



# TENGY

浙江天潔環境科技股份有限公司

Zhejiang Tengy Environmental Technology Co., Ltd

(a joint stock company incorporated in the People's Republic of China with limited liability)

(於中華人民共和國註冊成立的股份有限公司)

Stock code 股份代號：1527

# 2016

Annual Report 年報

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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Bian Yu  
Mr. Bian Weican  
Ms. Bian Shu

#### Non-executive Directors

Mr. Bian Jianguang  
Mr. Zhang Yuanyuan  
Ms. Zhu Hong

#### Independent Non-executive Directors

Ms. Tam Hon Shan Celia  
Mr. Jiang Yan  
Mr. Zhang Bing

### SUPERVISORS

Mr. Chen Xinhua (*Chairman*)  
Mr. Fu Jun  
Mr. Fang Zhiguo

### JOINT COMPANY SECRETARIES

Mr. Lau Hon Kee  
Ms. Shen Qiong

### AUDIT COMMITTEE

Ms. Tam Hon Shan Celia (*Chairman*)  
Mr. Jiang Yan  
Mr. Zhang Bing

### NOMINATION COMMITTEE

Mr. Zhang Bing (*Chairman*)  
Ms. Tam Hon Shan Celia  
Ms. Bian Shu

### REMUNERATION COMMITTEE

Mr. Jiang Yan (*Chairman*)  
Mr. Zhang Bing  
Ms. Zhu Hong

### AUTHORISED REPRESENTATIVES

Mr. Bian Yu  
Mr. Lau Hon Kee

### AUDITOR

Ernst & Young

### LEGAL ADVISERS TO OUR COMPANY

Mayer Brown JSM (As to Hong Kong Law)  
Zhejiang Confuway Law Firm (As to PRC Law)

### 董事會 執行董事

邊宇先生  
邊偉燦先生  
邊姝女士

### 非執行董事

邊建光先生  
章袁遠先生  
朱紅女士

### 獨立非執行董事

譚漢珊女士  
姜晏先生  
張炳先生

### 監事

陳新華先生 (*主席*)  
傅均先生  
方治國先生

### 聯席公司秘書

劉漢基先生  
沈瓊女士

### 審核委員會

譚漢珊女士 (*主席*)  
姜晏先生  
張炳先生

### 提名委員會

張炳先生 (*主席*)  
譚漢珊女士  
邊姝女士

### 薪酬委員會

姜晏先生 (*主席*)  
張炳先生  
朱紅女士

### 授權代表

邊宇先生  
劉漢基先生

### 核數師

安永會計師事務所

### 本公司的法律顧問

孖士打律師行 (香港法律)  
浙江儒毅律師事務所 (中國法律)

# Corporate Information

## 公司資料

### COMPLIANCE ADVISER

China Everbright Capital Limited

### HEADQUARTERS AND REGISTERED OFFICE IN THE PRC

TENGY Industrial Park, Paitou Town,  
Zhuji City, Zhejiang Province,  
The PRC

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

22/F World-Wide House  
19 Des Voeux Road Central  
Central, Hong Kong

### PRINCIPAL BANKERS

Bank of China Zhuji Branch  
102 Jiyang Road  
Zhuji City  
Zhejiang Province  
The PRC

Shanghai Pudong Development Bank Shaoxing Branch  
238 Renmin Xi Road  
Shaoxing City  
Zhejiang Province  
The PRC

China Merchants Bank Hangzhou Branch  
Hushu Sub-branch  
260 Hu Shu Nan Road  
Gongshu District  
Hangzhou City  
Zhejiang Province  
The PRC

China Zheshang Bank Co., Ltd. Zhuji Branch  
38 Jiangdong Road  
Zhuji City  
Zhejiang Province  
The PRC

### H SHARE REGISTRAR

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

### COMPANY WEBSITE

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

### STOCK CODE

1527

### 合規顧問

中國光大融資有限公司

### 中國總部及註冊辦事處

中國  
浙江省諸暨市  
牌頭鎮天潔工業園區

### 香港主要營業地點

香港中環  
德輔道中19號  
環球大廈22樓

### 主要往來銀行

中國銀行諸暨支行  
中國  
浙江省  
諸暨市  
暨陽路102號

上海浦東發展銀行紹興分行  
中國  
浙江省  
紹興市  
人民西路238號

招商銀行杭州分行  
湖墅支行  
中國  
浙江省  
杭州市  
拱墅區  
湖墅南路260號

浙商銀行股份有限公司諸暨支行  
中國  
浙江省  
諸暨市  
江東路38號

### H股過戶登記處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心  
22樓

### 公司網站

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

### 股份代號

1527

## Chairman's Statement 主席報告



Dear Shareholders:

On behalf of the Board (“**Board**”) of Directors (“**Directors**”, each being a “**Director**”), I am pleased to announce that Zhejiang Tengy Environmental Technology Co., Ltd (“**Company**” or “**Tengy Environmental**”) and its subsidiaries (collectively the “**Group**”) recorded solid financial results for the year ended 31 December 2016 (“**Year**”).

The Group is a well-established integrated atmospheric pollution control solution provider, with a primary focus on particulate emission control by offering mega-sized precipitators to customers in various industries. The Group is with over 18 years of industry experience and continue to innovate in industrial technologies.

Benefiting from the increase of the Group’s operating income during the Year by 8.4% to approximately RMB997.6 million, the profit before taxation during the Year increased by 10.9% compared to the corresponding period of 2015, to approximately RMB149.1 million. Meanwhile, the profit attributable to shareholders of the Company (“**Shareholders**”, each being a “**Shareholder**”) was approximately RMB113.0 million, representing a significant increase of 17.1% compared to the corresponding period of 2015.

各位股東：

本人謹代表董事(「**董事**」)會(「**董事會**」)欣然宣佈浙江天潔環境科技股份有限公司(「**本公司**」或「**天潔環境**」)及其附屬公司(統稱為「**本集團**」)於二零一六年十二月三十一日止年度(「**本年度**」)錄得穩健的財務業績。

本集團為著名的綜合大氣污染防治解決方案供應商，主要專注於顆粒物的排放控制，在多個行業為客戶提供特大型除塵器。本集團擁有超過18年的行業經驗且在行業技術方面持續追求創新。

受惠本集團於本年度的營業收入增加8.4%至約人民幣997.6百萬元，本年度的稅前溢利較二零一五年同期增加10.9%至約人民幣149.1百萬元。同時，本公司股東(「**股東**」)應佔溢利取得顯著增長，約為人民幣113.0百萬元，較二零一五年同期增加17.1%。

# Chairman's Statement

## 主席報告

Sales of the main products of the Group (namely electrostatic precipitators, electrostatic-bag composite precipitators and bag filter precipitators) recorded an outstanding performance for the Year, among which the revenue from related projects of electrostatic precipitators and electrostatic-bag composite precipitators increased from approximately RMB727.8 million and RMB39.6 million for the year ended 31 December 2015 to approximately RMB739.4 million and RMB96.5 million, respectively, for the Year.

The Group believes that, with its industry qualification and abundant experience, its reputation can be enhanced as a reliable atmospheric pollution control solution provider among the national electricity industries and customers from other industries, which can help it obtain more new projects. Besides, its extensive project experience will offer a competitive advantage over existing market players as well as new entrants in the competition for new projects.

The People's Republic of China ("PRC") currently mainly uses coal to generate electricity. The large amount of major pollutants produced during the coal combustion process of coal-fired power plants, including particulates, sulfur dioxide, nitrogen oxides and etc., have become the main source contributing to the serious air pollution in the PRC. In order to solve the worsening air pollution problems, the PRC Government continued to increase environmental protection efforts through the implementation of more stringent environmental policies. To comply with the increasingly stringent environmental regulations amid the endogenous growth of coal-fired generation, it is expected that the market for air pollution control facilities will continue to experience significant growth.

Looking forward, the Group will continue to enhance its research and development capabilities, develop new technologies and expand the product portfolio, strengthen its sales and grasp the growing opportunities in the air pollution control solutions industry of the PRC, as well as develop selected overseas markets and expand its international market share.

Last, on behalf of the Board, I would like to thank the management team and employees for their tireless efforts and I sincerely thank the Shareholders and investors for their continuing trust in and support to the Group.

The Group will continue to seize market opportunities, protect the blue sky and clear water and build a century-lasting Tengy!

**Mr. BIAN Yu**  
*Chairman and executive Director*

Zhuji City, Zhejiang Province, the PRC  
10 April 2017

本集團主要產品(即靜電除塵器、電袋複合除塵器及袋式除塵器)於本年度的銷售表現出色,其中來自與靜電除塵器及電袋複合除塵器相關項目的收益由截至二零一五年十二月三十一日止年度分別約人民幣727.8百萬元及人民幣39.6百萬元增至本年度的約人民幣739.4百萬元及人民幣96.5百萬元。

本集團相信,憑藉本集團行業資質及豐富經驗,可增強本集團在國家電力企業以及其他行業客戶中作為可靠大氣污染防治解決方案供應商的聲譽,使本集團可獲取更多新項目。此外,本集團豐富的項目經驗將使本集團在爭取新項目時較現時市場參與人士以及新入行者更具競爭優勢。

目前中華人民共和國(「中國」)主要以煤發電,燃煤電廠的燃煤過程中產生的大量主要污染物(包括顆粒物、二氧化硫、氮氧化物等)已成為導致中國大氣嚴重污染的主要來源。為解決日益惡化的空氣污染問題,中國政府持續透過實施更嚴格的環保政策加大環保力度。為於燃煤發電的內生增長時遵守日益嚴格的環保規定,預計大氣污染防治設施市場將繼續經歷顯著增長。

展望未來,本集團將繼續提升研發實力,以開發新技術及擴大產品組合,並且加強銷售及把握中國大氣污染防治解決方案行業與日俱增的機遇,以及發展經選定的海外市場及擴大其國際市場份額。

最後,本人謹代表董事會,衷心感謝管理團隊及僱員的不懈努力,以及各股東及投資者一直以來對本集團的信任與支持。

本集團將繼續把握市場機遇,保護藍天碧水,打造百年天潔!

**主席兼執行董事**  
**邊宇先生**

中國浙江省諸暨市  
二零一七年四月十日

# Financial Highlights

## 財務摘要

Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	Change 變動
Results	業績			
Revenue	收益	997,564	919,975	8.4%
Profit before tax	稅前溢利	149,081	134,399	10.9%
Income tax expense	所得稅開支	(36,087)	(37,934)	-4.9%
Profit and total comprehensive income for the year	年內溢利及全面收入總額	112,994	96,465	17.1%
Earnings per share attributable to ordinary equity holders of the parent	母公司普通權益持有人應佔每股盈利			
— For profit for the year	一年內溢利	0.84	0.90	-6.7%

As at 31 December 於十二月三十一日				
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	Change 變動
Results	業績			
Total assets	資產總值	1,641,902	1,600,940	2.6%
Net current assets	流動資產淨值	627,377	504,287	24.4%
Total assets less current liabilities	資產總值減流動負債	724,285	611,291	18.5%
Total liabilities	負債總額	917,617	989,649	-7.3%
Total equity	權益總額	724,285	611,291	18.5%

As at 31 December 於十二月三十一日				
		2016 二零一六年	2015 二零一五年	
Financial Statistics	財務數據			
Current ratio <i>(Note 1)</i>	流動比率 <i>(附註1)</i>	1.7	1.5	
Gearing ratio <i>(Note 2)</i>	資本負債比率 <i>(附註2)</i>	-5.8%	-5.9%	
Inventory turnover days (days) <i>(Note 3)</i>	存貨周轉天數(天) <i>(附註3)</i>	17.1	18.3	
Trade receivables turnover days (days) <i>(Note 4)</i>	貿易應收款項周轉天數(天) <i>(附註4)</i>	131.1	99.9	
Trade payables turnover days (days) <i>(Note 5)</i>	貿易應付款項周轉天數(天) <i>(附註5)</i>	167.5	141.4	

# Financial Highlights

## 財務摘要

### Notes:

1. Current ratio = current assets/current liabilities
2. Gearing ratio = (total bank loan – cash and cash equivalents)/total equity x 100%
3. Inventory turnover days = 365 days/(costs of sales/average balance of inventory (net off impairment))
4. Trade receivables turnover days = 365 days/(revenue/average balance of trade receivables balance (net off impairment))
5. Trade payables turnover days = 365 days/(cost of sales/average trade payables balance)

### 附註：

1. 流動比率 = 流動資產 / 流動負債
2. 資本負債比率 = (銀行貸款總額 — 現金及現金等價物) / 權益總額 x 100%
3. 存貨周轉天數 = 365天 / (銷售成本 / 存貨平均結餘 (扣除減值))
4. 貿易應收款項周轉天數 = 365天 / (收益 / 貿易應收款項平均結餘 (扣除減值))
5. 貿易應付款項周轉天數 = 365天 / (銷售成本 / 貿易應付款項平均結餘)



# Management Discussion and Analysis

## 管理層討論及分析

### OVERVIEW

2016 was a year of significance for the Group. Leveraging years of industry experience and continual innovation in industrial technologies, the Group is a well-established integrated atmospheric pollution control solution provider, with a primary focus on particulate emission control by offering mega-sized precipitators to customers in various industries. The Group generates its revenue primarily from (i) project construction; (ii) sales of goods; and (iii) rendering of services. Project construction represented tailor-made and integrated atmospheric pollution control solutions offered by the Group to its customers, comprising engineering design, equipment procurement and manufacturing, supervision of installation and commissioning, customer training, and repair and maintenance to our customers on a project basis. During the Year, the Group mainly offers three types of precipitators: electrostatic precipitators, bag filter precipitators and electrostatic-bag composite precipitators. The Group's sales of goods represented sales of materials, including raw materials, spare parts and components and scrap materials to related parties or independent third parties. The Group's rendering of services represented technology consultancy services to its customers on a stand-alone basis, which includes repair and replacement, and on-site engineering and maintenance services to those projects which were not constructed by it.

Precipitators are widely installed at coal-fired power plants, metallurgical plants, paper mills and other industrial production plants. As such, the Group maintains an extensive range of customers including the project owners of power plants and industrial production plants, or contractors who undertake the construction work of power plants and industrial production plants.

### BUSINESS REVIEW

The PRC is currently the world's second largest economy. While the economic growth has slowed down in recent years, the growth rate is still among the highest in the world. The sustained increase in demand for energy and electricity in the PRC as a result of the fast economic growth has nonetheless been promoted at the expense of atmospheric environment and air quality. Last year, due to severe atmospheric pollution problems in Beijing and Hebei Province, some schools even suspended classes. Therefore, the PRC Government continues to strengthen its efforts in environmental protection by implementing more stringent environmental protection policies.

### 概述

二零一六年對本集團是意義重大的一年。憑著多年的行業經驗且在行業技術方面持續追求創新，本集團成為著名的綜合大氣污染防治解決方案供應商，主要專注於顆粒物的排放控制，在多個行業為客戶提供特大型除塵器。本集團的收益主要產生自 (i) 建造項目；(ii) 銷售貨品；及 (iii) 提供服務。建造項目指本集團為客戶提供的度身定製的綜合大氣污染防治解決方案，包括按項目向客戶提供工程設計、設備採購及製造、指導安裝及調試、客戶培訓及維修與維護。本年度，本集團主要提供三種除塵器：靜電除塵器、袋式除塵器及電袋複合除塵器。本集團銷售的貨品指向關聯方或獨立第三方銷售的材料，包括原材料、備件和部件及廢料。本集團提供的服務指本集團按獨立基準向客戶提供技術諮詢服務，包括向並非由本集團建造的項目提供維修及更換，以及現場工程及維護服務。

由於除塵器已在燃煤電廠、冶金廠、造紙廠及其他工業生產廠房廣泛安裝，因此，本集團的客戶群極為廣泛，包括發電廠及工業生產廠房的項目擁有人，或承包發電廠及工業生產廠房的建造工程的承包商。

### 業務回顧

中國目前是世界第二大經濟體，雖然近年其經濟增長有所放緩，但其增長率仍躋身世界前列。然而，經濟迅速增長導致中國的能源及電力需求持續增加，但此卻以犧牲大氣環境及空氣質素為代價。去年北京及河北省出現嚴重的大氣污染問題，甚至導致停課停學。中國政府因而繼續加大力度推動環保，實施更嚴格的環保政策。

# Management Discussion and Analysis

## 管理層討論及分析

The New Law of the Prevention and Control of Atmospheric Pollution was officially implemented in the PRC on 1 January 2016. Together with the increasing governmental and public awareness of environmental protection in the PRC, the Group believes that there will be a vast investment demand for environmental protection in the coming years. The increasingly stringent environmental protection regulations also promote the rapid development of the environmental protection industry, particularly the industry of operations and maintenance services for atmospheric pollution control facilities. It is anticipated that there will be exponential growth in atmospheric pollution control equipment market in the coming several years. Therefore, as a leading integrated atmospheric pollution control solution provider in the industry, the Group believes that it can continue to be benefited from the aforementioned policies in order to capture new business and investment opportunities.

The Group believes that it has benefitted from and will continue to benefit from the synergic effects brought about by customers' satisfaction and broader market recognition of its brand in such a way of increasing the opportunity and capability to succeed in the bidding of new projects. Additionally, with the Group's industry qualifications and track record of successfully completing projects for state-owned power plants in the PRC, the Group believes that its reputation among power enterprises as well as customers in other industries as a reliable atmospheric pollution control solution provider enables the Group to become more competitive over new entrants in project bidding.

For the Year, total revenue and profit from continuing operations of the Group amounted to approximately RMB997.6 million and RMB113.0 million respectively. During the Year, the Group's gross profit amounted to RMB229.2 million, representing an increase of 22.8% as compared with RMB186.6 million for the same period of the year 2015; and the gross margin increased by 2.7% from the previous year to 23.0%.

For the Year, the value of the Group's new contracts (which represents the aggregate value of the contracts we entered into during a specified period) was approximately RMB1,502.1 million. As at 31 December 2016, the Group's backlog (including applicable value-added tax) (which represents the total estimated contract value of work that remains to be completed pursuant to outstanding contracts as of a certain date and assuming performance in accordance with the terms of the contract) was approximately RMB1,717.8 million.

二零一六年一月一日，中國新的《大氣污染防治法》已正式實施，同時隨著中國政府及公眾環保意識的日漸加強，本集團相信未來數年中國在環保方面將出現龐大的投資需求。環保法規日趨嚴格亦促進了環保行業迅速發展，尤其是大氣污染防治設施營運及維護服務行業。本集團估計大氣污染防治設備市場可望於未來數年出現指數式增長。因此，作為行內領先的綜合大氣污染防治解決方案供應商，本集團相信，本集團可繼續受惠於上述政策，把握商機，創造投資新機遇。

本集團相信，本集團已受惠於並將繼續受惠於由客戶滿意度及自身品牌的廣泛市場認可所創造的協同效應，有助增加本集團爭取新項目中標的機會和能力。此外，以本集團的行業資歷及為中國的國有發電廠順利完成項目的往績記錄，本集團相信，憑藉在發電企業以及其他行業客戶中作為可靠大氣污染防治解決方案供應商的聲譽，本集團在項目投標的過程中較新供應商更具優勢。

本年度本集團持續經營業務的總收益及溢利分別約為人民幣997.6百萬元及人民幣113.0百萬元。本年度本集團毛利較二零一五年同期的人民幣186.6百萬元增長22.8%至人民幣229.2百萬元，而毛利率則較去年增加2.7%至23.0%。

本年度本集團新合同的價值（即本集團於特定期間訂立的合同總值）約為人民幣1,502.1百萬元。於二零一六年十二月三十一日，本集團的未完成合同額（包括適用增值稅）（指根據截至某一特定日期的未完成合同得出的有待完成工程的估計合同總值及根據合同條款作出的假設表現）約為人民幣1,717.8百萬元。

## Management Discussion and Analysis 管理層討論及分析

The Group's profits (before tax) of the Year amounted to RMB149.1 million and profits attributable to owners of its parent company grew to RMB113.0 million, representing a year-on-year increase of 10.9% and 17.1% respectively. The aforesaid growth is mainly generated from the operation income increase of 8.4% to RMB997.6 million for the Year.

At the time of raising the amount of product sales, the Group spent great effort to enhance cost management to make its products and solutions more cost competitive. The atmospheric pollution control solutions offered by the Group mainly comprise the atmospheric pollution control devices designed and manufactured on its own. The Group possesses the qualifications and expertise in manufacture and supply of the key atmospheric pollution control system of the projects undertaken by it based on customised design proposals. The Group is dedicated to improving manufacturing process and management system by managing the product quality and operation, reducing energy consumption and assessing the environmental impact in accordance with international standards. The quantitative management, environmental management and quality management systems of the Group were awarded with a number of ISO certificates. These systems help the Group estimate costs, smoothen project operations and improve operating efficiency.

As of 31 December 2016, the Group had 36 registered patents (including two invention patents and 34 utility model patents) in the PRC. Based on the strong design and engineering capabilities, the Group primarily provides comprehensive atmospheric pollution control solutions to its customers. The Group offers a wide range of models of electrostatic precipitators which support electricity generators with capacity spanning from 6.25MW to over 1000MW. The Group is one of the few manufacturers in the PRC which provides electrostatic precipitators for single generator unit with capacity of 1000MW or above.

本集團本年度的(稅前)溢利及母公司擁有人應佔溢利分別增至人民幣149.1百萬元及人民幣113.0百萬元，按年增加10.9%及17.1%。上述增長主要由於本年度的營業收入增加8.4%至人民幣997.6百萬元所致。

在提高產品銷售額的同時，本集團大力加強成本管理，使產品及解決方案更具成本競爭力。本集團提供的大氣污染防治解決方案主要包括自主設計及製造的大氣污染防治裝置。本集團擁有根據訂制設計方案製造及供應所承接項目的主要大氣污染防治系統的資歷及專長。本集團致力於改善生產流程及管理系統，按照國際標準管理產品質量及營運、減少所耗用能源及進行環境影響評估。本集團的計量管理、環保管理及質量管理系統獲發多項ISO合格證。該等系統有助本集團估算成本，確保項目順利實施以及提升經營效率。

截至二零一六年十二月三十一日，本集團在中國擁有36項註冊專利(包括兩項發明專利及34項實用新型專利)。基於本集團強大設計及工程能力，本集團主要產品為向客戶提供的全面大氣污染防治解決方案。本集團提供的靜電除塵器型號繁多，支援介乎6.25兆瓦至逾1,000兆瓦的發電機。本集團是中國少數能為1,000兆瓦或以上的單一發電裝置提供靜電除塵器的製造商。

# Management Discussion and Analysis

## 管理層討論及分析

As at 31 December 2016, the Group had a total of 640 full-time employees (2015: 634). The remuneration payable to the Group's employees includes basic wages, bonuses and other staff benefit. The Group conducts periodic performance reviews for its employees and determines their remuneration based on factors including qualifications, contributions, years of experience and performance.

於二零一六年十二月三十一日，本集團共有640名全職僱員(二零一五年：634名)。應付予本集團僱員的薪酬包括基本工資、花紅及其他員工福利。本集團定期檢討僱員的表現，按僱員的資歷、貢獻、年資及表現等因素釐定他們的薪酬。

## FINANCIAL REVIEW

### Revenue

The revenue of the Group amounted to approximately RMB997.6 million for the Year representing an increase of 8.4% from RMB920.0 million for the year ended 31 December 2015. The increase was mainly benefitted from the increasingly stringent environmental protection regulations that promoted the growing demand for operations and maintenance services on atmospheric pollution control equipments.

The following table sets forth a breakdown of the Group's revenue by segment and each item as a percentage of revenue for the respective years indicated:

Year ended 31 December 截至十二月三十一日止年度					
		2016 二零一六年		2015 二零一五年	
		RMB'000	%	RMB'000	%
		人民幣千元	%	人民幣千元	%
<b>Revenue</b>	<b>收益</b>				
Construction of projects	建造項目	993,071	99.5	916,073	99.5
Sales of goods	銷售貨品	4,463	0.4	3,862	0.4
Rendering of services	提供服務	30	0.1	40	0.1
Total	總計	997,564	100.0	919,975	100.0

### 財務回顧

#### 收益

本集團的收益由截至二零一五年十二月三十一日止年度的人民幣920.0百萬元增加8.4%至本年度的約人民幣997.6百萬元，主要受惠於日趨嚴格的環保法規，使大氣污染防治設備營運及維護服務的需求大增。

下表載列所示各年度本集團按分部劃分的收益明細及各項目佔收益的百分比：

Revenue generated from construction of the Group's projects amounted to over 99.0% of its total revenue. Depending on the specifications and requirements of its customers, the Group may provide an integrated set of atmospheric pollution control devices comprising precipitators, desulfurisation system and/or denitrification system, or only provide one type of the said atmospheric pollution control devices on a stand-alone basis towards new installation projects or upgrading or modification projects. A majority of the Group's construction contracts are related to the manufacturing, installation and sales of electrostatic precipitators.

本集團的建造項目產生的收益佔總收益達99.0%以上。視乎客戶的規格及要求，本集團可為新安裝項目或升級或改造項目提供一整套大氣污染防治裝置，包括除塵器、脫硫系統及/或脫硝系統，或只單獨提供上述一種大氣污染防治裝置。本集團大部分建造合同與製造、安裝及銷售靜電除塵器有關。

## Management Discussion and Analysis 管理層討論及分析

The following table sets forth a further revenue breakdown of construction contracts by types of atmospheric pollution control solutions for the respective years indicated:

下表載列所示各年度按大氣污染防治解決方案的種類劃分的建造合同的進一步收益明細：

Year ended 31 December 截至十二月三十一日止年度					
		2016 二零一六年		2015 二零一五年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
<b>Construction contracts</b>	<b>建造合同</b>				
Ash removal and transfers	清除及轉移灰塵				
— Electrostatic precipitator	— 靜電除塵器	<b>739,448</b>	<b>74.5</b>	727,755	79.5
— Electrostatic-bag composite precipitator	— 電袋複合除塵器	<b>96,480</b>	<b>9.7</b>	39,575	4.3
— Bag filter precipitator	— 袋式除塵器	<b>83,211</b>	<b>8.4</b>	75,414	8.2
— Others (e.g. Pneumatic ash conveying system)	— 其他（如氣力輸灰系統）	<b>6,243</b>	<b>0.6</b>	4,790	0.5
SO <sub>2</sub> and NO <sub>x</sub> emission reduction (desulfurisation and denitrification) devices	減少二氧化硫及氮氧化物排放（脫硫及脫硝）裝置	<b>67,689</b>	<b>6.8</b>	68,539	7.5
		<b>993,071</b>	<b>100.0</b>	916,073	100.0

The Group's revenue for the Year was mainly generated from ash transfers construction contracts relating to electrostatic precipitator and electrostatic-bag composite precipitator. As a result, the revenue derived from projects relating to electrostatic precipitator and electrostatic-bag composite precipitator were increased from RMB727.8 million and RMB39.6 million for the year ended 31 December 2015 to approximately RMB739.4 million and RMB96.5 million for the Year.

本集團本年度收益主要來自靜電除塵器及電袋複合除塵器相關的轉移灰塵裝置建造合同。因此，來自與靜電除塵器及電袋複合除塵器相關項目的收益分別由截至二零一五年十二月三十一日止年度的人民幣727.8百萬元及人民幣39.6百萬元增至本年度的約人民幣739.4百萬元及人民幣96.5百萬元。

# Management Discussion and Analysis

## 管理層討論及分析

With the experience in delivery of new installation projects, the Group also provided large scale upgrading and modification projects for power plants and other industries. The following table sets forth a revenue breakdown of construction contracts by types of new installation project as well as upgrading/modification project for the respective years indicated:

憑藉有關新安裝項目的交付經驗，本集團亦為發電廠及其他行業提供大規模升級及改造項目。下表載列所示各年度按新安裝項目以及升級或改造項目類型劃分的建造合同的收益明細：

Year ended 31 December 截至十二月三十一日止年度					
		2016 二零一六年		2015 二零一五年	
		RMB'000 人民幣千元	%	RMB'000 人民幣千元	%
<b>Revenue</b>	<b>收益</b>				
Newly installed	新安裝	837,577	84.3	795,828	86.9
Upgrading/modification	升級/改造	155,494	15.7	120,245	13.1
		<b>993,071</b>	<b>100.0</b>	916,073	100.0

### Cost of sales

The Group's costs incurred in project construction principally comprise material costs, staff costs, depreciation and overhead costs. The Group's major raw materials used in the manufacturing process of ash removal and transfer devices and desulfurisation and denitrification devices are steel, electrical instruments, filter bags and others.

The cost of sales of the Group amounted to approximately RMB768.4 million for the Year representing an increase of 4.8% from RMB733.4 million for the year ended 31 December 2015.

### 銷售成本

本集團建造項目所產生的成本主要包括材料成本、員工成本、折舊及經常費用成本。本集團用於清除及轉移灰塵裝置以及脫硫及脫硝裝置的製造過程的主要原材料為鋼材、電力儀器、過濾袋及其他。

本集團本年度的銷售成本約為人民幣768.4百萬元，較截至二零一五年十二月三十一日止年度的人民幣733.4百萬元增加4.8%。

# Management Discussion and Analysis

## 管理層討論及分析

### Gross profit and gross margin

The following table sets forth the breakdown of gross profit and gross margin of the Group (stated as a percentage of revenue) for the respective years indicated:

		Year ended 31 December 截至十二月三十一日止年度	
		2016 二零一六年	2015 二零一五年
Gross profit (RMB'000)	毛利 (人民幣千元)	229,176	186,576
Gross margin (%)	毛利率(%)	23.0	20.3

The Group's gross profit of the Year amounted to RMB229.2 million, representing an increase of RMB42.6 million or 22.8% as compared with RMB186.6 million of the previous year. The gross margin of the Group increased from 20.3% for the year ended 31 December 2015 to 23.0% of the Year. The increase was driven by (i) further enhancement of the bargaining power of the Group over its projects due to the significant increase in market recognition and competitiveness after the listing of the Company ("Listing") on The Stock Exchange of Hong Kong Limited ("Stock Exchange"); (ii) the enhancement of the standard of environmental protection requirements in the PRC and accordingly governmental support on the construction of environmental protection facilities which improved the profitability of the Group; and (iii) the Group's capability of undertaking more technically demanding projects and larger projects owing to its unremitting efforts in technological research and development.

### 毛利及毛利率

下表載列於所示各年度本集團的毛利及毛利率(以佔收益的百分比呈列)明細：

本集團的毛利由去年的人民幣186.6百萬元增加人民幣42.6百萬元或22.8%至本年度的人民幣229.2百萬元。本集團的毛利率由截至二零一五年十二月三十一日止年度的20.3%增加至本年度的23.0%。該增加乃受(i)本公司於香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)後，市場知名度及競爭地位得到顯著提升，有助進一步提高本集團對於項目的議價能力；(ii)中國提高環保標準要求及政府因而支持興建提高本集團盈利能力的環保設施；及(iii)本集團持續加大對技術研發的投入，從而具備承接對技術需求更高的項目及較大的項目的能力所帶動。

# Management Discussion and Analysis

## 管理層討論及分析

### Other income and gains

Other income and gains of the Group during the Year surged to RMB14.3 million, representing a dramatic increase of 55.4% from that of the previous year. Such surge is mainly attributable to the following:

- (i) The bank interest income in 2016 increased by RMB2.1 million from 2015 to RMB2.7 million.
- (ii) Foreign exchange gain in 2016 increased by RMB1.6 million from 2015 to RMB4.9 million.
- (iii) Compared with 2015, the income from Government grants in 2016 increased by RMB2.1 million, mainly due to the fact that the Company obtained the overseas listed companies reward of RMB1.5 million and the Government's assistance in upgrading backbone enterprise reward of RMB3.2 million.

### Selling and distribution expenses

The Group's selling and distribution expenses of the Year amounted to RMB23.0 million, representing an increase of RMB6.8 million as compared with RMB16.2 million of the previous year.

- (i) The travel expenses and business hospitality expenses in 2016 increased by RMB2.4 million, or approximately 30.4%, to RMB10.3 million as compared with RMB7.9 million of the previous year.
- (ii) The bid services expenses in 2015 was RMB1.8 million. Compared with 2015, the amount for the Year increased by RMB2.0 million, or 111.1%, to RMB3.8 million.

### 其他收入及利得

本年度本集團的其他收入及利得與去年相比，大幅增長55.4%至人民幣14.3百萬元。有關增長乃主要歸因於以下項目：

- (i) 二零一六年的銀行利息收入較二零一五年增加人民幣2.1百萬元至人民幣2.7百萬元。
- (ii) 二零一六年的匯兌收益較二零一五年增加人民幣1.6百萬元至人民幣4.9百萬元。
- (iii) 二零一六年的政府補助收入與二零一五年相比增加人民幣2.1百萬元，主要由於本公司獲得海外上市公司獎勵人民幣1.5百萬元和政府強化骨幹企業升級扶持獎勵人民幣3.2百萬元所致。

### 銷售及分銷開支

本集團的銷售及分銷開支由去年的人民幣16.2百萬元增加人民幣6.8百萬元至本年度的人民幣23.0百萬元。

- (i) 二零一六年的差旅費和業務招待費與去年的人民幣7.9百萬元相比，增加人民幣2.4百萬元或約30.4%至人民幣10.3百萬元。
- (ii) 二零一五年的投標服務費為人民幣1.8百萬元，本年度較二零一五年增加人民幣2.0百萬元或111.1%至人民幣3.8百萬元。



# Management Discussion and Analysis

## 管理層討論及分析

### Administrative expenses

The Group's administrative expenses of the Year amounted to approximately RMB63.9 million, representing an increase of 93.1% as compared with approximately RMB33.1 million of the previous year, mainly due to:

- (i) the impairment losses in 2016 increased by RMB7.5 million from 2015 to RMB11.4 million, mainly due to the impairment of trade receivables; and
- (ii) the research and development expenses in 2016 increased by RMB18.4 million from 2015 to RMB21.6 million, mainly due to the increase in the number of technicians employed by the Group and the related efforts in research and development during the Year.

### Finance cost

The finance cost of the Year amounted to approximately RMB6.7 million, representing a decrease of 35.6% as compared with approximately RMB10.4 million of the previous year.

### Income tax expense

The Group's income tax expense of the Year amounted to approximately RMB36.1 million, representing a decrease of 4.7% as compared with approximately RMB37.9 million of the previous year, mainly due to additional deduction for research and development activities of RMB2.0 million for the Year.

### Trade and bills receivables

As at 31 December 2016, the trade and bills receivables of the Group were approximately RMB643.2 million, increased by RMB222.3 million as compared to that of the previous year, mainly due to (i) the acceleration in the project and settlement progresses, as well as (ii) growth of revenue from continuing operations.

### Inventories

As at 31 December 2016, the Group experienced a decrease of inventories by approximately RMB9.5 million to approximately RMB31.3 million when compared to the previous year. The inventories mainly consisted of steels, filter bags, electrical instruments and other components.

### 行政開支

本集團的行政開支由去年的約人民幣33.1百萬元增加93.1%至本年度的約人民幣63.9百萬元，主要由於：

- (i) 二零一六年的減值虧損較二零一五年增加人民幣7.5百萬元至人民幣11.4百萬元，主要由於貿易應收款項減值所致；及
- (ii) 二零一六年的研發費用較二零一五年增加人民幣18.4百萬元至人民幣21.6百萬元，主要由於本年度本集團所僱用的技術人員增加及相關研發力度增加所致。

### 融資成本

融資成本由去年的約人民幣10.4百萬元減少35.6%至本年度的約人民幣6.7百萬元。

### 所得稅開支

本集團的所得稅開支由去年的約人民幣37.9百萬元減少4.7%至本年度的約人民幣36.1百萬元，主要由於本年度就研發活動額外扣減人民幣2.0百萬元所致。

### 貿易應收款項及應收票據

於二零一六年十二月三十一日，本集團的貿易應收款項及應收票據約為人民幣643.2百萬元，較去年增加人民幣222.3百萬元，主要由於(i)工程及結算進度加快，及(ii)持續經營業務收益增長所致。

### 存貨

於二零一六年十二月三十一日，本集團的存貨約為人民幣31.3百萬元，較去年減少約人民幣9.5百萬元。存貨主要包括鋼材、過濾袋、電力儀器及其他部件。

# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity and capital resources

#### Cash and cash equivalents

As at 31 December 2016, the cash and cash equivalents of the Group decreased by RMB49.1 million to RMB160.8 million when compared to the previous year, which was mainly due to:

- (i) the net cash outflow of approximately RMB57.1 million used in financing activities, which mainly consists of the cash outflow of approximately RMB55.0 million on repayments of bank borrowings;
- (ii) the net cash outflow of approximately RMB1.7 million used in investing activities of the Group in the year, which mainly consists of the cash outflow of approximately RMB1.5 million on purchase of plants and equipments to cater for the expansion of the Group's business scale and the growing sales; and
- (iii) the net cash inflow of approximately RMB6.3 million generated from the operation of the Group in the Year.

#### Indebtedness

As of 31 December 2016, the Group incurred outstanding bank loans of approximately RMB119.0 million.

#### Net current assets

As at 31 December 2016, the net current assets of the Group (the difference between total current assets and current liabilities) increased by approximately 24.4% from RMB504.3 million of the same period in 2015 to approximately RMB627.4 million for the Year.

#### Capital expenditure

The Group's capital expenditures of the Year amounted to approximately RMB1.7 million, which were used mainly for the purchase of property, plant and equipment.

#### Exchange risk

The Group is exposed to transactional currency risks. Such exposures arise from sales by operating units in currencies other than the functional currencies adopted by the units. Approximately 2.2% (2015: 2.4%) of the Group's sales of the Year were denominated in currencies other than the functional currencies of the operating units making the sale. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, the Group's management constantly monitors the economic situation and the foreign exchange risk profile, and will consider appropriate hedging measures in the future should the need arise.

### 流動資金及資金來源

#### 現金及現金等價物

於二零一六年十二月三十一日，本集團的現金及現金等價物為人民幣160.8百萬元，較去年減少人民幣49.1百萬元，主要由於：

- (i) 融資活動所用現金流出淨額約人民幣57.1百萬元，主要包括償還銀行借款的現金流出約人民幣55.0百萬元；
- (ii) 本集團於本年度的投資活動所用現金流出淨額約人民幣1.7百萬元，主要包括為配合本集團業務規模擴大及銷售不斷增長而用作購買廠房及設備的現金流出約人民幣1.5百萬元；及
- (iii) 本集團於本年度的經營所產生現金流入淨額約人民幣6.3百萬元。

#### 債項

於二零一六年十二月三十一日，本集團擁有未償還銀行貸款約人民幣119.0百萬元。

#### 流動資產淨值

於二零一六年十二月三十一日，本集團本年度的流動資產淨值（流動資產總值與流動負債的差額）約為人民幣627.4百萬元，較二零一五年同期的人民幣504.3百萬元增加約24.4%。

#### 資本支出

本集團本年度的資本支出約為人民幣1.7百萬元，主要用於購買物業、廠房及設備。

#### 外匯風險

本集團面臨交易貨幣風險。該等風險乃因經營單位以其所用功能貨幣以外的貨幣進行銷售而產生。本年度本集團約2.2%（二零一五年：2.4%）的銷售是以經營單位所用功能貨幣以外的貨幣計值進行銷售。目前，本集團無意尋求對沖所面臨的外匯波動，然而，本集團管理層會持續監控經濟形勢及外匯風險狀況，並將於日後有需要時考慮適當的對沖措施。

# Management Discussion and Analysis

## 管理層討論及分析

### Major acquisitions and disposals

The Group did not have any material acquisition or disposals during the Year.

### Significant investments

The Group did not have any significant investments during the Year.

### Contingent liabilities

The Group is neither currently involved in any material legal proceedings nor aware of any pending or potential material legal proceedings involving us. If the Group were involved in such material legal proceedings, the Group would record any loss or contingent events when, based on information then available, it is likely that a loss has been incurred and the amount of the loss can be reasonably estimated.

As at 31 December 2016, the Group did not have any material contingent liabilities or guarantees.

### PROSPECTS

The Group will actively seek appropriate acquisition projects to expand its capabilities of research and development, manufacturing and sales, as well as to access new markets to complement existing business of the Group.

The Group believes that its established customer base in the PRC and exposure to overseas markets could facilitate a solid foundation for its future expansion in both domestic and overseas markets and place it in an ideal position to capture the growth in any of those markets. Looking forward, the Group will continue to enhance its research and development capabilities, develop new technologies and expand its product portfolio (such as ash conveyers), strengthen sales and capture the growing opportunities in the atmospheric pollution control solution industry in the PRC, enhance the Group's national and international brand recognition, as well as develop potential overseas markets to expand its international market share.

### 重大收購及出售事項

本集團於本年度概無任何重大收購及出售事項。

### 重大投資事項

本集團於本年度概無任何重大投資事項。

### 或然負債

本集團目前並無牽涉任何重大法律程序，亦不知悉任何涉及本集團的待決或潛在重大法律程序。倘本集團牽涉於該等重大法律程序中，則本集團會在虧損可能已產生且虧損金額可合理估計時根據當時可獲得的資料記錄任何虧損或或然事項。

於二零一六年十二月三十一日，本集團並無任何重大或然負債或擔保。

### 未來展望

本集團將積極尋找合適的收購項目，以擴張本集團的研發、製造及銷售能力，及進入新市場，以鞏固本集團的現有業務。

本集團相信，本集團在中國建立的客戶基礎及接觸海外市場的經驗，有助本集團奠下日後在國內外市場擴充的穩固基礎，並使本集團處於把握任何該等市場增長的理想位置。展望未來，本集團會繼續提升研發實力、開發新技術及擴大產品組合（如輸灰系統）、加強銷售及把握中國大氣污染防治解決方案行業與日俱增的機遇、提高本集團國內及國際品牌知名度，以及開發潛在的海外市場以擴大本集團的國際市場份額。

# Biographies of Directors, Supervisors and Senior Management

## 董事、監事及高級管理層簡歷

### BOARD OF DIRECTORS

The Board currently consists of nine members, comprising three executive Directors, three non-executive Directors and three independent non-executive Directors. The powers and duties of the Board include convening Shareholders' meetings and reporting the Board's work at Shareholders' meetings, implementing resolutions passed at Shareholders' meetings, determining the Group's business plans and investment plans, formulating the Group's annual budget and final accounts, formulating proposals for profit distributions and for the increase or reduction of share capital as well as exercising other powers, functions and duties as conferred by the articles of association of the Company ("**Articles of Association**"). Each of the Directors has entered into a service contract/letter of appointment with the Group.

#### Executive Directors

**Mr. BIAN Yu (邊宇) ("Mr. Bian")**, aged 33, is the chairman of the Board and an executive Director appointed on 28 December 2009. Mr. Bian has approximately 12 years of experience in the business of provision of atmospheric pollution control solutions. Mr. Bian has also been the executive director of various subsidiaries of the Company including Zhuji City Tianjie Electronic and Technology Co., Ltd.\* (諸暨市天潔電子科技有限公司), Zhuji City Tianjie Installation Engineering Co., Ltd.\* (諸暨市天潔安裝工程有限公司) ("**Tianjie Installation Engineering**") and Turpan Environmental Technology Co., Ltd.\* (吐魯番天潔環境科技有限公司) since June 2009, March 2008 and July 2013 respectively.

### 董事會

董事會現由三名執行董事、三名非執行董事及三名獨立非執行董事共九名成員組成。董事會的權力及職責包括：召開股東大會、於股東大會上報告董事會的工作、推行於股東大會通過的決議案、釐定本集團的業務計劃及投資計劃、制定本集團的年度預算及決算賬目、制定關於溢利分派及股本增減的方案，以及行使本公司組織章程細則（「**組織章程細則**」）所賦予的其他權力、職能及職責。各董事均已與本集團訂立服務合約／委任函。

#### 執行董事

邊宇先生（「**邊先生**」），33歲，於二零零九年十二月二十八日獲委任為董事會主席兼執行董事。邊先生於提供大氣污染防治解決方案業務方面具備約12年經驗。邊先生亦自二零零九年六月、二零零八年三月及二零一三年七月起分別擔任本公司多間附屬公司（包括諸暨市天潔電子科技有限公司、諸暨市天潔安裝工程有限公司（「**天潔安裝工程**」）及吐魯番天潔環境科技有限公司）的執行董事。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

Mr. Bian has worked as a director of Tengy Group Limited\* (天潔集團有限公司) (“**TGL**”) since August 2003. He is responsible for the overall strategies, planning and business development of TGL. Particularly, he focuses on the management of the business of the provision of atmospheric pollution control solutions carried on by TGL prior to the establishment of the Company in December 2009. From September 2005 to December 2007, he served in various positions such as general commander and general manager in different departments in the subsidiaries of TGL such as Zhejiang Tianjie Special Steel Co., Ltd.\* (浙江天潔特鋼有限公司) (“**Tianjie Special Steel**”), Zhejiang Tianjie New Materials Co., Ltd.\* (浙江天潔新材料有限公司) (“**Tianjie New Materials**”) and Zhejiang Tianjie Magnetic Materials Co., Ltd.\* (浙江天潔磁性材料股份有限公司) which were principally engaged in manufacturing, processing and marketing of steel blade and he was mainly responsible for the overall operation and production management.

He worked as a director in various companies such as Zhejiang Tianjie General Machinery Co., Ltd.\* (浙江天潔通用機械有限公司) (“**Tianjie General Machinery**”) (being principally engaged in manufacturing and marketing of machinery and parts) since April 2008, Shanghai Tianjie Metal Material Co., Ltd.\* (上海天潔金屬材料有限公司) (being principally engaged in sale of metal materials, construction materials and chemical raw materials) from July 2010 to October 2012, Shanghai Guotuo Mining Investments Limited\* (上海國拓礦業投資有限公司) (being principally engaged in management and exploration of mines and development of mining technology) from July 2010 to May 2015, Zhuji Tengy Small Loan Co. Ltd.\* (諸暨市天潔小額貸款有限公司) (being principally engaged in providing small loan and financial consultancy service in Zhuji City) since June 2011, and as chairman of the board of Zhuji City Tianyu Industry Investment Ltd.\* (諸暨市天宇實業投資有限公司) (being principally engaged in real estate development and property investment) since November 2010 and of Zhuji City Runtian Property Management Ltd.\* (諸暨市潤天物業管理有限公司) (being principally engaged in property management) since September 2011. He was mainly responsible for advising on operational and business strategy of the foregoing entities.

Mr. Bian is currently the standing council member (常務理事) of the second Council of Zhejiang Association of Equipment Industries for Environmental Protection (浙江省環保裝備行業協會第二屆理事會). He has also been the deputy officer member\* (副主任委員) of the sixth Electrostatic Precipitator Committee of The Environmental Protection Industry\* (中國環境保護產業協會電除塵委員會第六屆電除塵委員會) since February 2014.

邊先生自二零零三年八月起擔任天潔集團有限公司(「**TGL**」)的董事，負責TGL的整體策略、規劃及業務發展。尤其是，彼在本公司於二零零九年十二月成立之前均專注於管理TGL所進行有關提供大氣污染防治解決方案的業務。彼於二零零五年九月至二零零七年十二月期間分別於TGL的附屬公司(如浙江天潔特鋼有限公司(「**天潔特鋼**」)、浙江天潔新材料有限公司(「**天潔新材料**」)及浙江天潔磁性材料股份有限公司)的不同部門擔任多項職務，如總指揮及總經理，該等公司主要從事製造、加工及營銷鋼片，而邊先生於該等公司中主要負責整體營運及生產管理。

彼在多間不同公司擔任董事，例如自二零零八年四月起於浙江天潔通用機械有限公司(「**天潔通用機械**」)(主要從事製造及營銷機械及零件)、自二零零一年七月至二零一二年十月於上海天潔金屬材料有限公司(主要從事金屬材料、建築材料及化學原材料銷售)、自二零一零年七月至二零一五年五月於上海國拓礦業投資有限公司(主要從事礦場管理及勘察以及開採技術開發)及自二零一一年六月起於諸暨市天潔小額貸款有限公司(主要從事在諸暨市提供小額貸款及金融諮詢服務)擔任董事，並自二零一零年十一月起擔任諸暨市天宇實業投資有限公司(主要從事房地產開發及物業投資)的董事會主席，以及自二零一一年九月起擔任諸暨市潤天物業管理有限公司(主要從事物業管理)的董事會主席。彼主要負責就營運及業務策略向上述實體提供意見。

邊先生現任浙江省環保裝備行業協會第二屆理事會的常務理事。自二零一四年二月起，其亦擔任中國環境保護產業協會電除塵委員會第六屆電除塵委員會的副主任委員。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

Mr. Bian graduated with a bachelor's degree in mechanical engineering and automation from Zhejiang University (浙江大學) in June 2005. He obtained his master of science degree in corporate and international finance from University of Durham in the United Kingdom in January 2008. He is the son of Mr. Bian Jianguang, the brother of Ms. Bian Shu, and the brother-in-law of Mr. Zhang Yuanyuan.

Mr. Bian is a member of the family comprising Mr. Bian Jianguang, Ms. Bian Shu and himself ("**Bian Family**") and the Bian Family is a controlling Shareholder (within the meaning of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") of the Company ("**Controlling Shareholders**", each being a "**Controlling Shareholder**").

**Mr. BIAN Weican (邊偉燦)**, aged 56, is an executive Director appointed on 28 December 2009. Mr. Bian Weican has approximately 24 years of experience in the business of provision of atmospheric pollution control solutions.

Mr. Bian Weican worked as a worker of Zhuji County Mechanical Model Plant\* (諸暨縣機械模型廠) (being principally engaged in the processing and production of machinery mould) from February 1982 to January 1985 in which he was responsible for manufacturing machinery mould. He worked as the supply procurement manager of Zhuji County Cement Machinery Plant\* (諸暨縣水泥機械廠) (being principally engaged in the production and sale of cement machinery equipment) from February 1985 to June 1989 in which he was responsible for the procuring of raw materials. From July 1989 to May 1995, he worked as the supply procurement manager of Zhejiang Zhuji City Industrial Environmental Protection Equipment Factory\* (浙江省諸暨市工業環保設備總廠) which was principally engaged in the production and marketing of industrial environmental protection equipment and he was responsible for the procuring of raw materials. He worked as the director of the material procuring department of TGL from June 1995 to August 2013 in which he was responsible for the materials procurement planning and management of suppliers.

Mr. Bian Weican graduated from Zhuji County Tongshan Community High School (諸暨縣同山人民公社中心學校) in Zhejiang Province in July 1976.

邊先生於二零零五年六月畢業於浙江大學，獲頒機械工程及自動化學士學位。彼於二零零八年一月自英國杜倫大學取得企業及國際金融理學碩士學位。彼為邊建光先生的兒子、邊妹女士的弟弟及章袁遠先生的妻弟。

邊先生為包括邊建光先生、邊妹女士及其自身家族(「**邊氏家族**」)的成員，而邊氏家族是本公司的控股股東(「**控股股東**」)(定義見聯交所證券上市規則(「**上市規則**」))。

**邊偉燦先生**，56歲，於二零零九年十二月二十八日獲委任為執行董事。邊偉燦先生於提供大氣污染防治解決方案業務方面具備約24年經驗。

邊偉燦先生由一九八二年二月至一九八五年一月在諸暨縣機械模型廠(主要從事加工及生產機械模具)任職工人，負責生產機械模具。由一九八五年二月至一九八九年六月擔任諸暨縣水泥機械廠的供應採購經理，該廠主要從事生產及銷售水泥機械設備，而彼負責採購原材料。彼由一九八九年七月至一九九五年五月擔任浙江省諸暨市工業環保設備總廠的供應採購經理，該廠主要從事生產及營銷工業環保設備，而彼負責採購原材料。彼由一九九五年六月至二零一三年八月擔任TGL物資採購部總監，負責物資採購規劃及供應商管理。

邊偉燦先生於一九七六年七月畢業於浙江省的諸暨縣同山人民公社中心學校。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

**Ms. BIAN Shu (邊姝)**, aged 35, is an executive Director and the deputy manager of the administration department of the Company. She was appointed as a Director on 1 June 2016, and has served as the deputy manager of the administration department of the Company since September 2014. Previously, Ms. Bian Shu worked as the manager of the personnel department of TGL from February 2006 to January 2010 and was responsible for the human resources management and administration work of TGL. She worked as the chief financial officer of TGL between February 2010 to December 2011 and was responsible for accounting matters and financial planning and management. Ms. Bian Shu served as the vice president of TGL from December 2011 to August 2014, and was responsible for day-to-day operations and management and to deputise the president when necessary. Furthermore, she served as the chairman of the supervisory committee of the Company ("**Supervisory Committee**", each member thereof being "**Supervisor**") from 28 December 2009 to 31 May 2016 and as the employee representative Supervisor from 10 May 2014 to 31 May 2016, and was primarily responsible for supervising and overseeing the performance of the Directors and other senior management members of the Company.

Ms. Bian Shu holds a bachelor's degree of philosophy from Zhejiang University in June 2003. She holds a master degree of international business from the University of Sydney in October 2006. She is the spouse of Mr. Zhang Yuanyuan, the sister of Mr. Bian Yu and the daughter of Mr. Bian Jianguang.

Ms. Bian Shu is a member of the Bian Family and the Bian Family is a Controlling Shareholder.

邊姝女士，35歲，執行董事兼本公司行政部副經理。彼於二零一六年六月一日獲委任為董事及自二零一四年九月起就任本公司行政部副經理。邊姝女士曾於二零零六年二月至二零一零年一月擔任TGL人事部經理，負責TGL的人力資源管理及行政工作。彼於二零一零年二月至二零一一年十二月擔任TGL的財務總監，負責會計事宜以及財務規劃及管理。邊姝女士自二零一一年十二月起至二零一四年八月擔任TGL的副總裁，負責日常營運及管理並在必要時代理總裁一職。此外，彼自二零零九年十二月二十八日起至二零一六年五月三十一日擔任本公司監事會（「監事會」，各成員為「監事」）的主席，且自二零一四年五月十日起至二零一六年五月三十一日擔任職工代表監事，主要負責督導及監察董事及本公司其他高級管理層成員之表現。

邊姝女士於二零零三年六月自浙江大學取得哲學學士學位。彼於二零零六年十月自悉尼大學取得國際商務碩士學位。彼為章袁遠先生的配偶、邊宇先生的姐姐及邊建光先生的女兒。

邊姝女士為邊氏家族的成員，而邊氏家族為控股股東。

# Biographies of Directors, Supervisors and Senior Management

## 董事、監事及高級管理層簡歷

### Non-executive Directors

**Mr. BIAN Jianguang (邊建光)**, aged 62, is the vice chairman of the Board and a non-executive Director appointed on 28 December 2009. Mr. Bian Jianguang has approximately 26 years of experience in the business of the provision of atmospheric pollution control solutions.

Mr. Bian Jianguang worked as the factory director of Zhuji County Mechanical Model Plant\* (諸暨縣機械模型廠) (being principally engaged in the processing and production of machinery mould) from February 1982 to January 1985 in which he was responsible for the overall management and business operation. From February 1985 to June 1989, he worked as the factory director of Zhuji County Cement Machinery Plant\* (諸暨縣水泥機械廠) which was principally engaged in the production and sale of cement machinery equipment, and he was responsible for overall management and business operation. He worked as the factory director of Zhejiang Zhuji City Industrial Environmental Protection Equipment Factory\* (浙江省諸暨市工業環保設備總廠) (being principally engaged in the production and marketing of industrial environmental protection equipment) from July 1989 to May 1995 in which he was responsible for the overall management and business operation. From June 1995 to August 2003, he served as the chairman of the board of directors and the executive director of TGL and he later resigned as chairman of the board of directors and have been serving as vice chairman of the board of directors of TGL since August 2003 responsible for the overall management and business operation of TGL. He worked as the director of Tianjie General Machinery (being principally engaged in the manufacturing and marketing of machinery and parts) from November 1999 to April 2008 in which he was responsible for its overall management and business operation.

### 非執行董事

**邊建光先生**，62歲，於二零零九年十二月二十八日獲委任為董事會副主席及非執行董事。邊建光先生於提供大氣污染防治解決方案業務方面具備約26年經驗。

邊建光先生由一九八二年二月至一九八五年一月擔任諸暨縣機械模型廠的廠長，該廠主要從事加工及生產機械模具，而彼負責整體管理及業務營運。彼由一九八五年二月至一九八九年六月擔任諸暨縣水泥機械廠的廠長，該廠主要從事生產及銷售水泥機械設備，而彼負責整體管理及業務營運。彼由一九八九年七月至一九九五年五月擔任浙江省諸暨市工業環保設備總廠的廠長，該廠主要從事生產及營銷工業環保設備，而彼負責整體管理及業務營運。彼由一九九五年六月至二零零三年八月擔任TGL董事會主席兼執行董事，彼其後辭任董事會主席並自二零零三年八月起擔任TGL董事會副主席，負責TGL的整體管理及業務營運。彼由一九九九年十一月至二零零八年四月擔任天潔通用機械的董事，該公司主要從事機械及零部件的製造及市場營銷，而彼負責整體管理及業務營運。



## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

Mr. Bian Jianguang has been working as the general manager of Tianjie New Materials (principally engaged in manufacturing, processing and marketing of steel blade) since August 1997, Tianjie General Machinery (being principally engaged in manufacturing and marketing of machinery and parts) from November 1999 to January 2005, as an executive director for various companies such as Tianjie Special Steel (principally engaged in manufacturing, processing and marketing of steel blade) since March 2006, Zhuji City Tianjie Heavy Machines Limited\* (諸暨市天潔重工機械有限公司) (being principally engaged in research, design and development of heavy machines) since October 2008, Akesu Xintian Technology Limited\* (阿克蘇新天科技有限公司) (being principally engaged in raw iron and sponge iron related business) since October 2011, and he is mainly responsible for day-to-day operation and management, and overall business management in these companies.

Mr. Bian Jianguang once served as the chairman and legal representative of Chongqing Tianjie Industry Co Ltd\* (重慶天潔實業有限公司), a company incorporated in the PRC (“**Chongqing Tianjie**”), with a business scope covering sales of construction and decoration materials. Since Chongqing Tianjie no longer carried on business and did not conduct annual inspection, its business licence was revoked on 30 March 2005. According to Mr. Bian Jianguang, Chongqing Tianjie was solvent and dormant at the time of it being revoked and such revocation did not result in any liability or obligation imposed against him.

Mr. Bian Jianguang is the father of Mr. Bian and Ms. Bian Shu, and the father-in-law of Mr. Zhang Yuanyuan. Mr. Bian Jianguang is a member of the Bian Family and the Bian Family is a Controlling Shareholder.

邊建光先生自一九九七年八月起擔任天潔新材料(主要從事製造、加工及營銷鋼片)的總經理，自一九九九年十一月至二零零五年一月擔任天潔通用機械(主要從事製造及營銷機械及部件)的總經理，並擔任多間不同公司的執行董事，例如自二零零六年三月起於天潔特鋼(主要從事製造、加工及營銷鋼片)、自二零零八年十月起於諸暨市天潔重工機械有限公司(主要從事研究、設計及開發重工機械)及自二零一一年十月起於阿克蘇新天科技有限公司(主要從事生鐵及海綿鐵相關業務)擔任執行董事，而彼主要負責該等公司的日常營運及管理以及整體業務管理。

邊建光先生曾任重慶天潔實業有限公司(「**重慶天潔**」)的主席及法人代表。重慶天潔為一間在中國註冊成立的公司，其業務範圍涵蓋銷售建築及裝修材料。由於重慶天潔不再經營業務及並無進行年度審查，其營業執照於二零零五年三月三十日被撤銷。據邊建光先生告知，重慶天潔在被撤銷執照時具備償能力及並無經營業務，而有關被撤銷執照並無對邊先生造成任何負債或責任。

邊建光先生為邊先生及邊姝女士的父親及章袁遠先生的岳父。邊建光先生為邊氏家族的成員，而邊氏家族為控股股東。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

**Mr. ZHANG Yuanyuan (章袁遠)**, aged 35, is a non-executive Director appointed on 28 December 2009. Mr. Zhang Yuanyuan has approximately six years of experience in the business of the provision of atmospheric pollution control solutions.

From May 2007 to January 2009, Mr. Zhang Yuanyuan worked as the general manager of Jiangxi Chenyu Aluminium Industry Ltd.\* (江西晨宇鋁業有限公司) (“**Chenyu Lvye**”) which was principally engaged in the non-ferrous metals processing, production, marketing and trading of machineries and components, metal products and components, metal doors and windows and electrical products, and he was responsible for its overall operation and management. He has been working as the director of Zhejiang Tianjie New Energy Co., Ltd. (being principally engaged in wind power generation and solar power generation) since May 2008 and was responsible for giving advice on operation strategy, attending board meeting and evaluation of business operation and development strategy. He has been working as the president of TGL since January 2009 and is responsible for the overall management and business operation of TGL. He is currently the vice chairman of Shanghai Aluminum Trade Association (上海鋁業行業協會).

Mr. Zhang Yuanyuan holds a bachelor’s degree of applied physics from Tongji University (同濟大學) in July 2003. He holds a master degree of engineering management from the University of Technology, Sydney (悉尼科技大學) in Australia in July 2007. He is the spouse of Ms. Bian Shu, the brother-in-law of Mr. Bian and the son-in-law of Mr. Bian Jianguang. Mr. Bian, Ms. Bian Shu and Mr. Bian Jianguang are members of the Bian Family and the Bian Family is a Controlling Shareholder.

章袁遠先生，35歲，於二零零九年十二月二十八日獲委任為非執行董事。章袁遠先生在提供大氣污染防治解決方案業務方面擁有約六年經驗。

章袁遠先生自二零零七年五月至二零零九年一月擔任江西晨宇鋁業有限公司(「**晨宇鋁業**」)的總經理，該公司主要從事有色金屬加工、生產、營銷及買賣機械及部件、金屬產品及部件、金屬門窗及電子產品，而彼負責整體營運及管理。彼自二零零八年五月起擔任浙江天潔新能源股份有限公司(主要從事風力發電及太陽能發電)的董事，負責就營運策略提供意見、出席董事會會議以及評估業務營運及發展策略。彼自二零零九年一月起擔任TGL總裁，負責TGL的整體管理及業務營運。彼目前為上海鋁業行業協會的副理事長。

章袁遠先生於二零零三年七月自同濟大學取得應用物理學士學位。彼於二零零七年七月自澳洲悉尼科技大學取得工程管理碩士學位。彼為邊姝女士的配偶、邊先生的姐夫及邊建光先生的女婿。邊先生、邊姝女士及邊建光先生為邊氏家族的成員，而邊氏家族為控股股東。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

**Ms. ZHU Hong (朱紅)**, aged 41, is a non-executive Director appointed on 1 June 2016. She is the chairman of the board of directors of each of Kylin Investment Management Co., Ltd.\* (凱銀投資管理有限公司) and Kylin International (HK) Co., Ltd. She has been the vice president of Dothink Holding Group Co., Ltd.\* (德信控股集團有限公司) since 2006. Ms. Zhu Hong has over eleven years of experience in the financial industry and possesses extensive experiences in investment and asset management.

Ms. Zhu Hong worked as the financial manager and Youth League secretary of Hangzhou Bao Gang Steel Materials Delivery Company Limited\* (杭州寶鋼鋼材配送有限公司) from 1998 to 2006, the head of the finance department of Shanghai Xindu Trading Co., Ltd.\* (上海新都貿易實業公司) from 1995 to 1998, the financial manager of Hangzhou Fashion Co., Ltd.\* (杭州宏益時裝有限公司) from June 1995 to September 1995 and the accountant of Zhejiang Xinlian Co., Ltd.\* (浙江信聯股份有限公司) from 1993 to 1995.

Ms. Zhu Hong was appointed as a council member\* (理事) of Zhejiang Foreign Investment Enterprises Association\* (浙江省境外投資企業協會) in July 2014, and the executive member\* (執行主任委員) of the Urbanisation Fund Professional Committee under the Association of Equity Investments of Zhejiang Province\* (浙江省股權投資協會城鎮化基金專業委員會) in July 2014. She was also awarded the title of "Outstanding Person on Finance in Zhejiang Province for the Year 2011\*" (2011年度浙江金融功勳人物)" and "Top-ten Business Leaders on Finance and Investment in Zhejiang Province for the Year 2014\*" (2014年度浙江金融投資十大領軍人物)".

Ms. Zhu Hong graduated from Zhejiang University of Finance & Economics with a bachelor's degree in accounting in 1995 and obtained an Executive Master of Business Administration from Zhejiang University in 2014.

朱紅女士，41歲，於二零一六年六月一日獲委任為非執行董事。彼現任凱銀投資管理有限公司及凱銀國際(香港)有限公司的董事會主席。彼自二零零六年起擔任德信控股集團有限公司副總裁。朱紅女士於金融行業從業逾十一年，具有豐富的投資及資產管理經驗。

朱紅女士曾於一九九八年至二零零六年擔任杭州寶鋼鋼材配送有限公司財務主管及共青團委書記、一九九五年至一九九八年任職上海新都貿易實業公司財務部負責人、一九九五年六月至一九九五年九月任職杭州宏益時裝有限公司財務部經理，以及於一九九三年至一九九五年任職浙江信聯股份有限公司會計師。

朱紅女士於二零一四年七月獲委任為浙江省境外投資企業協會理事，並於二零一四年七月榮任浙江省股權投資協會城鎮化基金專業委員會執行主任委員。彼亦曾榮獲二零一一年度浙江金融功勳人物以及二零一四年度浙江金融投資十大領軍人物。

朱紅女士於一九九五年畢業於浙江財經大學，獲頒會計學學士學位，並於二零一四年獲得浙江大學高級行政人員工商管理碩士學位\*(Executive Master of Business Administration)。

# Biographies of Directors, Supervisors and Senior Management

## 董事、監事及高級管理層簡歷

### Independent Non-executive Directors

**Ms. TAM Hon Shan Celia (譚漢珊)**, aged 44, is an independent non-executive Director appointed on 15 September 2014. Ms. Tam has approximately 21 years of experience in the accounting and finance field.

Ms. Tam joined 91 Wireless Websoft Limited, a wholly-owned subsidiary of Baidu Inc. (which is a company listed on NASDAQ (NASDAQ: BIDU) and principally engaged in high technology online services development and expansion), as the vice president, chief financial officer and company secretary and was responsible for management of the finance department, legal department, government relations department, human resources department and administration department from January 2011 to February 2015. From April 2007 to September 2013, she was the head of compliance and corporate affairs of NetDragon Websoft (Hong Kong) Limited and the company secretary and authorised representative of NetDragon Websoft Inc., a company listed on the Stock Exchange (stock code: 777) and principally engaged in online games development and operations, responsible for mergers and acquisitions and corporate finance projects. From August 2004 to March 2007, she worked as the finance manager of Heal Force Development Limited (being principally engaged in the distribution of medical and biochemical instrument) and subsequently became the group finance manager of Heal Force Development Limited in which she was responsible for the management of the group finance department. From November 2000 to October 2003, she worked as a financial accountant and subsequently as the finance and administration manager of Infoserve Technology Hong Kong Ltd which was principally engaged in electronic technology development, and she was responsible for the management of finance, administration and human resources matters. She worked as the senior accountant of World Pioneer Ltd. (being principally engaged in medicine research, development and production) from June 1999 to November 2000 in which she was responsible for its financial and administrative functions. She worked as an accountant of Baker Norton Asia Ltd. (being principally engaged in medicine development and production) from October 1997 to May 1999 in which she was responsible for financial matters. She worked as an accountant of Draft Worldwide Ltd (principally engaged in advertisement) from August 1994 to October 1997 in which she was responsible for managing financial matters. Ms. Tam has been a member of the Association of Chartered Certified Accountants since May 2000. She is also a member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”) since April 2002.

### 獨立非執行董事

**譚漢珊女士**，44歲，於二零一四年九月十五日獲委任為獨立非執行董事。譚女士在會計及財務領域擁有約21年經驗。

譚女士於二零一一年一月至二零一五年二月於百度股份有限公司(其為一間於納斯達克上市的公司(納斯達克證券代號: BIDU)，主要從事高科技網上服務開發及擴展)的全資附屬公司91無線網絡有限公司任職，擔任副總裁、財務總監及公司秘書，負責管理財務部、法律部、政府關係部、人力資源部及行政部。自二零零七年四月至二零一三年九月，彼擔任網龍香港有限公司的合規及公司事務的主任並擔任網龍網絡有限公司(一間於聯交所上市的公司(股份代號: 777)，主要從事在線遊戲開發及運營)的公司秘書及授權代表，負責併購及企業融資項目。自二零零四年八月至二零零七年三月，彼擔任力康發展有限公司(現主要從事分銷醫療及生化儀器)的財務經理，之後成為力康發展有限公司的集團財務經理，負責管理集團財務部。自二零零零年十一月至二零零三年十月，彼擔任英普達資訊科技香港有限公司(現主要從事電子科技發展)的財務會計及其後擔任財務及行政經理，負責管理財務、行政及人事事宜。彼曾於一九九九年六月至二零零零年十一月擔任國際鵬亞有限公司(現主要從事醫藥研究、開發及生產)的高級會計師，負責財務及行政職能。彼曾於一九九七年十月至一九九九年五月擔任貝克諾頓亞州有限公司(主要從事醫藥開發及生產)的會計師，負責財務事宜。彼曾於一九九四年八月至一九九七年十月擔任環球加達廣告有限公司(主要從事廣告)的會計師，負責管理財務事宜。譚女士自二零零零年五月起為特許公認會計師公會會員。彼亦自二零零二年四月起為香港會計師公會(「香港會計師公會」)會員。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

Ms. Tam graduated from University of Lincolnshire and Humberside with a bachelor's degree in business accounting in April 2000.

**Mr. ZHANG Bing (張炳)**, aged 35, is an independent non-executive Director appointed on 15 September 2014. Mr. Zhang Bing has approximately seven years of experience in the field of environmental planning.

Mr. Zhang Bing worked as a lecturer in the School of Environment, Nanjing University (南京大學環境學院) in December 2008 in which he was responsible for teaching and conducting research. He was promoted to an associate professor and assumed the said role from December 2010 to December 2013 in which he was responsible for teaching, conducting research and personnel training, and he later became a professor and has been working since December 2013 in which he is responsible for teaching, conducting research and supervising doctoral students. Mr. Zhang Bing has been the director of the Center for Environmental Management and Policy of Jiangsu Environmental Protection Department of Nanjing University (南京大學 — 江蘇省環保廳環境管理與政策研究中心) since November 2013 in which he is responsible for conducting research on environmental management and policy and carrying out construction management work.

Mr. Zhang Bing was a committee member and the deputy secretary of the second committee of the Society for Environmental Economics of the Chinese Society for Environmental Sciences (中國環境科學學會環境經濟學分會) from October 2008 to September 2012 and has been the director of Chinese Society of Optimisation, Overall Planning and Economical Mathematics, Energy Economics and Management\* (中國優選法統籌法與經濟數學研究會能源經濟與管理研究分會) since November 2012.

Mr. Zhang Bing obtained the Scientific and Technological Progress Award (Second Class)\* (科學技術進步二等獎) from the Ministry of Education of the People's Republic of China (中華人民共和國教育部) in January 2010, the Eighth Young Scientist Award of the Chinese Society for Environmental Sciences\* (第八屆中國環境科學學會青年科技獎) in December 2012 from the Society of Environmental Science of the PRC (中國環境科學學會) and the Environmental Protection and Scientific Award (First Class)\* (環境保護科學技術進步獎一等獎) from the Ministry of Environmental Protection of the PRC (中華人民共和國環境保護部) in December 2012.

譚女士於二零零零年四月畢業於林肯郡和亨伯賽德大學 (University of Lincolnshire and Humberside)，取得商業會計學士學位。

張炳先生，35歲，於二零一四年九月十五日獲委任為獨立非執行董事。張炳先生在環境規劃領域擁有約七年經驗。

張炳先生於二零零八年十二月擔任南京大學環境學院講師，負責教學及研究。彼自二零一零年十二月起晉升為副教授，任職至二零一三年十二月，負責教學、研究及人員培訓，其後自二零一三年十二月起升任教授並一直擔任此職，分別負責教學、研究及督導博士生。張炳先生自二零一三年十一月起擔任南京大學 — 江蘇省環保廳環境管理與政策研究中心主任，負責環境管理與政策研究及進行建設管理工作。

張炳先生自二零零八年十月至二零一二年九月擔任中國環境科學學會環境經濟學分會第二屆委員會委員兼副秘書長，以及自二零一二年十一月起擔任中國優選法統籌法與經濟數學研究會能源經濟與管理研究分會理事。

張炳先生於二零一零年一月獲中華人民共和國教育部頒發科學技術進步二等獎、於二零一二年十二月獲中國環境科學學會頒發第八屆中國環境科學學會青年科技獎，以及於二零一二年十二月獲中華人民共和國環境保護部頒發環境保護科學技術進步獎一等獎。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

Mr. Zhang Bing obtained a bachelor's degree in environmental planning from Nanjing University (南京大學) in June 2003 and a doctorate degree in environmental planning and management from Nanjing University (南京大學) in December 2008.

**Mr. JIANG Yan (姜晏)**, aged 42, is an independent non-executive Director appointed on 1 June 2016 and with nearly 20 years of experience in auditing, merger and acquisition (“M&A”) transactions, due diligence and tax consultancy in the PRC. He has provided consultancy services on auditing and M&A transactions for various state-owned enterprises of which shares are listed on stock exchanges in the PRC and/or on the Hong Kong Stock Exchange. From July 1998 to December 2000, he served as the operations assistant, project manager and department manager of Hangzhou Gongshu Tax Agent Co., Ltd.\* (杭州拱墅稅務師事務所), primarily providing foreign investment clients with tax consultancy services on import-export as well as general business activities. From January 2001 to August 2004, he served as a manager of Zhejiang Xinghe Certified Public Accountants Co., Ltd.\* (浙江興合會計師事務所有限公司), being the project manager on a number of projects responsible for providing auditing, M&A due diligence and tax consultancy services. In September 2004, he was the founder of Hangzhou Mingde Certified Public Accountants Co., Ltd.\* (杭州明德會計師事務所有限公司), in which he served as a partner primarily responsible for providing clients with M&A financial due diligence and tax consultancy services. In December 2011, he joined Zhejiang Puhua Certified Public Accountants Co., Ltd.\* (浙江普華會計師事務所有限公司) as a partner primarily responsible for the in-house technical consultancy and quality reassurance of the Company. In July 2015, he joined the Hangzhou office of China Tax Advisory Company Group, an institutional alliance on professional consultancy services with regards to comprehensive aspects of finance, taxation and business consultancy, as the managing partner responsible for matters such as the management of the team of consultants in Hangzhou as well as client development. He was an independent director of Meidu Energy Co., Ltd.\* (美都能源股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600175), during 2008 and 2014 as well as a member to the audit committee and remuneration committee thereof, participating in the formulation of material strategies and the annual audit arrangements.

張炳先生於二零零三年六月自南京大學取得環境規劃學士學位，並於二零零八年十二月自南京大學取得環境規劃與管理博士學位。

**姜晏先生**，42歲，於二零一六年六月一日獲委任為獨立非執行董事，於中國審計、併購（「併購」）交易、盡職調查和稅務諮詢方面具有近20年的工作經驗，曾為多間股份於中國證券交易所及／或香港聯交所上市的國有企業提供審計及併購交易諮詢服務。於一九九八年七月至二零零零年十二月，彼在杭州拱墅稅務師事務所歷任業務助理、項目經理和部門經理的職務，主要為外商投資客戶提供關於進出口及整體商業活動的稅務諮詢服務。於二零零一年一月至二零零四年八月，彼在浙江興合會計師事務所有限公司擔任經理，作為數個項目的項目經理負責提供審計、併購盡職調查及稅務諮詢服務。於二零零四年九月，彼創建杭州明德會計師事務所有限公司，並擔任合夥人，主要負責為客戶併購財務和稅務諮詢服務。於二零一一年十二月，彼加入浙江普華會計師事務所有限公司，擔任其合夥人，主要負責公司內部技術諮詢和質量覆核工作。於二零一五年七月，彼加入提供全面財務、稅務及商務諮詢服務的專業諮詢服務機構聯盟中稅諮詢集團杭州分公司，擔任主管合夥人，負責杭州諮詢團隊管理以及客戶開發等事宜。彼於二零零八年至二零一四年擔任美都能源股份有限公司（一間在上海證券交易所上市的公司（股份代號：600175））的獨立董事，並擔任審核委員會及薪酬委員會委員，參與重大戰略決策、年度審計安排等工作。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

Mr. Jiang Yan graduated from Hunan Tax College majoring in foreign taxation in 1998. He became a member of the Chinese Institute of Certified Public Accountants in 2000 and was qualified as an independent director by the China Securities Regulatory Commission in 2008.

Save as disclosed herein, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there are no other matters with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51(2) or paragraph 41(3) of Appendix 1A of the Listing Rules including matters relating to directorship held by Directors in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

### SUPERVISORY COMMITTEE

The Supervisory Committee consists of three members, with two representatives of Shareholders and one representative of employees. The employee representative Supervisor is elected democratically by the employees representative congress, while Shareholder representative Supervisors are elected by the Shareholders. The term of office of each Supervisor is three years, which is renewable upon re-election and re-appointment. The powers and duties of the Supervisory Committee include reviewing and verifying financial reports, business reports and profit distribution proposals prepared by the Board; and if in doubt, appointing certified public accountants and practicing auditors to re-examine the Company's financial information; monitoring the financial activities of the Company, supervising the performance of the Directors, the president and other senior management members, and monitoring whether they had acted in violation of the laws, regulations and Articles of Association in the performance of their duties; requesting the Directors, the president and senior management members to rectify actions which are detrimental to the Company's interests; and exercising other rights given to them under the Articles of Association. Each of the Supervisors has entered into a service contract with the Group.

姜晏先生於一九九八年畢業於湖南稅務高等專科學校，主修涉外稅務專業。彼於二零零零年成為中國註冊會計師協會會員，並於二零零八年獲得中國證券監督管理委員會的獨立董事任職資格。

除本年報所披露者外，經作出一切合理查詢後，就董事所深知、盡悉及確信，並無其他有關委任董事的事宜須提請股東垂注，亦無有關董事的資料須根據上市規則第13.51(2)條或附錄一A第41(3)段予以披露，包括過去三年董事在證券於香港或海外任何證券市場上市的任何公眾公司中擔任董事職務的有關事宜。

### 監事會

監事會包括三名成員，由兩名股東代表及一名僱員代表組成。職工代表監事由職工代表大會以民主方式選出，而股東代表監事則由股東選出。各監事的任期為三年，可於重選及重新委任時續期。監事會的權力及職責包括審閱及核實董事會編製的財務報告、業務報告及溢利分派方案；並在有疑問的情況下委任執業會計師及執業核數師重新審查本公司的財務資料；監察本公司的財務活動；監督董事、總裁及其他高級管理層成員的表現，以及監察他們於履行職責時的行為有否違反法律、法規及組織章程細則；要求董事、總裁及高級管理層成員糾正有損本公司利益的行動；以及行使組織章程細則賦予他們的其他權利。各監事已與本集團訂立服務合同。

# Biographies of Directors, Supervisors and Senior Management

## 董事、監事及高級管理層簡歷

### SUPERVISORS

**Mr. CHEN Xinhua (陳新華)**, aged 54, is an employee representative Supervisor and the head of the procurement department of the Company. He joined the Group on 28 December 2009.

From January 1997 to May 2000, Mr. Chen Xinhua served as the manager of the department of supplies of Zhejiang Shengjie Environmental Engineering Co. Ltd.\* (浙江勝潔環保工程有限公司) and was responsible for the overall departmental management. From June 2000 to October 2001, he served as the manager of technology transformation projects of Tianjie Strip Steel Factory\* (天潔帶鋼廠). From November 2001 to May 2003 and from January 2009 to December 2009, he served as the procurement manager and vice general manager of procurement centre, respectively, of TGL, and was responsible for the procurement of raw materials. From June 2003 to December 2008, he served as the vice general manager of Zhejiang Liyu Stainless Steel Co. Ltd.\* (浙江立宇不銹鋼有限公司), and was responsible for assisting the general manager in its overall operation.

Mr. Chen was graduated from Shaoxing Vocational Secondary College\* (紹興市職工中等專業學校) in July 1990 majoring in industrial enterprise management.

**Mr. FU Jun (傅均)**, aged 36, is a Shareholder representative Supervisor. Prior to joining the Group on 18 October 2014, Mr. Fu Jun joined the school of computer science and information technology of Zhejiang Gongshang University (浙江工商大學) in December 2009 and was appointed as a lecturer in April 2010. He was promoted to become an assistant professor in November 2013 responsible for teaching and conducting research. Since June 2014, he has been working as a supervisor to master students in which he is responsible for supervising master students.

Mr. Fu Jun obtained a bachelor's degree of bio-medical engineering from Zhejiang University (浙江大學) in June 2004 and a doctorate degree in bio-medical engineering from Zhejiang University (浙江大學) in December 2009. He also completed two years of minor studies in Japanese language in Zhejiang University (浙江大學) in June 2003.

### 監事

**陳新華先生**，54歲，為本公司職工代表監事及採購部主管。彼於二零零九年十二月二十八日加入本集團。

自一九九七年一月起至二零零零年五月，陳新華先生擔任浙江勝潔環保工程有限公司供應部經理，負責整體部門管理。自二零零零年六月起至二零零一年十月，彼擔任天潔帶鋼廠技術變革項目經理。自二零零一年十一月起至二零零三年五月及自二零零九年一月起至二零零九年十二月，彼分別擔任TGL採購部經理及採購中心副總經理，負責原材料的採購。自二零零三年六月起至二零零八年十二月，彼擔任浙江立宇不銹鋼有限公司副總經理，負責協助總經理進行整體營運。

陳先生於一九九零年七月畢業於紹興市職工中等專業學校，專業為工業企業管理。

**傅均先生**，36歲，為股東代表監事。於二零一四年十月十八日加入本集團前，傅均先生於二零零九年十二月加入浙江工商大學計算機與信息工程學院，並於二零一零年四月獲委任為講師。彼於二零一三年十一月晉升為副教授，負責教學及進行研究。自二零一四年六月起，彼擔任碩士生導師，負責督導碩士生。

傅均先生於二零零四年六月取得浙江大學的生物醫學工程學士學位及於二零零九年十二月取得浙江大學的生物醫學工程博士學位。彼亦於二零零三年六月在浙江大學完成兩年副修日語課程。



## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

**Mr. FANG Zhiguo (方治國)**, aged 39, is a Shareholder representative Supervisor. Prior to joining the Group on 18 October 2014, he worked as a post-doctoral researcher in environmental science and engineering at the Research Centre for Eco-Environment Sciences of the Chinese Academy of Sciences (中國科學院生態環境研究中心) from August 2005 to August 2008, in which he was responsible for conducting research. He joined the school of environmental science and engineering of Zhejiang Gongshang University (浙江工商大學) in August 2008 and became an assistant professor since October 2009, in which he is responsible for teaching and conducting research.

Mr. Fang Zhiguo obtained a master degree of science majoring in ecology from Zhejiang University (浙江大學) in June 2002 and a doctorate degree in science majoring in ecology from the Graduate School of the Chinese Academy of Science (中國科學院研究生院) (later renamed as the University of Chinese Academy of Sciences (中國科學院大學)) in July 2005. He was a visiting scholar at the University of Oklahoma in the United States from June 2006 to May 2008.

Except as disclosed herein, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, there are no other matters relating to the appointment of Supervisors that need to be brought to the attention of the Shareholders, nor is there any information relating to the Supervisors that is required to be disclosed pursuant to Rule 13.51(2) of the Listing Rules including matters relating to directorship held by Supervisors in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

方治國先生，39歲，為股東代表監事。於二零一四年十月十八日加入本集團前，彼於二零零五年八月至二零零八年八月在中國科學院生態環境研究中心擔任環境科學與工程博士後研究員，負責進行研究。彼於二零零八年八月加入浙江工商大學環境科學與工程學院，並自二零零九年十月起擔任助理教授，負責教學及進行研究。

方治國先生於二零零二年六月獲得浙江大學生態學理學碩士學位，並於二零零五年七月獲中國科學院研究生院(後改稱中國科學院大學)生態學理學博士學位。彼自二零零六年六月至二零零八年五月為美國奧克拉荷馬大學訪問學者。

除本年報所披露者外，經作出一切合理查詢後，就董事所深知、盡悉及確信，並無其他有關委任監事的事宜須提請股東垂注，亦無有關監事的任何資料須根據上市規則第13.51(2)條予以披露，包括過去三年監事在證券於香港或海外任何證券市場上市的任何公眾公司中擔任董事職務的有關事宜。

# Biographies of Directors, Supervisors and Senior Management

## 董事、監事及高級管理層簡歷

### SENIOR MANAGEMENT

**Mr. QIU Jinxin (邱金鑫)**, aged 54, is the general manager of the Company appointed on 10 May 2014. He joined the Group on 17 September 2012. Mr. Qiu Jinxin has approximately 21 years of experience in the business of provision of atmospheric pollution control solutions.

Mr. Qiu Jinxin worked as a technician and deputy director of Zhuji City Fertiliser Factory\* (諸暨市化肥廠) (being principally engaged in the production and marketing of fertiliser) from August 1983 to July 1993 in which he was responsible for quality control and equipment management. From July 1993 to January 2006, he worked in TGL with the last position as chief engineer, and he was responsible for the research and development of environmental protection precipitator. He worked as the general manager in Zhejiang Jieda Environmental Protection Engineering Company Ltd\* (浙江潔達環保集團有限公司) (being principally engaged in the design, production and installation of environmental protection projects) from February 2006 to December 2008 in which he was responsible for its overall management and operation. From January 2009 to August 2012, he worked as the vice general manager in Zhejiang Oriental Environmental Protection Equipment Co., Ltd\* (浙江東方環保設備有限公司) which was principally engaged in the technology development and marketing of environmental protection equipments, and he was responsible for the overall management and operation.

Mr. Qiu Jinxin has been the vice president of the fifth Council of the Environmental Protection Industry Association of Zhejiang Province\* (浙江省環保產業協會第五屆理事會) since April 2013 and the deputy secretariat\* (副秘書長) of third Council of Environmental Protection Industry Association of Zhuji City\* (諸暨市環境保護產業協會第三屆理事會) since December 2012. He has also been the standing council member (常務理事) of the ninth Council of Environmental Science Association of Zhejiang Province\* (浙江省環境科學學會第九屆理事會) since 17 April 2015. In December 2005, Mr. Qiu was accredited as senior engineer by Assessment Committee for Qualification of Senior Position for Mechanical Engineering Technician of Zhejiang Province\* (浙江省機械工程技術人員高級職務任職資格評審委員會). In July 2016, Mr. Qiu Jinxin was included in the first batch of the expert list of the expert database of Environmental Protection Industry Association of Zhejiang Province\* (浙江省環保產業協會).

### 高級管理層

**邱金鑫先生**，54歲，於二零一四年五月十日獲委任為本公司總經理。彼於二零一二年九月十七日加入本集團。邱金鑫先生在提供大氣污染防治解決方案業務方面擁有約21年經驗。

邱金鑫先生於一九八三年八月至一九九三年七月期間曾分別擔任諸暨市化肥廠的技術員及車間副主任，諸暨市化肥廠主要從事化肥生產及營銷，彼負責質量監控及設備管理。彼於一九九三年七月至二零零六年一月期間曾在TGL任職，而最後的職位為總工程師，彼負責環保除塵器的研發。彼於二零零六年二月至二零零八年十二月期間曾擔任浙江潔達環保集團有限公司的總經理，該公司主要從事環保項目設計、生產及安裝，彼負責整體管理及營運。彼於二零零九年一月至二零一二年八月期間曾擔任浙江東方環保設備有限公司副總經理，該公司主要從事環保設備的技術開發及營銷，彼負責整體管理及營運。

邱金鑫先生自二零一三年四月起擔任浙江省環保產業協會第五屆理事會的副會長，並自二零一二年十二月起擔任諸暨市環境保護產業協會第三屆理事會的副秘書長。自二零一五年四月十七日起，彼亦擔任浙江省環境科學學會第九屆理事會的常務理事。於二零零五年十二月，邱金鑫先生獲浙江省機械工程技術人員高級職務任職資格評審委員會認可為高級工程師。於二零一六年七月，邱金鑫先生入選浙江省環保產業協會專家庫第一批專家名錄。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

**Mr. WANG Weizhong (王偉忠)**, aged 45, has been the Board secretary since 15 September 2014 and he joined the Group on 1 April 2014. Mr. Wang Weizhong has approximately seven years of experience in administration and personnel management.

Mr. Wang Weizhong worked as a trainee teacher and a teacher at Zhejiang Dongyang Second Senior High School\* (浙江省東陽市第二高級中學) from August 1991 to July 1992 and from August 1992 to May 2002 respectively.

Mr. Wang Weizhong worked at Zhejiang Ruans Pearl Limited\* (浙江阮仕珍珠股份有限公司) (being principally engaged in the pearl culture, processing and marketing as well as the design of pearl jewellery) as the assistant of the general manager from May 2002 to April 2008 and the deputy general manager and the secretary to the board of directors from April 2008 to June 2010 in which he was responsible for the research and development of pearl processing technology, and personnel management. From July 2010 to March 2014, he worked as the vice president of TGL and was responsible for the administration and management.

Mr. Wang Weizhong completed four years of chemistry studies in the Zhejiang Normal University (浙江師範大學) in July 1991. He also completed a two-year advanced seminar programme (高級研修班) in business administration in Zhejiang University (浙江大學) in September 2006.

Mr. Wang Weizhong completed a training course in relation to the practice of board secretary by the Academy for International Business Officials\* (商務部培訓中心) in April 2005 and completed training for board secretary as accredited by the Shenzhen Stock Exchange (深圳證券交易所) in July 2009.

王偉忠先生，45歲，自二零一四年九月十五日起出任董事會秘書，而彼於二零一四年四月一日加入本集團。王偉忠先生於行政及人事管理方面擁有約七年經驗。

於一九九一年八月至一九九二年七月及一九九二年八月至二零零二年五月，王偉忠先生在浙江省東陽市第二高級中學分別擔任見習教師及教師。

王偉忠先生於二零零二年五月至二零零八年四月在浙江阮仕珍珠股份有限公司(主要從事珍珠養殖、加工及營銷以及設計珍珠首飾)擔任總經理助理，及自二零零八年四月至二零一零年六月擔任該公司的副總經理兼董事會秘書，期間負責珍珠加工技術的研發及人事管理。於二零一零年七月至二零一四年三月，彼擔任TGL副總裁，負責行政及管理工作。

王偉忠先生於一九九一年七月在浙江師範大學完成為期四年的化學專業課程。彼亦於二零零六年九月在浙江大學完成為期兩年的工商管理高級研修班。

王偉忠先生曾於二零零五年四月完成商務部培訓中心有關董事會秘書的培訓課程，並於二零零九年七月完成深圳證券交易所認可的董事會秘書培訓。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

**Mr. FANG Bin (方斌)**, aged 41, has been the chief financial officer of the Company (“CFO”) since 19 May 2016 and he joined the Group on 3 January 2016. Mr. Fang Bin has approximately thirteen years of experience in relation to financial management, investment and corporate governance.

Mr. Fang Bin was engaged with the assurance services of PricewaterhouseCoopers from August 2004 to December 2005. From January 2006 to December 2010, he worked as the manager in the transaction services of KPMG Advisory (China) Ltd., with substantial project management experiences covering various industry sectors such as manufacturing, information technology, fast-moving consumables, financial services and real estate.

Mr. Fang Bin served as the investment director and partner of Hangzhou Puhua Investment Management Co. Ltd.,\* (杭州普華投資管理有限公司) from June 2011 to April 2014, responsible for equity investment and post-investment management.

Mr. Fang Bin served as the deputy financial controller of MeiDu Energy Corporation\* (美都能源股份有限公司) from May 2014 to December 2015, a company listed on the Shanghai Stock Exchange (stock code: 600175) and primarily engaged in oil and gas extraction, property development as well as financial services. He was responsible for accounting, financial reporting, corporate governance and merger and acquisition of that company.

Mr. Fang Bin graduated from Jinan University (暨南大學) in 1999 with a Bachelor of Economics (International Economics) and subsequently obtained a Master of Commerce (Accounting with Finance) from The University of Sydney in Australia in 2003.

**Ms. WU Fengdi (吳鳳娣)**, aged 34, is the financial manager of the Company. She joined the Group and was appointed as the financial manager of the Company on 28 December 2009. Ms. Wu Fengdi has approximately twelve years of experience in accounting in the atmospheric pollution control solutions industry. Ms. Wu Fengdi worked as the chief accountant of TGL from April 2003 to December 2009 and she was responsible for the financials and internal auditing of TGL.

Ms. Wu Fengdi completed three years of studies in accounting at Shaoxing University (紹興文理學院) in January 2008.

方斌先生，41歲，自二零一六年五月十九日起出任本公司首席財務官（「首席財務官」），而彼於二零一六年一月三日加入本集團。方斌先生於財務管理、投資及企業管治方面擁有約十三年經驗。

於二零零四年八月至二零零五年十二月，方斌先生於普華永道會計師事務所的審計服務部工作。於二零零六年一月至二零一零年十二月，彼於畢馬威企業諮詢（中國）有限公司的企業併購重組服務部擔任經理職務，在製造、互聯網、快速消費品、金融服務及房地產等不同行業積累了豐富的項目管理經驗。

於二零一一年六月至二零一四年四月，方斌先生於杭州普華投資管理有限公司擔任投資總監及合夥人，負責股權投資及投後管理。

方斌先生於二零一四年五月至二零一五年十二月在美都能源股份有限公司擔任財務副總監，該公司於上海證券交易所上市（股份代號：600175），主要從事原油及天然氣開採、房地產開發及金融服務。彼負責該公司的會計、財務報告、企業管治及併購業務。

方斌先生於一九九九年畢業於暨南大學，獲授予經濟學學士學位（國際經濟），隨後於二零零三年獲澳大利亞的悉尼大學頒授商學碩士學位（會計及金融）。

**吳鳳娣女士**，34歲，本公司財務經理。彼於二零零九年十二月二十八日加入本集團及獲委任為本公司財務經理。吳鳳娣女士在大氣污染防治解決方案行業的會計處理方面擁有約十二年經驗。吳鳳娣女士於二零零三年四月至二零零九年十二月期間曾擔任TGL的總會計師，負責TGL的財務及內部審計工作。

吳鳳娣女士於二零零八年一月完成在紹興文理學院會計學專業的三年課程。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

**Mr. YU Yunjie (余運節)**, aged 44, is the deputy general manager of the Company and he joined the Group on 28 December 2009. He was appointed as the deputy general manager of the Company on 3 May 2010, responsible for the operation of the technology department, and the head of the technology department of the Company from 28 December 2009 to 2 May 2010. Mr. Yu Yunjie has approximately nine years of experience in the business of provision of atmospheric pollution control solutions.

Mr. Yu Yunjie worked as the manager of the engineering department and the assistant of the general manager of TGL from January 2006 to December 2008, in which he was responsible for installation of environmental protection equipments, after-sale matters and liaison with buyers, and as the manager of the engineering department and deputy head of technology department of TGL from January to November 2009 in which he was responsible for installation of environmental protection equipments, after-sale matters and liaison with buyers and personnel management and technological matters respectively. Particularly, he focused on supporting the technology of the business of provision of atmospheric pollution control solutions carried on by TGL prior to establishment of the Company in December 2009.

Mr. Yu Yunjie completed four years of studies in the Hefei University of Technology (合肥工業大學) majoring in machinery manufacturing craft and equipment in July 1999. In December 2012, Mr. Yu Yunjie was accredited as senior engineer by Assessment Committee for Qualification of Senior Position for Mechanical Engineering Technician of Zhejiang Province\* (浙江省機械工程技術人員高級職務任職資格評審委員會).

余運節先生，44歲，本公司副總經理，彼於二零零九年十二月二十八日加入本集團。彼於二零一零年五月三日獲委任為本公司副總經理，負責技術部的營運，且於二零零九年十二月二十八日至二零一零年五月二日曾任本公司技術部主管。余運節先生在提供大氣污染防治解決方案業務方面擁有約九年經驗。

余運節先生曾於二零零六年一月至二零零八年十二月擔任TGL工程部經理及總經理助理，負責安裝環保設備、售後事宜及聯絡買家，於二零零九年一月至十一月擔任TGL的工程部經理及技術部副主管，分別負責安裝環保設備、售後事宜及聯絡買家以及人事管理及技術事宜。特別是，在本公司於二零零九年十二月成立前，彼專注為TGL經營的大氣污染防治解決方案業務提供技術支援。

余運節先生於一九九九年七月完成在合肥工業大學的四年課程，主修機械製造工藝及設備。於二零一二年十二月，余運節先生獲浙江省機械工程技術人員高級職務任職資格評審委員會認可為高級工程師。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

**Mr. CHEN Jianguo (陳建國)**, aged 56, is the deputy general manager of the Company. He joined the Group on 28 December 2009 and was appointed as the deputy general manager of the Company on 3 May 2010. Mr. Chen Jianguo has approximately 23 years of experience in the business of provision of atmospheric pollution control solutions.

Mr. Chen Jianguo worked as a technician in Zhuji City Industrial Environmental Protection Equipment Factory\* (諸暨市工業環保設備總廠) (being principally engaged in production and marketing of industrial environmental protection equipment) from March 1991 to May 1995 in which he was responsible for the research and development of precipitators. From June 1995 to November 1998, Mr. Chen Jianguo worked as the manager of engineering department and assistant officer of technology department of TGL and was responsible for supervising installation of environmental protection equipments, after-sale matters and liaison with buyers and organisation of technology related matters respectively. From June 1995 to December 2009, he worked as the head of the department of engineering and installation of TGL and was responsible for the supervising installation of environmental protection equipment's, after-sale matters and liaison with buyers. He has been working as the general manager of Tianjie Installation Engineering since December 2009 and is responsible for day-to-day operation and management, and overall business management.

Mr. Chen Jianguo graduated from Zhuji County Tongshan Community High School\* (諸暨縣同山人民公社中心學校) in Zhejiang Province in July 1977.

陳建國先生，56歲，本公司副總經理，於二零零九年十二月二十八日加入本集團並於二零一零年五月三日獲委任為本公司副總經理。陳建國先生在提供大氣污染防治解決方案業務方面擁有約23年經驗。

陳建國先生於一九九一年三月至一九九五年五月期間曾擔任諸暨市工業環保設備總廠的技術員，諸暨市工業環保設備總廠主要從事工業環保設備生產及營銷，彼負責除塵器的研發。於一九九五年六月至一九九八年十一月，陳建國先生曾先後擔任TGL工程部經理及技術部助理總監，分別負責監督安裝環保設備、售後事宜及聯絡買家以及籌備技術相關事宜。於一九九五年六月至二零零九年十二月，彼擔任TGL工程及安裝部主任，負責監督安裝環保設備、售後事宜及聯絡買家。彼自二零零九年十二月起擔任天潔安裝工程的總經理，負責日常營運及管理以及整體業務管理。

陳建國先生於一九七七年七月畢業於浙江省諸暨縣同山人民公社中心學校。

# Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

## JOINT COMPANY SECRETARIES

**Mr. LAU Hon Kee (劉漢基)** and **Ms. SHEN Qiong (沈瓊)** are the Company's joint company secretaries.

**Mr. LAU Hon Kee (劉漢基)**, aged 46, has been one of the joint company secretaries of the Company since 1 November 2014 primarily responsible for the company secretarial matters of the Group. Mr. Lau Hon Kee has over 16 years of experience in the finance & accounting field.

Since March 2003, Mr. Lau Hon Kee has been the financial controller and company secretary of Shandong Luoxin Pharmaceutical Group Stock Co., Ltd.\* (山東羅欣藥業集團股份有限公司), a company listed on the Stock Exchange (stock code: 8058) and principally engaged in manufacturing and distribution of pharmaceutical products. He is responsible for accounting, financial reporting and corporate governance of the company. He had served as an independent non-executive director of Strong Petrochemical Holdings Limited from November 2008 to December 2011, a company listed on the Stock Exchange (stock code: 852) and principally engaged in trading of oil products, of which worked as chairman of audit committee responsible for corporate governance. Mr. Lau Hon Kee is currently an independent non-executive director of Dafeng Port Heshun Technology Company Limited (a company listed on the Stock Exchange, stock code: 8310) since May 2016, and Astrum Financial Holdings Limited (a company listed on the Stock Exchange, stock code: 8333) since June 2016.

Mr. Lau Hon Kee has been a certified public accountant of the HKICPA since July 1999 and a certified public accountant of the Certified Practising Accountants Australia since March 1999. He has also been a fellow member of the HKICPA since December 2006.

Mr. Lau Hon Kee holds a bachelor's degree in commerce from the Australian National University in Australia in April 1994 and a master's degree in professional accounting from Hong Kong Polytechnic University in October 2009.

## 聯席公司秘書

劉漢基先生及沈瓊女士為本公司聯席公司秘書。

劉漢基先生，46歲，自二零一四年十一月一日起任本公司其中一名聯席公司秘書，主要負責本集團的公司秘書事務。劉漢基先生在財務及會計領域擁有逾16年經驗。

自二零零三年三月起，劉漢基先生一直在山東羅欣藥業集團股份有限公司擔任財務總監兼公司秘書，該公司為一間於聯交所上市的公司(股份代號：8058)，主要從事生產及分銷藥品，彼負責該公司的會計、財務報告及企業管治。自二零零八年十一月至二零一一年十二月，彼擔任海峽石油化工控股有限公司的獨立非執行董事，該公司為一間於聯交所上市的公司(股份代號：852)，主要從事石油產品貿易，彼擔任其審核委員會主席，負責企業管治。劉漢基先生自二零一六年五月起擔任大豐港和順科技股份有限公司(一間於聯交所上市的公司(股份代號：8310))的獨立非執行董事，以及自二零一六年六月起擔任阿仕特朗金融控股有限公司(一間於聯交所上市的公司(股份代號：8333))的獨立非執行董事。

劉漢基先生自一九九九年七月起為香港會計師公會的執業會計師及自一九九九年三月起為澳洲執業會計師協會的執業會計師。彼自二零零六年十二月起亦一直為香港會計師公會的資深會員。

劉漢基先生於一九九四年四月自澳洲的澳洲國立大學取得商業學士學位，並於二零零九年十月在香港理工大學取得專業會計碩士學位。

## Biographies of Directors, Supervisors and Senior Management 董事、監事及高級管理層簡歷

**Ms. SHEN Qiong (沈瓊)**, aged 32, has been one of the joint company secretaries of the Company since 1 November 2014 primarily responsible for the company secretarial and legal matters of the Group. She joined the Group in September 2014 as a legal officer. Ms. Shen Qiong has approximately eight years of legal experience in relation to business operations.

Ms. Shen Qiong worked as a legal officer in Zhejiang Group Net Industrial Co., Ltd\* (浙江地淨實業有限公司) (being principally engaged in production and sales of environmental protection equipment and machineries) from August 2006 to December 2008 in which she was responsible for legal and compliance matters. From January 2009 to August 2014, she worked as a legal officer and the assistant to the manager in TGL in which she was responsible for legal and compliance matters.

Ms. Shen Qiong completed a long distance learning course majoring in law from Southwest University of Political Science & Law (西南政法大學) in July 2008. She also obtained a qualification certificate of assistant engineer in municipal engineering issued by Zhuji City Personnel Bureau\* (諸暨市人事局) in April 2010.

沈瓊女士，32歲，自二零一四年十一月一日起任本公司其中一名聯席公司秘書，主要負責本集團的公司秘書及法律事務。彼於二零一四年九月加入本集團任法務主任。沈瓊女士在業務運營相關法律事務方面有約八年經驗。

沈瓊女士於二零零六年八月至二零零八年十二月擔任浙江地淨實業有限公司(主要從事環保設備及機械的生產及銷售)的法務主任，主要負責法律及合規事宜。於二零零九年一月至二零一四年八月，沈女士擔任TGL的法務主任兼經理助理，主要負責法律及合規事宜。

沈瓊女士於二零零八年七月在西南政法大學完成遠程教育課程，主修法學。彼亦於二零一零年四月取得諸暨市人事局頒發的市政工程助理工程師資格證書。



# Corporate Governance Report

## 企業管治報告

The Board is pleased to present the corporate governance report of the Company.

### CORPORATE GOVERNANCE

The Board is committed to upholding a high standard of corporate governance and business ethics in the firm belief that they are essential for enhancing investors' confidence and maximising shareholders' returns. The Board reviews its corporate governance practices from time to time in order to meet the rising expectations of stakeholders, comply with increasingly stringent regulatory requirements and fulfill its commitment to excellence in corporate governance.

After reviewing the Company's corporate governance practices and the relevant regulations of the Corporate Governance Code and Corporate Governance Report ("CG Code") as set out in Appendix 14 to the Listing Rules, the Board is satisfied that the Company complied with the CG Code provisions for the Year.

### BOARD OF DIRECTORS

The Board is committed to providing an effective and responsible leadership for the Company. The Directors, individually and collectively, must act in good faith in the best interests of the Company and the Shareholders. The Board established three Board committees, being the Audit Committee, the Remuneration Committee and the Nomination Committee (each a "Board Committee" and collectively the "Board Committees"), to oversee different areas of the Company's affairs.

The Board currently comprises three executive Directors, namely Mr. Bian, Mr. Bian Weican and Ms. Bian Shu; three non-executive Directors, namely, Mr. Bian Jianguang, Mr. Zhang Yuanyuan and Ms. Zhu Hong; three independent non-executive Directors, namely, Ms. Tam Hon Shan Celia, Mr. Jiang Yan and Mr. Zhang Bing.

Their biographical details and their family relationships (where applicable) are set out in the section headed "Biographies of Directors, Supervisors and Senior Management" above in this annual report. A list of the Directors identifying their roles, functions and independence is available on the Company's website.

董事會欣然提呈本公司企業管治報告。

### 企業管治

董事會致力秉持高度企業管治及商業道德標準，本公司確信，這對提升投資者信心及增加股東回報而言至關重要。董事會不時檢討其企業管治常規，以符合持份人日益提高的期望、遵守愈趨嚴謹的監管規定並履行其對卓越企業管治的承擔。

董事會經審閱本公司的企業管治常規及上市規則附錄十四所載企業管治守則及企業管治報告（「企業管治守則」）的相關規例後，信納本公司於本年度已遵守企業管治守則條文。

### 董事會

董事會承諾為本公司提供有效及負責任的領導。董事必須個別及共同地為本公司及股東的最佳利益真誠行事。董事會已成立三個董事會委員會，分別為審核委員會、薪酬委員會及提名委員會（各自稱為「董事會委員會」及統稱為「該等董事會委員會」），以監察本公司不同範疇的事務。

董事會現時由三名執行董事（即邊先生、邊偉燦先生及邊姝女士）；三名非執行董事（即邊建光先生、章袁遠先生及朱紅女士）；三名獨立非執行董事（即譚漢珊女士、姜晏先生及張炳先生）組成。

彼等之履歷詳情及彼等之家庭關係（如適用）載於本年報上文「董事、監事及高級管理層簡歷」一節。列明董事角色、職能及獨立身份的董事名單可於本公司網站查閱。

# Corporate Governance Report

## 企業管治報告

Mr. Bian, an executive Director and the chairman of the Board, is the brother of Ms. Bian Shu (an executive Director) and the son of Mr. Bian Jianguang and the brother-in-law of Mr. Zhang Yuanyuan (both are also non-executive Directors). Save as disclosed herein, there are no other financial, business, family or other material/relevant relationships among the members of the Board.

The Company is committed to the view that the Board should include a balanced composition of executive and non-executive Directors (including independent non-executive Directors) so that there is a strong element of independency on the Board, which facilitates the effective exercise of independent judgements in the course of decision-making. The Company is also committed to the view that the independent non-executive Directors should be of sufficient number, calibre and experience for their views to carry weight, and that they should be free of any business or other relationship which could have interfered or potentially interfere, to any material extent, with the exercise of independent judgment for the purpose of assumptions of directorship in the Company.

Mr. Bian is the chairman of the Board and the executive Director, and is responsible for overseeing the strategic planning, policy formulations as well as corporate development of the Group as well as undertaking the principal decision-making role in the supervision and management of the Company's overall operations. The Board meets regularly to consider, discuss and review the major and appropriate issues that pertain to the operations of the Company. As such, the Board considers that sufficient measures have been taken and the vesting of the roles of Board management and the management of day-to-day business of the Company in Mr. Bian will not impair the balance of power and authority. It is believed that the said balance is ensured by the effective management of the Board, of which the structure provides the Group with strong and consistent leadership and allows for a more effective and efficient business planning, decision making as well as execution of long term business strategies.

執行董事兼董事會主席邊先生為執行董事邊妹女士的弟弟；並為邊建光先生之兒子及章袁遠先生之妻弟，兩人亦為非執行董事。除本報告所披露者外，董事會成員之間並無任何其他財務、業務、家屬或其他重大／相關關係。

本公司堅持認為董事會應包括適當比例的執行董事及非執行董事（包括獨立非執行董事），致使董事會高度獨立，從而於決策過程中有效作出獨立判斷。本公司亦堅持認為獨立非執行董事應有足夠人數、才幹及經驗，以使其意見具有影響力，且彼等不應牽涉可能已對或潛在會對彼等擔任本公司董事職務時行使獨立判斷造成重大干擾的任何業務或其他關係。

邊先生為董事會主席兼執行董事，負責監督本集團戰略規劃、策略制定及公司發展並於本公司整體營運的監督管理中擔任主要決策角色。董事會定期會面以考慮、討論及審閱有關本公司營運的重大及適當事宜。因此，董事會認為已採取足夠措施，而由邊先生兼任董事會管理以至本公司日常業務管理的角色，不會削弱權力及權責平衡。相信董事會的有效管理可確保上述平衡，其架構為本集團提供穩健而貫徹的領導方針，並能以更有效及更具效益的方式，作出業務規劃及決策，以及執行長遠業務策略。

# Corporate Governance Report

## 企業管治報告

The Board sets the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews its corporate governance standards. It also decides on matters such as annual and interim results, major transactions, director appointments or re-appointments, investment policies, dividend and accounting policies. The Board has delegated the authority and responsibility for implementing its business strategies and managing the daily operations of the Group's businesses to the executive Directors and the senior management of which the members should report back and obtain prior approval from the Board before making decisions or entering into any commitments for and on behalf of the Group. In compliance with the code provision D3.1 of the CG Code, the functions and powers that have been delegated are reviewed periodically to ensure that they remain appropriate to the needs of the Group.

The Board is also responsible for developing, reviewing and monitoring the policies and practices on corporate governance and legal and regulatory compliance of the Group, and the training and continuous professional development of the Directors and senior management. The Board also reviews the disclosures herein to ensure compliance.

All Board members have separate and independent access to the Group's senior management to fulfill their duties. Independent professional advice can be sought to assist the relevant Directors to discharge their duties at the Group's expense upon their request. Since November 2015, all Directors have been provided with monthly updates on the Company's performance and financial position to enable the Board as a whole and each Director to effectively discharge their duties.

All Directors are required to declare to the Board upon their first appointment of directorships or other positions concurrently held in other companies or organisations. These interests are updated on an annual basis and when necessary.

董事會制訂本集團的整體目標及策略、監察及評估其營運及財務表現並審閱其企業管治準則，亦就年度及中期業績、主要交易、董事委任或續聘、投資政策、股息及會計政策等事宜作出決定。董事會已將執行其業務策略及管理本集團業務的日常營運的權力及責任委託予執行董事及高級管理層，高級管理層成員應於為本集團或代表本集團作出決策或訂立任何承諾前向董事會作出報告並獲其事先批准。為遵守企業管治守則的守則條文D3.1，董事會定期檢討所委託的職能及權力，以確保有關委託對本集團的需要仍屬合適。

董事會亦負責制定、檢討及監察本集團的企業管治政策及常規與遵守法律法規情況，以及董事及高級管理層的培訓及持續專業發展。董事會亦審閱本報告內的披露資料，以確保合規。

各董事會成員可分別獨立接觸本集團的高級管理層，以履行彼等的職責。相關董事亦可要求徵詢獨立專業意見，以協助彼等履行職責，費用由本集團承擔。本公司自二零一五年十一月起已每月向所有董事提供有關本公司表現及財務狀況的最新資料，以便董事會全體及每名董事有效地履行其職責。

全體董事須於首次獲委任時向董事會申報彼等同時在其他公司或機構擔任的董事或其他職務，有關利益申報在每年及有需要時更新。

### DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

All Directors are aware of their responsibilities to the Shareholders and have exercised their duties with care, skill and diligence, in pursuit of the development of the Group. Every newly appointed Director receives an induction to ensure that he has a proper understanding of the business and operations of the Group and that he is fully aware of his duties and responsibilities as a director under applicable rules and requirements.

In compliance with paragraph A.6.5 of the CG Code, during the Year, the Company, together with its legal adviser, organised training sessions to each of the Directors in relation to continuing obligations of a Hong Kong listed company and its directors. In addition, briefings and updates on the latest development regarding the Listing Rules and other applicable regulatory requirements are provided to each of the Directors during Board meetings to ensure compliance and enhance their awareness of good corporate governance practices.

### INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The role of the independent non-executive Directors is to provide independent and objective opinions to the Board, giving adequate control and balances for the Group to protect the overall interests of the shareholders and the Group. They serve actively on the Board and Board Committees to provide their independent and objective views.

In compliance with Rules 3.10(1) and 3.10A of the Listing Rules, the Company appointed three independent non-executive Directors, representing more than one-third of the Board. One of the independent non-executive Directors has the appropriate professional qualifications in accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

Each independent non-executive Director has submitted an annual confirmation in writing on his/her independence to the Company for the Year pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmations, the Company considers that all independent non-executive Directors are independent and free of any relationship that could materially interfere with the exercise of their independent judgement.

### 董事持續培訓及專業發展

全體董事均知悉彼等對股東的責任，且於履行彼等的職責時已傾注其關注、技術及勤勉，致力發展本集團。每名新任董事均獲提供必要的入職培訓，確保其對本集團的業務及營運有適當了解，並充分理解其於適用規則及規定下身為董事的職責及責任。

為遵守企業管治守則第A.6.5段，於本年度，本公司連同其法律顧問已為各董事舉辦有關香港上市公司及其董事的持續責任的培訓課程。此外，本公司於董事會會議上向各董事提供有關上市規則及其他適用監管規定的簡介及最新發展，以確保董事遵守有關法規，以及加深彼等對良好企業管治常規的認識。

### 獨立非執行董事的獨立性

獨立非執行董事的角色乃向董事會提供獨立及客觀的意見，為本集團提供足夠的制約及平衡，以保障股東及本集團整體利益。彼等於董事會及該等董事會委員會上積極提供獨立及客觀的意見。

本公司已遵照上市規則第3.10(1)及3.10A條，委任三名獨立非執行董事，佔董事會人數超過三分之一。其中一名獨立非執行董事具備上市規則第3.10(2)條所規定的適當會計專業資格或相關財務管理專長。

各獨立非執行董事已根據上市規則第3.13條以書面形式向本公司提交其於本年度的年度獨立身份確認書。根據該等確認書的內容，本公司認為全體獨立非執行董事均為獨立，其獨立判斷不會受到任何關係的重大影響。

# Corporate Governance Report

## 企業管治報告

### NON-EXECUTIVE DIRECTORS

The Group has three non-executive Directors, being Mr. Bian Jianguang, Mr. Zhang Yuanyuan and Ms. Zhu Hong. At the annual general meeting convened for the year ended 31 December 2015 and held on 1 June 2016, Mr. Bian Jianguang and Mr. Zhang Yuanyuan were re-appointed and Ms. Zhu Hong was newly appointed for a term commencing from the respective effective dates of their appointment until the day on which the next general meeting of the Shareholders for re-election of Directors is held.

Details of the biographies of Mr. Bian Jianguang, Mr. Zhang Yuanyuan and Ms. Zhu Hong are set out in the section headed “Biographies of Directors, Supervisors and Senior Management” above in this annual report. Directors emoluments for Non-executive Directors are set out in note 8 to the Financial Statements.

### BOARD COMMITTEES

The Board is supported by a number of committees, including the Audit Committee, Nomination Committee and Remuneration Committee. Each Board Committee has its defined and written terms of reference approved by the Board covering its duties, powers and functions. Their terms of reference are available on the Company’s website.

All Board Committees are provided with sufficient resources to discharge their duties, including access to management or professional advice if considered necessary.

#### (i) Audit Committee

The Audit Committee was established with terms of reference in compliance with Rule 3.21 of the Listing Rules as well as paragraph C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely Ms. Tam Hon Shan Celia, Mr. Jiang Yan and Mr. Zhang Bing. Ms. Tam Hon Shan Celia, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee.

### 非執行董事

本集團有三名非執行董事，即邊建光先生、章袁遠先生及朱紅女士。於二零一六年六月一日舉行的截至二零一五年十二月三十一日止年度的股東週年大會上，邊建光先生及章袁遠先生獲重新委任，而朱紅女士則獲新委任，任期自彼等各自獲委任的生效日期起直至下屆重選董事的股東週年大會舉行當日為止。

邊建光先生、章袁遠先生及朱紅女士的簡歷詳情載於本年報上文「董事、監事及高級管理層簡歷」一節。非執行董事的董事酬金則載於財務報表附註的附註8。

### 董事會委員會

董事會由包括審核委員會、提名委員會及薪酬委員會在內的多個委員會所支持。各董事會委員會均有經董事會批准的明確書面職權範圍，涵蓋其職責、權力及職能。彼等的職權範圍於本公司網站可供查閱。

所有該等董事會委員會均獲提供足夠資源以履行其職責，包括於需要時取得管理層或專業人士的意見。

#### (i) 審核委員會

審核委員會根據上市規則第3.21條及企業管治守則第C.3段所載之職權範圍成立。審核委員會由三名獨立非執行董事組成，分別為譚漢珊女士、姜晏先生及張炳先生。譚漢珊女士具備適當專業資格及會計事務經驗，獲委任為審核委員會主席。

# Corporate Governance Report

## 企業管治報告

The principal responsibilities of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the financial reporting process, internal control and risk management systems and relationship with external auditor of the Group, oversee the audit process and perform other duties and responsibilities as assigned by the Board. These include reviewing the Group's interim and annual reports.

Pursuant to the meeting of the Audit Committee on 28 March 2017, the Audit Committee has reviewed the consolidated financial statements of the Group for the Year ("**Financial Statements**"), including the accounting principles and practices adopted by the Group, the report prepared by the external auditor covering major findings in the course of the audit, and the selection and appointment of the external auditor. During the Year, two meetings of the Audit Committee were held. The respective attendance records of individual committee members are set out below:

審核委員會的主要職責是協助董事會就財務申報過程、內部監控及風險管理系統是否有效及維持與本集團外聘核數師關係提供獨立意見、監督審計過程，以及履行董事會委派的其他職責及責任，其中包括審閱本集團的中期及年度報告。

根據審核委員會於二零一七年三月二十八日舉行的會議，審核委員會已審閱本集團本年度的綜合財務報表（「**財務報表**」）（包括本集團採納的會計原則及常規）、外聘核數師所編製的報告（當中涵蓋其於審核過程中的主要調查結果）以及外聘核數師的甄選及委任。於本年度，審核委員會舉行兩次會議。個別委員會成員各自的出席記錄載列如下：

Name of member	成員名稱	Attendance/ Number of meetings 出席／會議次數
Ms. Tam Hon Shan Celia	譚漢珊女士	2/2
Mr. Jiang Yan	姜晏先生	2/2
Mr. Zhang Bing	張炳先生	2/2

### (ii) Remuneration Committee

The Remuneration Committee was established with terms of reference in compliance with Rule 3.25 of the Listing Rules as well as paragraph B.1 of the CG Code. The Remuneration Committee comprises three Directors, namely Mr. Jiang Yan (independent non-executive Director), Mr. Zhang Bing (independent non-executive Director) and Ms. Zhu Hong (non-executive Director). Mr. Jiang Yan is the chairman of the Remuneration Committee.

### (ii) 薪酬委員會

薪酬委員會根據上市規則第3.25條及企業管治守則第B.1段所載之職權範圍成立。薪酬委員會由三名董事組成，分別為姜晏先生（獨立非執行董事）、張炳先生（獨立非執行董事）及朱紅女士（非執行董事）。姜晏先生為薪酬委員會主席。

# Corporate Governance Report

## 企業管治報告

The principal responsibilities of the Remuneration Committee are to review and make recommendations to the Board on the overall remuneration structure and policy for all Directors and senior management as well as the specific remuneration packages for the executive Directors and senior management and on the establishment of a formal and transparent process for developing such remuneration policy. No Director takes part in any discussion on his own remuneration. The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. In order to determine the level of remuneration and fees paid to the members of the Board, market rates and factors such as each Director's workload, performance, responsibility, job complexity and the Group's performance are taken into account.

Pursuant to the meeting of the Remuneration Committee on 28 March 2017, the Remuneration Committee reviewed the remuneration policy and structure relating to, as well as the respective service contracts/letters of appointment of, the Directors and senior management of the Company.

During the Year, one meeting of the Remuneration Committee was held. The respective attendance records of individual committee members are set out below:

Name of member	成員名稱	Attendance/ Number of meetings 出席／會議次數
Mr. Jiang Yan	姜晏先生	1/1
Mr. Zhang Bing	張炳先生	1/1
Ms. Zhu Hong	朱紅女士	1/1

The remuneration of members of the senior management of the Group for the Year are set out in note 8 to the Financial Statements.

薪酬委員會的主要職責是檢討全體董事及高級管理層的整體薪酬架構及政策以及執行董事及高級管理層的特定薪酬方案，及就制定此等薪酬政策設立正規而具透明度的程序，並就以上事項向董事會提供建議。概無董事參與有關其本身薪酬的討論。本公司的薪酬政策目標是根據業務需要及行業慣例維持公平及具競爭力的薪酬方案。本公司因應市場水平、各董事的工作量、表現、職責、工作難度及本集團表現等因素，釐定向董事會成員支付的薪酬及袍金水平。

根據薪酬委員會於二零一七年三月二十八日舉行的會議，薪酬委員會已檢討有關董事及本公司高級管理層的薪酬政策及架構以及其各自的服務合約／委任函。

於本年度，薪酬委員會舉行一次會議。個別委員會成員各自的出席記錄載列如下：

有關本年度本集團高級管理層成員薪酬載於財務報表附註8。

### (iii) Nomination Committee

The Nomination Committee was established with terms of reference in compliance with paragraph A.5 of the CG Code and comprises three Directors, namely Mr. Zhang Bing (independent non-executive Director), Ms. Tam Hon Shan Celia (independent non-executive Director) and Ms. Bian Shu (executive Director). Mr. Zhang Bing is the chairman of the Nomination Committee.

The principal responsibilities of the Nomination Committee are to review the composition of the Board, including its structure, size and diversity, at least annually to ensure that it has a balance of expertise, skills and experience appropriate to the requirements of the business of the Group. It is also responsible for considering and recommending to the Board any suitably qualified person to become a member of the Board, monitoring the succession planning of Directors and assessing the independence of independent non-executive Directors. The Nomination Committee also gives consideration to the board diversity policy adopted by the Board in March 2015 (“**Board Diversity Policy**”) when identifying suitably qualified candidates to become the members of the Board, and the Board reviews the Board Diversity Policy, so as to develop and review measurable objectives for the implementation of the same and to monitor the progress on achieving these objectives.

Pursuant to the meeting of the Nomination Committee on 28 March 2017, the Nomination Committee reviewed the structure, size and composition of the Board and assessed the independence of the independent non-executive Directors. During the Year, one meeting of the Nomination Committee was held. The respective attendance records of individual committee members are set out below:

Name of member	成員名稱	Attendance/ Number of meetings 出席／會議次數
Mr. Zhang Bing	張炳先生	1/1
Ms. Tam Hon Shan Celia	譚漢珊女士	1/1
Ms. Bian Shu	邊姝女士	1/1

### (iii) 提名委員會

提名委員會根據企業管治守則第A.5段所載之職權範圍成立，由三名董事組成，分別為張炳先生（獨立非執行董事）、譚漢珊女士（獨立非執行董事）及邊姝女士（執行董事）。張炳先生為提名委員會主席。

提名委員會的主要職責是至少每年檢討董事會的組成，內容包括其架構、人數及多元性，以確保董事會具備適合本集團業務所需的均衡專業知識、技能及經驗。提名委員會亦負責考慮及向董事會推薦具備合適資格可擔任董事會成員的人士、監察董事繼任安排及評核獨立非執行董事的獨立性。提名委員會在物色具備合適資格可擔任董事會成員的人士時，亦會考慮董事會於二零一五年三月採納的董事會多元化政策（「**董事會多元化政策**」），而董事會會檢討董事會多元化政策，為實施董事會多元化政策訂立可計量目標並加以檢討，以及監察達成有關目標的進度。

根據提名委員會於二零一七年三月二十八日舉行的會議，提名委員會已檢討董事會的架構、人數及組成，並已評核獨立非執行董事的獨立性。於本年度，提名委員會舉行一次會議。個別委員會成員各自的出席記錄載列如下：



# Corporate Governance Report

## 企業管治報告

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the functions set out in paragraph D.3.1 of the CG Code.

The Board has reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, and the Company's policies and practices on compliance with legal and regulatory requirements, the extent of compliance of the Company with the "Model Code for Securities Transactions by Directors of Listed Issuers" under Appendix 10 to the Listing Rules ("Model Code") and the CG Code as well as the relevant disclosures herein.

### BOARD PROCEEDINGS

Pursuant to the Articles of Association, the Board is required to hold at least four Board meetings each year, to be convened and hosted by the chairman of the Board. A notice of at least fourteen days shall be dispatched for a regular Board meeting. The notice shall state the time and venue coupled with the means by which the Board meeting will be convened at least three days before the relevant meeting.

The quorum for a Board meeting is the presence of at least half of the total number of the Directors. A Director may attend the Board meeting in person, or appoint another Director in writing as his proxy to attend the Board meeting. The secretary to the Board is responsible for preparing and keeping the minutes of Board meetings and ensuring that such minutes are available for inspection by any Director.

During the Year, six Board meetings were held and the respective attendance records of individual Board members are set out below:

### 企業管治職能

董事會負責履行企業管治守則第D.3.1段所載的職能。

董事會已檢討本公司的企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律及監管規定方面的政策及常規、本公司遵守上市規則附錄十所載之《上市發行人董事進行證券交易的標準守則》(「標準守則」)及企業管治守則的情況及在本報告內的相關披露。

### 董事會議事程序

根據組織章程細則，董事會每年須舉行最少四次由董事會主席召開及主持的董事會會議。董事會定期會議須發出至少十四天通知，該通知須於董事會會議舉行前最少三天列明召開董事會會議的時間、地點及方式。

董事會會議的法定人數至少為董事總數的一半。董事可親身出席董事會會議，或以書面形式委任另一董事為其受委代表出席董事會會議。董事會秘書負責編製及備存董事會會議記錄，並確保該等會議記錄可供任何董事查閱。

於本年度，董事會舉行六次會議，個別董事會成員各自的出席記錄載列如下：

Name of Director	董事名稱	Attendance/ Number of meetings 出席／會議次數
Mr. Bian Yu	邊宇先生	6/6
Mr. Bian Weican	邊偉燦先生	6/6
Ms. Bian Shu	邊姝女士	6/6
Mr. Bian Jianguang	邊建光先生	6/6
Mr. Zhang Yuanyuan	章袁遠先生	6/6
Ms. Zhu Hong	朱紅女士	6/6
Ms. Tam Hon Shan Celia	譚漢珊女士	6/6
Mr. Jiang Yan	姜晏先生	6/6
Mr. Zhang Bing	張炳先生	6/6

# Corporate Governance Report

## 企業管治報告

### GENERAL MEETINGS

During the Year, the Company convened one annual general meeting and one extraordinary general meeting which were held on 1 June 2016 and 20 September 2016, respectively. The respective attendance records of individual Board members are set out below:

### 股東大會

於本年度，本公司分別於二零一六年六月一日及二零一六年九月二十日召開一次股東週年大會及一次股東特別大會。個別董事會成員各自的出席記錄載列如下：

Name of Director	董事名稱	Attendance/ Number of meetings 出席／會議次數
Mr. Bian Yu	邊宇先生	2/2
Mr. Bian Weican	邊偉燦先生	2/2
Ms. Bian Shu	邊姝女士	2/2
Mr. Bian Jianguang	邊建光先生	2/2
Mr. Zhang Yuanyuan	章袁遠先生	2/2
Ms. Zhu Hong	朱紅女士	2/2
Ms. Tam Hon Shan Celia	譚漢珊女士	2/2
Mr. Jiang Yan	姜晏先生	2/2
Mr. Zhang Bing	張炳先生	2/2

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to the Articles of Association, Directors shall be subject to election at the Company's annual general meetings with a term of office of three years and may be re-elected. The Company has implemented a set of effective procedures for the appointment of new Directors. The Nomination Committee shall, in accordance with provisions of the relevant laws and regulations and the Articles of Association, take into account the practical situations of the Company, consider the selection criteria, selection procedures and terms of office of the Directors, and record and submit the resolutions to the Board for approval. All newly nominated Directors are subject to election and approval at general meetings.

### 委任及重選董事

根據組織章程細則，董事須於本公司股東週年大會上獲選任，任期為三年，並可獲重新選任。本公司已就委任新董事實施一套有效程序。提名委員會須按照相關法律法規及組織章程細則的條文，在顧及本公司的實際情況後，考慮董事的甄選準則、甄選程序及任期，並記錄及提交決議案予董事會批准。所有新獲提名的董事均須經股東大會選任及批准。

# Corporate Governance Report

## 企業管治報告

### BOARD DIVERSITY POLICY

The Board adopted the Board Diversity Policy in March 2015. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. Selection of candidates is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision is based on merit and contribution that the selected candidates is expected to bring to the Board.

### SUPERVISORY COMMITTEE

The Supervisory Committee consists of three members. The employee representative Supervisor, namely Mr. Chen Xinhua, was elected by employees, whilst the remaining two Supervisors were elected by the Shareholders. Mr. Chen Xinhua entered into a service contract with the Company on 1 June 2016, and each of Mr. Fu Jun and Mr. Fang Zhiguo signed a letter of appointment on 18 October 2014. Pursuant to the Articles of Association, the term of office of the Supervisors shall be three years. The functions and duties of the Supervisory Committee include, but are not limited to, reviewing and verifying financial reports and, if in doubt, appointing certified public accountant and practicing auditor to re-examine the Company's financial information; monitoring the business activities of the Company; supervising the performance of the Directors, the chairman of the Board and other senior management members, and monitoring whether they had acted in violation of the laws, regulations and Articles of Association in the performance of their duties; requesting the Directors, the chairman of the Board and senior management members to rectify actions which damage the Company's interests; and exercising other rights given to them under the Articles of Association.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Group adopted the Model Code as the code of conduct on securities transactions entered into by the Directors and Supervisors, in order to govern such transactions. Having made specific written enquiries, all Directors and Supervisors confirmed their compliance with the provisions under the Model Code throughout the Year.

### 董事會多元化政策

董事會於二零一五年三月採納董事會多元化政策。本公司明白及信納董事會多元化能提升其表現質素的裨益。甄選人選按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期。最終按人選之長處及預期可為董事會提供之貢獻而作決定。

### 監事會

監事會由三名成員組成，職工代表監事陳新華先生由員工選舉產生，而餘下兩名監事則由股東選舉產生。陳新華先生已於二零一六年六月一日與本公司訂立服務合約，而傅均先生及方治國先生各自已於二零一四年十月十八日簽訂委任函。根據組織章程細則，監事任期應為期三年。監事會的職能及職責包括但不限於：審閱及核實財務報告，如有任何疑問，委任執業會計師及執業核數師重新審閱本公司的財務資料；監督本公司的業務活動；監督董事、董事會主席及其他高級管理層成員的表現、監察彼等在履行職責時有否違反法律、法規及組織章程細則；要求董事、董事會主席及高級管理層成員糾正損害本公司利益的行動；及行使組織章程細則賦予彼等的其他權利。

### 證券交易的標準守則

本集團採納標準守則作為董事及監事進行證券交易的行為守則以規管該等交易。經作出特定查詢後，全體董事及監事確認，彼等於本年度一直遵守標準守則的相關條文。

# Corporate Governance Report

## 企業管治報告

### JOINT COMPANY SECRETARIES

Mr. Lau Hon Kee and Ms. Shen Qiong are the joint company secretaries of the Company.

Being the joint company secretaries, Mr. Lau and Ms. Shen serve an important role in ensuring good information flow within the Board and that the Board policies and procedures are followed. Both of them are responsible for advising the Board on corporate governance matters and facilitating induction and professional development of Directors.

During the Year, the joint company secretaries of the Company complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules. The biographical details of each of the said joint company secretaries are set out in the section headed “Biographies of Directors, Supervisors and Senior Management” above in this annual report.

### FINANCIAL REPORTING AND INTERNAL CONTROL

#### Financial reporting

The Board acknowledges its responsibility to prepare the Financial Statements which give a true and fair view of the Group’s state of affairs, results and cash flows for the Year and in accordance with the Hong Kong Financial Reporting Standards issued by the HKICPA, and the disclosure requirements under the Companies Ordinance (Cap. 622 of the Laws of Hong Kong). The Company selected appropriate accounting policies and applied them consistently based on prudent and reasonable judgments and estimates. The Board considers that the Group has adequate resources to continue in business for the foreseeable future and is not aware of any material uncertainties relating to any events or conditions that may affect the business of the Group or cast doubts on its ability to continue as a going concern.

The responsibilities of Ernst & Young, the Company’s external auditor, with respect to financial reporting are set out in the section headed “Independent Auditors’ Report” below in this annual report.

### 聯席公司秘書

劉漢基先生及沈瓊女士為本公司聯席公司秘書。

作為聯席公司秘書，劉先生及沈女士於確保董事會成員間有效交流資訊以及董事會政策及程序得以遵守方面擔當重要角色。彼等負責就企業管治事宜向董事會提供意見及安排董事的入職培訓及專業發展。

本公司聯席公司秘書已於本年度內遵守上市規則第3.29條項下的相關專業培訓規定。上述各聯席公司秘書的履歷詳情載於本年報上文「董事、監事及高級管理層簡歷」一節。

### 財務報告及內部監控

#### 財務報告

董事會明白本身有責任根據香港會計師公會頒佈的香港財務報告準則及公司條例(香港法例第622章)的披露規定編製財務報表，以令其真實而公平地反映本集團於本年度的事務狀況、業績及現金流量。本公司根據審慎合理的判斷及估計，選擇合適的會計政策並貫徹採用。董事會認為本集團具備充足資源於可見未來繼續經營業務，且並不知悉有關可能影響本集團業務或使本集團持續經營能力成疑的事件或狀況出現任何重大不確定因素。

本公司外聘核數師安永會計師事務所就財務報告所承擔的責任，載於本年報下文「獨立核數師報告」一節。

### INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for the establishment and development of the internal control and risk management framework, as well as the regular review of the internal control procedures and policies and risk management practices of the Group. The Audit Committee is responsible for advising on and overseeing the internal control and risk management issues, and assuming an active role in communicating the best practice in the aforesaid issues to the Directors and senior management of the Group. The senior management members are responsible for the execution of internal control policies and procedures as well as risk assessment practices implemented by the Group. Amid the Group's set-up of its internal audit department, the CFO and the joint company secretaries of the Group are currently carrying out the internal audit function and assisting the Board and senior management to review, maintain and advise on the internal control and risk management framework and the implementation of the relevant policies, procedures and practices of the Group.

The Group's risk management practices are to manage the risks that it internally and externally encounters. With the assistance of the whistle blowing policies to be adhered to by all staff, the Group's risks could be kept at a manageable level.

During the Year, the Board or its representatives conducted a regular walk-through examination on internal controls and risk management throughout the Group, including analysing the internal control and risk management system as a whole, interviewing and discussing with managers on issues in which their respective departments were involved, assessing on the effectiveness of policies, procedures and practices, and taking advices from the joint company secretaries and CFO.

### 內部監控及風險管理

董事會負責建立及制訂內部監控及風險管理框架，並定期檢討本集團的內部監控程序及政策以及風險管理常規。審核委員會負責就內部監控及風險管理問題提出建議並進行監察，並積極就上述問題的最佳常規與董事及本集團高級管理層溝通。高級管理層成員負責執行本集團採納的內部監控政策及程序以及風險評估常規。在本集團設立其內部審計部門的期間，本集團財務總監及聯席公司秘書目前正肩負內部審計職能，協助董事會及高級管理層檢討及維護本集團內部監控及風險管理框架、相關政策及程序以及常規的實施，並就此提出建議。

本集團的風險管理常規乃為管理其所面對的內部及外部風險。在全體員工堅持執行舉報政策的幫助下，本集團的風險可保持在可管理水平。

於本年度，董事會或其代表就本集團的內部監控及風險管理進行常規演練檢查，包括分析整體內部監控及風險管理制度、諮詢經理並與彼等討論所涉及各自部門的問題、評估政策、程序及常規的有效性以及自聯席公司秘書及財務總監獲取建議。

# Corporate Governance Report

## 企業管治報告

The Company has plans for submission of an application for listing of its Shares on the Shanghai Stock Exchange and, for such purpose, an external consultant was engaged during the Year to review the internal control and risk management framework. During the said review, the overall internal control and risk management framework were assessed, with several recommendations made to the Board and senior management.

The Board also carried out an annual review of the enhanced internal control policies and procedures as well as risk management practices of the Group in accordance with paragraph C.2.1 of the CG Code, including financial, operational and compliance controls as well as risk management functions of the Group. During the Year, the Board reviewed the effectiveness of the Group's internal control policies and procedures as well as risk management practices, and considered that they are adequate and effective.

The Board, the Audit Committee, the Company's senior management will continue to review the relevant policies, procedures and practices in order to maintain a high level of corporate governance over the operation of the Group.

### EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

Ernst & Young has been appointed as the external auditor of the Company.

During the Year, the fees to Ernst & Young in respect of its annual audit services provided to the Group was RMB1.48 million.

There was no disagreement between the Board and the Audit Committee on the selection and appointment of the external auditor during the Year.

本集團已計劃申請其股份於上海證券交易所上市，並就此於本年度委聘外聘顧問檢討內部監控及風險管理框架。外聘顧問於上述檢討過程中已對整體內部監控及風險管理框架進行評估，並完成向董事會及高級管理層提出多項推薦建議。

董事會亦根據企業管治守則第C.2.1段對本集團的經改善內部監控政策及程序以及風險管理常規進行年度檢討，包括本集團的財務、營運及合規監控以及風險管理職能。於本年度，董事會完成檢討本集團的內部監控政策及程序以及風險管理常規的有效性，並認為屬充分且有效。

董事會、審核委員會及本公司高級管理層將持續檢討相關政策、程序及常規以就本集團的營運維持高水平的企業管治。

### 外聘核數師及核數師酬金

安永會計師事務所已獲委任為本公司外聘核數師。

本年度內，就安永會計師事務所為本集團提供年度審計服務的費用為人民幣1.48百萬元。

本年度內，董事會與審核委員會之間對外聘核數師的揀選及委任事宜並無分歧。

# Corporate Governance Report

## 企業管治報告

### COMMUNICATION WITH SHAREHOLDERS AND SHAREHOLDERS' RIGHTS

The Company aims to, by virtue of its corporate governance structure, enable all Shareholders an equal opportunity to exercise their rights in an informed manner and allow them to engage actively with the Company. Under the Articles of Association, the shareholder communication policy and other relevant internal procedures of the Company, the Shareholders enjoy, among others, the following rights:

#### (i) Participation in general meetings

The general meetings of the Company provide an opportunity for direct communication between the Board and the Shareholders. The Company encourages the participation of the shareholders through annual general meetings and other general meetings where the Shareholders meet and exchange views with the Board, and to exercise their right to vote at meetings. The Company shall arrange notices of meetings and circulars containing details on proposed resolutions to be sent to the shareholders no less than 45 days before the meeting. At general meetings, separate resolutions are proposed on each substantial issue, including the election of individual Directors.

#### (ii) Enquiries and proposals to the Board

The Company encourages Shareholders to attend Shareholders' meetings and make proposals by either directly raising questions on both operational and governance matters to the Board and Board Committees at the general meetings or providing written notice of such proposals for the attention of the Company secretary at the registered office of the Company in the PRC currently at Yangfu Village, Paitou Town, Zhuji City, Zhejiang Province, the PRC, the principal place of business in Hong Kong at 22/F, World-wide House, 19 Des Voeux Road Central, Hong Kong or via email to keithvingolau@gmail.com.

### 股東通訊及股東權利

本公司旨在透過其企業管治架構，讓全體股東有平等機會在知情情況下行使其權利，並讓其積極參與本公司事務。根據組織章程細則、股東通訊政策及本公司其他相關內部程序，股東可享有(其中包括)以下權利：

#### (i) 參加股東大會

本公司的股東大會為董事會與股東提供直接溝通機會。本公司鼓勵股東透過出席股東週年大會及其他股東大會參與本公司事務，會上股東可與董事會會面及交流意見，並行使其表決權利。本公司須安排於舉行大會前不少於45天，向股東發出大會通告及載有提呈決議案詳情的通函。在股東大會上，各重大事項(包括選舉個別董事)將會提呈獨立決議案。

#### (ii) 向董事會查詢及提出建議

本公司鼓勵股東出席股東大會，通過在股東大會向董事會及該等董事會委員會就營運及管治事宜直接提問作出建議，或將有關建議的書面通知送交本公司的中國註冊辦事處(現時位於中國浙江省諸暨市牌頭鎮楊傅村)、香港主要營業地點(地址為香港德輔道中19號環球大廈22樓)或電郵至 keithvingolau@gmail.com，註明本公司秘書收啟。

### (iii) Convening extraordinary general meetings

Pursuant to the Articles of Association, the Board shall convene an extraordinary general meeting or class meeting within two months where any Shareholder holding, severally or jointly, 10% or more of the Company's issued shares carrying voting rights requests in writing for the convening of an extraordinary general meeting or class meeting. The Shareholders holding, severally or jointly, 10% or more of voting shares at such proposed meeting may request the Board to convene an extraordinary general meeting or class meeting by signing and submitting one or several written requests with the same format and contents and specifying the agenda of the meeting. An extraordinary general meeting or class meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written request. The aforesaid shareholding shall be calculated on the basis of the date on which the relevant Shareholders submit the written request. If the Board fails to dispatch a notice of convening such meeting within 30 days upon receipt of the aforesaid written request, the Shareholders individually or jointly holding 10% or more of the shares of the Company may convene such a meeting by themselves within four months of the date of the receipt of such request by the Board. The procedures for convening such meeting should follow those for convening a general meeting or class meeting of Shareholders by the Board to the greatest extent practicable.

All reasonable expenses incurred for the purpose of convening and holding the aforesaid meeting by Shareholders due to the failure of the Board to hold such meeting in response to the aforesaid request shall be borne by the Company. Such expenses shall be deducted from the amounts due by the Company to the Director(s) who have defaulted their duties.

### (iii) 召開股東特別大會

根據組織章程細則，若單獨或合計持有本公司有表決權的已發行股份10%或以上的股東以書面形式要求召開股東特別大會或類別股東大會，董事會則須於兩個月內召開股東特別大會或類別股東大會。單獨或合計持有在該擬舉行的會議上有表決權的股份10%或以上的股東，可以簽署及提交一份或者數份同樣格式內容的書面要求，提請董事會召開股東特別大會或類別股東大會，並闡明會議的議題。董事會在收到前述書面要求後應當在切實可行範圍內儘快召開股東特別大會或類別股東大會。前述持股數按相關股東提出書面要求當日計算。如果董事會在收到前述書面要求後30天內沒有發出召開有關大會的通告，單獨或合計持有本公司股份10%或以上的股東可以在董事會收到該要求當日後四個月內自行召開有關大會。召開有關大會的程序應當盡最大可能與董事會召開股東大會或類別股東大會的程序相同。

股東因董事會未應前述要求舉行會議而自行召開並舉行會議的話，其所產生的一切合理費用應當由本公司承擔，並從本公司欠付失職董事的款項中扣除。



# Corporate Governance Report

## 企業管治報告

### (iv) Procedures for putting forward proposals at a general meeting

In overseeing and monitoring the business operation of the Company, the Shareholders have the right to put forward proposals and raise inquiries. Shareholders individually or together holding 3% or more of the Company's voting Shares have the right to put up ad-hoc proposals in writing to the Company ten days before the holding of the general meeting, and the Company shall include such ad-hoc proposals into the agenda for such general meeting.

The contents of the proposals to be raised shall be within the scope of duties of the general meetings. It shall have a clear topic and specific matters to be resolved on, and shall be in compliance with relevant requirements of the laws, administrative regulations and the Articles of Association.

## CONSTITUTIONAL DOCUMENTS

In 2016, certain amendments were made to the Articles of Association in connection with the relevant articles of general provisions, mission and scope of business and composition of board of directors to reflect the needs of the Company's development after Listing. These amendments were duly passed by the Shareholders at the extraordinary general meetings of the Company held on 20 September 2016. For details of the amendments to the Articles of Association, please refer to the announcements and circulars of the Company dated 5 August 2016. Save as disclosed above, there was no change in the Articles of Association during the Year.

The Articles of Association are available on the respective websites of the Stock Exchange and the Company.

### (iv) 在股東大會上提出議案的程序

股東在監察及監控本公司業務營運的過程中，有權提出議案及質詢。單獨或合計持有本公司有表決權的股份3%或以上的股東，有權在股東大會舉行前十天以書面形式向本公司提出臨時議案，而本公司應當將有關臨時議案列入該次股東大會的議程。

所提出的議案內容須屬於股東大會職責範圍內且具有明確主題及具體議決事宜，並須符合法律、行政法規及組織章程細則的相關規定。

## 憲章文件

於二零一六年，本公司對組織章程細則就總則、業務宗旨及範圍以及董事會組成的相關細則作出若干修訂，以反映本公司於上市後的發展需要。此等修訂獲股東於二零一六年九月二十日舉行的本公司股東特別大會上正式通過。有關組織章程細則的修訂詳情，請參閱本公司日期為二零一六年八月五日的公告及通函。除上文披露者外，組織章程細則於本年度內概無任何變動。

組織章程細則於聯交所及本公司各自的網站可供查閱。

# Report of the Directors

## 董事會報告

The Directors are pleased to present the annual report together with the audited consolidated financial statements of the Group for the Year.

### PRINCIPAL ACTIVITIES

The Company is a well-established integrated atmospheric pollution control solution provider, with a primary focus on particulate emission control by offering mega-size precipitators to customers in various industries. During the Year, the Group mainly offers three types of precipitators: electrostatic precipitators, bag filter precipitators and electrostatic-bag composite precipitators.

The principal activities and other particulars of the Company's subsidiaries are set out in note 1 to the Financial Statements.

### FINANCIAL POSITION AND RESULTS

The Group's financial position as at 31 December 2016 and the Group's profit for the Year are set out in the section headed "Financial Highlights" above in this annual report.

A discussion and analysis of the Group's performance during the Year and the key factors affecting its financial position and results are set out in the section headed "Management Discussion and Analysis" above in this annual report.

### FINANCIAL SUMMARY

A summary of the Group's results, assets and liabilities for the last five financial years is set out in the section headed "Five-Year Financial Summary" below in this annual report. This summary does not form part of the audited Financial Statements.

### DIVIDENDS

The Board does not recommend the payment of final dividends for the Year.

董事欣然提呈年報連同本集團於本年度之經審核綜合財務報表。

### 主要業務

本公司為著名的綜合大氣污染防治解決方案供應商，主要專注於顆粒物的排放控制，在多個行業為客戶提供特大型除塵器。於本年度，本集團主要提供三種除塵器：靜電除塵器、袋式除塵器及電袋複合除塵器。

本公司附屬公司的主要業務及其他詳情載於財務報表附註1。

### 財務狀況及業績

本集團於二零一六年十二月三十一日的財務狀況及本集團於本年度的溢利載於本年報上文「財務摘要」一節。

本集團於本年度的表現討論及分析以及影響其財務狀況及業績的主要因素載於本年報上文「管理層討論及分析」一節。

### 財務概要

本集團過去五個財政年度的業績、資產及負債概要載於本年報下文「五年財務數據摘要」一節。該概要並不屬於經審核財務報表的一部分。

### 股息

董事會不建議派發本年度末期股息。

### CONNECTED TRANSACTIONS

#### (I) Particulars of the transactions

Hereinbelow are a list of the connected transactions entered into by the Company or members of the Group with connected parties that continued upon Listing and were disclosed in the prospectus dated 24 September 2015 prepared for the purpose of the Listing (“**Prospectus**”) with no further changes after implementation except as provided herein otherwise.

Description of the transactions 事項概述	Inquiry Index 查詢索引
<p>On 25 April 2015, the Company, as lessor, entered into a tenancy agreement ending on 31 December 2017 with Tianjie New Materials, as lessee and a wholly-owned subsidiary of TGL, for industrial use relating to the production and processing of goods (“<b>Tianjie New Materials Tenancy Agreement</b>”). Reason for entering into the Tianjie New Materials Tenancy Agreement was that the plant on the said premises is unsuitable for manufacturing of large-scale production equipments, therefore the Company leased the plant to Tianjie New Materials for manufacturing its products in return for rental income. The annual rental payable to us under the Tianjie New Materials Tenancy Agreement was determined on normal commercial terms with reference to, and was reviewed by professional surveyors and valuers independent of the Group to be fair, reasonable and consistent with, the prevailing market rates of similar properties in the locality. The amount of total rental income from Tianjie New Materials for the Year is included in note 29(a) to the Financial Statements. The Group terminated the Tianjie New Materials Tenancy Agreement with Tianjie New Materials on 1 July 2016.</p> <p>於二零一五年四月二十五日，本公司（作為出租人）與TGL全資附屬公司天潔新材料（作為承租人）訂立租賃協議，租期截至二零一七年十二月三十一日止，用作製造及加工貨品工業用途（「<b>天潔新材料租賃協議</b>」）。訂立天潔新材料租賃協議的理由是物業內的工廠不適合作大型生產設備的製造，故本公司已將該廠出租予天潔新材料供其製造貨品以賺取租金。天潔新材料租賃協議下應向我們支付的年度租金乃按一般商業條款並參考當地同類物業的當前市價釐定。獨立於本集團的專業測量公司及估值師已審查天潔新材料租賃協議下租賃應付的年度租金並確認租金屬公平合理且與當地類似物業的當前市價相符。本年度從天潔新材料所收取的租金收入總額載於財務報表附註29(a)。於二零一六年七月一日，本集團與天潔新材料終止天潔新材料租賃協議。</p>	<p>For further details regarding the Tianjie New Materials Tenancy Agreement, please refer to the section headed “Connected Transactions” in the Prospectus.</p> <p>有關天潔新材料租賃協議的更多詳情，請參閱招股章程「關連交易」一節。</p>

### 關連交易

#### (II) 交易詳情

下表載列本公司或本集團成員公司與關連方訂立並於上市後持續的關連交易，有關交易已於日期為二零一五年九月二十四日就上市而編製的招股章程（「**招股章程**」）中披露，執行後除本年報另行所載的情況外並無其他變動。

Description of the transactions 事項概述	Inquiry Index 查詢索引
<p>On 25 April 2015, the Company, as lessee, entered into a tenancy agreement ending on 31 December 2017 with Zhejiang Qinuo Machinery Co., Ltd* (浙江奇諾機械有限公司, “Zhejiang Qinuo”) (formerly known as Zhejiang Jiasheng New Materials Co., Ltd.* (浙江嘉盛新材料有限公司)), as lessor and a non wholly-owned subsidiary of TGL, for use as office premises and planned for production purpose (“Zhejiang Qinuo Office Lease Agreement”). Reason for entering into the Zhejiang Qinuo Office Lease Agreement was that the Company mainly used the said premises as its office and for planned production purposes, and any relocation would cause unnecessary costs and disruption. The annual rental payable by us under the Zhejiang Qinuo Office Lease Agreement was determined on normal commercial terms with reference to, and was reviewed by professional surveyors and valuers independent of the Group to be fair, reasonable and consistent with, the prevailing market rates of similar properties in the locality. The Company would have the right to renew the lease under the Zhejiang Qinuo Office Lease Agreement subject to compliance with all applicable laws and regulations of the PRC as well as the requirements under the Listing Rules. The lessor also granted us an option to purchase the premises subject to the terms of the lease, and such option is exercisable in whole or in part with respect to such premises. The price of purchase, where applicable, of the premises shall be the higher of (i) the fair market value of the relevant premises at the time of exercise of the option and (ii) an amount calculated by reference to the net book value of the relevant premises at the time of commencement of the lease, the rental amount, the leasing period as well as the Group’s financing costs. The amount of total rental payment to Zhejiang Qinuo for the Year is included in note 29(a) to the Financial Statements. The Group terminated the Zhejiang Qinuo Office Lease Agreement with Zhejiang Qinuo on 1 May 2016.</p>	<p>For further details regarding the Zhejiang Qinuo Office Lease Agreement, please refer to the section headed “Connected Transactions” in the Prospectus.</p>
<p>於二零一五年四月二十五日，本公司（作為承租人）與TGL非全資附屬公司浙江奇諾機械有限公司（「浙江奇諾」，前稱為浙江嘉盛新材料有限公司）（作為出租人）訂立租賃協議，租期截至二零一七年十二月三十一日止，作辦公物業及計劃生產用途（「浙江奇諾辦公室租賃協議」）。訂立浙江奇諾辦公室租賃協議的理由是本公司主要將物業用作辦公物業及計劃生產用途，任何遷移將產生不必要成本及造成業務中斷。浙江奇諾辦公室租賃協議下應付年度租金乃按一般商業條款並參考當地同類物業的當前市價釐定。獨立於本集團的專業測量公司及估價師已審查浙江奇諾辦公室租賃協議下租賃應付的年度租金並確認租金屬公平合理且與當地類似物業的當前市價相符。本公司有權續訂浙江奇諾辦公室租賃協議下的租約，惟須符合所有適用的中國法律及法規和上市規則的規定。出租人亦已向我們授出購買物業的選擇權，惟須受租賃條款所規限。可就物業行使全部或部分選擇權。物業的購買價（如適用）須為下列較高者：(i) 於行使選擇權時，相關物業的公平市值及(ii) 參照租賃開始時相關物業的賬面淨值、租金、租期及本集團融資成本計算的數額。本年度我們應向浙江奇諾支付的租金總額載於財務報表附註29(a)。於二零一六年五月一日，本集團與浙江奇諾終止浙江奇諾辦公室租賃協議。</p>	<p>有關浙江奇諾辦公室租賃協議的更多詳情，請參閱招股章程「關連交易」一節。</p>

# Report of the Directors

## 董事會報告

Description of the transactions 事項概述	Inquiry Index 查詢索引
<p>On 25 April 2015, the Company, as lessee, entered into a tenancy agreement ending on 31 December 2017 with TGL, as lessor and the holding company of the Group, with respect to the office premises with a gross floor area of approximately 2,700 sq.m. situated at Xinle Village and Xinsheng Village, Paitou Town, Zhuji City, Zhejiang Province, the PRC (“<b>TGL Office Building</b>”) for use as office building (“<b>TGL Office Lease Agreement</b>”). Reason for entering into the TGL Office Lease Agreement was that the Company commenced the use of the TGL Office Building three years ago mainly as its office, and any relocation would cause unnecessary costs and disruption. The annual rental payable by the Company under the TGL Office Lease Agreement was determined on normal commercial terms with reference to, and was reviewed by professional surveyors and valuers independent of the Group to be fair, reasonable and consistent with, the prevailing market rates of similar properties in the locality. The Company would have the right to renew the lease under the TGL Office Lease Agreement subject to compliance with all applicable laws and regulations of the PRC as well as the requirements under the Listing Rules. The lessor also granted the Company an option to purchase the TGL Office Building subject to the terms of the lease under the TGL Office Lease Agreement, and such option is exercisable in whole or in part with respect to such premises. The price of purchase, where applicable, of the TGL Office Building shall be the higher of (i) the fair market value of the relevant premises at the time of exercise of the option and (ii) an amount calculated by reference to the net book value of the relevant premises at the time of commencement of the lease, the rental amount, the leasing period as well as the Group’s financing costs. The amount of total rental payment to TGL for the Year is included in note 29(a) to the Financial Statements. The Group expects the total rental fees payable to TGL in 2017 under the TGL Office Lease Agreement to be approximately RMB250,000.</p>	<p>For further details regarding the TGL Office Lease Agreement, please refer to the section headed “Connected Transactions” in the Prospectus.</p>
<p>於二零一五年四月二十五日，本公司(作為承租人)與本集團控股公司TGL(作為出租人)就位於中國浙江省諸暨市牌頭鎮新樂村及新升村，總建築面積約2,700平方米的辦公室(「<b>TGL辦公大樓</b>」)訂立租賃協議，租期截至二零一七年十二月三十一日止，作辦公大樓用途(「<b>TGL辦公室租賃協議</b>」)。訂立TGL辦公室租賃協議的理由是本公司於三年前開始使用TGL辦公大樓，主要用作辦公室，任何遷移將產生不必要成本及造成業務中斷。本公司於TGL辦公室租賃協議下應付年度租金乃按一般商業條款並參考當地同類物業的當前市價釐定。獨立於本集團的專業測量公司及估值師已審查TGL辦公室租賃協議下租賃應付的年度租金並確認租金屬公平合理且與當地類似物業的當前市價相符。本公司有權續訂TGL辦公室租賃協議下的租約，惟須符合所有適用的中國法律及法規和上市規則的規定。出租人亦已向本公司授出購買TGL辦公大樓的選擇權，惟須受TGL辦公室租賃協議下的租賃條款所規限，而本公司則可就物業行使全部或部分選擇權。TGL辦公大樓的購買價(如適用)須為下列較高者：(i)於行使選擇權時，相關物業的公平市值及(ii)參照租賃開始時相關物業的賬面淨值、租金、租期及本集團融資成本計算的數額。本年度我們應向TGL支付的租金總額載於財務報表附註29(a)。本集團預期二零一七年根據TGL辦公室租賃協議應付予TGL的租賃費用總額約為人民幣250,000元。</p>	<p>有關TGL辦公室租賃協議的更多詳情，請參閱招股章程「關連交易」一節。</p>

Description of the transactions 事項概述	Inquiry Index 查詢索引
<p>On 25 April 2015, the Company, as lessee, entered into a tenancy agreement ending on 31 December 2017 with TGL, as lessor and the holding company of the Group, with respect to the factory premises with a gross floor area of approximately 46,700 sq.m. situated at Tengy Industrial Park, Xinle Village and Xinsheng Village, Paitou Town, Zhuji City, Zhejiang Province, the PRC ("<b>TGL Industrial Building</b>") for industrial use ("<b>TGL Industrial Lease Agreement</b>"). Reason for entering into the TGL Industrial Lease Agreement was that the Company commenced the use of the TGL Industrial Building three years ago mainly for industrial use, and any relocation would cause unnecessary costs and disruption. The annual rental payable by the Company under the TGL Industrial Lease Agreement was determined on normal commercial terms with reference to, and was reviewed by professional surveyors and valuers independent of the Group to be fair, reasonable and consistent with, the prevailing market rates of similar properties in the locality. The Company would have the right to renew the lease under the TGL Industrial Lease Agreement subject to compliance with all applicable laws and regulations of the PRC as well as the requirements under the Listing Rules. The lessor also granted the Company an option to purchase the TGL Industrial Building subject to the terms of the lease under the TGL Industrial Lease Agreement, and such option is exercisable in whole or in part with respect to such premises. The price of purchase, where applicable, of the TGL Industrial Building shall be the higher of (i) the fair market value of the relevant premises at the time of exercise of the option and (ii) an amount calculated by reference to the net book value of the relevant premises at the time of commencement of the lease, the rental amount, the leasing period as well as the Group's financing costs. The amount of total rental payment to TGL for the Year is included in note 29(a) to the Financial Statements. On 15 March 2017, the Company entered into an asset acquisition agreement with TGL, pursuant to which the Company conditionally agreed to acquire the TGL Industrial Building from TGL. This transaction is scheduled to complete in May 2017 (as per note 33 to the Financial Statements), upon which the TGL Industrial Lease Agreement will be terminated.</p>	<p>For further details regarding the TGL Industrial Lease Agreement, please refer to the section headed "Connected Transactions" in the Prospectus.</p>
<p>於二零一五年四月二十五日，本公司（作為承租人）與本集團控股公司TGL（作為出租人）就位於中國浙江省諸暨市牌頭鎮新樂村及新升村天潔工業園區，總建築面積約46,700平方米的工廠（「<b>TGL工業大樓</b>」）訂立租賃協議，租期截至二零一七年十二月三十一日止，作工業用途（「<b>TGL工業租賃協議</b>」）。訂立TGL工業租賃協議的理由是本公司於三年前開始使用TGL工業大樓，主要作工業用途。任何遷移將產生不必要的成本及造成業務中斷。本公司於TGL工業租賃協議下應付年度租金乃按一般商業條款並參考當地同類物業的當前市價釐定。獨立於本集團的專業測量公司及估值師已審查TGL工業租賃協議下租賃應付的年度租金並確認租金屬公平合理且與當地類似物業的當前市價相符。本公司有權續訂TGL工業租賃協議下的租約，惟須符合所有適用的中國法律及法規以及上市規則的規定。出租人亦已向本公司授出購買TGL工業大樓的選擇權，惟須受TGL工業租賃協議下的租賃條款所規限，而本公司則可就物業行使全部或部分選擇權。TGL工業大樓的購買價（如適用）須為下列較高者：(i) 於行使選擇權時，相關物業的公平市值及(ii) 參照租賃開始時相關物業的賬面淨值、租金、租期及本集團融資成本計算的數額。本年度我們應向TGL支付的租金總額載於財務報表附註29(a)。於二零一七年三月十五日，本公司與TGL訂立一項資產收購協議，據此，本公司有條件同意向TGL收購TGL工業大樓。根據財務報表附註33，此項交易預期於二零一七年五月完成，屆時TGL工業租賃協議將會終止。</p>	<p>有關TGL工業租賃協議的更多詳情，請參閱招股章程「關連交易」一節。</p>

# Report of the Directors

## 董事會報告

Description of the transactions 事項概述	Inquiry Index 查詢索引
<p>On 25 April 2015, the Company entered with TGL, the holding company of the Group, into a power supply agreement ending on 31 December 2017 (“<b>TGL Power Supply Agreement</b>”), under which TGL would procure supply of electricity to the Company in the premises on lease from TGL under the TGL Office Lease Agreement and the TGL Industrial Lease Agreement in relation to daily operation of the Company’s office as well as the manufacturing and processing of goods which include the outer casings of the precipitators. Reason for entering into the subject agreement was that the Company commenced the use of the premises under the TGL Office Lease Agreement and the TGL Industrial Lease Agreement three years ago, and such premises are owned by TGL and accordingly the power supply services registered with the relevant power enterprises are in the name of TGL. In light of the foregoing circumstances, any procurement for alternate source of power supply would cause unnecessary costs and disruption. Whilst no additional costs would be charged by TGL, the amount payable by the Company under the TGL Power Supply Agreement for the provision of electricity supply was determined on with reference to the fee scale implemented by the PRC Government. Payment would be furnished to TGL on a cost basis on 25th day of each calendar month in accordance with the actual amount of electricity consumed by the Company of that particular month, and such consumption amount should be confirmed by both parties to the TGL Power Supply Agreement by jointly inspecting the readings on the relevant meters on 5th day of each calendar month. The amount of total utility payment to TGL for the Year is included in note 29(a) to the Financial Statements. The Group expects the total utility fees payable to TGL in 2017 under the TGL Power Supply Agreement to be capped at approximately RMB3,800,000.</p>	<p>For further details regarding the TGL Power Supply Agreement, please refer to the section headed “Connected Transactions” in the Prospectus.</p>
<p>於二零一五年四月二十五日，本公司與本集團控股公司TGL訂立供電協議，年期截至二零一七年十二月三十一日止（「<b>TGL供電協議</b>」）。據此，TGL將就TGL辦公室租賃協議及TGL工業租賃協議下向TGL租用的物業為本公司取得電力供應，以應本公司辦公室日常營運和製造及加工貨品（包括除塵器的外殼）之需。訂立上述協議的理由是本公司於三年前開始使用TGL辦公室租賃協議及TGL工業租賃協議下的物業，該等物業由TGL擁有，故在相關電力企業登記的供電服務乃以TGL的名義進行。有見及此，若需取得任何其他供電來源，將產生不必要的成本及造成業務中斷。TGL不會收取額外成本，而本公司根據TGL供電協議就電力供應應付的金額乃參考中國政府執行的價格範圍釐定。本公司將根據每月實際耗電量於每個曆月第25天按成本向TGL支付電費，而耗電量應由TGL供電協議訂約雙方在每個曆月第5天共同讀取相關電表讀數後確認。本年度我們應向TGL支付的公用事業費用總額載於財務報表附註29(a)。本集團預期於二零一七年根據TGL供電協議應付予TGL的公用事業費用總額上限約為人民幣3,800,000元。</p>	<p>有關TGL供電協議的更多詳情，請參閱招股章程「關連交易」一節。</p>

# Report of the Directors

## 董事會報告

Description of the transactions 事項概述	Inquiry Index 查詢索引
<p>On 25 April 2015, the Company, as purchaser, entered with Tianjie General Machinery, as service provider and the wholly-owned subsidiary of TGL, into a processing service agreement ending on 31 December 2017 (“<b>Processing Services Agreement</b>”), under which Tianjie General Machinery agreed to provide processing services such as the processing of steel to the Group. Reason for entering into the Processing Services Agreement was that Tianjie General Machinery has been providing the Company with processing services of consistent quality since January 2012 and that Tianjie General Machinery is familiar with the Group’s products and requirements. Further, due to the geographical proximity between Tianjie General Machinery and us, the transportation costs are relatively low. In light of the foregoing circumstances, the Directors considered it would be in the interests of the Group to continue its relationship with Tianjie General Machinery on sourcing of such processing services therefrom upon the Listing. The amount payable by the Company under the Processing Services Agreement would be ascertained through its regular contacts with independent suppliers in order to keep itself abreast of the market conditions and accordingly to ensure that its engagement with Tianjie General Machinery for the supply of processing services would be fair and reasonable as well as in line with prevailing market practices. Furthermore, before placing any purchase order of processing services, the Company would also obtain quotations from comparable processing services that might be available from other independent suppliers for the purpose of determining whether viable alternatives of comparable quality could be obtained in a timely manner and at the most competitive price. The amount of total processing services payment to Tianjie General Machinery for the Year is included in note 29(a) to the Financial Statements. The Group expects the total service fees payable to Tianjie General Machinery in 2017 under the Processing Services Agreement to be capped at approximately RMB15,000,000.</p>	<p>For further details regarding the Processing Services Agreement, please refer to the section headed “Connected Transactions” in the Prospectus.</p>



# Report of the Directors

## 董事會報告

Description of the transactions 事項概述	Inquiry Index 查詢索引
<p>於二零一五年四月二十五日，本公司(作為買方)已與TGL全資附屬公司天潔通用機械(作為服務供應商)訂立加工服務協議，租期截至二零一七年十二月三十一日止(「加工服務協議」)，據此，天潔通用機械同意向本集團提供鋼材加工等加工服務。訂立加工服務協議的理由是自二零一二年一月起，天潔通用機械一直為本公司提供品質如一的加工服務，及天潔通用機械熟悉本集團的產品及規定。此外，由於我們與天潔通用機械之間的地理位置臨近，運輸成本相對較低。有見及此，董事認為上市後繼續維持本集團與天潔通用機械之間的關係及向天潔通用機械外判有關加工服務符合本集團利益。為確保其委聘天潔通用機械提供加工服務屬公平合理及符合現行市場慣例，其將定期接觸獨立供應商以了解最新市況，以此釐定根據加工服務協議應支付的金額。此外，於下發任何加工服務的採購訂單前，本公司亦會取得其他獨立供應商可提供的可比較加工服務的報價，以釐定是否能及時按最具競爭力的價格取得質量相當的替換選擇。本年度應向天潔通用機械支付的加工服務費總額載於財務報表附註29(a)。本集團預期於二零一七年根據加工服務協議應付予天潔通用機械的服務費總額上限約為人民幣15,000,000元。</p>	<p>有關加工服務協議的更多詳情，請參閱招股章程「關連交易」一節。</p>

### (II) Confirmation opinion by independent non-executive Directors on connected transactions

The independent non-executive Directors reviewed all connected transactions as mentioned above and confirmed that:

- (1) Such transactions were conducted in the ordinary course of business of the Company;
- (2) Such transactions were conducted on normal commercial terms or, if transactions available for comparison were insufficient to determine whether the terms of such transactions are normal commercial terms, from the perspective of the Company, the terms of such transactions were no less favourable than the terms offered to or by independent third parties; and
- (3) Such transactions were conducted in accordance with the terms of the agreements governing relevant transactions, which terms were fair and reasonable and in the interests of the Shareholders as a whole.

### (III) 獨立非執行董事關於關連交易的確認意見

獨立非執行董事審閱上述所有關連交易，並確認：

- (1) 該等交易屬本公司的日常業務；
- (2) 該等交易是按照一般商業條款進行，或如可供比較的交易不足以判斷該等交易的條款是否為一般商業條款，則對本公司而言，該等交易的條款不遜於獨立第三方可取得或提供的條款；及
- (3) 該等交易是根據有關交易的協議條款進行，而條款屬公平合理，並且符合股東的整體利益。

### (III) Confirmation opinion from the Company's external auditor on connected transactions

Having reviewed the connected transactions disclosed in this annual report, Ernst & Young issued a letter to the Board to confirm nothing came to their attention that caused them to believe such connected transactions:

- (1) not having been approved by the Board;
- (2) not having been carried out, in all material respects, based on the pricing policy of the Company (if the transaction involves provision of goods or services by the Company);
- (3) not having been carried out, in all material respects, in accordance with terms of agreements governing the relevant transactions; and
- (4) having exceeded the caps as disclosed in the Prospectus.

### (IV) Related party/connected transactions in note 29 to the audited financial statements of the Company for the Year

Out of the list of the related party/connected transactions set out in note 29 to the Financial Statements, the following transactions constitute connected transactions for the purpose of Chapter 14A of the Listing Rules under which the requirements have been fully complied with. Details of the said compliance are as follows:

### (III) 本公司外部核數師關於關連交易的確認意見

經審閱本年報中披露的關連交易信息後，安永會計師事務所已致函董事會確認彼等並無得悉任何問題可致使彼等相信該等關連交易出現以下情況：

- (1) 未經董事會批准；
- (2) (若交易涉及由本公司提供貨品或服務)未在各重大方面按照本公司的定價政策而進行；
- (3) 在各重大方面並非根據有關交易的協議條款進行；及
- (4) 超逾招股章程披露的上限。

### (IV) 本公司本年度經審核財務報表附註29的關聯方／關連交易

財務報表附註29的關聯方／關連交易的清單中，下列交易構成上市規則第十四A章的關連交易，並已全面遵守有關規定。該合規詳情載列如下：

# Report of the Directors

## 董事會報告

Connected party	Type of connected transactions	Agreement for the connected transaction	Whether or not constituting connected transaction or continuing connected transaction (connected relationship) 是否構成關連交易或持續關連交易（關連關係）	Details of the connected transaction	Whether or not in compliance with the disclosure requirements under Chapter 14A of the Listing Rules 是否已符合上市規則第十四A章的披露規定
關連方	關連交易類型	關連交易協議		關連交易詳情	
Tianjie New Materials	Lease	Tianjie New Materials Tenancy Agreement	Continuing connected transaction (a subsidiary of a Controlling Shareholder)	Lease of premises from the Company for industrial use relating to the production and processing of goods	Yes (being a de minimis continuing connected transaction exempt from the reporting, annual review, announcement, circular and the independent Shareholders' approval requirements pursuant to Rule 14A.76(1)(c) of the Listing Rules)
天潔新材料	租賃	天潔新材料租賃協議	持續關連交易（為一控股股東的附屬公司）	向本公司租賃物業用作製造及加工貨品的工業用途	是（為最低豁免水平持續關連交易，根據上市規則第14A.76(1)(c)條獲豁免遵守申報、年度審閱、公佈、通函及獨立股東批准規定）
<p>Note: The Group terminated the subject agreement with Tianjie New Materials on 1 July 2016. 註：於二零一六年七月一日，本集團與天潔新材料終止上述協議。</p>					
Zhejiang Qinuo	Lease	Zhejiang Qinuo Office Lease Agreement	Continuing connected transaction (a subsidiary of a Controlling Shareholder)	Lease of premises to the Company for its use as office premises and planned for production purpose	Yes (exempt from the circular and the independent Shareholders' approval requirements but subject to the reporting, annual review and announcement requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules, having taken into account the aggregated annual transaction amount under the Zhejiang Qinuo Office Lease Agreement, the TGL Office Lease Agreement and the TGL Industrial Lease Agreement in light of similarity in their nature)
浙江奇諾	租賃	浙江奇諾辦公室租賃協議	持續關連交易（為一控股股東的附屬公司）	本公司承租物業用作辦公室及計劃生產用途	是（鑑於性質相似而經會計浙江奇諾辦公室租賃協議、TGL辦公室租賃協議及TGL工業租賃協議的年度交易總額，根據上市規則第14A.76(2)(a)條獲豁免遵守通函及獨立股東批准規定但須遵守申報、年度審閱及公佈規定）
<p>Note: The Group terminated the subject agreement with Zhejiang Qinuo on 1 May 2016. 註：於二零一六年五月一日，本集團與浙江奇諾終止上述協議。</p>					

# Report of the Directors

## 董事會報告

Connected party 關連方	Type of connected transactions 關連交易類型	Agreement for the connected transaction 關連交易協議	Whether or not constituting connected transaction or continuing connected transaction (connected relationship) 是否構成關連交易或持續關連交易（關連關係）	Details of the connected transaction 關連交易詳情	Whether or not in compliance with the disclosure requirements under Chapter 14A of the Listing Rules 是否已符合上市規則第十四A章的披露規定
TGL	Lease	TGL Office Lease Agreement	Continuing connected transaction (a Controlling Shareholder)	Lease of premises to the Company for use as its office building	Yes (exempt from the circular and the independent Shareholders' approval requirements but subject to the reporting, annual review and announcement requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules, having taken into account the aggregated annual transaction amount under the Zhejiang Qينو Office Lease Agreement, the TGL Office Lease Agreement and the TGL Industrial Lease Agreement in light of similarity in their nature)
TGL	租賃	TGL辦公室租賃協議	持續關連交易（為一控股股東）	本公司承租物業用作辦公室用途	是 (鑑於性質相似而經會計浙江奇諾辦公室租賃協議、TGL辦公室租賃協議及TGL工業租賃協議的年度交易總額，根據上市規則第14A.76(2)(a)條獲豁免遵守通函及獨立股東批准規定但須遵守申報、年度審閱及公佈規定)

# Report of the Directors

## 董事會報告

Connected party	Type of connected transactions	Agreement for the connected transaction	Whether or not constituting connected transaction or continuing connected transaction (connected relationship) 是否構成關連交易或持續關連交易（關連關係）	Details of the connected transaction	Whether or not in compliance with the disclosure requirements under Chapter 14A of the Listing Rules 是否已符合上市規則第十四A章的披露規定
關連方	關連交易類型	關連交易協議		關連交易詳情	
TGL	Lease	TGL Industrial Lease Agreement	Continuing connected transaction (a Controlling Shareholder)	Lease of premises to the Company for industrial use	Yes (exempt from the circular and the independent Shareholders' approval requirements but subject to the reporting, annual review and announcement requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules, having taken into account the aggregated annual transaction amount under the Zhejiang Qinuo Office Lease Agreement, the TGL Office Lease Agreement and the TGL Industrial Lease Agreement in light of similarity in their nature)
TGL	租賃	TGL工業租賃協議	持續關連交易（為一控股股東）	本公司承租物業作工業用途	是 (鑑於性質相似而經合計浙江奇諾辦公室租賃協議、TGL辦公室租賃協議及TGL工業租賃協議的年度交易總額，根據上市規則第14A.76(2)(a)條獲豁免遵守通函及獨立股東批准規定但須遵守申報、年度審閱及公佈規定)

*Note:* The Group is expected to terminate the subject agreement with TGL in May 2017 upon completion of the acquisition of the TGL Industrial Building from TGL by the Company as per the asset acquisition agreement entered into on 15 March 2017.

註：本集團預期，於本公司根據二零一七年三月十五日訂立的資產收購協議向TGL完成收購TGL工業大樓後，於二零一七年五月與TGL終止上述協議。

# Report of the Directors

## 董事會報告

Connected party 關連方	Type of connected transactions 關連交易類型	Agreement for the connected transaction 關連交易協議	Whether or not constituting connected transaction or continuing connected transaction (connected relationship) 是否構成關連交易或持續關連交易（關連關係）	Details of the connected transaction 關連交易詳情	Whether or not in compliance with the disclosure requirements under Chapter 14A of the Listing Rules 是否已符合上市規則第十四A章的披露規定
TGL	Supply of utilities	TGL Power Supply Agreement	Continuing connected transaction (a Controlling Shareholder)	Supply of electricity to the Company in the premises on lease from TGL under the TGL Office Lease Agreement and the TGL Industrial Lease Agreement in relation to daily operation of the Company's office as well as the manufacturing and processing of certain goods	Yes (being a continuing connected transaction on buying of consumer services exempt from the reporting, annual review, announcement, circular and the independent Shareholders' approval requirements pursuant to Rule 14A.97 of the Listing Rules)
TGL	提供公用事業	TGL 供電協議	持續關連交易（為一控股股東）	向本公司根據TGL辦公室租賃協議及TGL工業租賃協議向TGL租用的物業提供電力，以應本公司辦公室日常營運和製造及加工若干貨品之需	是 （為購買消費服務的持續關連交易，根據上市規則第14A.97條獲豁免遵守申報、年度審閱、公佈、通函及獨立股東批准規定）
Tianjie General Machinery	Provision of services	Processing Services Agreement	Continuing connected transaction (a subsidiary of a Controlling Shareholder)	Provision of processing services, such as the processing of steel, to the Group	Yes (exempt from the circular and the independent Shareholders' approval requirements but subject to the reporting, annual review and announcement requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules)
天潔通用機械	提供服務	加工服務協議	持續關連交易（為一控股股東的附屬公司）	向本集團提供鋼材加工等加工服務	是 （根據上市規則第14A.76(2)(a)條獲豁免遵守通函及獨立股東批准規定但須遵守申報、年度審閱及公佈規定）

# Report of the Directors

## 董事會報告

### CLOSURE OF REGISTER OF MEMBERS

The registration of the transfer of Shares will be suspended from 23 May 2017 to 22 June 2017 (both days inclusive) in order to ascertain the Shareholders' entitlement to the attendance in the annual general meeting to be convened for the Year ("2016 AGM"). All Shareholders who wish to attend the 2016 AGM must deliver their properly completed H Shares transfer forms accompanied by the relevant share certificates to the Registrar of H Shares in Hong Kong, Tricor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 22 May 2017, for registration.

### MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the Group's sales to its five largest customers and its largest customer accounted for 30.7% and 11.6% (2015: 29.1% and 6.9%) of the Group's total sales, respectively.

For the Year, the Group's purchases from its five largest suppliers and its largest supplier accounted for 24.9% and 6.8% (2015: 21.9% and 7.6%) of the Group's total cost of sales, respectively.

During the Year, none of the Directors, their close associates nor the Shareholders (which, to the best knowledge and belief of the Directors, owned more than 5% of the Company's issued capital) had any interest in any of the Group's five largest customers and suppliers.

### PROPERTY, PLANT AND EQUIPMENT, AND CONSTRUCTION IN PROGRESS

Details of movements in the property, plant and equipment and construction in progress during the Year are set out in notes 12 to the Financial Statements.

### 暫停辦理股份過戶登記

股份過戶登記手續將於二零一七年五月二十三日 至二零一七年六月二十二日止期間(包括首尾兩天)暫停辦理,以確認股東出席本年度將召開的股東週年大會(「二零一六年股東週年大會」)之權利。所有欲出席二零一六年股東週年大會的股東,須將已填妥之H股過戶表格連同有關之股票於二零一七年五月二十二日下午四時三十分前交回香港H股股份過戶登記處卓佳專業商務有限公司(地址為香港灣仔皇后大道東183號合和中心54樓)進行登記。

### 主要客戶及供應商

於本年度,本集團向其五大客戶及最大客戶作出的銷售分別佔本集團總銷售的30.7%及11.6%(二零一五年:29.1%及6.9%)。

於本年度,本集團向其五大供應商及最大供應商作出的採購分別佔本集團總銷售成本的24.9%及6.8%(二零一五年:21.9%及7.6%)。

於本年度,概無董事、其緊密聯繫人或股東(據董事所知及所信,擁有本公司已發行股本逾5%)於本集團任何五大客戶及供應商中擁有任何權益。

### 物業、廠房及設備以及在建工程

本年度物業、廠房及設備以及在建工程變動的詳情載於財務報表附註12。

# Report of the Directors

## 董事會報告

### SHARE CAPITAL

Details of movements in the share capital of the Group during the Year are set out in note 25 to the Financial Statements.

### RESERVES AND DISTRIBUTABLE RESERVES

Details of movement in the reserves of the Group during the Year are set out in the consolidated statement of changes in equity on page 94 of this annual report.

As at 31 December 2016, the Group's reserves available for distribution, calculated in accordance with the provisions of PRC Company Law (中國公司法), amounted to approximately RMB305.7 million.

### BANK LOANS

Details of bank loans of the Group as at 31 December 2016 are set out in note 23 to the Financial Statements.

### RIGHTS TO ACQUIRE THE COMPANY'S SECURITIES

At no time during the Year was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors, Supervisors or chief executive of the Company or their respective associates or close associates (as respectively defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("SFO") or to acquire benefits by means of acquisition of Shares in, or debentures of, the Company or any other body corporate.

### 股本

本集團於本年度股本變動的詳情載於財務報表附註25。

### 儲備及可供分派儲備

本集團於本年度儲備變動的詳情載於本年報第94頁綜合權益變動表。

於二零一六年十二月三十一日，本集團的可供分派儲備按中國公司法條文計算，約為人民幣305.7百萬元。

### 銀行貸款

本集團於二零一六年十二月三十一日銀行貸款的詳情載於財務報表附註23。

### 收購本公司證券之權利

本公司或其任何控股公司或附屬公司或其任何同系附屬公司於本年度任何時間概無訂立任何安排，致使本公司之董事、監事或高級行政人員或彼等各自之聯繫人或緊密聯繫人（相關定義見上市規則）擁有任何權利可認購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」））之證券或可透過收購本公司或任何其他團體公司之股份或債券獲取利益。



# Report of the Directors

## 董事會報告

### DIRECTORS AND SUPERVISORS

The Directors and the Supervisors being in office during the Year and up to the date of this annual report were as follows:

#### Executive Directors

Mr. Bian Yu (*Chairman*)  
Mr. Bian Weican  
Ms. Bian Shu (newly appointed on 1 June 2016)

#### Non-Executive Directors

Mr. Bian Jianguang  
Mr. Zhang Yuanyuan  
Ms. Zhu Hong (newly appointed on 1 June 2016)

#### Independent non-executive Directors

Ms. Tam Hon Shan Celia  
Mr. Jiang Yan (newly appointed on 1 June 2016)  
Mr. Zhang Bing

#### Supervisors

Mr. Chen Xiahua (newly appointed on 1 June 2016)  
Mr. Fu Jun  
Mr. Fang Zhiguo

### BOARD OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of each of the Directors, the Supervisors and senior management members of the Company are set out in the section headed "Biographies of Directors, Supervisors and Senior Management" above in this annual report.

### CONFIRMATION ON INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

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

### 董事及監事

於本年度直至本年報日期的在任董事及監事如下：

#### 執行董事

邊宇先生(主席)  
邊偉燦先生  
邊姝女士(於二零一六年六月一日新獲委任)

#### 非執行董事

邊建光先生  
章袁遠先生  
朱紅女士(於二零一六年六月一日新獲委任)

#### 獨立非執行董事

譚漢珊女士  
姜晏先生(於二零一六年六月一日新獲委任)  
張炳先生

#### 監事

陳新華先生(於二零一六年六月一日新獲委任)  
傅均先生  
方治國先生

### 董事會、監事及高級管理層

各董事、監事及本公司高級管理層成員的履歷詳情載於本年報上文「董事、監事及高級管理層簡歷」一節。

### 獨立非執行董事之獨立性確認

本公司接獲各獨立非執行董事根據上市規則第3.13條發出之年度獨立性確認書，並認為，根據上市規則，全體獨立非執行董事為獨立人士。

### DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS AND LETTER OF APPOINTMENTS

Each of the executive Directors and non-executive Directors entered into a service contract with the Company on 1 June 2016. Each of the independent non-executive Directors signed a letter of appointment on 1 June 2016. The principal particulars of these service contracts and letters of appointment are (a) for a term commencing from the respective effective dates of their appointment until the day on which the next general meeting of the Shareholders for re-election of Directors is held, and (b) are subject to termination in accordance with their respective terms.

Mr. Chen Xinhua entered into a service contract with the Company on 1 June 2016, whilst each of Mr. Fu Jun and Mr. Fang Zhiguo signed a letter of appointment on 18 October 2014. As required under the Opinions on Further Promotion of Standardising Operations and Intensifying Reform of Overseas Listed Companies (Guojingmaogai No. [1999]230), the Supervisory Committee shall be with external Supervisors comprising more than half of its composition, among whom Mr. Fu Jun and Mr. Fang Zhiguo are independent.

None of the Directors and the Supervisors had entered into a service contract with the Company or its subsidiaries which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

### DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

None of the Directors and the Supervisors had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during or subsisted at the end of the Year.

### MANAGEMENT CONTRACTS

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

### 董事及監事之服務合約及委任函

執行董事及非執行董事各自已於二零一六年六月一日與本公司訂立服務合約。各獨立非執行董事已於二零一六年六月一日簽署委任函。該等服務合約及委任函主要包括(a)任期由彼等各自的委任生效日期開始直至就重選董事而舉行下屆股東大會之日期為止；及(b)可根據各自條款予以終止。

陳新華先生已於二零一六年六月一日與本公司訂立服務合約，而傅均先生及方治國先生於二零一四年十月十八日各自簽署委任函。誠如《關於進一步促進境外上市公司規範運作和深化改革的意見》(國經貿企改[1999]230號)規定，監事會須由超過一半外部監事組成，其中，傅均先生及方治國先生為獨立監事。

董事及監事概無與本公司或其附屬公司訂立任何可於一年內在毋須支付賠償(法定補償除外)的情況下終止的服務合約。

### 董事及監事於重大合約之權益

董事及監事概無於本公司或其任何附屬公司於本年度訂立或於本年度結束時仍存續且對本集團業務屬重大的任何合約中直接或間接擁有重大權益。

### 管理合約

於本年度，概無就本公司整體或任何重大部分業務的管理及行政工作訂立任何合約，亦不存在任何有關合約。

# Report of the Directors

## 董事會報告

### EMOLUMENT POLICY

The Nomination Committee and the Remuneration Committee were set up for, among others, reviewing and making recommendations on remuneration policy and scheme for directors, supervisors, senior management and employees, taking into account salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

The Company has not adopted any share award scheme or share option scheme.

### REMUNERATION OF DIRECTORS, SUPERVISORS AND FIVE HIGHEST-PAID INDIVIDUALS

Details of the remuneration of the Directors, the Supervisors and five highest-paid individuals are set out in notes 8 and 9 to the Financial Statements, under which the bonuses paid to or otherwise receivable by the relevant individuals form part of the item "Salaries, allowances and benefits in kind". During the Year, no amounts were paid to or received by any of the relevant individuals (i) as an inducement to join or upon joining the Company and (ii) as compensation for loss of any office in connection with the management of the affairs of any member of the Group.

### PENSION SCHEMES

Particulars of the pension schemes of the Group are set out in note 6 to the Financial Statements.

### CHANGES TO INFORMATION IN RESPECT OF DIRECTORS AND SUPERVISORS

Save as disclosed in the section headed "Biographies of Directors, Supervisors and Senior Management" above in this annual report, there were no changes during the Year to any information required to be disclosed by the Directors and the Supervisors pursuant to paragraph (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

### 酬金政策

提名委員會與薪酬委員會已成立，以（其中包括）檢討董事、監事、高級管理層及僱員的薪酬政策及計劃，並就此提供建議，當中會考慮可比較公司支付的薪金、董事的時間投入及責任，以及本集團的表現。

本公司並無採納任何股份獎勵計劃或購股權計劃。

### 董事、監事及五名最高薪酬人士的薪酬

董事、監事及五名最高薪酬人士的薪酬詳情載於財務報表附註8及9，各相關人士獲支付或以其他方式應收的花紅列為「薪金、津貼及實物福利」的一部分。於本年度，概無相關人士獲支付或收取任何金額，作為(i)加盟本公司或加盟本公司後的獎金及(ii)就辭任有關管理本集團任何成員公司事務的職位所作出之離職補償。

### 退休金計劃

本集團之退休金計劃詳情載於財務報表附註6。

### 董事及監事的資料變動

除在本年報上文「董事、監事及高級管理層簡歷」一節中披露外，本年度，概無任何資料變動須由董事及監事根據上市規則第13.51(2)條(a)至(e)及(g)段作出披露。

# Report of the Directors

## 董事會報告

### Directors' and chief executive's interest and/or short position in the shares, underlying shares and debentures of the Company

As at 31 December 2016, the interests and short positions of each of the Directors and chief executive of the Company in the shares, underlying shares and debentures (including ordinary shares subscribed for and paid up in Renminbi, i.e. "Domestic Shares", and overseas listed foreign shares listed on the Main Board of the Stock Exchange and traded in Hong Kong dollars, i.e. "H Shares") of the Company and any of its associated corporation (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by the Company under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Listing Rules were as follows:

### 董事及高級行政人員於本公司之股份、相關股份及證券的權益及／或淡倉

於二零一六年十二月三十一日，各董事及本公司高級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)之股份、相關股份及債券(包括以人民幣認購及繳足的普通股，即「內資股」以及已於聯交所主板上市並以港幣進行交易的境外上市外資股，即「H股」)中擁有記錄於本公司根據證券及期貨條例第352條的規定存置之登記冊的權益及淡倉，或須根據上市規則所載之規定而通知本公司及聯交所的權益及淡倉如下：

Name of Director 董事姓名	Capacity/ Nature of interest 身份／權益性質	Number of Domestic Shares 所持內資股數目	Approximate % of total issued Domestic Shares 約佔已發行內 資股之百分比	Approximate % of Company's share capital 約佔本公司已 發行股本之百分比
Mr. Bian Yu (Note 1) 邊宇先生(附註1)	Beneficial owner 實益擁有人	13,671,000	13.67	10.13
	Interest in a controlled corporation (Note 2) 受控制法團權益(附註2)	70,000,000	70	51.85
Mr. Bian Jianguang (Note 1) 邊建光先生(附註1)	Beneficial owner 實益擁有人	6,843,000	6.84	5.07
	Interest in a controlled corporation (Note 2) 受控制法團權益(附註2)	70,000,000	70	51.85
Mr. Bian Weican 邊偉燦先生	Beneficial owner 實益擁有人	1,851,000	1.85	1.37
Ms. Bian Shu (Note 1) 邊姝女士(附註1)	Beneficial owner 實益擁有人	3,933,000	3.93	2.91
	Interest in a controlled corporation (Note 2) 受控制法團權益(附註2)	70,000,000	70	51.85
Mr. Zhang Yuanyuan (Note 3) 章袁遠先生(附註3)	Family interest of spouse 配偶的家族權益	73,933,000	73.93	54.76

# Report of the Directors

## 董事會報告

### Notes:

- The Company is held as to approximately 51.85% by TGL, approximately 10.13% by Mr. Bian Yu, approximately 5.07% by Mr. Bian Jianguang, approximately 2.91% by Ms. Bian Shu, approximately 1.37% by Mr. He Jianmin, approximately 1.37% by Mr. Bian Weican and approximately 1.37% by Mr. Chen Jiancheng. TGL is held as to approximately 64.08% by Mr. Bian Yu, approximately 22.81% by Mr. Bian Jianguang and approximately 13.11% by Ms. Bian Shu.
- The disclosed interest represents the interest in the Company held by TGL which is in turn approximately 64.08% owned by Mr. Bian Yu, approximately 22.81% owned by Mr. Bian Jianguang and approximately 13.11% owned by Ms. Bian Shu. Therefore, Mr. Bian Yu, Mr. Bian Jianguang and Ms. Bian Shu are deemed to be interested in TGL's interest in the Company by virtue of the SFO. The indirect interests in the Company's share capital owned by Mr. Bian Yu, Mr. Bian Jianguang and Ms. Bian Shu via their respective interests in TGL are approximately 33.23%, 11.83% and 6.80% respectively.
- Mr. Zhang Yuanyuan, the spouse of Ms. Bian Shu, is deemed to be interested in Ms. Bian Shu's interest in the Company by virtue of the SFO.

### 附註：

- 本公司由TGL持有約51.85%的權益，由邊宇先生持有約10.13%的權益、由邊建光先生持有約5.07%的權益，由邊姝女士持有約2.91%的權益，由何建民先生持有約1.37%的權益，由邊偉燦先生持有約1.37%的權益以及由陳建誠先生持有約1.37%的權益。TGL由邊宇先生、邊建光先生以及邊姝女士分別持有約64.08%、約22.81%及約13.11%的權益。
- 所披露權益指TGL於本公司所持權益，而TGL則由邊宇先生擁有約64.08%的權益、由邊建光先生擁有約22.81%的權益及由邊姝女士擁有約13.11%的權益。因此，根據證券及期貨條例，邊宇先生、邊建光先生及邊姝女士各自均被視為於本公司的TGL權益擁有權益。邊宇先生、邊建光先生及邊姝女士通過其各自於TGL的權益於本公司股本所擁有的間接權益分別為約33.23%、約11.83%及約6.80%。
- 章袁遠先生為邊姝女士的配偶，根據證券及期貨條例被視為於邊姝女士於本公司的權益中擁有權益。

### Substantial shareholders' interests and/or short position in the shares and underlying shares of the Company

In respect of the register of substantial shareholders (not being a Director or chief executive of the Company) required to be kept under section 336 of Part XV of the SFO shows that as at 31 December 2016, the Company had been notified of the following substantial shareholders' interests and short positions. These interests are in addition to those disclosed above in respect of the Directors and chief executive of the Company.

#### 1. Long position in respect of Domestic Shares as at 31 December 2016:

### 主要股東於本公司之股份及相關股份的權益及／或淡倉

根據證券及期貨條例第XV部第336條規定所存置的主要股東(並非董事或本公司高級行政人員)名冊所記錄，於二零一六年十二月三十一日，本公司獲知會下列主要股東權益及淡倉。此等權益並不包括上文披露之董事及本公司高級行政人員之權益。

#### 1. 於二零一六年十二月三十一日就內資股之好倉：

Names 姓名	Capacity/ Nature of interest 身份/ 權益性質	Number of Domestic Shares 內資股數目	Approximate % of total issued Domestic Shares 約佔已發行內 資股之百分比	Approximate % of Company's share capital 約佔本公司已 發行股本之百分比
TGL (Note 1) TGL (附註1)	Beneficial owner 實益擁有人	70,000,000	70	51.85
Ms. Bao Guo (Note 2) 鮑國女士(附註2)	Family interest of spouse 配偶的家族權益	83,671,000	83.67	61.98
Ms. Xu You (Note 3) 徐幼女士(附註3)	Family interest of spouse 配偶的家族權益	76,843,000	76.84	56.92

# Report of the Directors

## 董事會報告

Notes:

1. TGL is directly interested in approximately 51.85% in the Company.
2. Ms. Bao Guo, the spouse of Mr. Bian Yu, is deemed to be interested in Mr. Bian Yu's interest in the Company by virtue of the SFO.
3. Ms. Xu You, the spouse of Mr. Bian Jianguang, is deemed to be interested in Mr. Bian Jianguang's interests in the Company by virtue of the SFO.

附註：

1. TGL 直接擁有本公司約 51.85% 的權益。
2. 根據證券及期貨條例，鮑國女士（邊宇先生的配偶）被視為於邊宇先生於本公司的權益中擁有權益。
3. 根據證券及期貨條例，徐幼女士（邊建光先生的配偶）被視為於邊建光先生於本公司的權益中擁有權益。

2. Long position in respect of H Shares as at 31 December 2016:

2. 於二零一六年十二月三十一日就H股之好倉：

Name 姓名	Capacity/ Nature of interest 身份/ 權益性質	Number of H Shares H股數目	Approximate % of total issued H Shares 約佔已發行 H股之百分比	Approximate % of Company's share capital 約佔本公司已 發行股本之百分比
Shou Erjun 壽爾均	Beneficial owner 實益擁有人	10,000,000	28.57	7.41
Hong Kong Joint Financial Investment Ltd Hong Kong Joint Financial Investment Ltd	Interest in a controlled corporation 受控制法團權益	5,297,000	15.13	3.92
Zhao Kaiyuan (Note 4) 趙開源(附註4)	Beneficial owner 實益擁有人	5,297,000	15.13	3.92
Kylin International (HK) Co., Ltd 凱銀國際(香港)有限公司	Beneficial owner 實益擁有人	1,834,800	5.24	1.36
Kylin Investment Management Co., Ltd* (Note 5) 凱銀投資管理有限公司 (附註5)	Interest in a controlled corporation 受控制法團權益	1,834,800	5.24	1.36
Tak Shun Holdings Group Co., Ltd* (Note 6) 德信控股集團有限公司 (附註6)	Interest in a controlled corporation 受控制法團權益	1,834,800	5.24	1.36
Hu Yiping (Note 7) 胡一平(附註7)	Interest in a controlled corporation 受控制法團權益	1,834,800	5.24	1.36

# Report of the Directors

## 董事會報告

### Notes:

4. Mr. Zhao Kaiyuan, the controlling shareholder of Hong Kong Joint Financial Investment Ltd, is deemed to be interested in Hong Kong Joint Financial Investment Ltd's interests in the Company by virtue of the SFO.
5. Kylin Investment Management Co., Ltd\* (凱銀投資管理有限公司) ("Kylin Investment"), the controlling shareholder of Kylin International (HK) Co., Ltd ("Kylin International"), is deemed to be interested in Kylin International's interests in the Company by virtue of the SFO.
6. Tak Shun Holdings Group Co., Ltd\* (德信控股集團有限公司) ("Tak Shun Holdings"), the controlling shareholder of Kylin Investment, is deemed to be interested in Kylin International's interests in the Company by virtue of the SFO and note 6 above.
7. Mr. Hu Yiping, the controlling shareholder of Tak Shun Holdings, is deemed to be interested in Kylin International's interests in the Company by virtue of the SFO as well as note 6 above.

### 附註：

4. 趙開源先生為Hong Kong Joint Financial Investment Ltd 控股股東，根據證券及期貨條例被視為於Hong Kong Joint Financial Investment Ltd. 於本公司的權益中擁有權益。
5. 凱銀投資管理有限公司(「凱銀投資」)為凱銀國際(香港)有限公司(「凱銀國際」)控股股東，根據證券及期貨條例被視為於凱銀國際於本公司的權益中擁有權益。
6. 德信控股集團有限公司(「德信控股」)為凱銀投資控股股東，根據證券及期貨條例以及上文附註6被視為於凱銀國際於本公司的權益中擁有權益。
7. 胡一平先生為德信控股的控股股東，根據證券及期貨條例以及上文附註6被視為於凱銀國際於本公司的權益中擁有權益。

## PURCHASE, SALES AND REDEMPTION OF LISTED SECURITIES OF THE COMPANY

From the date of Listing up to 31 December 2016, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the PRC Company Law, which would oblige the Company to offer new Shares on a pro rata basis to the existing Shareholders.

## INTEREST OF COMPLIANCE ADVISER

As notified by China Everbright Capital Limited ("China Everbright"), the Company's compliance adviser, neither China Everbright nor any of its directors or employees or associates had any significant interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 31 December 2016.

## 購買、出售或贖回本公司上市證券

自上市日期起直至二零一六年十二月三十一日止，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

## 優先購買權

組織章程細則或中國公司法概無有關優先購買權的條文，規定本公司必須按現有股東之持股比例向現有股東發售新股份。

## 合規顧問的權益

誠如本公司合規顧問中國光大融資有限公司(「中國光大」)所告知，於二零一六年十二月三十一日，中國光大或其任何董事、僱員或聯繫人概無於本公司或本集團任何成員公司之股本中擁有任何重大權益(包括購股權或該等證券的認購權)。

### SUFFICIENCY OF PUBLIC FLOAT

As at the latest practicable date prior to the issue of this annual report, based on information that is publicly available to the Company and within the knowledge of the Directors, the Company maintained the minimum public float of 25% as required under the Listing Rules.

### COMPLIANCE WITH NON-COMPETE UNDERTAKING

Each of Mr. Bian, Mr. Bian Jianguang and Ms. Bian Shu (the Controlling Shareholders) has confirmed to the Company that he/she has complied with the non-compete undertaking given by them to the Company on 20 October 2014. The independent non-executive Directors have reviewed the status of compliance and enforcement of the non-compete undertaking and confirmed that all the undertakings thereunder have been complied with for the Year.

### COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

For the Year, the Company complied with all code provisions as set out in the CG Code.

### SIGNIFICANT LEGAL PROCEEDINGS

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

### POST-YEAR SIGNIFICANT EVENTS

There were no significant events occurred or arising after the Year with respect to the Group.

### 公眾持股量水平

於刊發本年報前的最後實際可行日期，根據本公司公開可得的資料及據董事所知，本公司已按上市規則要求將公眾持股量維持於最低25%的水平。

### 遵守不競爭承諾

控股股東邊先生、邊建光先生及邊妹女士各自已向本公司確認，其已遵守其於二零一四年十月二十日向本公司出具的不競爭承諾。獨立非執行董事已檢討不競爭承諾的遵守及執行情況，並確認截至二零一六年十二月三十一日止年度已遵守所有承諾。

### 遵守企業管治守則

於本年度，本公司已遵守企業管治守則載列的全部守則條文。

### 重大法律訴訟

於本年度，本公司並無牽涉任何重大訴訟或仲裁，而據董事所知，本公司亦無任何待決或面臨威脅的重大訴訟或申索。

### 年度後重大事件

本集團於本年度後概無發生或出現重大事件。



# Report of the Directors

## 董事會報告

### AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial report matters including the review of the Financial Statements.

### AUDITOR

The Financial Statements have been audited by Ernst & Young, who shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Ernst & Young as auditor of the Group is to be proposed at the 2016 AGM.

By order of the Board

**Bian Yu**  
*Chairman*

Zhuji City, Zhejiang Province, the PRC, 10 April 2017

### 審核委員會

審核委員會與管理層已審閱本集團所採納的會計原則及慣例，並已討論審計、內部監控及財務報告事宜，其中包括審閱財務報表。

### 核數師

財務報表已由安永會計師事務所審計，其將退任並符合資格及願意接受續聘。在二零一六年股東週年大會上將提呈續聘安永會計師事務所為本集團核數師的一項決議案。

承董事會命

主席  
**邊宇**

中國浙江省諸暨市，二零一七年四月十日

# Supervisory Committee Report

## 監事會報告

In 2014, the current session of the Supervisory Committee was established in accordance with the PRC Company Law and resolutions of general meetings. The current session of the Supervisory Committee comprises three Supervisors, namely Mr. Chen Xinhua, Mr. Fu Jun and Mr. Fang Zhiguo.

In the Year, for the Company's long term interests and Shareholders' interests, the Supervisory Committee acted in strict compliance with relevant laws, regulations, rules, regulatory documents, the Articles of Association and Listing Rules and earnestly performed their duties of supervision as to the acts of the Directors and senior management of the Company. The main area of work of the Supervisory Committee in 2016 is summarised as follows:

### I. MEETING CONDUCTED BY THE SUPERVISORY COMMITTEE

The Supervisory Committee convened two meetings in the Year.

### II. WORK OF THE SUPERVISORY COMMITTEE

The work of the first session of the Supervisory Committee mainly comprised the followings:

#### 1. Inspection over implementation of resolutions of the general meetings

The Supervisory Committee exercised supervision over and inspection of the implementation of the resolutions in general meetings by the Board and the senior management through observation and attendance at the Board meetings and general meetings. The Supervisory Committee is of the opinion that the Directors and senior management of the Company have diligently performed their duties in compliance with resolutions of the general meetings. No violation of any laws or regulations or Articles of Association or any act which jeopardises the interests of the Company or Shareholders has been found in the performance of the Company's Directors and senior management.

於二零一四年，現屆監事會根據中國公司法及股東大會決議案成立。現屆監事會由三名監事組成，分別為陳新華先生、傅均先生及方治國先生。

本年度，監事會嚴格遵照相關法律、法規、規章、監管文件、組織章程細則及上市規則行事，對本公司董事及高級管理層的行動認真履行監督責任，維護本公司的長遠利益及股東權益。監事會於二零一六年的主要工作範疇概述如下：

### I. 監事會舉行的會議

本年度，監事會召開了兩次會議。

### II. 監事會工作

首屆監事會的工作主要包括以下內容：

#### 1. 檢查股東大會決議案執行情況

監事會透過觀察及列席董事會會議及股東大會，對董事會及高級管理層執行股東大會決議案的情況進行監督檢查。監事會認為，董事及本公司高級管理層能夠按照股東大會的決議案勤勉履行職責。本公司董事及高級管理層表現中未發現違法、違規、違反組織章程細則及損害本公司或股東利益的行為。

# Supervisory Committee Report

## 監事會報告

### 2. Inspection over legal compliance of the Group's operations

The Supervisory Committee exercised supervision on a regular basis over the legal compliance and rationality of the Group's operation and management in its ordinary work. It has also exercised supervision over work performance of the Board and senior management. The Supervisory Committee is of the opinion that the Group's operation is sound and rational, and is in compliance with all applicable laws, regulations and rules and the Articles of Association. The members of the Board and senior management of the Group have conscientiously and diligently performed their duties, and none of their act would prejudice the interests of the Group or the Shareholders.

### 3. Inspection over the Group's daily operating activities

The Supervisory Committee exercised supervision over the Group's operating activities. The Supervisory Committee is of the opinion that the Group has maintained a sound internal control system and made a great progress in the formulation and implementation of its internal work procedures, thus effectively controlled its exposure to various operating risks. The Group's operation is in compliance with the PRC laws and regulations and the Articles of Association.

### 2. 檢查本集團依法經營情況

監事會在日常工作中，定期對本集團經營及管理的合法性、合規性進行監督，亦對董事會及高級管理層的工作表現進行了監督。監事會認為，本集團經營正常且規範，並遵守所有適用法律、法規、規則和組織章程細則。董事會成員和本集團高級管理層盡職勤勉，忠於職守，未有損害本集團或股東利益的行為。

### 3. 檢查本集團日常經營活動情況

監事會對本集團經營活動進行監督。監事會認為本集團已經建立完善的內部監控制度，在內部工作流程的制定和執行上取得很大的進步，有效地控制了各項經營風險。本集團的經營遵守中國的法律、法規及組織章程細則。

# Supervisory Committee Report

## 監事會報告

#### 4. Inspection over the Group's financial condition

The Supervisory Committee reviewed the Financial Statements, supervised and inspected the Group's implementation of relevant financial policies and legislations as well as details on the Group's assets, financial income and expenditure. The Supervisory Committee is of the opinion that the Financial Statements fairly reflected the Group's financial position and operating results.

Looking forward, the Supervisory Committee will continue to carry out its duties in strict compliance with the Articles of Association and the relevant laws and regulations and protect the interests of the Shareholders.

**Chen Xinhua**

*Chairman of the Supervisory Committee*

Zhuji City, Zhejiang Province, the PRC, 10 April 2017

#### 4. 檢查本集團的財務狀況

監事會已審閱財務報表，監督及檢查本集團貫徹執行相關財務政策及法規情況以及本集團資產及財務收支的詳細情況。監事會認為，財務報表能公平反映本集團的財務狀況及經營業績。

展望未來，監事會將繼續嚴格按照組織章程細則和相關法律及法規，履行其職務，維護股東的權益。

監事會主席

**陳新華**

中國浙江省諸暨市，二零一七年四月十日

# Independent Auditor's Report

## 獨立核數師報告



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### To the shareholders of Zhejiang Tengy Environmental Technology Co., Ltd

(Established in the People's Republic of China with limited liability)

致浙江天潔環境科技股份有限公司股東

(於中華人民共和國註冊成立之有限公司)

## OPINION

We have audited the consolidated financial statements of Zhejiang Tengy Environmental Technology Co., Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 91 to 175, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

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

## 意見

吾等已審計列載於第91至175頁浙江天潔環境科技股份有限公司(以下簡稱「貴公司」)及其附屬公司(以下簡稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、綜合權益變動表及綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

吾等認為，綜合財務報表根據香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)真實而公平反映 貴集團於二零一六年十二月三十一日之綜合財務狀況及其截至該日止年度之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編製。

## 意見基礎

吾等已根據香港會計師公會頒佈之香港審計準則(「香港審計準則」)進行審計。吾等在該等準則下承擔的責任已於本報告核數師就審計綜合財務報表須承擔的責任一節作進一步闡述。根據香港會計師公會之國際職業會計師道德守則(「守則」)，吾等獨立於 貴集團，並已根據守則履行其他道德責任。吾等相信，吾等所獲得之審計憑證能充足及適當地為吾等之意見提供基礎。

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS

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

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

### 關鍵審計事項

關鍵審計事項為根據吾等的專業判斷，吾等認為對本期綜合財務報表的審計最為重要之事項。此等事項在吾等審計整體綜合財務報表及就此發表意見時處理，而吾等不會就此等事項提供單獨的意見。就下文各事項而言，吾等進行審計時如何處理有關事項的描述僅適用於該情況。

吾等已履行本報告核數師就審計綜合財務報表須承擔的責任一節所述的責任，包括與此等事項有關的責任。因此，吾等的審計包括執行為應對吾等就綜合財務報表進行重大錯誤陳述風險評估而設計之程序。審計程序(包括為處理下文事項所執行之程序)之結果為吾等就隨附綜合財務報表的審計意見提供基礎。

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matter 關鍵審計事項

### How our audit addressed the key audit matter 吾等進行審計時如何處理關鍵審計事項

#### **Revenue recognition**

#### 收益確認

The Group enters into contracts with its customers to provide integrated atmospheric pollution control solution with a primary focus on particulate emission control by offering mega-sized precipitators with a significant proportion of the Group's revenues and profits derived from these contracts.

Due to the nature of the business, revenue is recognised on the basis of the percentage of completion method which involves a significant degree of estimation being made to:

- assess the total contracts costs;
- and ascertain the cost incurred as to the calculation of the percentage of completion of the contract;
- appropriately make a provision for loss making contracts.

The above estimation could lead to different revenue being reported in the financial statements.

The Group has disclosed the construction contract accounting and revenue recognition in notes 2.4, 3 and 5 to the consolidated financial statements

貴集團就提供綜合大氣污染防治解決方案與其客戶訂立合同，當中主要專注於透過提供特大型除塵器控制顆粒物排放。貴集團大部分收益及溢利來自此等合同。

鑑於業務的性質，收益乃按完工百分比方式確認，有關方式涉及作出重大程度的估計以：

- 評估合同成本總額；
- 及確定就計算合同完工百分比所產生的成本；
- 為產生虧損的合同計提適當的撥備。

上述估計可引致財務報表所報告的收益金額不同。

貴集團已於綜合財務報表附註2.4、3及5披露建造合同會計及收益確認。

We have discussed and understood management's estimates for total contract costs and budget costs to complete, taking into account the historical accuracy of such estimates. We tested the key controls that the Group designed and implemented over its process to record contract costs and contract revenues and the calculation of the percentage of completion. We also performed detail procedures on individually significant contracts such as substantiating transactions with underlying contracts and documents, evaluating the contract terms on the impact of revenue recognition, testing the actual cost incurred to date and recalculating the percentage of completion and contract revenue. We performed site visits on significant projects and interviewed the customers directly to further corroborate the status of the contracts. In addition, we circularised the confirmation for the significant samples for the agreed terms and the progress billings.

吾等已商討及了解管理層就合同成本總額及完工預算成本的估計，並已考慮該等估計的過往準確性。吾等測試貴集團於其記錄合同成本及合同收益的過程所設計及執行的主要監控，以及完工百分比的計算。吾等亦就個別重大合同執行詳細的程序，如以相關合同及文件證實交易、評估合同條款對收益確認的影響、測試迄今已產生的實際成本，以及重新計算完工百分比及合同收益。吾等實地視察重大項目並與客戶直接面談，以進一步確實合同的狀況。此外，吾等就協定條款及進度款項的重要樣本發出確認書。

# Independent Auditor's Report

## 獨立核數師報告

### Key audit matter 關鍵審計事項

### How our audit addressed the key audit matter 吾等進行審計時如何處理關鍵審計事項

#### **The recoverability of trade and bills receivables and gross amounts due from contract customers** 貿易應收款項及應收票據以及應收合同客戶款項總額的可收回性

The balance of trade and bills receivables and amounts due from customers were significant to the Group as they represent 39% and 37% of the total assets in the consolidated statement of financial position, respectively. Further, assessing the recoverability of trade and bills receivables and amounts due from customers requires management judgement due to the specific risks associated with each individual amount of the trade and bills receivables and amounts due from the customers.

The Group has disclosed the trade and bills receivables and amounts due from customers and the related provision in notes 2.4, 3, 17 and 18 to the consolidated financial statements.

貿易應收款項及應收票據以及應收客戶款項的結餘對貴集團而言十分重要，乃由於兩者分別佔綜合財務狀況表內資產總值的39%及37%。再者，管理層須於評估貿易應收款項及應收票據以及應收客戶款項的可收回性時作出判斷，乃由於與各個別貿易應收款項及應收票據以及應收客戶款項的金額相關的特定風險。

貴集團已於綜合財務報表附註2.4、3、17及18披露貿易應收款項及應收票據、應收客戶款項以及相關撥備。

We assessed the Group's processes and controls relating to the monitoring of trade and bills receivables and amounts due from customers. We evaluated the underlying documentation including historical collection and bad debt records, subsequent receipt and contract status to assess the recoverability of the trade and bills receivables and amounts due from customers and the reasonableness of the impairment provision. We also circularised the confirmation for samples selected for contract terms, the trade and bills receivables balances and the progress billings.

吾等評估貴集團有關監察貿易應收款項及應收票據以及應收客戶款項的過程及監控。吾等評估相關文件（包括過往收款及壞賬記錄、其後收款及合同狀況）以評估貿易應收款項及應收票據以及應收客戶款項的可收回性，及減值撥備的合理性。吾等亦就合同條款、貿易應收款項及應收票據的結餘以及進度款項的抽選樣本發出確認書。

## OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the Management Discussion and Analysis of the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, the Chairman's Statement, the Corporate Governance Report, the Report of the Directors and the Supervisory Committee Report, which are expected to be made available to us after that date.

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

## 年報所載的其他資料

貴公司董事須對其他資料負責。其他資料包括吾等於本核數師報告日期前獲得載於年報的管理層討論及分析（但不包括綜合財務報表及吾等就此發出之核數師報告），以及預期於該日期後吾等可獲得的主席報告、企業管治報告、董事會報告及監事會報告。

吾等對綜合財務報表的意見並不涵蓋其他資料，吾等亦不會就此發表任何形式的鑒證結論。



# Independent Auditor's Report

## 獨立核數師報告

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 on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the Chairman's Statement, the Corporate Governance Report, the Report of the Directors and the Supervisory Committee Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Audit Committee.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities 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. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

就吾等審計綜合財務報表而言，吾等的責任為閱讀其他資料，並在此過程中，考慮其他資料是否與綜合財務報表或吾等在審計過程中所了解的情況存在重大抵觸或似乎存在重大錯誤陳述。基於吾等就於本核數師報告日期前獲得的其他資料所執行的工作，倘吾等得出結論，認為其他資料存在重大錯誤陳述，則吾等須報告該事實。就此而言，吾等並無任何報告事項。

當吾等閱讀主席報告、企業管治報告、董事會報告及監事會報告時，倘吾等得出結論，認為當中存在重大錯誤陳述，則吾等須向審核委員會溝通此事項。

### 董事就綜合財務報表須承擔的責任

貴公司董事負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部監控，以使綜合財務報表的編製不存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，貴公司董事負責評估貴集團持續經營之能力，並在適用的情況下披露與持續經營有關之事項。除非貴公司董事有意將貴公司清盤或停止經營，或別無其他切實替代方案，否則須採用以持續經營為基礎之會計法。

審核委員會協助貴公司董事履行監督貴集團財務報告過程的責任。

### 核數師就審計綜合財務報表須承擔的責任

吾等的目標為對整體綜合財務報表是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並發出載有吾等意見的核數師報告。吾等僅向全體股東作出報告，除此以外本報告別無其他目的。吾等概不會就本報告之內容向任何其他人士負上或承擔任何責任。

# Independent Auditor's Report

## 獨立核數師報告

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

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

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

合理保證是高水平之保證，但並不保證根據香港審計準則進行之審計在存有重大錯誤陳述時總能發現。錯誤陳述可由欺詐或錯誤引起，倘合理預期錯誤陳述個別或匯總起來可能影響使用者依據該等綜合財務報表所作出的經濟決定，則有關錯誤陳述被視作重大。

作為根據香港審計準則進行審計的一部分，吾等在審計過程中運用專業判斷，並保持專業懷疑態度。吾等亦：

- 識別及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之風險、設計及執行審計程序以應對該等風險，以及獲取充足及適當的審計憑證，為吾等的意見提供基礎。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監控之上，因此未能發現因欺詐而導致的重大錯誤陳述之風險高於未能發現因錯誤而導致的重大錯誤陳述之風險。
- 了解與審計相關的內部監控，以設計在各情況下適當的審計程序，惟並非旨在對貴集團內部監控之有效性發表意見。
- 評估董事所採用會計政策之恰當性以及所作出會計估計及相關披露資料之合理性。
- 對董事採用以持續經營為基礎之會計法的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事件或情況有關的重大不確定因素，而可能對貴集團之持續經營能力產生重大疑慮。倘吾等得出結論認為存在重大不確定因素，吾等須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資料。倘有關披露資料不足，則吾等須修訂吾等的意見。吾等的結論乃基於截至核數師報告日期止所取得之審計憑證。然而，未來事件或情況可能導致貴集團無法繼續持續經營。

# Independent Auditor's Report

## 獨立核數師報告

- 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.
- 評估綜合財務報表(包括披露資料)之整體呈列方式、結構及內容，以及綜合財務報表是否公平地呈列相關交易及事件。
- 就 貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以對綜合財務報表發表意見。吾等負責指導、監督及執行集團審計。吾等為審計意見承擔全部責任。

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lai Chee Kong.

吾等與審核委員會溝通有關(其中包括)審計之計劃範圍及時間安排以及重大審計發現，該等發現包括吾等在審計過程中所識別之內部監控的任何重大缺失。

吾等亦向審核委員會提交聲明，說明吾等已符合有關獨立性之相關道德要求，並與彼等溝通可能合理認為會影響吾等獨立性之所有關係及其他事項，以及相關防範措施(如適用)。

從與審核委員會溝通的事項中，吾等釐定對本期綜合財務報表的審計至關重要之事項，因而構成關鍵審計事項。吾等在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見之情況下，倘合理預期在吾等報告中溝通某事項所造成的負面後果超出所產生之公眾利益，則吾等決定不應在報告中溝通該事項。

出具本獨立核數師報告之審計項目合夥人為Lai Chee Kong。

**Ernst & Young**  
Certified Public Accountants  
Hong Kong  
28 March 2017

**安永會計師事務所**  
執業會計師  
香港  
二零一七年三月二十八日

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 綜合損益及其他全面收益表

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 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
REVENUE	收益	5	997,564	919,975
Cost of sales	銷售成本		(768,388)	(733,399)
Gross profit	毛利		229,176	186,576
Other income and gains	其他收入及利得	5	14,329	9,244
Selling and distribution expenses	銷售及分銷開支		(23,039)	(16,180)
Administrative expenses	行政開支		(63,907)	(33,098)
Other expenses	其他開支		(783)	(1,767)
Finance costs	融資成本	7	(6,695)	(10,376)
PROFIT BEFORE TAX	稅前溢利	6	149,081	134,399
Income tax expense	所得稅開支	10	(36,087)	(37,934)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內溢利及全面收入總額		112,994	96,465
Attributable to: Owners of the parent	以下應佔： 母公司擁有人		112,994	96,465
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	母公司普通權益持有人 應佔每股盈利			
Basic and diluted (RMB) — For profit for the year	基本及攤薄（人民幣） 一年內溢利	11	0.84	0.90

# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 December 2016

二零一六年十二月三十一日

		Notes	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
		附註		
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	47,401	42,878
Investment property	投資物業	13	–	16,515
Prepaid land lease payments	預付土地租賃款項	14	18,811	11,549
Intangible assets	無形資產	15	275	195
Deferred tax assets	遞延稅項資產	24	22,645	18,261
Pledged deposits	已抵押存款	20	7,776	17,606
Total non-current assets	非流動資產總值		96,908	107,004
CURRENT ASSETS	流動資產			
Inventories	存貨	16	31,341	40,788
Gross amounts due from contract customers	應收合同客戶款項總額	17	609,159	703,831
Trade and bills receivables	貿易應收款項及應收票據	18	643,175	420,875
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	19	43,674	43,234
Pledged deposits	已抵押存款	20	56,815	75,272
Cash and cash equivalents	現金及現金等價物	20	160,830	209,936
Total current assets	流動資產總值		1,544,994	1,493,936
CURRENT LIABILITIES	流動負債			
Gross amounts due to contract customers	應付合同客戶款項總額	17	111,979	89,523
Trade and bills payables	貿易應付款項及應付票據	21	444,033	431,431
Advances from customers, other payables and accruals	客戶墊款、其他應付款項及應計費用	22	211,656	263,342
Interest-bearing bank borrowings	計息銀行借款	23	119,000	174,000
Tax payable	應付稅項		30,949	31,353
Total current liabilities	流動負債總額		917,617	989,649
NET CURRENT ASSETS	流動資產淨值		627,377	504,287
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債		724,285	611,291
Net assets	資產淨值		724,285	611,291

# Consolidated Statement of Financial Position

## 綜合財務狀況表

31 December 2016

二零一六年十二月三十一日

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
EQUITY				
Equity attributable to owners of the parent		權益 母公司擁有人應佔權益		
Share capital	股本	25	135,000	135,000
Share premium	股份溢價	25	239,064	239,064
Reserves	儲備	26	350,221	237,227
Total equity	權益總額		724,285	611,291

**Bian Yu**  
邊宇  
Director  
董事

**Bian Weican**  
邊偉燦  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

Year ended 31 December 2016

截至二零一六年十二月三十一日止年度

		Attributable to owners of the parent						Total equity
		母公司擁有人應佔權益						
		Share capital	Share premium	Statutory surplus reserve*	Safety production reserve*	Retained profits*		
		股本	股份溢價	法定盈餘儲備*	安全生產儲備*	保留溢利*	總權益	
Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000		
附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元		
At 1 January 2015	於二零一五年一月一日	100,000	-	18,215	4,056	118,491	240,762	
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	96,465	96,465	
Issue of shares	發行股份	25	35,000	276,337	-	-	311,337	
Share issue expenses	發行股份開支	25	-	(37,273)	-	-	(37,273)	
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	9,857	-	(9,857)	-	
Appropriation to safety production reserve	劃撥至安全生產儲備	-	-	-	806	(806)	-	
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	135,000	239,064	28,072	4,862	204,293	611,291	
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	-	112,994	112,994	
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	10,929	-	(10,929)	-	
Appropriation to safety production reserve	劃撥至安全生產儲備	-	-	-	662	(662)	-	
At 31 December 2016	於二零一六年十二月三十一日	135,000	239,064	39,001	5,524	305,696	724,285	

\* These reserve accounts comprise the consolidated reserves of RMB350,221,000 (2015: RMB237,227,000) in the consolidated statement of financial position.

\* 該等儲備賬包括綜合財務狀況表內的綜合儲備人民幣350,221,000元(二零一五年：人民幣237,227,000元)。

# Consolidated Statement of Cash Flows

## 綜合現金流量表

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 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>經營活動現金流量</b>		
Profit before tax:	稅前溢利：	<b>149,081</b>	134,399
Adjustments for:	就以下各項調整：		
Finance costs	融資成本	<b>6,695</b>	10,376
Bank interest income	銀行利息收入	<b>(2,684)</b>	(598)
Foreign exchange differences, net	外匯差額淨額	<b>(3,377)</b>	(1,499)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>4,353</b>	3,845
Depreciation of an investment property	投資物業折舊	<b>477</b>	955
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	<b>1,117</b>	975
Amortisation of intangible assets	無形資產攤銷	<b>109</b>	42
Amortisation of prepaid rental expense	預付租金開支攤銷	<b>3,701</b>	3,768
Impairment of trade receivables	貿易應收款項減值	<b>10,736</b>	3,707
Impairment of other receivables	其他應收款項減值	<b>647</b>	150
		<b>170,855</b>	156,120
Decrease/(increase) in inventories	存貨減少／（增加）	<b>9,447</b>	(7,911)
Decrease/(increase) in gross amounts due from/(to) contract customers	應收／（付）合同客戶款項總額減少／（增加）	<b>117,128</b>	(335,937)
Increase in trade and bills receivables	貿易應收款項及應收票據增加	<b>(233,036)</b>	(130,077)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	<b>(4,177)</b>	(83)
Decrease/(increase) in pledged deposits — current	流動已抵押存款減少／（增加）	<b>18,457</b>	(59,084)
Decrease in pledged deposits — non-current	非流動已抵押存款減少	<b>9,830</b>	25,046
Decrease in trade and bills payables	貿易應付款項及應付票據減少	<b>12,852</b>	198,340
(Increase)/decrease in advances from customers, other payables and accruals	客戶墊款、其他應付款項及應計費用（增加）／減少	<b>(50,143)</b>	124,539
Cash generated from/(used in) operations	經營業務所產生／（所用）現金	<b>51,213</b>	(29,047)
Interest received	已收利息	<b>2,684</b>	598
Interest paid	已付利息	<b>(6,695)</b>	(10,376)
Income tax paid	已付所得稅	<b>(40,875)</b>	(33,478)
Net cash flows from/(used in) operating activities	經營活動所產生／（所用）現金流量淨額	<b>6,327</b>	(72,303)



# Consolidated Statement of Cash Flows

## 綜合現金流量表

Year ended 31 December 2016

截至二零一六年十二月三十一日止年度

	Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動現金流量		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(1,501)	(5,212)
Additions to intangible assets	添置無形資產	(189)	(158)
Net cash flows used in investing activities	投資活動所用現金流量淨額	(1,690)	(5,370)
CASH FLOWS FROM FINANCING ACTIVITIES	融資活動現金流量		
New bank loans	新增銀行貸款	190,000	303,240
Repayment of bank loans	償還銀行貸款	(245,000)	(302,240)
Proceeds from issue of shares	發行股份所得款項	–	311,337
Share issue expenses	發行股份開支	(1,793)	(26,512)
Increase in prepayments, deposits and other receivables	預付款項、按金及其他應收款項增加	(327)	–
Dividend paid	已付股息	–	(3,000)
Net cash flows (used in)/ from financing activities	融資活動(所用)/所產生現金流量淨額	(57,120)	282,825
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)/增加淨額	(52,483)	205,152
Cash and cash equivalents at beginning of year	年初現金及現金等價物	209,936	3,285
Effect of foreign exchange rate changes, net	匯率變動影響淨額	3,377	1,499
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物	160,830	209,936
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等價物結餘分析		
Cash and bank balances	現金及銀行結餘	20	209,936
Cash and cash equivalents as stated in the statement of financial position and statement of cash flows	財務狀況表及現金流量表所列的現金及現金等價物	160,830	209,936

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 1. CORPORATE AND GROUP INFORMATION

The Company is a joint stock company with limited liability established in the People's Republic of China ("PRC"). The registered office of the Company is located at Yangfu Village, Paitou Town, Zhuji City, Zhejiang Province, PRC.

The Company and its subsidiaries are principally engaged in the design, development, manufacturing, installation and sale of environmental pollution prevention equipment and electronic products.

On 12 October 2015, the Company succeeded in listing its shares on the Main Board of the Stock Exchange of Hong Kong Limited ("SEHK").

In the opinion of the directors, the holding company of the Company is Tengy Group Limited ("TGL") (天潔集團有限公司), which is established in the PRC.

Particulars of the Company's subsidiaries at 31 December 2016 are set out below:

### 1. 公司及集團資料

本公司為一間在中華人民共和國(「中國」)成立的股份有限公司。本公司註冊辦事處位於中國浙江省諸暨市牌頭鎮楊傅村。

本公司及其附屬公司主要從事環保污染防治設備及電子產品的設計、開發、製造、安裝及銷售。

本公司的股份在二零一五年十月十二日成功於香港聯合交易所有限公司(「香港聯交所」)主板上市。

董事認為，本公司的控股公司為天潔集團有限公司(「TGL」)，該公司於中國成立。

本公司附屬公司於二零一六年十二月三十一日的資料載列如下：

Name 名稱	Registered/ paid-up capital 註冊/繳足股本	Percentage of equity attributable to the Company Direct 本公司直接 應佔權益百分比	Place and date of establishment/ registration and place of operations 成立/登記地點及 日期以及營業地點	Principal activities 主要業務
諸暨市天潔安裝工程有限公司* ("Tianjie Installation Engineering")	RMB4,500,000	100%	PRC/Mainland China 14 May 2003	Provision of installation services
諸暨市天潔安裝工程有限公司* (「天潔安裝工程」)	人民幣4,500,000元	100%	中國/中國內地 二零零三年五月十四日	提供安裝服務
諸暨市天潔電子科技有限公司* ("Tianjie Electronic and Technology")	RMB2,000,000	100%	PRC/Mainland China 29 June 2009	Manufacture and sale of electronic products
諸暨市天潔電子科技有限公司* (「天潔電子科技」)	人民幣2,000,000元	100%	中國/中國內地 二零零九年六月二十九日	製造及銷售電子產品
吐魯番天潔環境科技有限公司* ("Turpan Environmental and Technology")	RMB20,000,000	100%	PRC/Mainland China 19 July 2013	Manufacture and sale of environmental pollution prevention equipment and electronic products
吐魯番天潔環境科技有限公司* (「吐魯番環境科技」)	人民幣 20,000,000元	100%	中國/中國內地 二零一三年七月十九日	製造及銷售環保污染 防治設備及電子產品

\* These entities are established in the PRC as a limited liability company and not audited by Ernst & Young, Hong Kong or another member firm of the Ernst & Young global network.

\* 該等實體為於中國成立的有限公司且未經香港安永會計師事務所或安永國際網絡其他成員公司審核。

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance.

They have been prepared under the historical cost convention. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

#### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

### 2.1 編製基準

該等財務報表乃按照香港會計師公會(「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」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認會計原則以及香港公司條例的披露規定編製。

該等財務報表乃按歷史成本慣例編製。除另有指明外，該等財務報表以人民幣(「人民幣」)呈列，所有數值已約整至最接近的千位數。

#### 合併基礎

綜合財務報表包括本公司及其附屬公司(統稱「本集團」)截至二零一六年十二月三十一日止年度之財務報表。附屬公司乃本公司直接或間接控制的實體(包括結構性實體)。當本集團透過參與被投資方的業務而享有或有權取得其可變回報，且有能力行使在被投資方的權力影響該等回報(即現有權利賦予本集團目前指示被投資方相關業務的能力)時，即屬於擁有控制權。

當本公司直接或間接擁有的被投資方投票權或類似權利未及大多數，則評估是否有權控制被投資方時，本集團會考慮所有相關事實及情況，包括：

- (a) 與被投資方的其他投票持有者之間的合作安排；
- (b) 從其他合同安排取得的權利；及
- (c) 本集團的投票權及潛在投票權。

# Notes to Financial Statements

## 財務報表附註

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### 2.1 BASIS OF PREPARATION (Continued)

#### Basis of consolidation (Continued)

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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 described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.1 編製基準(續)

#### 合併基礎(續)

附屬公司財務報表乃按與本公司一致的報告期及會計政策編製。附屬公司業績的合併始於本集團獲得對該附屬公司的控制權之日，並止於本集團喪失對該附屬公司的控制權之日。

損益及其他全面收入的各個組成部分歸屬於本集團母公司擁有人及非控股權益，即使此舉導致非控股權益有虧絀結餘。所有集團內公司間的資產及負債、權益、收入、開支及與本集團成員公司之間交易有關的現金流量均於綜合賬目時悉數抵銷。

倘有事實及情況顯示上文所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。並無失去控制權的附屬公司擁有權權益變動以股本交易入賬。

倘本集團失去對附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債；(ii)任何非控股權益之賬面值；及(iii)於權益內記錄的累計匯兌差額；並確認(i)所收代價的公平值；(ii)所保留任何投資的公平值；及(iii)損益中任何因此產生的盈餘或虧絀。先前已於其他全面收入內確認的本集團應佔部分重新分類至損益或保留溢利(如適用)，基準與本集團直接出售相關資產或負債所要求的基準相同。

# Notes to Financial Statements

## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	<i>Investment Entities: Applying the Consolidation Exception</i>
Amendments to HKFRS 11	<i>Accounting for Acquisitions of Interests in Joint Operations</i>
HKFRS 14	<i>Regulatory Deferral Accounts</i>
Amendments to HKAS 1	<i>Disclosure Initiative</i>
Amendments to HKAS 16 and HKAS 38	<i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>
Amendments to HKAS 16 and HKAS 41	<i>Agriculture: Bearer Plants</i>
Amendments to HKAS 27 (2011)	<i>Equity Method in Separate Financial Statements</i>
Annual Improvements 2012-2014 Cycle	Amendments to a number of HKFRSs

### 2.2 會計政策及披露變動

本集團本年度財務報表首次採納以下新訂及經修訂香港財務報告準則。

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 (修訂本) (二零一一年)	投資實體：應用綜合賬目的例外情況
香港財務報告準則第11號 (修訂本)	收購合營業務權益之會計處理
香港財務報告準則第14號	監管遞延賬戶
香港會計準則第1號 (修訂本)	披露計劃
香港會計準則第16號及香港會計準則第38號 (修訂本)	可接受之折舊及攤銷方式之澄清
香港會計準則第16號及香港會計準則第41號 (修訂本)	農業：生產性植物
香港會計準則第27號 (修訂本) (二零一一年)	獨立財務報表的權益法
二零一二年至二零一四年週期年度改進	香港財務報告準則之多項修訂

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## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

Except for the amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011), amendments to HKFRS 11, HKFRS 14, amendments to HKAS 16 and HKAS 41, amendments to HKAS 27 (2011), and certain amendments included in the *Annual Improvements 2012–2014 Cycle*, which are not relevant to the preparation of the Group's financial statements, the nature and the impact of the amendments are described below:

- (a) Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:
- (i) the materiality requirements in HKAS 1;
  - (ii) that specific line items in the statement of profit or loss and the statement of financial position may be disaggregated;
  - (iii) that entities have flexibility as to the order in which they present the notes to financial statements; and
  - (iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss. The amendments have had no significant impact on the Group's financial statements.

### 2.2 會計政策及披露變動(續)

除與編製本集團財務報表無關之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(修訂本)(二零一一年)、香港財務報告準則第11號(修訂本)、香港財務報告準則第14號、香港會計準則第16號及香港會計準則第41號(修訂本)、香港會計準則第27號(修訂本)(二零一一年)，以及二零一二年至二零一四年週期年度改進所載若干修訂外，該等修訂之性質及影響載述如下：

- (a) 香港會計準則第1號(修訂本)載有對財務報表的呈列及披露範疇內具針對性的改進。該等修訂釐清：
- (i) 香港會計準則第1號內之重大規定；
  - (ii) 損益表及財務狀況表內之特定項目可予細分；
  - (iii) 實體就其呈列財務報表附註之順序擁有靈活性；及
  - (iv) 使用權益法入賬的分佔聯營公司及合營企業的其他全面收入必須作為單獨項目匯總呈列，並於其後將會或不會重新分類至損益的該等項目間進行分類。

此外，該等修訂釐清於財務狀況表及損益表內呈列額外小計時適用的規定。該等修訂並無對本集團的財務報表構成重大影響。

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## 財務報表附註

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### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Continued)

- (b) Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments have had no impact on the financial position or performance of the Group as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.
- (c) *Annual Improvements to HKFRSs 2012–2014 Cycle* issued in October 2014 sets out amendments to a number of HKFRSs. Details of the amendments are as follows:
- HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*: Clarifies that changes to a plan of sale or a plan of distribution to owners should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. Accordingly, there is no change in the application of the requirements in HKFRS 5. The amendments also clarify that changing the disposal method does not change the date of classification of the non-current assets or disposal group held for sale. The amendments are to be applied prospectively. The amendments have had no impact on the Group as the Group did not have any change in the plan of sale or disposal method in respect of the disposal group held for sale during the year.

### 2.2 會計政策及披露變動(續)

- (b) 香港會計準則第16號及香港會計準則第38號(修訂本)釐清香港會計準則第16號及香港會計準則第38號中的原則，即收益反映自經營業務(該資產為其一部分)產生的經濟利益而非透過使用資產消耗的經濟利益的模式。因此，收益法不得用於折舊物業、廠房及設備，並且僅在非常有限的情況下可用於攤銷無形資產。該等修訂獲提前應用。由於本集團並未使用收益法計算其非流動資產的折舊，故該等修訂並無對本集團的財務狀況或表現構成影響。
- (c) 於二零一四年十月頒佈的香港財務報告準則二零一二年至二零一四年週期年度改進載列香港財務報告準則之多項修訂。該等修訂詳情如下：
- 香港財務報告準則第5號持作出售之非流動資產及已終止經營業務：釐清向擁有人進行出售或作出分派計劃的變動不應被視為一項新的出售計劃，而應被視為原計劃的延續。因此，應用香港財務報告準則第5號的規定並無變動。該等修訂亦釐清變更出售方式不會改變持作出售之非流動資產或出售組別的分類日期。該等修訂獲提前應用。由於本集團於本年度之持作出售之出售組別的出售計劃或出售方式並無任何變動，故該等修訂並無對本集團構成影響。

# Notes to Financial Statements

## 財務報表附註

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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

Amendments to HKFRS 2	<i>Classification and Measurement of Share-based Payment Transactions</i> <sup>2</sup>
Amendments to HKFRS 4	<i>Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts</i> <sup>2</sup>
HKFRS 9	<i>Financial Instruments</i> <sup>2</sup>
Amendments to HKFRS 10 and HKAS 28 (2011)	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>4</sup>
HKFRS 15	<i>Revenue from Contracts with Customers</i> <sup>2</sup>
Amendments to HKFRS 15	<i>Clarifications to HKFRS 15 Revenue from Contracts with Customers</i> <sup>2</sup>
HKFRS 16	<i>Leases</i> <sup>3</sup>
Amendments to HKAS 7	<i>Disclosure Initiative</i> <sup>1</sup>
Amendments to HKAS 12	<i>Recognition of Deferred Tax Assets for Unrealised Losses</i> <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>4</sup> No mandatory effective date yet determined but available for adoption

The directors anticipate that the application of the new and revised HKFRSs will have no material impact on the financial statements except for the application of HKFRS 15 and Amendments to HKAS 7. Further information about HKFRS 15 and Amendments to HKAS 7 is as follows:

### 2.3 已頒佈但未生效之香港財務報告準則

本集團並無於該等財務報表內應用以下已頒佈但未生效之新訂及經修訂香港財務報告準則。

香港財務報告準則第2號 (修訂本)	以股份為基礎之交易之分類與計量 <sup>2</sup>
香港財務報告準則第4號 (修訂本)	應用香港財務報告準則第4號保險合同時一併應用香港財務報告準則第9號金融工具 <sup>2</sup>
香港財務報告準則第9號	金融工具 <sup>2</sup>
香港財務報告準則第10號及香港會計準則第28號 (修訂本) (二零一一年)	投資者與其聯營公司或合營企業之間的資產出售或注資 <sup>4</sup>
香港財務報告準則第15號	客戶合同收益 <sup>2</sup>
香港財務報告準則第15號 (修訂本)	釐清香港財務報告準則第15號客戶合同收益 <sup>2</sup>
香港財務報告準則第16號	租賃 <sup>3</sup>
香港會計準則第7號 (修訂本)	披露計劃 <sup>1</sup>
香港會計準則第12號 (修訂本)	就未變現虧損確認遞延稅項資產 <sup>1</sup>

<sup>1</sup> 於二零一七年一月一日或之後開始之年度期間生效

<sup>2</sup> 於二零一八年一月一日或之後開始之年度期間生效

<sup>3</sup> 於二零一九年一月一日或之後開始之年度期間生效

<sup>4</sup> 尚未釐定強制性生效日期，但可予採納

董事預期應用新訂及經修訂香港財務報告準則將不會對財務報表造成重大影響，應用香港財務報告準則第15號及香港會計準則第7號 (修訂本) 除外。有關香港財務報告準則第15號及香港會計準則第7號 (修訂本) 之進一步資料如下：



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### 2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

Amendments to HKAS 7 require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The amendments will result in additional disclosure to be provided in the financial statements. The Group expects to adopt the amendments from 1 January 2017.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In June 2016, the HKICPA issued amendments to HKFRS 15 to address the implementation issues on identifying performance obligations, application guidance on principal versus agent and licences of intellectual property, and transition. The amendments are also intended to help ensure a more consistent application when entities adopt HKFRS 15 and decrease the cost and complexity of applying the standard. The Group expects to adopt HKFRS 15 on 1 January 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

### 2.3 已頒佈但未生效之香港財務報告準則(續)

香港會計準則第7號(修訂本)要求實體作出披露，以使財務報表使用者可評估融資活動所產生的負債變動，包括現金流量及非現金變動。該等修訂將導致須於財務報表作出額外披露。本集團預期自二零一七年一月一日起採納該等修訂。

香港財務報告準則第15號建立一個新的五步模式，用以處理自客戶合同產生的收益。根據香港財務報告準則第15號，收益按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。香港財務報告準則第15號的原則為計量及確認收益提供更結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆總收益、關於履約責任、不同期間之間合同資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代香港財務報告準則項下所有現時收益確認的規定。於二零一六年六月，香港會計師公會頒佈香港財務報告準則第15號(修訂本)以解決有關識別履約責任、委託人與代理人及知識產權許可的應用指引以及過渡的實施問題。該等修訂亦有意協助確保實體於採納香港財務報告準則第15號時能更一致地應用及降低應用有關準則的成本及複雜性。本集團預期於二零一八年一月一日採納香港財務報告準則第15號，目前正評估採納香港財務報告準則第15號的影響。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Fair value measurement

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

### 2.4 主要會計政策概要

#### 公平值計量

公平值為市場參與者之間於計量日期進行的有序交易中，出售資產所收取或轉讓負債所支付的價格。公平值計量假設出售資產或轉讓負債的交易於該資產或負債的主要市場，或在無主要市場的情況下，則於對該資產或負債最有利的市場進行。主要或最有利市場須為本集團能參與的市場。假設市場參與者按其最佳經濟利益行事，則資產或負債公平值採用市場參與者為資產或負債定價時所用的假設計量。

非金融資產的公平值計量計及市場參與者將資產用於最高增值及最佳用途或售予會將資產用於最高增值及最佳用途的另一名市場參與者而創造經濟利益的能力。

本集團針對不同情況使用不同估值技術，確保有足夠數據計量公平值，並盡量利用相關可觀察輸入數據，減少使用不可觀察輸入數據。

# Notes to Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fair value measurement (Continued)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 — based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

#### Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, construction contract assets, financial assets and investment property), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### 2.4 主要會計政策概要(續)

#### 公平值計量(續)

所有於財務報表中計量或披露公平值的資產及負債，乃按對整體公平值計量而言屬重要的最低級別輸入數據分類至下述的公平值等級：

- 第一級 — 按同等資產或負債於活躍市場的報價(未經調整)計量
- 第二級 — 按估值方法計量(對公平值計量而言屬重要的最低級別輸入數據可直接或間接觀察)
- 第三級 — 按估值方法計量(對公平值計量而言屬重要的最低級別輸入數據不可觀察)

就於財務報表按經常性基準確認的資產及負債而言，本集團於各報告期末按對整體公平值計量而言屬重要的最低級別輸入數據重新評估分類，以釐定各公平值等級之間是否有出現轉撥。

#### 非金融資產減值

倘有跡象顯示出現減值，或須就資產進行年度減值測試(不包括存貨、建造合同資產、金融資產及投資物業)，則會估計資產的可收回金額。資產的可收回金額按資產或現金產生單位的可使用價值及其公平值減出售成本(以較高者為準)計算，並就個別資產而釐定，除非有關資產不能在很大程度上獨立於其他資產或一組資產產生現金流入，在此情況下，可收回金額就資產所屬的現金產生單位而釐定。

# Notes to Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of non-financial assets (Continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. 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. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each of the reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

#### Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

### 2.4 主要會計政策概要(續)

#### 非金融資產減值(續)

僅當資產的賬面值高於其可收回金額時，方會確認減值虧損。在評估可使用價值時，估計的未來現金流量乃按稅前貼現率貼現至其現值，從而反映現時市場就金錢時間價值及資產特定風險的評估。減值虧損於其產生期間的損益內在與減值資產的功能一致的開支類別中扣除。

於各報告期末，會評估是否有跡象顯示過往確認減值虧損可能不再存在或可能已減少。倘出現有關跡象，則會估計可收回金額。僅當用以釐定資產可收回金額的估計有變動時，過往確認的資產減值虧損方可撥回，惟該金額不得超過過往年度並無就該項資產確認減值虧損而釐定的賬面值(扣除任何折舊／攤銷後)。撥回的減值虧損於產生期間計入損益。

#### 關聯方

倘任何人士符合以下條件，則視為與本集團有關聯：

- (a) 倘該方屬某位人士或該人士的緊密家庭成員，而該人士：
  - (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響力；或
  - (iii) 為本集團或本集團母公司主要管理層成員；

或

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## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Related parties (Continued)

- (b) the party is an entity where any of the following conditions applies:
- (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### 2.4 主要會計政策概要(續)

#### 關聯方(續)

- (b) 倘該方為符合下列任何條件的實體：
- (i) 該實體與本集團屬同一集團的成員；
  - (ii) 為另一實體的聯營公司或合營企業(或其他實體的母公司、附屬公司、同系附屬公司)的一間實體；
  - (iii) 該實體與本集團同為相同第三方的合營企業；
  - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
  - (v) 該實體是為本集團或與本集團相關實體的僱員利益設立的離職後福利計劃；
  - (vi) 該實體由(a)項所鑒定人士控制或共同控制；
  - (vii) (a)(i)項所鑒定人士對該實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員；及
  - (viii) 該實體或其所屬集團的任何成員公司向本集團或本集團的母公司提供關鍵管理人員服務。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	4.75%
Plant and machinery	9.50%
Office equipment	19.00%–31.67%
Motor vehicles	23.75%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

### 2.4 主要會計政策概要(續)

#### 物業、廠房及設備以及折舊

除在建工程外，物業、廠房及設備乃按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及任何使資產達到運作狀況及地點作擬定用途的直接應佔成本。

物業、廠房及設備項目投入運營後所產生支出，例如維修及維護費用，一般於產生期間自損益扣除。在符合確認條件的情況下，重大檢修的支出於資產的賬面值資本化作為重置。倘物業、廠房及設備的重要部分須不時置換，本集團將該等部分確認為具有特定可使用年期的個別資產，並相應計提折舊。

折舊乃以直線法計算，在各項物業、廠房及設備項目的估計可使用年期內撇銷其成本至其剩餘價值。就此所使用的主要年率如下：

樓宇	4.75%
廠房及機器	9.50%
辦公室設備	19.00%–31.67%
汽車	23.75%

倘物業、廠房及設備項目各部分的可使用年期有所不同，則該項目的成本按合理基準分配至各部分，而各部分將分別折舊。剩餘價值、可使用年期及折舊方法將至少於各財政年度末檢討及作出調整(如適用)。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property, plant and equipment and depreciation (Continued)

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents buildings, plant and machinery under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

#### Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business.

Investment properties are accounted for using the cost model.

Depreciation is calculated on the straight-line basis to write off the cost of each item of investment property to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Building	4.75%
Land use right	2.74%

### 2.4 主要會計政策概要(續)

#### 物業、廠房及設備以及折舊(續)

物業、廠房及設備項目(包括初始確認的任何重要部分)於出售後或預期使用或出售該項目不會產生未來經濟利益時終止確認。於資產終止確認年度在損益確認的任何出售或報廢的利得或虧損，乃有關資產出售所得款項淨額與賬面值的差額。

在建工程指在建的樓宇、廠房及機器，按成本減任何減值虧損列賬且不計提折舊。成本包括在建期間的直接建造成本及有關借入資金的資本化借款成本。在建工程於竣工並可供使用時重新分類至物業、廠房及設備的適當類別。

#### 投資物業

投資物業指為賺取租金收入及/或資本增值所持有，而非用於生產或供應貨品或服務或行政用途或於日常業務過程中出售的土地及樓宇權益(包括符合投資物業定義的物業經營租賃項下的租賃權益)。

投資物業乃使用成本模式計量。

折舊乃以直線法計算，在各項投資物業的估計可使用年期內將其成本撇銷至其剩餘價值。就此所使用的主要年率如下：

樓宇	4.75%
土地使用權	2.74%

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

##### Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 3 years.

##### Patent

Purchased patent is stated at cost less any impairment losses and is amortised on the straight-line basis over its estimated useful life of 10 years.

##### Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

### 2.4 主要會計政策概要(續)

#### 無形資產(商譽除外)

單獨取得的無形資產於初始確認時按成本計量。通過業務合併取得的無形資產的成本為收購日期的公平值。無形資產的可使用年期評定為有限期或無限期。有限期的無形資產隨後按可使用經濟年期攤銷，於有跡象顯示無形資產可能出現減值時評估減值。有限可使用年期的無形資產的攤銷期及攤銷方法至少於各財政年度末檢討一次。

##### 軟件

購入的軟件按成本減任何減值虧損列賬，並按3年的估計可使用年期以直線法攤銷。

##### 專利

購入的專利按成本減任何減值虧損列賬，並按10年的估計可使用年期以直線法攤銷。

##### 研發成本

所有研究成本於產生時自損益扣除。

開發新產品的項目所產生的支出，僅於本集團能展示下述事項的情況下撥充資本及遞延：技術上可完成該無形資產以供使用或出售、完成資產的意願及使用或出售資產的能力、該資產如何產生未來經濟利益、具備用以完成項目的資源以及於開發期間可靠計量支出的能力。未符合上述標準的產品開發支出於產生時支銷。



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## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

##### Research and development costs

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products not exceeding 5 to 7 years, commencing from the date when the products are put into commercial production.

#### Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

#### Investments and other financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, as loans and receivables, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

### 2.4 主要會計政策概要(續)

#### 無形資產(商譽除外)(續)

##### 研發成本(續)

遞延開發成本按成本減任何減值虧損列賬，並以直線法按相關產品的商業年期攤銷，惟自產品商業投產日期起，不超過5至7年。

#### 經營租賃

由出租人承擔資產擁有權的絕大部分回報與風險的租賃均入賬作為經營租賃。倘本集團為出租人，根據經營租賃出租的資產將列為非流動資產，經營租賃項下的應收租金於租期內以直線法計入損益。倘本集團為承租人，經營租賃項下的應付租金於租期內以直線法自損益扣除。

經營租賃項下的預付土地租賃款項初始按成本列賬，其後於租期內以直線法確認。

#### 投資及其他金融資產

##### 初始確認及計量

金融資產於初始確認時分為貸款及應收款項(倘適用)。本集團金融資產初始確認時，以公平值加收購金融資產應佔交易成本計量。

所有金融資產的常規買賣於交易日(即本集團承諾購買或出售該資產之日)確認。常規買賣指須在法規或市場慣例普遍規定的期間交付資產的金融資產買賣。

# Notes to Financial Statements

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Investments and other financial assets (Continued)

##### Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

##### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in profit or loss in finance costs for loans and in administrative expenses for receivables.

#### Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

### 2.4 主要會計政策概要(續)

#### 投資及其他金融資產(續)

##### 後續計量

不同類別金融資產的後續計量方法如下：

##### 貸款及應收款項

貸款及應收款項指有固定或可確定付款(在活躍市場並無報價)的非衍生金融資產。初始計量後，該等資產隨後採用實際利率法以攤銷成本減任何減值準備計量。計算攤銷成本時，計及收購產生的任何折價或溢價，並計入作為實際利率不可或缺部分的費用或成本。實際利率攤銷計入損益的其他收入及利得。減值虧損於損益中確認為貸款融資成本及應收款項行政開支。

#### 終止確認金融資產

出現以下情形時，金融資產(或(如適用)一項金融資產的一部分或一組同類金融資產的一部分)一般會終止確認(即自本集團綜合財務狀況表移除)：

- 從資產收取現金流量的權利已逾期；或
- 本集團已根據「過手」安排轉讓從資產收取現金流量的權利，或已承擔向第三方無重大延誤全額支付所收現金流量的責任；及(a)本集團已轉讓資產的絕大部分風險及回報，或(b)本集團雖未轉讓或保留資產的絕大部分風險及回報，但已轉讓資產的控制權。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Derecognition of financial assets (Continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

### 2.4 主要會計政策概要(續)

#### 終止確認金融資產(續)

倘本集團已轉讓從資產收取現金流量的權利或訂立過手安排，則評估有否保留資產所有權的風險及回報及保留程度。倘本集團並無轉讓或保留資產的絕大部分風險及回報，亦無轉讓資產控制權，本集團將以本集團持續參與程度為限繼續確認所轉讓資產。在該情況下，本集團亦確認相關負債。已轉讓資產及相關負債根據反映本集團所保留權利及責任的基準計量。

本集團就已轉讓資產作出擔保導致持續參與時，已轉讓資產乃按該項資產的原賬面值及本集團或須償還的代價數額上限(以較低者為準)計量。

#### 金融資產減值

本集團於各報告期末評估有否客觀跡象顯示一項或一組金融資產出現減值。倘資產初始確認後出現一項或多項事件而對能可靠估計的該項金融資產或該組金融資產的估計未來現金流量有影響，則說明已發生減值。減值跡象可能包括單個債務人或一組債務人面臨重大財務困難、拖欠利息或本金付款、可能將破產或進行其他財務重組，以及可觀察數據顯示估計未來現金流量減少且可計量，例如與拖欠有的欠款或經濟狀況變動。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Impairment of financial assets (Continued)

##### *Financial assets carried at amortised cost*

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to administrative expenses in profit or loss.

### 2.4 主要會計政策概要(續)

#### 金融資產減值(續)

##### *按攤銷成本入賬的金融資產*

對於按攤銷成本入賬的金融資產，本集團首先按個別基準評估單項重大金融資產或按整體基準評估非單項重大金融資產有否減值。倘本集團釐定個別評估的金融資產並無客觀減值證據，則不論重大與否均須將該資產歸入一組具有相似信貸風險特徵的金融資產，以整體評估有否減值。已個別評估減值並已確認或將繼續確認減值虧損的資產不進行整體減值評估。

已識別減值虧損金額以資產的賬面值與估計未來現金流量現值(不包括尚未發生的未來信用虧損)的差額計量。估計未來現金流量的現值按金融資產的原實際利率(即初始確認時計算的實際利率)貼現。

資產賬面值通過使用撥備賬扣減，虧損於損益確認。利息收入持續按已扣減賬面值累計，利率為計量減值虧損時貼現未來現金流量所用的貼現率。倘不可能於未來實現收回且所有抵押品已變現或轉至本集團，則貸款及應收款項連同相關撥備可撇銷。

倘後續期間於減值確認後發生的事項導致估計減值虧損金額增加或減少，則以往確認的減值虧損通過調整撥備賬增加或減少。倘撇賬於日後收回，則轉回的減值虧損計入損益的行政開支。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Financial liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables and accruals, amounts due to the holding company and related companies and interest-bearing bank borrowings.

##### Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

### 2.4 主要會計政策概要(續)

#### 金融負債

##### 初始確認及計量

金融負債於初始確認時被分類為貸款及借款(倘適用)。

所有金融負債初始按公平值確認及倘為貸款及借款，則應減去直接應佔交易成本。

本集團的金融負債包括貿易應付款項及應付票據、其他應付款項及應計費用、應付控股公司及關聯公司款項以及計息銀行借款。

##### 後續計量

金融負債按其分類的後續計量如下：

##### 貸款及借款

於初始確認後，計息貸款及借款隨後以實際利率法按攤銷成本計量，除非貼現影響為微不足道，在該情況下則按成本列賬。當負債終止確認以及按實際利率法進行攤銷程序時，其利得及虧損在損益內確認。

攤銷成本於計及收購事項任何折讓或溢價及屬實際利率不可或缺一部分的費用或成本後計算。實際利率攤銷計入損益的融資成本內。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

#### Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, which are not restricted as to use.

### 2.4 主要會計政策概要(續)

#### 終止確認金融負債

當負債的責任已履行、取消或屆滿時，金融負債會被終止確認。

當現時金融負債被另一項由同一貸款人借出，而條款有重大不同的金融負債所取代，或當現時負債的條款被重大修訂，該取代或修訂被視為對原有負債的終止確認及對新負債的確認，而各自賬面值的差額於損益內確認。

#### 抵銷金融工具

倘有現行可予執行的法律權利以抵銷確認金額及有意按淨額基準償付，或變現資產與清還負債同時進行，則抵銷金融資產及金融負債及於財務狀況表內呈報淨額。

#### 存貨

存貨按成本與可變現淨值的較低者列賬。成本按加權平均基準釐定，如屬在製品及製成品，則包括直接材料、直接勞工及適當比例的間接費用。可變現淨值按估計售價減完成及出售將產生的任何估計成本計算。

#### 現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括手頭現金及活期存款，所涉價值變動風險不高而一般自取得起計三個月內到期的短期高流動性投資，並構成本集團現金管理不可或缺的一部分。

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的手頭及銀行現金。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of each reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

#### Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period, taking into consideration interpretations and practices prevailing in the country in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of each reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

### 2.4 主要會計政策概要(續)

#### 撥備

倘因過往事件導致現時承擔責任(法定或推定責任)，且日後可能將須流失資源以履行責任，並能可靠估計責任的數額，則確認撥備。

倘若貼現影響重大，則所確認的撥備數額為預計履行責任所需的未來支出於各報告期末的現值。隨時間流逝使貼現現值增加的款項計入損益列為融資成本。

#### 所得稅

所得稅包括即期及遞延稅項。有關於損益以外確認的項目的所得稅於損益以外確認，即於其他全面收入或直接於權益確認。

即期稅項資產及負債，根據於各報告期末前已頒佈或實質頒佈的稅率(及稅法)，按預期從稅務機關收回或支付予稅務機關的金額計量，當中已考慮本集團業務所在國家的現行稅務詮釋及慣例。

遞延稅項使用負債法就各報告期末的資產及負債稅基與其作財務報告的賬面值之間的一切暫時性差額作出撥備。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

### 2.4 主要會計政策概要(續)

#### 所得稅(續)

所有應課稅暫時性差額，均被確認為遞延稅項負債，惟下述情況除外：

- 遞延稅項負債是因初始確認一項交易（非為業務合併）中的資產或負債而產生，且於有關交易進行時不影響會計溢利或應課稅溢利或虧損；及
- 就有關於附屬公司的投資的應課稅暫時性差額而言，撥回暫時性差額的時間可受控制，而暫時性差額於可預見的將來可能不會撥回。

所有可扣減暫時性差額、未動用稅項抵免及任何未動用稅項虧損結轉，均被確認為遞延稅項資產。倘可能具有應課稅溢利用以抵銷可扣減暫時性差額、結轉的未動用稅項抵免及未動用稅項虧損，則會確認遞延稅項資產，惟下述情況除外：

- 有關可扣減暫時性差額的遞延稅項資產因初始確認一項交易（並非業務合併）中的資產或負債而產生，且於有關交易進行時不影響會計溢利或應課稅溢利或虧損；及
- 就有關於附屬公司的投資的可扣減暫時性差額而言，遞延稅項資產僅於暫時性差額於可預見的將來可能撥回，而且具有應課稅溢利可用以抵銷暫時性差額時，方會予以確認。



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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Income tax (Continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

### 2.4 主要會計政策概要(續)

#### 所得稅(續)

遞延稅項資產的賬面值於各報告期末檢討，並扣減至不再可能有足夠應課稅溢利以扣減所有或部分將予動用的遞延稅項資產為止。未確認遞延稅項資產於各報告期末重估，並於可能有足夠應課稅溢利用以收回所有或部分遞延稅項資產時予以確認。

遞延稅項資產及負債以預期適用於資產變現或負債清還期間的稅率計量，並以於各報告期末已頒佈或實質頒佈的稅率(及稅法)為基準。

倘若存在法律上可強制執行的權利，可將即期稅項資產及即期稅項負債抵銷且遞延稅項與同一課稅實體及同一稅務機關有關，則對銷遞延稅項資產與遞延稅項負債。

#### 政府補助

政府補助在合理確定將可獲取有關補助及所有附帶條件將獲遵循後，按公平值確認。與開支項目有關的補助，應在擬補償費用被支銷的期間按系統基準確認為收入。

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- (b) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for "Construction contracts" below;
- (c) from the rendering of services, on the percentage of completion basis, as further explained in the accounting policy for "Contracts for services" below;
- (d) rental income, on a time proportion basis over the lease terms;
- (e) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (f) dividend income, when the shareholders' right to receive payment has been established.

### 2.4 主要會計政策概要(續)

#### 收益確認

倘經濟利益可能將流入本集團，且收益可合理地計量，則按下列基準確認收益：

- (a) 由銷售貨品所得收益乃於擁有權的重大風險及回報均轉予買家及本集團對該等項目已沒有保留一般視為與擁有權相關的管理權或對已售貨品的有效控制權後方確認；
- (b) 建造合同的收益按下文「建造合同」的會計政策所進一步詮釋的完工百分比基準確認；
- (c) 提供服務的收益按下文「服務合同」的會計政策所進一步詮釋的完成百分比基準確認；
- (d) 租金收入於租期內按時間比例確認；
- (e) 利息收入按應計基準及以實際利率法，採用將金融工具在預期可使用年期或較短期間(倘適用)的估計未來現金收入精確貼現至金融資產賬面淨值的比率確認；及
- (f) 股息收入於確立股東收取股息的權利時確認。

# Notes to Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of outsourcing, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

#### Contracts for services

Contract revenue on the rendering of services comprises the agreed contract amount. Costs of rendering services comprise labour and other costs of personnel directly engaged in providing the services and attributable overheads.

Revenue from the rendering of services is recognised based on the percentage of completion of the transaction, provided that the revenue, the costs incurred and the estimated costs to completion can be measured reliably. The percentage of completion is established by reference to the costs incurred to date as compared to the total costs to be incurred under the transaction. Where the outcome of a contract cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

### 2.4 主要會計政策概要(續)

#### 建造合同

合同收益包括協定合同金額及來自指令更改、申索及獎金的適當金額。所產生的合同成本包括直接物料、外包成本、直接勞工以及適當比例的浮動及固定建設開支。

來自固定價格建造合同的收益按完工百分比方式確認，參考迄今產生的成本佔相關合同估計總成本的比例計量。

倘管理層預計到可預見的虧損，會即時就虧損計提撥備。倘迄今已產生的合同成本加已確認溢利減已確認虧損超過進度款項，有關盈餘將被視為應收合同客戶款項。倘進度款項超過迄今已產生合同成本加已確認溢利減已確認虧損，有關盈餘將被視為應付合同客戶款項。

#### 服務合同

提供服務的合同收益包括協定的合同金額。提供服務的成本包括直接從事服務提供的人員的勞工及其他成本以及應佔開支。

來自提供服務的收益按交易完成百分比確認，惟收益、已產生的成本及直至完成的估計成本須能可靠地計量。完成百分比乃參考迄今已產生的成本與將產生的交易總成本的比較結果而定。倘合同結果無法可靠計量，收益僅就可合資格收回的已產生開支確認。

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Contracts for services (Continued)

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

#### Other employee benefits

##### Pension scheme

The employees of the Company and its subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. These companies are required to contribute 14% of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as a part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.4 主要會計政策概要(續)

#### 服務合同(續)

倘管理層預計到可預見的虧損，會即時就虧損計提撥備。倘迄今已產生的合同成本加已確認溢利減已確認虧損超過進度款項，有關盈餘將被視為應收合同客戶款項。倘進度款項超過迄今已產生合同成本加已確認溢利減已確認虧損，有關盈餘將被視為應付合同客戶款項。

#### 其他僱員福利

##### 退休金計劃

本公司及其於中國內地經營的附屬公司的僱員須參加由當地市政府運作的中央退休金計劃。該等公司須按工資成本的14%向中央退休金計劃供款。有關供款將按中央退休金計劃的規則在需要支付時自損益扣除。

#### 借款成本

收購、建設或生產合資格資產(即需要一段較長時間方可達致擬定用途或出售的資產)直接應佔的借款成本會撥充資本，作為該等資產的部分成本。當資產已大致可作擬定用途或出售時，不會再將該等借款成本撥充資本。在特定借款用作合資格資產支出前暫作投資所賺取的投資收入須自撥充資本的借款成本扣除。所有其他借款成本於產生期間支銷。借款成本包括實體借款時產生的利息及其他成本。

# Notes to Financial Statements

## 財務報表附註

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### 2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

#### Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company using the exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions and from the translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

#### Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

### 2.4 主要會計政策概要(續)

#### 股息

當末期股息獲股東於股東大會上批准時，即確認為負債。

#### 外幣交易

外幣計值的交易採用交易當日通行之匯率兌換為本公司的功能貨幣。該等交易結算與外幣計值的貨幣資產及負債按年末匯率匯兌產生之匯兌差額於損益表確認。

### 3. 重要會計判斷及估計

編製本集團財務報表時，管理層須作出判斷、估計及假設，而該等判斷、估計及假設影響收益、開支、資產及負債的呈報金額及相關披露，以及或然負債的披露。該等假設及估計的不確定因素可能導致日後須大幅調整受影響資產或負債的賬面值。

#### 判斷

管理層應用本集團的會計政策時，除作出涉及估計的判斷外，亦作出以下對於財務報表所確認金額有最重大影響的判斷：

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### Judgements (Continued)

##### *Operating lease commitments — Group as lessor*

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

##### *Classification between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group. Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions could be sold separately or leased out separately under a finance lease, the Group accounts for the portions separately. If these portions could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

### 3. 重要會計判斷及估計(續)

#### 判斷(續)

##### *經營租賃承擔 — 本集團作為出租人*

本集團就旗下的投資物業組合訂立商業物業租約。本集團已確定，基於對安排條款及條件的評估，就該等以經營租賃出租的物業而言，本集團保留與此等物業擁有權有關的一切重大風險及回報。

##### *投資物業與擁有人佔用物業的分類*

本集團決定物業是否符合投資物業的資格，並已制訂作出此判斷的準則。投資物業是為賺取租金或資本增值或同時為此兩項目的而持有的物業。因此，本集團會考慮一項物業產生現金流量時是否基本上與本集團持有的其他資產無關。部分物業的其中一部分是為賺取租金或資本增值而持有，而另一部分是為用於生產或供應貨品或服務或作行政用途而持有。倘若該等部分可以分開出售(或根據融資租賃分開出租)，本集團會將有關部分分開入賬。倘若該等部分無法分開出售，則只會在用於生產或供應貨品或服務或作行政用途而持有的部分並不重大時，有關物業才會被列作投資物業。本集團對各項物業作判斷，釐定配套服務是否極為重要以致物業不符合投資物業的資格。

# Notes to Financial Statements

## 財務報表附註

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### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### *Impairment of non-financial assets (other than goodwill)*

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### *Deferred tax assets*

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Further details are contained in note 24 to the financial statements.

### 3. 重要會計判斷及估計(續)

#### 估計不確定因素

於各報告期末，極可能導致下一個財政年度資產及負債的賬面值須作重大調整，有關未來的主要假設及估計不確定因素的其他主要來源載述如下。

#### *非金融資產(商譽除外)減值*

本集團於各報告期末評估所有非金融資產有否減值跡象。非金融資產在有跡象顯示其賬面值可能無法收回時進行減值測試。當資產或現金產生單位的賬面值超過其可收回金額(即公平值減銷售成本與其使用價值的較高者)，則存在減值。公平值減銷售成本乃基於按公平原則所進行具約束力的類似資產銷售交易所得數據或可觀察市場價格扣除出售資產的增量成本計算。計算使用價值時，管理層須估計資產或現金產生單位的預期未來現金流量，選擇合適的貼現率以計算該等現金流量的現值。

#### *遞延稅項資產*

倘可能有應課稅溢利可用以抵銷未動用的稅項虧損，則就未動用的稅項虧損確認遞延稅項資產。管理層須根據未來應課稅溢利的大致時間及數額以及未來稅務計劃策略作出重大判斷，以釐定可確認的遞延稅項資產金額。進一步詳情載於財務報表附註24。

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### Estimation uncertainty (Continued)

##### *Impairment of trade and other receivables*

Impairment of trade and other receivables is made based on ongoing assessment of the recoverability of trade and other receivables. The identification of impairment requires management's judgements and estimates. Where the actual outcome is different from the original estimate, such differences will impact on the carrying values of the trade and other receivables and the impairment loss in the period in which such estimate has been changed.

##### *Useful lives and residual values of property, plant and equipment and investment property*

In determining the useful lives and residual values of items of property, plant and equipment and investment property, the Group has to consider various factors, such as technical or commercial obsolescence arising from changes or improvements in production, or from a change in the market demand for the product or service output of the asset, expected usage of the asset, expected physical wear and tear, the care and maintenance of the asset and the legal or similar limits on the use of the asset. The estimation of the useful life of the asset is based on the experience of the Group with similar assets that are used in a similar way.

Additional depreciation is made if the estimated useful lives and/or the residual values of items of property, plant and equipment and investment property are different from the previous estimation. Useful lives and residual values are reviewed at each financial year end date based on changes in circumstances.

### 3. 重要會計判斷及估計(續)

#### 估計不確定因素(續)

##### *貿易應收款項及其他應收款項減值*

貿易應收款項及其他應收款項減值乃根據對貿易應收款項及其他應收款項可收回性的持續評估作出。確定減值需要管理層作出判斷及估計。倘實際結果有別於原先估計，則該等差額將影響改變有關估計期間的貿易應收款項及其他應收款項的賬面值及減值虧損。

##### *物業、廠房及設備以及投資物業的可使用年期及剩餘價值*

於釐定物業、廠房及設備以及投資物業項目的可使用年期及剩餘價值時，本集團須考慮多項因素，例如因改變或改良生產或市場對資產產出的產品或服務需求改變以致技術或商業過時、資產預期用途、預期實際損耗、資產護理及維修以及使用資產的法定或類似限制。資產的可使用年期乃根據本集團對作類似用途的類似資產的經驗作出估計。

倘物業、廠房及設備以及投資物業項目的估計可使用年期及／或剩餘價值有別於先前估計，則計提額外折舊。可使用年期及剩餘價值於各財政年結日根據情況變化進行檢討。



# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### Estimation uncertainty (Continued)

##### *Estimation of total budgeted costs and cost to completion for construction contracts*

Total budgeted costs for construction contracts comprise (i) direct material costs, (ii) costs of outsourcing and direct labour, and (iii) an appropriation of variable and fixed service overheads. In estimating the total budgeted costs for construction contracts, management makes reference to information such as (i) current market prices of raw materials, (ii) current offers from sub-contractors and suppliers, and (iii) recent offers agreed with sub-contractors and suppliers.

##### *Percentage of completion of construction works*

The Group recognises revenue according to the percentage of completion of individual contracts of construction works, which requires estimation to be made by management. The stage of completion is measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract, and the corresponding contract revenue is also estimated by management. Due to the nature of the activity undertaken in construction contracts, the date at which the activity is entered into and the date at which the activity is completed usually fall into different accounting periods. Hence, the Group reviews and revises the estimates of both contract revenue and contract costs in the budget prepared for each contract as the contract progresses. Where the actual contract revenue is less than expected or actual contract costs are more than expected, a foreseeable loss may arise.

### 3. 重要會計判斷及估計(續)

#### 估計不確定因素(續)

##### *估計總預算成本及完成建造合同成本*

建造合同的總預算成本包括(i)直接物料成本、(ii)外包及直接勞工成本及(iii)撥付浮動及固定服務費用。在估計建造合同預算開支總額時，管理層參考以下資料，如(i)原材料的現時市價、(ii)分包商及供應商的現時報價及(iii)與分包商及供應商達成的近期報價。

##### *建設工程的完工百分比*

本集團根據個別合同建設工程的完工百分比確認收益，這需要管理層作出估計。完成進度乃參考迄今產生的成本佔相關合同估計總成本的比例計量，而管理層亦須估計相應合同收益。由於根據建造合同進行的活動的性質，活動的開始與完成日期通常處於不同會計期間。因此，本集團在合同進行期間審閱及修訂各合同預算的合同收益及合同成本估計。倘實際合同收益低於預期或實際合同成本高於預期，則或會產生可預見虧損。

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

#### Change in accounting estimates

##### Trade receivables and other receivables

In order to reflect the financial position and operating results of the Group in a more objective and fair manner, the Group changed the ratio for bad debts provision of trade receivables and other receivables aged over four years from 50% to 100% from 1 September 2016 onwards.

As retrospective adjustments have not been made for previous years with respect to the change in accounting estimates, there will be no impact on the published financial statements of the Group. The impact on the consolidated financial statements of the Group for the year ended 31 December 2016 arising from the above mentioned change in accounting estimates of trade receivables and other receivables shall be a decrease in total profit of approximately RMB1,998,000 for the year ended 31 December 2016. Details of the impact were as follows:

### 3. 重要會計判斷及估計(續)

#### 會計估計變更

##### 貿易應收款項及其他應收款項

為更客觀公平地反映本集團的財務狀況及經營業績，本集團自二零一六年九月一日起以後將賬齡為四年以上的貿易應收款項及其他應收款項的壞賬撥備比率由50%更改為100%。

由於本集團並無就過往年度的會計估計變更作出追溯調整，故本集團所公佈的財務報表將不會受到影響。上述貿易應收款項及其他應收款項的會計估計變更對本集團截至二零一六年十二月三十一日止年度的綜合財務報表產生影響，導致截至二零一六年十二月三十一日止年度的溢利總額減少約人民幣1,998,000元。有關影響的詳情如下：

		Before changes in accounting estimates 會計估計 變更前	Changes in accounting estimates 會計估計 變更	After changes in accounting estimates 會計估計 變更後
Trade and bills receivables	貿易應收款項及應收票據	645,530	(2,355)	643,175
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	43,983	(309)	43,674
Administrative expenses	行政開支	61,243	2,664	63,907
Deferred tax assets	遞延稅項資產	21,979	666	22,645
Income tax expenses	所得稅開支	36,753	(666)	36,087
Retained profits	保留溢利	(307,694)	1,998	(305,696)

# Notes to Financial Statements

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### 4. OPERATING SEGMENT INFORMATION 4. 經營分部資料

The Group's revenue during the year was mainly derived from the sale of environmental pollution prevention equipment. The products of the Group are subject to similar risks and returns and, therefore, the Group has only one business segment.

本集團於本年度的收益主要來自銷售環境污染防治設備。本集團產品面臨的風險及所得回報相似，因此，本集團僅有一個業務分部。

#### Geographical information

#### 地區資料

##### (a) Revenue from external customers

##### (a) 來自外部客戶的收益

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Mainland China 中國內地	977,124	896,367
Other countries 其他國家	20,440	23,608
	997,564	919,975

The revenue information above is based on the locations of the customers.

上述收益資料乃根據客戶所在地呈列。

##### (b) Non-current assets

All non-current assets of the Group are located in Mainland China.

##### (b) 非流動資產

本集團的所有非流動資產均位於中國內地。

#### Information about major customers

#### 有關主要客戶的資料

For the year ended 31 December 2016, revenue from sales to a customer amounted to RMB115,312,000 or 11.6% of the Group's total revenue. For the year ended 31 December 2015, no revenue from sales to a single customer amounted to 10% or more of the Group's total revenue.

截至二零一六年十二月三十一日止年度，來自一名客戶的銷售收益為人民幣115,312,000元，佔本集團總收益11.6%。截至二零一五年十二月三十一日止年度，並無來自單一客戶的銷售收益佔本集團總收益10%或以上。

# Notes to Financial Statements

## 財務報表附註

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### 5. REVENUE, OTHER INCOME AND GAINS

Revenue represents an appropriate proportion of contract revenue of construction contracts; the net invoiced value of goods sold, after allowances for returns and trade discounts; and the value of services rendered during the year.

An analysis of revenue, other income and gains is as follows:

### 5. 收益、其他收入及利得

收益指建造合同的合同收益的適當部分；所銷售貨品經扣除退貨及貿易折扣後的發票淨值；以及於年內所提供服務的價值。

收益、其他收入及利得的分析如下：

		<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Revenue</b>	<b>收益</b>		
Construction contracts	建造合同	<b>993,071</b>	916,073
Sale of goods	銷售貨品	<b>4,463</b>	3,862
Rendering of services	提供服務	<b>30</b>	40
		<b>997,564</b>	919,975
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	<b>2,684</b>	598
Government grants	政府補助	<b>5,839</b>	3,699
Gross rental income	租金收入總額	<b>430</b>	1,085
Compensation income	補償收入	<b>285</b>	507
Others	其他	<b>169</b>	24
		<b>9,407</b>	5,913
<b>Gain</b>	<b>利得</b>		
Foreign exchange gain, net	匯兌收益淨額	<b>4,922</b>	3,331
		<b>14,329</b>	9,244

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### 6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

### 6. 稅前溢利

本集團的稅前溢利乃經扣除/(計入)以下各項後達致：

	Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cost of services provided	所提供服務的成本	766,493	731,771
Cost of inventories sold	所售出存貨的成本	1,895	1,628
Depreciation of property, plant and equipment	物業、廠房及設備折舊	12	3,845
Depreciation of an investment property	投資物業折舊	13	477
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	14	1,117
Amortisation of intangible assets	無形資產攤銷	15	109
Amortisation of prepaid rental expense	預付租賃開支攤銷		3,701
Research and development costs	研發成本	21,586	–
Auditor's remuneration	核數師薪酬	1,507	1,459
Employee benefit expense (excluding directors', supervisors' and chief executive's remuneration (note 8))	僱員福利開支(不包括 董事、監事及高級 行政人員的薪酬 (附註8))		
Wages and salaries	工資及薪金	44,124	43,529
Pension scheme contributions	退休金計劃供款	2,550	3,444
Staff welfare expenses	員工福利開支	4,145	3,839
		50,819	50,812
Foreign exchange differences, net	外匯差額淨額	(4,922)	(3,331)
Impairment of trade receivables	貿易應收款項減值	18	10,736
Impairment of other receivables	其他應收款項減值	19	647
Bank interest income	銀行利息收入	5	(2,684)
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment property	產生自可賺取租金的投資 物業的直接經營開支 (包括維修及維護)		477
			955

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## 財務報表附註

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### 7. FINANCE COSTS

An analysis of finance costs is as follows:

	<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest on bank loans 銀行貸款的利息	<b>6,695</b>	10,215
Interest on discounted bills 貼現票據的利息	-	161
	<b>6,695</b>	10,376

### 7. 融資成本

融資成本的分析如下：

### 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors', supervisors' and chief executive's remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, is as follows:

### 8. 董事、監事及高級行政人員的薪酬

根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露的董事、監事及高級行政人員於年內的薪酬如下：

	<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Fees 袍金	-	-
Other emoluments: 其他酬金：		
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	<b>2,127</b>	1,716
Pension scheme contributions 退休金計劃供款	<b>103</b>	91
	<b>2,230</b>	1,807

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### 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

### 8. 董事、監事及高級行政人員的薪酬(續)

#### (a) Independent non-executive directors

#### (a) 獨立非執行董事

		Salaries, allowances and benefits	Pension scheme contributions	Total remuneration
		Fees in kind		
		薪金、津貼及袍金	退休金計劃供款	薪酬總額
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>2016</b>	<b>二零一六年</b>			
Tam Hon Shan Celia	譚漢珊	—	248	248
Dang Xiaqing <sup>(1)</sup>	黨小慶 <sup>(1)</sup>	—	55	55
Jiang Yan <sup>(2)</sup>	姜晏 <sup>(2)</sup>	—	35	35
Zhang Bing	張炳	—	60	60
		—	398	398

		Salaries, allowances and benefits	Pension scheme contributions	Total remuneration
		Fees in kind		
		薪金、津貼及袍金	退休金計劃供款	薪酬總額
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>2015</b>	<b>二零一五年</b>			
Tam Hon Shan Celia	譚漢珊	—	236	236
Dang Xiaqing	黨小慶	—	10	10
Zhang Bing	張炳	—	10	10
		—	256	256

Notes:

- (1) Dang Xiaqing resigned as independent non-executive director of the Company with effect from 1 June 2016.
- (2) Jiang Yan was appointed as independent non-executive director of the Company with effect from 1 June 2016.

附註：

- (1) 黨小慶自二零一六年六月一日起辭任本公司獨立非執行董事。
- (2) 姜晏自二零一六年六月一日起獲委任為本公司獨立非執行董事。

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### 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

#### (b) Executive directors, non-executive directors, supervisors and the chief executive

### 8. 董事、監事及高級行政人員的薪酬(續)

#### (b) 執行董事、非執行董事、監事及高級行政人員

		Salaries, allowances and benefits Fees	Pension scheme contributions	Total remuneration
		in kind	retirement savings	
		薪金、津貼及 袍金	退休金 計劃供款	薪酬總額
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
<b>2016</b>	<b>二零一六年</b>			
Executive directors:	執行董事：			
Bian Yu	邊宇	–	486	21
Bian Weican	邊偉燦	–	177	21
Bian Shu <sup>(1)</sup>	邊姝 <sup>(1)</sup>	–	103	13
		–	766	55
Non-executive directors:	非執行董事：			
Bian Jianguang	邊建光	–	150	–
Zhang Yuanyuan	章袁遠	–	166	20
Zhu Hong <sup>(2)</sup>	朱紅 <sup>(2)</sup>	–	35	–
		–	351	20
Supervisors:	監事：			
Chen Xinhua <sup>(3)</sup>	陳新華 <sup>(3)</sup>	–	76	6
Bian Shu <sup>(1)</sup>	邊姝 <sup>(1)</sup>	–	75	8
Fu Jun	傅均	–	60	–
Fang Zhiguo	方治國	–	60	–
		–	271	14
Chief executive:	高級行政人員：			
Qiu Jinxing	邱金鑫	–	341	14
		–	1,729	103
				1,832



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### 8. DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S REMUNERATION

(Continued)

#### (b) Executive directors, non-executive directors, supervisors and the chief executive (Continued)

		Fees	Salaries, allowances and benefits in kind	Pension scheme contributions	Total remuneration
		袍金	薪金、津貼及實物福利	退休金計劃供款	薪酬總額
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
2015	二零一五年				
Executive directors:	執行董事：				
Bian Yu	邊宇	–	481	18	499
Bian Weican	邊偉燦	–	177	20	197
		–	658	38	696
Non-executive directors:	非執行董事：				
Bian Jianguang	邊建光	–	121	–	121
Zhang Yuanyuan	章袁遠	–	146	20	166
		–	267	20	287
Supervisors:	監事：				
Bian Shu <sup>(1)</sup>	邊姝 <sup>(1)</sup>	–	177	20	197
Fu Jun	傅均	–	10	–	10
Fang Zhiguo	方治國	–	10	–	10
		–	197	20	217
Chief executive:	高級行政人員：				
Qiu Jinxing	邱金鑫	–	338	13	351
		–	1,460	91	1,551

Notes:

- (1) Bian Shu resigned as supervisor of the Company with effect from 1 June 2016 and was appointed as executive director with effect from 1 June 2016.
- (2) Zhu Hong was appointed as non-executive director of the Company with effect from 1 June 2016.
- (3) Chen Xinhua was appointed as supervisor of the Company with effect from 1 June 2016.

There was no arrangement under which a director, a supervisor or the chief executive waived or agreed to waive any remuneration during the year.

### 8. 董事、監事及高級行政人員的薪酬(續)

#### (b) 執行董事、非執行董事、監事及高級行政人員(續)

附註：

- (1) 邊姝自二零一六年六月一日起辭任本公司監事並自二零一六年六月一日起獲委任為執行董事。
- (2) 朱紅自二零一六年六月一日起獲委任為本公司非執行董事。
- (3) 陳新華自二零一六年六月一日起獲委任為本公司監事。

年內，概無董事、監事或高級行政人員放棄或同意放棄收取任何薪酬的安排。

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## 財務報表附註

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### 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one director and the chief executive (2015: two directors and the chief executive), details of whose remuneration are set out in note 8 above. Details of the remuneration of the remaining three (2015: two) highest paid employees who are neither a director nor chief executive of the Company during the year are as follows:

		<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Salaries, allowances and benefits in kind	薪金、津貼及實物福利	<b>871</b>	762
Pension scheme contributions	退休金計劃供款	<b>25</b>	23
		<b>896</b>	785

The remuneration of all the non-director and non-chief executive highest paid employees fell within the band of nil to HK\$1,000,000.

### 9. 五名最高薪酬僱員

年內，五名最高薪酬僱員中包括一名董事及高級行政人員(二零一五年：兩名董事及高級行政人員)，其薪酬詳情載於上文附註8。年內，其餘三名(二零一五年：兩名)非本公司董事或高級行政人員的最高薪酬僱員的薪酬詳情如下：

所有非董事及非高級行政人員的最高薪酬僱員的薪酬介於零至1,000,000港元之間。

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## 財務報表附註

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### 10. INCOME TAX

Pursuant to the Corporate Income Tax Law of the PRC and the respective regulations, the Company and its subsidiaries which operate in Mainland China are subject to Corporate Income Tax ("CIT") at a rate of 25% on the taxable income.

The income tax expense of the Group is analysed as follows:

		<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Current — Charged for the year	年內即期支出	<b>40,471</b>	41,404
Deferred (note 24)	遞延 (附註24)	<b>(4,384)</b>	(3,470)
Total tax charge for the year	年內稅項支出總額	<b>36,087</b>	37,934

A reconciliation of the tax expense applicable to profit before tax at the statutory rate to the tax expense at the effective tax rate is as follows:

		<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Profit before tax	稅前溢利	<b>149,081</b>	134,399
Tax at the statutory tax rate of 25%	按法定稅率25%計算之稅項	<b>37,270</b>	33,600
Effect of non-deductible expenses	不可扣減開支的影響	<b>644</b>	548
Additional deduction for research and development activities	研發活動的額外扣減	<b>(2,006)</b>	—
Tax losses not recognised	未確認的稅項虧損	<b>341</b>	3,786
Tax losses utilised from previous periods	來自過往期間的已動用稅項虧損	<b>(162)</b>	—
Tax charge at the Group's effective tax rate	按本集團實際稅率計算的稅項支出	<b>36,087</b>	37,934

### 10. 所得稅

根據中國企業所得稅法及相關法規，本公司及其在中國內地營運的附屬公司須按25%的稅率就應課稅收入繳納企業所得稅（「企業所得稅」）。

本集團的所得稅開支分析如下：

按法定稅率計算適用於稅前溢利的稅項開支與按實際稅率計算的稅項開支的對賬如下：

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### 11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 135,000,000 (2015: 107,767,000) in issue during the year.

There were no potentially dilutive ordinary shares in issue during the years ended 31 December 2016 and 2015.

The calculations of basic earnings per share are based on:

### 11. 母公司普通權益持有人應佔每股 盈利

每股基本盈利乃按母公司普通權益持有人應佔溢利以及年內已發行普通股的加權平均數135,000,000(二零一五年: 107,767,000)股計算。

截至二零一六年及二零一五年十二月三十一日止年度概無潛在攤薄已發行普通股。

每股基本盈利乃按以下數據計算：

		<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Earnings</b> Profit attributable to ordinary equity holders of the parent used in the basic earnings per share calculation	<b>盈利</b> 用於計算每股基本盈利的 母公司普通權益持有人 應佔溢利	<b>112,994</b>	96,465
<b>Number of shares</b> 股份數目			
		<b>2016</b> 二零一六年	2015 二零一五年
<b>Shares</b> Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<b>股份</b> 用於計算每股基本盈利的年內 已發行普通股的加權平均數	<b>135,000,000</b>	107,767,000

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### 12. PROPERTY, PLANT AND EQUIPMENT 12. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2016</b>	二零一六年 十二月三十一日						
At 31 December 2015 and 1 January 2016:	於二零一五年十二月 三十一日及二零一六年 一月一日：						
Cost	成本	27,825	23,412	799	1,055	6,444	59,535
Accumulated depreciation	累計折舊	(7,689)	(8,062)	(513)	(393)	-	(16,657)
Net carrying amount	賬面淨值	20,136	15,350	286	662	6,444	42,878
At 1 January 2016, net of accumulated depreciation	於二零一六年一月一日， 扣除累計折舊	20,136	15,350	286	662	6,444	42,878
Additions	添置	-	1,084	210	-	207	1,501
Depreciation provided during the year	年內計提的折舊	(1,880)	(2,047)	(175)	(251)	-	(4,353)
Transfers	轉撥	-	6,515	-	-	(6,515)	-
Transfer from an investment property	自一項投資物業轉撥	7,375	-	-	-	-	7,375
At 31 December 2016, net of accumulated depreciation	於二零一六年 十二月三十一日， 扣除累計折舊	25,631	20,902	321	411	136	47,401
At 31 December 2016:	於二零一六年 十二月三十一日：						
Cost	成本	39,054	31,011	1,009	1,055	136	72,265
Accumulated depreciation	累計折舊	(13,423)	(10,109)	(688)	(644)	-	(24,864)
Net carrying amount	賬面淨值	25,631	20,902	321	411	136	47,401

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## 財務報表附註

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### 12. PROPERTY, PLANT AND EQUIPMENT

(Continued)

### 12. 物業、廠房及設備(續)

		Buildings 樓宇 RMB'000 人民幣千元	Machinery 機器 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>31 December 2015</b>	<b>二零一五年 十二月三十一日</b>						
At 1 January 2015:	於二零一五年一月一日：						
Cost	成本	26,700	21,303	599	1,050	4,671	54,323
Accumulated depreciation	累計折舊	(6,116)	(6,236)	(317)	(143)	-	(12,812)
Net carrying amount	賬面淨值	20,584	15,067	282	907	4,671	41,511
At 1 January 2015, net of accumulated depreciation	於二零一五年一月一日， 扣除累計折舊	20,584	15,067	282	907	4,671	41,511
Additions	添置	-	2,109	200	5	2,898	5,212
Depreciation provided during the year	年內計提的折舊	(1,573)	(1,826)	(196)	(250)	-	(3,845)
Transfers	轉撥	1,125	-	-	-	(1,125)	-
At 31 December 2015, net of accumulated depreciation	於二零一五年 十二月三十一日， 扣除累計折舊	20,136	15,350	286	662	6,444	42,878
At 31 December 2015:	於二零一五年 十二月三十一日：						
Cost	成本	27,825	23,412	799	1,055	6,444	59,535
Accumulated depreciation	累計折舊	(7,689)	(8,062)	(513)	(393)	-	(16,657)
Net carrying amount	賬面淨值	20,136	15,350	286	662	6,444	42,878

As at 31 December 2016, certain of the Group's buildings with a net carrying amount of approximately RMB14,462,000 (2015: RMB8,371,000) were pledged to secure bank loan facilities granted to the Group (note 23).

於二零一六年十二月三十一日，本集團賬面淨值約為人民幣14,462,000元(二零一五年：人民幣8,371,000元)的若干樓宇已質押，以就本集團獲授的銀行貸款融資提供抵押(附註23)。

# Notes to Financial Statements

## 財務報表附註

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### 13. INVESTMENT PROPERTY

### 13. 投資物業

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日的賬面值	16,515	17,470
Depreciation provided during the year	年內計提的折舊	(477)	(955)
Transfer to owner-occupied property	轉撥至自有物業	(16,038)	-
Carrying amount at 31 December	於十二月三十一日的賬面值	-	16,515

The Group's investment property consisted of an industrial property in Mainland China. The investment property was leased to a related party under operating lease with lease terms of three years in 2015 and the Group terminated the tenancy agreement on 1 July 2016. Further summary details of which are included in note 28(a) to the financial statements.

The investment property was measured at cost. The fair value of the investment property as at 31 December 2015 was RMB20,900,000, based on valuations performed by DTZ Debenham Tie Leung Limited, an independent professionally qualified valuer.

As at 31 December 2015, the Group's investment property with a net carrying amount of RMB16,515,000 was pledged to secure bank loan facilities granted to the Group (note 23).

本集團的投資物業包括一項於中國內地的工業物業。投資物業乃根據經營租約租予關聯方，租賃期於二零一五年為三年，且本集團已於二零一六年七月一日終止租賃協議。進一步概要詳情載於財務報表附註28(a)。

投資物業乃採用成本計量。根據獨立專業合資格估值師戴德梁行有限公司進行的估值，於二零一五年十二月三十一日，投資物業的公平值為人民幣20,900,000元。

於二零一五年十二月三十一日，本集團賬面淨值為人民幣16,515,000元的投資物業已質押，以就本集團獲授的銀行貸款融資提供抵押(附註23)。

# Notes to Financial Statements

## 財務報表附註

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### 13. INVESTMENT PROPERTY (Continued)

#### Fair value hierarchy

As at 31 December 2015

	Fair value measurement using 採用以下各項計量公平值			Total 總計
	Quoted prices in active markets (Level 1) 活躍市場 報價 (第一級) RMB'000 人民幣千元	Significant observable inputs (Level 2) 重大可觀察 輸入數據 (第二級) RMB'000 人民幣千元	Significant unobservable inputs (Level 3) 重大不可觀察 輸入數據 (第三級) RMB'000 人民幣千元	
Investment property 投資物業	-	-	20,900	20,900

Below is a summary of the valuation technique used and the key inputs to the valuation of investment property:

以下為投資物業估值所用估值方法及主要輸入數據概要：

Investment property 投資物業	Valuation technique 估值方法	Significant unobservable inputs 重大不可觀察輸入數據	Rate 利率
31 December 2015	Income approach	Market monthly rental rate (RMB/square metre)	7.30
二零一五年 十二月三十一日	收入法	Yield rate 市場月租 (人民幣元/平方米)  收益率	5%

Under the income approach, fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life including an exit or terminal value. This method involves the projection of a series of cash flows on a property interest. A market-derived discount rate is applied to the projected cash flow in order to establish the present value of the income stream associated with the asset. The exit yield is normally separately determined and differs from the discount rate.

根據收入法，公平值乃採用假設有關所有權的利益及負債超過資產之壽命進行估計，包括退出價值或終端價值。該方法涉及對物業權益之一連串現金流轉之預測。市場衍生之貼現率適用於預測現金流量，以便確立與資產有關之收入來源之現值。退出收益通常單獨釐定且不同於貼現率。



# Notes to Financial Statements

## 財務報表附註

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### 13. INVESTMENT PROPERTY (Continued)

#### Fair value hierarchy (Continued)

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews, lease renewal and related reletting, redevelopment or refurbishment. The appropriate duration is driven by market behaviour that is a characteristic of the class of property. The periodic cash flow is estimated as gross income less vacancy, non-recoverable expenses, collection losses, lease incentives, maintenance costs, agent and commission costs and other operating and management expenses. The series of periodic net operating income, along with an estimate of the terminal value anticipated at the end of the projection period, is then discounted.

Prevailing market rents are estimated based on the independent valuer's view of recent letting transactions within the subject properties and other comparable properties. A significant increase (decrease) in the estimated rental value in isolation would result in a significant increase (decrease) in the fair value of the investment property. A significant increase (decrease) in the yield rate in isolation would result in a significant decrease (increase) in the fair value of the investment property. Generally, a change in the assumption made for the estimated rental value is accompanied by an opposite change in the yield rate.

### 14. PREPAID LAND LEASE PAYMENTS

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Carrying amount at beginning of year	年初賬面值	12,524	13,499
Amortised during the year	年內攤銷	(1,117)	(975)
Transfer from an investment property	自一項投資物業轉撥	8,663	-
Carrying amount at end of year	年末賬面值	20,070	12,524
Current portion included in prepayments, deposits and other receivables (note 19)	計入預付款項、按金及其他應收款項的流動部分 (附註19)	(1,259)	(975)
Non-current portion	非流動部分	18,811	11,549

As at 31 December 2016, the Group's leasehold lands with an aggregate net carrying amount of RMB17,668,000 (2015: RMB10,382,000) were pledged to secure bank loan facilities granted to the Group (note 23).

### 13. 投資物業 (續)

#### 公平值等級 (續)

現金流量的持續時間及流入及流出的具體時間乃由諸如租金檢討、租約續簽及相關續租、重建或翻新等事件決定。適當的持續時間受市場行為(為物業類別的一個特性)影響。定期現金流量按總收入扣除空置、不可回收費用、收賬損失、租賃獎勵、維護費用、代理及佣金費用以及其他經營及管理費用進行估計。該一連串定期經營收入淨額，連同預計於預測期終結時之終端價值估計金額，其後進行貼現。

現行市場租金乃根據獨立估值師對標的物業及其他可比物業近期租賃交易的想法進行估計。估計租金價值單獨大幅上升(下降)會導致投資物業公平值的大幅增加(減少)。收益率單獨大幅上升(下降)會導致投資物業公平值的大幅減少(增加)。一般而言，就估計租金價值所作假設的變動伴隨著收益率的相反變動。

### 14. 預付土地租賃款項

於二零一六年十二月三十一日，本集團賬面淨值總額為人民幣17,668,000元(二零一五年：人民幣10,382,000元)的租賃土地已質押，以就本集團獲授的銀行貸款融資提供抵押(附註23)。

# Notes to Financial Statements

## 財務報表附註

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### 15. INTANGIBLE ASSETS

### 15. 無形資產

		Patent 專利 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2016	二零一六年 十二月三十一日			
Cost at 1 January 2016, net of accumulated amortisation	於二零一六年一月一日的 成本，扣除累計攤銷	68	127	195
Additions	添置	–	189	189
Amortisation provided during the year	年內計提的攤銷	(11)	(98)	(109)
At 31 December 2016	於二零一六年 十二月三十一日	57	218	275
At 31 December 2016:	於二零一六年 十二月三十一日：			
Cost	成本	110	371	481
Accumulated amortisation	累計攤銷	(53)	(153)	(206)
Net carrying amount	賬面淨值	57	218	275

		Patent 專利 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
31 December 2015	二零一五年 十二月三十一日			
Cost at 1 January 2015, net of accumulated amortisation	於二零一五年一月一日的 成本，扣除累計攤銷	79	–	79
Additions	添置	–	158	158
Amortisation provided during the year	年內計提的攤銷	(11)	(31)	(42)
At 31 December 2015	於二零一五年 十二月三十一日	68	127	195
At 31 December 2015:	於二零一五年 十二月三十一日：			
Cost	成本	110	182	292
Accumulated amortisation	累計攤銷	(42)	(55)	(97)
Net carrying amount	賬面淨值	68	127	195

# Notes to Financial Statements

## 財務報表附註

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### 16. INVENTORIES

### 16. 存貨

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Raw materials	原材料	27,821	37,295
Finished goods	製成品	3,520	3,493
		<b>31,341</b>	40,788

### 17. CONSTRUCTION CONTRACTS

### 17. 建造合同

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Gross amounts due from contract customers	應收合同客戶款項總額	609,159	703,831
Gross amounts due to contract customers	應付合同客戶款項總額	(111,979)	(89,523)
		<b>497,180</b>	614,308
Contract costs incurred plus recognised profits less recognised losses to date	所產生合同成本加已確認溢利減迄今已確認虧損	5,274,659	4,110,398
Less: Progress billings	減：進度款項	(4,777,479)	(3,496,090)
		<b>497,180</b>	614,308

The gross amounts due from contract customers for contract works included balance with the holding company of the Company as follows:

就合同工程應收合同客戶款項總額包括以下與本公司控股公司的結餘：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
TGL	TGL	-	2,406

# Notes to Financial Statements

## 財務報表附註

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### 18. TRADE AND BILLS RECEIVABLES

### 18. 貿易應收款項及應收票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	473,637	276,476
Bills receivable	應收票據	191,694	155,819
		<b>665,331</b>	432,295
Impairment	減值	<b>(22,156)</b>	(11,420)
		<b>643,175</b>	420,875

Trade receivables are non-interest-bearing with no credit period. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances.

The Group's bills receivable are all due within one year and are neither past due nor impaired. As at 31 December 2016, the Group's bills receivable of RMB68,034,000 (2015: RMB69,455,000) were pledged to secure the Group's bills payable (note 21).

An aging analysis of the trade receivables, based on the invoice date and net of provisions, is as follows:

貿易應收款項為免息及並無信用期。本集團尋求對其未收回應收款項維持嚴格的控制。已逾期結餘由高級管理層定期檢討。本集團並無就其貿易應收款項結餘持有任何抵押品或其他信用增強措施。

本集團所有應收票據均於一年內到期，且既未逾期亦未減值。於二零一六年十二月三十一日，本集團金額為人民幣68,034,000元(二零一五年：人民幣69,455,000元)的應收票據已質押，以為本集團的應付票據提供抵押(附註21)。

貿易應收款項(扣除撥備)基於發票日期的賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 1 year	1年內	353,579	197,098
1 to 2 years	1至2年	83,016	53,531
2 to 3 years	2至3年	10,804	11,756
Over 3 years	超過3年	4,082	2,671
		<b>451,481</b>	265,056

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### 18. TRADE AND BILLS RECEIVABLES

(Continued)

The movements in provision for impairment of trade receivables are as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At beginning of year	年初	11,420	7,713
Impairment losses recognised	已確認減值虧損	10,736	3,707
At end of year	年末	22,156	11,420

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB2,717,000 (2015: RMB1,007,000) with a carrying amount before provision of RMB2,717,000 (2015: RMB1,007,000).

The individually impaired trade receivables relate to customers that no longer have transactions with the Group and none of the receivables is expected to be recovered.

The aging analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Neither past due nor impaired	既未逾期亦未減值	-	-

### 18. 貿易應收款項及應收票據(續)

貿易應收款項減值撥備的變動如下：

上述貿易應收款項減值撥備包括個別減值貿易應收款項撥備人民幣2,717,000元(二零一五年：人民幣1,007,000元)，撥備前賬面值為人民幣2,717,000元(二零一五年：人民幣1,007,000元)。

個別減值貿易應收款項與不再與本集團進行交易的客戶有關，有關應收款項預期均不可收回。

既未個別亦未共同被認為減值的貿易應收款項的賬齡分析如下：

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### 18. TRADE AND BILLS RECEIVABLES

(Continued)

At 31 December 2016, the Group endorsed certain bills receivable accepted by certain banks in the PRC (the "Endorsed Notes") to certain of its suppliers in order to settle the trade payables due to such suppliers (the "Endorsement"). Subsequent to the Endorsement, the Group did not retain any rights on the use of the Endorsed Notes, including the sale, transfer or pledge of the Endorsed Notes to any other third parties. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Endorsed Notes have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). The total carrying amount of the Endorsed Notes of the Group as at 31 December 2016 was RMB115,647,000 (2015: RMB104,581,000). In the opinion of the directors, the Group has transferred substantially all the risks and rewards relating to certain Endorsed Notes accepted by large and reputable banks with an amount of RMB59,427,000 (the "Derecognised Notes") as at 31 December 2016 (2015: RMB31,132,000). Accordingly, the Group has derecognised the full carrying amounts of these Derecognised Notes and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in these Derecognised Notes and the undiscounted cash flows to repurchase these Derecognised Notes is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in these Derecognised Notes are not significant. The Group continued to recognise the full carrying amount of the remaining Endorsed Notes and the associated trade payables settled with an amount of RMB56,220,000 as at 31 December 2016 (2015: RMB73,449,000), because the directors believe that the Group has retained the substantial risks and rewards, which include default risks relating to such remaining Endorsed Notes.

During the year, the Group has not recognised any gain or loss (2015: Nil) on the date of transfer of the Derecognised Notes. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The Endorsement has been made evenly throughout the year.

### 18. 貿易應收款項及應收票據(續)

於二零一六年十二月三十一日，本集團向其若干供應商背書由中國若干銀行接納的若干應收票據(「背書票據」)，以結清應付該等供應商的貿易應付款項(「背書」)。於背書後，本集團並無保留任何使用背書票據的權利，包括向任何其他第三方出售、轉讓或質押背書票據。根據《中華人民共和國票據法》，倘中國的銀行違約，則背書票據的持有人對本集團具有追索權(「持續牽連事件」)。於二零一六年十二月三十一日，本集團的背書票據的賬面值總額為人民幣115,647,000元(二零一五年：人民幣104,581,000元)。董事認為，於二零一六年十二月三十一日，本集團已轉讓與大型及知名銀行接納的若干背書票據人民幣59,427,000元(二零一五年：人民幣31,132,000元)(「終止確認票據」)有關的絕大部分風險及回報。因此，本集團已終止確認該等終止確認票據的全部賬面值及相關貿易應付款項。本集團於該等終止確認票據中持續牽連事件的最大虧損風險以及購回該等終止確認票據的未貼現現金流量相等於其賬面值。董事認為，本集團於該等終止確認票據的持續牽連事件的公平值不大。於二零一六年十二月三十一日，本集團繼續確認其餘背書票據的全部賬面值及相關貿易應付款項人民幣56,220,000元(二零一五年：人民幣73,449,000元)，乃由於董事相信，本集團已保留重大風險及回報，包括與該等剩餘背書票據有關的違約風險所致。

年內，本集團於轉讓終止確認票據當日並無確認任何利得或虧損(二零一五年：無)。於年內及累計年度，持續牽連事件並無確認利得或虧損。年內均勻作出背書。

# Notes to Financial Statements

## 財務報表附註

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### 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 19. 預付款項、按金及其他應收款項

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Other receivables	其他應收款項		25,864	25,538
Prepayments	預付款項		18,052	15,405
Current portion of prepaid land lease payments	預付土地租賃款項的流動部分	14	1,259	975
Due from the holding company	應收控股公司款項	29(d)	87	1,924
Due from a related company	應收一間關聯公司款項	29(d)	-	333
			45,262	44,175
Impairment	減值		(1,588)	(941)
			43,674	43,234

Other receivables are non-interest-bearing, unsecured and repayable on demand.

其他應收款項為免息、無抵押及須按的要求償還。

The movements in provision for impairment of other receivables are as follows:

其他應收款項減值撥備的變動如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
At beginning of year	年初	941	791
Impairment losses recognised	已確認減值虧損	647	150
At end of year	年末	1,588	941

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### 20. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

### 20. 現金及現金等價物以及已抵押存款

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Cash and bank balances	現金及銀行結餘	160,830	209,936
Pledged deposits — current	已抵押存款 — 流動	56,815	75,272
Pledged deposits — non-current	已抵押存款 — 非流動	7,776	17,606
		225,421	302,814
Less: Pledged time deposits:	減：已抵押定期存款：		
Pledged for bills payable (note 21)	已抵押應付票據 (附註21)	(15,440)	(31,217)
Pledged for bank guarantees	已抵押銀行擔保	(49,151)	(61,661)
Cash and cash equivalents	現金及現金等價物	160,830	209,936

The Group's cash and bank balances were denominated in RMB at the end of the year, except for the following:

本集團年末的現金及銀行結餘均以人民幣計值，惟下列項目除外：

	2016 二零一六年		2015 二零一五年	
	Original currency in '000 原幣 以千元計	RMB equivalent in '000 折合人民幣 以千元計	Original currency in '000 原幣 以千元計	RMB equivalent in '000 折合人民幣 以千元計
Cash and bank balances:	現金及銀行結餘：			
Hong Kong Dollars (HK\$)	57,706	51,618	60,616	50,783
United States Dollars (US\$)	—	—	92	596

The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

人民幣不可自由兌換為其他貨幣，然而，根據中國內地的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團獲准透過獲授權從事外匯業務的銀行將人民幣兌換為其他貨幣。

Cash at banks earns interest at floating rates based on daily bank deposit rates. Bank guarantees are performance guarantees and made for varying periods ranging from several months to five years depending on the agreement of the contract, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

存入銀行的現金按基於每日銀行存款利率的浮動利率計息。銀行擔保為履約擔保並就數個月至五年範圍內的不同期限作出，視乎合同的協議而定，並按各自短期定期存款的利率計息。銀行結餘及已抵押存款乃存入近期無拖欠記錄的信譽卓著的銀行。



# Notes to Financial Statements

## 財務報表附註

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### 21. TRADE AND BILLS PAYABLES

### 21. 貿易應付款項及應付票據

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade payables	貿易應付款項	369,725	335,344
Bills payable	應付票據	74,308	96,087
		<b>444,033</b>	431,431

The bills payable were secured by the pledge of the Group's time deposits of RMB15,440,000 (2015: RMB31,217,000) (note 20) and the Group's bills receivable of RMB68,034,000 (2015: RMB69,455,000) as at 31 December 2016 (note 18).

於二零一六年十二月三十一日，應付票據以本集團的定期存款人民幣15,440,000元(二零一五年：人民幣31,217,000元)(附註20)以及本集團的應收票據人民幣68,034,000元(二零一五年：人民幣69,455,000元)(附註18)的抵押作擔保。

An aging analysis of the trade and bills payables, based on the invoice date, is as follows:

貿易應付款項及應付票據基於發票日期的賬齡分析如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within 3 months	3個月內	257,009	230,582
3 to 12 months	3至12個月	164,148	182,316
12 to 24 months	12至24個月	14,798	15,757
Over 24 months	超過24個月	8,078	2,776
		<b>444,033</b>	431,431

Trade payables are non-interest-bearing and have an average credit term of six months.

貿易應付款項為免息及平均信用期為六個月。

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## 財務報表附註

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### 22. ADVANCES FROM CUSTOMERS, OTHER PAYABLES AND ACCRUALS

### 22. 客戶墊款、其他應付款項及應計費用

	Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
	附註		
Advances from customers	客戶墊款	69,249	169,429
Other payables	其他應付款項	124,168	89,110
Due to the holding company	應付控股公司	3,621	2,916
Due to related companies	應付關聯公司	14,618	1,887
		<b>211,656</b>	263,342

Other payables are non-interest-bearing and have an average term of three months.

其他應付款項為免息及平均信用期為三個月。

### 23. INTEREST-BEARING BANK BORROWINGS

### 23. 計息銀行借款

	Effective interest rate (%) 實際利率 (%)	Maturity 到期日	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Current</b>				
<b>流動</b>				
Bank loans — secured	3.95	Within 1 year	—	5,000
銀行貸款 — 有抵押	3.95	1年內	—	5,000
Bank loans — secured	5.34	Within 1 year	—	15,000
銀行貸款 — 有抵押	5.34	1年內	—	15,000
Bank loans — secured	5.36	Within 1 year	—	35,000
銀行貸款 — 有抵押	5.36	1年內	—	35,000
Bank loans — secured	5.58	Within 1 year	—	47,000
銀行貸款 — 有抵押	5.58	1年內	—	47,000
Bank loans — secured	5.87	Within 1 year	—	12,000
銀行貸款 — 有抵押	5.87	1年內	—	12,000
Bank loans — secured	5.52	Within 1 year	—	20,000
銀行貸款 — 有抵押	5.52	1年內	—	20,000
Bank loans — secured	5.00	Within 1 year	—	40,000
銀行貸款 — 有抵押	5.00	1年內	—	40,000
Bank loans — secured	4.79	Within 1 year	38,000	—
銀行貸款 — 有抵押	4.79	1年內	38,000	—
Bank loans — secured	5.00	Within 1 year	61,000	—
銀行貸款 — 有抵押	5.00	1年內	61,000	—
Bank loans — secured	5.22	Within 1 year	20,000	—
銀行貸款 — 有抵押	5.22	1年內	20,000	—
			<b>119,000</b>	174,000
Analysed into:				
Bank loans repayable with one year				
分析為：				
須於一年內償還的銀行貸款				
			<b>119,000</b>	174,000

# Notes to Financial Statements

## 財務報表附註

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### 23. INTEREST-BEARING BANK BORROWINGS (Continued)

Notes:

- (a) The Group's bank borrowings are secured by:
- (i) the Group's buildings situated in Mainland China, which had an aggregate net carrying value of RMB14,462,000 as at 31 December 2016 (2015: RMB8,371,000) (note 12);
  - (ii) the Group's investment property situated in Mainland China, which had a net carrying value of RMB16,515,000 as at 31 December 2015 (note 13);
  - (iii) the Group's leasehold lands situated in Mainland China, which had an aggregate net carrying value of RMB17,668,000 as at 31 December 2016 and (2015: RMB10,382,000) (note 14); and
  - (iv) mortgages over leasehold lands situated in Mainland China of 諸暨市潤天物業管理有限公司 ("Zhuji Runtian"), a related company, as at 31 December 2015. The mortgage was due in May 2016.
- (b) The Company's holding company, TGL, guaranteed certain of the Group's bank loans of up to RMB110,000,000 as at 31 December 2015. There was no bank loans under TGL's guarantee as at 31 December 2016.
- (c) 雄風集團有限公司 guaranteed certain of the Group's bank loans of up to RMB44,000,000 as at 31 December 2015. The guarantee was due in July 2016.
- (d) A director, Bian Jianguang, guaranteed certain of the Group's bank loans of up to RMB50,000,000 as at 31 December 2015. The guarantee was due in February 2016.

### 23. 計息銀行借款(續)

附註：

- (a) 本集團的銀行借款由以下各項作抵押：
- (i) 本集團位於中國內地的樓宇，於二零一六年十二月三十一日的賬面淨值總額為人民幣14,462,000元(二零一五年：人民幣8,371,000元)(附註12)；
  - (ii) 本集團位於中國內地的投資物業，於二零一五年十二月三十一日的賬面淨值為人民幣16,515,000元(附註13)；
  - (iii) 本集團位於中國內地的租賃土地，於二零一六年十二月三十一日的賬面淨值總額為人民幣17,668,000元(二零一五年：人民幣10,382,000元)(附註14)；及
  - (iv) 於二零一五年十二月三十一日，抵押諸暨市潤天物業管理有限公司(「諸暨潤天」，一間關聯公司)位於中國內地的租賃土地。有關抵押於二零一六年五月屆滿。
- (b) 於二零一五年十二月三十一日，本公司的控股公司TGL擔保本集團最高達人民幣110,000,000元的若干銀行貸款。於二零一六年十二月三十一日，TGL並無擔保任何銀行貸款。
- (c) 於二零一五年十二月三十一日，雄風集團有限公司擔保本集團最高達人民幣44,000,000元的若干銀行貸款。有關擔保於二零一六年七月屆滿。
- (d) 於二零一五年十二月三十一日，董事邊建光擔保本集團最高達人民幣50,000,000元的若干銀行貸款。有關擔保於二零一六年二月屆滿。

# Notes to Financial Statements

## 財務報表附註

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### 24. DEFERRED TAX

#### Deferred tax assets

		Impairment of other receivables 其他應收 款項減值 RMB'000 人民幣千元	Impairment of trade receivables 貿易應收 款項減值 RMB'000 人民幣千元	Accruals 應計費用 RMB'000 人民幣千元	Provision 撥備 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	197	1,928	11,609	1,057	14,791
Deferred tax credited to profit or loss during the year	年內計入損益的遞延稅項	38	927	2,328	177	3,470
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	235	2,855	13,937	1,234	18,261
Deferred tax credited/(charged) to profit or loss during the year	年內計入損益/(自損益扣除)的遞延稅項	162	2,684	1,592	(54)	4,384
At 31 December 2016	於二零一六年十二月三十一日	397	5,539	15,529	1,180	22,645

The Group has tax losses arising in Mainland China of RMB16,428,000 as at 31 December 2016 (2015: RMB15,712,000), that will expire in one to five years for offsetting against taxable profits. Deferred tax assets have not been recognised in respect of these losses as it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

### 24. 遞延稅項

#### 遞延稅項資產

於二零一六年十二月三十一日，本集團於中國內地產生稅項虧損人民幣16,428,000元(二零一五年：人民幣15,712,000元)，將於一至五年內到期，可抵銷應課稅溢利。本集團並無就該等虧損確認遞延稅項資產，原因是應課稅溢利被認為不大可能可用於抵銷稅項虧損。

# Notes to Financial Statements

## 財務報表附註

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### 25. SHARE CAPITAL

### 25. 股本

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Issued and fully paid: 135,000,000 (2015: 135,000,000) ordinary shares	已發行及繳足： 135,000,000 (二零一五年： 135,000,000) 股普通股	135,000	135,000

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

本公司股本變動情況總結如下：

		Number of shares in issue 已發行股份 數目	Share capital 股本 RMB'000 人民幣千元	Share premium 股份溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	100,000,000	100,000	-	100,000
Issue of shares (note (a))	發行股份 (附註(a))	35,000,000	35,000	276,337	311,337
Share issue expenses	發行股份開支	-	-	(37,273)	(37,273)
At 31 December 2015, 1 January 2016 and 31 December 2016	於二零一五年十二月 三十一日、二零一六年 一月一日及二零一六年 十二月三十一日	135,000,000	135,000	239,064	374,064

Note:

附註：

(a) In connection with the Company's initial public offering, 350,000,000 new shares of RMB1.00 each were issued at a price of HK\$10.90 per share for a total cash consideration, before expenses, equivalent to RMB311,337,000. Dealings in these shares on the SEHK commenced on 12 October 2015.

(a) 本公司根據首次公開發售按每股10.90港元的價格發行350,000,000股每股面值為人民幣1.00元的新股份，其扣除開支前之總現金代價相當於人民幣311,337,000元。該等股份已於二零一五年十月十二日開始在香港聯交所買賣。

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## 財務報表附註

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### 26. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of changes in equity of the financial statements.

#### Statutory surplus reserve

Pursuant to the PRC Company Law and the respective entities' articles of association, the Company and its subsidiaries established in the PRC shall appropriate 10% of their annual statutory net profit (determined in accordance with the PRC accounting principles and regulations and after offsetting any prior years' losses) to the statutory surplus reserve until such reserve fund reaches 50% of the share capital of these entities. The statutory surplus reserve can be utilised to offset prior years' losses or to increase capital. However, except for offsetting prior years' losses, such reserve must be maintained at a minimum of 25% of the share capital after usage.

#### Safety production reserve

Pursuant to the regulation of Administrative Measures for the Withdrawal and Use of Expenses for Safety Production of Enterprises in the PRC relating to the construction industry, a subsidiary of the Group, Tianjie Installation Engineering, is required to transfer an amount to the reserve account as safety production reserve. The amount is calculated based on the revenue of construction each year and at the applicable rate of 2%. The safety production reserve will be used for modification and maintenance of safety equipment in accordance with the rules of the Company Law of the PRC and is not available for distribution to shareholders.

### 27. PLEDGE OF ASSETS

Details of the Group's bank borrowings and bills payable, which are secured by the assets of the Group, are included in notes 23 and 21, respectively, to the financial statements.

### 26. 儲備

本集團的儲備金額及其變動於財務報表的綜合權益變動表中呈列。

#### 法定盈餘儲備

根據中國公司法及各實體的組織章程細則，本公司及其於中國成立的附屬公司須撥出其年度法定純利的10%（根據中國會計原則及法規釐定並經抵銷任何過往年度虧損後）至法定盈餘儲備，直至該儲備基金達到該等實體股本的50%。法定盈餘儲備可用於抵銷過往年度虧損或增資。然而，除抵銷過往年度虧損外，須確保該儲備在使用後不低於股本的25%。

#### 安全生產儲備

根據中國與建築行業有關的《企業安全生產費用提取和使用管理辦法》的規定，本集團的附屬公司天潔安裝工程須向儲備賬戶轉入一筆款項作為安全生產儲備。該款項根據每年建築收益按2%的適用比率計算。安全生產儲備將根據中國公司法的規定用於安全設備的改進及維護，不可向股東分派。

### 27. 資產質押

本集團銀行借款及應付票據（以本集團的資產作抵押）的詳情分別載於財務報表附註23及21。

# Notes to Financial Statements

## 財務報表附註

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### 28. OPERATING LEASE ARRANGEMENTS

#### (a) As lessor

The Group leases its investment property (note 13) under operating lease arrangements, with lease terms of three years in 2015 and the Group ceased the contract on 1 July in 2016.

At 31 December 2016, the Group had total future minimum lease receivables under non-cancellable operating lease with its tenants falling due as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	-	1,085
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	-	1,085
		-	2,170

#### (b) As lessee

The Group leases certain of its plants and office properties under operating lease arrangements, with lease terms of three years.

At 31 December 2016, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Within one year	一年內	1,611	4,018
In the second to fifth years, inclusive	第二至第五年 (包括首尾兩年)	-	4,018
		1,611	8,036

### 28. 經營租賃安排

#### (a) 作為出租人

本集團根據經營租賃安排出租其投資物業(附註13)，租賃期於二零一五年為三年，且本集團已於二零一六年七月一日終止合同。

於二零一六年十二月三十一日，本集團與租戶訂立的不可撤銷經營租賃項下未來最低租賃應收款項總額的到期期限如下：

#### (b) 作為承租人

本集團根據經營租賃安排租賃若干廠房及辦公室物業，租賃期為三年。

於二零一六年十二月三十一日，本集團不可撤銷經營租賃項下未來最低租賃款項總額的到期期限如下：

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### 29. RELATED PARTY TRANSACTIONS

### 29. 關聯方交易

The Group's principal related parties are as follows:

本集團的主要關聯方如下：

Name 名稱／姓名	Relationship with the Company 與本公司的關係
浙江天潔通用機械有限公司 (“Tianjie General Machinery”)	Fellow subsidiary
浙江天潔通用機械有限公司(「天潔通用機械」)	同系附屬公司
浙江天潔新材料有限公司 (“Tianjie New Materials”)	Fellow subsidiary
浙江天潔新材料有限公司(「天潔新材料」)	同系附屬公司
浙江天潔特鋼有限公司 (“Tianjie Special Steel”)	Fellow subsidiary
浙江天潔特鋼有限公司(「天潔特鋼」)	同系附屬公司
浙江天潔磁性材料股份有限公司 (“Tianjie Cixingcailiao”)	Joint venture of the holding company
浙江天潔磁性材料股份有限公司(「天潔磁性材料」)	控股公司的合營企業
江西晨宇鋁業有限公司 (“Chenyu Lvye”)	Directors' close family members are beneficial equity holders
江西晨宇鋁業有限公司(「晨宇鋁業」)	董事的近親為實益權益持有人
浙江奇諾機械有限公司 (“Zhejiang Qinuo”) <sup>(i)</sup>	Directors' close family members are beneficial equity holders
浙江奇諾機械有限公司(「浙江奇諾」) <sup>(i)</sup>	董事的近親為實益權益持有人
諸暨市遠騰物流有限公司 (“Yuanteng Logistics”)	Directors' close family members are beneficial equity holders
諸暨市遠騰物流有限公司(「遠騰物流」)	董事的近親為實益權益持有人
浙江遠騰實業集團有限公司 (“Yuanteng Shiye”)	Directors' close family members are beneficial equity holders
浙江遠騰實業集團有限公司(「遠騰實業」)	董事的近親為實益權益持有人
Zhuji Runtian	Fellow subsidiary
諸暨潤天	同系附屬公司
Bian Jianguang	Director
邊建光	董事

Note:

附註：

(i) Zhejiang Qinuo was renamed from 浙江嘉盛新材料有限公司 to 浙江奇諾機械有限公司 in 2016.

(i) 浙江奇諾於二零一六年由浙江嘉盛新材料有限公司更名為浙江奇諾機械有限公司。



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## 財務報表附註

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### 29. RELATED PARTY TRANSACTIONS

(Continued)

(a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

### 29. 關聯方交易 (續)

(a) 除此等財務報表其他部分詳述的交易外，年內，本集團與關聯方有以下交易：

		Notes 附註	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>Transactions with the holding company</b>		<b>與控股公司的交易</b>		
Revenue from construction contracts	來自建造合同的收益	(i)	–	1,562
Rental expense	租金開支	(iv)	3,350	3,518
Electricity charges paid by the holding company on behalf of the Group	控股公司代表本集團支付的電費	(v)	3,083	3,743
<b>Transactions with other related parties</b>		<b>與其他關聯方的交易</b>		
Sales of materials: Tianjie Special Steel	銷售材料： 天潔特鋼	(ii)	575	1,210
Purchases of materials: Tianjie Cixingcailiao	購買材料： 天潔磁性材料	(ii)	–	26
Tianjie General Machinery	天潔通用機械	(ii)	878	1,310
Yuanteng Shiye	遠騰實業	(ii)	–	317
Provision of services: Tianjie Cixingcailiao	提供服務： 天潔磁性材料	(i)	22	40
Services received: Tianjie General Machinery	接受服務： 天潔通用機械	(iii)	14,889	12,412
Yuanteng Logistics	遠騰物流	(iii)	–	74
Rental income: Tianjie New Materials	租金收入： 天潔新材料	(iv)	430	1,085
Rental expense: Zhejiang Qinuo	租金開支： 浙江奇諾	(iv)	167	500
Payments by related parties on behalf of the Group: Zhejiang Qinuo	關聯方代表本集團支付的款項： 浙江奇諾	(v)	206	736

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## 財務報表附註

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### 29. RELATED PARTY TRANSACTIONS

(Continued)

- (a) In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year: (Continued)

Notes:

- (i) The provision of construction services and processing services to the related parties was made based on mutually agreed prices and terms.
- (ii) The sales of materials to the related parties and purchases of materials from the related parties were made based on mutually agreed prices and terms.
- (iii) The services received from the related parties were based on mutually agreed prices and terms.
- (iv) The rental fee was charged and the rental income was received based on mutually agreed prices.
- (v) The payments were made on behalf of the Group based on the actual costs incurred.

- (b) Other transactions with related parties:

- (1) TGL guaranteed certain of the Group's bank loans of up to RMB110,000,000 as at 31 December 2015 at nil consideration. There was no bank loans under TGL's guarantee as at 31 December 2016.
- (2) A director, Bian Jianguang, guaranteed certain of the Group's bank loans of up to RMB50,000,000 as at 31 December 2015 at nil consideration. The guarantee was due in February 2016.
- (3) Zhuji Runtian pledged its leasehold lands for certain of the Group's bank loans of up to RMB150,000,000 as at 31 December 2015 with no guarantee fee. The guarantee was due in May 2016.

### 29. 關聯方交易 (續)

- (a) 除此等財務報表其他部分詳述的交易外，年內，本集團與關聯方有以下交易：(續)

附註：

- (i) 向關聯方提供建造服務及加工服務均按雙方協定的價格及條款進行。
- (ii) 向關聯方出售材料及向關聯方購買材料均按雙方協定的價格及條款進行。
- (iii) 接受關聯方的服務乃按雙方協定的價格及條款進行。
- (iv) 租金費用及租金收入按雙方協定的價格收取。
- (v) 根據產生的實際成本代本集團支付款項。

- (b) 與關聯方的其他交易：

- (1) 於二零一五年十二月三十一日，TGL無償擔保本集團最高達人民幣110,000,000元的若干銀行貸款。於二零一六年十二月三十一日，TGL並無擔保任何銀行貸款。
- (2) 於二零一五年十二月三十一日，董事邊建光無償擔保本集團最高達人民幣50,000,000元的若干銀行貸款。有關擔保於二零一六年二月屆滿。
- (3) 於二零一五年十二月三十一日，諸暨潤天就本集團最高達人民幣150,000,000元的若干銀行貸款以零擔保費質押其租賃土地。有關擔保於二零一六年五月屆滿。

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## 財務報表附註

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### 29. RELATED PARTY TRANSACTIONS

(Continued)

(c) Commitments with related parties:

- (1) On 25 April 2015, the Company, as lessor, entered into a three-year tenancy agreement ending 31 December 2017 with Tianjie New Materials, as lessee. The amount of total rental income from Tianjie New Materials for the period is included in note 29(a) to the financial statements. The Group terminated the tenancy agreement with Tianjie New Materials on 1 July 2016.
- (2) On 25 April 2015, the Company, as lessee, entered into a three-year tenancy agreement ending 31 December 2017 with Zhejiang Qinuo, as lessor. The amount of total rental payable to Zhejiang Qinuo for the period is included in note 29(a) to the financial statements. The Group terminated the tenancy agreement with Zhejiang Qinuo on 1 May 2016.
- (3) On 25 April 2015, the Company, as lessee, entered into a three-year tenancy agreement ending 31 December 2017 with TGL, as lessor. The amount of total rental payable to TGL for the year is included in note 29(a) to the financial statements. The Group estimates total rental payable to TGL in 2017 to be approximately RMB250,000.

### 29. 關聯方交易 (續)

(c) 與關聯方的承擔：

- (1) 於二零一五年四月二十五日，本公司(作為出租人)與天潔新材料(作為承租人)訂立一項三年期租賃協議，協議將於二零一七年十二月三十一日屆滿。期內來自天潔新材料的租金收入總額載於財務報表附註29(a)。本集團於二零一六年七月一日終止與天潔新材料訂立的租賃協議。
- (2) 於二零一五年四月二十五日，本公司(作為承租人)與浙江奇諾(作為出租人)訂立一項三年期租賃協議，協議將於二零一七年十二月三十一日屆滿。期內應付浙江奇諾的租金總額載於財務報表附註29(a)。本集團於二零一六年五月一日終止與浙江奇諾訂立的租賃協議。
- (3) 於二零一五年四月二十五日，本公司(作為承租人)與TGL(作為出租人)訂立一項三年期租賃協議，協議將於二零一七年十二月三十一日屆滿。年內應付TGL的租金總額載於財務報表附註29(a)。本集團估計於二零一七年應付TGL的租金總額將約為人民幣250,000元。

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## 財務報表附註

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### 29. RELATED PARTY TRANSACTIONS

(Continued)

(c) Commitments with related parties: (Continued)

- (4) On 25 April 2015, the Company, as lessee, entered into a three-year tenancy agreement ending 31 December 2017 with TGL, as lessor. The amount of total rental payable to TGL for the year is included in note 29(a) to the financial statements. On 15 March 2017, the Company entered into an asset acquisition agreement with TGL, pursuant to which the Company conditionally agreed to acquire the leased asset from TGL. This transaction is scheduled to be completed in May 2017 (note 33).
- (5) On 25 April 2015, the Company entered into a three-year power supply agreement ending 31 December 2017 with TGL. Pursuant to the agreement, TGL agreed to procure supply of electricity to the Company. The amount of total electric charges payable to TGL for the year is included in note 29(a). The annual cap of the electricity charge to be paid to TGL in 2017 is RMB3,800,000.
- (6) On 25 April 2015, the Company entered into a three-year processing service agreement ending 31 December 2017 with Tianjie General Machinery. The total processing services fee payable to Tianjie General Machinery for the year is included in note 29(a). The annual cap of the processing services fee to be paid to Tianjie General Machinery in 2017 is RMB15,000,000.

### 29. 關聯方交易 (續)

(c) 與關聯方的承擔：(續)

- (4) 於二零一五年四月二十五日，本公司(作為承租人)與TGL(作為出租人)訂立一項三年期租賃協議，協議將於二零一七年十二月三十一日屆滿。年內應付TGL的租金總額載於財務報表附註29(a)。於二零一七年三月十五日，本公司與TGL訂立一項資產收購協議，據此，本公司有條件同意向TGL收購租賃資產。此項交易預期於二零一七年五月完成(附註33)。
- (5) 於二零一五年四月二十五日，本公司與TGL訂立一項三年期供電協議，協議將於二零一七年十二月三十一日屆滿。根據該協議，TGL同意為本公司採購電力供應。年內應付TGL的電費總額載於附註29(a)。將於二零一七年向TGL支付的電費年度上限為人民幣3,800,000元。
- (6) 於二零一五年四月二十五日，本公司與天潔通用機械訂立一項三年期加工服務協議，協議將於二零一七年十二月三十一日屆滿。年內應付天潔通用機械的加工服務費總額載於附註29(a)。將於二零一七年向天潔通用機械支付的加工服務費年度上限為人民幣15,000,000元。

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## 財務報表附註

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### 29. RELATED PARTY TRANSACTIONS

(Continued)

(d) Outstanding balances with related parties:

	Note	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Due from the holding company:			
TGL	(i)	87	1,924
Due from a related company:			
Zhejiang Qinuo	(i)	–	333
Due to the holding company:			
TGL	(i)	3,621	2,916
Due to related companies:			
Yuanteng Shiye	(i)	371	371
Tianjie General Machinery	(i)	13,540	1,288
Zhejiang Qinuo	(i)	114	–
Tianjie Special Steel	(i)	365	–
Chenyu Lvye	(i)	228	228
		14,618	1,887

Note:

(i) These balances were unsecured, interest-free and had no fixed terms of repayment.

(e) Compensation of key management personnel of the Group:

	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Short term employee benefits	3,530	2,622
Pension scheme contributions	163	141
Total compensation paid to key management personnel	3,693	2,763

Further details of directors', supervisors' and the chief executive's emoluments are included in note 8 to the financial statements.

### 29. 關聯方交易 (續)

(d) 與關聯方的未結清結餘：

附註：

(i) 該等結餘為無抵押、免息及無固定還款期。

(e) 本集團主要管理人員的薪酬：

董事、監事及高級行政人員酬金的進一步詳情載於財務報表附註8。

# Notes to Financial Statements

## 財務報表附註

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### 30. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the year are as follows:

#### Financial assets

		<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills receivables	貿易應收款項及應收票據	<b>643,175</b>	420,875
Financial assets included in prepayments, deposits and other receivables	計入預付款項、按金及其他應收款項的金融資產	<b>24,363</b>	26,854
Pledged deposits — current	已抵押存款 — 流動	<b>56,815</b>	75,272
Pledged deposits — non-current	已抵押存款 — 非流動	<b>7,776</b>	17,606
Cash and cash equivalents	現金及現金等價物	<b>160,830</b>	209,936
		<b>892,959</b>	750,543

### 30. 按類別劃分的金融工具

各類別金融工具於年末的賬面值如下：

#### 金融資產

#### Financial liabilities at amortised cost

#### 按攤銷成本計算的金融負債

		<b>2016</b> 二零一六年 <b>RMB'000</b> 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及應付票據	<b>444,033</b>	431,431
Financial liabilities included in advances from customers, other payables and accruals	計入客戶墊款、其他應付款項及應計費用的金融負債	<b>56,578</b>	32,105
Interest-bearing bank borrowings	計息銀行借款	<b>119,000</b>	174,000
		<b>619,611</b>	637,536

# Notes to Financial Statements

## 財務報表附註

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### 31. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in advances from customers, other payables and accruals, and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the financial controller. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the financial controller.

The fair values of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

#### Fair value hierarchy

##### *Assets and liabilities measured at fair value:*

The Group did not have any financial assets and financial liabilities measured at fair value as at 31 December 2016 (2015: Nil).

##### *Assets and liabilities for which fair values are disclosed:*

The Group did not have any financial assets and financial liabilities for which fair values are disclosed as at 31 December 2016 (2015: Nil).

### 31. 金融工具的公平值及公平值等級

管理層估計現金及現金等價物、已抵押存款、貿易應收款項及應收票據、貿易應付款項及應付票據、計入預付款項、按金及其他應收款項的金融資產、計入客戶墊款、其他應付款項及應計費用的金融負債及計息銀行借款的公平值與其賬面值相若，主要是由於該等工具在短期內屆滿。

以本集團財務經理為首的企業融資團隊負責釐定金融工具公平值計量的政策及程序。企業融資團隊直接向財務總監報告。於各報告日期，企業融資團隊分析金融工具的價值變動並釐定估值中應用的主要參數。估值由財務總監審閱及批准。

金融資產及負債的公平值為金融工具在由自願各方並非在被迫或清盤銷售中進行的當前交易中可交換的金額。

#### 公平值等級

##### *按公平值計量的資產及負債：*

於二零一六年十二月三十一日，本集團概無任何按公平值計量的金融資產及金融負債(二零一五年：無)。

##### *已披露公平值的資產及負債：*

於二零一六年十二月三十一日，本集團概無任何已披露公平值的金融資產及金融負債(二零一五年：無)。

# Notes to Financial Statements

## 財務報表附註

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### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank borrowings, cash and cash equivalents and pledged deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

#### Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales by operating units in currencies other than the units' functional currencies. Approximately 2.2% (2015: 2.4%) of the Group's sales for the year ended 31 December 2016, were denominated in currencies other than the functional currencies of the operating units making the sale. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the United States dollar and Hong Kong dollar exchange rates, with all other variables held constant, of the Group's profit before tax (due to changes in the fair values of monetary assets and liabilities).

### 32. 財務風險管理目標及政策

本集團的主要金融工具包括計息銀行借款、現金及現金等價物以及已抵押存款。此等金融工具主要旨在為本集團籌集經營資金。本集團擁有多項其他金融資產及負債，如直接自其經營產生的貿易應收款項及應收票據以及貿易應付款項及應付票據。

本集團金融工具所涉及的主要風險為外幣風險、信貸風險及流動資金風險。董事會檢討並同意管理此等風險的政策，該等風險概述如下。

#### 外幣風險

本集團承受交易貨幣風險，乃因營運單位以其功能貨幣以外的貨幣進行銷售所致。截至二零一六年十二月三十一日止年度，本集團約2.2%（二零一五年：2.4%）的銷售額以進行銷售的營運單位功能貨幣以外的貨幣計值。目前，本集團無意尋求對沖外匯波動風險。然而，管理層會一直監察經濟形勢及本集團的外匯風險狀況，日後有需要時會考慮採取適當的對沖措施。

下表顯示於報告期末在所有其他變量不變的情況下，本集團稅前溢利對美元及港元匯率合理可能變動的敏感度（由於貨幣資產及負債公平值變動所致）。



# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 32. 財務風險管理目標及政策(續)

#### Foreign currency risk (Continued)

#### 外幣風險(續)

		Increase/ (decrease) in foreign currency rate 匯率 上升/(下降) %	Increase/ (decrease) in profit before tax 稅前溢利 增加/(減少) RMB'000 人民幣千元
<b>2016</b>	<b>二零一六年</b>		
If RMB weakens against US\$	倘人民幣兌美元貶值	5	272
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	(272)
If RMB weakens against HK\$	倘人民幣兌港元貶值	5	2,581
If RMB strengthens against HK\$	倘人民幣兌港元升值	(5)	(2,581)
<b>2015</b>	<b>二零一五年</b>		
If RMB weakens against US\$	倘人民幣兌美元貶值	5	(519)
If RMB strengthens against US\$	倘人民幣兌美元升值	(5)	519
If RMB weakens against HK\$	倘人民幣兌港元貶值	5	2,539
If RMB strengthens against HK\$	倘人民幣兌港元升值	(5)	(2,539)

#### Credit risk

The Group trades only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. For transactions that are not denominated in the functional currency of the relevant operating unit, the Group does not offer credit terms without the specific approval of the executive directors.

#### 信貸風險

本集團僅與知名及信譽良好的第三方進行交易。本集團持續監察應收款項結餘，且本集團承受的壞賬風險並不重大。就並非按相關營運單位的功能貨幣計值的交易而言，本集團未經執行董事的特別批准不會提供信用期。

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

#### Credit risk *(Continued)*

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits, amounts due from the holding company, and a related company, and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by analysis by customer/counterparty. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed.

Further quantitative data in respect of the Group's exposure to credit risk arising from trade and bills receivables and prepayments, deposits and other receivables are disclosed in notes 18 and 19, respectively, to the financial statements.

#### Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank and other borrowings to meet its working capital requirements.

### 32. 財務風險管理目標及政策 *(續)*

#### 信貸風險 *(續)*

本集團其他金融資產(包括現金及現金等價物、已抵押存款、應收控股公司及一間關聯公司款項以及其他應收款項)的信貸風險來自交易對手方違約，所承受的最高風險等於該等工具的賬面值。

由於本集團僅與知名及信譽良好的第三方進行交易，故無需抵押品。信貸風險的集中程度按客戶／交易對手方的分析管理。本集團並無重大的集中信貸風險，原因是本集團貿易應收款項的客戶基礎較為分散。

有關本集團承受的來自貿易應收款項及應收票據以及預付款項、按金及其他應收款項的信貸風險的進一步量化數據分別披露於財務報表附註18及19。

#### 流動資金風險

本集團的目標是通過使用計息銀行及其他借款維持資金的持續性與靈活性之間的平衡以滿足其營運資金需求。

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

		31 December 2016 二零一六年十二月三十一日					
		On demand 須按 要求償還 RMB'000 人民幣千元	Less than 3 months 少於3個月 RMB'000 人民幣千元	3 to 12 months 3至12個月 RMB'000 人民幣千元	1 to 3 years 1至3年 RMB'000 人民幣千元	Over 3 years 3年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及 應付票據	187,024	257,009	-	-	-	444,033
Other payables and accruals	其他應付款項及 應計費用	9,146	29,169	24	-	-	38,339
Interest-bearing bank borrowings	計息銀行借款	-	10,350	112,448	-	-	122,798
Due to the holding company	應付控股公司款項	-	3,621	-	-	-	3,621
Due to related companies	應付關聯公司款項	4,864	9,754	-	-	-	14,618
		201,034	309,903	112,472	-	-	623,409

### 32. 財務風險管理目標及政策(續)

#### 流動資金風險(續)

於報告期末，本集團金融負債的到期狀況(基於已訂約未貼現付款)如下：

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

### 32. 財務風險管理目標及政策(續)

#### Liquidity risk (Continued)

#### 流動資金風險(續)

		31 December 2015 二零一五年十二月三十一日					
		On demand 須按 要求償還	Less than 3 months 少於3個月	3 to 12 months 3至12個月	1 to 3 years 1至3年	Over 3 years 3年以上	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Trade and bills payables	貿易應付款項及 應付票據	200,849	230,582	-	-	-	431,431
Other payables and accruals	其他應付款項及 應計費用	5,388	21,858	56	-	-	27,302
Interest-bearing bank borrowings	計息銀行借款	-	65,939	111,949	-	-	177,888
Due to the holding company	應付控股公司款項	65	2,851	-	-	-	2,916
Due to related companies	應付關聯公司款項	1,128	759	-	-	-	1,887
		207,430	321,989	112,005	-	-	641,424

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

#### Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2016 and 31 December 2015.

### 32. 財務風險管理目標及政策 *(續)*

#### 資本管理

本集團資本管理的主要目標在於維護本集團持續經營的能力及維持穩健的資本比率，以支持其業務發展及為股東創造最大價值。

本集團根據經濟狀況的變動及相關資產的風險特徵管理其資本結構並對其作出調整。為維持或調整資本結構，本集團或會調整支付予股東的股息、向股東發還資本或發行新股份。本集團並無必須遵守的任何外部資本要求。截至二零一六年十二月三十一日及二零一五年十二月三十一日止年度，管理資本的目標、政策或程序並無變動。

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 32. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Capital management

The Group monitors capital using a gearing ratio, which is total debt divided by total equity. Total debt includes interest-bearing bank borrowings, amounts due to the holding company and related companies, gross amounts due to contract customers, trade and bills payables, advances from customers and other payables, less cash and cash equivalents. The gearing ratios as at the end of the reporting periods were as follows:

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Interest-bearing bank borrowings	計息銀行借款	119,000	174,000
Due to the holding company	應付控股公司款項	3,621	2,916
Due to related companies	應付關聯公司款項	14,618	1,887
Gross amounts due to contract customers	應付合同客戶款項總額	111,979	89,523
Trade and bills payables	貿易應付款項及應付票據	444,033	431,431
Advances from customers	客戶墊款	69,249	169,429
Other payables	其他應付款項	124,168	89,110
Less: Cash and cash equivalents	減：現金及現金等價物	(160,830)	(209,936)
Net debt	債務淨額	725,838	748,360
Total equity	權益總額	724,285	611,291
Gearing ratio	資本負債比率	100%	122%

### 33. EVENTS AFTER THE REPORTING PERIOD

On 15 March 2017, the Company entered into an asset acquisition agreement with TGL, pursuant to which the Company conditionally agreed to acquire the property (together with the corresponding land use rights) and the accessory equipments for an aggregate consideration of RMB79,000,000 (equivalent to approximately HK\$88,764,045) from TGL to be financed out of the proceeds of the initial public offering of the Company. This transaction is scheduled to be completed in May 2017.

### 32. 財務風險管理目標及政策(續)

#### 資本管理

本集團使用資本負債比率(即債務總額除以權益總額)監控資本。債務總額包括計息銀行借款、應付控股公司及關聯公司款項、應付合同客戶款項總額、貿易應付款項及應付票據、客戶墊款以及其他應付款項，減現金及現金等價物。於報告期末的資本負債比率如下：

### 33. 報告期後事項

於二零一七年三月十五日，本公司與TGL訂立一項資產收購協議，據此，本公司有條件同意向TGL收購物業(連同相應土地使用權)及配套設施，代價合共為人民幣79,000,000元(相當於約88,764,045港元)，將自本公司首次公開發售所得款項撥付。此項交易預期於二零一七年五月完成。

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY 34. 本公司財務狀況表

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

有關本公司於報告期末財務狀況表的資料如下：

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
NON-CURRENT ASSETS	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	<b>34,983</b>	29,582
Investment property	投資物業	–	16,515
Prepaid land lease payments	預付土地租賃款項	<b>17,668</b>	10,381
Intangible assets	無形資產	<b>275</b>	195
Investments in subsidiaries	於附屬公司的投資	<b>28,787</b>	28,787
Deferred tax assets	遞延稅項資產	<b>18,484</b>	15,371
Pledged deposits	已抵押存款	<b>7,776</b>	17,606
Total non-current assets	非流動資產總值	<b>107,973</b>	118,437
CURRENT ASSETS	<b>流動資產</b>		
Inventories	存貨	<b>26,095</b>	35,724
Gross amounts due from contract customers	應收合同客戶款項總額	<b>579,992</b>	676,002
Trade and bills receivables	貿易應收款項及應收票據	<b>600,550</b>	379,213
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	<b>41,471</b>	40,701
Due from subsidiaries	應收附屬公司款項	<b>19,110</b>	17,736
Pledged deposits	已抵押存款	<b>56,485</b>	74,942
Cash and cash equivalents	現金及現金等價物	<b>158,863</b>	208,891
Total current assets	流動資產總值	<b>1,482,566</b>	1,433,209
CURRENT LIABILITIES	<b>流動負債</b>		
Gross amounts due to contract customers	應付合同客戶款項總額	<b>104,302</b>	83,137
Trade and bills payables	貿易應付款項及應付票據	<b>411,765</b>	394,624
Advances from customers, other payables and accruals	客戶墊款、其他應付款項及應計費用	<b>201,449</b>	246,066
Interest-bearing bank borrowings	計息銀行借款	<b>119,000</b>	174,000
Due to subsidiaries	應付附屬公司款項	<b>14,790</b>	22,344
Tax payable	應付稅項	<b>22,966</b>	24,486
Total current liabilities	流動負債總額	<b>874,272</b>	944,657
NET CURRENT ASSETS	<b>流動資產淨值</b>	<b>608,294</b>	488,552
TOTAL ASSETS LESS CURRENT LIABILITIES	<b>資產總值減流動負債</b>	<b>716,267</b>	606,989
Net assets	資產淨值	<b>716,267</b>	606,989

# Notes to Financial Statements

## 財務報表附註

31 December 2016

二零一六年十二月三十一日

### 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

Information about the statement of financial position of the Company at the end of the reporting period is as follows: (Continued)

		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the parent</b>	<b>母公司擁有人應佔權益</b>		
Share capital	股本	135,000	135,000
Share premium (note)	股份溢價 (附註)	239,064	239,064
Reserves (note)	儲備 (附註)	342,203	232,925
Total equity	權益總額	716,267	606,989

Note:

A summary of the Company's share premium and reserves is as follows:

		Share premium RMB'000 人民幣千元	Capital reserve RMB'000 人民幣千元	Statutory surplus reserve 法定盈餘儲備 RMB'000 人民幣千元	Retained profits RMB'000 人民幣千元	Total RMB'000 人民幣千元
At 1 January 2015	於二零一五年一月一日	-	3,303	18,110	112,944	134,357
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	98,568	98,568
Issue of shares	發行股份	276,337	-	-	-	276,337
Share issue expenses	發行股份開支	(37,273)	-	-	-	(37,273)
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	9,857	(9,857)	-
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及二零一六年一月一日	239,064	3,303	27,967	201,655	471,989
Profit and total comprehensive income for the year	年內溢利及全面收入總額	-	-	-	109,278	109,278
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	10,929	(10,929)	-
At 31 December 2016	於二零一六年十二月三十一日	239,064	3,303	38,896	300,004	581,267

### 35. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2017.

### 34. 本公司財務狀況表 (續)

有關本公司於報告期末財務狀況表的資料如下：(續)

附註：

本公司之股份溢價及儲備概要如下：

### 35. 批准財務報表

董事會於二零一七年三月二十八日批准及授權刊發財務報表。



# Five-Year Financial Summary

## 五年財務數據摘要

		Year ended 31 December 截至十二月三十一日止年度				
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Continuing operations	持續經營業務					
Revenue	收益	997,564	919,975	781,905	594,058	553,543
Gross profit	毛利	229,176	186,576	143,159	79,582	64,627
Profit before tax from continuing operations	來自持續經營業務的稅前溢利	149,081	134,399	100,168	35,026	27,321
Income tax expense	所得稅開支	36,087	37,934	25,979	9,193	6,426
Profit for the year from continuing operations	來自持續經營業務之年內溢利	112,994	96,465	74,189	25,833	20,895
Discontinued operation	已終止經營業務					
Profit for the year from a discontinued operation	來自已終止經營業務之年內溢利	-	-	-	-	5,606
Profit and total comprehensive income for the year	年內溢利及全面收入總額	112,994	96,465	74,189	25,833	26,501
Earnings per share attributable to shareholders of the Company for the year (expressed in RMB per share)	年內本公司股東應佔每股盈利 (以每股人民幣列示)					
— Basic and diluted	— 基本及攤薄	0.84	0.90	0.74	0.26	0.27
Gross profit margin	毛利率	22.97%	20.28%	18.31%	13.40%	12.62%
Net profit margin	純利率	11.33%	10.49%	9.49%	4.35%	4.68%

		As at 31 December 於十二月三十一日				
		2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元	2014 二零一四年 RMB'000 人民幣千元	2013 二零一三年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元
Non-current assets	非流動資產	96,908	107,004	129,027	88,229	75,389
Current assets	流動資產	1,544,994	1,493,936	780,195	687,568	573,797
Current liabilities	流動負債	917,617	989,649	668,460	559,224	458,446
Net current assets	流動資產淨值	627,377	504,287	111,735	128,344	115,351
Total assets less current liabilities	資產總值減流動負債	724,285	611,291	240,762	216,573	190,740
Net assets	資產淨值	724,285	611,291	240,762	216,573	190,740
Capital	股本	135,000	135,000	100,000	100,000	100,000
Share Premium	股份溢價	239,064	239,064	-	-	-
Reserves	儲備	350,221	237,227	140,762	116,573	90,740
Total equity	權益總額	724,285	611,291	240,762	216,573	190,740

# TENGY

浙江天潔環境科技股份有限公司  
Zhejiang Tengy Environmental Technology Co., Ltd