders in due course.

## CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the 2017 AGM, the register of members will be closed from Tuesday, 16 May 2017 to Friday, 19 May 2017 (both dates inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the 2017 AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 31/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Monday, 15 May 2017.

## 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 85.8% and 11.2% of the Group's revenue, respectively, and the state-owned company in Indonesia accounted for 3.0% of the Group's revenue. The purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for 43.5% and 63.5%, respectively of the Group's total purchases.

## 財務摘要

本集團的本年度業績及於二零一六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200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

本公司將於二零一七年五月十九日(星期五)舉行二零一七年股東週年大會, 股東週年大會通告將於稍後時間刊登及寄發予股東。

## 暫停辦理股份過戶登記手續

為釐定股東出席二零一七年股東週年大會並於會上投票的權利, 本公司將自二零一七年五月十六日(星期二)至二零一七年五月十九日(星期五)(包括首尾兩日)暫停股份登記, 期間將不會辦理股份過戶登記手續。為符合資格出席二零一七年股東週年大會並於會上投票, 所有過戶文件連同有關股票須於二零一七年五月十五日(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31樓, 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, 兩家中國政府機關分別佔本集團營業收入的85.8%及11.2%, 而印尼國有公司佔本集團營業收入的3.0%。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43.5%及63.5%。

An Indonesia-incorporated subsidiary of the Company has been procuring direct labour, repair 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, whose beneficial owners are close associates (as defined in the Listing Rules) of one of the Directors.

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 Company's issued share capital) 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

At 31 December 2016, the Company's reserves available for distribution, calculated in accordance with the provisions of the Companies Law of the Cayman Islands, amounted to HK\$409.9 million (2015: HK\$342.2 million). This amount includes the Company's share premium account of HK\$409.0 million at 31 December 2016 (2015: HK\$329.5 million), which may be distributed provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as 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 (Chairman)<sup>N</sup>  
CHAN Kwan (Chief Executive Officer)<sup>N</sup>  
RADIUS SUHENDRA

### Non-executive Directors

CHAN Pak Lam Brian<sup>R</sup>  
CHAU Chi Yan Benny<sup>A</sup>

本公司的印尼附屬公司一直自PT Global Inovasi Prima (Fusion Joy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的實益擁有人是一名董事的緊密聯繫人(定義見上市規則)。

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，擁有本公司已發行股本之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

於二零一六年十二月三十一日，本公司根據開曼群島公司法條文計算的可供分派儲備為409.9百萬港元(二零一五年：342.2百萬港元)。此金額包括本公司於二零一六年十二月三十一日可分派的股份溢價賬409.0百萬港元(二零一五年：329.5百萬港元)，惟緊隨建議分派股息之日期後，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(主席)<sup>N</sup>  
陳昆(行政總裁)<sup>N</sup>  
蘇堅人

### 非執行董事

陳栢林<sup>R</sup>  
周致人<sup>A</sup>



## Directors' Report 董事會報告

### Independent Non-executive Directors

NG Chung Yan Linda <sup>A/R/N</sup>

NG Man Kung <sup>A/R/N</sup>

SZE Yeuk Lung Benedict <sup>A/R/N</sup>

A = member of the Audit Committee of the Board

R = member of the Remuneration Committee of the Board

N = member of the Nomination Committee of the Board

In accordance with Article 16.18 of the Articles of Association, Mr. Chan Kwan, Mr. Chau Chi Yan Benny and Mr. Ng Man Kung shall retire by rotation at the 2017 AGM and all of them, being eligible, have offered themselves for re-election.

In accordance with Article 16.2 of the Articles of Association, Mr. Radius Suhendra who was appointed by the Board as an additional executive Director after the 2016 AGM shall retire at the 2017 AGM and being eligible, has offered himself for re-election.

### CONFIRMATION OF INDEPENDENCE OF INEDs

The Company has received from each of the INEDs, namely Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict, 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 29 to 38 of this annual report.

### DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company, pursuant to which each of them has agreed to act as an executive Director for an initial fixed term of three years with effect from 5 September 2014 (in the case of Mr. Chau On Ta Yuen and Mr. Chan Kwan) or 21 October 2016 (in the case of Mr. Radius Suhendra). The appointment of an executive Director may be terminated by giving three months' written notice by the Company to the executive Director or vice versa.

### 獨立非執行董事

伍頌恩 <sup>A/R/N</sup>

吳文拱 <sup>A/R/N</sup>

施若龍 <sup>A/R/N</sup>

A = 董事會審核委員會成員

R = 董事會薪酬委員會成員

N = 董事會提名委員會成員

根據組織章程細則第16.18條，陳昆先生、周致人先生及吳文拱先生將於二零一七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。

根據組織章程細則第16.2條，蘇堅人先生（彼於二零一六年股東週年大會後獲董事會委任為額外執行董事）將於二零一七年股東週年大會上退任，且彼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，即伍頌恩女士、吳文拱先生及施若龍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29至38頁。

### 董事服務合約

執行董事已各自與本公司訂立服務合約，及依據有關服務合約，彼等各自同意擔任執行董事，初始固定任期為三年，自二零一四年九月五日（就周安達源先生及陳昆先生而言）或二零一六年十月二十一日（就蘇堅人先生而言）開始。執行董事之委任可由本公司向執行董事發出三個月書面通知（反之亦然）予以終止。

Pursuant to the appointment letter entered into between each of the NEDs or INEDs with the Company, each of them has been appointed for a term of three years commencing on 5 September 2014. The appointment of a NED or an INED may be terminated by giving three months' written notice by the Company to the NED or INED concerned or vice versa.

None of the Directors being proposed for re-election at the forthcoming 2017 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, no 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 during the Year.

### CHARITABLE DONATION

During the Year, the Group did not make any charitable donations (2015: HK\$0.1 million).

### 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. As at 31 December 2016, options representing 500,000 Shares had been granted and none of which had been exercised, cancelled or lapsed since then. Accordingly, as at 31 December 2016, options representing 500,000 Shares, equivalent to approximately 0.045% of the issued Shares, were outstanding under the Share Option Scheme.

根據各非執行董事或獨立非執行董事與本公司訂立的委任函件，彼等各自己獲委任，任期三年，自二零一四年九月五日開始。非執行董事或獨立非執行董事之委任可由本公司向有關非執行董事或獨立非執行董事發出三個月書面通知(反之亦然)予以終止。

擬於應屆二零一七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，概無董事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。

### 慈善捐款

於本年度內，本集團並無作出任何慈善捐款(二零一五年：0.1百萬港元)。

### 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。於二零一六年十二月三十一日，代表500,000股股份的購股權已獲授出，之後概無購股權獲行使、註銷或失效。因此，於二零一六年十二月三十一日，根據購股權計劃下尚未行使的購股權可發行的股份為500,000股股份，約相當於已發行股份的0.045%。

## Directors' Report 董事會報告

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 7.20% of the Shares in issue as at the date of this report). Excluding the abovementioned options representing 500,000 Shares granted during the Year, the total number of Shares available for issue under the Share Option Scheme was 79,500,000 Shares, which represented approximately 7.16% of the issued Shares as at the date of this report.

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

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7.20%)。除本年度授予的上述代表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7.16%。

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 Shares represented by options 購股權所代表的股份數目			Lapsed/cancelled during the Year 本年度內已失效/註銷	Outstanding as at 31 December 2016 於二零一六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 31 December 2015 於二零一五年十二月三十一日尚未行使	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 from 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.

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

### 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.

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)。

購股權計劃之主要條款載列如下:

### 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**”).

## 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 7.20% 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 (except for the INEDs and substantial shareholders (as defined in the Listing Rules) of the Company who are subject to stricter restrictions), shall not, when aggregated with

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

## 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. 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7.20%)。

## 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(不包括受限於更嚴格限制條文的獨立非執行董事及本公司主要股東(定義見上市規則))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。

in any 12-month period up to the offer date, exceed one per cent. of the number of Shares in issue on the offer date. Any further grant of options in excess of this one per cent. 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 associates (as defined in the Listing Rules) shall abstain from voting.

#### 5. THE 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 option in the following manner:

- (a) up to 33% of the Shares that are subject to the option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing from the first anniversary of the date (the "**Commencement Date**") on which such option is granted and ending on the expiry of the period (the "**Option Period**") to be notified by the Board to each grantee within which the option may be exercisable provided that such period of time shall not exceed a period of ten years commencing on the Commencement Date;
- (b) up to 66% of the Shares that are subject to the option so granted to him/her (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 (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.

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。

#### 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（惟該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) 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. THE 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. THE 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.

**9. THE 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 during the Year 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.

**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. 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」一節所詳述之本年度授出的購股權外，本公司於本年度概無就股份訂立任何股票掛鉤協議。

## **ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES**

At no time during 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 other body corporate.

## **MANAGEMENT CONTRACT**

No 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 to Notes to the Consolidated Financial Statements in this annual report, respectively.

## **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 2016, 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); (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 as set out in Appendix 10 to the Listing Rules, were as follows:

## **董事購入股份的安排**

本公司或其任何附屬公司於本年度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。

## **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。

## **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**

於二零一六年十二月三十一日，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）；(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的標準守則須知會本公司及聯交所的權益或淡倉如下：

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 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 On Ta Yuen ("Mr. Chau") 周安達源先生(「周先生」)	Interest in a controlled corporation 受控法團權益	225,000,000 <sup>(1)</sup>	20.25%
Mr. Chan Kwan ("Mr. Chan") 陳昆先生(「陳先生」)	Interest in controlled corporations 受控法團權益	390,700,000 <sup>(2)</sup>	35.17%

Notes:

附註：

(1) 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, and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively.

(1) 潤海持有225,000,000股股份，並由執行董事兼董事會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 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, 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. Chan Pak Lam Brian. Mr. Chan also owns 25% of the issued shares in Kingdrive, which in turn owns 100% of the issued shares in Carlton Asia, which held 15,700,000 Shares, Carlton Asia is accustomed to act in accordance with the directions of Mr. Chan.

(2) 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、陳先生及陳栢林先生的母親。陳先生亦持有Kingdrive 25%的已發行股份，而該公司擁有Carlton Asia 100%已發行股份，Carlton Asia於15,700,000股股份中擁有權益。Carlton Asia慣於按照陳先生的指示行事。

(3) All the above Shares were held in long position.

(3) 上述所有股份均以好倉持有。

Save as disclosed above, as at 31 December 2016, none of the Directors or chief executives of the Company had any interest 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 the SFO.

除上文所披露者外，於二零一六年十二月三十一日，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的權益或淡倉。

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

As at 31 December 2016, to the best of the Directors' knowledge, the following persons or entities (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.

**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**

於二零一六年十二月三十一日，就董事所知，下列人士或實體（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條須存置的登記冊內的權益及／或淡倉。

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>	33.75%
Ms. Wong 王女士	Interest in controlled corporations 受控法團權益	380,790,000 <sup>(1) &amp; (2)</sup>	34.27%
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>	34.27%
Wealthy Sea 潤海	Beneficial interest 實益權益	225,000,000 <sup>(3)</sup>	20.25%
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>	20.25%
Morgan Top Trading Company Ltd. (" <b>Morgan Top</b> ")	Beneficial interest 實益權益	143,300,000	12.90%

Notes:

- (1) Each of Everbest Environmental and Hightop Investment Limited ("**Hightop**") 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.
- (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.
- (3) Wealthy Sea is owned as to 90% and 10% by Mr. Chau, an executive Director and the Chairman of the Board, 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 positions.

Save as disclosed above, as at 31 December 2016, the Directors were not aware of any persons or entities (other than a Director or the chief executive of the Company) who/which 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.

附註：

- (1) Everbest Environmental 及高峻投資有限公司(「高峻」)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。
- (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。
- (3) 潤海由執行董事兼董事會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，於二零一六年十二月三十一日，董事並不知悉有任何人士或實體(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。



## 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 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.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company maintained adequate public float (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.

## 退休福利計劃／退休金計劃

本集團遵照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。

## 足夠公眾持股量

根據本公司所取得的資料及據董事所知，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。

## CONNECTED TRANSACTIONS

During the Year, the Group entered into connected transactions and continuing connected transactions (as defined under Chapter 14A of the Listing Rules). The related party transactions under Notes 38(a) and (c) to the Notes to the Consolidated Financial Statements in this annual report fall under the definition of continuing connected transactions and are fully-exempted continuing connected transactions under Rule 14A.73 of the Listing Rules. The related party transactions under Notes 38(b) and (d) to the Notes to the Consolidated Financial Statements in this annual report fall under the definition of connected transactions and are non-exempt connected transactions, details of which are set out as follows:

- (i) on 16 June 2016, the Group entered into a share purchase agreement in respect of the Acquisition, as detailed under the section headed "Issue of Equity Securities" and Note 38(b) to the Notes to the Consolidated Financial Statements in this annual report; and
- (ii) on 1 December 2016, the Company disposed of 220,000 shares in BRIDGEWAY MONEY SQ P2P FUND SP (the "**Bridgeway Fund Units**"), which were estimated to have an aggregate fair value of HK\$22.0 million, to Mr. Chan Chun Keung (the "**Bridgeway Fund Units Disposal**"). The Bridgeway Fund Units Disposal was made as a repayment of the shareholder loans of approximately US\$2.8 million (equivalent to approximately HK\$22.0 million) extended to the Company by Mr. Chan Chun Keung on 29 September 2016. Immediately after the completion of the Bridgeway Fund Units Disposal, the Company was no longer interested in any Bridgeway Fund Units. Mr. Chan Chun Keung is the father of Mr. Chan Kwan (an executive Director and the chief executive officer of the Company) and Mr. Chan Pak Lam Brian (a NED). Accordingly, Mr. Chan Chun Keung is a connected person (as defined in the Listing Rules) of the Company. As the applicable percentage ratios of the Bridgeway Fund Units Disposal calculated pursuant to Rule 14.07 of the Listing Rules were more than 1% but did not exceed 5%, the Bridgeway Fund Units Disposal constituted a connected transaction for the Company that is subject to the reporting and announcement requirement, but is exempt from the independent Shareholders' approval requirement, under Chapter 14A of the Listing Rules. For further details, please refer to the Company's announcement dated 20 December 2016 and Note 38(d) to the Notes to the Consolidated Financial Statements in this annual report.

## 關連交易

於本年度內，本集團訂立關連交易及持續關連交易(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(a)及(c)下之關聯方交易符合持續關連交易的定義，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。本年報綜合財務報表附註的附註38(b)及(d)下之關聯方交易符合關連交易的定義，並是非豁免關連交易，詳情載列如下：

- (i) 於二零一六年六月十六日，本集團就收購事項訂立一份股份購買協議，詳見本年報「發行股本證券」一節及綜合財務報表附註的附註38(b)；及
- (ii) 於二零一六年十二月一日，本公司向陳進強先生出售於BRIDGEWAY MONEY SQ P2P FUND SP(「**盛滙基金單位**」)的220,000股股份(「**盛滙基金單位出售事項**」)，估計公允值總額為22.0百萬港元。盛滙基金單位出售事項用於償還陳進強先生於二零一六年九月二十九日授予本公司的股東貸款約2.8百萬美元(相當於約22.0百萬港元)。緊隨完成盛滙基金單位出售事項後，本公司不再於任何盛滙基金單位中擁有權益。陳進強先生是陳昆先生(本公司執行董事兼行政總裁)及陳栢林先生(非執行董事)之父。因此，陳進強先生是本公司關連人士(定義見上市規則)。由於根據上市規則第14.07條計算的盛滙基金單位出售事項的適用百分比率超過1%但不超過5%，故盛滙基金單位出售事項構成本公司的一項關連交易，須遵守申報及公告規定，但獲豁免遵守上市規則第14A章項下的獨立股東批准規定。更多詳情，請參閱本公司日期為二零一六年十二月二十日的公告及本年報綜合財務報表附註的附註38(d)。

Save for a delay in publishing the announcement in relation to the Bridgeway Fund Units Disposal, which was published on 20 December 2016, the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the above non-exempt connected transactions.

## DEED OF NON-COMPETITION

Each of Ms. Chan, Mr. Chan (an executive Director and the Chief Executive Officer), Ms. Wong, Everbest Environmental (a company owned by Ms. Wong, Ms. 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 90% and 10% by Mr. Chau and his wife, respectively) (collectively, the “**Controlling Shareholders**”) has executed a deed of non-competition (the “**Deed of Non-Competition**”) in favour of the Group on 5 September 2014, pursuant to which 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 close 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 confirmed that the Controlling Shareholders had not been in breach of the Deed of Non-Competition during the Year.

除有關盛滙基金單位出售事項的公告公佈延遲(於二零一六年十二月二十日公佈)外,本公司已遵守上市規則第14A章就上述非豁免關連交易的披露規定。

## 不競爭契據

陳女士、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**」),據此,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,其不會及會促使其緊密聯繫人(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,並確認控股股東於本年度並無違反不競爭契據。

## DIRECTORS' INTERESTS IN A COMPETING BUSINESS

Save as disclosed above, during the Year and up to the date of this report, none of the Directors is considered to have interests in a 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.

## 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 had a material interest, either directly or indirectly, in any contract of significance (whether for the provision of services to the Company 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 as a Director in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. In addition, proper insurance coverage in respect of legal actions against the Directors' liability has been arranged.

## 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 2016, the Group had 223 (2015: 78) employees (including the Directors). Employee costs, including Directors' emoluments, amounted to approximately HK\$12.8 million for the Year (2015: approximately HK\$9.8 million). The remuneration policy for the Directors and senior management members 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 senior management members.

## 董事於競爭業務的權益

除上文所披露者外，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。

## 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（不論是否向本公司提供服務）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。

## 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

於二零一六年十二月三十一日，本集團共有223名（二零一五年：78名）僱員（包括董事）。本年度的僱員成本（包括董事酬金）約為12.8百萬港元（二零一五年：約9.8百萬港元）。董事及高級管理層成員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與高級管理層成員的個人表現掛鉤。



The Company has 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.

### **ISSUE OF EQUITY SECURITIES**

On 16 June 2016, (i) Eternity Time Group Limited (a direct wholly-owned subsidiary of the Company) as purchaser, (ii) the Company as issuer, (iii) Fusion Joy (a then independent third party of the Company before completion of the Acquisition) and (iv) Carlton Asia together as vendors entered into a share purchase agreement in respect of the Acquisition. The consideration of approximately US\$21.516 million (equivalent to approximately HK\$166.7 million) was satisfied (i) as to US\$11.258 million by cash; and (ii) as to the remaining amounts by the issue of 159,000,000 consideration Shares by the Company to Fusion Joy and Carlton Asia at the issue price of HK\$0.5 per consideration Share under a specific mandate granted by the Shareholders.

The Acquisition was approved by independent Shareholders on 8 September 2016, and completion took place on 21 October 2016, whereby 15,700,000 and 143,300,000 consideration Shares were allotted and issued to Carlton Asia and Morgan Top (a nominee of Fusion Joy), respectively.

As Carlton Asia is indirectly legally and beneficially owned as to 100% in aggregate by Mr. Chan Kwan (an executive Director and the chief executive officer of the Company) and Mr. Chan Pak Lam Brian (a NED) and their respective associates (as defined in the Listing Rules), Carlton Asia is a connected person (as defined in the Listing Rules) of the Company. It follows that the Acquisition and the issue of consideration Shares to Carlton Asia constituted connected transactions of the Company. As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition exceeded 25% but were less than 100%, the Acquisition constituted a major transaction and a non-exempt connected transaction of the Company under Chapters 14 and 14A of the Listing Rules.

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。

### **發行股本證券**

於二零一六年六月十六日，(i) Eternity Time Group Limited (本公司直接全資附屬公司) 作為買方，(ii) 本公司作為發行人，(iii) Fusion Joy (完成收購事項前本公司當時的一名獨立第三方) 及 (iv) Carlton Asia 共同作為賣方就收購事項訂立一份股份購買協議。約21.516百萬美元(相當於約166.7百萬港元)的代價以下列方式滿足：(i) 11.258百萬美元以現金；及(ii) 剩餘款項以本公司根據股東授予的特殊授權按每股代價股份0.5港元的發行價向Fusion Joy及Carlton Asia發行159,000,000股代價股份。

收購事項於二零一六年九月八日經獨立股東批准，並於二零一六年十月二十一日完成，據此分別向Carlton Asia及Morgan Top (Fusion Joy的代名人) 配發及發行15,700,000股及143,300,000股代價股份。

由於Carlton Asia合計由本公司執行董事兼行政總裁陳昆先生及非執行董事陳栢林先生及其各自聯繫人(定義見上市規則)間接合法實益全資擁有，因此Carlton Asia為本公司關連人士(定義見上市規則)。由此得出，收購事項及向Carlton Asia發行代價股份構成本公司關連交易。由於根據上市規則第14.07條計算的收購事項的適用百分比率超過25%但不超過100%，故收購事項構成本公司的重大交易及上市規則第14及14A章項下的非豁免關連交易。



The Acquisition provides the Group with an opportunity to invest and develop new business segments in palm kernel oil production and excess biomass power supply in Indonesia. The Directors are of the view that the Acquisition is in line with our corporate value, direction, and hence our strategy to expand and diversify into other green businesses.

For further details, please refer to the Circular and the Company's announcements dated 16 June, 8 September, 23 September and 21 October 2016.

### **PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's Shares listed in the Main Board of the Stock Exchange during the Year.

### **CORPORATE GOVERNANCE**

Details of the principal corporate governance policies and practices adopted by the Company are set out on pages 39 to 61 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 the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process, risk management and internal controls. The Audit Committee comprises four members, namely Ms. Ng Chung Yan Linda (who is also the chairlady of the Audit Committee), Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict, all being the INEDs and Mr. Chau Chi Yan Benny, 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.

收購事項為本集團提供機會在印尼投資及開發仁油生產及額外生物質電力供應的新業務分部。董事認為，收購事項符合我們的企業價值、發展方向及我們的擴張策略，並開拓了其他綠色業務。

進一步詳情，請參閱通函及本公司日期為二零一六年六月十六日、九月八日、九月二十三日及十月二十一日的公告。

### **購買、出售及贖回上市證券**

本公司及任何附屬公司於本年度內概無購買、出售或贖回本公司於聯交所主板上市的任何股份。

### **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39至61頁。

### **由審核委員會審閱**

本公司已遵照上市規則第3.21條及企業管治守則第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。審核委員會包括四名成員，即獨立非執行董事伍頌恩女士（其亦擔任審核委員會主席）、吳文拱先生及施若龍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。

## 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 have been audited by Deloitte Touche Tohmatsu, who will retire and, being eligible, offer themselves for re-appointment at the forthcoming 2017 AGM. Having been approved by the Board upon the Audit Committee's recommendation, a resolution to re-appoint Deloitte Touche Tohmatsu and to authorise the Directors to fix their remuneration will be proposed at the forthcoming 2017 AGM.

On behalf of the Board

**Chau On Ta Yuen**  
*Chairman*

Hong Kong, 24 March 2017

## 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。

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二零一七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二零一七年股東週年大會提呈。

代表董事會

*主席*  
**周安達源**

香港，二零一七年三月二十四日

**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 94 to 199, which comprise the consolidated statement of financial position as at 31 December 2016, 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 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

**BASIS FOR OPINION**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") 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94至199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，此財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合損益及其他全面收入表、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二零一六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」部份中作出進一步闡述。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

(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

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的推算利息收入

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 貴集團所作重大估計，我們將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認定為關鍵審計事項。

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;

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；

**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**

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

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 comparables 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市場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，及參考截至當日已產生成本佔建造合約估計總成本的比例計量。

- 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;
- 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;
- Verifying the construction costs incurred during the year by examining the contracts, invoices, completion reports and other supporting documents on a sample basis;
- Evaluating the estimated total cost of construction contract by reference to the signed contracts and approved budgets;
- 對於來自建造服務的營業收入，了解貴集團對建造利潤率的估計、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；
- 評估參考截至當日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；
- 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；
- 參考已簽訂合約及已批准預算評估建造合約估計總成本；



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
<b>Revenue and profit from construction services and imputed interest income on receivables under service concession arrangements</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的推算利息收入	
<p>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 estimated effective interest rate computed at initial recognition.</p> <p>The Group engages an independent qualified valuer to access the prevailing market rate of gross margin of market comparables and the effective interest rate for service concession arrangements as mentioned above.</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\$36,206,000 and HK\$10,675,000 respectively, and imputed interest income on receivables under service concession arrangements of HK\$19,465,000, during the year ended 31 December 2016.</p> <p>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估計實際利率將服務特許期的估計未來現金收入貼現。</p> <p>貴集團聘請一名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。</p> <p>如綜合財務報表附註5及16所披露，截至二零一六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36,206,000港元及10,675,000港元，服務特許權安排下應收款項的推算利息收入為19,465,000港元。</p>	<ul style="list-style-type: none"><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>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造利潤率及實際利率的適當性。</li></ul>

**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 (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>Accounting for acquisition of 100% equity interest in Weal Union Limited and its subsidiary ("the Acquisition")</b> 收購旭衡有限公司及其附屬公司100%股權(「收購事項」)之會計處理	

We identified the accounting for the Acquisition as a key audit matter due to the judgement exercised by the management of the Group in accordance with HKFRS 3 "Business Combinations".

Our procedures in relation to assessing the appropriateness of the accounting for the Acquisition included:

- Obtaining an understanding of how the management accounted for the Acquisition under HKFRS 3;
- Discussing with the management the key estimates adopted by the management in assessing the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed, including the market value or depreciated replacement cost of the property, plant and equipment;

由於貴集團管理層根據香港財務報告準則第3號「業務合併」所作判斷，我們將收購事項的會計處理認定為關鍵審計事項。

我們就評估收購事項會計處理的適當性採取的程序包括：

- 了解管理層如何根據香港財務報告準則第3號將收購事項入賬；
- 與管理層討論管理層為評估所收購可識別資產及所承擔負債於收購日期的公允值採用的主要估計，包括物業、廠房及設備的市場價值或折舊重置成本；

## 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 (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>Accounting for acquisition of 100% equity interest in Weal Union Limited and its subsidiary ("the Acquisition")</b> 收購旭衡有限公司及其附屬公司100%股權(「收購事項」)之會計處理	

As disclosed in note 39 to the consolidated financial statements, the total consideration, in relation to the Acquisition which engage in provision of electricity services during the year ended 31 December 2016, was HK\$167,312,000. In application of HKFRS 3, the management applied significant judgements in assessing the acquisition-date fair values of the identifiable assets acquired and the liabilities assumed including the estimates adopted in calculating the fair value of property, plant and equipment by reference to the market value or depreciated replacement cost of the property, plant and equipment. The fair value of property, plant and equipment of HK\$145,753,000 acquired in business combination are based on valuation performed by an independent qualified professional valuer (the "Valuer").

如綜合財務報表附註39所披露，於截至二零一六年十二月三十一日止年度，收購事項總代價為167,312,000港元，有關公司從事供電服務。採用香港財務報告準則第3號後，管理層於評估所收購可識別資產及所承擔負債於收購日期的公允值時採用重大判斷，包括參考物業、廠房及設備的市場價值或折舊重置成本計算物業、廠房及設備公允值採用的估計。於業務合併中收購的物業、廠房及設備的145,753,000港元的公允值基於一名獨立合資格專業估值師(「估值師」)進行的估值。

- Evaluating the Valuer's competence, capabilities and objectivity; and
- Working with our internal valuation experts to evaluate the valuation techniques and reasonableness of the significant inputs, on a sample basis, used by the management and the Valuer in relation to calculate the acquisition-date fair values of property, plant and equipment acquired in business combination to assess the reasonableness of the judgements and estimations.

- 評估估值師的資質、能力及客觀性；及
- 與我們的內部估值專家合作抽樣評估管理層及估值師為計算業務合併中所收購物業、廠房及設備於收購日期的公允值而採用的估值技術與重大輸入數據的合理性，以評估判斷及估計的合理性。

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

(incorporated in the Cayman Islands with limited liability)

**OTHER MATTER**

The consolidated financial statements of the Group for the year ended 31 December 2015 were audited by another auditor who expressed an unmodified opinion on those statements on 18 March 2016.

**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.

致強泰環保控股有限公司股東

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**其他事項**

貴集團截至二零一五年十二月三十一日止年度的綜合財務報表由另外的核數師審核，該核數師於二零一六年三月十八日對該等報表發表無保留意見。

**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。

## 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)

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS (Cont'd)

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.

### 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.

致強泰環保控股有限公司股東

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### 董事及治理層就綜合財務報表須承擔的責任(續)

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。

### 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。



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

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

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

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

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)**

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

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

## Independent 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)

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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)

- 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。

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。

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(incorporated in the Cayman Islands with limited liability)

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

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

24 March 2017

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)**

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

二零一七年三月二十四日

## Consolidated Statement of Profit or Loss 綜合損益表

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

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	營業收入	5	100,317	145,462
Cost of sales	銷售成本		(66,011)	(95,035)
Gross profit	毛利		34,306	50,427
Other income and gains	其他收入及收益	7	11,357	5,318
Administrative expenses	行政開支		(25,172)	(18,269)
Finance costs	融資成本	8	(1,969)	(1,247)
Profit before tax	除稅前溢利	9	18,522	36,229
Income tax (expense) credit	所得稅(開支)抵免	12	(7,029)	3,920
Profit for the year	年內溢利		11,493	40,149
Profit for the year attributable to:	以下各方應佔年內溢利：			
Owners of the Company	本公司擁有人		10,343	39,506
Non-controlling interests	非控股權益		1,150	643
			11,493	40,149
Earnings per share	每股盈利	14	HK cents 港仙	HK cents 港仙
— Basic	— 基本		1.05	4.37
— Diluted	— 攤薄		1.05	N/A 不適用

## Consolidated Statement of Profit or Loss and Other Comprehensive Income 綜合損益及其他全面收入表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit for the year	年內溢利	<b>11,493</b>	40,149
<b>Other comprehensive (expense) income</b>	<b>其他全面(開支)收入</b>		
<i>Item 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 difference arising on translation of foreign operations	換算海外業務產生之匯兌差額	<b>(28,366)</b>	(16,224)
Fair value change on available-for-sale investments	可供出售投資之公允值變動	<b>2,125</b>	(555)
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	<b>(819)</b>	(246)
<b>Total comprehensive (expense) income for the year</b>	<b>年內全面(開支)收入總額</b>	<b>(15,567)</b>	23,124
Total comprehensive (expense) income attributable to:	以下各方應佔全面(開支)收入總額：		
Owners of the Company	本公司擁有人	<b>(15,624)</b>	23,765
Non-controlling interests	非控股權益	<b>57</b>	(641)
		<b>(15,567)</b>	23,124



## Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 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	143,130	2,310
Receivables under service concession arrangements	服務特許權安排下的應收款項	16	288,638	349,807
Goodwill	商譽	17	85,699	—
Available-for-sale investments	可供出售投資	18	23,383	127,921
			<b>540,850</b>	480,038
<b>CURRENT ASSETS</b>	<b>流動資產</b>			
Inventories	存貨		882	246
Receivables under service concession arrangements	服務特許權安排下的應收款項	16	30,814	40,410
Trade receivables	貿易應收款項	19	2,840	—
Prepayments and other receivables	預付款項及其他應收款項	20	1,569	1,289
Income tax recoverable	可收回所得稅		405	693
Bank balances and cash	銀行結餘及現金	21	25,104	87,763
			<b>61,614</b>	130,401
Assets classified as held for sale	分類為持作出售資產	29	78,676	—
			<b>140,290</b>	130,401
<b>CURRENT LIABILITIES</b>	<b>流動負債</b>			
Trade payables	貿易應付款項	22	19,955	12,186
Other payables and accruals	其他應付款項及應計費用	23	4,783	3,543
Amounts due to related parties	應付關聯方款項	24	6,542	—
Derivative financial instrument	衍生金融工具	25	—	794
Bank borrowings — due within one year	銀行借款 — 一年內到期	26	32,426	32,864
Income tax payables	應付所得稅		122	627
			<b>63,828</b>	50,014
Liabilities associated with assets classified as held for sale	與分類為持作出售資產有關的負債	29	9,848	—
			<b>73,676</b>	50,014
<b>NET CURRENT ASSETS</b>	<b>流動資產淨值</b>		<b>66,614</b>	80,387
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<b>總資產減流動負債</b>		<b>607,464</b>	560,425

## Consolidated Statement of Financial Position 綜合財務狀況表

At 31 December 2016 於二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>CAPITAL AND RESERVES</b>	<b>資本及儲備</b>			
Share capital	股本	30	111	95
Reserves	儲備	31	541,841	487,447
Equity attributable to owners of the Company	本公司擁有人應佔權益		541,952	487,542
Non-controlling interests	非控股權益		27,650	27,593
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>569,602</b>	515,135
<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	—	2,336
Deferred tax liabilities	遞延稅項負債	27	31,251	36,514
Provision for major overhauls	重大檢修撥備	28	6,611	6,440
			<b>37,862</b>	45,290
			<b>607,464</b>	560,425

The consolidated financial statements on pages 94 to 199 were approved and authorised for issue by the Board of Directors on 24 March 2017 and are signed on its behalf by:

第94至199頁的綜合財務報表經董事會於二零一七年三月二十四日批准及授權刊發，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 2016 截至二零一六年十二月三十一日止年度

		Attributable to shareholders of the Company 本公司股東應佔											
		Issued capital	Share premium	Share option reserve	Other reserve	Exchange reserve	General reserve	Investment revaluation reserve	Treasury reserve	Retained earnings	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	庫存儲備	保留盈利	總計	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	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	千港元
					(Note 31a) (附註31a)		(Note 31b) (附註31b)		(Note 31c) (附註31c)				
At 1 January 2015	於二零一五年一月一日	80	183,340	—	(31,476)	25,678	13,830	—	—	145,143	336,595	28,234	364,829
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	(14,940)	—	—	—	—	(14,940)	(1,284)	(16,224)
Fair value change on available-for-sale investments	可供出售投資之公允價值變動	—	—	—	—	—	—	(555)	—	—	(555)	—	(555)
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	—	—	—	—	—	—	(246)	—	—	(246)	—	(246)
Profit for the year	年內溢利	—	—	—	—	—	—	—	—	39,506	39,506	643	40,149
Total comprehensive income for the year	年內全面收入總額	—	—	—	—	(14,940)	—	(801)	—	39,506	23,765	(641)	23,124
Issue of shares pursuant to the top-up placing and top-up subscription	根據先舊後新配售及先舊後新認購的股份發行	16	156,784	—	—	—	—	—	—	—	156,800	—	156,800
Placing expenses	配售開支	—	(5,657)	—	—	—	—	—	—	—	(5,657)	—	(5,657)
Share repurchase	股份回購	—	—	—	—	—	—	—	(4,921)	—	(4,921)	—	(4,921)
Cancellation of share repurchased	註銷購回股份	(1)	(4,920)	—	—	—	—	—	4,921	—	—	—	—
Transfer to general reserve	轉撥至一般儲備	—	—	—	—	—	4,485	—	—	(4,485)	—	—	—
Interim dividend – 2015	中期股息 – 二零一五年	—	—	—	—	—	—	—	—	(19,040)	(19,040)	—	(19,040)
		15	146,207	—	—	—	4,485	—	—	(23,525)	127,182	—	127,182
At 31 December 2015	於二零一五年十二月三十一日	95	329,547	—	(31,476)	10,738	18,315	(801)	—	161,124	487,542	27,593	515,135

## Consolidated Statement of Changes in Equity 綜合權益變動表

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

		Attributable to shareholders of the Company 本公司股東應佔								Non-controlling interests		Total	
		Issued capital	Share premium	Share option reserve	Other reserve	Exchange reserve	General reserve	Investment revaluation reserve	Treasury reserve	Retained earnings	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	庫存儲備	保留盈利	總計	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	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	千港元
					(Note 31a) (附註 31a)		(Note 31b) (附註 31b)		(Note 31c) (附註 31c)				
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	-	-	-	-	(27,273)	-	-	-	-	(27,273)	(1,093)	(28,366)
Fair value change on available-for-sale investments	可供出售投資之公允值變動	-	-	-	-	-	-	2,125	-	-	2,125	-	2,125
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	-	-	-	-	-	-	(819)	-	-	(819)	-	(819)
Profit for the year	年內溢利	-	-	-	-	-	-	-	-	10,343	10,343	1,150	11,493
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	(27,273)	-	1,306	-	10,343	(15,624)	57	(15,567)
Issue of shares pursuant to the acquisition of subsidiaries	根據收購附屬公司的股份發行	16	79,484	-	-	-	-	-	-	-	79,500	-	79,500
Recognition of equity-settled share-based payments	確認以權益結算基於股份的付款	-	-	54	-	-	-	-	-	-	54	-	54
Transfer to general reserve	轉撥至一般儲備	-	-	-	-	-	2,282	-	-	(2,282)	-	-	-
Final dividend – 2015	末期股息 – 二零一五年	-	-	-	-	-	-	-	-	(9,520)	(9,520)	-	(9,520)
		16	79,484	54	-	-	2,282	-	-	(11,802)	70,034	-	70,034
At 31 December 2016	於二零一六年十二月三十一日	111	409,031	54	(31,476)	(16,535)	20,597	505	-	159,665	541,952	27,650	569,602

## Consolidated Statement of Cash Flows

### 綜合現金流量表

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

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Operating activities</b>	<b>經營活動</b>		
Profit before tax	除稅前溢利	18,522	36,229
Adjustments for:	對以下各項作出調整：		
Bank interest income	銀行利息收入	(78)	(370)
Interest income from available-for-sale investments	可供出售投資的利息收入	(4,725)	(2,068)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,513	472
Provision for major overhauls	重大檢修撥備	1,616	1,122
Share-based payments	基於股份的付款	54	—
Finance costs	融資成本	1,969	1,247
Gains on disposal of available-for-sale investments	出售可供出售投資的收益	(819)	(246)
Fair value (gain) loss of a derivative financial instrument — a transaction not designated as a hedge	衍生金融工具的公允值 (收益)虧損 — 並非指作對沖的交易	(1,231)	794
		17,821	37,180
Decrease in inventories	存貨減少	90	50
Increase in receivables under service concession arrangements	服務特許權安排下的應收款項增加	(26,901)	(72,591)
Decrease in trade receivables	貿易應收款項減少	2,600	—
Increase in prepayments and other receivables	預付款項及其他應收款項增加	(2,740)	(688)
Increase in trade payables	貿易應付款項增加	2,884	7,600
Decrease in other payables and accruals	其他應付款項及應計費用減少	(15)	(2,809)
Cash used in operations	經營使用的現金	(6,261)	(31,258)
Income tax refunded	退回所得稅	764	9,998
Income tax paid	已付所得稅	(3,033)	(5,796)
<b>Net cash used in operating activities</b>	<b>經營活動使用的現金淨額</b>	<b>(8,530)</b>	<b>(27,056)</b>
<b>Investing activities</b>	<b>投資活動</b>		
Purchases of property plant and equipment	購買物業、廠房及設備	(3,523)	(117)
Acquisition of subsidiaries	收購附屬公司	(85,082)	—
Advance to Weal Union Group as defined in note 39	支付予旭衡集團的墊款 (定義見附註39)	(58,196)	—
Purchases of available-for-sale investments	購買可供出售投資	(31,419)	(140,570)
Proceeds on disposal of available-for-sale investments	出售可供出售投資的所得款項	116,978	11,627
Realised gain on a derivative financial instrument	衍生金融工具的已實現收益	437	—
Bank interest received	已收銀行利息	78	370
Interest received from available-for-sale investments	已收可供出售投資的利息	4,614	1,510
<b>Net cash used in investing activities</b>	<b>投資活動使用的現金淨額</b>	<b>(56,113)</b>	<b>(127,180)</b>



## Consolidated Statement of Cash Flows 綜合現金流量表

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
<b>Financing activities</b>	<b>融資活動</b>		
New bank borrowings raised	新造銀行借款	—	30,250
Repayments of bank borrowings	償還銀行借款	<b>(2,781)</b>	(12,262)
Advance from a related party	一名關聯方墊款	<b>38,595</b>	—
Repayment to a related party	向一名關聯方還款	<b>(16,595)</b>	—
Interest paid	已付利息	<b>(1,270)</b>	(920)
Gross proceeds from a top-up placing and top-up subscription	先舊後新配售及先舊後新認購所得款項總額	—	156,800
Payment of expenses directly attributable to a top-up placing and top-up subscription	先舊後新配售及先舊後新認購直接應佔開支付款	—	(5,657)
Share repurchase	股份回購	—	(4,921)
Dividends paid	已付股息	<b>(9,520)</b>	(19,040)
<b>Net cash from financing activities</b>	<b>融資活動產生的現金淨額</b>	<b>8,429</b>	144,250
<b>Net decrease in bank balances and cash</b>	<b>銀行結餘及現金減少淨額</b>	<b>(56,214)</b>	(9,986)
<b>Bank balances and cash at beginning of the year</b>	<b>年初銀行結餘及現金</b>	<b>87,763</b>	99,064
Effect of foreign exchange rate changes, net	外匯匯率變動的影響，淨額	<b>(2,464)</b>	(1,315)
<b>Bank balances and cash at end of the year</b>	<b>年末銀行結餘及現金</b>	<b>29,085</b>	87,763
Represented by:	指：		
Bank balances and cash	銀行結餘及現金	<b>25,104</b>	87,763
Bank balances and cash classified as held for sale	分類為持作出售的銀行結餘及現金	<b>3,981</b>	—
		<b>29,085</b>	87,763

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 1. GENERAL

The Company was incorporated in the Cayman Island 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, Uglan 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 consolidated financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company.

The Company acts as an investment holding company. The principal activities of its principal subsidiaries are set out in note 41.

### 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”):

Amendments to HKAS 1  
香港會計準則第1號之修訂

Amendments to HKAS 16  
and HKAS 38  
香港會計準則第16號及  
香港會計準則第38號之修訂

Amendments to HKAS 16 and HKAS 41  
香港會計準則第16號及  
香港會計準則第41號之修訂

Amendments to HKFRS 10, HKFRS 12  
and HKAS 28  
香港財務報告準則第10號、  
香港財務報告準則第12號及  
香港會計準則第28號之修訂

Amendments to HKFRS 11  
香港財務報告準則第11號之修訂

Amendments to HKFRSs  
香港財務報告準則之修訂

Disclosure Initiative  
披露措施

Clarification of Acceptable Methods of Depreciation  
and Amortisation  
釐清可接受之折舊及攤銷方法

Agriculture: Bearer Plants  
農業：生產性植物

Investment Entities: Applying the Consolidation Exception  
投資實體：應用綜合豁免

Accounting for Acquisitions of Interests in Joint Operations  
收購共同營運權益之會計處理

Annual Improvements to HKFRSs 2012 – 2014 Cycle  
香港財務報告準則二零一二年至二零一四年週期之年度改進

### 1. 一般事項

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P.O. Box 39, Uglan 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。

綜合財務報表以港元（「港元」）列值，港元亦為本公司功能貨幣。

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41。

### 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」）

於本年度內，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」）頒佈之香港財務報告準則之修訂：

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

For the year ended 31 December 2016 截至二零一六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)

The application of the above amendments to HKFRSs in the current year has had no material effect 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.

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

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  
HKFRS 16  
香港財務報告準則第16號

Amendments to HKAS 7  
香港會計準則第7號之修訂  
Amendments to HKAS 12  
香港會計準則第12號之修訂  
Amendments to HKFRS 2

香港財務報告準則第2號之修訂  
Amendments to HKFRS 4

香港財務報告準則第4號之修訂

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號之修訂

Amendments to HKFRSs  
香港財務報告準則之修訂

Financial Instruments<sup>2</sup>  
金融工具<sup>2</sup>

Revenue from Contracts with Customers and the Related  
Amendments<sup>2</sup>

客戶合約收入及相關修訂<sup>2</sup>

Leases<sup>3</sup>  
租賃<sup>3</sup>

Disclosure Initiative<sup>1</sup>  
披露計劃<sup>1</sup>

Recognition of Deferred Tax Assets for Unrealised Losses<sup>1</sup>  
就未實現虧損確認遞延稅項資產<sup>1</sup>

Classification and Measurement of Share-based  
Payment Transactions<sup>2</sup>  
以股份付款交易的分類及計量<sup>2</sup>

Applying HKFRS 9 “Financial Instruments” with  
HKFRS 4 “Insurance Contracts”<sup>2</sup>

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」<sup>2</sup>

Sale or Contribution of Assets between an Investor  
and its Associate or Joint Venture<sup>4</sup>  
投資者及其聯營公司或合營企業出售或注入資產<sup>4</sup>

Annual Improvements to HKFRSs 2014 - 2016 Cycle<sup>5</sup>  
香港財務報告準則二零一四年至二零一六年週期之年度改進<sup>5</sup>

### 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）

於本年度內採用以上香港財務報告準則之修訂並沒有對本集團本年度及過往年度財務表現及狀況及／或該等綜合財務報表內之披露構成重大影響。

本集團並未提早應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

- 1 Effective for annual periods beginning on or after 1 January 2017.
- 2 Effective for annual periods beginning on or after 1 January 2018.
- 3 Effective for annual periods beginning on or after 1 January 2019.
- 4 Effective for annual periods beginning on or after a date to be determined.
- 5 Effective for annual periods beginning on or after 1 January 2017 or 1 January 2018, as appropriate.

- 1 於二零一七年一月一日或之後開始的年度期間生效。
- 2 於二零一八年一月一日或之後開始的年度期間生效。
- 3 於二零一九年一月一日或之後開始的年度期間生效。
- 4 於將釐定日期或之後開始的年度期間生效。
- 5 於二零一七年一月一日或二零一八年一月一日（如適用）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 2016 截至二零一六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)

#### HKFRS 9 “FINANCIAL INSTRUMENTS”

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

### 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)

#### 香港財務報告準則第9號「金融工具」

香港財務報告準則第9號引入有關金融資產、金融負債及一般對沖會計處理分類及計量之新規定以及金融資產之減值規定。

香港財務報告準則第9號之主要規定：

- 屬香港財務報告準則第9號範圍內所有已確認金融資產其後須按攤銷成本或公允值計量。特別是，目的為收取合約現金流量之業務模式內持有以及合約現金流量純粹為支付本金及未償還本金利息之債務投資，一般按其後會計期間結算日之攤銷成本計量。目的為同時收取合約現金流量及出售金融資產之業務模式內持有以及合約條款令於特定日期產生之現金流量純粹為支付本金及未償還本金利息之債務工具，一般按公允值計入其他全面收入計量。所有其他債務投資及股權投資按其後會計期間結算日之公允值計量。此外，根據香港財務報告準則第9號，實體有權不可撤回地選擇在其他全面收入呈列並非持作買賣股權投資之其後公允值變動，並一般僅在損益確認股息收入。

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

For the year ended 31 December 2016 截至二零一六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)

#### HKFRS 9 “FINANCIAL INSTRUMENTS” (Cont’d)

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Application of HKFRS 9 in the future may have an impact on the classification and measurement of the Group’s financial assets and financial liabilities. The Group’s available-for-sale investments, currently stated at fair value, will either be measured at fair value through profit or loss or be designated as fair value through other comprehensive income (subject to fulfilment of the designation criteria). In addition, the expected credit loss model may result in early provision of credit losses which are not yet incurred in relation to the Group’s financial assets measured at amortised cost. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 9 until the Group performs a detailed review.

### 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)

#### 香港財務報告準則第9號「金融工具」(續)

- 就金融資產減值而言，與香港會計準則第39號項下已產生信貸虧損模式相反，香港財務報告準則第9號規定採用預期信貸虧損模式。預期信貸虧損模式需要實體於各報告日期將預期信貸虧損及該等預期信貸虧損之變動入賬，以反映信貸風險自初步確認以來之變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

日後應用香港財務報告準則第9號可能對本集團之金融資產及負債分類及計量造成影響。本集團當前按公允值列賬之可供出售投資將按公允值計入損益計量或指定為按公允值計入其他全面收入(惟須滿足指定標準)。此外，預期信貸虧損模式可能導致本集團就按攤銷成本計量之金融資產尚未產生之信貸虧損提前計提撥備。然而，於本集團進行詳細審閱前，對香港財務報告準則第9號之影響作出合理估計並不實際可行。



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

For the year ended 31 December 2016 截至二零一六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)

#### HKFRS 15 “REVENUE FROM CONTRACTS WITH CUSTOMERS”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with 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; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

### 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)

#### 香港財務報告準則第15號「客戶合約收入」

頒佈香港財務報告準則第15號旨在制定單一全面模式供實體用作將自客戶合約所產生營業收入入賬。一經生效，香港財務報告準則第15號將取代現時之營業收入確認指引，包括香港會計準則第18號「營業收入」、香港會計準則第11號「建造合約」及相關詮釋。

香港財務報告準則第15號之核心原則為實體確認營業收入以顯示向客戶轉讓所承諾貨物或服務，而款額反映實體預期就交換貨物或服務有權獲得之代價。具體而言，該準則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；及
- 第五步：於實體完成履約責任時(或就此)確認營業收入。

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

For the year ended 31 December 2016 截至二零一六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)

#### HKFRS 15 “REVENUE FROM CONTRACTS WITH CUSTOMERS” (Cont’d)

Under HKFRS 15, an entity 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. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

In 2016, the HKICPA issued Clarifications to HKFRS 15 in relation to the identification of performance obligations, principal versus agent considerations, as well as licensing application guidance.

The directors of the Company anticipate that the application of HKFRS 15 in the future may result in more disclosures, however, the directors of the Company do not anticipate that the application of HKFRS 15 will have a material impact on the timing and amounts of revenue recognised in the respective reporting periods.

#### 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, except for short-term leases and leases of low value 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)

#### 香港財務報告準則第15號「客戶合約收入」(續)

根據香港財務報告準則第15號，實體於完成履約責任時(即與特定履約責任相關貨物或服務之「控制權」轉移至客戶時)(或就此)確認營業收入。香港財務報告準則第15號已就處理特定情況加入更明確指引。此外，香港財務報告準則第15號要求更詳盡披露。

於二零一六年，香港會計師公會頒佈香港財務報告準則第15號之澄清，涉及識別履約責任、主事人相對代理人的考慮及授權申請指引。

本公司董事預期，於將來應用香港財務報告準則第15號可能導致須作出更多的披露。然而，本公司董事預期香港財務報告準則第15號的應用不會對於各報告期間所確認營業收入之時間及金額造成重大影響。

#### 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。

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

For the year ended 31 December 2016 截至二零一六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)

#### HKFRS 16 “LEASES” (Cont’d)

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use while other operating lease payments are presented as operating cash flows. Under the HKFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

Under HKAS 17, the Group has already recognised prepaid lease payments for leasehold lands 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.

In contrast to lessee accounting, 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.

### 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)

#### 香港財務報告準則第16號「租賃」(續)

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。就現金流量分類而言，本集團目前將有關自用租賃土地的前期預付租賃付款呈列為投資現金流量，而其他經營租賃付款則呈列為經營現金流量。根據香港財務報告準則第16號，有關租賃負債的租賃付款將分配為本金及利息部份，其將分別以融資及經營現金流量呈列。

根據香港會計準則第17號，本集團已確認租賃土地(本集團為承租人)的預付租賃付款。應用香港財務報告準則第16號可能導致該等資產在分類上的潛在變動，取決於本集團個別或一併呈列使用權資產，即在擁有對應相關資產情況下所獲呈列者。

與承租人會計處理相比，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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至二零一六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)

#### HKFRS 16 “LEASES” (Cont’d)

As at 31 December 2016, the Group as lessee does not have non-cancellable operating lease commitments. The directors of the Company anticipate that the application of HKFRS 16 in the future may not affect the amounts reported and related disclosures.

Except as described above, the directors of the Company anticipate that the application of the other new and amendments to HKFRSs will have no material effect on the consolidated financial statements.

### 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, which 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)

#### 香港財務報告準則第16號「租賃」(續)

於二零一六年十二月三十一日，本集團概無擁有作為承租人之不可撤銷經營租賃承擔。本公司董事預期，日後應用香港財務報告準則第16號可能不會影響所報告金額及相關披露。

除上文所述者外，本公司董事預期，應用其他新訂及經修訂香港財務報告準則不會對綜合財務報表造成重大影響。

### 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

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

### 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 "Leases", 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「以股份為基礎付款」範圍內之以股份為基礎付款交易、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份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

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

### 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。

損益及其他全面收入的各個條款歸屬於本公司的擁有人及非控股權益。附屬公司全面收入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 2016 截至二零一六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### BUSINESS COMBINATIONS

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

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

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

### 3. 重大會計政策(續)

#### 業務合併

收購業務採用收購法入賬。業務合併所轉讓的代價按公允值計量，而計算方法為本集團所轉讓的資產、本集團向被收購方原擁有人產生的負債及本集團於交換被收購方的控制權發行的權益於收購日之公允值總額。有關收購的成本一般於產生時在損益中確認。

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

- 遞延稅項資產或負債及與僱員福利安排有關的資產或負債分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份為基礎付款安排或本集團訂立以股份為基礎付款安排取代被收購方以股份為基礎付款安排有關的負債或股權工具，於收購日期根據香港財務報告準則第2號「以股份為基礎付款」計量；及
- 根據香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售的資產(或出售組合)根據該項準則計量。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### BUSINESS COMBINATIONS (Cont'd)

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

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

#### 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.

### 3. 重大會計政策(續)

#### 業務合併(續)

商譽乃以所轉讓的代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公允值(如有)的總和超出所收購可識別資產及所承擔負債於收購日期的淨值的部份計量。倘經過重新評估後，所收購可識別資產及所承擔負債於收購日期的淨值超出所轉讓代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權公允值(如有)的總和，則超出部份即時於損益內確認為議價收購收益。

屬現時所有權權益且於清盤時讓持有人有權按比例分佔相關附屬公司資產淨值的非控股權益，可初步按公允值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。

#### 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超過經營分類。

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### GOODWILL (Cont'd)

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, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

#### NON-CURRENT ASSETS HELD FOR SALE

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

### 3. 重大會計政策(續)

#### 商譽(續)

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時,商譽應佔金額於釐定出售時的損益金額時計入在內。

#### 持作出售的非流動資產

倘非流動資產及出售集團之賬面金額將主要透過出售交易(而非透過持續使用)收回,則非流動資產及出售集團分類為持作出售。此條件僅於資產(或出售集團)可以其現況供即時出售,出售條款僅屬出售該資產(或出售集團)之一般慣常條款,且極有可能出售時,方告達成。管理層必須承諾進行出售,即應預期於分類日期起計一年內合資格確認為一項已完成出售。

當本集團承諾進行涉及喪失一間附屬公司控制權之出售計劃,倘符合上述條件,該附屬公司之所有資產及負債均分類為持作出售,不論本集團會否於出售後保留其前附屬公司之非控股權益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### NON-CURRENT ASSETS HELD FOR SALE (Cont'd)

When the Group is committed to a sale plan involving disposal of an investment, or a portion of an investment, in an associate or joint venture, the investment or the portion of the investment that will be disposed of is classified as held for sale when the criteria described above are met, and the Group discontinues the use of the equity method in relation to the portion that is classified as held for sale from the time when the investment (or a portion of the investment) is classified as held for sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

#### REVENUE RECOGNITION

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.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

### 3. 重大會計政策(續)

#### 持作出售的非流動資產(續)

當本集團承諾進行涉及出售於聯營公司或合資企業之投資或部份投資之出售計劃，倘符合上述條件，將予出售之該項投資或部份投資分類為持作出售，而本集團將由投資(或其部份)分類為持作出售之時起，不再就該分類為持作出售之部份使用權益法。

分類為持作出售之非流動資產(及出售集團)按其以往賬面金額與公允值減出售成本之較低者計量。

#### 營業收入確認

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。

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。



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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 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 value. 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.

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.

### 3. 重大會計政策(續)

#### 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價值之比例計量,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。

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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### CONSTRUCTION CONTRACTS (Cont'd)

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.

#### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment 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. Plant under construction 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 items of property, plant and equipment other than plant under construction 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.

### 3. 重大會計政策(續)

#### 建造合約(續)

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應收貿易及其他應收款項項下。

#### 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積折舊及後續累積減值虧損(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貸成本。於完工及準備好作預定用途時，在建廠房被分類至物業、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物業、廠房及設備項目(在建廠房除外)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將會在日後入賬。

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### PROPERTY, PLANT AND EQUIPMENT (Cont'd)

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.

#### SERVICE CONCESSION ARRANGEMENTS

Consideration received or receivable by the Group for the provision of construction service in a service concession arrangement is recognised at its fair value as a financial asset.

When the Group has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services and the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law, it recognises a financial asset under loans and receivables at fair value upon initial recognition. Subsequent to initial recognition, the financial asset is carried at amortised cost using the effective interest method, less any identified impairment losses.

#### CONTRACTUAL OBLIGATIONS TO RESTORE THE INFRASTRUCTURE TO A SPECIFIED LEVEL OF SERVICEABILITY

The Group has contractual obligations under the service concession arrangements to maintain the infrastructure to a specified level of serviceability, or to restore the infrastructure to a specified condition before it is handed over to the grantor at the end of the service arrangement. These contractual obligations to maintain and restore the infrastructure are measured at the best estimate of the expenditure that would be required to settle the present obligation at the end of the reporting period.

#### INVENTORIES

Inventories, representing raw materials, 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 less all estimated cost of completion and costs necessary to make the sale.

### 3. 重大會計政策(續)

#### 物業、廠房及設備(續)

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(根據該資產出售所得款項與賬面淨值之差額計算)於損益中確認。

#### 服務特許權安排

本集團就服務特許權安排提供建造服務之已收或應收代價按公允值確認為金融資產。

倘本集團有無條件合約權利就建造服務向授予人或按其指示收取現金或其他金融資產，且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，則金融資產於初步確認時按公允值確認為貸款及應收款項。於初步確認後，金融資產乃採用實際利息法按攤銷成本列賬，並扣減任何已識別減值虧損。

#### 修復基礎設施至特定可提供服務水平的合約責任

本集團的合約責任為根據服務特許權安排保養基礎設施，確保符合特定的可提供服務水平，或於服務安排結束時，在移交該等設施予授予人之前，將基礎設施修復至指定狀態。維護及修復基礎設施的合約責任按於報告期末履行當前責任所須支出的最佳估計計量。

#### 存貨

存貨，即原材料，是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。可變現淨值指估計售價減所有估計完工成本及銷售所需成本。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至二零一六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 with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit. An impairment loss is recognised immediately in profit or loss.

### 3. 重大會計政策(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該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。倘不能估計個別資產之可收回金額時，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合。

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之特有風險。

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。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至二零一六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) (Cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### 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. 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.

Land rights held under capitalised finance lease are included in property, plant and equipment, and not depreciated.

#### LEASEHOLD LAND AND BUILDING

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease.

Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

### 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。

#### 租賃

租賃條款將所有權的絕大部份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。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。

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

當租賃包括土地及樓宇兩部份，本集團根據評估各部份擁有權所附帶的絕大部份風險及回報是否已轉讓予本集團而將其劃分為融資或經營租賃，除非肯定兩個部份均屬經營租賃，於此情況下，整個租賃分類為經營租賃。

具體而言，最低租賃付款(包括任何一次性預付款項)於租賃初期按租賃土地成分及樓宇成分中租賃權益的相對公允值比例於土地及樓宇部份之間分配。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### LEASEHOLD LAND AND BUILDING (Cont'd)

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as “prepaid lease payments” in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease.

#### FOREIGN CURRENCIES

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

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.

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 translation reserve (attributed to non-controlling interests as appropriate).

#### RETIREMENT BENEFIT COSTS

Payments to defined contribution retirement benefit schemes including state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme (“MPF Scheme”) are recognised as expenses when employees have rendered service entitling them to the contributions.

### 3. 重大會計政策(續)

#### 租賃土地及樓宇(續)

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。倘租賃付款無法於土地及樓宇成分間可靠分配，則整份租賃一般會歸類為融資租賃。

#### 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換算為有關功能貨幣(即實體營運所處主要經濟環境的貨幣)列賬。於報告期末，以外幣列值的貨幣項目以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。

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)。

#### 退休福利成本

向定額供款退休福利計劃(包括國家管理退休福利計劃及強制性公積金計劃(「強積金計劃」))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。

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### SHARE-BASED PAYMENT TRANSACTIONS

##### EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTIONS

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 determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share options reserve). At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve.

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

#### 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)

#### 基於股份的付款交易

##### 以權益結算基於股份的付款交易

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授出日期釐定的公允值，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。

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失效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。

#### 借款成本

收購、建造或生產合資格資產(即須較長時間方可作擬定用途或出售的資產)直接應佔之借款成本，加入該等資產的成本，直至資產大致可作擬定用途或出售時為止。

所有其他借款成本於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 2016 截至二零一六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.

#### TAXATION

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss 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)

#### 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。

#### 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。應課稅溢利與綜合損益表中所報除稅前溢利不同，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減暫時性差額時就所有應課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 2016 截至二零一六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 and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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.

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)

遞延稅項負債乃就於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很可能於可見未來很可能不會撥回之情況除外。與該等投資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份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集團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。

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入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入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 2016 截至二零一六年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### 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).

#### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and 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.

### 3. 重大會計政策(續)

#### 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(倘貨幣時間值之影響重大)。

#### 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於綜合財務狀況表內確認。

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。



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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL ASSETS

The Group's financial assets are classified into loans and receivables and available-for-sale financial assets. 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.

##### *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 and bank balances and cash) are measured at amortised cost using the effective interest method, less any identified impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產

本集團之金融資產分類為貸款及應收款項及可供出售金融資產。此分類乃視乎金融資產之性質及目的而定，並於初步確認時釐定。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。

##### *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、其他應收款項及銀行結餘以及現金)均以實際利率法按攤銷成本減任何已確認減值計量(見下文金融資產減值虧損的會計政策)。

利息收入採用實際利率確認，惟所確認利息可能極少的短期應收款項除外。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至二零一六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)

##### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

Equity and debt securities held by the Group that are classified as available-for-sale financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets 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 available-for-sale 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 available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

##### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees 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, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### 可供出售金融資產

可供出售金融資產為指定為或並非分類為透過損益按公允值列賬的金融資產、貸款及應收款項或持有至到期日投資的非衍生工具。

本集團所持有被分類為可供出售金融資產及於活躍市場上交易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貨幣金融資產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入中確認，並於投資重估儲備項下累計。當投資被出售或被釐定出現減值時，先前於投資重估儲備中累計之累計收益或虧損乃重新分類至損益(見下文有關金融資產減值虧損之會計政策)。

##### 實際利率法

實際利率法乃計算金融資產攤銷成本及分攤相關期間利息收入的方法。實際利率乃透過金融資產的預期年期或(如適用)較短期間將估計未來現金收入(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方法。

按實際利率法確認債務工具利息收入。

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

For the year ended 31 December 2016 截至二零一六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*

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.

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.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### *金融資產減值*

金融資產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。

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，如逾期支付或拖欠利息或本金；或
- 借貸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備抵賬調減。備抵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，於備抵賬內撇銷。其後收回的過往撇銷款項將計入損益。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2016 截至二零一六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 (Cont'd)*

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.

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.

#### FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

##### *Financial liabilities*

Financial liabilities (including trade payables, other payables and accruals, amounts due to related parties and bank borrowings) are subsequently measured at amortised cost, using the effective interest method.

##### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of the group entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融資產(續)

##### *金融資產減值(續)*

當可供出售金融資產被視為出現減值時，先前於其他全面收入內確認的累計收益或虧損於期間內重新分類至損益。

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。

##### 金融負債及權益工具

集團實體所發行的債務及權益工具乃根據所訂立的合約安排的内容以及金融負債及權益工具的定义分類為金融負債或權益工具。

##### *金融負債*

金融負債(包括貿易應付款項、其他應付款項及應計費用、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。

##### *權益工具*

權益工具為證明集團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入賬。

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

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

### 3. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

#### FINANCIAL INSTRUMENTS (Cont'd)

##### FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS (Cont'd)

###### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

###### DERECOGNITION

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 3. 重大會計政策(續)

#### 金融工具(續)

##### 金融負債及權益工具(續)

###### 實際利率法

實際利率法乃計算金融負債攤銷成本及分攤相關期間利息開支的方法。實際利率乃透過金融負債預期年期或(如適用)較短期間將估計未來現金付款(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。

利息開支以實際利率法確認。

###### 終止確認

本集團僅當自資產收取現金流的合約權利已屆滿，或本集團已將該項金融資產及其絕大部份風險及回報轉讓予另一實體時終止確認金融資產。

於終止確認金融資產時，資產的賬面值與已收及應收代價總額間的差額以及已於其他全面收入確認的累計收益或虧損於損益確認。

金融負債於有關合約所訂明責任解除、取消或屆滿時終止確認。終止確認的金融負債的賬面值與已付及應付代價間的差額於損益確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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.

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.

#### 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 arrangement is 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 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 construction contract. Revenue from the construction of wastewater treatment facilities of HK\$36,206,000 is recognised during the year ended 31 December 2016 (2015: HK\$79,752,000).

### 4. 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。

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。

#### 服務特許權安排

本集團已訂立污水處理建設—經營—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)—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市場的現行市場毛利率估計,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建造合約的估計總成本的比例計量。截至二零一六年十二月三十一日止年度,已確認來自建造污水處理設施的營業收入為36,206,000港元(二零一五年:79,752,000港元)。

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

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### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### SERVICE CONCESSION ARRANGEMENTS (Cont'd)

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 estimated effective interest rate computed at initial recognition. Imputed interest income on receivables under service concession arrangements of HK\$19,465,000 is recognised during the year ended 31 December 2016 (2015: HK\$16,758,000).

The Group engages an independent qualified professional valuer to assess the prevailing market rate of gross margins of market comparables for construction margin and the effective interest rate for service concession arrangements as mentioned above.

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").

#### 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 2016 was HK\$6,611,000 (2015: HK\$6,440,000), further details of which are set out in note 28 to the consolidated financial statements.

### 4. 估計不明朗因素的主要來源 (續)

#### 服務特許權安排(續)

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估計實際利率將服務特許期的估計未來現金收入貼現。於截至二零一六年十二月三十一日止年度，確認服務特許權安排下應收款項的推算利息收入為19,465,000港元(二零一五年：16,758,000港元)。

本集團聘請一名獨立合資格專業估值師評估上述建造利潤率的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。

相關實際利率經參考可資比較的人民共和國(「中國」)基建公司的公司債券收益率釐定。

#### 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(升級部份除外)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支出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廠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。於二零一六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6,611,000港元(二零一五年：6,440,000港元)，有關進一步詳情載於綜合財務報表附註28。

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### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### IMPAIRMENT OF RECEIVABLES UNDER SERVICES CONCESSION ARRANGEMENTS

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 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 trade and other receivables were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The aggregate carrying amount of receivables under service concession arrangements carried as assets in the consolidated statement of financial position as at 31 December 2016 was HK\$319,452,000 (2015: HK\$390,217,000). Further details are set out in note 16 to the consolidated financial statements.

#### CURRENT TAX AND DEFERRED TAX

The Group is subject to income taxes in Hong Kong, PRC and Indonesia. The Group carefully evaluates tax implications of its transactions in accordance with prevailing tax regulations and makes tax provision accordingly. However, 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 are set out in the consolidated statement of financial position and note 27 to the consolidated financial statements.

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 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 to the consolidated financial statements.

### 4. 估計不明朗因素的主要來源 (續)

#### 服務特許權安排下的應收款項減值

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。倘貿易及其他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。於二零一六年十二月三十一日的綜合財務狀況表內列作資產的服務特許權安排下的應收款項的賬面值總額為319,452,000港元(二零一五年：390,217,000港元)。有關進一步詳情載於綜合財務報表附註16。

#### 即期稅項及遞延稅項

本集團於香港、中國及印尼須繳納所得稅。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綜合財務報表附註27。

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份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份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綜合財務報表附註27。

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

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

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Cont'd)

#### IMPAIRMENT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group classifies certain assets as available for sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in profit or loss. During the year, no impairment losses have been recognised for available-for-sale assets (2015: nil). The carrying amount of available-for-sale assets as at 31 December 2016 was HK\$23,383,000 (2015: HK\$127,921,000).

### 5. REVENUE

Construction services	建造服務
Wastewater treatment facility operation services	污水處理設施營運服務
Imputed interest income on receivables under service concession arrangements	服務特許權安排下應收款項的推算利息收入
Sales of electricity	售電

### 6. SEGMENTAL INFORMATION

The Group are engaged in the construction and operation of wastewater treatment facilities and generation of electricity. 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.

### 4. 估計不明朗因素的主要來源 (續)

#### 可供出售金融資產減值

本集團將若干資產分類為可供出售，並於權益中確認其公允值變動。於公允值下降時，管理層會就價值減少作出假設，以釐定是否應於損益內確認減值。年內並無就可供出售資產確認任何減值虧損(二零一五年：無)。於二零一六年十二月三十一日，可供出售資產的賬面值為23,383,000港元(二零一五年：127,921,000港元)。

### 5. 營業收入

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Construction services	36,206	79,752
Wastewater treatment facility operation services	40,618	48,952
Imputed interest income on receivables under service concession arrangements	19,465	16,758
Sales of electricity	4,028	—
	<b>100,317</b>	145,462

### 6. 分部資料

本集團從事建設及營運污水處理設施以及發電。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 2016 截至二零一六年十二月三十一日止年度

### 6. SEGMENTAL INFORMATION (Cont'd)

#### SEGMENT REVENUES AND RESULTS

The following is an analysis of Group's revenue and results by reportable and operating segments:

#### Year ended 31 December 2016

		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	—	96,289	4,028	100,317
Segment (loss) profit	分部(虧損)溢利	(12,586)	33,697	(2,555)	18,556
<b>Unallocated expenses</b>	<b>未分配開支</b>				
Administrative expenses	行政開支				(34)
Profit before tax	除稅前溢利				18,522

#### Year ended 31 December 2015

		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	—	145,462	—	145,462
Segment (loss) profit	分部(虧損)溢利	(11,501)	47,744	—	36,243
<b>Unallocated expenses</b>	<b>未分配開支</b>				
Administrative expenses	行政開支				(14)
Profit before tax	除稅前溢利				36,229

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

本集團按可呈報及經營分部劃分之收入及業績分析如下：

截至二零一六年十二月三十一日止年度

截至二零一五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 2016 截至二零一六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 2016

		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
Assets	資產				
Segment and total consolidated assets	分部綜合資產及綜合資產總值	30,949	416,498	233,693	681,140
Liabilities	負債				
Segment and total consolidated liabilities	分部綜合負債及綜合負債總值	38,630	65,705	7,203	111,538

For the year ended 31 December 2016

		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)	—	234	149,042	149,276
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	411	2,102	2,513
Interest income on bank deposits and other financial asset	銀行存款及其他金融資產的利息收入	26	49	3	78

Note: Non-current assets included all non-current assets except goodwill.

附註：非流動資產包括除商譽外的所有非流動資產。

### 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：

於二零一六年十二月三十一日

截至二零一六年十二月三十一日止年度

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

For the year ended 31 December 2016 截至二零一六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 2015

		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	190,052	420,387	—	610,439
<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	32,595	62,709	—	95,304

For the year ended 31 December 2015

截至二零一五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	添置非流動資產	—	117	—	117
Depreciation of property, plant and equipment	物業、廠房及設備折舊	—	472	—	472
Interest income on bank deposits and other financial asset	銀行存款及其他金融資產的利息收入	94	276	—	370

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

For the year ended 31 December 2016 截至二零一六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	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
PRC	中國	290,208	352,117
Indonesia	印尼	227,259	—
		517,467	352,117

Note: Non-current assets excluded available-for-sale investments.

附註：非流動資產不包括可供出售投資。

Revenue from customers of the corresponding years contributing over 10% of the Group's revenue are as follows:

產生自相應年度佔本集團收入10%以上的客戶的收入如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Customer A from PRC segment	中國分部客戶 A	84,333	133,167
Customer B <sup>1</sup> from PRC segment	中國分部客戶 B <sup>1</sup>	12,614	N/A 不適用

<sup>1</sup> The corresponding revenue of this customer is not disclosed as it individual did not contribute over 10% of the Group's total gross revenue in 2015.

<sup>1</sup> 此客戶於二零一五年的收入未披露，原因是其個人佔本集團相應年度營業收入總額的比例不到10%。

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

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

### 7. OTHER INCOME AND OTHER GAINS

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank interest income	銀行利息收入	78	370
Interest income from available-for-sale investments	可供出售投資的利息收入	4,725	2,068
Gain on disposal of available-for-sale investments	出售可供出售投資的收益	819	246
Foreign exchange gain, net	外匯收益淨額	177	—
Government grants (note)	政府補助(附註)	18	1,703
Refund of value-added tax	增值稅退稅	3,562	483
Fair value gain of a derivative financial instrument (note 25)	衍生金融工具之公允值收益(附註25)	1,231	—
Others	其他	747	448
		<b>11,357</b>	<b>5,318</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 2016 and 2015.

附註：就實施環保工程得到江蘇省地方政府的政府補助。於二零一六年及二零一五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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on bank borrowings	銀行借款的利息	1,560	920
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)	409	327
		<b>1,969</b>	<b>1,247</b>

### 8. 融資成本

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

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

### 9. PROFIT BEFORE TAX

### 9. 除稅前溢利

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit before tax has been arrived at after charging (crediting):	除稅前溢利已扣除(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	11,152	9,168
Pension scheme contributions (note (a))	退休金計劃供款(附註(a))	1,559	661
Share-based payments	基於股份的付款	54	—
		<b>12,765</b>	9,829
Cost of construction services	建造服務成本	25,531	60,647
Cost of wastewater treatment facilities operation services rendered	提供污水處理設施營運服務的成本	35,006	34,388
Cost of power plant operation	發電廠營運成本	5,474	—
Cost of inventories recognised as expenses	確認為開支的存貨成本	13,833	10,778
Depreciation of property, plant and equipment	物業、廠房及設備折舊	2,513	472
Minimum lease payments under operating leases	經營租賃下的最低租賃付款	—	276
Auditors' remuneration	核數師薪酬	1,200	1,600
Fair value (gain) loss of a derivative financial instrument (note (b))	衍生金融工具的公允值(收益)虧損(附註(b))	(1,231)	794
Foreign exchange (gain) loss, net	匯兌(收益)虧損, 淨額	(177)	1,077
Provision for major overhauls	重大檢修撥備	1,616	1,122

Notes:

- (a) At 31 December 2016, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (2015: nil).
- (b) The fair value loss of a derivative financial instrument for the year ended 31 December 2015 was included in "Administrative expenses" in the consolidated statement of profit or loss and other comprehensive income.

附註:

- (a) 於二零一六年十二月三十一日, 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(二零一五年: 無)。
- (b) 截至二零一五年十二月三十一日止年度, 衍生金融工具的公允值虧損列於綜合損益及其他全面收入表的「行政開支」下。



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

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

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Director's fee	董事袍金	1,985	1,960
Other emoluments:	其他酬金：		
Salaries and other benefits	薪金及其他福利	782	154
Pension scheme contributions	退休金計劃供款	14	—
		796	154
		2,781	2,114

### 10. 董事及最高行政人員薪酬

#### (a) INDEPENDENT NON-EXECUTIVE DIRECTORS

The fees paid to independent non-executive directors during the year were as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 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

#### (a) 獨立非執行董事

年內支付獨立非執行董事之費用如下：

The independent non-executive directors' remuneration shown above were for their services as directors of the Company.

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。

There were no other emoluments payable to the independent non-executive directors during the year (2015: nil).

年內並無支付獨立非執行董事其他酬金(二零一五年：無)。

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

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

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Cont'd)

#### (b) EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS

		Salaries and other benefits	Pension scheme contributions	Total emoluments
		Fees	Retirement savings	
		袍金	其他福利	酬金總額
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
<b>Year ended 31 December 2016</b>	<b>截至二零一六年 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	72	1,392
Mr. Chan Kwan (Chief Executive Officer)	陳昆先生 (行政總裁)	100	710	824
Mr. Suhendra Radius (note)	蘇堅人先生(附註)	25	—	25
		<b>1,445</b>	<b>782</b>	<b>2,241</b>
<b>Non-Executive Directors</b>	<b>非執行董事</b>			
Mr. Chan Pak Lam Brian	陳栢林先生	100	—	100
Mr. Chau Chi Yan Benny	周致人先生	100	—	100
		<b>200</b>	<b>—</b>	<b>200</b>
		<b>1,645</b>	<b>782</b>	<b>2,441</b>

Note: Mr. Suhendra Radius was appointed as an executive director during the year ended 31 December 2016.

附註：蘇堅人先生於截至二零一六年十二月三十一日止年度獲委任為執行董事。

### 10. 董事及最高行政人員薪酬 (續)

#### (b) 執行董事及非執行董事

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

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

### 10. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Cont'd)

#### (b) EXECUTIVE DIRECTORS AND NON-EXECUTIVE DIRECTORS (Cont'd)

		Fees 袍金 HK\$'000 千港元	Salaries and other benefits 薪金及 其他福利 HK\$'000 千港元	Pension scheme contributions 退休金 計劃供款 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元
<b>Year ended 31 December 2015</b>	<b>截至二零一五年 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	74	—	1,394
Mr. Chan Kwan (Chief Executive Officer)	陳昆先生 (行政總裁)	100	80	—	180
		1,420	154	—	1,574
<b>Non-Executive Directors</b>	<b>非執行董事</b>				
Mr. Chan Pak Lam Brian	陳栢林先生	100	—	—	100
Mr. Chau Chi Yan Benny	周致人先生	100	—	—	100
		200	—	—	200
		1,620	154	—	1,774

The executive directors' remuneration shown above were for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' remuneration 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.

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。

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

For the year ended 31 December 2016 截至二零一六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 one (2015: one) director, details of whose remuneration are set out in note 10 above. Details of the remuneration for the year of the remaining four (2015: four) non-director, highest paid employees are as follows:

		<b>2016</b> 二零一六年 <b>HK\$'000</b> 千港元	2015 二零一五年 HK\$'000 千港元
Employees' salaries and other benefits	僱員薪金及其他福利	<b>2,992</b>	1,863
Discretionary bonus	酌情花紅	<b>172</b>	209
Pension scheme contributions	退休金計劃供款	<b>61</b>	96
		<b>3,225</b>	2,168

The number of non-director, highest paid employees whose remuneration fell within the following bands is as follows:

		<b>Number of employees</b> 僱員數目	
		<b>2016</b> 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	<b>3</b>	4
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	<b>1</b>	—
		<b>4</b>	4

### 11. 五名最高薪酬僱員

年內五名最高薪酬僱員包括一名(二零一五年：一名)董事，其薪酬之詳情載列於上文附註10。年內餘下四名(二零一五年：四名)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 2016 截至二零一六年十二月三十一日止年度

### 12. INCOME TAX

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 (2015: nil).

Withholding tax is calculated at 5% of the dividend income received from a subsidiary in PRC. Tax refunds of HK\$764,000 for prior years' withholding tax were received during the year.

The provision for PRC income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in PRC as determined in accordance with the relevant income tax rules and regulations of 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 (2015: 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 based on 90% of the revenue generated for the year.

### 12. 所得稅

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。

由於本集團於本年度並無於香港產生任何可評稅溢利（二零一五年：無），故概無計提香港利得稅撥備。

自一間中國附屬公司收到的股息收益按5%計算預扣稅。本年度收到過往年度預扣稅的退稅764,000港元。

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。

由於本集團於本年度並無於印尼產生任何可評稅溢利（二零一五年：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，其所得稅按應課稅溢利（基於本年度產生的營業收入的90%）繳納。



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

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

### 12. INCOME TAX (Cont'd)

Rugao Honghao Metal Surface Water Treatment Company Limited ("Rugao Honghao") obtained confirmation from the relevant tax authority during the year ended 31 December 2015 for full exemption on corporate income tax for 2012 (the first profit generating year of Rugao Honghao), 2013 and 2014 and a three-year 50% reduction in corporate income tax rate from 2015 to 2017. Tax refunds of HK\$9,998,000 relating to the tax years of 2012, 2013 and 2014, in aggregate, were received during the year ended 31 December 2015.

### 12. 所得稅(續)

如皋宏皓金屬表面水處理有限公司(「如皋宏皓」)獲得相關稅務部門確認，如皋宏皓截至二零一五年十二月三十一日止年度獲完全豁免繳納二零一二年(即如皋宏皓產生溢利首年)、二零一三年及二零一四年的企業所得稅，以及為期三年獲減免二零一五年至二零一七年50%的企業所得稅。截至二零一五年十二月三十一日止年度收到有關二零一二年、二零一三年及二零一四年稅務年度的退稅共計9,998,000港元。

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current — PRC	即期 — 中國		
Charge for the year	年內支出	2,842	5,100
Overprovision in prior years	過往年度超額撥備	—	(212)
Tax refunds	退稅	(764)	(9,998)
Deferred tax (note 27)	遞延稅項(附註27)	4,951	1,190
Total tax charge (credit) for the year	年內稅項支出(抵免)總額	7,029	(3,920)

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

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

### 12. INCOME TAX (Cont'd)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for jurisdictions in which the Company's subsidiaries are domiciled to the tax expense (credit) at the Group's effective tax rate is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Profit before tax	除稅前溢利	<b>18,522</b>	36,229
Tax at the statutory tax rates at 25%	按法定稅率25%計算的稅項	<b>4,630</b>	9,548
Overprovision in prior years	過往年度超額撥備	—	(212)
Tax refunds	退稅	<b>(764)</b>	(9,998)
Effect of withholding tax on the distributable profits of the Group's subsidiaries in PRC	預扣稅對本集團中國附屬公司可供分配溢利的影響	<b>590</b>	(4,590)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	<b>(614)</b>	(1,437)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支之稅務影響	<b>1,328</b>	2,769
Income tax at concessionary rate	按優惠稅率計算的所得稅	<b>(1,696)</b>	—
Tax effect of tax losses not recognised	未確認稅項虧損之稅項影響	<b>481</b>	—
Tax effect of deductible temporary differences not recognised	未確認可扣除暫時性差額之稅務影響	<b>3,074</b>	—
Tax charge (credit) for the year	年內稅項支出(抵免)	<b>7,029</b>	(3,920)

### 12. 所得稅(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(抵免)的對賬如下:

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 13. DIVIDEND

### 13. 股息

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Dividends for ordinary shareholders of the Company recognised as distribution during the year:	年內確認向本公司普通股股東派發的股息：		
2016 Interim — nil (2015: 2015 Interim dividend — HK2 cents) per ordinary share (note a)	二零一六年中期 — 每股普通股零 (二零一五年：二零一五年中期股息 — 2港仙)(附註a)	—	19,040
2015 Final — HK1 cent (2015: 2014 Final dividend — nil) per ordinary share (note b)	二零一五年末期 — 每股普通股1港仙 (二零一五年：二零一四年末期股息 — 零)(附註b)	9,520	—
		<b>9,520</b>	19,040

Note:

- (a) During the year ended 31 December 2015, the Company declared an interim dividend in respect of the six months ended 30 June 2015 of HK2 cents per ordinary share of the Company in an aggregate amount of HK\$19,040,000. Such dividend was paid on 31 October 2015.
- (b) During the year ended 31 December 2016, the Company declared a final dividend in respect of the year ended 31 December 2015 of HK1 cent per ordinary share of the Company in an aggregate amount of HK\$9,520,000. Such dividend was paid on 13 June 2016.
- (c) The Board of Directors does not recommend the payment of any final dividend for the year (2015: HK1 cent per share).

附註：

- (a) 截至二零一五年十二月三十一日止年度，本公司就截至二零一五年六月三十日止六個月宣派中期股息每股本公司普通股2港仙，合計19,040,000港元。有關股息已於二零一五年十月三十一日支付。
- (b) 截至二零一六年十二月三十一日止年度，本公司就截至二零一五年十二月三十一日止年度宣派末期股息每股本公司普通股1港仙，合計9,520,000港元。有關股息已於二零一六年六月十三日支付。
- (c) 董事會不建議就本年度派發任何末期股息(二零一五年：每股1港仙)。

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

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

### 14. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the shareholders of the Company is based on the following data:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Earnings for the purposes of basic and diluted earnings per share, being profit for the year attributable to shareholders of the Company	<b>10,343</b>	39,506

	Number of shares 股份數目	
	2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Weighted average number of ordinary shares for the purpose of earnings per share	<b>982,493</b>	903,061

The computation of the diluted earnings per share for the year ended 31 December 2016 does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for the year ended 31 December 2016.

No diluted earnings per share has been presented for the year ended 31 December 2015 as there was no outstanding potential ordinary share during that year and at the end of the reporting period.

### 14. 每股盈利

本公司股東應佔每股基本及攤薄盈利的計算基於下列數據：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Earnings for the purposes of basic and diluted earnings per share, being profit for the year attributable to shareholders of the Company	<b>10,343</b>	39,506

	Number of shares 股份數目	
	2016 二零一六年 '000 千股	2015 二零一五年 '000 千股
Weighted average number of ordinary shares for the purpose of earnings per share	<b>982,493</b>	903,061

因本公司購股權之行使價高於截至二零一六年十二月三十一日止年度本公司股份之平均市價，故計算截至二零一六年十二月三十一日止年度每股攤薄盈利時並未假設行使本公司購股權。

由於該年度及於報告期末，並無已發行的潛在普通股，故截至二零一五年十二月三十一日止年度並無呈列每股攤薄盈利。

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

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

### 15. PROPERTY, PLANT AND EQUIPMENT

### 15. 物業、廠房及設備

		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	Construction in progress 在建工程 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>COST</b>	<b>成本</b>						
At 1 January 2015	於二零一五年一月一日	—	2,464	881	1,033	—	4,378
Additions	添置	—	3	114	—	—	117
Exchange realignment	匯兌重列	—	(110)	(44)	(46)	—	(200)
<b>At 31 December 2015</b>	<b>於二零一五年 十二月三十一日</b>	<b>—</b>	<b>2,357</b>	<b>951</b>	<b>987</b>	<b>—</b>	<b>4,295</b>
Additions through acquisition of subsidiaries (note 39)	透過收購附屬公司 的添置(附註39)	10,554	70,203	24	240	64,732	145,753
Additions	添置	334	1,743	45	116	1,285	3,523
Transfer	轉讓	671	63,544	—	—	(64,215)	—
Transfer to assets classified as held for sale (note 29)	轉撥至分類為持作出售 之資產(附註29)	—	(433)	(129)	—	—	(562)
Exchange realignment	匯兌重列	(401)	(3,651)	(67)	(88)	(1,515)	(5,722)
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>	<b>11,158</b>	<b>133,763</b>	<b>824</b>	<b>1,255</b>	<b>287</b>	<b>147,287</b>
<b>DEPRECIATION</b>	<b>折舊</b>						
At 1 January 2015	於二零一五年一月一日	—	475	398	727	—	1,600
Provided for the year	年內撥備	—	237	179	56	—	472
Exchange realignment	匯兌重列	—	(29)	(23)	(35)	—	(87)
<b>At 31 December 2015</b>	<b>於二零一五年 十二月三十一日</b>	<b>—</b>	<b>683</b>	<b>554</b>	<b>748</b>	<b>—</b>	<b>1,985</b>
Provided for the year	年內撥備	90	2,275	67	81	—	2,513
Transfer to assets classified as held for sale (note 29)	轉撥至分類為持作出售 之資產(附註29)	—	(97)	(47)	—	—	(144)
Exchange realignment	匯兌重列	(1)	(96)	(43)	(57)	—	(197)
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>	<b>89</b>	<b>2,765</b>	<b>531</b>	<b>772</b>	<b>—</b>	<b>4,157</b>
<b>CARRYING VALUES</b>	<b>賬面值</b>						
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>	<b>11,069</b>	<b>130,998</b>	<b>293</b>	<b>483</b>	<b>287</b>	<b>143,130</b>
At 31 December 2015	於二零一五年 十二月三十一日	—	1,674	397	239	—	2,310



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### 15. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

The above property, plant and equipment other than 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%

### 16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The Group entered into a number of service concession arrangements with certain governmental authorities in 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 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.

### 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%

### 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 2016, the Group had 5 (2015: 5) service concession arrangements on wastewater treatment with two governmental authorities in 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)

於二零一六年十二月三十一日，本集團與兩個中國政府機關訂立5項(二零一五年：5項)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 Henfa 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 Country, Nantong City 南通市海安縣	Haian Country Construction Bureau 江蘇省海安縣建設局	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 Henfa 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 Country, Nantong City 南通市海安縣	Haian Country Construction Bureau 江蘇省海安縣建設局	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止
Rugao Henfa 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 Country, 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

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### 16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

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
Rugao Henfa 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 Country, 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
Rugao Honghao (Note) 如皋宏皓(附註)	Rugao Honghao Heavy Metal Wastewater Treatment Facility 如皋宏皓重金屬污水處理設施	Rugao Country, 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

\* The official name of the grantor is in Chinese. The English translation is for identification purposes only.

Note: The assets and liabilities of Rugao Honghao are classified as held for sale. The details are set out in note 29.

### 16. 服務特許權安排下的應收款項(續)

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
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
BOT on wastewater treatment 有關污水處理的BOT	3,500	28 years from 2011 to 2039 28年，從二零一一年起計至二零三九年止

附註：如皋宏皓的資產及負債分類為可供出售。詳情載於附註29。

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For the year ended 31 December 2016 截至二零一六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 2015 and 2016, 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 2016, revenue and profit were recognised for exchanging construction services for a financial asset amounting to HK\$36,206,000 (2015: HK\$79,752,000) and HK\$10,675,000 (2015: HK\$19,105,000), respectively. 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)

根據服務特許權安排，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。於二零一五年及二零一六年十二月三十一日，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。

截至二零一六年十二月三十一日止年度，分別確認有36,206,000港元(二零一五年：79,752,000港元)及10,675,000港元(二零一五年：19,105,000港元)的營業收入及溢利就以建造服務交換金融資產。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」。

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### 16. RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS (Cont'd)

Certain of the Group's land use rights and properties in the wastewater treatment business was pledged to secure a bank borrowing granted to the Group. The related receivables under service concession arrangement amounted to HK\$92,733,000 as at 31 December 2016 (2015: HK\$102,981,000).

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Receivables under service concession arrangements	服務特許權安排下的應收款項	<b>319,452</b>	390,217
Portion classified as current assets	分類為流動資產的部份	<b>(30,814)</b>	(40,410)
Portion classified as non-current assets	分類為非流動資產的部份	<b>288,638</b>	349,807

The following is an aged analysis of receivables under service concession arrangements, based on invoice date, at the end of the reporting period:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Billed:	已開具發票：		
Within 3 months	3個月內	<b>8,276</b>	16,426
4 to 6 months	4至6個月	<b>13,925</b>	14,694
Not yet billed	尚未開具發票	<b>22,201</b> <b>297,251</b>	31,120 359,097
		<b>319,452</b>	390,217

There is no allowance for doubtful debts for both years.

### 16. 服務特許權安排下的應收款項(續)

已抵押本集團污水處理業務營運的若干土地使用權及物業作為授予本集團一項銀行借款的擔保。於二零一六年十二月三十一日，有關服務特許權安排下的應收款項為92,733,000港元(二零一五年：102,981,000港元)。

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：

兩個年度並無呆壞賬撥備。



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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\$22,201,000 (2015: HK\$31,120,000) which have been past due at the end of the reporting period for which the Group has not provided for impairment loss. 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.

Aging of receivables under service concession arrangements which are past due but not impaired is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within 1 month	1個月內	4,825	6,826
1 – 3 months	1至3個月	3,451	9,600
4 – 6 months	4至6個月	13,925	14,694
Total	總計	22,201	31,120

### 17. GOODWILL

		HK\$'000 千港元
COST	成本	
At 1 January 2015 and 31 December 2015	於二零一五年一月一日及 二零一五年十二月三十一日	—
Arising on acquisition of subsidiaries (note 39)	收購附屬公司產生(附註39)	85,699
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>85,699</b>

### 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22,201,000港元(二零一五年: 31,120,000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。本集團已對其信譽、過往還款記錄及其後之結賬作出評估, 及考慮該數額仍可收回。本集團並無就該等結餘持有任何抵押品。

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 (Cont'd)

The amount represents goodwill arising on the acquisition of the Weal Union Group during the year. The recoverable amount of this cash generating unit has been determined based on a value in use calculation. The Group engaged an independent professional valuer to perform such valuation which requires the use of key assumptions, including the discount rate, terminal growth rate, budgeted sales and gross margin, taking into account the relevant industry growth forecasts, financial budgets approved by the directors from the management's experience from provision of electricity services and management's expectations for the market development. That calculation uses cash flow projections based on financial budgets approved by management covering a 5-year period, and discount rate of 18.2%. The cash flows beyond the 5-year period are extrapolated growth rate at 5%. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of this cash generating unit.

### 18. AVAILABLE-FOR-SALE INVESTMENTS

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Listed equity investments, at fair value 上市股權投資，按公允值	—	30,080
Listed debt securities, at fair value 上市債務證券，按公允值	<b>23,383</b>	36,759
Unlisted debt securities, at fair value 非上市債務證券，按公允值	—	61,082
	<b>23,383</b>	127,921

During the year, the gross income (loss) in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to approximately HK\$2,125,000 (2015: other comprehensive expense amounted to approximately HK\$555,000), of which a gain of approximately HK\$819,000 (2015: HK\$246,000) was reclassified from other comprehensive income to profit or loss for the year.

### 17. 商譽(續)

金額表示年內收購旭衡集團產生的商譽。此現金產生單位之可收回金額乃根據使用價值計算釐定。本集團聘請獨立專業估值師進行該估值。這需要使用主要假設，包括貼現率、永久增長率、預算銷售及毛利率，考慮從管理層對供電服務的經驗及管理層對市場發展的預期得出的相關行業增長預測、董事批准的財務預算。該項計算乃根據管理層所批准之五年財務預算使用現金流量預測以及貼現率18.2%計算。超過5年期間之現金流量乃用5%的增長率推算。管理層相信任何該等假設的合理可能變動將不會導致此現金產生單位之賬面總值高於其可收回總額。

### 18. 可供出售投資

年內，就本集團於其他全面收入內確認的可供出售投資總收入(虧損)約為2,125,000港元(二零一五年：其他全面開支約為555,000港元)，其中年內收益約819,000港元(二零一五年：246,000港元)乃自其他全面收入重新分類至損益。

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### 19. TRADE RECEIVABLES

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade receivables	貿易應收款項	2,840	—

Trade debtors mainly arise from sales of electricity. 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 date at the end of the reporting period:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0 – 30 days	0至30日	344	—
31 – 60 days	31至60日	2,496	—
		2,840	—

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. 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.

### 19. 貿易應收款項

貿易應收款項主要因售電產生。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。信貸期為介乎30至60日。

貿易應收款項於報告期末按發票日期列示之賬齡分析如下：

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。本集團已對其信譽、過往還款記錄及其後之結賬作出評估，及考慮該數額仍可收回。本集團並無就該等結餘持有任何抵押品。

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### 20. PREPAYMENTS AND OTHER RECEIVABLES

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other receivables	其他應收款項	276	104
Other debtors, deposits and prepayments	其他應收賬項、按金及預付款項	1,293	1,185
		<b>1,569</b>	1,289

### 20. 預付款項及其他應收款項

### 21. BANK BALANCES AND CASH

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank balances and cash	銀行結餘及現金	20,658	63,078
Time deposits	定期存款	4,446	24,685
		<b>25,104</b>	87,763
Bank balances and cash denominated in: 以下列貨幣計值的銀行結餘及現金：			
Renminbi ("RMB")	人民幣(「人民幣」)	15,480	26,419
HK\$	港元	4,345	59,153
United States dollars ("US\$")	美元(「美元」)	3,321	2,191
Indonesia shield ("IDR")	印尼盾(「印尼盾」)	1,958	—
		<b>25,104</b>	87,763

### 21. 銀行結餘及現金

Cash at banks earns interest at floating rates based on daily bank deposit rates ranging from 0.01% to 0.3% (2015: 0.01% to 0.3%). 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% (2015: ranging from 0.02% to 1.1%). The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

銀行現金根據每天銀行存款利率按浮動利率賺取利息，利率介乎0.01%至0.3%（二零一五年：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，利率為1.1%（二零一五年：0.02%至1.1%）。銀行結餘及定期存款乃存入近期並無拖欠記錄的信譽良好銀行。

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### 22. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on invoice date at the end of the reporting period:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade creditors analysed by age:	以賬期分析之應付貿易賬款：		
0 to 60 days	0至60日	7,040	9,490
61 to 90 days	61至90日	1,207	482
Over 90 days	90日以上	11,708	2,214
		<b>19,955</b>	12,186

Included in the Group's trade payables are construction retention payables of HK\$4,490,000 (2015: nil).

### 22. 貿易應付款項

於報告期末，根據發票日期對貿易應付款項的賬齡分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade creditors analysed by age:	以賬期分析之應付貿易賬款：		
0 to 60 days	0至60日	7,040	9,490
61 to 90 days	61至90日	1,207	482
Over 90 days	90日以上	11,708	2,214
		<b>19,955</b>	12,186

本集團貿易應付款項包括工程應付保留金4,490,000港元(二零一五年：無)。

### 23. OTHER PAYABLES AND ACCRUALS

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other payables	其他應付款項	1,183	145
Accruals	應計費用	3,600	3,398
		<b>4,783</b>	3,543

### 23. 其他應付款項及應計費用

### 24. AMOUNTS DUE TO RELATED PARTIES

As at 31 December 2016, the balance represents amount due to a close family member of a director, amounting to HK\$6,474,000 (2015: nil) and amount due to a company which is controlled by a close family member of a director, amounting to HK\$68,000 (2015: nil).

The amounts are unsecured, interest-free and repayable on demand.

### 24. 應付關聯方款項

於二零一六年十二月三十一日，結餘指應付一名董事的一名近親的款項6,474,000港元(二零一五年：無)以及應付一間由一名董事的一名近親控制的公司款項68,000港元(二零一五年：無)。

該等款項為無抵押，不計息和按要求償還。



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### 25. DERIVATIVE FINANCIAL INSTRUMENT

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cross currency swap	交叉貨幣互換	—	794

During the year ended 31 December 2015, the Group has entered into a one-year cross currency swap contract to manage its exchange rate exposure related to a RMB denominated interest-bearing bank borrowing. The cross currency swap contract is not designated for hedge purposes and is measured at fair value through profit or loss. Changes in the fair value of the non-hedging currency derivative amounting to HK\$1,231,000 (note 7) were credited to profit or loss during the year (2015: HK\$794,000 were charged to profit or loss as included in "Administrative expenses"). During the year ended 31 December 2016, the cross currency swap contract expired.

### 25. 衍生金融工具

截至二零一五年十二月三十一日止年度，本集團訂立一項一年期交叉貨幣互換合約，以管理其與人民幣計值的計息銀行貸款有關的匯率風險。交叉貨幣互換合約並非指定作對沖用途，乃透過損益按公允值計量。非對沖貨幣衍生工具的公允值1,231,000港元變動(附註7)已於年內計入損益(二零一五年：794,000港元自損益扣除，計入「行政開支」)。截至二零一六年十二月三十一日止年度，交叉貨幣互換合約已屆滿。

### 26. BANK BORROWINGS

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
On demand or within one year	按要求或一年內	32,426	32,864
In the second year	第二年	—	2,336
In the third to fifth year inclusive	第三年至第五年(包括首尾兩年)	—	—
		32,426	35,200
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	(32,426)	(32,864)
Amount due after one year	一年後到期款項	—	2,336
Current-secured	即期 — 有抵押	2,176	3,034
Current-unsecured	即期 — 無抵押	30,250	29,830
		32,426	32,864
Non-current-secured	非即期 — 有抵押	—	2,336
		32,426	35,200

### 26. 銀行借款

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### 26. BANK BORROWINGS (Cont'd)

The bank borrowings comprise of:

		Effective interest rate 實際利率	Carrying amount 賬面值	
			2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Fixed rate borrowings:	固定利率借款：			
Secured RMB bank borrowing*	有抵押人民幣 銀行借款*	6.77%	2,176	3,034
Unsecured RMB bank borrowing**	無抵押人民幣 銀行借款**	4.50%	—	29,830
Floating-rate borrowing:	浮動利率借款：			
Unsecured HKD bank borrowing	無抵押港元 銀行借款	3.30%	30,250	—
<b>Total bank borrowings</b>	<b>銀行借款總額</b>		<b>32,426</b>	<b>32,864</b>

\* The bank borrowing was secured by certain of the Group's land use rights and properties in the wastewater treatment business. The related receivables under service concession arrangement amounted to HK\$92,733,000 as at 31 December 2016 (2015: HK\$102,981,000).

\*\* A cross currency interest rate swap agreement was entered into by the Group to swap fixed interest rate on the borrowing from 4.5% to 2.6% and to swap the borrowing amount denominated in RMB to denominated in HK\$. Please see note 25 for details.

### 26. 銀行借款(續)

銀行借款包括：

\* 銀行借款以用於本集團污水處理業務營運的若干土地使用權及物業作抵押。於二零一六年十二月三十一日，服務特許權安排下的相關應收款項為92,733,000港元(二零一五年：102,981,000港元)。

\*\* 本集團簽訂一份交叉貨幣利率互換協議，將借款的固定利率從4.5%掉換為2.6%，以及將以人民幣計值的借款金額掉換為以港元計值。詳情請見附註25。

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### 27. DEFERRED TAX LIABILITIES

The components of deferred tax assets and liabilities with the net balance recognised in the consolidated statement of financial position and the movements during the year are as follows:

		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 2015	於二零一五年一月一日	1,319	(27,551)	(10,785)	(37,017)
Credited (charged) to profit or loss during the year	計入(扣自)年內損益	362	(7,692)	6,140	(1,190)
Exchange realignment	匯兌重列	(71)	1,485	279	1,693
At 31 December 2015	於二零一五年十二月三十一日	1,610	(33,758)	(4,366)	(36,514)
Credited (charged) to profit or loss during the year	計入(扣自)年內損益	506	(5,108)	(349)	(4,951)
Transfer to liabilities associated with assets classified as held for sale	轉撥至與分類為持作出售 資產相關的負債	(314)	6,429	1,220	7,335
Exchange realignment	匯兌重列	(149)	2,702	326	2,879
At 31 December 2016	於二零一六年十二月三十一日	1,653	(29,735)	(3,169)	(31,251)

At 31 December 2016, the Group had unused tax losses of HK\$1,924,000 (2015: nil) 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.

### 27. 遞延稅項負債

遞延稅項資產及負債的組成部份(結餘淨額於綜合財務狀況表確認)及年內的變動如下:

於二零一六年十二月三十一日，本集團有未動用稅項虧損1,924,000港元(二零一五年：無)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。稅務虧損最多可結轉五年。

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### 27. DEFERRED TAX LIABILITIES (Cont'd)

At 31 December 2016, the Group has deductible temporary differences of HK\$12,296,000 in respect of fair value adjustment on a business combination (2015: nil). 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.

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statements of financial position and reported as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net deferred tax liabilities	遞延稅項負債淨額	<b>31,251</b>	36,514

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 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 PRC and the jurisdiction of the foreign investors. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in PRC in respect of earnings generated from 1 January 2008.

Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC subsidiaries amounting to approximately HK\$111,812,000 (31 December 2015: HK\$101,157,000) as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

### 27. 遞延稅項負債(續)

於二零一六年十二月三十一日，本集團就業務合併的公允價值調整之可扣稅暫時性差額為12,296,000港元(二零一五年：無)。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差額確認遞延稅項資產。

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。

綜合財務報表並未就歸屬於中國附屬公司累計溢利的暫時性差額約111,812,000港元(二零一五年十二月三十一日：101,157,000港元)作出遞延稅項撥備，原因是本集團能夠控制撥回暫時性差額的時間，且暫時性差額可能不會在可預見未來撥回。

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### 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 is collectively referred to as “major overhauls”. The estimation basis is reviewed on an ongoing basis, and revised where appropriate.

The movements in the provision for major overhauls of the Facilities during the year are as follows:

### 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（除升級部份外）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。

年內，該等設施的重大檢修撥備變動如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
At 1 January	於一月一日	6,440	5,275
Addition	添置	1,616	1,122
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)	409	327
Transfer to liabilities associated with assets classified as held for sale	轉撥至與分類為持作出售資產相關的負債	(1,258)	—
Exchange realignment	匯兌重列	(596)	(284)
As 31 December	於十二月三十一日	6,611	6,440



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### 29. ASSETS CLASSIFIED AS HELD FOR SALE/ LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE

The Group entered into an agreement with an independent third party (the “Purchaser”) on 21 September 2016 and a supplemental agreement subsequently on 28 February 2017 (as disclosed in note 17) (the “Agreements”) for the disposal of the entire equity interest in Rugao Honghao (the “Disposal”) which was included in the segment of “PRC”. The consideration of the Disposal is RMB55,000,000 (approximately HK\$61,133,000). 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.

A dividend is expected to be distributed by Rugao Honghao to Greatcorp International Limited (“Greatcorp”), an indirect wholly-owned subsidiary of the Company, prior to the completion of the Disposal (the “Expected Dividend”). The Disposal is expected to be completed within twelve months from the end of the current reporting period. Upon completion of the Disposal, it is estimated that the proceeds of the Disposal would approximate the carrying amount of the net assets after the distribution of the Expected Dividend. No impairment loss has been recognised on the assets which were classified as assets held for sale during the year.

### 29. 分類為持作出售資產／與分 類為持作出售資產有關的負 債

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」)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(如附註17披露)(「該等協議」)，出售如皋宏皓的全部股權(「出售事項」)(計入「中國」分部)。出售事項的代價為人民幣55,000,000元(約61,133,000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」)。

在完成出售事項之前，預期如皋宏皓將向本公司間接全資附屬公司宏皓國際有限公司(「宏皓」)派發股息(「預期股息」)。出售事項預期將自本報告期結束起十二個月內完成。於完成出售事項後，估計出售事項所得款項將約為派發預期股息後的資產淨值賬面值。本年度並未就分類為持作出售資產的資產確認減值虧損。

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### 29. ASSETS CLASSIFIED AS HELD FOR SALE/ LIABILITIES ASSOCIATED WITH ASSETS CLASSIFIED AS HELD FOR SALE (Cont'd)

The major classes of assets and liabilities of Rugao Honghao classified as held for sale are as follows:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	418
Receivables under service concession agreements	服務特許權安排下的應收款項	70,947
Inventories	存貨	62
Prepayments and other receivables	預付款項及其他應收款項	3,268
Bank balances and cash	銀行結餘及現金	3,981
<b>Total assets classified as held for sale</b>	<b>分類為可供出售資產總額</b>	<b>78,676</b>
Trade payable	貿易應付款項	1,255
Provision for major overhauls	重大檢修撥備	1,258
Deferred tax liabilities	遞延稅項負債	7,335
<b>Total liabilities associated with assets classified as held for sale</b>	<b>與分類為持作出售資產有關 的負債總額</b>	<b>9,848</b>

### 29. 分類為持作出售資產／與分 類為持作出售資產有關的負 債(續)

如皋宏皓分類為持作出售資產及負債的主要類別如下：

### 30. SHARE CAPITAL

### 30. 股本

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 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：		
1,111,000,000 (2015: 952,000,000) ordinary shares of HK\$0.0001 each	1,111,000,000 股 (二零一五年： 952,000,000 股) 每股 面值 0.0001 港元的普通股	<b>111</b>	95

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### 30. SHARE CAPITAL (Cont'd)

A summary of movements in the Company's issued capital is as follows:

### 30. 股本(續)

本公司已發行股本的變動概述如下：

	Notes 附註	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
At 1 January 2015		800,000,000	80
Issue of shares pursuant to the top-up placing and top-up subscription			
	(i)	160,000,000	16
Cancellation of share repurchased	31(c)	(8,000,000)	(1)
At 31 December 2015 and 1 January 2016		952,000,000	95
Issue of shares pursuant to the acquisition of subsidiaries	(ii)	159,000,000	16
<b>At 31 December 2016</b>		<b>1,111,000,000</b>	<b>111</b>

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### 30. SHARE CAPITAL (Cont'd)

Notes:

- (i) On 5 May 2015, 160,000,000 new ordinary shares of HK\$0.0001 each were issued at a price of HK\$0.98 per ordinary Share pursuant to the top-up placing and top-up subscription agreements entered into by the Company under the general mandate granted by the shareholders of the Company (the "Top Up Placing") for a total cash consideration, before expenses, of HK\$156,800,000. Further details are set out in the announcements of the Company dated 22 April 2015 and 5 May 2015.
- (ii) On 21 October 2016, 159,000,000 new ordinary shares of HK\$0.0001 each were duly allotted and issued at a price of HK\$0.5 per ordinary share to Morgan Top Trading Company Limited, a nominee of Fusion Joy Holdings Inc., and Carlton Asia Limited for the acquisition of subsidiaries (note 39) pursuant to the share purchase agreement dated 16 June 2016. Further details are set out in the announcements of the Company dated 16 June 2016 and 21 October 2016.

### 31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statements of changes in equity.

#### (a) OTHER RESERVE

On 25 February 2014, Everbest Water Treatment Investment (Haian) Limited and Wealthy Sea Holdings Limited transferred all the shares they held in Everbest Water Treatment Development Company Limited to a directly wholly-owned subsidiary of the Company in consideration of the Company allotting and issuing 374,999,375 and 224,999,625 ordinary shares to them, respectively (the "Share Swap").

### 30. 股本(續)

附註：

- (i) 於二零一五年五月五日，根據本公司股東授予的一般授權項下本公司所訂立的先舊後新配售及先舊後新認購協議，160,000,000股每股面值0.0001港元的新普通股已按每股普通股0.98港元的價格發行（「先舊後新配售」），總現金代價（未計入有關開支）為156,800,000港元。進一步詳情載於本公司日期為二零一五年四月二十二日及二零一五年五月五日的公告。
- (ii) 於二零一六年十月二十一日，根據二零一六年六月十六日的股份購買協議條款，159,000,000股每股面值0.0001港元的新普通股已按每股普通股0.5港元的價格妥善配發及發行予 Morgan Top Trading Company Limited（Fusion Joy Holdings Inc. 的代名人）及 Carlton Asia Limited 以收購附屬公司（附註39）。進一步詳情載於本公司日期為二零一六年六月十六日及二零一六年十月二十一日的公告。

### 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

於二零一四年二月二十五日，恆發水務投資（海安）有限公司及潤海集團有限公司分別轉移彼等於恆發水務發展有限公司持有的所有股份予本公司一間直接全資附屬公司，作為本公司向彼等分別配發及發行374,999,375股及224,999,625股普通股的代價（「股份互換」）。

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### 31. RESERVES (Cont'd)

#### (a) OTHER RESERVE (Cont'd)

The other reserve comprises the shareholders' loans amounting to HK\$82,304,000 capitalised on 25 February 2014 and the reserve arising from the Share Swap.

#### (b) GENERAL RESERVE

The transfers from retained profits 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 PRC.

#### (c) TREASURY RESERVE

During the year ended 31 December 2015, the Company repurchased and cancelled 8,000,000 of its own ordinary shares on the Stock Exchange for an aggregate consideration of HK\$4,921,000. Upon the cancellation of the share repurchased, the issued share capital of the Company was reduced by the par value of HK\$1,000 and the premium paid on the repurchase of these cancelled shares of HK\$4,920,000, including transaction costs, was deducted from share premium of the Company.

### 31. 儲備(續)

#### (a) 其他儲備(續)

其他儲備包括於二零一四年二月二十五日撥充資本的82,304,000港元股東貸款及股份互換產生的儲備。

#### (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。

#### (c) 庫存股份

於截至二零一五年十二月三十一日止年度，本公司以總代價4,921,000港元回購並註銷其聯交所的8,000,000股自有普通股。於註銷回購的股份後，本公司的已發行股本面值減少1,000港元，就回購該等註銷股份所支付的溢價4,920,000港元(包括交易成本)已自本公司的股份溢價扣除。



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

### 32. PARTIAL-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTEREST

Details of the Group's subsidiary that has a material non-controlling interest are set out below:

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		Profit for the year allocated to non-controlling by the Group 本集團分配予非控股權益的年內溢利		Accumulated balance of non-controlling interest 非控股權益的累計結餘	
			2016 二零一六年 %	2015 二零一五年 %	2016 二零一六年 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	2015 二零一五年 HK\$'000 千港元
Haian Hengfa 海安恆發	Incorporated 註冊成立	Hong Kong 香港	30	30	938	643	26,655	27,593

Summarised financial information in respect of the Company's subsidiary that has material non-controlling interests is set out below. The summarised financial information below presented amounts before intra-group eliminations.

#### HAIAN HENGFA

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	15,237	13,774
Non-current assets	非流動資產	92,491	100,034
Current liabilities	流動負債	(5,876)	(6,931)
Non-current liabilities	非流動負債	(13,002)	(14,901)
Equity attributable to owners of the Company	本公司擁有人應佔權益	(70,767)	(72,955)
Non-controlling interests of Haian Hengfa	海安恆發的非控股權益	(18,083)	(19,021)

### 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附屬公司的詳情載列於下：

本公司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。

#### 海安恆發

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### 32. PARTIAL-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTEREST (Cont'd)

#### HAIAN HENGFA (Cont'd)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	營業收入	12,469	12,295
Profit attributable to owners of the Company	本公司擁有人應佔溢利	2,188	1,501
Profit attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔溢利	938	643
Profit for the year	年內溢利	3,126	2,144
Other comprehensive income attributable to owners of the Company	本公司擁有人應佔其他全面收入	(4,593)	(2,997)
Other comprehensive income attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔其他全面收入	(1,968)	(1,285)
Other comprehensive income for the year	年內其他全面收入	(6,561)	(4,282)
Total comprehensive income attributable to owners of the Company	本公司擁有人應佔全面收入總額	(2,405)	(1,496)
Total comprehensive income attributable to non-controlling interests of Haian Hengfa	海安恆發非控股權益應佔全面收入總額	(1,030)	(642)
Total comprehensive income for the year	年內全面收入總額	(3,435)	(2,138)
Net cash flows from operating activities	經營活動產生的現金流量淨額	12,536	5,319
Net cash flows from (used) in investing activities	投資活動產生(使用)的現金流量淨額	25	(59)
Net cash flows used in financing activities	融資活動使用的現金流量淨額	(3,060)	(3,609)
Net increase in bank balances and cash	銀行結餘及現金增加淨額	9,501	1,651

### 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 capital structure of the Group consists of debts, which includes the bank borrowings disclosed in notes 26 and equity attributable to equity holders of the Company, comprising issued 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.

The Group's overall strategy remains unchanged from prior year.

### 34. FINANCIAL INSTRUMENTS

#### (a) CATEGORIES OF FINANCIAL INSTRUMENTS

##### FINANCIAL ASSETS

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loans and receivables	貸款及應收款項	347,672	478,084
Available-for-sale investments	可供出售投資	23,383	127,921
		<b>371,055</b>	606,005

##### FINANCIAL LIABILITIES

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Derivative financial instruments	衍生金融工具	—	794
Amortised cost	攤銷成本	60,106	50,929
		<b>60,106</b>	51,723

### 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按持續經營基準經營，同時透過優化債務及股權之平衡讓股東的回報最大化。

本集團的資本架構包括債務，包括附註26披露的銀行借款及本公司權益持有人應佔權益（包括已發行股本及儲備）。

本公司董事每年檢討資本架構。作為檢討的一部份，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。

本集團的整體策略與去年保持不變。

### 34. 金融工具

#### (a) 金融工具類別

##### 金融資產

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Loans and receivables	347,672	478,084
Available-for-sale investments	23,383	127,921
	<b>371,055</b>	606,005

##### 金融負債

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Derivative financial instruments	—	794
Amortised cost	60,106	50,929
	<b>60,106</b>	51,723

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

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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, trade receivables, other receivables, bank balances and cash, trade payables, other payables and accruals, amounts due to related parties and bank borrowings. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price 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 fair value rate risk in relation of fixed-rate borrowings (see note 26 for details of these borrowings). The management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

### 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、貿易應收款項、其他應收款項、銀行結餘及現金、貿易應付款項、其他應付款項及應計費用、應付關聯方款項及銀行借款。與該等金融工具相關的風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。下文載列有關減低此等風險的政策。管理層管理及監察此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

本集團面臨有關定息借貸的公允值利率風險(請參閱附註26了解該等借貸的詳情)。管理層監督利率風險，並將在需要時考慮對沖重大利率風險。

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### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### MARKET RISK (Cont'd)

##### (i) Interest rate risk (Cont'd)

The Group is also exposed to cash flow interest rate risk in relation to the variable rate bank borrowing (see note 26 for details of these borrowings). The Group's cash flow interest rate risk is mainly concentrated on HIBOR arising from the Group's Hong Kong dollar denominated borrowings. It is the Group's policy to keep its borrowing at floating rate of interests so as to minimise the fair value interest rate risk.

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.

##### 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.

### 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)

本集團亦就其浮息銀行借款而面對現金流量利率風險(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的以港元計值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起的利率浮動。

##### 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。

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

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

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### MARKET RISK (Cont'd)

##### (i) Interest rate risk (Cont'd)

##### Sensitivity analysis (Cont'd)

For variable 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 2016 would decrease/increase by approximately HK\$126,000 (2015: nil). 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(續)

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，則本集團截至二零一六年十二月三十一日止年度的除稅後溢利將減少／增加約126,000港元(二零一五年：無)。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 equity and debt security 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 equity and debt instruments had been 5% higher/lower, investment revaluation reserve would increase/decrease by approximately HK\$1,164,000 (2015: increase/decrease by approximately HK\$6,355,000) for the Group as a result of the change in fair value of 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對權益性證券及債券價格風險。管理層透過持有風險情況不同的投資組合而管理有關風險。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買賣之權益及債務工具。

##### *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對權益性證券及債券價格風險而釐定。

倘若各有關權益性證券及債券工具的價格上升/下跌5%，本集團投資重估儲備將由於可供出售投資的公允值變動而增加/減少約1,164,000港元(二零一五年：增加/減少約6,355,000港元)。

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

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

### 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 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 2016, individual companies in Hong Kong within the Group have foreign currency exposure because available-for-sale investments of approximately HK\$23,383,000 (2015: HK\$127,921,000) were denominated in US\$ and a bank borrowing of nil (2015: approximately HK\$29,830,000) was denominated in RMB. The Group considers that the currency exposures in related to the US\$ are insignificant as HK\$ is pegged to the US\$. In order to manage the foreign currency exposure of the RMB denominated bank borrowing in Hong Kong, the Group has entered into a cross currency swap contract to minimise its impact in profit or loss for the year ended 31 December 2015. Therefore, these two balances are excluded from the sensitivity analysis.

### 34. 金融工具(續)

#### (b) 金融風險管理目標及政策(續)

##### 外匯風險

外匯風險為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份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匯風險。但是，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。

於二零一六年十二月三十一日，由於可供出售投資約23,383,000港元(二零一五年：127,921,000港元)以美元計值及一筆銀行借款為零(二零一五年：約29,830,000港元)以人民幣計值，故本集團旗下的香港各公司須承擔外匯風險。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。為管理香港以人民幣計值的銀行借款的外匯風險，本集團已訂立一項交叉貨幣互換合約，以降低對其於截至二零一五年十二月三十一日止年度損益的影響。因此，該兩項結餘不包含於敏感度分析。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (b) FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

##### CREDIT RISK

As at 31 December 2016, 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. The Group is exposed to concentration of credit risk as the major customers of the Group are the grantors in PRC. The directors of the Company consider that these grantors are local government authorities in PRC 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.

The credit risk for bank deposits is limited because the directors of the Company consider that the counterparties are financially sound.

### 34. 金融工具(續)

#### (b) 金融風險管理目標及政策(續)

##### 信貸風險

於二零一六年十二月三十一日,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。由於本集團的主要客戶為於中國的授予人,本集團面臨集中信貸風險。本公司董事認為該等授予人為財務狀況穩健的中國地方政府機構,因此無須作出撥備。

為盡量減低信用風險,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應收貿易賬款的可收回金額,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,本集團的信用風險已大為減少。

本公司董事認為對手方財務狀況穩健,因此銀行存款的信用風險有限。

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

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

### 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

本公司管理層會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息率，而未折現之金額乃來自報告期末後之利率曲線。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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

### 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 求或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 31.12.2016 於二零一六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>2016</b>	<b>二零一六年</b>								
Trade payables	貿易應付款項	—	19,955	—	—	—	—	19,955	19,955
Other payables	其他應付款項	—	1,183	—	—	—	—	1,183	1,183
Bank borrowings	銀行借款	3.54	31,023	773	702	—	—	32,498	32,426
Amounts due to related parties	應付關聯方款項	—	6,542	—	—	—	—	6,542	6,542
			<b>58,703</b>	<b>773</b>	<b>702</b>	<b>—</b>	<b>—</b>	<b>60,178</b>	<b>60,106</b>

		Weighted average effective interest rate	Repayable on demand or 3 months or less 須按要 求或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 31.12.2015 於二零一五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>2015</b>	<b>二零一五年</b>								
Trade payables	應付貿易款項	—	12,186	—	—	—	—	12,186	12,186
Other payables	其他應付款項	—	3,543	—	—	—	—	3,543	3,543
Derivative financial instrument	衍生金融工具	—	794	—	—	—	—	794	794
Bank borrowings	銀行借款	4.85	30,661	830	1,660	2,413	—	35,564	35,200
			<b>47,184</b>	<b>830</b>	<b>1,660</b>	<b>2,413</b>	<b>—</b>	<b>52,087</b>	<b>51,723</b>

### 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)

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

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

### 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)*

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

#### (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.

### 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。

#### (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。該模型納入多項可觀察市場輸入數據，包括外匯現貨、遠期匯價及利率曲線。交叉貨幣互換的賬面值與其公允值相同。



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

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

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (c) FAIR VALUE (Cont'd)

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

#### ASSETS MEASURED AT FAIR VALUE

		Fair value measurement using 按以下方式計量的公允值			
		Quoted prices in active markets (Level 1) 於活躍 市場的 報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 主要 可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 主要 不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>As at 31 December 2016</b>	於二零一六年 十二月三十一日				
<b>Available-for-sale investments</b>	可供出售投資				
Listed debt securities	上市債務證券	23,383	—	—	23,383
<b>As at 31 December 2015</b>	於二零一五年 十二月三十一日				
<b>Available-for-sale investments</b>	可供出售投資				
Listed equity investments	上市股權投資	30,080	—	—	30,080
Listed debt securities	上市債務證券	36,759	—	—	36,759
Unlisted debt securities	非上市債務證券	61,082	—	—	61,082
		127,921	—	—	127,921

The fair value of the Level 1 financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices in an active market.

有標準條款及條件而且在活躍及流動性高的市場上買賣的第一級金融資產的公允值，乃參考活躍市場所報的市場買入價而釐定。

### 34. 金融工具(續)

#### (c) 公允值(續)

下表列示本集團金融工具的公允值計量層級：

#### 按公允值計量的資產

#### Fair value measurement using 按以下方式計量的公允值

Quoted prices in active markets (Level 1) 於活躍 市場的 報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 主要 可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 主要 不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
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<b>As at 31 December 2016</b>	於二零一六年 十二月三十一日				
<b>Available-for-sale investments</b>	可供出售投資				
Listed debt securities	上市債務證券	23,383	—	—	23,383
<b>As at 31 December 2015</b>	於二零一五年 十二月三十一日				
<b>Available-for-sale investments</b>	可供出售投資				
Listed equity investments	上市股權投資	30,080	—	—	30,080
Listed debt securities	上市債務證券	36,759	—	—	36,759
Unlisted debt securities	非上市債務證券	61,082	—	—	61,082
		127,921	—	—	127,921

The fair value of the Level 1 financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices in an active market.

有標準條款及條件而且在活躍及流動性高的市場上買賣的第一級金融資產的公允值，乃參考活躍市場所報的市場買入價而釐定。

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

### 34. FINANCIAL INSTRUMENTS (Cont'd)

#### (c) FAIR VALUE (Cont'd)

##### LIABILITIES MEASURED AT FAIR VALUE

		Fair value measurement using 按以下方式計量的公允值			
		Quoted prices in active markets (Level 1) 於活躍 市場的 報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 主要 可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 主要 不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>As at 31 December 2016</b>	於二零一六年 十二月三十一日				
Derivative financial instrument	衍生金融工具	—	—	—	—
<b>As at 31 December 2015</b>	於二零一五年 十二月三十一日				
Derivative financial instrument	衍生金融工具	—	794	—	794

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2015: nil).

年內，金融資產及金融負債第一級與第二級公允值計量之間並無轉移，亦無轉入或轉出第三級（二零一五年：無）。

### 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.

### 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。

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

### 35. SHARE OPTION SCHEME (Cont'd)

At 31 December 2016, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 500,000 (31 December 2015: nil), representing 0.045% (31 December 2015: nil) 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.

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.

### 35. 購股權計劃(續)

於二零一六年十二月三十一日，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(二零一五年十二月三十一日：無)，相當於本公司於該日期已發行股份之0.045%(二零一五年十二月三十一日：無)。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及之股份總數目，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之股份最高數目為緊接股份發售完成後已發行股份之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。

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。

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

### 35. SHARE OPTION SCHEME (Cont'd)

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.

During the year ended 31 December 2016, 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 2016</b>	<b>於截至二零一六年 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	—

### 35. 購股權計劃(續)

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。

於截至二零一六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：

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

### 35. SHARE OPTION SCHEME (Cont'd)

During the year ended 31 December 2016, the estimated fair value of the options granted on 14 April 2016 is HK\$0.25 (2015: nil).

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.

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.

### 35. 購股權計劃(續)

於截至二零一六年十二月三十一日止年度，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(二零一五年：無)。

購股權行使價為0.52港元與授出日期的股份市場價相等。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周年、第二周年、第三周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%。購股權將於授出日期起三年期間歸屬，而財務總監將於歸屬及行使日期當日繼續受僱。購股權之有效期為授出日期起計十年，而購股權將於有效期屆滿時失效。於授出日期之公允值乃按二項式定價模式估算，其中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。

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。



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

### 35. SHARE OPTION SCHEME (Cont'd)

During the year ended 31 December 2016, the Group has recognised approximately HK\$54,000 of share-based payment expense in profit or loss (2015: nil).

### 36. OPERATING LEASE COMMITMENTS

#### THE GROUP AS LESSEE

As at the end of the reporting period, the Group had a total future minimum lease payment under a non-cancellable operating lease falling due as follows:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year 一年內	—	184

Operating lease payments represent rental payable by the Group for certain of its office premises. The lease for these office premises is negotiated for a term of two years.

### 37. RETIREMENT BENEFITS SCHEMES

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.

The employees of the Group's operations in 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.

### 35. 購股權計劃(續)

於截至二零一六年十二月三十一日止年度，本集團已確認損益內以股份為基礎付款開支約54,000港元(二零一五年：無)。

### 36. 經營租賃承諾

#### 本集團作為承租人

於報告期末，本集團根據不可撤銷經營租賃，於下列期間到期的未來最低租賃款項總額如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year 一年內	—	184

經營租賃付款指本集團就其若干辦公室物業應付之租金。租賃該等辦公室物業議定期限為兩年。

### 37. 退休福利計劃

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。

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。



## Notes to the Consolidated Financial Statements

### 綜合財務報表附註

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#### 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 in connection with the sharing of administrative services, retrospectively, effective from 1 July 2015 to 30 June 2018 which supersedes the Sublease agreement. The Group was charged for the shared administrative services, which includes the rent to Dragonfield for the area of the Office Premises used by the Group, on a cost basis.

The total amounts of rental and shared administrative service expenses charged to profit or loss during the year ended 31 December 2016 was HK\$3,676,000 (2015: HK\$1,938,000)

There is no amount due to Dragonfield at the end of the reporting period.

#### 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訂立行政服務共享協議,以取代分租協議,並追溯生效,自二零一五年七月一日起至二零一八年六月三十日止。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。

截至二零一六年十二月三十一日止年度計入損益的租賃及共享行政服務開支總額為3,676,000港元(二零一五年:1,938,000港元)。

於報告期末並無應付龍田之款項。

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

### 38. RELATED PARTY TRANSACTIONS (Cont'd)

- (b) During the year ended 31 December 2016, the Group acquired 20% attributable interest in Weal Union Limited ("Weal Union") and its subsidiary, PT Rimba Palma Sejahtera Lestari ("RPSL") from Carlton Asia Limited ("Carlton Asia"), a company controlled by close family members of a director of the Company (note 39).
- (c) During the year ended 31 December 2016, HK\$677,000 (2015: nil) service fee was paid to a related company, which is controlled by close family members of a director of the Company, to operate, monitor and maintain the two power plants of the Group.
- (d) During the year ended 31 December 2016, the Group disposed of an available-for-sale investment with fair value of approximately HK\$22,000,000 to a close family member of a director of the Company as repayment of the shareholder's loans which were made to the Group during the year ended 31 December 2016.

### 38. 關聯方交易(續)

- (b) 於截至二零一六年十二月三十一日止年度，本集團自 Carlton Asia Limited (「Carlton Asia」) (一間本公司一名董事近親控制之公司) 收購於旭衡有限公司(「旭衡」)及其附屬公司 PT Rimba Palma Sejahtera Lestari (「RPSL」) 的20% 應佔權益(附註39)。
- (c) 於截至二零一六年十二月三十一日止年度，已支付677,000港元(二零一五年：無)服務費用予本公司一名董事近親控制之關聯公司，以營運、監督及維護本集團兩座電廠。
- (d) 於截至二零一六年十二月三十一日止年度，本集團出售一項公允價值約22,000,000港元之可供出售投資予本公司一名董事之近親，作為償還於截至二零一六年十二月三十一日止年度期間對本集團作出的股東貸款。

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

### 38. RELATED PARTY TRANSACTIONS (Cont'd)

#### (e) Compensation of key management personnel

The remuneration of directors and other members of key management during the year was as follows:

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term employee benefits 短期僱員福利	4,209	2,826
Post-employment benefits 離職後福利	150	89
	<b>4,359</b>	2,915

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 8 to the financial statements.

### 39. ACQUISITIONS OF SUBSIDIARIES

On 21 October 2016 ("the Acquisition Date"), the Group acquired 80% attributable interest in Weal Union from an independent third party, Fusion Joy Holdings Inc. ("Fusion Joy") at a cash consideration of USD7,967,800 (approximately HK\$62,149,000) and issuance of 143,300,000 ordinary shares of the Company, based on the quoted price of the shares on the Acquisition Date, amounting to HK\$71,650,000; and the remaining 20% attributable interest in Weal Union from Carlton Asia at a cash consideration of USD3,290,200 (approximately HK\$25,663,000) and issuance of 15,700,000 ordinary shares of the Company, based on the quoted price of the shares on the Acquisition Date, amounting to HK\$7,850,000. Immediately after the acquisition, Weal Union becomes the wholly owned subsidiary of the Group. The acquisitions are accounted for using the purchase method.

Weal Union is a limited liability company incorporated in Hong Kong while RPSL is a company incorporated under the laws of Indonesia and is 95% held by Weal Union ("Weal Union Group").

### 38. 關聯方交易(續)

#### (e) 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：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term employee benefits 短期僱員福利	4,209	2,826
Post-employment benefits 離職後福利	150	89
	<b>4,359</b>	2,915

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財務報表附註8。

### 39. 收購附屬公司

於二零一六年十月二十一日(「收購日期」)，本集團向一名獨立第三方Fusion Joy Holdings Inc.(「Fusion Joy」)收購於旭衡的80%應佔權益，現金代價為7,967,800美元(約62,149,000港元)，並以收購日期的股份報價發行71,650,000港元之本公司143,300,000股普通股；並自Carlton Asia收購於旭衡剩餘的20%應佔權益，現金代價為3,290,200美元(約25,663,000港元)並以收購日期的股份報價發行7,850,000港元之本公司15,700,000股普通股。緊接該收購事項，旭衡成為本集團全資附屬公司。該收購事項使用收購會計法入賬。

旭衡為一間於香港註冊成立的有限公司，而RPSL為一間根據印尼法律註冊成立的公司且由旭衡持有其95%之權益(「旭衡集團」)。

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### 39. ACQUISITIONS OF SUBSIDIARIES (Cont'd)

Weal Union is an investment holding company while RPSL operates a palm kernel oil mill to render palm kernel oil for sale and an ancillary power plant to supply of excess electricity to Perusahaan Listrik Negara, an Indonesia's stated owned power company.

Fair value of assets acquired and liabilities assumed at the Acquisition Date:

		HK\$'000 千港元
Property, plant and equipment (note)	物業、廠房及設備(附註)	145,753
Trade receivables	貿易應收款項	5,440
Inventories	存貨	801
Prepayments	預付款項	876
Bank balances and cash	銀行結餘及現金	2,730
Amount due to immediate holding company	應付直接控股公司款項	(58,196)
Amounts due to related parties	應付關聯方款項	(6,542)
Trade payables	貿易應付款項	(6,207)
Accruals and other payables	應計費用及其他應付款項	(1,887)
Tax payables	應付稅項	(84)
<b>Total identifiable net assets acquired</b>	<b>已收購可識別資產淨值總額</b>	<b>82,684</b>

Note: The fair value of property, plant and equipment acquired in business combination is based on valuations performed by an independent qualified professional valuer with reference to market value or depreciated replacement cost of the property, plant and equipment.

The trade receivables acquired with fair value of HK\$5,440,000 had gross contractual amounts of HK\$5,440,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected amounted to nil.

Goodwill arising from the acquisitions:

		HK\$'000 千港元
Cash consideration paid	已付現金代價	87,812
Fair value of consideration shares issued	已發行代價股份公允值	79,500
<b>Total consideration</b>	<b>代價總額</b>	<b>167,312</b>
Add: Non-controlling interests (i.e. 5% of RPSL)	加：非控股權益(即RPSL之5%權益)	1,071
Less: Fair value of the net assets acquired	減：已收購資產淨值之公允值	(82,684)
<b>Goodwill</b>	<b>商譽</b>	<b>85,699</b>

### 39. 收購附屬公司(續)

旭衡為一間投資控股公司，而RPSL經營一間仁油榨油廠以供出售仁油及自備電廠以向Perusahaan Listrik Negara(一間印尼國有電力公司)供應過剩電能。

於收購日期所收購資產及所承擔負債的公允值：

	HK\$'000 千港元
物業、廠房及設備(附註)	145,753
貿易應收款項	5,440
存貨	801
預付款項	876
銀行結餘及現金	2,730
應付直接控股公司款項	(58,196)
應付關聯方款項	(6,542)
貿易應付款項	(6,207)
應計費用及其他應付款項	(1,887)
應付稅項	(84)
<b>已收購可識別資產淨值總額</b>	<b>82,684</b>

附註：業務合併中所收購物業、廠房及設備的公允值基於一名獨立合資格專業估值師參考物業、廠房及設備的市場價值或折舊重置成本進行的估值。

於收購日期已收購公允值為5,440,000港元之貿易應收款項擁有總合約金額5,440,000港元。於收購日期合約現金流量之最佳估計預期不可收回金額為零。

收購產生之商譽：

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

### 39. ACQUISITIONS OF SUBSIDIARIES (Cont'd)

As part of the consideration for the acquisition of Weal Union Group, 159,000,000 ordinary share of the Company with par value of HK\$0.0001 each were issued. The fair value of the ordinary shares of the Company, determined using the published price available at the date of the acquisition, amounted to HK\$79,500,000.

Net cash outflow on acquisitions:

		Total 總計 HK\$'000 千港元
Cash consideration paid	已付現金代價	(87,812)
Less: bank balances and cash acquired	減：已收購銀行結餘及現金	2,730
		(85,082)

The non-controlling interests recognised at the acquisition date was measured by the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets.

Goodwill arose in the acquisition included amounts in relation to the benefit of expected revenue growth and future market development of RPSL. These benefits are not recognised separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the goodwill arising on this acquisition is expected to be deductible for tax purposes.

Included in the loss for the year is HK\$2,555,000 attributable to the business generated by Weal Union Group. Revenue for the year includes HK\$4,028,000 generated from Weal Union Group.

Had the acquisition been completed on 1 January 2016, total group revenue for the year would have been HK\$124,718,000, and profit for the year would have been HK\$15,481,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2016, nor is it intended to be a projection of future results.

### 39. 收購附屬公司(續)

作為收購旭衡集團之部份代價，本公司已發行每股面值為0.0001港元之159,000,000股普通股。本公司普通股公允值使用於收購日期可供使用之已公佈價格釐定，金額為79,500,000港元。

收購產生之現金流出淨額：

		Total 總計 HK\$'000 千港元
Cash consideration paid	已付現金代價	(87,812)
Less: bank balances and cash acquired	減：已收購銀行結餘及現金	2,730
		(85,082)

於收購日期確認之非控股權益按現時之擁有權工具按比例分佔收購方可識別資產淨值已確認金額計量。

收購事項產生之商譽包括有關RPSL預期收入增長及未來市場發展所帶來的利益。由於並不符合可識別無形資產的確認標準，故該等利益並無與商譽分開確認。

預計該等收購所產生之商譽概不可扣稅。

年內虧損2,555,000港元計入旭衡集團產生可分派業務。年內收益包括旭衡集團產生的4,028,000港元。

假設收購事項已於二零一六年一月一日完成，集團年內總營業收入將為124,718,000港元，年內溢利為15,481,000港元。備考資料僅供說明之用，不一定成為假若收購已於二零一六年一月一日完成之情況下本集團實際所得收入及經營業績之指標，亦不擬以此作為日後業績之預測。

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

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

### 40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

#### STATEMENT OF THE FINANCIAL POSITION OF THE COMPANY

### 40. 本公司的財務狀況表

#### 本公司財務狀況表

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 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	<b>281,094</b>	113,781
Available-for-sale investments	可供出售投資	<b>23,383</b>	127,921
		<b>304,477</b>	241,702
<b>Current assets</b>	<b>流動資產</b>		
Prepayment	預付款項	—	173
Other receivables	其他應收款項	<b>166</b>	—
Amounts due from subsidiaries	應收附屬公司款項	<b>115,639</b>	68,309
Bank balances and cash	銀行結餘及現金	<b>3,836</b>	34,030
		<b>119,641</b>	102,512
<b>Current liabilities</b>	<b>流動負債</b>		
Accruals	應計費用	<b>1,485</b>	1,885
Amount due to a subsidiary	應付一間附屬公司款項	<b>12,600</b>	—
		<b>14,085</b>	1,885
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>105,556</b>	100,627
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>	<b>410,033</b>	342,329
<b>Equity</b>	<b>權益</b>		
Issued capital	已發行股本	<b>111</b>	95
Reserves	儲備	<b>409,922</b>	342,234
<b>Total equity</b>	<b>總權益</b>	<b>410,033</b>	342,329



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

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

### 40. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

### 40. 本公司的財務狀況表(續)

#### MOVEMENT IN SHARE CAPITAL AND RESERVES OF THE COMPANY

#### 本公司股本及儲備變動

		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	Treasury reserve 庫存儲備 HK\$'000 千港元	Retained profit 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2015	於二零一五年一月一日	80	183,340	—	—	—	28,346	211,766
Profit for the year	年內溢利	—	—	—	—	—	4,182	4,182
Fair value change on available-for-sale investment	可供出售投資的公允值變動	—	—	—	(555)	—	—	(555)
Reclassification adjustment for gain on disposal of available-for-sale investments included in profit or loss	計入損益的可供出售投資出售收益的重新分類調整	—	—	—	(246)	—	—	(246)
Total comprehensive income for the year	年內全面收入總額	—	—	—	(801)	—	4,182	3,381
Issue of shares pursuant to the a top-up placing and top-up subscription	根據先舊後新配售及先舊後新認購的股份發行	16	156,784	—	—	—	—	156,800
Placing expense	配售開支	—	(5,657)	—	—	—	—	(5,657)
Share repurchase	股份回購	—	—	—	—	(4,921)	—	(4,921)
Cancellation of share repurchased	註銷購回股份	(1)	(4,920)	—	—	4,921	—	—
Interim dividend — 2015	中期股息 — 二零一五年	—	—	—	—	—	(19,040)	(19,040)
		15	146,207	—	—	—	(19,040)	127,182
At 31 December 2015	於二零一五年十二月三十一日	95	329,547	—	(801)	—	13,488	342,329
Loss for the year	年內虧損	—	—	—	—	—	(3,636)	(3,636)
Fair value change on available-for-sale investment	可供出售投資的公允值變動	—	—	—	2,125	—	—	2,125
Reclassification adjustment for gain on disposal of available-for-sale investments included in profit or loss	計入損益的可供出售投資出售收益的重新分類調整	—	—	—	(819)	—	—	(819)
Total comprehensive income for the year	年內全面收入總額	—	—	—	1,306	—	(3,636)	(2,330)
Issue of shares	發行股份	16	79,484	—	—	—	—	79,500
Share-based payments	基於股份的付款	—	—	54	—	—	—	54
Final dividend — 2015	末期股息 — 二零一五年	—	—	—	—	—	(9,520)	(9,520)
		16	79,484	54	—	—	(9,520)	70,034
At 31 December 2016	於二零一六年十二月三十一日	111	409,031	54	505	—	332	410,033

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

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

### 41. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 December 2016 and 2015 are as follows:

Name of subsidiaries 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
				2016 二零一六年 %	2015 二零一五年 %	
Haian Hengfa ("海安恆發污水處理有限公司")(note a) 海安恆發 (「海安恆發污水處理有限公司」)(附註a)	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
Rugao Honghao ("如皋宏皓金屬表面水處理有限公司")(notes b & c) 如皋宏皓 (「如皋宏皓金屬表面水處理有限公司」)(附註b及c)	PRC 中國	PRC 中國	US\$4,500,000 4,500,000 美元	100	100	Wastewater treatment 污水處理
上海泰環環保科技有公司 (notes b & c) 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

### 41. 主要附屬公司

於二零一六年及二零一五年十二月三十一日，本公司主要附屬公司的詳情如下：

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

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

### 41. PRINCIPAL SUBSIDIARIES (Cont'd)

### 41. 主要附屬公司(續)

Name of subsidiaries 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
				2016 二零一六年 %	2015 二零一五年 %	
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
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	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	—	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 2016 截至二零一六年十二月三十一日止年度

### 41. PRINCIPAL SUBSIDIARIES (Cont'd)

### 41. 主要附屬公司(續)

Name of subsidiaries 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
				2016 二零一六年 %	2015 二零一五年 %	
Weal Union Ltd 旭衡有限公司	Hong Kong 香港	Hong Kong 香港	HK\$250 250港元	100	—	Investment holding 投資控股
PT. Rimba Plama Sejahtera	Indonesia 印尼	Indonesia 印尼	IDR 230,900 million 230,900百萬印尼盾	95	—	Manufacturing and sale of palm kernel oil and electricity 生產及出售仁油及電

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 2016 截至二零一六年十二月三十一日止年度

#### 41. PRINCIPAL SUBSIDIARIES (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.

#### 42. NON-CASH TRANSACTION

During the year ended 31 December 2016, the Group disposed of an available-for-sale investment with fair value of approximately HK\$22,000,000 to a close family member of a director of the Company as repayment of the shareholder's loans which were made to the Group during the year ended 31 December 2016.

#### 43. SUBSEQUENT EVENT

On 28 February 2017, for the Disposal as set out in note 29, Greatcorp signed a supplemental agreement with the Purchaser under which, the fee arrangements under Additional Payment Arrangements as mentioned in note 29 were terminated with retrospective effect from 15 November 2016. The supplemental agreement provides that the Purchaser shall retrospectively be responsible for all operating costs and capital expenditure on an as-incurred basis with effect from 15 November 2016 and until the date of the completion of Disposal.

#### 41. 主要附屬公司(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份之本公司附屬公司。董事認為，提供其他附屬公司之詳情會令篇幅過於冗長。

#### 42. 非現金交易

於截至二零一六年十二月三十一日止年度，本集團出售一項公允價值約為22,000,000港元的可供出售投資予本公司一名董事的一名近親，以償還截至二零一六年十二月三十一日止年度向本集團作出的股東貸款。

#### 43. 期後事項

於二零一七年二月二十八日，對於附註29所載出售事項而言，宏皓與買方簽署一項補充協議，據此，附註29所述額外付款安排下的費用安排自二零一六年十一月十五日終止，且具有追溯效力。補充協議規定，買方應追溯性地負責自二零一六年十一月十五日至出售事項完成日期止產生的全部營運成本及資本開支。

## 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

		2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	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
Revenue	營業收入	46,900	65,090	85,183	145,462	<b>100,317</b>
Profit before tax	除稅前溢利	34,007	47,974	22,136	36,229	<b>18,522</b>
Income tax credit (expenses)	所得稅抵免 (開支)	(6,973)	(14,080)	(10,861)	3,920	<b>(7,029)</b>
Profit for the year	年內溢利	27,034	33,894	11,275	40,149	<b>11,493</b>

### ASSETS, LIABILITIES AND NON-CONTROLLING INTEREST

### 資產、負債及非控股權益

#### At 31 December

於十二月三十一日

		2012 二零一二年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	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
Total assets	總資產	433,969	425,682	437,796	610,439	<b>681,140</b>
Total liabilities	總負債	(260,897)	(210,430)	(72,967)	(95,304)	<b>(111,538)</b>
Non-controlling interest	非控股權益	(24,521)	(26,906)	(28,234)	(27,593)	<b>(27,650)</b>
		148,551	188,346	336,595	487,542	<b>541,952</b>





ELL  
Environmental  
Holdings Limited

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