

# 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 established in the People's Republic of China with limited liability)  
(於中華人民共和國成立之股份有限公司)

Stock code 股份代號：1527

Annual Report  
**2018** 年報



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# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Bian Yu (*Chairman*)  
Mr. Bian Weican  
Ms. Bian Shu

#### Non-executive Directors

Mr. Bian Jianguang  
Mr. Zhang Yuanyuan  
Mr. Chen Jiancheng

#### Independent Non-executive Directors

Mr. Li Jiannan (Appointed on 18 September 2018)  
Mr. Fung Kui Kei  
Mr. Zhang Bing

### SUPERVISORS

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

### JOINT COMPANY SECRETARIES

Mr. Wong Hon Kit  
Ms. Shen Qiong

### AUDIT COMMITTEE

Mr. Fung Kui Kei (*Chairman*)  
Mr. Li Jiannan (Appointed on 18 September 2018)  
Mr. Zhang Bing

### 董事會

#### 執行董事

邊宇先生 (*主席*)  
邊偉燦先生  
邊姝女士

#### 非執行董事

邊建光先生  
章袁遠先生  
陳建誠先生

#### 獨立非執行董事

鄺建楠先生 (於二零一八年九月十八日獲委任)  
馮鉅基先生  
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

王漢傑先生  
沈瓊女士

### 審核委員會

馮鉅基先生 (*主席*)  
鄺建楠先生 (於二零一八年九月十八日獲委任)  
張炳先生

# Corporate Information

## 公司資料

### NOMINATION COMMITTEE

Mr. Zhang Bing (*Chairman*)  
Mr. Fung Kui Kei  
Ms. Bian Shu

### REMUNERATION COMMITTEE

Mr. Li Jiannan (*Chairman*)  
(Appointed on 18 September 2018)  
Mr. Chen Jiancheng  
Mr. Zhang Bing

### AUTHORISED REPRESENTATIVES

Mr. Bian Yu  
Mr. Wong Hon Kit

### AUDITOR

Zhonghui Anda CPA Limited

### LEGAL ADVISERS TO OUR COMPANY

Michael Li & Co. (As to Hong Kong Law)  
Zhejiang Confuway Law Firm (As to PRC Law)

### 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

Unit T, 6th Floor,  
Union Industrial Building,  
48 Wong Chuk Hang Road,  
Wong Chuk Hang,  
Aberdeen,  
Hong Kong

### 提名委員會

張炳先生 (主席)  
馮鉅基先生  
邊妹女士

### 薪酬委員會

鄺建楠先生 (主席)  
(於二零一八年九月十八日獲委任)  
陳建誠先生  
張炳先生

### 授權代表

邊宇先生  
王漢傑先生

### 核數師

中匯安達會計師事務所有限公司

### 本公司的法律顧問

李智聰律師事務所 (香港法律)  
浙江儒毅律師事務所 (中國法律)

### 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  
香港仔  
黃竹坑  
黃竹坑道48號  
聯合工業大廈  
6樓T室

# Corporate Information

## 公司資料

### PRINCIPAL BANKERS

Bank of China Zhuji Sub-branch  
102 Jiyang Road  
Zhuji City  
Zhejiang Province  
The PRC

Industrial and Commercial Bank of China Zhuji Sub-branch  
158 Jiyang Road  
Zhuji City  
Shaoxing City  
The PRC

China Zheshang Bank Co., Ltd. Zhuji Sub-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

### 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

中國工商銀行諸暨支行  
中國  
紹興市  
諸暨市  
暨陽路158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



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 2018 (“**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 20 years of industry experience and continue to innovate in industrial technologies.

The Group’s operating income during the Year increased by 8.4% to approximately RMB858.8 million, while the profit before tax during the Year decreased by 61.5% compared to the corresponding period of last year, to approximately RMB46.4 million. Meanwhile, the profit attributable to shareholders of the Company (“**Shareholders**”, each being a “**Shareholder**”) was approximately RMB31.2 million, representing a decrease of 62.5% compared to the corresponding period of last year.

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**」）於截至二零一八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20年的行業經驗且在行業技術方面持續追求創新。

本集團於本年度的營業收入增加8.4%至約人民幣858.8百萬元，而本年度的稅前溢利則較去年同期減少61.5%至約人民幣46.4百萬元。同時，本公司股東（「**股東**」）應佔溢利約為人民幣31.2百萬元，較去年同期減少62.5%。

# Chairman's Statement

## 主席報告

Approximately 79% of the revenue for the Year of the Group is from the sales of electrostatic precipitator (63%) and electrostatic-bag composite precipitator (16%), amounting to RMB537.2 million and RMB132.7 million respectively.

The Group believes that, with its leveraging years of industry experience and continual innovation in industrial technologies, the Group can obtain more new projects from customers in the national electricity industries and also from other industries due to its enhanced reputation as reliable atmospheric pollution control solution provider.

The Company has now possessed a grade A environmental engineering design (air pollution control project) qualification certificate (甲級環境工程設計專項(大氣污染防治工程)資質證書) issued by the Ministry of Housing and Urban-Rural Development in the People's Republic of China (中華人民共和國住房和城鄉建設部), a grade A air pollution control engineering design service capability evaluation certificate (甲級大氣污染治理工程專項設計服務能力評價證書) and a grade A air pollution control main contractor service capability evaluation certificate (甲級大氣污染治理工程總承包服務能力評價證書) both issued by Zhejiang Environmental Protection Industry Association in the People's Republic of China, which allow the Company to tender for more projects in the future.

Besides, the Group possesses a competitive advantage over existing market competitors as well as new entrants in new projects due to its extensive project experience over the years.

The People's Republic of China ("PRC") currently continues to strengthen its effort in environmental protection by strictly control the emission of air pollutants due to the fact that 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. A stringent accountability system was rolled out with the aim to achieve the governance effect.

本年度，本集團約79%的收益來自靜電除塵器(63%)及電袋複合除塵器(16%)的銷售，分別為人民幣537.2百萬元及人民幣132.7百萬元。

本集團相信，憑著多年的行業經驗且在行業技術方面持續追求創新，再加上其作為可靠大氣污染防治解決方案供應商日益提高的聲譽，本集團可獲取更多來自國家電力企業以及其他行業客戶的新項目。

本公司現持有由中華人民共和國住房和城鄉建設部頒發的甲級環境工程設計專項(大氣污染防治工程)資質證書、由中華人民共和國浙江省環保產業協會頒發的甲級大氣污染治理工程專項設計服務能力評價證書及甲級大氣污染治理工程總承包服務能力評價證書，該等證書令本公司日後可投標更多項目。

此外，本集團多年來積累的豐富項目經驗，將使本集團在爭取新項目時較現有市場競爭對手以及新入行者更具競爭優勢。

由於燃煤電廠的燃煤過程中產生大量主要污染物(包括顆粒物、二氧化硫、氮氧化物等)，故中華人民共和國(「中國」)現時繼續加強其環保力度，嚴格控制氣體污染物排放量，並推出嚴格問責制度，有望落實治理效果。

## Chairman's Statement

### 主席報告

With increasingly stringent environmental protection inspection, the environmental protection equipment which does not meet the requirements must be upgraded and modified immediately, which in turn will give significant rise to a certain demand for precipitators.

Looking forward, more effort will be put by the Group to enhance its research and development capabilities, to develop new technologies and to expand the product portfolio.

Simultaneously, the Group will seek for the growing opportunities in the air pollution control solutions industry of the PRC, as well as of overseas markets to expand its market share in different markets.

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!

在日趨嚴格的環保督查力度下，尚未符合要求的環保設備勢必加快更新改造，從而大幅提高對除塵設備的需求。

展望未來，本集團將繼續提升其研發實力，以開發新技術及擴大產品組合。

與此同時，本集團將尋求中國以及海外市場大氣污染防治解決方案行業與日俱增的機遇，擴大其於不同市場的市場份額。

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！



# Financial Highlights

## 財務摘要

Year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	Change 變動
Results	業績			
Revenue	收益	<b>858,817</b>	792,152	8.4%
Profit before tax	稅前溢利	<b>46,408</b>	114,483	-59.5%
Income tax expense	所得稅開支	<b>(15,172)</b>	(31,319)	-51.6%
Profit and total comprehensive income for the year	年內溢利及全面收入總額	<b>31,236</b>	83,164	-62.4%
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	<b>0.23</b>	0.62	-62.9%

As at 31 December 於十二月三十一日				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	Change 變動
Results	業績			
Total assets	資產總值	<b>1,504,288</b>	1,639,560	-8.3%
Net current assets	流動資產淨值	<b>559,334</b>	528,638	5.8%
Total assets less current liabilities	資產總值減流動負債	<b>721,226</b>	689,990	4.5%
Total liabilities	負債總額	<b>783,062</b>	949,570	-17.5%
Total equity	權益總額	<b>721,226</b>	689,990	4.5%

As at 31 December 於十二月三十一日				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	
Financial Statistics	財務數據			
Current ratio <i>(Note 1)</i>	流動比率 <i>(附註1)</i>	<b>1.7</b>	1.6	
Gearing ratio <i>(Note 2)</i>	資本負債比率 <i>(附註2)</i>	<b>12.8%</b>	9.0%	
Inventory turnover days (days) <i>(Note 3)</i>	存貨周轉天數(天) <i>(附註3)</i>	<b>164.9</b>	302.0	
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>	<b>277.8</b>	213.1	
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>	<b>184.8</b>	230.2	

# 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

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 has years of industry experience and record of continual innovation in industrial technologies.

During the Year, the Group generated its revenue primarily from (i) sales of environmental protection equipment; (ii) sales of materials; and (iii) rendering of services.

The Group's sales of environmental protection equipment 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 services provided to its customers on a project basis. During the Year, the Group mainly offered three types of precipitators: electrostatic precipitators, bag filter precipitators and electrostatic-bag composite precipitators.

The Group's sales of materials 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 its technology consultancy services provided to its customers on a stand-alone basis, which include repair and replacement, and on-site engineering and maintenance services for those projects which were not constructed by the Group.

Precipitators are widely installed at coal-fired power plants, metallurgical plants, paper mills and other industrial production plants. As such, the Group has 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.

### 概述

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。本集團擁有多年的行業經驗且在行業技術方面持續追求創新。

本年度，本集團的收益主要產生自(i)銷售環保設備；(ii)銷售材料；及(iii)提供服務。

本集團銷售環保設備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服務。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。

本集團銷售材料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。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

The PRC is currently the second largest economy in the world. Currently coal consumption is still in a dominant position in the energy consumption composition of the PRC. Under such circumstances, the most severe atmospheric pollution problem in the PRC is coal-burning pollution, which is mainly caused by pollutants such as dust, smoke dust, sulfur dioxide and nitrogen oxides. Since the 21st century, the emission volume of air pollutants, such as smoke dust (dust) and sulfur dioxide, has generally declined. This is mainly due to the fact that the PRC continues to strengthen its effort in environmental protection by strictly controlling the emission of air pollutants in recent years.

The year 2018 marks the opening year for “Defending the blue sky” by the Party Central Committee, the State Council, the Provincial Party Committee and the Provincial Government. Guided by the decisions and arrangements of the Party Central Committee and the Provincial Party Committee and the Provincial Government regarding “Defending the blue sky”, all departments at all levels are obliged to exercise due diligence in discharging their duties, to co-ordinate with other departments and to implement various measures strictly.

In the “Opinions on Strengthening the Protection of the Ecological Environment in All Aspects and Firmly Winning the Battle of the Preventing and Controlling Environmental Pollution” promulgated in June 2018, the guiding ideology, mission and objective of strengthening the protection of the ecological environment in all aspects, and firmly winning the battle of the preventing and controlling environmental pollution have been deployed and requested uniformly. The overall targets and requirements indicate that the quality of ecological environment on the whole will be improved by 2020, with a significant reduction in emissions of key pollutants.

### 業務回顧

中國目前是世界第二大經濟大國。目前，我國的能源構成依然以煤炭消費為主，該結構決定了我國的大氣污染主要以煤煙型污染為主，主要由粉塵、煙塵、二氧化硫及氮氧化物等污染物造成。二十一世紀來我國煙（粉）塵、二氧化硫等氣體污染物排放量總體呈現下降的趨勢，這是由於近年來國家加強環保力度，嚴格控制氣體污染物排放量的成果。

二零一八年是黨中央、國務院和省委省政府打贏藍天保衛戰的開局年。各級各部門按照中央和省委省政府關於打贏藍天保衛戰決策部署，盡職履責，協同配合，嚴格落實各項措施。

二零一八年六月，發佈的《中共中央、國務院關於全面加強生態環境保護，堅決打好污染防治攻堅戰的意見》，對全面加強生態環境保護，堅決打好污染防治攻堅戰的指導思想、任務和目標進行了統一部署和要求。總體目標要求到二零二零年，生態環境品質總體改善，主要污染物排放總量大幅減少。

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

The State Council issued the Notice regarding the “Three-Year Action Plan for Winning the Battle for a Blue Sky” (Guo Fa 2018 No.22) on 27 June 2018, so as to improve the air quality conditions and make every effort to defend blue sky. The action plan aims to reduce the total emissions of major air pollutants and greenhouse gas emissions synergistically, to further reduce the PM2.5 density, lower the number of days of heavy pollution and improve the air quality conditions significantly through three years’ unremitting efforts. It is proposed to reduce the PM2.5 concentrations in cities at prefectural level or above, which failed to meet the national standards, by over 18% and the total emissions of sulphur dioxide and nitrogen oxides by over 15% respectively by 2020 as compared with 2015.

With increasingly stringent environmental protection measures, the environmental protection system and equipment which does not meet the requirements and standard must be upgraded and modified immediately, which in turn has given rise to a higher demand for precipitators.

The Group believes that by leveraging on its track record and advanced technologies together with its stable workforce, its ability to secure new projects will be improved. Besides, the Group continues to expand its business and has completed various precipitators-related works in the metallurgy industry in 2018. This laid a solid foundation for the Group to secure orders in the metallurgy industry.

For the Year, the revenue and total comprehensive income of the Group amounted to approximately RMB858.8 million and approximately RMB31.2 million respectively. During the Year, the Group’s gross profit amounted to approximately RMB141.2 million, representing a decrease of approximately 29.1% as compared with approximately RMB199.1 million of the corresponding period of last year; and the Group’s gross margin decreased by approximately 8.7% from last year to approximately 16.4%. This decrease in the gross profit and gross margin for the Year of the Group was mainly attributable to significant increase in the price of steel, one of the major raw materials of the products produced by the Company, during the Year.

為加快改善環境空氣品質，打贏藍天保衛戰，二零一八年六月二十七日國務院印發了《打贏藍天保衛戰三年行動計劃》的通知（國發〔2018〕22號）。行動計劃的目標是：經過3年努力，大幅減少主要大氣污染物排放總量，協同減少溫室氣體排放，進一步明顯降低細顆粒物濃度，明顯減少重污染天數，明顯改善環境空氣品質等。提出到二零二零年，PM2.5未達標地級及以上城市濃度比二零一五年下降18%以上，二氧化硫、氮氧化物排放總量分別比二零一五年下降15%以上等具體指標。

在日趨嚴格的環保措施下，尚未符合要求及標準的環保系統及設備勢必加快更新改造，催生出更大的除塵設備需求。

本集團相信，本集團憑著以往的業績與先進的技術，加上穩定的勞動力，有助增加本集團爭取新項目的能力。另外本集團在二零一八年繼續拓展在冶金行業的業務並完成了冶金行業大量的除塵器工作，為在冶金行業拿到訂單奠定了結實的基礎。

本年度，本集團的收益及全面收入總額分別為約人民幣858.8百萬元及約人民幣31.2百萬元。本年度，本集團毛利較去年同期的約人民幣199.1百萬元減少約29.1%至約人民幣141.2百萬元和本集團毛利率較去年減少約8.7%至約16.4%。本集團的年內毛利及毛利率減少的主要由於鋼鐵（本公司生產的產品的一項主要原材料）價格於本年度大幅上漲所致。

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

For the Year, the value of the Group's new contracts (which represents the aggregate value of the contracts it entered into during a specified period) was approximately RMB981 million. As at 31 December 2018, 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 RMB1,908 million.

The Group's profit before tax for the Year decreased to approximately RMB46.4 million and profits attributable to owners of the Company decreased to approximately RMB31.2 million, representing a year-on-year decrease of approximately 59.5% and approximately 62.4% respectively. The aforesaid downturn is mainly due to the decrease in the gross profit and government grants to approximately RMB141.2 million and approximately RMB2.1 million for the Year respectively.

At the time of raising the amount of product sales, the Group spent great effort in enhancing 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 it undertakes based on customised design proposals. The Group is dedicated to improving its 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 company in estimating costs, smoothening project operations and improving operating efficiency.

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981百萬元。於二零一八年十二月三十一日，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1,908百萬元。

本集團於本年度的稅前溢利減少至約人民幣46.4百萬元，而本公司擁有人應佔溢利則減少至約人民幣31.2百萬元，分別按年減少約59.5%及約62.4%。上述減幅主要由於本年度的毛利和政府補助分別減少至約人民幣141.2百萬元和約人民幣2.1百萬元所致。

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。該等系統有助公司估算成本，確保項目順利實施以及提升經營效率。

# Management Discussion and Analysis

## 管理層討論及分析

As at 31 December 2018, the Group had 37 registered patents (including 3 invention patents and 34 utility model patents) in the PRC. Based on its 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 1,000MW. The Group is one of the few manufacturers in the PRC which provides electrostatic precipitators for single generator unit with capacity of 1,000MW or above.

As at 31 December 2018, the Group maintained a total of 617 full-time employees (2017: 605). The remuneration payable to the Group's employees includes basic wages, bonuses and other staff benefit. The Group conducts periodic performance reviews for the employees and determine their remuneration based on factors including qualifications, contributions, years of experience and performance.

### FINANCIAL REVIEW

#### Revenue

The revenue of the Group amounted to approximately RMB858.8 million for the Year representing an increase of approximately 8.4% from approximately RMB792.2 million of the corresponding period of last year. The increase was mainly due to the completion of certain large-scale projects during the Year.

於二零一八年十二月三十一日，本集團在中國擁有37項註冊專利（包括3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，本集團主要向客戶提供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，支持介乎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。

於二零一八年十二月三十一日，本集團共有617名全職僱員（二零一七年：605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。

#### 財務回顧

##### 收益

本集團的收益由去年同期的約人民幣792.2百萬元增加約8.4%至本年度的約人民幣858.8百萬元。有關增加乃主要由於於本年度完成幾個大項目所致。

## Management Discussion and Analysis

### 管理層討論及分析

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:

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：

		Year ended 31 December 截至十二月三十一日止年度			
		2018 二零一八年		2017 二零一七年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
<b>Revenue</b>	<b>收益</b>				
Sales of environmental protection equipment	銷售環保設備	<b>848,815</b>	<b>98</b>	778,757	97
Sales of materials	銷售材料	<b>8,002</b>	<b>1</b>	12,943	2
Rendering of services	提供服務	<b>2,000</b>	<b>1</b>	452	1
Total	總計	<b>858,817</b>	<b>100</b>	792,152	100

Revenue generated from sales of environmental protection equipment of the Group amounted to over 98% 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 sales of environmental protection equipment are related to the manufacturing, installation and sales of electrostatic precipitators.

本集團的銷售環保設備產生的收益佔總收益達98%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。本集團大部分銷售環保設備與製造、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 sales of environmental protection equipment by types of atmospheric pollution control solutions for the respective years indicated:

下表載列所示各年度按銷售環保設備的種類劃分的進一步收益明細：

		Year ended 31 December 截至十二月三十一日止年度			
		2018 二零一八年		2017 二零一七年	
		RMB'000 人民幣千元	% %	RMB'000 人民幣千元	% %
<b>Environmental protection equipment</b>	<b>環保設備</b>				
Ash removal and transfers	清除及轉移灰塵				
– Electrostatic precipitator	– 靜電除塵器	<b>537,173</b>	<b>63</b>	542,574	70
– Electronstatic-bag composite precipitator	– 電袋複合除塵器	<b>132,711</b>	<b>16</b>	88,836	11
– Bag filter precipitator	– 袋式除塵器	<b>71,093</b>	<b>8</b>	44,376	6
– Others (e.g. Pneumatic ash conveying system)	– 其他 (如氣力輸灰系統)	<b>23,342</b>	<b>3</b>	20,187	3
– 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>84,496</b>	<b>10</b>	82,784	10
		<b>848,815</b>	<b>100</b>	778,757	100

The Group's revenue for the Year was mainly generated from sales of electrostatic precipitator and electronstatic-bag composite precipitator. During the Year, as compared with the corresponding period of last year, the revenue derived from sales of electrostatic precipitator was decreased by approximately RMB5.4 million while the revenue derived from sales of electrostatic-bag composite precipitator and bag filter precipitator were increased by approximately RMB43.9 million and approximately RMB26.7 million respectively.

本集團於本年度的收益主要來自銷售靜電除塵器及電袋複合除塵器。於本年度，與去年同期相比，來自銷售靜電除塵器的收益減少約人民幣5.4百萬元，而來自銷售電袋複合除塵器及袋式除塵器的收益分別增加約人民幣43.9百萬元及約人民幣26.7百萬元。

## 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 sales of environmental protection equipment 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／改造項目類型劃分的銷售環保設備的收益明細：

		Year ended 31 December 截至十二月三十一日止年度			
		2018 二零一八年		2017 二零一七年	
		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	<b>779,208</b>	<b>92</b>	604,296	78
Upgrading/modification	升級／改造	<b>69,607</b>	<b>8</b>	174,461	22
		<b>848,815</b>	<b>100</b>	778,757	100

### Cost of sales

The Group's costs incurred in sales of environmental protection equipment 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 RMB717.6 million for the Year representing an increase of approximately 21.0% from approximately RMB593.1 million of the corresponding period of last year.

### 銷售成本

本集團銷售環保設備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。

本集團的銷售成本由去年同期的約人民幣593.1百萬元增加約21.0%至本年度的約人民幣717.6百萬元。

# 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	
		2018 二零一八年	2017 二零一七年
Gross profit (RMB'000)	毛利(人民幣千元)	141,240	199,102
Gross margin (%)	毛利率(%)	16.4%	25.1%

The Group's gross profit of the Year amounted to approximately RMB141.2 million, representing a decrease of approximately RMB57.9 million or 29.1% as compared with approximately RMB199.1 million of the corresponding period of last year. The gross margin of the Group decreased to approximately 16.4% for the Year. The decrease was attributable to significant increase in the price of steel, one of the major raw materials of the products produced by the Company, during the Year.

### Other income and gains

Other income and gains of the Group during the Year decreased to approximately RMB3.7 million, representing a decrease of approximately 73.6% from approximately RMB14.1 million of the corresponding period of last year. Such decrease is mainly attributable to the following:

- (i) The bank interest income in 2018 decreased by approximately RMB4.5 million from last year to approximately RMB1.2 million; and
- (ii) Compared with last year, the income from Government grants in 2018 decreased by approximately RMB6.6 million.

### 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同期的約人民幣199.1百萬元減少約人民幣57.9百萬元或29.1%至本年度的約人民幣141.2百萬元。本集團本年度的毛利率減少至約16.4%。該減少主要由於鋼鐵(本公司生產的產品的一項主要原材料)價格於本年度大幅上漲所致。

### 其他收入及利得

本集團於本年度的其他收入及利得與去年同期的約人民幣14.1百萬元相比減少約73.6%至約人民幣3.7百萬元,該減少主要原因如下:

- (i) 二零一八年的銀行利息收入較去年減少約人民幣4.5百萬元至約人民幣1.2百萬元;及
- (ii) 二零一八年的政府補助收入與去年相比減少約人民幣6.6百萬元。

# Management Discussion and Analysis

## 管理層討論及分析

### Selling and distribution expenses

The Group's selling and distribution expenses of the Year amounted to approximately RMB20.7 million, representing a decrease of approximately RMB4.0 million as compared with approximately RMB24.7 million of the corresponding period of last year.

- (i) The travel expenses and business hospitality expenses in 2018 decreased by approximately RMB0.3 million, or approximately 4%, to approximately RMB6.7 million as compared with approximately RMB7.0 million of the corresponding of last year.
- (ii) The bid services expenses in 2018 was approximately RMB1 million. Compared with the corresponding period of last year, the amount for the Year decreased by approximately RMB1.7 million, or 63%, from approximately RMB2.7 million.

### Administrative expenses

The administrative expenses of the Group for the Year amounted to approximately RMB71.6 million, representing an increase of approximately 5.3% as compared with approximately RMB68.0 million of the corresponding period of last year, mainly due to:

- (i) the impairment losses in 2018 increased by approximately RMB6.8 million from 2017 to approximately RMB30.6 million, mainly due to the impairment of trade receivables; and
- (ii) the research and development expenses in 2018 decreased by approximately RMB3 million from 2017 to approximately RMB3 million, mainly due to the decrease 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 RMB6.3 million, representing an increase of 7.9% as compared with approximately RMB5.8 million of the corresponding period of last year.

### 銷售及分銷開支

本集團的銷售及分銷開支由去年同期的約人民幣24.7百萬元減少約人民幣4.0百萬元至本年度的約人民幣20.7百萬元。

- (i) 二零一八年的差旅費和業務招待費與去年同期的約人民幣7.0百萬元相比，減少約人民幣0.3百萬元或約4%至約人民幣6.7百萬元。
- (ii) 二零一八年的投標服務費為約人民幣1百萬元。本年度的金額與去年同期的約人民幣2.7百萬元相比，減少約人民幣1.7百萬元或63%。

### 行政開支

本集團的行政開支由去年同期的約人民幣68.0百萬元增加約5.3%至本年度的約人民幣71.6百萬元，主要由於：

- (i) 二零一八年的減值虧損較二零一七年增加約人民幣6.8百萬元至約人民幣30.6百萬元，主要由於貿易應收款項減值所致；及
- (ii) 二零一八年的研發費用較二零一七年減少約人民幣3百萬元至約人民幣3百萬元，主要由於本集團於本年度所僱用的技術人員減少及相關研發力度減少所致。

### 融資成本

融資成本由去年同期的約人民幣5.8百萬元增加7.9%至本年度的約人民幣6.3百萬元。

# Management Discussion and Analysis

## 管理層討論及分析

### Income tax expense

The Group's income tax expense of the Year amounted to approximately RMB15.2 million, representing a decrease of 51.6% as compared with approximately RMB31.3 million of the corresponding period of last year.

### Trade and bills receivables

As at 31 December 2018, the trade and bills receivables of the Group were approximately RMB653.6 million, increased by approximately RMB34.3 million as compared to approximately RMB619.3 million of the corresponding period of last year, mainly due to (i) the acceleration in the launch of projects, as well as (ii) growth of revenue from continuing operations.

### Inventories

As at 31 December 2018, the Group experienced a decrease of inventories by approximately RMB146.6 million to approximately RMB324.3 million when compared to approximately RMB470.9 million of the corresponding period of last year. The inventories mainly consisted of steels, filter bags, electrical instruments and other components.

### Liquidity and capital resources

#### *Cash and cash equivalents*

As at 31 December 2018, the cash and cash equivalents of the Group decreased by approximately RMB31.3 million to approximately RMB16.4 million when compared to approximately RMB47.7 million of the corresponding period of last year, which was mainly due to:

- (i) the net cash outflow of approximately RMB1.0 million used in financing activities, which mainly consists of the cash outflow of approximately RMB1.0 million on proceeds from bank borrowings and repayments of bank borrowings;
- (ii) the net cash outflow of approximately RMB2.8 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 equipment to cater for the expansion of the Group's business scale and the growing sales; and
- (iii) the net cash outflow of approximately RMB27.8 million generated from the operation of the Group in the Year.

### 所得稅開支

本集團的所得稅開支由去年同期的約人民幣31.3百萬元減少51.6%至本年度的約人民幣15.2百萬元。

### 貿易應收款項及應收票據

於二零一八年十二月三十一日，本集團的貿易應收款項及應收票據約為人民幣653.6百萬元，較去年同期的約人民幣619.3百萬元增加約人民幣34.3百萬元，主要由於(i)推出項目的進度加快，及(ii)持續經營業務收益增長所致。

### 存貨

於二零一八年十二月三十一日，本集團的存貨約為人民幣324.3百萬元，較去年同期的約人民幣470.9百萬元減少約人民幣146.6百萬元。存貨主要包括鋼材、過濾袋、電力儀器及其他部件。

### 流動資金及資金來源

#### *現金及現金等價物*

於二零一八年十二月三十一日，本集團的現金及現金等價物約為人民幣16.4百萬元，較去年同期的約人民幣47.7百萬元減少約人民幣31.3百萬元，主要由於：

- (i) 融資活動所用現金流出淨額約人民幣1.0百萬元，主要包括銀行借款所得款項及償還銀行借款的現金流出約人民幣1.0百萬元；
- (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2.8百萬元，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出淨額約人民幣27.8百萬元。

# Management Discussion and Analysis

## 管理層討論及分析

### *Indebtedness*

As at 31 December 2018, the Group incurred outstanding bank loans of approximately RMB109 million.

### *Net current assets*

As at 31 December 2018, the net current assets of the Group (the difference between total current assets and current liabilities) increased by approximately 5.8% from approximately RMB528.6 million of the corresponding period of last year to approximately RMB559.3 million for the Year.

### *Capital expenditure*

No capital expenditures of the Group were used for the purchase of property, plant and equipment in the Year.

### *Exchange risk*

The Group has transactional currency exposures. Such exposures arise from sales by operating units in currencies other than the functional currencies adopted by the units. Approximately 0.9% (2017: 2.5%) of its sales for 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 will constantly monitor the economic situation and the foreign exchange risk profile of the Group, and will consider appropriate hedging measures in the future should the need arise.

### **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.

### *債項*

於二零一八年十二月三十一日，本集團擁有未償還銀行貸款約人民幣109百萬元。

### *流動資產淨值*

於二零一八年十二月三十一日，本集團的流動資產淨值（流動資產總值與流動負債的差額）由去年同期的約人民幣528.6百萬元增加約5.8%至本年度的約人民幣559.3百萬元。

### *資本支出*

本集團於本年度並無用於購買物業、廠房及設備的資本支出。

### *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0.9%（二零一七年：2.5%）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，本集團的管理層將會持續監控經濟形勢及本集團的外匯風險狀況，並將於日後有需要時考慮適當的對沖措施。

### **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。

# Management Discussion and Analysis

## 管理層討論及分析

### Contingent liabilities

The Group is neither currently involved in any material legal proceedings nor aware of any pending or potential material legal proceedings involving itself. 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 2018, 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 Company has now possessed a grade A environmental engineering design (air pollution control project) qualification certificate (甲級環境工程設計專項(大氣污染防治工程)資質證書) issued by the Ministry of Housing and Urban-Rural Development in the People's Republic of China (中華人民共和國住房和城鄉建設部), a grade A air pollution control engineering design service capability evaluation certificate (甲級大氣污染治理工程專項設計服務能力評價證書) and a grade A air pollution control main contractor service capability evaluation certificate (甲級大氣污染治理工程總承包服務能力評價證書) both issued by Zhejiang Environmental Protection Industry Association in the People's Republic of China, which allow the Company to tender for more projects in the future.

The Group believes that its established customer base in the PRC and its exposure to overseas markets could help it lay a solid foundation for future expansion in both domestic and overseas markets of the Group 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 our 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.

### 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。

於二零一八年十二月三十一日，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。

本公司現持有由中華人民共和國住房和城鄉建設部頒發的甲級環境工程設計專項(大氣污染防治工程)資質證書、由中華人民共和國浙江省環保產業協會頒發的甲級大氣污染治理工程專項設計服務能力評價證書及甲級大氣污染治理工程總承包服務能力評價證書，該等證書令本公司日後可投標更多項目。

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 35, is the chairman of the Board and an executive Director appointed on 28 December 2009. Mr. Bian was also appointed as general manager of the Company on 15 May 2017. Mr. Bian has approximately 14 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 Installation Engineering Co., Ltd.\* (諸暨市天潔安裝工程有限公司) ("**Tianjie Installation Engineering**") and Zhuji City Tianjie Electronic and Technology Co., Ltd.\* (諸暨市天潔電子科技有限公司) and Turpan Environmental Technology Co., Ltd.\* (吐魯番天潔環境科技有限公司) since March 2008, June 2009 and July 2013 respectively.

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 Yaoyu Special Steel Co., Ltd.\* (浙江潤天磁性材料有限公司) ("**Yaoyu 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.

### 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、推行於股東大會上通過的決議案、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」）**，35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。邊先生亦已於二零一七年五月十五日獲委任為本公司總經理。邊先生於提供大氣污染防治解決方案業務方面具備約14年經驗。邊先生亦自二零零八年三月、二零零九年六月及二零一三年七月起分別擔任本公司多間附屬公司（包括諸暨市天潔安裝工程有限公司（「**天潔安裝工程**」）、諸暨市天潔電子科技有限公司及吐魯番天潔環境科技有限公司）的執行董事。

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（如浙江潤天磁性材料有限公司（「**潤天磁性**」）、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。



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

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 Pingchuan Metal Material Co., Ltd.\* (上海平川金屬材料有限公司) (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 August 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) from June 2011 to December 2016, 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) from November 2011 to February 2016 and as executive director 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 Vice President of Zhejiang Association of Equipment Industries for Environmental Protection (浙江省環保裝備行業協會理事會). 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.

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**”).

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)、自二零一零年七月至二零一二年十月於上海平川金屬材料有限公司(主要從事金屬材料、建築材料及化學原材料銷售)、自二零一零年八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至二零一六年十二月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，並自二零一一年十一月至二零一六年二月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)的執行董事。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理事會的副會長。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。

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、邊姝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、邊姝女士及其自身家族(「**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**」))。

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

**Mr. BIAN Weican (邊偉燦)**, aged 58, is an executive Director and the deputy general manager of the Company appointed on 28 December 2009 and 5 February 2018 respectively. Mr. Bian Weican has approximately 26 years of experience in the business of provision of atmospheric pollution control solutions.

Mr. Bian Weican successively worked in Zhuji County Mechanical Model Plant\* (諸暨縣機械模型廠) and Zhejiang Zhuji City Industrial Environmental Protection Equipment Factory\* (浙江省諸暨市工業環保設備總廠) from 1982 to 1995 in which he was responsible for manufacturing machinery mould and 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.

邊偉燦先生，58歲，分別於二零零九年十二月二十八日及二零一八年二月五日獲委任為本公司執行董事及副總經理。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26年經驗。

邊偉燦先生自一九八二年至一九九五年曾先後在諸暨縣機械模型廠、浙江省諸暨市工業環保設備總廠等企業任職，彼負責機械模具的生產和原材料採購工作。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 37, 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 human resources 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，37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人力資源部經理，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的表現。

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 64, is the vice chairman of the Board and a non-executive Director appointed on 28 December 2009. Mr. Bian Jianguang has approximately 28 years of experience in the business of the provision of atmospheric pollution control solutions.

Mr. Bian Jianguang successively worked as the factory director of Zhuji County Mechanical Model Plant\* (諸暨縣機械模型廠) and Zhejiang Zhuji City Industrial Environmental Protection Equipment Factory\* (浙江省諸暨市工業環保設備總廠) from 1982 to 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.

Mr. Bian Jianguang has been working as the executive director of Tianjie New Materials (principally engaged in manufacturing, processing and marketing of steel blade) since June 2009 and the chairman of the board of directors of Tianjie General Machinery (being principally engaged in manufacturing and marketing of machinery and parts) from November 1999 to April 2008. Mr. Bian Jianguang has been also working as an executive director for various companies such as Yaoyu Special Steel (principally engaged in manufacturing, processing and marketing of steel blade) since April 2016 and Zhuji City Tianjie Heavy Development Limited\* (諸暨市天潔重工技術有限公司) (being principally engaged in research, design and development of heavy machines) since April 2016, and he is mainly responsible for day-to-day operation and management, and overall business management in these companies.

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.

### 非執行董事

邊建光先生，64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28年經驗。

邊建光先生自一九八二年至一九九五年曾先後在諸暨縣機械模型廠、浙江省諸暨市工業環保設備總廠等企業擔任廠長職務，彼負責企業的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。

邊建光先生自二零零九年六月起擔任天潔新材料（主要從事製造、加工及營銷鋼片）的執行董事和自一九九九年十一月至二零零八年四月擔任天潔通用機械（主要從事製造及營銷機械及部件）的董事會主席。邊建光先生並擔任多間不同公司的執行董事，例如自二零一六年四月起於潤天磁性（主要從事製造、加工及營銷鋼片）及自二零一六年四月起於諸暨市天潔重工技術有限公司（主要從事研究、設計及開發重工機械），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 37, is a non-executive Director appointed on 28 December 2009. Mr. Zhang Yuanyuan has approximately 8 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.

**Mr. CHEN Jiancheng**, aged 55, is a non-executive Director appointed on 5 December 2017. Mr. Chen Jiancheng worked as an assistant to general manager of TGL from June 1995 to January 2000. 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) from June 2003 to December 2008, and became the chief technology officer (技術總監) of TGL since January 2004, primarily responsible for technological research and development as well as product quality control.

Mr. Chen Jiancheng graduated from Zhuji Paitou Middle School\* (諸暨市牌頭中學) in July 1979.

章袁遠先生，37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八年經驗。

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。

**陳建誠先生**，55歲，於二零一七年十二月五日獲委任為非執行董事。陳建誠先生自一九九五年六月至二零零零年一月擔任TGL總經理助理。自二零零三年六月至二零零八年十二月擔任浙江立宇不銹鋼有限公司副總經理。自二零零四年一月起擔任TGL技術總監，主要負責技術研發及產品質量控制。

陳建誠先生於一九七九年七月畢業於諸暨市牌頭中學。

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

## Independent Non-executive Directors

**Mr. LI Jiannan (鄺建楠) (“Mr. Li”)**, aged 41, is an independent non-executive Director appointed on 18 September 2018. He has over 15 years of experience in accounting and finance industry in the PRC.

Mr. LI obtained a Bachelor’s degree in accounting at Southwestern University of Finance and Economics, the PRC in 2001. He is a certified public accountant and a certified tax agent in the PRC. He is currently the director of consultation department of Zhuji City Guangxin Certified Public Accountants Company Limite\* (諸暨市廣信會計師事務所有限公司).

**Mr. FUNG Kui Kei Jonas (馮鉅基) (“Mr. FUNG”)**, aged 38, is an independent non-executive Director appointed on 30 March 2018. Mr. FUNG has more than 16 years of work experience in the accounting field. He is extremely experienced in advising on corporate finance matters including pre-IPO, acquisitions and mergers, and corporate governance and general compliance issues for listed companies and private companies.

Mr. FUNG graduated with a bachelor’s degree in accounting from the Hong Kong Polytechnic University (香港理工大學) in October 2003. Mr. FUNG is one of the founders of JMD & PME CPA Limited and OCTOSEC CPA LIMITED, providers of professional corporate advisory to enterprises in Hong Kong, and has been a partner of the same since August 2014 and July 2016 respectively. From May 2011 to March 2014, he worked as the assistant finance manager of AZONA (HK) LIMITED principally engaged in fashion retail. From December 2008 to May 2011, he was the auditor of Shu Lun Pan Hong Kong CPA LIMITED and subsequently the assistant manager of BDO Limited (due to a merger between Shu Lun Pan Hong Kong CPA LIMITED), which is the Hong Kong member firm of BDO International Limited. From January 2006 to October 2008, he was the auditor of BDO Limited. From October 2003 to December 2005, he was an auditor in CWCC, a professional advisory firm providing a full range of business services in Hong Kong and major cities in mainland China.

Mr. FUNG has been a member of the Association of Chartered Certified Accountants (“ACCA”) since 2007. He has also been a member of the Hong Kong Institute of Certified Public Accountants (“HKICPA”) since 2011.

**Mr. ZHANG Bing (張炳)**, aged 37, is an independent non-executive Director appointed on 15 September 2014. Mr. Zhang Bing has approximately 9 years of experience in the field of environmental planning.

## 獨立非執行董事

**鄺建楠先生(「鄺先生」)**，41歲，於二零一八年九月十八日獲委任為獨立非執行董事。彼在中國的會計及金融行業擁有逾15年經驗。

鄺先生於二零零一年在中國西南財經大學取得會計學學士學位。彼為中國註冊會計師及註冊稅務師。彼現時於諸暨市廣信會計師事務所有限公司任職諮詢部主任。

**馮鉅基先生(「馮先生」)**，38歲，於二零一八年三月三十日獲委任為獨立非執行董事。馮先生在會計領域擁有逾16年的工作經驗。彼在就公司融資事項(包括上市公司及私人公司的首次公開發售前、併購及公司管治及一般合規事宜)提供建議方面極富經驗。

馮先生於二零零三年十月畢業於香港理工大學，獲得會計學學士學位。馮先生為向香港企業提供專業企業諮詢的供應商滙業聯通會計師事務所有限公司及奧德盛會計師事務所有限公司的創始人之一，並分別自二零一四年八月及二零一六年七月起一直為該等公司的合夥人。自二零一一年五月至二零一四年三月，彼曾擔任凱崙(香港)有限公司的助理財務經理，主要從事時裝零售。自二零零八年十二月至二零一一年五月，彼曾先後擔任香港立信會計師事務所有限公司的核數師及香港立信德豪會計師事務所有限公司助理經理(因香港立信會計師事務所有限公司合併所致)，而該公司為BDO International Limited的香港成員所。自二零零六年一月至二零零八年十月，彼曾任香港立信德豪會計師事務所有限公司核數師。自二零零三年十月至二零零五年十二月，彼為專業顧問公司CWCC(在香港及中國內地主要城市提供全方位的商業服務)的核數師。

馮先生自二零零七年為特許公認會計師公會(「ACCA」)的會員。彼自二零一一年起亦為香港會計師公會(「香港會計師公會」)會員。

**張炳先生**，37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九年經驗。

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

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.

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.

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.

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，負責教學、研究及督導博士生。張炳先生擔任江蘇省環保廳環境管理與政策研究中心主任。

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。

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。

# Biographies of Directors, Supervisors and Senior Management

## 董事、監事及高級管理層簡歷

### 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/appointment letter with the Group.

### 監事會

監事會包括三名成員，由兩名股東代表及一名職工代表組成。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約／委任函。



# 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 56, is an employee representative Supervisor and the head of the procurement department of the Company. He joined the Group on since 2010.

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 manger 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 38, is a Shareholder representative Supervisor. Prior to joining the Group on 18 October 2014, Mr. Fu Jun taught at the school of computer and information engineering of Zhejiang Gongshang University (浙江工商大學) in December 2009, being a lecturer and an assistant professor successively, responsible for teaching and conducting research.

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，56歲，為本公司職工代表監事及採購部主管。彼於二零一零年加入本集團。

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，38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前往浙江工商大學計算機與信息工程學院任教，歷任講師、副教授，負責教學和推進研究。

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輔修日語課程。

## 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 41, 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 July 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，41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，彼於二零零五年七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副教授，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 56, is the deputy general manager of the Company appointed on 15 May 2017. 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. Mr. Qiu Jinxin has approximately 23 years of experience in the business of provision of atmospheric pollution control solutions.

From July 1993 to June 2006, Mr. Qiu Jinxin 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 Zhuji Jieda Environmental Protection Equipment Installation Company Ltd\* (諸暨市潔達環保設備安裝有限公司) (being principally engaged in the design, production and installation of environmental protection projects) from July 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**，56歲，於二零一七年五月十五日獲委任為本公司副總經理。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。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23年經驗。

邱金鑫先生於一九九三年七月至二零零六年六月期間曾在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。彼於二零零六年七月至二零零八年十二月期間曾擔任諸暨市潔達環保設備安裝有限公司的總經理，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

**Ms. WU Fengdi (吳鳳娣)**, aged 36, has been the Chief Financial Officer of the Company (“**CFO**”) and Board Secretary. She joined the Group and was appointed as the financial manager of the Company on 28 December 2009. Ms. Wu Fengdi has approximately 14 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.

**Mr. QIU Yonghui (邱永輝)**, aged 36, is the deputy general manager of the Company appointed on 15 May 2017. He joined the Group in July 2008 as the deputy manager of the technology department. He was appointed as the deputy general manager of the Company on 15 May 2017, responsible for the operation of the technology department.

Mr. Qiu Yonghui is a first-class constructor (一級建造師) and registered environmental protection engineer (註冊環保工程師) in China. He focused on developing movable collecting electrode plate, wet precipitators and high-efficiency desulfurisation equipment. He had participated in designing the movable collecting electrode plate for various projects, including the 2×600MW unit of 貴州華電桐梓發電有限公司 and 2×660MW unit of 國電織金發電有限公司. He had also participated in designing the wet precipitators for various projects, including the 3×50MW unit of 西安西郊熱電 and 12×50MW unit of 威海.

Mr. Qiu Yonghui had acted as a technician and participated in the research and development of a provincial new product “circulating fluidised bed boiler auxiliary electrostatic precipitator (循環流化床鍋爐配套電除塵器) for large generator units (300MW-1000MW)”. This product was accredited with provincial product certification in 2010.

吳鳳娣女士，36歲，擔任本公司首席財務官（「首席財務官」）和董事會秘書。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14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。

邱永輝先生，36歲，自二零一七年五月十五日起獲委任為本公司副總經理。彼於二零零八年七月加入本集團就任技術部副經理，且於二零一七年五月十五日獲委任為本公司副總經理負責技術部的營運。

邱永輝先生為中國一級建造師和註冊環保工程師。彼專注開發移動極板，濕式除塵器和高效率脫硫設備。彼曾組織貴州華電桐梓發電有限公司2×600MW機組，國電織金發電有限公司2×660MW機組等項目的移動極板設計。彼亦曾組織西安西郊熱電3×50MW機組和威海12×50MW機組等項目的濕式除塵器設計。

邱永輝先生曾作為技術人員參與省級新產品「大型發電機組(300MW-1000MW)循環流化床鍋爐配套電除塵器」的研發，並在二零一零年通過省級產品認證。

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

**Mr. ZHANG Rixing** (張日行), aged 50, is the deputy general manager of the Company appointed on 5 February 2018. He joined the Group in May 2013 as the director of marketing. He was appointed as the deputy general manager of the Company on 5 February 2018, responsible for the operation of the sales department.

Mr. Zhang Rixing graduated from 諸暨農業技術學校 majoring in accounting in 1986. Mr. Zhang Rixing served as the sales supervisor of Zhejiang Zhuji City Industrial Environmental Protection Equipment Factory\* (浙江省諸暨市工業環保設備總廠) from July 1993 to August 1994, worked as the sales supervisor of 浙江天潔機械製造有限公司 from September 1994 to May 1995 and the sales supervisor of TGL from June 1995 to April 2003 and was responsible for day-to-day sales management, after-sale matters and liaison with buyers. He also served as the general manager of Zhejiang Liyu Stainless Steel Co. Ltd.\* (浙江立宇不銹鋼有限公司) from May 2003 to February 2008.

**Ms. XIN Lingling** (辛玲玲), aged 43, is the deputy general manager of the Company appointed on 5 February 2018. She joined the Group in March 2016 as the general manager of the Hangzhou branch. She was appointed as the deputy general manager of the Company on 5 February 2018, responsible for the operation of the research and development department.

Ms. Xin Lingling was graduated from Shanghai University of Electric Power (上海電力大學) majoring in power plant thermal power engineering (電廠熱能動力工程). She is a senior engineer in China.

Ms. Xin Lingling served as the chief engineer of 浙江浙大網新機電工程有限公司 from March 2004 to October 2006 and was responsible for project planning. She served as the general manager and the executive director of 杭州中容電力科技有限公司 from November 2006 to April 2010, served as the general manager of 浙江利保環境工程有限公司 from November 2009 to November 2015 and also served as the technical consultant of XJ Lianhua INT'L Environmental Co., Ltd. from April 2015 to February 2016.

張日行先生，50歲，自二零一八年二月五日起獲委任為本公司副總經理。彼於二零一三年五月加入本集團就任市場總監，且於二零一八年二月五日獲委任為本公司副總經理負責銷售部的營運。

張日行先生於一九八六年在諸暨農業技術學校畢業，主修會計。張日行先生曾於一九九三年七月至一九九四年八月在浙江省諸暨市工業環保設備總廠擔任銷售科長，於一九九四年九月至一九九五年五月擔任浙江天潔機械製造有限公司銷售科長和於一九九五年六月至二零零三年四月擔任TGL銷售科長，負責日常銷售管理、售後事宜及聯絡買家。彼亦曾於二零零三年五月至二零零八年二月擔任浙江立宇不銹鋼有限公司總經理一職。

辛玲玲女士，43歲，自二零一八年二月五日起獲委任為本公司副總經理。彼於二零一六年三月加入本集團就任杭州分公司總經理一職，且於二零一八年二月五日獲委任為本公司副總經理負責研發部的營運。

辛玲玲女士畢業於上海電力大學，主修電廠熱能動力工程。彼為中國高級工程師。

辛玲玲女士曾於二零零四年三月至二零零六年十月擔任浙江浙大網新機電工程有限公司總工程師一職，負責工程規劃事宜。彼亦曾於二零零六年十一月至二零一零年四月擔任杭州中容電力科技有限公司總經理和執行董事，於二零零九年十一月至二零一五年十一月擔任浙江利保環境工程有限公司總經理一職，以及於二零一五年四月至二零一六年二月擔任許繼聯華國際環境工程有限責任公司技術顧問一職。

## 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 58, is the deputy general manager of the Company appointed since 3 May 2010. 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 25 years of experience in the business of provision of atmospheric pollution control solutions.

Chen Jianguo was responsible for the research and development of precipitators, installation of environmental protection equipments and after-sale matters in enterprises such as Zhuji City Industrial Environmental Protection Equipment Factory\* (諸暨市工業環保設備總廠) from 1991 to 1998. 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, 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，58歲，自二零一零年五月三日起獲委任為本公司副總經理，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25年經驗。

陳建國自一九九一年至一九九八年期間在諸暨市工業環保設備總廠等企業從事除塵器的研發工作、環保設備安裝及售後事宜。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. WONG Hon Kit (王漢傑), and Ms. SHEN Qiong (沈瓊) are the Company's joint company secretaries.

**Mr. WONG Hon Kit (王漢傑)**, aged 29, holds a Bachelor's degree of Business Administration (Hons) in Accountancy from The Hong Kong Polytechnic University. Mr. Wong Hong Kit is currently a member of the Hong Kong Institute of Certified Public Accountants. He has over eight years of extensive experience in finance, auditing and consulting fields, gaining from an international accounting firm and listed corporation. He served as the financial controller of China Oil Gangran Energy Group Holdings Limited (stock code: 08132), a company listed on the GEM of the Stock Exchange from 2011. He worked as a senior auditor in Deloitte Touche Tohmatsu from 2011 to 2015.

**Ms. SHEN Qiong (沈瓊)**, aged 34, 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 nine years of legal experience in relation to business operations.

Ms. Shen Qiong worked as a legal officer in Zhejiang Group Net Environmental Engineering Co., Ltd\* (浙江地淨環境工程股份有限公司) (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.

### 聯席公司秘書

王漢傑先生及沈瓊女士為本公司聯席公司秘書。

王漢傑先生，29歲，持有香港理工大學工商管理學士(榮譽)會計學位。王漢傑先生現為香港會計師公會會員。彼於財務、審計及諮詢方面擁有超過八年的豐富經驗，彼之經驗由一間國際會計師事務所及上市公司處獲得。彼曾任中油港燃能源集團控股有限公司(一家自二零一一年於聯交所GEM上市的上市公司，股份代號：08132)財務總監職務。彼曾自二零一一年至二零一五年於德勤•關黃陳方會計師行任職高級審計員。

沈瓊女士，34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九年經驗。

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環境工程股份有限公司(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，沈瓊女士擔任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 Mr. Chen Jiancheng; three independent non-executive Directors, namely, Mr. Li Jiannan, Mr. Fung Kui Kei 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，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、章袁遠先生及陳建誠先生）；三名獨立非執行董事（即鄺建楠先生、馮鉅基先生及張炳先生）組成。

彼等的履歷詳情及彼等的家庭關係（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, the chairman of the Board and the general manager of the Company, 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, the executive Director and the general manager of the Company, 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、董事會主席兼本公司總經理邊先生為執行董事邊姝女士的弟弟；並為邊建光先生的兒子及章袁遠先生的妻弟，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、執行董事兼本公司總經理，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。

# Corporate Governance Report

## 企業管治報告

### 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 equal to 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.

### 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。

# Corporate Governance Report

## 企業管治報告

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.

### NON-EXECUTIVE DIRECTORS

The Group has three non-executive Directors, being Mr. Bian Jianguang, Mr. Zhang Yuanyuan and Mr. Chen Jiancheng. 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. Mr. Chen Jiancheng was newly appointed at the extraordinary general meeting held on 5 December 2017.

Details of the biographies of Mr. Bian Jianguang, Mr. Zhang Yuanyuan and Mr. Chen Jiancheng 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.

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。

### 非執行董事

本集團有三名非執行董事，即邊建光先生、章袁遠先生及陳建誠先生。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。而陳建誠先生則於二零一七年十二月五日舉行的臨時股東大會上新獲委任。

邊建光先生、章袁遠先生及陳建誠先生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8。

### 該等董事會委員會

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。

# Corporate Governance Report

## 企業管治報告

### (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 Mr. Fung Kui Kei, Mr. Li Jiannan and Mr. Zhang Bing. Mr. Fung Kui Kei, who has appropriate professional qualifications and experience in accounting matters, was appointed as the chairman of the Audit Committee on 30 March 2018.

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 29 March 2019, 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:

Name of member	成員姓名	Attendance/Number of meetings 出席／會議次數
Mr. Fung Kui Kei ( <i>Chairman</i> )	馮鉅基先生 (主席)	1/1
Mr. Zhang Bing	張炳先生	2/2
Mr. Jiang Yan ( <i>Note 1</i> )	姜晏先生 (附註1)	1/1
Ms. Tam Hon Shan Celia ( <i>Note 1</i> )	譚漢珊女士 (附註1)	1/1
Mr. Yu Zhao Fei ( <i>Note 2</i> )	余釗飛先生 (附註2)	1/1

*Note 1:* Mr. Jiang Yan and Ms. Tam Hon Shan Celia resigned as the independent non-executive directors of the Company with effect from 30 March 2018 and they were replaced by Mr. Yu Zhao Fei and Mr. Fung Kui Kei respectively on 30 March 2018 as the members of the Audit Committee and the chairman of the Audit Committee.

*Note 2:* Mr. Yu Zhao Fei resigned as the independent non-executive director of the Company with effect from 18 September 2018 and he was replaced by Mr. Li Jiannan on 18 September 2018 as the member of the Audit Committee.

### (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段所載的職權範圍成立。審核委員會由三名獨立非執行董事組成，分別為馮鉅基先生、鄺建楠先生及張炳先生。馮鉅基先生具備適當專業資格及會計事務經驗，於二零一八年三月三十日獲委任為審核委員會主席。

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。

根據審核委員會於二零一九年三月二十九日舉行的會議，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：

*附註1：* 姜晏先生及譚漢珊女士自二零一八年三月三十日起辭任本公司獨立非執行董事，並於二零一八年三月三十日分別由余釗飛先生及馮鉅基先生接替彼等出任審核委員會成員和審核委員會主席。

*附註2：* 余釗飛先生自二零一八年九月十八日起辭任本公司獨立非執行董事，並於二零一八年九月十八日由鄺建楠先生接替彼等出任審核委員會成員。

# Corporate Governance Report

## 企業管治報告

### (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. Li Jiannan (independent non-executive Director), Mr. Zhang Bing (independent non-executive Director) and Mr. Chen Jiancheng (non-executive Director). Mr. Li Jiannan is the chairman of the Remuneration Committee.

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 29 March 2019, 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.

### (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段所載的職權範圍成立。薪酬委員會由三名董事組成，分別為鄺建楠先生（獨立非執行董事）、張炳先生（獨立非執行董事）及陳建誠先生（非執行董事）。鄺建楠先生為薪酬委員會主席。

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。

根據薪酬委員會於二零一九年三月二十九日舉行的會議，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。

# Corporate Governance Report

## 企業管治報告

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

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：

Name of member	成員姓名	Attendance/Number of meetings 出席／會議次數
Mr. Jiang Yan ( <i>Note 1</i> )	姜晏先生 ( <i>附註1</i> )	1/1
Mr. Zhang Bing	張炳先生	1/1
Mr. Chen Jiancheng	陳建誠先生	1/1

*Note 1:* Mr. Jiang Yan resigned as the independent non-executive director of the Company with effect from 30 March 2018 and he was replaced by Mr. Yu Zhao Fei on 30 March 2018 as the Chairman of the Remuneration Committee. With effect from 18 September 2018, Mr. Yu Zhao Fei resigned as the independent non-executive director of the Company and he was replaced by Mr. Li Jiannan as the Chairman of the Remuneration Committee on 18 September 2018.

*附註1:* 姜晏先生自二零一八年三月三十日起辭任本公司獨立非執行董事，並於二零一八年三月三十日由余鈞飛先生接替其出任薪酬委員會主席。自二零一八年九月十八日起，余鈞飛先生辭任本公司獨立非執行董事，並於二零一八年九月十八日由鄭建楠先生接替彼出任薪酬委員會主席。

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

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), Mr. Fung Kui Kei (independent non-executive Director) and Ms. Bian Shu (executive Director). Mr. Zhang Bing is the chairman of the Nomination Committee.

### (iii) 提名委員會

提名委員會根據企業管治守則第A.5段所載的職權範圍成立，由三名董事組成，分別為張炳先生（獨立非執行董事）、馮鉅基先生（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。

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.

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。

# Corporate Governance Report

## 企業管治報告

Pursuant to the meeting of the Nomination Committee on 29 March 2019, 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:

根據提名委員會於二零一九年三月二十九日舉行的會議，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：

Name of member	成員姓名	Attendance/Number of meetings 出席／會議次數
Mr. Zhang Bing ( <i>Chairman</i> )	張炳先生 (主席)	1/1
Ms. Bian Shu	邊姝女士	1/1
Ms. Tam Hon Shan Celia ( <i>Note 1</i> )	譚漢珊女士 (附註1)	1/1

*Note 1:* Ms. Tam Hon Shan Celia resigned as the independent non-executive director of the Company with effect from 30 March 2018 and she was replaced by Mr. Fung Kui Kei on 30 March 2018.

*附註1:* 譚漢珊女士自二零一八年三月三十日起辭任本公司獨立非執行董事，並於二零一八年三月三十日由馮鉅基先生接替其職位。

## 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.

## 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的《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。



# Corporate Governance Report

## 企業管治報告

### 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 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:

### 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。董事會定期會議須提前至少十四天通知。

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	董事姓名	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
Mr. Chen Jiancheng	陳建誠先生	6/6
Mr. Yu Zhao Fei <sup>Note 2</sup>	余釗飛先生 <sup>附註2</sup>	4/4
Mr. Fung Kui Kei	馮鉅基先生	4/4
Mr. Zhang Bing	張炳先生	6/6
Mr. Jiang Yan <sup>Note 1</sup>	姜晏先生 <sup>附註1</sup>	2/2
Ms. Tam Hon Shan Celia <sup>Note 1</sup>	譚漢珊女士 <sup>附註1</sup>	2/2

Note 1: Mr. Jiang Yan and Ms. Tam Hon Shan Celia has resigned with effect from 30 March 2018, replaced by Mr. Fung Kui Kei and Mr. Yu Zhao Fei.

附註1: 姜晏先生及譚漢珊女士自二零一八年三月三十日起辭任，並由馮鉅基先生及余釗飛先生接替彼等的職位。

Note 2: Mr. Yu Zhao Fei resigned as the independent non-executive director of the Company with effect from 18 September 2018 and he was replaced by Mr. Li Jiannan on 18 September 2018.

附註2: 余釗飛先生自二零一八年九月十八日起辭任本公司獨立非執行董事，並於二零一八年九月十八日由鄺建楠先生接替彼的職位。

# Corporate Governance Report

## 企業管治報告

### GENERAL MEETINGS

During the Year, the Company convened one annual general meeting and two extraordinary general meeting which were held on 15 June 2018, 30 March 2018 and 18 September 2018, respectively. The respective attendance records of individual Board members are set out below:

Name of Director	董事姓名	Attendance/Number of meetings 出席／會議次數
Mr. Bian Yu	邊宇先生	3/3
Mr. Bian Weican	邊偉燦先生	3/3
Ms. Bian Shu	邊姝女士	3/3
Mr. Bian Jianguang	邊建光先生	3/3
Mr. Zhang Yuanyuan	章袁遠先生	3/3
Mr. Chen Jiancheng	陳建誠先生	3/3
Ms. Tam Hon Shan Celia <sup>Note 1</sup>	譚漢珊女士 <sup>附註1</sup>	1/1
Mr. Jiang Yan <sup>Note 1</sup>	姜晏先生 <sup>附註1</sup>	1/1
Mr. Zhang Bing	張炳先生	3/3
Mr. Yu Zhao Fei <sup>Note 2</sup>	余釗飛先生 <sup>附註2</sup>	2/2
Mr. Fung Kui Kei	馮鉅基先生	2/2

*Note 1:* Mr. Jiang Yan and Ms. Tam Hon Shan Celia has resigned with effect from 30 March 2018, replaced by Mr. Fung Kui Kei and Mr. Yu Zhao Fei.

*Note 2:* Mr. Yu Zhao Fei resigned as the independent non-executive director of the Company with effect from 18 September 2018 and he was replaced by Mr. Li Jiannan on 18 September 2018.

### 股東大會

於本年度，本公司分別於二零一八年六月十五日、二零一八年三月三十日及二零一八年九月十八日召開一次股東週年大會及兩次臨時股東大會。個別董事會成員各自的出席記錄載列如下：

*附註1：* 姜晏先生及譚漢珊女士自二零一八年三月三十日起辭任，並由馮鉅基先生及余釗飛先生接替彼等的職位。

*附註2：* 余釗飛先生自二零一八年九月十八日起辭任本公司獨立非執行董事，並於二零一八年九月十八日由鄺建楠先生接替彼的職位。

### APPOINTMENT AND RE-ELECTION OF DIRECTORS

Pursuant to the Articles of Association, Directors shall be subject to election at the Company's 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 employee representatives, whilst the remaining two Supervisors were elected by the Shareholders. Mr. Chen Xinhua entered into a service contract with the Company on 1 January 2016, and each of Mr. Fu Jun and Mr. Fang Zhiguo signed a letter of appointment on 1 June 2016. 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.

### 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。最終按人選的長處及預期可為董事會提供的貢獻而作決定。

### 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職工代表選舉產生，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一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二零一六年六月一日簽訂委任函。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。

# Corporate Governance Report

## 企業管治報告

### 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.

### JOINT COMPANY SECRETARIES

Mr. Wong Hon Kit and Ms. Shen Qiong are the joint company secretaries of the Company.

Being the joint company secretaries, Mr. Wong 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.

### 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。經作出特定書面查詢後，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。

### 聯席公司秘書

王漢傑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，王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。

# Corporate Governance Report

## 企業管治報告

### 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 Zhonghui Anda CPA Limited, 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.

### 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.

### 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。

本公司外聘核數師中匯安達會計師事務所有限公司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。

#### 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。

## Corporate Governance Report 企業管治報告

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.

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.

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。

本公司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。

# Corporate Governance Report

## 企業管治報告

### EXTERNAL AUDITOR AND AUDITOR'S REMUNERATION

Zhonghui Anda CPA Limited was appointed as the external auditor of the Company on 5 December 2017. During the Year, the fees period to Zhonghui Anda CPA Limited in respect of its annual audit services provided to the Group was approximately HK\$1.16 million.

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

### 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.

### 外聘核數師及核數師酬金

中匯安達會計師事務所有限公司於二零一七年十二月五日獲委任為本公司外聘核數師。本年度內，就中匯安達會計師事務所有限公司為本集團提供年度審計服務而支付的費用約為港幣1.16百萬元。

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。

### 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。

# Corporate Governance Report

## 企業管治報告

### (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 TENG Y Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, The PRC or the principal place of business in Hong Kong at Unit T, 6th Floor, Union Industrial Building, 48 Wong Chuk Hang Road, Wong Chuk Hang, Aberdeen, Hong Kong.

### (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 shareholder who proposed to convene the meeting is entitled to propose to the Supervisory Committee to convene a meeting. If the Supervisory Committee has not convened such a meeting for more than 90 days, the Shareholders individually or jointly holding 10% or more of the shares of the Company may convene and hold such a meeting by themselves. 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.

### (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天潔工業園區）或香港主要營業地點（地址為香港香港仔黃竹坑黃竹坑道48號聯合工業大廈6樓T室），註明本公司秘書收啟。

### (iii) 召開臨時股東大會

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臨時股東大會或類別股東大會，董事會則須於兩個月內召開臨時股東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，提請董事會召開臨時股東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臨時股東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，提出該要求的股東有權向監事會提議召開，監事會未召集主持的，連續九十日以上單獨或合計持有本公司股份10%或以上的股東可以自行召集和主持。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。



# Corporate Governance Report

## 企業管治報告

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.

### (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 2018, certain amendments were made to the Articles of Association in connection with the relevant articles of scope of business and shareholders' general meeting 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 30 March 2018. For details of the amendments to the Articles of Association, please refer to the announcements and circulars of the Company dated 12 February 2018. 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.

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。

### (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

於二零一八年，本公司對組織章程細則就業務範圍以及股東大會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。此等修訂獲股東於二零一八年三月三十日舉行的本公司臨時股東大會上正式通過。有關組織章程細則的修訂詳情，請參閱本公司日期為二零一八年二月十二日的公告及通函。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。

# Directors' Report

## 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 2018 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.

### 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.

董事欣然提呈年報連同本集團於本年度的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

本集團於二零一八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。該摘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。

### 關連交易

#### (I) 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。

# Directors' Report

## 董事會報告

Description of the transactions 交易概述	Inquiry Index 查詢索引
<p>On 25 April 2015, the Company, as lessee, entered into a tenancy agreement which renewed on 1 January 2018, the renewed agreement ending on 31 December 2020 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 four 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 32 to the Financial Statements. The Group expects the total rental fees payable to TGL in 2018 under the TGL Office Lease Agreement to be approximately RMB230,000.</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平方米的辦公室物業（「<b>TGL辦公大樓</b>」）訂立租賃協議，且於二零一八年一月一日續約，續約租期截至二零二零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四年前開始使用TGL辦公大樓，主要用作辦公室，任何遷移將產生不必要的成本及造成業務中斷。本公司於TGL辦公室租賃協議下應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)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32。本集團預期二零一八年根據TGL辦公室租賃協議應付予TGL的租賃費用總額約為人民幣230,000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>

# Directors' Report

## 董事會報告

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<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, Zhujiaji 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. 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. The TGL Industrial Lease Agreement is terminated upon which this transaction was completed.</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平方米的工廠物業（「<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。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。此項交易完成時，TGL工業租賃協議即終止。</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>

# Directors' Report

## 董事會報告

<b>Description of the transactions</b> 交易概述	<b>Inquiry Index</b> 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 which renewed on 1 January 2018, the renewed agreement ending on 31 December 2020 (“<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 four 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 32 to the Financial Statements. The Group expects the total utility fees payable to TGL in 2018 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，且於二零一八年一月一日續約，續約年期截至二零二零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四年前開始使用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32。本集團預期於二零一八年根據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>

# Directors' Report

## 董事會報告

### Description of the transactions

#### 交易概述

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 which renewed on 1 January 2018, the renewed agreement ending on 31 December 2020 ("**Processing Services Agreement**"), 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 32 to the Financial Statements. The Group expects the total service fees payable to Tianjie General Machinery in 2018 under the Processing Services Agreement to be capped at approximately RMB8,500,000.

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，且於二零一八年一月一日續約，續約年期截至二零二零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。為確保本公司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32。本集團預期於二零一八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8,500,000元。

### Inquiry Index

#### 查詢索引

For further details regarding the Processing Services Agreement, please refer to the section headed "Connected Transactions" in the Prospectus.

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。

# Directors' Report

## 董事會報告

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

The independent non-executive Directors (Note 1) 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.

*Note 1:* All connected transactions have been confirmed by Mr. Zhang Bing, Mr. Fung Kui Kei and Mr. Li Jianna.

### (II) 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（附註1）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。

*附註1：* 所有關連交易已經張炳先生、馮鉅基先生及鄺建楠先生確認。

## Directors' Report 董事會報告

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

Having reviewed the connected transactions disclosed in this annual report, Zhonghui Anda CPA Limited 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.

### (III) 本公司外聘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，中匯安達會計師事務所有限公司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。



# Directors' Report

## 董事會報告

### (IV) Related party/connected transactions in note 32 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 32 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:

### (IV) 本公司本年度經審核財務報表附註32的關聯方／關連交易

財務報表附註32所載的關聯方／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：

Connected party 關連方	Type of connected transaction 關連交易類型	Agreement for the connected transactions 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 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大樓用途	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金額，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、年度審閱及公告規定)

# Directors' Report

## 董事會報告

Connected party 關連方	Type of connected transaction 關連交易類型	Agreement for the connected transactions 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、公告、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、年度審閱及公告規定)

# Directors' Report

## 董事會報告

### CLOSURE OF REGISTER OF MEMBERS

The registration of the transfer of Shares will be suspended from Wednesday, 1 May 2019 to Friday, 31 May 2019 (both days inclusive) in order to ascertain the Shareholders' entitlement to the attendance in the annual general meeting to be convened for the Year ("2018 AGM"). All Shareholders who wish to attend the 2018 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 Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Tuesday, 30 April 2019, for registration.

### MAJOR CUSTOMERS AND SUPPLIERS

For the Year, the Group's sales to its five largest customers and its largest customer accounted for 29.8% and 8.1% (2017: 34.0% and 12.6%) 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 23.6% and 8.0% (2017: 31.7% and 11.1%) 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 15 to the Financial Statements.

### 暫停辦理股份過戶登記

股份過戶登記手續將於二零一九年五月一日(星期三)至二零一九年五月三十一日(星期五)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(「二零一八年股東週年大會」)的權利。所有欲出席二零一八年股東週年大會的股東,須將已填妥的H股過戶表格連同有關股票於二零一九年四月三十日(星期二)下午四時三十分前交回香港H股股份過戶登記處卓佳證券登記有限公司(地址為香港皇后大道東183號合和中心22樓)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29.8%及8.1%(二零一七年:34.0%及12.6%)。

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23.6%及8.0%(二零一七年:31.7%及11.1%)。

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15。

# Directors' Report

## 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 27 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 92 of this annual report.

As at 31 December 2018, 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 RMB340.3 million.

### BANK LOANS

Details of bank loans of the Group as at 31 December 2018 are set out in note 25 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27。

### 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92頁綜合權益變動表。

於二零一八年十二月三十一日，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340.3百萬元。

### 銀行貸款

本集團於二零一八年十二月三十一日銀行貸款的詳情載於財務報表附註25。

### 收購本公司證券的權利

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，致使本公司的董事、監事或高級行政人員或彼等各自的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」））的證券或可透過收購本公司或任何其他團體公司的股份或債券獲取利益。

# Directors' Report

## 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

#### Non-Executive Directors

Mr. Bian Jianguang  
Mr. Zhang Yuanyuan  
Mr. Chen Jiancheng

#### Independent non-executive Directors

Mr. Li Jiannan (appointed on 18 September 2018)  
Mr. Fung Kui Kei  
Mr. Zhang Bing

#### Supervisors

Mr. Chen Xinhua (*Chairman*)  
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

於本年度及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

#### 非執行董事

邊建光先生  
章袁遠先生  
陳建誠先生

#### 獨立非執行董事

鄺建楠先生(於二零一八年九月十八日獲委任)  
馮鉅基先生  
張炳先生

#### 監事

陳新華先生(主席)  
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。

### 獨立非執行董事的獨立性確認

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

# Directors' Report

## 董事會報告

### 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 the respective appointment date.

Mr. Fung Kui Kei and Mr. Li Jiannan respectively entered into a service contract with the Company on 30 March 2018 and 18 September 2018. 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.

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.

### 董事及監事的服務合約及委任函

執行董事及非執行董事各自已於各自委任日期與本公司訂立服務合約。

馮鉅基先生及鄺建楠先生分別已於二零一八年三月三十日和二零一八年九月十八日與本公司訂立服務合約。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。

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的權益

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。

# Directors' Report

## 董事會報告

### 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.

### 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 11 and 12 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 11 to the Financial Statements.

### 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。

### 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11及12，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，概無任何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的離職補償。

### 退休金計劃

本集團的退休金計劃詳情載於財務報表附註11。

# Directors' Report

## 董事會報告

### 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.

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

As at 31 December 2018, 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:

1. Long position in respect of domestic shares of the Company ("Domestic Shares") as at 31 December 2018:

Name of Director 董事姓名	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 佔已發行內資股總數的概約百分比(%)	Approximate % of Company's share capital 佔本公司股本的概約百分比(%)
Mr. Bian Yu 邊宇先生	Beneficial owner 實益擁有人	13,266,032	13.27	9.83
	Interest in a controlled corporation (Note 1) 受控制法團權益(附註1)	46,169,147	46.17	34.20
Mr. Bian Jianguang 邊建光先生	Beneficial owner 實益擁有人	6,843,000	6.84	5.07
	Interest in a controlled corporation (Note 1) 受控制法團權益(附註1)	46,169,147	46.17	34.20

### 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」一節中所披露者外，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。

### 董事及高級行政人員於本公司的股份、相關股份及債券的權益及／或淡倉

於二零一八年十二月三十一日，各董事及本公司高級行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）的股份、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條的規定須存置的登記冊的權益及淡倉，或須根據上市規則所載的規定而通知本公司及聯交所的權益及淡倉如下：

1. 於二零一八年十二月三十一日就本公司內資股（「內資股」）持有的好倉：



# Directors' Report

## 董事會報告

Name of Director 董事姓名	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 佔已發行內資股總數的概約百分比(%)	Approximate % of Company's share capital 佔本公司股本的概約百分比(%)
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 邊妹女士	Beneficial owner 實益擁有人	3,933,000	3.93	2.91
	Interest in a controlled corporation (Note 1) 受控制法團權益(附註1)	46,169,147	46.17	34.20
Mr. Chen Jiancheng 陳建誠先生	Beneficial owner 實益擁有人	1,851,000	1.85	1.37
Mr. Zhang Yuanyuan (Note 2) 章袁遠先生(附註2)	Family interest of spouse 配偶的家族權益	50,102,147	50.10	37.11

Notes:

- According to the disclosure of interest filings, these 46,169,147 Domestic Shares in the Company are beneficially owned 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. Pursuant to Part XV of the SFO, Mr. Bian Yu, Mr. Bian Jianguang and Ms. Bian Shu are deemed to be interested in TGL's interest in the Company.
- 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:

- 根據所披露的權益存檔資料，本公司的該等46,169,147股內資股均由TGL實益擁有，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%的權益及由邊妹女士擁有約13.11%的權益。根據證券及期貨條例第XV部，邊宇先生、邊建光先生及邊妹女士被視為於TGL所持的本公司權益中擁有權益。
- 章袁遠先生為邊妹女士的配偶，因此，根據證券及期貨條例，章袁遠先生被視為於邊妹女士所持的本公司權益中擁有權益。

# Directors' Report

## 董事會報告

### 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 2018, 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.

### 主要股東於本公司的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條規定須存置的主要股東（並非本公司董事或高級行政人員）名冊所記錄，於二零一八年十二月三十一日，本公司獲知下列主要股東的權益及淡倉。此等權益並不包括以上披露的本公司董事及高級行政人員的權益。

1. Long position in respect of Domestic Shares as at 31 December 2018:

1. 於二零一八年十二月三十一日就內資股持有的好倉：

Names	Capacity/Nature of interest	Number of Domestic Shares	Approximate % of total issued Domestic Shares 佔已發行內資股總數的 概約百分比(%)	Approximate % of Company's share capital 佔本公司股本的 概約百分比(%)
名稱／姓名	身份／權益性質	內資股數目		
TGL (Note 1) TGL (附註1)	Beneficial owner 實益擁有人	46,169,147	46.17	34.20
Ms. Bao Guo (Note 2) 鮑國女士 (附註2)	Family interest of spouse 配偶的家族權益	59,435,179	59.44	44.03
Ms. Xu You (Note 3) 徐幼女士 (附註3)	Family interest of spouse 配偶的家族權益	53,012,147	53.01	39.27
寧波梅山保稅港區道博宏川 股權投資合夥企業 (有限合夥)	Beneficial owner 實益擁有人	5,727,200	5.73	4.24
杭州九益投資合夥企業 (有限合夥)	Beneficial owner 實益擁有人	5,318,200	5.32	3.94

# Directors' Report

## 董事會報告

Notes:

1. TGL is directly interested in approximately 34.20% in the Company.
2. Ms. Bao Guo, the spouse of Mr. Bian Yu, is deemed to be interested in Mr. Bian Yu's interests 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34.20%的權益。
2. 根據證券及期貨條例·鮑國女士(邊宇先生的配偶)被視為於邊宇先生所持的本公司權益中擁有權益。
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所持的本公司權益中擁有權益。

2. Long position in respect of H Shares of the Company ("H Shares") as at 31 December 2018:

2. 於二零一八年十二月三十一日就本公司H股(「H股」)持有的好倉:

Names	Capacity/Nature of interest	Number of H Shares	Approximate % of total issued H Shares 佔已發行H股總數的 概約百分比(%)	Approximate % of Company's share capital 佔本公司股本的 概約百分比(%)
名稱/姓名	身份/權益性質	H股數目		
Shou Erjun 壽爾均	Beneficial owner 實益擁有人	6,000,000	17.14	4.44
Hong Kong Joint Financial Investment Ltd	Beneficial owner 實益擁有人	5,297,000	15.13	3.92
Zhao Kaiyuan (Note 4) 趙開源(附註4)	Interest in a controlled corporation 受控制法團權益	5,297,000	15.13	3.92

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.

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·趙開源先生被視為於Hong Kong Joint Financial Investment Ltd所持的本公司權益中擁有權益。

# Directors' Report

## 董事會報告

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

From the date of listing of the shares of the Company on the Stock Exchange up to 31 December 2018, 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.

### 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.

### 購買、出售及贖回本公司上市證券

由本公司股份於聯交所上市日期至二零一八年十二月三十一日，本公司及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的持股比例向現有股東發售新股份。

### 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、邊建光先生及邊姝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，並確認於本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。

# Directors' Report

## 董事會報告

### 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.

### 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 Zhonghui Anda CPA Limited, who shall retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Zhonghui Anda CPA Limited as auditor of the Group is to be proposed at the 2018 AGM.

By order of the Board

**Bian Yu**  
*Chairman*

Zhuji City, Zhejiang Province, the PRC, 29 March 2019

### 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。

### 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

財務報表已由中匯安達會計師事務所有限公司審計，其將退任並符合資格及願意接受續聘。在二零一八年股東週年大會上將提呈續聘中匯安達會計師事務所有限公司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，二零一九年三月二十九日

# Supervisory Committee Report

## 監事會報告

In 2016, 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 2018 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.

於二零一六年，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、規則、監管文件、組織章程細則及上市規則行事，對董事及本公司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。監事會於二零一八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的表現中未發現違法、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, 29 March 2019

### 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，二零一九年三月二十九日



# Independent Auditor's Report

## 獨立核數師報告



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

浙江天潔環境科技股份有限公司

(A joint stock company incorporated 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股份有限公司)

### OPINION

We have audited the consolidated financial statements of Zhejiang Tengy Environmental Technology Co., Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 85 to 147, which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "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

吾等已審計載列於第85頁至第147頁浙江天潔環境科技股份有限公司（「貴公司」）及其附屬公司（統稱「貴集團」）的綜合財務報表，綜合財務報表包括於二零一八年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益及其他全面收益表、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」）頒佈的香港財務報告準則（「香港財務報告準則」）真實而公平反映貴集團於二零一八年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

### 意見基礎

吾等已根據香港會計師公會頒佈的香港審計準則（「香港審計準則」）進行審計。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的專業會計師道德守則（「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，吾等所獲得的審計憑證能充足及適當地為吾等的意見提供基礎。

# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS

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

#### (i) Inventories

Refer to Note 18 to the consolidated financial statements

The Group tested the amount of inventory for impairment. This impairment test is significant to our audit because the balance of inventory of RMB324,280,000 as at 31 December 2018 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's procedures on ordering and holding of inventory;
- Evaluating the Group's impairment assessment;
- Assessing the marketability of the inventory;
- Assessing the budget cost of inventory;
- Assessing the ageing of the inventory;
- Assessing the net realisable values of the inventory; and
- Checking subsequent sales and usage of the inventory.

We consider that the Group's impairment test for inventory is supported by the available evidence.

### 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的事項。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。

#### (i) 存貨

請參閱綜合財務報表附註18

貴集團對存貨數量進行減值測試。該減值測試對吾等的審計具有重大意義，原因是於二零一八年十二月三十一日的存貨餘額為人民幣324,280,000元，屬綜合財務報表的重大事項。此外，貴集團的減值測試涉及應用判斷且以估計為依據。

吾等的審計程序包括（其中包括）：

- 評估 貴集團訂單及持有存貨的程序；
- 評估 貴集團的減值評估；
- 評估存貨的可銷售性；
- 評估存貨的預算成本；
- 評估存貨的賬齡；
- 評估存貨的可變現淨值；及
- 檢查存貨的後續銷售及使用情況。

吾等認為 貴集團的存貨減值測試得到現有證據的支持。

# Independent Auditor's Report

## 獨立核數師報告

### (ii) Trade and bills receivables

Refer to Note 19 to the consolidated financial statements

The Group tested the amount of trade and bills receivables for impairment. This impairment test is significant to our audit because the balance of trade and bills receivables of RMB653,581,000 as at 31 December 2018 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's procedures on granting credit limits and credit periods to customers;
- Assessing the Group's relationship and transaction history with the customers;
- Evaluating the Group's impairment assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the customers;
- Checking subsequent settlements from the customers; and
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment test for trade and bills receivables is supported by the available evidence.

### (ii) 貿易應收款項及應收票據

請參閱綜合財務報表附註19

貴集團對貿易應收款項及應收票據進行減值測試。該減值測試對吾等的審計具有重大意義，原因是於二零一八年十二月三十一日的貿易應收款項及應收票據餘額為人民幣653,581,000元，屬綜合財務報表的重大事項。此外，貴集團的減值測試涉及應用判斷且以估計為依據。

吾等的審計程序包括（其中包括）：

- 評估 貴集團向客戶授出信貸限額及信貸期的程序；
- 評估 貴集團與客戶的關係及交易歷史；
- 評估 貴集團的減值評估；
- 評估債項的賬齡；
- 評估客戶的信用；
- 核對來自客戶的後續結算；及
- 評估於綜合財務報表披露的 貴集團所承受的信貸風險。

吾等認為，貴集團對貿易應收款項及應收票據的減值測試得到現有證據的支持。

# Independent Auditor's Report

## 獨立核數師報告

### OTHER INFORMATION

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available 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.

### RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

### 其他資料

貴公司董事（「董事」）須對其他資料負責。其他資料包括 貴公司年報內的所有資料，但不包括綜合財務報表及吾等的核數師報告。其他資料預期於本核數師報告日期後提供予吾等。

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。

就吾等審計綜合財務報表而言，吾等的責任為在取得上文所識別的其他資料時閱讀其他資料，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的情況。

### 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實且公平的綜合財務報表，及實施董事認為必要的該等內部控制，以使所編製的綜合財務報表不存在任何由於欺詐或錯誤而導致的重大錯誤陳述。

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

# Independent Auditor's Report

## 獨立核數師報告

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

This description forms part of our auditor's report.

**ZHONGHUI ANDA CPA Limited**  
*Certified Public Accountants*  
**Fong Tak Ching**  
Audit Engagement Director  
Practising Certificate Number P06353  
Hong Kong, 29 March 2019

### 核數師就審計綜合財務報表須承擔的責任

吾等的目標是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括吾等意見的核數師報告。吾等僅向閣下（作為整體）報告，除此之外本報告別無其他目的。吾等不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照香港審計準則進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，倘合理預期它們單獨或匯總起來可能影響使用者依賴該等綜合財務報表所作出的經濟決定，則有關錯誤陳述可被視作重大。

有關吾等就審計綜合財務報表承擔的責任的進一步描述載於香港會計師公會網站：

<http://www.hkicpa.org.hk/en/standards-and-regulations/standards/auditing-assurance/auditre/>

該描述為吾等核數師報告的組成部分。

中匯安達會計師事務所有限公司  
執業會計師  
方德程  
審計項目董事  
執業證書號碼P06353  
香港，二零一九年三月二十九日

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

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Notes 附註	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue	收益	6	<b>858,817</b>	792,152
Cost of sales	銷售成本		<b>(717,577)</b>	(593,050)
Gross profit	毛利		<b>141,240</b>	199,102
Other income	其他收入	7	<b>3,726</b>	14,109
Distribution and selling expenses	分銷及銷售開支		<b>(20,690)</b>	(24,707)
Administrative expenses	行政開支		<b>(71,580)</b>	(67,969)
Other expenses	其他開支		<b>(10)</b>	(231)
Finance costs	融資成本	9	<b>(6,278)</b>	(5,821)
<b>Profit before tax</b>	<b>稅前溢利</b>		<b>46,408</b>	114,483
Income tax	所得稅	10	<b>(15,172)</b>	(31,319)
<b>Profit and total comprehensive income for the year attributable to owners of the Company</b>	<b>本公司擁有人應佔年內溢利及全面收入總額</b>	11	<b>31,236</b>	83,164
<b>Earnings per share</b> <i>Basic and diluted (RMB per share)</i>	<b>每股盈利</b> 基本及攤薄 (每股人民幣)	14	<b>0.23</b>	0.62

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2018

於二零一八年十二月三十一日

		Notes 附註	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>Non-current assets</b>				
	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	15	<b>81,629</b>	86,906
Prepaid land lease payments	預付土地租賃款項	16	<b>43,020</b>	45,001
Intangible assets	無形資產	17	<b>193</b>	389
Deferred tax assets	遞延稅項資產	26	<b>33,887</b>	25,479
Deposit paid for intangible asset	已付無形資產按金		<b>1,292</b>	-
Pledged deposits	已抵押存款	22	<b>1,871</b>	3,577
			<b>161,892</b>	161,352
<b>Current assets</b>				
	<b>流動資產</b>			
Inventories	存貨	18	<b>324,280</b>	470,939
Trade and bills receivables	貿易應收款項及應收票據	19	<b>653,581</b>	619,345
Contract assets & cost	合同資產及成本	20	<b>261,028</b>	193,201
Prepaid land lease payments	預付土地租賃款項	16	<b>1,981</b>	1,981
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	21	<b>45,771</b>	44,544
Tax receivable	應收稅項		-	14,323
Pledged deposits	已抵押存款	22	<b>39,323</b>	86,169
Bank and cash balances	銀行及現金結餘	22	<b>16,432</b>	47,706
			<b>1,342,396</b>	1,478,208
<b>Current liabilities</b>				
	<b>流動負債</b>			
Trade and bills payables	貿易應付款項及應付票據	23	<b>363,337</b>	419,709
Contract liabilities	合同負債	20	<b>202,284</b>	310,482
Other payables and accruals	其他應付款項及應計費用	24	<b>108,185</b>	109,379
Bank loans	銀行貸款	25	<b>109,000</b>	110,000
Tax payable	應付稅項		<b>256</b>	-
			<b>783,062</b>	949,570
<b>Net current assets</b>	<b>流動資產淨值</b>		<b>559,334</b>	528,638

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2018

於二零一八年十二月三十一日

		Notes 附註	At 31 December 2018 於二零一八年 十二月三十一日 RMB'000 人民幣千元	At 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>721,226</b>	689,990
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>721,226</b>	689,990
<b>Capital and reserves</b>	<b>資本及儲備</b>			
Share capital	股本	27	<b>135,000</b>	135,000
Share premium	股份溢價		<b>239,064</b>	239,064
Reserves	儲備	28 (a)	<b>347,162</b>	315,926
<b>TOTAL EQUITY</b>	<b>權益總額</b>		<b>721,226</b>	689,990

The consolidated financial statements on pages 85 to 147 were approved and authorised for issue by the board of directors on 29 March 2019 and are signed on its behalf by:

第85頁至第147頁所載的綜合財務報表已於二零一九年三月二十九日獲董事會批准及授權刊發，並由下列董事代表簽署：

Bian Yu  
邊宇

Bian Weican  
邊偉燦



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		Attributable to owners of the Company 本公司擁有人應佔					
		Share capital	Share premium	Statutory surplus reserve	Safety production reserve	Retained profits	Total
		股本	股份溢價	法定盈餘儲備	安全生產儲備	保留溢利	總額
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	135,000	239,064	27,614	5,408	199,740	606,826
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	83,164	83,164
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	7,752	-	(7,752)	-
Appropriation to safety production reserve	劃撥至安全生產儲備	-	-	-	598	(598)	-
At 31 December 2017	於二零一七年十二月三十一日	135,000	239,064	35,366	6,006	274,554	689,990
At 1 January 2018	於二零一八年一月一日	135,000	239,064	35,366	6,006	274,554	689,990
Total comprehensive income for the year	年內全面收入總額	-	-	-	-	31,236	31,236
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	3,172	-	(3,172)	-
Appropriation to safety production reserve	劃撥至安全生產儲備	-	-	-	855	(855)	-
At 31 December 2018	於二零一八年十二月三十一日	135,000	239,064	38,538	6,861	301,763	721,226

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 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>46,408</b>	114,483
Adjustments for:	就以下各項調整：		
Finance costs	融資成本	<b>6,278</b>	5,821
Interest income	利息收入	<b>(1,197)</b>	(4,528)
Foreign exchange difference, net	外匯差額淨額	<b>(258)</b>	706
Depreciation on property, plant and equipment	物業、廠房及設備折舊	<b>6,756</b>	6,466
Amortisation of intangible assets	無形資產攤銷	<b>196</b>	185
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	<b>1,981</b>	1,619
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	5,694
Impairment loss on trade receivables	貿易應收款項減值虧損	<b>30,592</b>	23,798
Impairment loss on bills receivables	應收票據減值虧損	<b>4,573</b>	-
Impairment loss on other receivables	其他應收款項減值虧損	<b>159</b>	465
Operating cash flows before working capital changes	營運資金變動前的經營 現金流量	<b>95,486</b>	154,709
Change in inventories	存貨變動	<b>146,659</b>	39,427
Change in trade and bills receivable	貿易應收款項及應收 票據變動	<b>(69,399)</b>	16,895
Change in prepayment, deposits and other receivables	預付款項、按金及其他 應收款項變動	<b>(1,386)</b>	(1,449)
Change in trade and bills payables	貿易應付款項及應付 票據變動	<b>(56,372)</b>	(45,707)
Change in contract assets	合同資產變動	<b>(67,827)</b>	(39,617)
Change in contract liabilities	合同負債變動	<b>(108,108)</b>	(68,848)
Change in other payables and accruals	其他應付款項及應計 費用變動	<b>(1,194)</b>	(14,528)
Cash (used in)/generated from operations	經營業務(所用)/ 所產生現金	<b>(62,231)</b>	40,882
Interest received	已收利息	<b>1,197</b>	4,528
Interest paid	已付利息	<b>(6,278)</b>	(5,821)
Tax paid	已付稅項	<b>(9,001)</b>	(36,583)
<b>Net cash (used in)/generated from operating activities</b>	<b>經營活動(所用)/所產生 現金淨額</b>	<b>(76,313)</b>	3,006

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Cash flows from investing activities</b>	<b>投資活動現金流量</b>		
Acquisition of a subsidiary	收購一間附屬公司	-	(829)
Purchase of property, plant and equipment	購買物業、廠房及設備	<b>(1,479)</b>	(53,363)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	-	1,753
Purchase of intangible assets	購買無形資產	-	(299)
Addition of prepaid land lease payments	新增預付土地租賃款項	-	(28,531)
Deposit paid for intangible asset	已付無形資產按金	<b>(1,292)</b>	-
Change in pledged deposits	已抵押存款變動	<b>48,552</b>	(25,155)
<b>Net cash used in investing activities</b>	<b>投資活動所用現金淨額</b>	<b>45,781</b>	(106,424)
<b>Cash flows from financing activities</b>	<b>融資活動現金流量</b>		
New short-term bank loans raised	新增短期銀行貸款	<b>185,200</b>	123,000
Repayment of bank loans	償還銀行貸款	<b>(186,200)</b>	(132,000)
<b>Net cash used in financing activities</b>	<b>融資活動所用現金淨額</b>	<b>(1,000)</b>	(9,000)
<b>Net decrease in cash and cash equivalents</b>	<b>現金及現金等價物減少淨額</b>	<b>(31,532)</b>	(112,418)
Cash and cash equivalents at beginning of year	年初現金及現金等價物	<b>47,706</b>	160,830
Effect of foreign exchange rate changes, net	匯率變動影響淨額	<b>258</b>	(706)
<b>Cash and cash equivalents at end of year</b>	<b>年末現金及現金等價物</b>	<b>16,432</b>	47,706
<b>Analysis of cash and cash equivalents</b>	<b>現金及現金等價物分析</b>		
Bank and cash balances	銀行及現金結餘	<b>16,432</b>	47,706

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 1. GENERAL INFORMATION

Zhejiang Tengy Environmental Technology Co., Ltd (the “Company”) was incorporated in the People’s Republic of China (the “PRC”) as a joint stock company with limited liability. The address of its registered office is TENG Y Industrial Park, Paitou Town, Zhuji City, Zhejiang Province, PRC. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company and its subsidiaries (collectively the “Group”) were principally engaged in design, development, manufacturing, installation and sale of environmental pollution prevention equipment and electronic products. The principal activities of the Company’s subsidiaries are set out in note 34 to the consolidated financial statements.

In the opinion of the directors of the Company (the “Directors”), Tengy Group Limited, a company incorporated in the PRC, is the holding company.

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards (“HKFRS”); Hong Kong Accounting Standards (“HKAS”); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of the Group’s financial statements and amounts reported for the current year and prior years.

### 1. 一般資料

浙江天潔環境科技股份有限公司(「本公司」)為一間在中華人民共和國(「中國」)註冊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天潔工業園區。本公司的股份於香港聯合交易所有限公司(「聯交所」)主板上市。

本公司及其附屬公司(統稱為「本集團」)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。本公司附屬公司的主要業務載於綜合財務報表附註34。

本公司董事(「董事」)認為，天潔集團有限公司為控股公司，該公司於中國註冊成立。

### 2. 採納新訂及經修訂香港財務報告準則

於本年度，本集團已採納香港會計師公會(「香港會計師公會」)所頒佈所有與其營運相關，並於其二零一八年一月一日開始的會計年度生效的新訂及經修訂香港財務報告準則(「香港財務報告準則」)。香港財務報告準則包括香港財務報告準則(「香港財務報告準則」);香港會計準則(「香港會計準則」);及詮釋。採納該等新訂及經修訂香港財務報告準則不會導致本集團的會計政策、本集團財務報表的呈列及本年度與過往年度的報告金額出現重大變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

### 3. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with HKFRSs, issued by the HKICPA and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

These financial statements have been prepared under the historical cost convention.

The preparation of consolidated financial statements in conformity with HKFRSs requires the use of key assumptions and estimates. It also requires management to exercise its judgments in the process of applying the accounting policies. The areas involving critical judgments and areas where assumptions and estimates are significant to these consolidated financial statements are disclosed in note 4 to the consolidated financial statements.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

### 2. 採納新訂及經修訂香港財務報告準則 (續)

本集團尚未應用已頒佈但尚未生效的新訂香港財務報告準則。應用該等新訂香港財務報告準則將不會對本集團的財務報表產生重大影響。

### 3. 主要會計政策

該等綜合財務報表乃按照香港會計師公會頒佈的香港財務報告準則、聯交所證券上市規則以及香港公司條例的適用披露規定編製。

該等財務報表乃按歷史成本慣例編製。

編製符合香港財務報告準則的綜合財務報表須採用主要假設及估計，亦要求管理層於應用該等會計政策的過程中作出判斷。該等涉及關鍵判斷的範疇及對該等綜合財務報表而言屬重大的假設及估計範疇，在綜合財務報表附註4披露。

於編製該等綜合財務報表時應用的主要會計政策載列如下。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### 3. 主要會計政策 (續)

#### 綜合賬目

綜合財務報表包括本公司及其附屬公司編製截至十二月三十一日止的財務報表。附屬公司指本集團擁有控制權的實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。當本集團的現有權力賦予其目前掌控有關業務（即大幅影響實體回報的業務）的能力時，則本集團對該實體擁有權力。

在評估控制權時，本集團會考慮其潛在投票權以及其他人士持有的潛在投票權，以釐定其是否擁有控制權。僅在持有人能實際行使潛在投票權的情況下，方會考慮其權利。

附屬公司的賬目由其控制權轉至本集團當日起綜合入賬，直至控制權終止之日起不再綜合入賬。

出售附屬公司而導致失去控制權的利得或虧損乃指(i)出售代價公平值連同於該附屬公司任何保留投資公平值與(ii)本公司應佔該附屬公司資產淨值連同與該附屬公司有關的任何餘下商譽以及任何相關累計外幣換算儲備兩者間差額。

集團內公司間的交易、結餘及未變現溢利予以對銷。除非交易提供已轉讓資產出現減值的憑證，未變現虧損亦予以對銷。附屬公司的會計政策在必要時會作出更改，以確保與本集團所採納的政策一致。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

#### Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi, which is the Company's functional and presentation currency.

##### (b) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

#### 外幣換算

##### (a) 功能及呈報貨幣

本集團各實體的財務報表內項目均以該實體業務所在主要經濟環境通行的貨幣(「功能貨幣」)計量。綜合財務報表以人民幣呈列，該貨幣為本公司的功能及呈報貨幣。

##### (b) 各實體財務報表的交易及結餘

外幣交易於初始確認時使用交易日期的通行匯率換算為功能貨幣。以外幣為單位的貨幣資產及負債按各報告期末的通行匯率換算。此換算政策產生的利得及虧損於損益內確認。

按公平值計量及以外幣計值的非貨幣項目乃按釐定公平值當日的匯率換算。

當非貨幣項目的利得或虧損於其他全面收入確認時，該利得或虧損的任何匯兌部份於其他全面收入確認。當非貨幣項目的利得或虧損於損益確認時，該利得或虧損的任何匯兌部份於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Foreign currency translation (Continued)

##### (c) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### 3. 主要會計政策 (續)

#### 外幣換算 (續)

##### (c) 綜合賬目時進行換算

功能貨幣與本公司的呈報貨幣不同的所有本集團實體的業績及財務狀況均按以下方法換算為本公司的呈報貨幣：

- 各財務狀況表所列的資產及負債按財務狀況表日期的收市匯率換算；
- 收入及支出均按平均匯率換算，除非該平均值並非為按於交易日期的匯率累計影響的合理近似值，在此情況下，收入及支出乃按交易日期匯率換算；及
- 一切因此而產生的匯兌差額均在外幣換算儲備內確認。

於綜合賬目時，換算境外實體的投資淨額及借款所產生的匯兌差額於外幣換算儲備內確認。當境外業務被出售時，有關匯兌差額作為出售的利得或虧損的一部份於綜合損益內確認。

因收購海外實體而產生的商譽及公平值調整，均作為有關海外實體的資產與負債，並按收市匯率換算。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Property, plant and equipment

Buildings comprise mainly factories and offices. Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their revalued amounts less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	4.75%
Plant and machinery	9.50%
Office equipment	19%-31.67%
Motor vehicles	23.75%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

Construction in progress represents buildings under construction and plant and machinery pending installation, and is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### 3. 主要會計政策 (續)

#### 物業、廠房及設備

樓宇主要包括工廠及辦公室。物業、廠房及設備乃按成本減累計折舊及減值虧損列賬。

僅於有關項目的未來經濟利益很可能流入本集團而該項目成本能可靠計量時，後續成本方會計入資產賬面值中，或確認為個別資產（視適用情況而定）。所有其他維修及保養於產生期間於損益確認。

物業、廠房及設備的折舊乃按足以撇銷其重估金額減剩餘價值的比率，於估計可使用年內使用直線法計算。主要年率如下：

樓宇	4.75%
廠房及機器	9.50%
辦公室設備	19%-31.67%
汽車	23.75%

剩餘價值、可使用年期及折舊方法於各報告期末予以檢討，並作出調整（倘適用）。

在建工程指在建樓宇及等待安裝的廠房及機器，並按成本減去減值虧損列賬。當有關資產可供使用時，折舊即開始。

出售物業、廠房及設備的利得或虧損為相關資產銷售所得款項淨額與賬面值之間的差額，並於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

#### Intangible assets

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

Patents and computer software are stated at cost less accumulated amortisation and impairment losses. Amortisation is calculated on a straight-line basis over their estimated useful lives of 10 years and 3 years respectively.

#### Operating leases

Leases that do not substantially transfer all the risks and rewards of ownership of assets to the Group are accounted for as operating leases. Lease payments (net of any incentives received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

#### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### 3. 主要會計政策 (續)

#### 研發支出

研究活動的支出於其產生期間內確認為開支。

#### 無形資產

本集團收購的無形資產按成本減累計攤銷(當估計可使用年期為有限)及減值虧損列賬。

專利及電腦軟件按成本減去累計攤銷及減值虧損列賬。攤銷分別按10年及3年的估計可使用年期以直線法計算。

#### 經營租賃

資產擁有權的絕大部分風險及回報並無轉讓予本集團的租賃入賬為經營租賃。租賃款項(扣除自出租人收取的任何獎勵後)於租賃期內以直線法確認為開支。

#### 存貨

存貨按成本與可變現淨值兩者的較低者列賬。成本按加權平均基準釐定。製成品及在製品的成本包括原材料、直接人工及所有生產經常開支的應佔部份及分包費用(如適用)。可變現淨值按一般業務過程的估計銷售價格減去估計完成成本及估計銷售所需成本計算。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and is recognised in profit or loss.

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

#### Financial assets

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

### 3. 主要會計政策 (續)

#### 確認及不再確認金融工具

當本集團成為工具合約條款的一方時，會在財務狀況表確認金融資產及金融負債。

當自資產收取現金流量的合約權利屆滿時；或本集團將資產所有權絕大部份風險及回報轉讓時；或本集團概無轉讓亦無保留資產所有權絕大部份風險及回報惟並無保留對資產的控制權時，則不再確認金融資產。於不再確認金融資產時，資產賬面值與已收代價的總和差額於損益確認。

當有關合約內指定的責任獲解除、取消或屆滿時不再確認金融負債。不再確認金融負債的賬面值與已付代價的差額於損益確認。

#### 金融資產

倘根據合約條款規定須於有關市場所規定期限內購入或出售資產，則金融資產按交易日基準確認入賬及終止確認，並按公平值加直接交易成本作初步確認，惟按公平值計入損益的投資則除外。收購按公平值計入損益的投資之直接應佔交易成本即時於損益確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Financial assets (Continued)

Financial assets of the Group are classified under the following category:

##### Financial assets at amortised cost

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

- (a) the assets are held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- (b) the contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

#### Loss allowances for expected credit losses

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost and contract assets. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("lifetime expected credit losses") for trade receivables and contract assets, or if the credit risk on that financial instrument has increased significantly since initial recognition.

### 3. 主要會計政策 (續)

#### 金融資產 (續)

本集團的金融資產分類如下：

##### 按攤銷成本列賬的金融資產

撥歸此類的金融資產（包括貿易應收款項及其他應收款項）須同時符合下列兩項條件：

- (a) 持有資產的業務模式是為持有資產以收取合約現金流；及
- (b) 資產的合約條款於特定日期產生僅為支付本金及未償還本金利息的現金流量。

有關項目其後以實際利息法按攤銷成本減預期信貸虧損的虧損撥備計量。

#### 預期信貸虧損的虧損撥備

本集團就按攤銷成本列賬的金融資產及合同資產的預期信貸虧損確認虧損撥備。預期信貸虧損為加權平均信貸虧損，並以發生違約風險的金額作為加權數值。

於各報告期末，倘金融工具的信貸風險自初始確認以來已大幅增加，本集團將按相等於該金融工具的預計存續期內所有可能發生的違約事件導致的預期信貸虧損（「存續期預期信貸虧損」）的金額就貿易應收款項及合同資產計量一項金融工具的虧損撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Loss allowances for expected credit losses

(Continued)

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables and contract assets) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

#### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

#### Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

### 3. 主要會計政策 (續)

#### 預期信貸虧損的虧損撥備 (續)

於報告期末，倘金融工具（貿易應收款項及合同資產除外）的信貸風險自初步確認後並未大幅增加，則本集團將按相等於存續期預期信貸虧損部份（指報告期後12個月內可能發生的違約事件所導致的該金融工具的預期信貸虧損）的金額計量該金融工具的虧損撥備。

預期信貸虧損金額或為調整報告期末虧損撥備至所需金額所作撥回金額乃於損益確認為減值收益或虧損。

#### 現金及現金等價物

就現金流量表而言，現金及現金等價物指銀行及手頭現金、存放於銀行及其他財務機構的活期存款，以及短期高流通性的投資（可即時轉換為已知數額現金及受極輕微價值變動風險所限）。現金及現金等價物亦包括須按要求償還及為本集團整體現金管理一部份的銀行透支。

#### 金融負債及股本工具

金融負債及股本工具乃根據合約安排的實質內容以及香港財務報告準則中金融負債及股本工具的定義予以分類。股本工具為可證明於本集團經扣除所有負債後於資產中擁有的剩餘權益的任何合約。就特定類別的金融負債及股本工具採納的會計政策於下文載列。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### Trade and other payables

Trade and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

### 3. 主要會計政策 (續)

#### 借款

借款初步按公平值，扣除所產生的交易成本確認，其後使用實際利率法按攤銷成本計量。

除非本集團有無條件權利延遲償還負債直至報告期末後最少十二個月，否則借款應分類為流動負債。

#### 貿易應付款項及其他應付款項

貿易應付款項及其他應付款項初步按公平值列賬，其後則採用實際利率法按攤銷成本計量，惟如貼現影響並不重大，則以成本列賬。

#### 股本工具

本公司發行的股本工具乃按已收取的所得款項扣除直接發行成本入賬。

#### 客戶合同收益

收益乃按經參考業務慣例後與客戶訂立的合同所訂明的代價計量，且不包括代第三方收取的金額。就客戶付款與轉移已承諾產品或服務之間的期限超過一年的合約，代價會就重大融資部分的影響作出調整。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Revenue from contracts with customers

(Continued)

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- (a) the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- (b) the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

#### Other income

Interest income is recognised on a time-proportion basis using the effective interest method.

Rental income is recognised on a straight-line basis over the lease term.

### 3. 主要會計政策 (續)

#### 客戶合同收益 (續)

本集團透過將產品或服務的控制權轉移予客戶而完成其履約責任時確認收益。視乎合同的條款及適用於該合同的法律，履約責任可隨時間或於某一時間點完成。倘屬下列情況，履約責任乃隨時間完成：

- (a) 當客戶同時取得及消費本集團履約所提供的利益；
- (b) 當本集團的履約行為創建或改良一項其於被創建或改良時受客戶控制的資產；或
- (c) 當本集團的履約行為並無創建一項對本集團有替代用途的資產，及本集團對至今已完成的履約行為擁有可強制執行付款的權利。

倘履約責任屬隨時間完成，收益會經參考已完成履約責任的進度確認。否則，收益於客戶取得產品或服務的控制權之時確認。

#### 其他收入

利息收入使用實際利率法按時間比例確認。

租金收入於租期內以直線法確認。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

#### Employee benefits

##### (a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the at the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

##### (b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged in profit or loss represents contributions payable by the Group to the funds.

##### (c) Termination benefits

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

#### 僱員福利

##### (a) 僱員休假權利

僱員的年假及長期服務假期權利乃於僱員享有有關權利時確認。本集團為截至報告期末僱員已提供的服務而產生的年假及長期服務假期的估計負債作出撥備。

僱員的病假及產假權利直至僱員正式休假時方予確認。

##### (b) 退休福利責任

本集團為所有僱員提供定額供款退休計劃。本集團及僱員向計劃作出的供款乃根據僱員基本薪金的百分比計算。於損益內扣除的退休福利計劃成本指本集團應付予有關基金的供款。

##### (c) 離職福利

離職福利於本集團不能撤回提供該等福利時及本集團確認重組成本並涉及支付離職福利時(以較早日期為準)確認。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

#### Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

#### Taxation

Income tax represents the sum of the current tax and deferred tax.

#### 借款成本

因收購、建設或生產合資格資產(即需要一段較長時間方可達致其擬定用途或出售的資產)而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,直至該等資產大致上可作其擬定用途或出售時為止。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。

就於一般情況及用作取得合資格資產而借入的資金而言,可撥充資本的借款成本金額乃按該項資產的支出所採用的資本化比率釐定。資本化比率為適用於本集團該期間內尚未償還借款(不包括就取得合資格資產而借入的特定借款)的加權平均借款成本。

所有借款成本均在產生期間於損益內確認。

#### 政府補助

政府補助於合理確保本集團將遵守有關補助的條件及可獲取有關補助後方會予以確認。

#### 稅項

所得稅指即期稅項及遞延稅項的總和。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Taxation (Continued)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

### 3. 主要會計政策 (續)

#### 稅項 (續)

即期應付稅項按年內應課稅溢利計算。應課稅溢利與於損益內確認的溢利不同，原因是應課稅溢利不包括其他年度的應課稅或可予扣稅的收入或開支項目，亦不包括免稅或不可扣稅的項目。本集團的即期稅項負債按報告期末前已頒佈或實際頒佈的稅率計算。

遞延稅項按財務報表內資產及負債賬面值與計算應課稅溢利所用相關稅基的差額確認。遞延稅項負債一般按所有應課稅暫時差額確認入賬，而遞延稅項資產則會在可能有應課稅溢利可供作抵銷可予扣減暫時差額、未動用稅項虧損或未動用稅項抵免時確認入賬。倘暫時差額因商譽或在不影響應課稅溢利及會計溢利的交易中初次確認（業務合併除外）其他資產及負債而產生，則有關資產及負債不予確認。

於附屬公司及聯營公司的投資產生的應課稅暫時差額乃確認為遞延稅項負債，惟本集團可控制暫時差額的撥回及有關暫時差額可能不會於可預見將來撥回則除外。

遞延稅項資產的賬面值於各報告期末進行檢討，並予以扣減直至不再可能有足夠應課稅溢利可供收回全部或部份資產為止。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

#### Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

#### Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.

#### 稅項 (續)

遞延稅項乃根據於報告期末已實施或實質上已實施的稅率，按預期在負債償還或資產變現期間適用的稅率計算。遞延稅項乃於損益中確認，惟倘遞延稅項與其他全面收入或直接於權益確認的項目相關，則在此情況下亦會在其他全面收入或直接於權益內確認。

當有合法執行權利許可將即期稅項資產與即期稅項負債抵銷，並涉及與同一稅務機關徵收的所得稅有關且本集團擬按淨額基準結算其即期稅項資產及負債時，則遞延稅項資產及負債可互相對銷。

#### 關聯方

關聯方乃與本集團有關聯的人士或實體。

- (a) 倘屬以下人士，即該人士或該人士家庭近親成員與本集團有關聯：
- (i) 控制或共同控制本集團；
  - (ii) 對本集團有重大影響；或
  - (iii) 為本公司或本公司母公司的主要管理層成員。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (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. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

### 3. 主要會計政策 (續)

#### 關聯方 (續)

- (b) 倘符合下列任何條件，即實體與本集團有關聯：
- (i) 該實體與本公司屬同一集團的成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關聯）。
  - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司的集團旗下成員公司的聯營公司或合營企業）。
  - (iii) 兩間實體均為同一第三方的合營企業。
  - (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) 實體為本集團或與本集團有關聯的實體就僱員利益設立的離職福利計劃。倘本集團本身便是該計劃，提供資助的僱主亦與本集團有關聯。
  - (vi) 實體受(a)項所識別人士控制或受共同控制。
  - (vii) 於(a)(i)項所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員。
  - (viii) 該實體（或集團（而該實體為當中成員）內任何成員公司）向本公司或本公司的母公司提供主要管理人事服務。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES 3. 主要會計政策 (續)

(Continued)

#### Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets other than investment, inventories and receivables, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 資產減值

本集團於各報告期末檢討其有形及無形資產（投資、存貨及應收款項除外）的賬面值，以釐定有否跡象顯示該等資產出現減值虧損。倘存在任何該等跡象，則估計資產的可收回金額以釐定任何減值虧損程度。倘無法估計個別資產的可收回金額，則本集團估計資產所屬現金產生單位的可收回金額。

可收回金額為公平值減出售成本與使用價值兩者中的較高者。評估使用價值時，估計未來現金流量會按照可反映現時市場對貨幣時間值及資產特定風險的評估的稅前貼現率，貼現至其現值。

倘資產或現金產生單位的可收回金額估計低於其賬面值，則資產或現金產生單位的賬面值減至其可收回金額。減值虧損即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損視作重估價值減少處理。

倘減值虧損於日後撥回，則資產或現金產生單位的賬面值增至其可收回金額經修訂估計，惟增加後的賬面值不得高於假設過往年度並無就資產或現金產生單位確認減值虧損而釐定的賬面值（扣除攤銷或折舊）。減值虧損撥回即時於損益確認，惟倘相關資產以重估價值列賬，在此情況下減值虧損撥回視作重估價值增加處理。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 3. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

#### Provisions and contingent liabilities

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

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

#### Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

### 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES

#### Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the 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 discussed below.

### 3. 主要會計政策 (續)

#### 撥備及或然負債

當本集團因已發生的事件須承擔現有法定或推定責任，而履行責任有可能導致經濟利益流出，並能可靠估計責任金額的情況下，須對該等時間或金額不確定的負債確認撥備。倘貨幣時間值重大，則撥備的金額乃按預期用於履行該責任的支出的現值列賬。

倘需要流出經濟利益的機會不大，或責任金額無法可靠估計，則責任乃披露為或然負債，除非經濟利益流出的可能性極低則另作別論。可能出現的責任（即是否存在將僅取決於日後是否會發生一宗或多宗事件）亦披露為或然負債，惟經濟利益流出的可能性極低者則除外。

#### 報告期後事項

為本集團於報告期末狀況提供額外資料或顯示持續經營假設並不適合的報告期後事項均屬於調整事項，於財務報表內反映。並非屬調整事項的報告期後事項如屬重大，則於綜合財務報表附註中披露。

### 4. 關鍵判斷及主要估計

#### 估計不確定因素的主要來源

於報告期末，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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

(a) Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

(b) Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

(c) 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 26 to the consolidated financial statements.

### 4. 關鍵判斷及主要估計 (續)

#### 估計不確定因素的主要來源 (續)

(a) 滯銷存貨撥備

滯銷存貨撥備根據存貨賬齡及估計存貨可變現淨值作出。評估撥備金額涉及判斷及估計。倘日後實際結果與原來估計有所不同，則有關差額將影響上述估計出現變動期間存貨的賬面值及撥備開支／撥回。

(b) 呆壞賬減值虧損

本集團根據貿易應收款項及其他應收款項的可收回性作出的評估，包括每名債務方的現時信貸及過往收賬記錄，就呆壞賬作出減值虧損。倘事件或情況變動顯示餘款或會無法收回，則產生減值。識別呆壞賬須使用判斷及估計。倘實際結果與原來估計有所不同，則有關差額將影響上述估計出現變動年度貿易應收款項及其他應收款項的賬面值及呆賬開支。

(c) 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。進一步詳情載於綜合財務報表附註26。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 4. CRITICAL JUDGEMENTS AND KEY ESTIMATES (Continued)

#### Key sources of estimation uncertainty (Continued)

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

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

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.

### 5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### 4. 關鍵判斷及主要估計 (續)

#### 估計不確定因素的主要來源 (續)

##### (d) 物業、廠房及設備以及折舊

本集團釐定其物業、廠房及設備的估計可使用年期、剩餘價值及相關折舊開支。該估計以性質及功能相若的物業、廠房及設備實際可使用年期及剩餘價值的過往經驗為基準。倘可使用年期及剩餘價值與先前估計不同，本集團將修訂折舊開支，或撇銷或撇減已報廢或出售的技術上過時或非策略性資產。

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。

### 5. 財務風險管理

本集團業務活動承受多項財務風險：外幣風險、信貸風險、流動資金風險及利率風險。本集團的整體風險管理項目專注於金融市場的不可預測性及尋求降低對本集團財務表現造成的潛在不利影響。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued) 5. 財務風險管理 (續)

#### (a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

#### (b) 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.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents, pledged deposits, 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.

#### (a) 外幣風險

由於本集團大部分業務交易、資產及負債主要以本集團實體功能貨幣計值，故本集團所承受的外幣風險不高。本集團現時並無就外幣交易、資產及負債制定外幣對沖政策。本集團將密切監察外幣風險，並將於有需要時考慮對沖重大外幣風險。

#### (b) 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。

本集團其他金融資產（包括現金及現金等價物、已抵押存款及其他應收款項）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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

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### 5. FINANCIAL RISK MANAGEMENT (Continued) 5. 財務風險管理 (續)

#### (b) Credit risk (Continued)

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 19 and 21, respectively, to the consolidated financial statements.

The Group considers whether there has been a significant increase in credit risk of financial assets on an ongoing basis throughout each reporting period by comparing the risk of a default occurring as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following information is used:

- internal credit rating;
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant changes in the value of the collateral or in the quality of guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers.

#### (b) 信貸風險 (續)

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綜合財務報表附註19及21。

本集團通過比較金融資產於報告日期之違約風險與於初始確認日期之違約風險，以評估金融資產之信貸風險有否於各報告期內按持續基準大幅增加。本集團亦考慮所得合理及有理據支持之前瞻性資料。尤其使用下列資料：

- 內部信貸評級；
- 預期導致借款人履行責任能力出現重大變動之業務、財務或經濟狀況之實際或預期重大不利變動；
- 借款人經營業績之實際或預期重大變動；
- 抵押品價值或擔保或信貸提升措施之質素重大變動；及
- 借款人預期表現及行為之重大變動，包括借款人之付款狀況變動。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

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### 5. FINANCIAL RISK MANAGEMENT (Continued) 5. 財務風險管理 (續)

#### (b) Credit risk (Continued)

The Group uses two categories for non-trade loan receivables which reflect their credit risk and how the loan loss provision is determined for each of the categories. In calculating the expected credit loss rates, the Group considers historical loss rates for each category and adjusts for forward looking data.

#### (b) 信貸風險 (續)

本集團將非貿易性質的應收貸款分為兩個類別，以反映其信貸風險及釐定各類別貸款虧損撥備的方式。於計算預期信貸虧損率時，本集團考慮各類別的歷史虧損率及就前瞻數據進行調整。

Category 類別	Definition 釋義	Loss provision 虧損撥備		
Performing 正常	Low risk of default and strong capacity to pay 違約風險低且付款能力強	12 month expected losses 12個月預期虧損		
Non-performing 不良	Significant increase in credit risk 信貸風險大幅增加	Lifetime expected losses 年期預期虧損		
			<b>Others 其他 RMB 人民幣</b>	<b>Total 總計 RMB 人民幣</b>
<b>At 31 December 2018</b>	<b>於二零一八年 十二月三十一日</b>			
Advance and deposit Provision for loss allowance	墊款及存款 虧損準備撥備	<b>22,544 (2,315)</b>		<b>22,544 (2,315)</b>
Carrying amounts	賬面值	<b>20,229</b>		<b>20,229</b>
<b>At 31 December 2017</b>	<b>於二零一七年 十二月三十一日</b>			
Advance and deposit Provision for loss allowance	墊款及存款 虧損準備撥備	26,654 (2,156)		26,654 (2,156)
Carrying amounts	賬面值	24,498		24,498

All of these advance and deposit are considered to have low risk and under the 'Performing' category because they have a low risk of default and have strong ability to meet their obligations.

所有該等墊款及存款被視為低風險並處於「正常」類別，原因在於彼等的違約風險低及履行責任的能力強。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued) 5. 財務風險管理 (續)

#### (b) Credit risk (Continued)

#### (b) 信貸風險 (續)

		Others 其他 RMB 人民幣	Total 總計 RMB 人民幣
Weighted average expected credit loss rate	加權平均預期信貸虧損率		
<b>2018</b>	二零一八年	<b>10%</b>	
2017	二零一七年	8%	
Loss allowance at 1 Jan 2017	於二零一七年一月一日的虧損準備	1,691	1,691
Increase in provision in 2017	於二零一七年的撥備增加	465	465
Loss allowance at 31 Dec 2017	於二零一七年十二月三十一日的虧損準備	2,156	2,156
Increase in provision in 2018	於二零一八年的撥備增加	<b>159</b>	<b>159</b>
Loss allowance at 31 Dec 2018	於二零一八年十二月三十一日的虧損準備	<b>2,315</b>	<b>2,315</b>

The increase in loss allowance is due to increase in expected credit loss rates

虧損準備增加乃由於預期信貸虧損率增長

#### (c) Liquidity risk

#### (c) 流動資金風險

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term. All of the Group's financial liabilities are due within one year.

本集團的政策為定期監控現有及預期流動資金需求，確保其維持充裕現金儲備，以滿足短期及長期流動資金需求。本集團所有金融負債均於一年內到期。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued) 5. 財務風險管理 (續)

#### (c) Liquidity risk (Continued)

The maturity analysis of the Group's financial liabilities is as follows:

		Carrying amounts 賬面值	Total contractual undiscounted cash flow 合約未貼現現金流量總額	
		Total 合計 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元	Less than 1 year 少於1年 RMB'000 人民幣千元
31 December 2018	二零一八年十二月三十一日			
Trade and bills payables	貿易應付款項及應付票據	363,357	363,337	363,337
Other payables and accruals	其他應付款項及應計費用	108,185	108,185	108,185
Bank loans	銀行貸款	109,000	111,230	111,230
		580,522	582,752	582,752
31 December 2017	二零一七年十二月三十一日			
Trade and bills payables	貿易應付款項及應付票據	419,709	419,709	419,709
Other payables and accruals	其他應付款項及應計費用	109,379	109,379	109,379
Bank loans	銀行貸款	110,000	113,236	113,236
		639,088	642,324	642,324

本集團金融負債的到期日分析如下：

#### (d) Interest rate risk

The Group's bank deposits and bank borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

#### (d) 利率風險

本集團的銀行存款及銀行借款按固定利率計息，因此承受公平值利率風險。

#### (e) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

#### (e) 公平值

本集團於綜合財務狀況表反映的金融資產及金融負債賬面值與其各自的公平值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 5. FINANCIAL RISK MANAGEMENT (Continued) 5. 財務風險管理 (續)

#### (f) Financial instruments by category

The carrying amounts of each of the category of the Group's financial instruments at the end of the reporting period are as follows:

#### (f) 按類別劃分的金融工具

本集團各類別金融工具於報告期末的賬面值如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Financial assets</b>	<b>金融資產</b>		
Financial assets at amortised cost (including cash and cash equivalents)	按攤銷成本計算的金融資產(包括現金及現金等價物)	<b>729,727</b>	780,157
<b>Financial liabilities</b>	<b>金融負債</b>		
Financial liabilities at amortised cost	按攤銷成本計算的金融負債	<b>580,522</b>	639,088

### 6. REVENUE

The Group's revenue represents sales of environmental protection equipment for installation and sale of environmental pollution prevention equipment and electronic products; the invoiced value of materials sold and the value of services rendered during the Year.

### 6. 收益

本集團的收益指本年度安裝及銷售環保污染防治設備及電子產品的環保設備銷售；銷售材料的發票價值及所提供服務的價值。

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Sales of environmental protection equipment	銷售環保設備	<b>848,815</b>	778,757
Sale of materials	銷售材料	<b>8,002</b>	12,943
Rendering of services	提供服務	<b>2,000</b>	452
		<b>858,817</b>	792,152

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 6. REVENUE (Continued)

### 6. 收益 (續)

Disaggregation of revenue from sales of environmental protection equipment:

分拆銷售環保設備的收益：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Geographical markets</b>	<b>地區市場</b>		
Mainland China	中國內地	<b>840,786</b>	759,189
Other countries	其他國家	<b>8,029</b>	19,568
Total	總計	<b>848,815</b>	778,757
<b>Major products</b>	<b>主要產品</b>		
Electrostatic precipitator	靜電除塵器	<b>537,173</b>	542,574
Electronstatic-bag composite precipitator	電袋複合除塵器	<b>132,711</b>	88,836
Bag filter precipitator	袋式除塵器	<b>71,093</b>	44,376
SO <sub>2</sub> and Nox 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>84,496</b>	82,784
Others (e.g. Pneumatic ash conveying system)	其他(如氣力輸灰系統)	<b>23,342</b>	20,187
Total	總計	<b>848,815</b>	778,757
<b>Timing of revenue recognition</b>	<b>收益確認的時間</b>		
At a point in time	在某一時間點		
– Sales of environmental protection equipment	– 銷售環保設備	<b>848,815</b>	778,757
– Sale of materials	– 銷售材料	<b>8,002</b>	12,943
– Rendering of services	– 提供服務	<b>2,000</b>	452
Total	總計	<b>858,817</b>	792,152

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 6. REVENUE (Continued)

#### Disaggregation of revenue from sales of environmental protection equipment: (Continued)

##### Sales of Environmental protection equipment

The Group manufactures, sells and installs environmental pollution prevention equipment to the customers. The customers pay the contract prices to the Group according to the payment schedules as stipulated in the contracts within one month. Sales are recognised when control of the products and services have transferred, being when the products are delivered to a customer. If the service rendered by the Group exceeds the payments, a contract asset is recognised. If the payments exceed the service rendered, a contract liability is recognised.

If a contract includes the installation of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

The contract price is allocated to the performance obligations based on the relative stand-alone selling prices of the performance obligations. The stand-alone selling prices are determined by applying the expected cost plus a margin approach.

##### Sales of materials

The Group sells the materials to the customers. The products amount is repayable within one month. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

A receivable is recognised when the products are delivered to the customers as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

### 6. 收益 (續)

#### 分拆銷售環保設備的收益：(續)

##### 銷售環保設備

本集團製造及向客戶銷售及安裝環保污染防治設備。客戶根據合同訂明的付款時間表於一個月內向本集團支付合同價格。在產品及服務的控制權已轉讓時(即產品交付予客戶之時)確認銷售。倘本集團所提供的服務超出付款，將會確認合同資產。倘付款超出所提供的服務，則會確認合同負債。

倘合同包括安裝硬件，硬件的收益於硬件交付之時且合法所有權已轉移以及客戶已接納硬件之時確認。

合同價格按履約責任的相關獨立售價分配至履約責任。獨立售價乃應用預期成本加利潤方法釐定。

##### 銷售材料

本集團向客戶銷售材料。產品金額須於一個月內償還。在產品的控制權已轉讓(即產品交付予客戶之時)，且概無可能影響客戶接受產品的未履行責任及客戶已獲取產品的合法所有權時，確認銷售。

當產品交付予客戶後，並從那一刻開始，可以無條件收到代價(僅到期付款前的時間流逝除外)，便可確認為應收款項。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

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### 7. OTHER INCOME

### 7. 其他收入

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Bank interest income	銀行利息收入	1,197	4,528
Government grants	政府補助	2,103	8,699
Foreign exchange gain	匯兌收益	258	–
Others	其他	168	882
		<b>3,726</b>	14,109

### 8. SEGMENT INFORMATION

### 8. 分部資料

The Group's revenue during the year was mainly derived from environmental protection equipment contract revenue for installation and sale of environmental pollution prevention equipment and electronic products; the invoiced value of goods sold and the value of services rendered. 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安裝及銷售環保污染防治設備及電子產品的環保設備合同收益；銷售貨品的發票價值及所提供服務的價值。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

		Revenue 收益		Non-current assets 非流動資產	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Mainland China	中國內地	850,788	772,584	161,892	161,352
Other countries	其他國家	8,029	19,568	–	–
Consolidated total	綜合總額	<b>858,817</b>	792,152	<b>161,892</b>	161,352

In presenting the geographical information, revenue is based on the locations of the customers.

於呈列地區資料時，收益乃根據客戶所在地呈列。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 8. SEGMENT INFORMATION (Continued)

### 8. 分部資料 (續)

Revenue from major customers:

來自主要客戶的收益：

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Customer A 客戶A	N/A不適用*	99,459

\* Customer did not contribute more than 10% of the total consolidated revenue of the Group for the year

\* 客戶並無佔本集團年內綜合收入總額10%以上

### 9. FINANCE COSTS

### 9. 融資成本

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Interest on banks loans 銀行貸款的利息	6,278	5,821

### 10. INCOME TAX

### 10. 所得稅

	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
PRC Enterprise Income Tax for the year 年內中國企業所得稅	23,580	27,311
Deferred tax (note 26) 遞延稅項(附註26)	(8,408)	4,008
	<b>15,172</b>	<b>31,319</b>

No provision for Hong Kong profits tax was required since the Group has no assessable profit in Hong Kong for the years presented.

由於本集團於所示年度於香港並無應課稅溢利，故毋須就香港利得稅作出撥備。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 10. INCOME TAX (Continued)

The reconciliation between the income tax and the profit before tax is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Profit before tax	稅前溢利	46,408	114,483
Notional tax on profit before tax calculated at the PRC statutory rate	按中國法定稅率計算稅前溢利的名義稅項	11,602	28,621
Tax effect of non-deductible expenses	不可扣減開支的稅務影響	3,570	2,698
Income tax for the year	本年度所得稅	15,172	31,319

### 10. 所得稅 (續)

所得稅與稅前溢利的對賬如下：

### 11. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Auditor's remuneration	核數師酬金	1,000	1,000
Cost of inventories sold	所售出存貨的成本	717,577	593,050
Depreciation	折舊	6,756	6,466
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	1,981	1,619
Amortisation of intangible assets	無形資產攤銷	196	185
Impairment loss on trade receivables	貿易應收款項減值虧損	30,590	23,798
Impairment loss on bills receivables	應收票據減值虧損	4,573	-
Impairment loss on other receivables	其他應收款項減值虧損	159	465
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	5,694
Research and development expenditure	研發開支	2,927	4,062
Staff costs (including directors' remuneration – note 12):	員工成本(包括董事酬金—附註12):		
Wages and Salaries	工資及薪金	50,067	46,874
Retirement benefits scheme contribution	退休金計劃供款	3,512	3,858
Staff welfare expenses	員工福利開支	5,898	6,937
		59,477	57,669

### 11. 年內溢利

本集團的年內溢利經扣除以下各項後達致：

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS 12. 董事及五名最高薪酬人士酬金

The emoluments of each Director were as follows:

各董事的酬金如下：

				Salaries and other benefits	Retirement benefits scheme contributions	Total
		Fees		薪金及其他福利	退休福利計劃供款	總計
	Notes	袍金		薪金及其他福利	退休福利計劃供款	總計
	附註	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
<b>Executive Directors</b>	<b>執行董事</b>					
Bian Yu	邊宇	-		490	87	577
Bian Weican	邊偉燦	-		238	87	325
Bian Shu	邊姝	-		339	87	426
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Bian Jianguang	邊建光	-		130	-	130
Zhang Yuanyuan	章袁遠	-		166	83	249
Chen Jiancheng	陳建誠	-		66	14	80
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Zhang Bing	張炳	-		60	-	60
Feng Jujj	馮鉅基	1		116	-	116
Li Jiannan	鄺建楠	2		15	-	15
Tam Hon Shan Celia	譚漢珊	3		22	-	22
Jiang Yan	姜晏	3		10	-	10
Yu Zhaofei	余釗飛	4		28	-	28
<b>Supervisors</b>	<b>監事</b>					
Chen Xinhua	陳新華	-		170	43	213
Fu Jun	傅均	-		60	-	60
Fang Zhiguo	方治國	-		60	-	60
<b>Chief executive</b>	<b>高級行政人員</b>					
Qiu Jinxing	邱金鑫	-		277	41	318
Total for the year ended 31 December 2018	截至二零一八年十二月三十一日止年度總計	-		2,247	442	2,689

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## 綜合財務報表附註

For the year ended 31 December 2018

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### 12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

### 12. 董事及五名最高薪酬人士酬金 (續)

		Notes 附註	Fees 袍金 RMB'000 人民幣千元	Salaries and other benefits 薪金及 其他福利 RMB'000 人民幣千元	Retirement benefits scheme contributions 退休福利 計劃供款 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Executive Directors</b>	<b>執行董事</b>					
Bian Yu	邊宇		–	450	56	506
Bian Weican	邊偉燦		–	163	49	212
Bian Shu	邊姝		–	135	49	184
<b>Non-Executive Directors</b>	<b>非執行董事</b>					
Bian Jianguang	邊建光		–	150	–	150
Zhang Yuanyuan	章袁遠		–	135	49	184
Zhu Hong	朱紅	5	–	60	–	60
Chen Jiancheng	陳建誠	6	–	–	–	–
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>					
Tam Hon Shan Celia	譚漢珊	3	–	260	–	260
Jiang Yan	姜晏	3	–	60	–	60
Zhang Bing	張炳		–	60	–	60
<b>Supervisors</b>	<b>監事</b>					
Chen Xinhua	陳新華		–	126	25	151
Fu Jun	傅均		–	60	–	60
Fang Zhiguo	方治國		–	60	–	60
<b>Chief executive</b>	<b>高級行政人員</b>					
Qiu Jinxing	邱金鑫		–	318	34	352
Total for the year ended 31 December 2017	截至二零一七年 十二月三十一日 止年度總計		–	2,037	262	2,299

Notes:

- Appointed as independent non-executive director with effect from 30 March 2018.
- Appointed as independent non-executive director with effect from 3 August 2018.
- Resigned with effect from 30 March 2018.
- Appointed as independent non-executive director with effect from 30 March 2018 and resigned with effect from 3 August 2018.
- Appointed as non-executive director with effect from 1 June 2016 and resigned with effect from 5 December 2017.
- Appointed as non-executive director with effect from 5 December 2017.

附註:

- 自二零一八年三月三十日起獲委任為獨立非執行董事。
- 自二零一八年八月三日起獲委任為獨立非執行董事。
- 自二零一八年三月三十日起辭任。
- 自二零一八年三月三十日起獲委任為獨立非執行董事，並自二零一八年八月三日起辭任。
- 自二零一六年六月一日起獲委任為非執行董事，並自二零一七年十二月五日起辭任。
- 自二零一七年十二月五日起獲委任為非執行董事。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

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### 12. DIRECTORS' AND FIVE HIGHEST PAID INDIVIDUAL EMOLUMENTS (Continued)

The five highest paid employees during the year included three directors and the chief executive (2017: one director and the chief executive), details of whose remuneration are set out in information above. Details of the remuneration of the remaining one (2017: three) non-directors, highest paid employees for the year are as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Salaries and other benefits	薪金及其他福利	306	599
Retirement benefits scheme contributions	退休福利計劃供款	49	25
		355	624

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

		Number of employees 僱員數目	
		2018 二零一八年	2017 二零一七年
<b>Emolument band:</b> HK\$nil – HK\$1,000,000	<b>酬金範圍：</b> 零至1,000,000港元	1	3

During the years ended 31 December 2018 and 2017, no emoluments were paid by the Group to the five highest paid individuals, including directors, as an inducement to join the Group or as compensation for loss of office other than those disclosed above. In addition, during the years ended 31 December 2018 and 2017, no directors waived any emoluments.

### 12. 董事及五名最高薪酬人士酬金 (續)

本年度，五名最高薪酬僱員中包括三名董事及高級行政人員（二零一七年：一名董事及高級行政人員），其薪酬詳情載於上文資料。本年度，其餘2名（二零一七年：三名）非董事最高薪酬僱員的薪酬詳情如下：

薪酬介乎下列範圍內的非董事最高薪酬僱員的數目如下：

於截至二零一八年及二零一七年十二月三十一日止年度，除上文所披露者外，本集團概無向五名最高薪酬人士（包括董事）支付任何酬金，作為促使加入本集團或作為其離職的賠償。此外，於截至二零一八年及二零一七年十二月三十一日止年度，概無董事放棄任何酬金。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 13. DIVIDENDS

The Directors do not recommend the payment of any dividend for the year ended 31 December 2018 (2017: Nil).

### 14. EARNINGS PER SHARE

#### Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the profit for the year of approximately 31,236,000 (2017: RMB83,164,000) attributable to owners of the Company and the weighted average number of 135,000,000 (2017: 135,000,000) ordinary shares in issue during the year.

#### Diluted earnings per share

No diluted earnings per share is presented as the Company did not have any dilutive potential ordinary shares during the two years ended 31 December 2018 and 2017.

### 13. 股息

董事不建議就截至二零一八年十二月三十一日止年度派付任何股息(二零一七年:無)。

### 14. 每股盈利

#### 每股基本盈利

本公司擁有人應佔每股基本盈利乃根據本公司擁有人應佔年內溢利約人民幣31,236,000元(二零一七年:人民幣83,164,000元),以及年內已發行普通股的加權平均數135,000,000股(二零一七年:135,000,000股普通股)計算。

#### 每股攤薄盈利

於截至二零一八年及二零一七年十二月三十一日止兩個年度,本公司概無任何潛在攤薄普通股,故概無呈列每股攤薄盈利。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 15. PROPERTY, PLANT AND EQUIPMENT 15. 物業、廠房及設備

		Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Office equipment 辦公室設備 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Cost</b>	<b>成本</b>						
At 1 January 2017	於二零一七年一月一日	39,054	31,011	1,055	1,009	136	72,265
Additions	添置	51,809	1,047	-	507	-	53,363
Disposals	出售	-	(2,034)	-	-	-	(2,034)
Transfers	轉撥	-	136	-	-	(136)	-
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	90,863	30,160	1,055	1,516	-	123,594
Additions	添置		1,049	12	204	214	1,479
Transfers	轉撥	214	-	-	-	(214)	-
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>91,077</b>	<b>31,209</b>	<b>1,067</b>	<b>1,720</b>	<b>-</b>	<b>125,073</b>
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>						
At 1 January 2017	於二零一七年一月一日	13,423	10,109	644	688	-	24,864
Charge for the year	本年度支出	2,878	3,123	219	246	-	6,466
Impairment for the year	本年度減值	5,694	-	-	-	-	5,694
Disposals	出售	-	(336)	-	-	-	(336)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	21,995	12,896	863	934	-	36,688
Charge for the year	本年度支出	3,757	2,548	140	311	-	6,756
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>25,752</b>	<b>15,444</b>	<b>1,003</b>	<b>1,245</b>	<b>-</b>	<b>43,444</b>
<b>Carrying amount</b>	<b>賬面值</b>						
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>65,325</b>	<b>15,765</b>	<b>64</b>	<b>475</b>	<b>-</b>	<b>81,629</b>
At 31 December 2017	於二零一七年十二月三十一日	68,868	17,264	192	582	-	86,906

As at 31 December 2018, certain of the Group's buildings with a carrying amount of approximately RMB11,217,000 (2017: RMB12,839,000) were pledged to secure bank loan facilities granted to the Group (note 25).

於二零一八年十二月三十一日，本集團賬面值約為人民幣11,217,000元（二零一七年：人民幣12,839,000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25）。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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截至二零一八年十二月三十一日止年度

### 16. PREPAID LAND LEASE PAYMENTS

### 16. 預付土地租賃款項

		<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	<b>46,982</b>	20,070
Addition	添置	-	28,531
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	<b>(1,981)</b>	(1,619)
At 31 December	於十二月三十一日	<b>45,001</b>	46,982
Current portion	流動部分	<b>(1,981)</b>	(1,981)
Non-current portion	非流動部分	<b>43,020</b>	45,001

As at 31 December 2018, the Group's leasehold lands with an aggregate net carrying amount of RMB16,434,000 (2017: RMB17,668,000) were pledged to secure bank loan facilities granted to the Group (note 25).

於二零一八年十二月三十一日，本集團賬面淨值總額為人民幣16,434,000元（二零一七年：人民幣17,668,000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25）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

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### 17. INTANGIBLE ASSETS

### 17. 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
<b>Cost</b>	<b>成本</b>			
At 1 January 2017	於二零一七年一月一日	110	371	481
Addition	添置	-	299	299
At 31 December 2017, 1 January 2018 and 31 December 2018	於二零一七年十二月三十一日、 二零一八年一月一日及 二零一八年十二月三十一日	110	670	780
<b>Accumulated amortisation and impairment loss</b>	<b>累計攤銷及減值虧損</b>			
At 1 January 2017	於二零一七年一月一日	53	153	206
Amortisation for the year	本年度攤銷	11	174	185
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	64	327	391
Amortisation for the year	本年度攤銷	11	185	196
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>75</b>	<b>512</b>	<b>587</b>
<b>Carrying amount At 31 December 2018</b>	<b>賬面值 於二零一八年十二月三十一日</b>	<b>35</b>	<b>158</b>	<b>193</b>
At 31 December 2017	於二零一七年十二月三十一日	46	343	389

### 18. INVENTORIES

### 18. 存貨

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Raw materials	原材料	31,209	19,927
Work in progress	在製品	13,704	30,741
Finished goods	製成品	279,367	420,271
		<b>324,280</b>	470,939

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 19. TRADE AND BILLS RECEIVABLES

### 19. 貿易應收款項及應收票據

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade receivables	貿易應收款項	<b>606,985</b>	535,658
Less: provision for loss allowance	減：虧損撥備	<b>(109,496)</b>	(78,906)
		<b>497,489</b>	456,752
Bills receivable	應收票據	<b>160,665</b>	162,593
Less: provision for loss allowance	減：虧損撥備	<b>(4,573)</b>	-
		<b>653,581</b>	619,345

#### Trade and bills receivable

Trade receivables are non-interest-bearing, and the credit period is generally 1 month. 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. As 31 December 2018, the Group's bills receivables of RMB41,590,000 (2017: RMB50,548,000) were pledged to secure the Group's bills payable (note 23).

#### 貿易應收款項及應收票據

貿易應收款項為免息及信用期一般為1個月。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。於二零一八年十二月三十一日，本集團人民幣41,590,000元（二零一七年：人民幣50,548,000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23）。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

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### 19. TRADE AND BILLS RECEIVABLES 19. 貿易應收款項及應收票據 (續)

(Continued)

#### Trade and bills receivable (Continued)

The aging analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	1年內	123,562	171,362
1 to 2 years	1至2年	259,387	187,705
2 to 3 years	2至3年	96,158	76,889
3 to 4 years	3至4年	18,382	20,796
		<b>497,489</b>	456,752

#### 貿易應收款項及應收票據 (續)

基於發票日期呈列的貿易應收款項(經扣除撥備)的賬齡分析如下:

Reconciliation of loss allowance for trade receivables:

貿易應收款項虧損撥備的對賬:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	78,906	55,108
Increase in loss allowance for the year	本年度虧損撥備增加	30,590	23,798
At 31 December	於十二月三十一日	<b>109,496</b>	78,906

Reconciliation of loss allowance for bills receivable:

應收票據虧損撥備的對賬:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At 1 January	於一月一日	-	-
Increase in loss allowance for the year	本年度虧損撥備增加	4,573	-
At 31 December	於十二月三十一日	<b>4,573</b>	-

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 19. TRADE AND BILLS RECEIVABLES 19. 貿易應收款項及應收票據 (續)

(Continued)

#### Trade and bills receivable (Continued)

The Group applies the simplified approach under HKFRS 9 “Financial Instrument” to provide for expected credit losses using the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the ageing. The expected credit losses also incorporate forward looking information.

#### 貿易應收款項及應收票據 (續)

本集團應用香港財務報告準則第9號「金融工具」項下的簡易方法就所有貿易應收款項使用預期虧損撥備期限計算預期信貸虧損。為計算預期信貸虧損，貿易應收款項已根據共享信貸風險特徵及賬齡分組。預期信貸虧損亦包含前瞻性資料。

		Current 即期	1 to 2 years 1至2年	2 to 3 years 2至3年	3 to 4 years 3至4年	Total 總計
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>					
Weighted average expected loss rate	加權平均預期虧損率	0%	6%	20%	79%	18%
Receivable amount (RMB'000)	應收款項(人民幣千元)	123,562	276,922	120,197	86,304	606,985
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	-	17,535	24,039	67,922	109,496
At 31 December 2017	於二零一七年十二月三十一日					
Weighted average expected loss rate	加權平均預期虧損率	0%	7%	20%	69%	15%
Receivable amount (RMB'000)	應收款項(人民幣千元)	171,362	201,266	96,111	66,919	535,658
Loss allowance (RMB'000)	虧損撥備(人民幣千元)	-	13,561	19,222	46,123	78,906

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 19. TRADE AND BILLS RECEIVABLES

(Continued)

#### Trade and bills receivable (Continued)

At 31 December 2018, 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 2018 was RMB162,601,000 (2017: RMB116,096,000). 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 (the "Derecognised Notes") with an amount of RMB69,411,000 as at 31 December 2018 (2017: RMB52,983,000). 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 RMB62,973,000 as at 31 December 2018 (2017: RMB63,113,000), because the directors believe that the Group has retained the substantial risks and reward, which include default risks relating to such remaining Endorsed Notes.

During the year, the Group has not recognised any gain or loss (2017: 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.

### 19. 貿易應收款項及應收票據 (續)

#### 貿易應收款項及應收票據 (續)

於二零一八年十二月三十一日，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」）。於二零一八年十二月三十一日，本集團的背書票據的賬面值總額為人民幣162,601,000元（二零一七年：人民幣116,096,000元）。董事認為，於二零一八年十二月三十一日，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69,411,000元（二零一七年：人民幣52,983,000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。於二零一八年十二月三十一日，本集團繼續確認其餘背書票據的全部賬面值及相關已結清貿易應付款項人民幣62,973,000元（二零一七年：人民幣63,113,000元），乃由於董事相信，本集團仍保留絕大部分風險及回報，包括與該等剩餘背書票據有關的違約風險。

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（二零一七年：無）。於年內及累計年度，概無任何利得或虧損自持續牽連事件中確認。年內均勻作出背書。

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## 綜合財務報表附註

For the year ended 31 December 2018

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### 20. CONTRACT ASSETS AND LIABILITIES 20. 合同資產及負債

#### Disclosures of revenue-related items

#### 與收益相關的項目披露

		<b>As at 31 December 2018</b> 於二零一八年 十二月三十一日 <b>RMB'000</b> 人民幣千元	As at 31 December 2017 於二零一七年 十二月三十一日 RMB'000 人民幣千元
Total contract assets	總合同資產	<b>261,028</b>	193,201
Total contract liabilities	總合同成本	<b>202,284</b>	310,482
Contract receivables (included in trade and bills receivables)	合同應收款項(計入貿易應收款項及應收票據)	<b>653,581</b>	619,345
Transaction prices allocated to performance obligation unsatisfied at end of year and expected to be recognised as revenue in:	分配至年末尚未完成的履約責任並預期於下列年度確認為收益的交易價格:		
- 2018	- 二零一八年	-	885,789
- 2019	- 二零一九年	<b>960,180</b>	1,151,446
- 2020	- 二零二零年	<b>689,546</b>	-
- 2021	- 二零二一年	<b>377,943</b>	-
		<b>2,027,669</b>	2,037,235
<b>Year ended 31 December</b> 截至十二月三十一日止年度			
		<b>2018</b> 二零一八年 <b>RMB'000</b> 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Revenue recognised in the year that was included in contract liabilities at beginning of year	年初計入合同負債並於本年度確認的收益	<b>192,155</b>	153,121

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 20. CONTRACT ASSETS AND LIABILITIES 20. 合同資產及負債 (續)

(Continued)

Significant changes in contract assets and contract liabilities during the year:

本年度合同資產及合同負債的重大變動：

		2018 二零一八年 Contract assets 合同資產 RMB'000 人民幣千元	2018 二零一八年 Contract liabilities 合同負債 RMB'000 人民幣千元	2017 二零一七年 Contract assets 合同資產 RMB'000 人民幣千元	2017 二零一七年 Contract liabilities 合同負債 RMB'000 人民幣千元
Increase due to operation in the year	因本年度營運而增加	91,037	170,050	93,676	104,902
Transfer of contract assets to receivables	轉撥合同資產至應收款項	(23,210)	-	(54,059)	-
Transfer of contract liabilities to revenue	轉撥合同負債至收益	-	(278,248)	-	(173,750)

A contract asset represents the Group's right to consideration in exchange for products or services that the Group has transferred to a customer.

合同資產指本集團就向客戶轉讓產品或服務而收取代價的權利。

A contract liability represents the Group's obligation to transfer products or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

合同負債指本集團向客戶轉讓本集團已自客戶收取代價(或應收代價金額)的產品或服務的責任。



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

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### 21. PREPAYMENT, DEPOSITS AND OTHER RECEIVABLES 21. 預付款項、按金及其他應收款項

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Other receivables	其他應收款項	22,544	26,654
Less: impairment losses	減：減值虧損	(2,315)	(2,156)
		<b>20,229</b>	24,498
Prepayments	預付款項	<b>25,380</b>	17,607
Due from holding company (note)	應收控股公司款項(附註)	<b>162</b>	2,439
		<b>45,771</b>	44,544

Note: The amount due from the holding company is unsecured, non-interest bearing and have no fixed repayment terms.

附註：應收控股公司款項為無抵押、免息及無固定還款期。

#### Impairment of other receivables

The movements in impairment losses of other receivables are as follows:

#### 其他應收款項減值

其他應收款項減值虧損的變動如下：

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
At beginning of the reporting period	報告期初	2,156	1,691
Impairment loss on other receivables	其他應收款項減值虧損	159	465
At the end of the reporting period	報告期末	<b>2,315</b>	2,156

### 22. BANK AND CASH BALANCES AND PLEDGED DEPOSIT 22. 銀行及現金結餘及已抵押存款

At the end of reporting period, the bank and cash balances of Group denominated in RMB amounted equivalent to approximately RMB\$16,161,000 (2017: RMB\$47,282,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

於報告期末，本集團以人民幣計值的銀行及現金結餘金額相等於約人民幣16,161,000元（二零一七年：人民幣47,282,000元）。人民幣兌換為外幣須遵守中國的《外匯管理條例》。

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## 綜合財務報表附註

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### 22. BANK AND CASH BALANCES AND PLEDGED DEPOSIT (Continued)

Pledged deposit with banks have been placed as security for bills payables issued by the Group. 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.

### 23. TRADE AND BILLS PAYABLES

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Trade payables	貿易應付款項	338,831	360,092
Bills payable	應付票據	24,506	59,617
		<b>363,337</b>	419,709

Bills payable were secured by pledged bank deposits of RMB27,130,000 (2017: RMB18,736,000) and the Group's bills receivables of RMB41,590,000 (2017: RMB50,548,000).

An aging analysis of the trade payables at the end of the reporting period, based on invoice dates, is as follows:

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	1年內	242,905	301,933
1 to 2 years	1至2年	75,466	50,760
2 to 3 years	2至3年	15,729	2,508
Over 3 years	超過3年	4,731	4,891
		<b>338,831</b>	360,092

### 22. 銀行及現金結餘及已抵押存款 (續)

銀行已抵押存款已質押，以為本集團發出的應付票據提供抵押。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。

### 23. 貿易應付款項及應付票據

應付票據以已抵押銀行存款人民幣27,130,000元（二零一七年：人民幣18,736,000元），以及本集團的應收票據人民幣41,590,000元（二零一七年：人民幣50,548,000元）作抵押。

於報告期末，貿易應付款項基於發票日期的賬齡分析如下：

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## 綜合財務報表附註

For the year ended 31 December 2018

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### 24. OTHER PAYABLES AND ACCRUALS

### 24. 其他應付款項及應計費用

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Other payables	其他應付款項	102,151	108,028
Due to related companies (note)	應付關聯公司款項(附註)	6,034	1,367
		<b>108,185</b>	109,379

Note: The amount due to related companies are unsecured, non-interest bearing and have no fixed repayment terms.

附註：應付關聯公司款項為無抵押、免息及無固定還款期。

### 25. BANK LOANS

### 25. 銀行貸款

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Bank loan – Secured	銀行貸款－有抵押	109,000	110,000

The secured bank loans of the Group amounting to RMB49,000,000 were secured by (i) the Group's building situated in the Mainland China, which had an aggregate net carrying value of RMB11,217,000 as at 31 December 2018 (2017: RMB12,839,000); and (ii) the Group's leasehold land situated in Mainland China, which had an aggregate carrying amount of RMB16,434,000 as at 31 December 2018 (2017: RMB17,668,000).

本集團的有抵押銀行貸款由以下各項作抵押：(i)本集團位於中國內地的樓宇，於二零一八年十二月三十一日的賬面淨值總額為人民幣11,217,000元(二零一七年：人民幣12,839,000元)；及(ii)本集團位於中國內地的租賃土地，於二零一八年十二月三十一日的賬面值總額為人民幣16,434,000元(二零一七年：人民幣17,668,000元)。

The effective interest rates per annum at the end of the reporting period were as follows:

於報告期末的實際年利率如下：

		2018 二零一八年	2017 二零一七年
Short-term bank loans: Fixed-rate	短期銀行貸款： 固定利率	4.35%–6.00%	5.00%–5.44%

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## 綜合財務報表附註

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### 26. DEFERRED TAX

The following are the details deferred tax liabilities and assets recognised by the Group.

### 26. 遞延稅項

本集團已確認遞延稅項負債及資產的詳情如下。

		Impairment of Property, plant and equipment	Impairment of trade and bills receivables 貿易應收款項 及應收票據 減值	Impairment of other receivables 其他應收 款項減值	Accruals 應計費用	Tax loss 稅項虧損	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
At 1 January 2017	於二零一七年一月一日	-	13,776	423	10,013	5,275	29,487
- Credit/(debit) to consolidated statement of profit or loss	- 計入綜合損益表/ (自綜合損益表扣除)	1,422	5,950	116	(8,126)	(3,370)	(4,008)
At 31 December 2017 and 1 January 2018	於二零一七年十二月三十一日 及二零一八年一月一日	1,422	19,726	539	1,887	1,905	25,479
- Credit/(debit) to consolidated statement of profit or loss	- 計入綜合損益表/ (自綜合損益表扣除)	-	8,791	40	(335)	(88)	8,408
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>1,422</b>	<b>28,517</b>	<b>579</b>	<b>1,552</b>	<b>1,817</b>	<b>33,887</b>

### 27. SHARE CAPITAL

### 27. 股本

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Authorised: 135,000,000 ordinary shares of RMB\$1.00 each	法定： 135,000,000股每股面值 人民幣1.00元的普通股	<b>135,000</b>	135,000
Issued and fully paid: 135,000,000 ordinary shares of RMB\$1.00 each	已發行及繳足： 135,000,000股每股面值 人民幣1.00元的普通股	<b>135,000</b>	135,000

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 27. SHARE CAPITAL (Continued)

#### Capital management

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost. The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the payment of dividends, issue new shares, buyback shares, raise new debts, redeem existing debts or sell assets to reduce debts.

### 28. RESERVES

- (a) The amounts of the Group's reserves and movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

### 27. 股本 (續)

#### 資本管理

本集團管理資本的主要目標是保障本集團可持續經營的能力，透過與風險水平相對應的產品及服務定價以及獲得合理成本的融資，繼續為股東提供回報及為其他權益持有人提供利益。本集團管理資本的目標是保障本集團可持續經營的能力，同時透過優化債務及權益結餘，為股東帶來最大回報。

本集團根據經濟狀況的變動管理其資本結構並對其作出調整。為維持或調整資本結構，本集團或會調整股息派付、發行新股、回購股份、募集新債務、贖回現有債務或出售資產以減輕債務。

### 28. 儲備

- (a) 本集團的儲備金額及其變動於綜合損益及其他全面收益表及綜合權益變動表呈列。

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## 綜合財務報表附註

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### 28. RESERVES (Continued)

#### (b) Reserves of the Company

		Share premium	Capital reserve	Statutory surplus reserve	Retained profits	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2017	於二零一七年一月一日	239,064	3,303	27,510	205,758	475,635
Profit for the year	年內溢利	-	-	-	77,517	77,517
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	7,752	(7,752)	-
At 31 December 2017	於二零一七年十二月三十一日	239,064	3,303	35,262	275,523	553,152
At 1 January 2018	於二零一八年一月一日	239,064	3,303	35,262	275,523	553,152
Profit for the year	年內溢利	-	-	-	31,724	31,724
Appropriation to statutory surplus reserve	劃撥至法定盈餘儲備	-	-	3,172	(3,172)	-
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>239,064</b>	<b>3,303</b>	<b>38,434</b>	<b>304,075</b>	<b>584,876</b>

### 28. 儲備 (續)

#### (b) 本公司儲備

#### (c) Nature and purpose of reserves of the Group

##### (i) Share premium

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.

#### (c) 本集團儲備性質及目的

##### (i) 股份溢價

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%。

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## 綜合財務報表附註

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### 28. RESERVES (Continued)

#### (c) Nature and purpose of reserves of the Group (Continued)

##### (ii) 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.

##### (iii) 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.

### 28. 儲備 (續)

#### (c) 本集團儲備性質及目的 (續)

##### (ii) 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%。

##### (iii) 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。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 29. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### 29. 綜合現金流量表附註

#### (a) Changes in liabilities arising from financing activities

#### (a) 因融資活動而產生的負債變動

The following table shows the Group's changes in liabilities arising from financing activities during the year:

下表載列本集團於本年度因融資活動而產生的負債變動：

		<b>Bank loans</b> 銀行貸款 RMB'000 人民幣千元
At 1 January 2017	於二零一七年一月一日	119,000
Changes in cash flows	現金流量變動	(9,000)
At 31 December 2017	於二零一七年十二月三十一日	110,000
Changes in cash flows	現金流量變動	(1,000)
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>	<b>109,000</b>



# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 30. SUMMARISED FINANCIAL POSITION OF THE COMPANY 30. 本公司財務狀況概要

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Non-current assets</b>	<b>非流動資產</b>		
Investment in subsidiaries	於附屬公司的投資	34,620	34,620
Property, plant and equipment	物業、廠房及設備	70,635	75,308
Prepaid land lease payments	預付土地租賃款項	41,926	43,882
Intangible assets	無形資產	193	389
Deferred tax assets	遞延稅項資產	29,367	20,692
Deposit paid for intangible asset	就無形資產支付的按金	1,292	-
Pledged deposits	已抵押存款	1,871	3,578
		<b>179,904</b>	178,469
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	306,224	435,108
Trade and bills receivables	貿易應收款項及應收票據	605,895	592,011
Contract assets	合同資產	261,028	183,366
Prepaid land lease payments	預付土地租賃款項	1,956	1,956
Prepayment, deposits and other receivables	預付款項、按金及其他應收款項	65,999	60,106
Pledged deposits	已抵押存款	39,323	86,169
Bank and cash balances	銀行及現金結餘	15,339	41,696
		<b>1,295,764</b>	1,400,412
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and bills payables	貿易應付款項及應付票據	339,1822	394,869
Contract liabilities	合同負債	199,179	296,036
Other payables and accruals	其他應付款項及應計費用	32,790	29,189
Bank loans	銀行貸款	109,000	110,000
Tax payable	應付稅項	75,641	60,635
		<b>755,792</b>	890,729
<b>Net current assets</b>	<b>流動資產淨值</b>	<b>539,972</b>	509,683
NET ASSETS	資產淨值	<b>719,876</b>	688,152
<b>Capital and reserves</b>	<b>資本及儲備</b>		
Share capital	股本	135,000	135,000
Share premium	股份溢價	239,064	239,064
Reserves	儲備	345,812	314,088
TOTAL EQUITY	權益總額	<b>719,876</b>	688,152

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 31. CONTINGENT LIABILITIES

At the end of the reporting period, the Group and the Company did not have any significant contingent liabilities (2017: Nil).

### 31. 或然負債

於報告期末，本集團及本公司並無任何重大或然負債（二零一七年：無）。

### 32. RELATED PARTY TRANSACTIONS

### 32. 關聯方交易

		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
<b>Transactions with the holding company</b>	<b>與控股公司的交易</b>		
Rental expense	租金開支 (i)	238	1,794
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 (ii)	3,299	2,367
<b>Transaction with other related parties</b>	<b>與其他關聯方的交易</b>		
Sales of materials 浙江宇遠機械科技有限公司	銷售材料 浙江宇遠機械科技有限公司 (iii)	2	-
浙江天潔磁性材料股份有限公司	浙江天潔磁性材料股份有限公司 (iii)	-	24
Purchase of materials 浙江天潔新材料有限公司	採購材料 浙江天潔新材料有限公司 (iii)	733	-
Services received: 浙江天潔通用機械有限公司	接受服務： 浙江天潔通用機械有限公司 (iv)	6,130	13,107

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 32. RELATED PARTY TRANSACTIONS (Continued)

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties during the year:

- (i) The rental fee was charged and the rental income was received based on mutually agreed prices.
- (ii) The payments were made on behalf of the Group based on the actual costs incurred.
- (iii) 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.
- (iv) The services received from the related parties were based on mutually agreed prices and terms.

#### Key management personnel remuneration

The emoluments of the Company's Directors, who are also identified as members of key management of the Group, are set out in Note 12.

### 32. 關聯方交易 (續)

除該等財務報表其他部分詳述的交易外，本年度，本集團與關聯方有以下交易：

- (i) 租金費用及租金收入按雙方協定的價格支付及收取。
- (ii) 根據產生的實際成本代本集團支付款項。
- (iii) 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。
- (iv) 接受關聯方的服務乃按雙方協定的價格及條款進行。

#### 主要管理人員的薪酬

本公司董事（同時亦是本集團主要管理層的成員）的酬金於附註12披露。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 December 2018

截至二零一八年十二月三十一日止年度

### 33. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY 33. 本公司主要附屬公司的詳情

Particulars of the principal subsidiaries as at 31 December 2018 are as follows:

於二零一八年十二月三十一日主要附屬公司的詳情如下：

Name 名稱	Place of incorporation/ registration and operation 註冊成立/登記 及營業地點	Issued and paid-up capital 已發行及繳足資本	Percentage of the Company's indirect ownership interest voting power/profit sharing 本公司應佔間接擁有權權益 投票權/溢利分派百分比		Principal activities 主要業務
			2018 二零一八年	2017 二零一七年	
Tianjie Installation Engineering * 諸暨市天潔安裝工程有限公司	The PRC 中國	RMB4,500,000 人民幣4,500,000元	100% 100%	100% 100%	Provision of installation services 提供安裝服務
Tianjie Electronic and Technology * 諸暨市天潔電子科技有限公司	The PRC 中國	RMB2,000,000 人民幣2,000,000元	100% 100%	100% 100%	Manufacture and sale of electronic products 製造及銷售電子產品
Turpan Environmental and Technology * 吐魯番天潔環境科技有限公司	The PRC 中國	RMB20,000,000 人民幣20,000,000元	100% 100%	100% 100%	Manufacture and sale of environmental pollution prevention equipment and electronic products 製造及銷售環保污染防治 設備及電子產品

\* The English name is for identification purpose only.

\* 英文名稱僅供識別。

### 34. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS 34. 批准綜合財務報表

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 29 March 2019.

綜合財務報表已於二零一九年三月二十九日獲董事會批准及授權刊發。

## Five-Year Financial Summary

### 五年財務數據摘要

		For the year ended 31 December 截至十二月三十一日止年度				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	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
Continuing operations	持續經營業務					
Revenue	收益	<b>858,817</b>	792,152	956,432	919,975	781,905
Gross profit	毛利	<b>141,240</b>	199,102	234,033	186,576	143,159
Profit before tax from continuing operations	來自持續經營業務的稅前溢利	<b>46,408</b>	114,483	136,314	134,399	100,168
Income tax expense	所得稅開支	<b>15,172</b>	31,319	30,817	37,934	25,979
Profit for the year from continuing operations	來自持續經營業務之年內溢利	<b>31,236</b>	83,164	105,497	96,465	74,189
Discontinued operations	已終止經營業務					
Profit and total comprehensive income for the year	年內溢利及全面收入總額	<b>31,236</b>	83,164	105,497	96,465	74,189
Earnings per share attributable to owners 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	<b>0.23</b>	0.62	0.78	0.90	0.74
Gross profit margin	毛利率	<b>16.45%</b>	25.13%	24.47%	20.28%	18.31%
Net profit margin	純利率	<b>3.64%</b>	10.50%	11.03%	10.49%	9.49%

		As at 31 December 於十二月三十一日				
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	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
Non-current assets	非流動資產	<b>161,892</b>	161,352	103,730	104,748	129,027
Current assets	流動資產	<b>1,342,396</b>	1,478,208	1,587,611	1,422,808	780,195
Current liabilities	流動負債	<b>783,062</b>	949,570	1,084,535	1,026,227	668,460
Net current assets	流動資產淨值	<b>559,334</b>	528,638	503,076	396,581	111,735
Total assets less current liabilities	資產總值減流動負債	<b>721,226</b>	689,990	606,826	501,329	240,762
Net Assets	資產淨值	<b>721,226</b>	689,990	606,826	501,329	240,762
Capital	股本	<b>135,000</b>	135,000	135,000	135,000	100,000
Share Premium	股份溢價	<b>239,064</b>	239,064	239,064	239,064	—
Reserves	儲備	<b>347,162</b>	315,926	232,762	127,265	140,762
Total equity	權益總額	<b>721,226</b>	689,990	606,826	501,329	240,762



# TENGY

浙江天潔環境科技股份有限公司  
Zhejiang Tengy Environmental Technology Co., Ltd