

Stock Code 股份代號 : 2377

2018 年報



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Cheng Liquan Richard (*Chairman*)

Zeng Zhijun

Non-Executive Directors

Tony Tuo Zheng

Zhu Weihang

Chen Xue

Independent Non-Executive Directors

Liu Genyu

Xie Guozhong

Lu Zhifang

AUDIT COMMITTEE

Xie Guozhong (*Chairman*)

Tony Tuo Zheng

Liu Genyu

REMUNERATION COMMITTEE

Lu Zhifang (*Chairman*)

Zeng Zhijun

Liu Genyu

NOMINATION COMMITTEE

Cheng Liquan Richard (*Chairman*)

Xie Guozhong

Lu Zhifang

JOINT COMPANY SECRETARIES

Qian Xiaoning

Wong Wai Ling

AUTHORIZED REPRESENTATIVES

Zeng Zhijun

Wong Wai Ling

AUDITOR

Deloitte Touche Tohmatsu

Certified Public Accountants

35/F, One Pacific Place

88 Queensway, Hong Kong

董事會

執行董事

程里全(*主席*)

曾之俊

非執行董事

鄭拓

朱偉航

陳學

獨立非執行董事

劉根鈺

謝國忠

陸志芳

審核委員會

謝國忠(*主席*)

鄭拓

劉根鈺

薪酬委員會

陸志芳(*主席*)

曾之俊

劉根鈺

提名委員會

程里全(*主席*)

謝國忠

陸志芳

聯席公司秘書

錢曉寧

黃慧玲

授權代表

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黃慧玲

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執業會計師

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Cayman Islands

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40/F, Sunlight Tower
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Wanchai, Hong Kong

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皇后大道東248號
陽光中心40樓

HEADQUARTERS IN THE PRC

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63 East 3rd Ring Road Middle
Chaoyang District
Beijing, the PRC

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中國北京市
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COMPLIANCE ADVISOR

CMB International Capital Limited
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3 Garden Road, Central, Hong Kong

合規顧問

招銀國際融資有限公司
香港中環花園道3號
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As to Hong Kong law

William Ji & Co.
(in Association with Tian Yuan Law Firm Hong Kong Office)
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As to PRC law

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As to Cayman Islands Law

Maples and Calder (Hong Kong) LLP
53rd Floor, The Center
99 Queen's Road Central
Hong Kong

法律顧問

有關香港法律

紀曉東律師行
(天元律師事務所香港分所聯營所)
香港中環
德輔道中26號
華懋中心二期7樓702室

有關中國法律

通商律師事務所
中國北京市建國門外大街甲12號
新華保險大廈6層
郵編100022

有關開曼群島法律

邁普達律師事務所(香港)有限法律責任合夥
香港
皇后大道中99號
中環中心53樓



PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG BRANCH SHARE REGISTRAR

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

PRINCIPAL BANKERS

China Construction Bank, Chaoyang Branch
China Minsheng Bank, Sanyuanqiao Branch
China CITIC Bank, Beichen Branch
Jiangsu Bank, Xuanwumen Branch
China Merchants Bank, Jianguo Road Branch
Bank of China (Hong Kong) limited

STOCK CODE AND BOARD LOT

Stock Code:

2377

Board Lot:

1,000 shares

INVESTOR RELATIONS AND COMMUNICATIONS

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KY1-1102, Cayman Islands

香港股份過戶登記處分處

卓佳證券登記有限公司
香港
皇后大道東183號
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主要往來銀行

中國建設銀行朝陽支行
中國民生銀行三元橋支行
中信銀行北辰支行
江蘇銀行宣武門支行
招商銀行建國路支行
中國銀行(香港)有限公司

股份代號及買賣單位

股份代號:

2377

買賣單位:

1,000 股

投資者關係與聯絡

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FINANCIAL AND OPERATION HIGHLIGHTS

財務及營運摘要

ANNUAL RESULTS HIGHLIGHTS

For the year ended 31 December 2018, the revenue of the Company and its subsidiaries (the “Group”) amounted to RMB1,745 million, representing an increase of 31.3% as compared with last year.

For the year ended 31 December 2018, the gross profit of the Group amounted to RMB318 million and the gross profit margin of the Group was 18.2%, representing an increase of 7.1% and a decrease of 4.2 percentage points as compared with last year, respectively.

For the year ended 31 December 2018, the net profit of the Group amounted to RMB393 million, and the net profit margin of the Group was 22.5%, representing an increase of RMB430 million as compared with last year.

If excluding the gains from change in fair value of convertible ordinary shares, the adjusted net profit for the year ended 31 December 2018 would be RMB259 million. Adjusted net profit margin would be 14.8%, an increase of 32.1% and 0.1 percentage points compared with that for last year.

During the year ended 31 December 2018, the total value of contracts entered for newly built and upgraded environmental protection facilities engineering projects (including desulfurization, denitrification and dust removal projects) of the Group reached RMB1,036 million. Of which, the newly signed contracts for environmental protection facilities projects in the steel industry amounted to RMB520 million, and the cumulative steel mill sintering machine area was 1,344 m².

For the Group’s operation and maintenance business, the Group renewed 100% of its operation and maintenance contracts that expired in the year ended 31 December 2017. As at 31 December 2018, the Group had 18 operation and maintenance projects under operation with an aggregate installed capacity of 24,400 MW.

For the year ended 31 December 2018, the Group cumulatively undertook 9 concession operation projects with 3 under construction and 6 in operation.

The board (the “Board”) of directors (the “Directors”) of the Company recommend the payment of HK\$0.09 per ordinary share as final dividend for the year ended 31 December 2018 (2017: Nil).

年度業績摘要

截至2018年12月31日止年度，本集團及其附屬公司（「本集團」）的收益為人民幣1,745百萬元，較去年增長31.3%。

截至2018年12月31日止年度，本集團毛利為人民幣318百萬元及本集團的毛利率為18.2%，較去年分別增長7.1%及降低4.2個百分點。

截至2018年12月31日止年度，本集團的純利為人民幣393百萬元及本集團的純利率為22.5%，較去年增加人民幣430百萬元。

倘剔除可轉換普通股公允價值變動的收益，截至2018年12月31日止年度的經調整純利則為人民幣259百萬元；經調整純利率14.8%，較去年分別增長32.1%及增加0.1個百分點。

於截至2018年12月31日止年度，本集團已訂約新建及改造環保設施工程項目（包括脫硫、脫硝及除塵項目）的合約總值為人民幣1,036百萬元，其中，鋼鐵行業環保設施工程項目新簽合同額人民幣520百萬元，累計鋼廠燒結機面積1,344 m²。

就本集團的運營與維護業務，本集團續訂100%的於截至2017年12月31日止年度到期的運維合約。於2018年12月31日，本集團有18個投運的運維項目，總裝機容量為24,400兆瓦。

截至2018年12月31日止年度，本集團累計承接9個特許經營項目，包括3個在建項目及6個投運項目。

本公司董事（「董事」）會（「董事會」）已建議宣派截至2018年12月31日止年度之末期股息每股普通股0.09港元（2017年：無）。



FINANCIAL AND OPERATION HIGHLIGHTS (continued)

財務及營運摘要(續)

The following table sets forth the Company's consolidated statements of profit or loss and other comprehensive income for the periods indicated:

下表載列所示期間本公司的綜合損益及其他全面收益表：

		Year ended 31 December 截至12月31日止年度				
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元	2014 2014年 RMB'000 人民幣千元
Revenue	收益	1,744,998	1,329,078	1,352,955	1,351,416	1,238,759
Cost of sales and services	銷售及服務成本	(1,427,140)	(1,031,836)	(1,099,309)	(1,105,660)	(1,038,654)
Gross profit	毛利	317,858	297,242	253,646	245,756	200,105
Other income and other gains and losses	其他收入及其他收益及虧損	117,456	26,017	28,397	(5,495)	(6,377)
Selling and distribution expenses	銷售及分銷開支	(26,170)	(18,318)	(15,859)	(11,376)	(8,266)
Administrative expenses	行政開支	(109,103)	(88,892)	(72,376)	(62,889)	(58,276)
(Allowance) reversal of impairment losses on financial assets and contract assets	金融資產及合約資產的減值虧損(撥備)撥回	(3,816)	10,158	—	—	—
Share of profit of an associate	分佔聯營公司溢利	27,963	31,694	14,833	16,042	11,340
Finance costs	財務成本	(5,900)	(5,333)	(6,043)	(7,087)	(8,810)
Change in fair value of convertible ordinary shares	可轉換普通股之公允價值變動	133,541	(233,228)	—	—	—
Listing expenses	上市開支	(3,319)	(14,114)	(9,141)	—	—
Profit before tax	除稅前溢利	448,510	5,226	193,457	174,951	129,716
Income tax expense	所得稅開支	55,691	(42,255)	(41,416)	(36,781)	(25,751)
Profit (loss) for the year	年內溢利／(虧損)	392,819	(37,029)	152,041	138,170	103,965
Other comprehensive (expense) income for the year:	年內其他全面(開支)／收入：					
Items that will not be reclassified to profit or loss:	不會重新分類至損益的項目：					
Fair value loss on investments in equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收入的股本工具投資公允價值虧損	(5,460)	—	—	—	—
Income tax relating to investments in equity instrument at fair value through other comprehensive income	有關按公允價值計入其他全面收入的股本工具投資的所得稅	819	—	—	—	—
		(4,641)	—	—	—	—



		Year ended 31 December 截至12月31日止年度				
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元	2014 2014年 RMB'000 人民幣千元
Items that may be subsequently reclassified to profit or loss:	其後可能重新分類至損益的項目：					
Change in fair value of an available-for-sale investment	可供出售投資的公允價值變動	—	7,000	(3,600)	2,240	2,906
Income tax relating to items that may be reclassified subsequently	有關其後可能重新分類的項目的所得稅	—	(1,051)	540	(336)	(143)
		—	5,949	(3,060)	1,904	432
Total comprehensive income (expense) for the year	年內全面收入／(開支)總額	388,178	(31,080)	148,981	140,074	104,397
Profit (loss) for the year attributable to:	以下應佔年內溢利／(虧損)：					
Owners of the Company	本公司擁有人	394,359	(36,418)	152,041	137,585	103,640
Non-controlling interests	非控股權益	(1,540)	(611)	—	585	325
		392,819	(37,029)	152,041	138,170	103,965
Total comprehensive income (expense) for the year attributable to:	以下應佔年內全面收入／(開支)總額：					
Owners of the Company	本公司擁有人	389,718	(30,469)	148,981	139,489	104,072
Non-controlling interests	非控股權益	(1,540)	(611)	—	585	325
		388,178	(31,080)	148,981	140,074	104,397
Earnings (loss) per share – Basic (RMB)	每股盈利／(虧損) — 基本(人民幣)	0.44	(0.08)	0.25	0.23	0.17
– Diluted (RMB)	— 攤薄(人民幣)	0.27	(0.08)	0.25	N/A 不適用	N/A 不適用



FINANCIAL AND OPERATION HIGHLIGHTS (continued)

財務及營運摘要(續)

The following table sets forth selected items from the Company's consolidated statements of financial position as at the dates indicated:

下表載列於所示日期本公司綜合財務狀況表的選定項目：

		Year ended 31 December 截至12月31日止年度				
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元	2014 2014年 RMB'000 人民幣千元
ASSETS	資產					
Total non-current assets	非流動資產總額	1,253,016	1,148,815	706,450	484,626	411,663
Total current assets	流動資產總額	2,277,234	1,695,867	1,635,406	1,683,298	1,735,027
Total assets	資產總額	3,530,250	2,844,682	2,341,856	2,167,924	2,146,690
LIABILITIES AND EQUITY	負債及權益					
Total current liabilities	流動負債總額	1,337,058	1,309,524	1,277,711	1,021,386	1,047,979
Total non-current liabilities	非流動負債總額	20,018	782,129	47,000	67,000	87,000
Total equity	權益總額	2,173,174	753,029	1,017,145	1,079,538	1,011,711
Total liabilities and equity	負債及權益總額	3,530,250	2,844,682	2,341,856	2,167,924	2,146,690

The following table sets forth a summary of the consolidated statements of cash flows for the periods indicated:

下表載列所示期間綜合現金流量表概要：

		At 31 December 截至12月31日止年度				
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元	2014 2014年 RMB'000 人民幣千元
Net cash from operating activities	經營活動所得現金淨額	85	265	110	171	251
Net cash (used in) from investing activities	投資活動(所用)所得現金淨額	(376)	38	(318)	(35)	61
Net cash from financing activities	融資活動所得現金淨額	369	58	28	(139)	(78)



CHAIRMAN'S STATEMENT

主席報告書

Chairman of the Board
Cheng Liquan Richard

董事會主席
程里全





Dear Shareholders,

2018 has been a year of significant milestone for the Group. The Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited on 16 March 2018. This is yet another breakthrough in the development of the Group and a new starting point for the Group to achieve leapfrog development. In 2018, in face of a complex and volatile market environment, the Group upheld the principle of being steady and proactive, seized the opportunity of its listing, introduced domestic and foreign strategic partners, and actively explored market space, with "industry and capital" as its aim. The mutual integration and promotion of capital and industry has opened the path of gradual progress towards becoming a comprehensive environmental protection industry group.

In 2018, in face of the overall economic slowdown and intensified industry competition, the Group strived to expand its business, improve its management, seek breakthroughs, continue to maintain a good development trend, as such a remarkable result has been achieved and the Group has successfully expanded our market share in non-electrical industries such as petrochemicals, steel and electrolytic aluminum. During the year, we recorded an operating income of 1,745 million, which rose by 31.3% year-on-year, and a net profit of 393 million, representing an increase of 430 million year-on-year. The Group's overall business remains healthy, sustainable and was in a rapid development.

In 2018, China continued to attach great importance to environmental protection work, and the Ministry of Environmental Protection has highlighted pollution control in three major areas which are air, water and soil. In 2018, the newly revised Water Pollution Prevention and Control Law was implemented. On 3 July, the State Council issued the Three-Year Action Plan to Win the Blue Sky Defense War. On 31 August, the Fifth Session of the Standing Committee of the 13th National People's Congress has voted and approved to continue the implementation of The Law of the People's Republic of China on Soil Pollution Prevention and Control and to deepen reforms in the field of environmental protection, strengthening the construction of environmental laws and regulations, as well as improving the system of environmental governance. China's environmental protection industry will continue to usher in a huge room for development and bring great opportunities for the development of the Group.

尊敬的各位股東：

2018年是本集團具有里程碑意義的一年。本集團於2018年3月16日成功在香港聯合交易所有限公司主板上市，這是本集團發展中的又一突破，是本集團實現跨越式發展的新起點。2018年，面對複雜多變的市場環境，本集團堅持穩健進取的方針，以上市為契機，引進國內外戰略合作夥伴，積極開拓市場空間，以「產業與資本」為雙翼，實現資本與產業的相互融合與促進，開啟逐步向綜合性環保產業集團邁進的步伐。

2018年，面對整體經濟發展減緩、行業競爭加劇的局勢，本集團努力拓展業務，完善管理，尋求突破，繼續保持良好的發展態勢，取得驕人成績，成功擴大了石化、鋼鐵、電解鋁等非電領域的市場佔有率。於本年度錄得營業收入1,745百萬元，同比增長31.3%；實現淨利潤393百萬元，同比增長430百萬元。集團整體業務保持健康、持續、快速發展。

2018年，國家繼續高度重視環保工作，環保部更加突出水、大氣、土壤三大領域污染治理。2018年開年實施新修訂的《水污染防治法》，7月3日國務院印發《打贏藍天保衛戰三年行動計劃》，8月31日十三屆全國人大常委會第五次會議表決通過了《中華人民共和國土壤污染防治法》，繼續實施和深化環保領域改革，加強環境法治建設，完善環境治理體系。中國環保行業將繼續迎來巨大的空間，為本集團發展帶來極大機遇。



The Chinese economy is shifting from high-speed growth to high-quality development. In the future, the Group will step up its efforts to further improve its company management and strengthen its risk control, actively exploring other niche markets for environmental protection projects, cultivating professional talents, and promoting the continuous development of its main businesses and new businesses so that the Group's operating performance will maintain its steady growth.

The Group has always upheld to the philosophy of letting everyone live under the blue sky and white clouds. Dedicated to environmental protection business for more than ten years, the Group is committed to improving air quality and human living environment. I am proud of the past achievements of the Group in environmental protection and I have confidence in the future development of the Group. I believe that with the support of all shareholders, under the leadership of the Board and with the efforts of all staff, the Group will continue to shoulder the responsibility of environmental protection and create quality projects, building the "Boqi" brand as well as striving to become a professional, leading and sustainably growing, international, first-class environmental protection industry group.

Cheng Liquan Richard

Chairman

26 March 2019

中國經濟正從高速增長向高質量發展轉變，未來，本集團將緊隨時代步伐，進一步提高公司治理並加強風險控制，積極開拓環保其他細分領域市場，培養專業人才隊伍，推動主營業務和新業務持續發展，集團經營業績保持持續穩定的增長態勢。

本集團一直秉持讓所有人生活在藍天白雲之下之理念，為環保事業竭力奉獻十餘載，為改善空氣質量和人類生活環境潛心經營，本人對本集團過去所取得的環保事業成就倍感榮耀，對未來本集團的發展態勢充滿信心。相信在各位股東的支持下，在董事會的帶領下，在全體員工的努力下，本集團將繼續承擔環保重任，打造精品工程，鑄就「博奇」品牌，努力成為專業、領先、持續發展的國際化一流的环境產業集團。

程里全

主席

2019年3月26日



CHIEF EXECUTIVE OFFICER'S STATEMENT

行政總裁報告書

Dear Shareholders,

2018 was the 40th anniversary of China's reform and opening up. For the 40 years of braving the storms together, overcoming challenges and forging ahead, the construction of ecological civilization has been an important part of this magnificent history of China. Over the past 40 years, China has always adhered to the value of environmental protection and resource conservation, and has insisted on promoting the construction of ecological civilization. With the promulgation and implementation of a series of environmental protection policies, energy conservation and emission reduction have made significant progress.

In 2018, due to the influence of external factors caused by a series of black swan events such as the Fed's rate hikes and the Sino-US trade war, there were significant uncertainties in the global economy and the domestic economy in the PRC remained stagnant. Under the primary goals to eliminate excess production capacity, deleverage and remove economic bubbles, the Chinese government continued to increase the governance of heavily polluting industries such as power, cement, steel and chemicals, spurring the market demand for environmental protection industries.

In 2018, the growth rate of the investment market in the environmental protection industry slowed down with increasing difficulty for corporate financing. This prompted the adjustment in the internal structure of the industry, maintaining a steady growth momentum for the industry and accelerating the competition for the survival of the fittest. As a leader in the industry facing all these challenges in the market, the Company's management continued to expand the market in the non-electricity fields and attract new customers while actively extending the service model for the existing customers, thoroughly integrating our concept of one-stop service with the customers' needs. Meanwhile, we continued to improve the internal management system, establish an independent audit center within our business system, optimize internal resource allocation, release the internal vitality of the enterprise, reduce costs, and enhance the Company's market competitiveness.

尊敬的各位股東：

2018年是中國改革開放40周年。40年風雨同舟，40年披荊斬棘，40年砥礪奮進，在這幅波瀾壯闊、氣勢恢宏的歷史畫卷中，生態文明建設也是其中濃墨重彩的一筆。40年來，中國始終堅持保護環境和節約資源，堅持推進生態文明建設，隨著一系列環保政策的頒佈與實施，節能減排取得重大進展。

2018年全年受美聯儲加息、中美貿易戰等一系列「黑天鵝事件」的外部因素影響，全球經濟都存在重大不確定性，國內經濟也持續低迷。中國經濟在去產能、去槓桿、去泡沫的大目標下，國家依然持續加大電力、水泥、鋼鐵及化工等重污染行業的治理力度，有利地拉動了環保產業的市場需求。

2018年環保產業的投資市場增幅放緩，企業融資難度增大，促進了行業內調結構、穩增長的局面，加速了行業競爭優勝劣汰的進程。作為行業的佼佼者，面對市場的考驗，公司管理層繼續加大非電領域的市場開拓，拓展新客戶的同時，積極延伸老客戶的服務模式，將我們「一站式」的服務理念與客戶的需求完美融合。同時，繼續完善內部管理體制，建立業務體系內的獨立核算中心，優化內部資源配置，釋放企業內在活力，降低成本，提升公司市場競爭能力。



In 2018, while maintaining stability, the Group showed initiative and achieved outstanding performance, highlighting the strength and the future development potential of the Company. In 2018, the contract value of the Group's new contracts was approximately RMB1,783 million, representing an increase of RMB389 million over 2017. The total contract value of newly contracted EPC projects was approximately RMB1,036 million, of which the contract value of the new EPC projects for the steel industry was RMB520 million. The cumulative number of O&M projects in operation was 18 with an aggregate installed capacity of 24,400 MW. There were 9 cumulative concession operation projects, with 3 under construction and 6 in operation. All members of the Group have united and worked together to achieve an outstanding business performance with sufficient cash flow, laying an important foundation for the Company's development.

In 2019, the Group will comprehensively improve the profitability of each business segment. In addition to the traditional power industry, the Group will emphasize the development of the flue gas treatment market in non-electricity industries such as petrochemicals, steel and electrolytic aluminum, as well as improving technology reserves and innovating the development model of concession operations. Apart from that, the Group will enhance its capital operation level and actively participate in municipal sewage treatment and industrial sewage treatment business through mergers and acquisitions. The advantages of a listed company in the capital market will be leveraged to increase the Group's enterprise value.

In the future, in view of the new starting points, the environmental protection industry will develop new rules. Set to seize the development opportunities and shoulder the heavy responsibility for environmental protection, the Group will overcome the difficulties and embrace the challenges.

Zeng Zhijun

Chief Executive Officer

Hong Kong, 26 March 2019

2018年本集團穩健進取，表現卓越，彰顯了公司實力及未來發展潛力。於2018年，本集團新簽市場合同金額約人民幣1,783百萬元，較2017增加人民幣389百萬元；新訂約EPC項目合約總值約人民幣1,036百萬元，其中，鋼鐵行業新簽EPC項目合同額約人民幣520百萬元；累計投運運維項目18個，總裝機容量為24,400兆瓦；累計執行9個特許經營項目，其中3個在建項目及6個投運項目。集團上下團結一致，齊心經營，取得突出的經營業績並獲得充裕的現金流量，為公司發展奠定了重要基礎。

2019年本集團將全面提升各業務板塊盈利能力。除傳統電力行業外，本集團將大力開拓石化、鋼鐵、電解鋁等非電行業煙氣治理市場，並提高技術儲備，創新特許經營發展模式。此外，本集團將提高資本運作水平，通過收並購形式積極參與市政污水處理和工業污水治理業務。利用上市公司資本市場優勢，實現企業價值增值。

未來，環保行業將面臨新的起點，建立新的規則。本集團勢必抓住發展機遇，勇於承擔環保重任，克服艱險，迎接挑戰。

曾之俊

行政總裁

香港，2019年3月26日



COMPANY PROFILE

公司簡介

The Group commenced the flue gas treatment business in 2003 and is among the first independent participants in the flue gas treatment industry in China. The Group provides a variety of technologies and services to coal-fired power plants to reduce pollutant emissions and improved their production efficiency. The Group has strategically leveraged its solid experience and professional capabilities in R&D and design, construction and implementation, operation and management to achieve synergies among various business segments and to provide integrated environmental protection and energy conservation solutions to the Group's customers. Particularly, the Group provides a range of services primarily for controlling air pollution at coal-fired power plants, including desulfurization services, denitrification services, dust removal services, and integrated flue gas treatment services. In addition, the Group provides water treatment services for power plants. The projects of the Group have a broad geographic coverage, covering almost 30 provinces, municipalities and autonomous regions in China. Furthermore, the Group started to expand its business into the overseas markets in 2007, ahead of most of our competitors. In particular, the Group has undertaken more than 10 quality desulfurization and denitrification projects in Europe, South Asia, Latin America, Africa and Southeast Asia, and is one of the few PRC companies having successfully completed thermal power environmental protection projects in overseas markets.

The Group has advanced R&D equipment and facilities and has also established a professional R&D team. The Group has established an enterprise technology center which was accredited by the Beijing Municipality Commission of Economic and Information Technology and a post-doctoral research station with Nankai University. In recent years, the Group has established strategic partnerships with world-renowned multinational companies and has entered into extensive science and research cooperation with domestic and overseas research institutes for proactively seeking technology development.

本集團於2003年開始經營煙氣處理業務，是中國煙氣處理行業的首批獨立參與者。本集團向燃煤電廠提供各種技術及服務以降低污染物排放量及提高其生產效率。本集團戰略性地憑藉其研發與設計、建設與運行、經營與管理的豐富經驗及專業能力，取得多項分部業務之間的協同效應，並向客戶提供環保及節能解決方案。具體而言，本集團提供多項服務，主要處理燃煤電廠的大氣污染控制，包括脫硫服務、脫硝服務、除塵服務以及綜合煙氣處理服務。此外，本集團提供發電廠的污水處理服務。本集團的項目地理覆蓋範圍廣泛，遍及中國近30個省、市及自治區。不但如此，本集團於2007年在眾多競爭對手中率先佈局海外市場。具體而言，本集團已先後承接位於歐洲、南亞、拉丁美洲、非洲及東南亞等十餘項高質量的脫硫脫硝項目，是少數成功完成海外火電環保項目的中國公司之一。

本集團擁有先進的研發設備及設施和專業的研發隊伍。本集團設有北京市經濟和信息化委員會認定的企業技術中心及南開大學的企業博士後科研工作站。近年來，本集團已與世界知名的跨國公司建立戰略夥伴關係，並於國內外研究機構開展廣泛的科研合，積極推進技術發展。



DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層

DIRECTORS

The Board currently consists of eight Directors, comprising two executive Directors, three non-executive Directors and three independent non-executive Directors. The following table sets forth information regarding the Directors.

董事

董事會現有八位董事，包括兩位執行董事、三位非執行董事及三位獨立非執行董事。下表載列有關董事的資料。

Name 姓名	Age 年齡	Position 職位	Date of Appointment as Director 獲委任為董事日期
Executive Directors 執行董事			
Mr. Cheng Liquan Richard (程里全) 程里全先生	53	Chairman and executive Director 董事長及執行董事	30 January 2015 2015年1月30日
Mr. Zeng Zhijun (曾之俊) 曾之俊先生	48	Vice Chairman, executive Director, chief executive officer 副董事長、執行董事及行政總裁	30 January 2015 2015年1月30日
Non-executive Directors 非執行董事			
Mr. Tony Tuo Zheng (鄭拓) 鄭拓先生	50	Non-executive Director 非執行董事	30 January 2015 2015年1月30日
Mr. Zhu Weihang (朱偉航) 朱偉航先生	32	Non-executive Director 非執行董事	9 January 2017 2017年1月9日
Mr. Chen Xue (陳學) 陳學先生	52	Non-executive Director 非執行董事	9 January 2017 2017年1月9日
Independent non-executive Directors 獨立非執行董事			
Mr. Liu Genyu (劉根鈺) 劉根鈺先生	55	Independent non-executive Director 獨立非執行董事	28 February 2018 2018年2月28日
Dr. Xie Guozhong (謝國忠) 謝國忠博士	58	Independent non-executive Director 獨立非執行董事	28 February 2018 2018年2月28日
Mr. Lu Zhifang (陸志芳) 陸志芳先生	65	Independent non-executive Director 獨立非執行董事	28 February 2018 2018年2月28日



EXECUTIVE DIRECTORS

Mr. Cheng Liquan Richard (程里全) ("Mr. Cheng"), aged 53, is the chairman of the Board, an executive Director and the chairman of the Nomination Committee of the Company. Mr. Cheng is primarily responsible for the overall strategic planning and direction of the Group. Mr. Cheng was appointed to the Board on 30 January 2015.

Mr. Cheng joined the Group serving as a director of Beijing Boqi Electric Power SCI-TECH Co., Ltd.* (北京博奇電力科技有限公司) ("Beijing Boqi"), the major operating subsidiary of the Group, on 15 June 2005. Mr. Cheng became the chairman of the board of Beijing Boqi in December 2007 and then served as its chief executive officer from December 2009 to February 2017. Mr. Cheng currently serves as the general manager of Beijing Boqi, a director of Beijing Shengyi Tiancheng Environmental SCI-TECH Co., Ltd.* (北京聖邑天成環保科技有限公司) ("Beijing Shengyi"), Zhejiang Boqi Electric Power SCI-TECH Co., Ltd.* (浙江博奇電力科技有限公司) ("Zhejiang Boqi") and Anhui Nengda Fuel Co., Ltd.* (安徽能達燃料有限公司) ("Anhui Nengda"). Prior to joining the Group, Mr. Cheng held various positions at Bit Technology Holding Co., Ltd.* (比特科技控股股份有限公司), a company that was principally engaged in the wholesale of spare parts for power plants, from April 2000 to March 2003, including deputy manager, general manager, the chairman of the board and a director. Mr. Cheng has been a director of Ningbo Bonded Area Jiujiu Leasing Co. Ltd.* (寧波保稅區久久租賃有限公司) (previously known as Ningbo Huaneng Leasing Co. Ltd.* (寧波華能租賃有限公司)) ("Ningbo Leasing") from 2004 to 2007.

Mr. Cheng graduated from Fudan University with a bachelor's degree in political economy in July 1987.

From June 2010 to September 2014, Mr. Cheng served as a director of Wuhan Boch Jaco Environmental Co., Ltd.* (武漢博奇玉宇環保股份有限公司) (National Equities Exchange and Quotations Stock Code: 831100). From August 2011 to March 2017, Mr. Cheng was a director of Shanghai ZJ Bio-Tech Co., Ltd.* (上海之江生物科技股份有限公司) (National Equities Exchange and Quotations Stock Code: 834839). Save as disclosed above, Mr. Cheng did not hold directorships in any listed public companies in the last three years.

執行董事

程里全先生(「程先生」)，53歲，為本公司董事會主席、執行董事及提名委員會主席。程先生主要負責本集團整體策略規劃及引導。程先生於2015年1月30日獲委任加入董事會。

程先生於2005年6月15日加入本集團，擔任本集團主要營運附屬公司北京博奇電力科技有限公司(「北京博奇」)的董事。程先生於2007年12月成為北京博奇的董事會主席，隨後自2009年12月至2017年2月間亦擔任北京博奇的行政總裁。程先生目前亦擔任北京博奇的總經理、北京聖邑天成環保科技有限公司(「北京聖邑」)、浙江博奇電力科技有限公司(「浙江博奇」)及安徽能達燃料有限公司(「安徽能達」)的董事。加入本集團前，程先生自2000年4月至2003年3月於主要從事批發發電廠備件的公司比特科技控股股份有限公司擔任多個職務，包括副經理、總經理、董事會主席及董事。程先生自2004年至2007年為寧波保稅區久久租賃有限公司(「寧波租賃」，前稱寧波華能租賃有限公司)的董事。

程先生於1987年7月獲得復旦大學政治經濟學士學位。

於2010年6月至2014年9月，程先生於武漢博奇玉宇環保股份有限公司(全國中小企業股份轉讓系統股份號碼：831100)擔任董事。自2011年8月起至2017年3月，程先生為上海之江生物科技股份有限公司(全國中小企業股份轉讓系統股份號碼：834839)的董事。除上文所披露者外，程先生在過去三年並無於任何上市公司擔任董事職務。



Mr. Zeng Zhijun (曾之俊) (“Mr. Zeng”), aged 48, is the vice chairman, an executive Director, the chief executive officer and a member of the Remuneration Committee of the Company. Mr. Zeng is responsible for the overall management and operation of the Group. Mr. Zeng was appointed to the Board on 30 January 2015. Mr. Zeng joined the Group in June 2004 serving as a director of Beijing Boqi and became the vice chairman of Beijing Boqi in June 2007. Mr. Zeng currently serves as the vice chairman and the chief executive officer of Beijing Boqi. Since February 2005, Mr. Zeng has served as a director a director of Richinfo Technology Co., Ltd.* (彩訊科技股份有限公司) (formerly known as Shenzhen Richinfo Technology Co., Ltd.* (深圳市彩訊科技股份有限公司)) (a listed company on the Shenzhen Stock Exchange, stock code: 300634), a company that provides mobile Internet technology services in the PRC. Mr. Zeng served as the chairman of Beijing Horizon Media Group Inc.* (北京華亞和訊科技有限公司) from December 2002 to October 2004.

Mr. Zeng graduated from Beijing Institute of Technology (北京理工大學) with a bachelor's degree in computer science and engineering in July 1992. Mr. Zeng received a master's degree in business administration from Massachusetts Institute of Technology in June 2001. Mr. Zeng was awarded the degree of Doctor of Management from The Hong Kong Polytechnic University on 3 November 2010.

Since April 2016, Mr. Zeng has served as a director of Wuxi Zhonggan Microelectronics Co., Ltd. (無錫中感微電子股份有限公司) (National Equities Exchange and Quotations Stock Code: 835399). Save as disclosed above, Mr. Zeng did not hold directorships in any public listed companies in the last three years.

曾之俊先生(「曾先生」)，48歲，本公司副董事長、執行董事、行政總裁及薪酬委員會成員。曾先生負責本集團整體管理及運營。曾先生於2015年1月30日獲委任加入董事會。曾先生於2004年6月加入本集團，擔任北京博奇的董事，並於2007年6月成為北京博奇的副董事長。曾先生目前擔任北京博奇的副董事長兼行政總裁。自2005年2月起，曾先生擔任彩訊科技股份有限公司(前稱深圳市彩訊科技有限公司，一間於深圳證券交易所上市的公司(股票代碼：300634))董事，該公司於中國提供移動互聯網技術服務。於2002年12月至2004年10月，曾先生擔任北京華亞和訊科技有限公司董事長。

曾先生於1992年7月獲得北京理工大學計算機科學及工程學士學位。曾先生於2001年6月獲得麻省理工學院工商管理碩士學位。曾先生於2010年11月3日獲授香港理工大學管理學博士學位。

曾先生自2016年4月起擔任無錫中感微電子股份有限公司(全國中小企業股份轉讓系統股份代碼：835399)的董事。除上文所披露者外，曾先生在過去三年並無於任何上市公司擔任董事職務。



NON-EXECUTIVE DIRECTORS

Mr. Tony Tuo Zheng (鄭拓) ("Mr. Zheng"), aged 50, is a non-executive Director and a member of the Audit Committee of the Company. Mr. Zheng also served as a director of Beijing Boqi. Mr. Zheng was appointed to the Board on 30 January 2015.

From May 2011 to August 2016, Mr. Zheng served as a director of CITIC Securities International Asset Management Limited (中信証券國際資產管理有限公司), a private company incorporated in Hong Kong. In 2008, Mr. Zheng established MTP Capital Limited, a company that provides investment related consulting services, where he is mainly responsible for the overall management and operation of the company. From September 2000 to March 2010, Mr. Zheng was a director of Compass Venture (China) Limited, a private company incorporated in Hong Kong.

Mr. Zheng received a bachelor's degree in science from McMaster University in Canada in June 1992.

Mr. Zheng did not hold directorships in any public listed companies in the last three years.

Mr. Zhu Weihang (朱偉航) ("Mr. Zhu"), aged 32, is a non-executive Director of the Company. Mr. Zhu was appointed to the Board on 9 January 2017. Mr. Zhu also served as a director of Beijing Boqi.

Mr. Zhu is currently the vice president of Guangdong Pearl River Investment Co., Ltd.* (廣東珠江投資股份有限公司), where he is primary responsible for the coordination of the financing management. Mr. Zhu has been working at Guangdong Pearl River Investment Co., Ltd.* (廣東珠江投資股份有限公司) since September 2008, where he has held various positions in its different branch companies. From September 2008 to September 2011, Mr. Zhu worked at the Guangdong Pearl River Investment Co., Ltd. Finance Management Center* (廣東珠江投資股份有限公司融資管理中心) where he held positions as a financing chief executive, assistant to the director, deputy director and director. From October 2011 to September 2012, Mr. Zhu worked at the North China branch office of Guangdong Pearl River Investment Co., Ltd. (廣東珠江投資股份有限公司) as the deputy general manager and the standing deputy general manager.

Mr. Zhu graduated from Sun Yat-sen University (中山大學) with a bachelor's degree in finance in June 2012.

Mr. Zhu did not hold directorships in any public listed companies in the last three years.

非執行董事

鄭拓先生(「鄭先生」)，50歲，為本公司非執行董事及審核委員會成員。鄭先生亦擔任北京博奇的董事。鄭先生於2015年1月30日獲委任加入董事會。

於2011年5月至2016年8月期間，鄭先生擔任中信証券國際資產管理有限公司(一間於香港註冊成立的私人公司)之董事。鄭先生於2008年創辦MTP Capital Limited，該公司提供投資相關諮詢服務，彼主要負責該公司整體管理及營運。於2000年9月至2010年3月期間，鄭先生擔任Compass Venture (China) Limited(一間於香港註冊成立的私人公司)之董事。

鄭先生於1992年6月獲得加拿大麥克馬斯特大學理學學士學位。

鄭先生在過去三年並無於任何上市公司擔任董事職務。

朱偉航先生(「朱先生」)，32歲，為本公司非執行董事。朱先生於2017年1月9日獲委任加入董事會。朱先生亦擔任北京博奇的董事。

朱先生現任廣東珠江投資股份有限公司副總裁，主要負責協調財務管理。朱先生自2008年9月起於廣東珠江投資股份有限公司任職並於不同的分公司擔任多個職位。於2008年9月至2011年9月，朱先生於廣東珠江投資股份有限公司融資管理中心任職，擔任融資事務主管、總監助理、副總監及總監。於2011年10月至2012年9月，朱先生於廣東珠江投資股份有限公司華北地區公司任職，擔任副總經理及常務副總經理。

朱先生於2012年6月自中山大學畢業，獲金融學學士學位。

朱先生在過去三年並無於任何上市公司擔任董事職務。



Mr. Chen Xue (陳學) (“Mr. Chen”), aged 52, is a non-executive Director of the Company. Mr. Chen was appointed to the Board on 9 January 2017. Mr. Chen also served as a director of Beijing Boqi.

Mr. Chen has been the division chief of the mergers and acquisitions division of the capital operation department of Sinopec Group (中國石油化工集團公司) since March 2015, where he is primarily responsible for the capital market research and internal restructuring of the company. From March 2001 to March 2015, Mr. Chen was the deputy division chief and division chief of various departments and divisions of Sinopec Group (中國石油化工集團公司) including the restructuring department, department of enterprise reform, operation management department of refining and chemical enterprises, and the asset management company. Mr. Chen worked at China Sinopec Great Wall Lubricating Oil Limited (中國石化長城潤滑油公司) (an integrated lubricating oil service provider in the PRC) from July 1989 to March 2001. In 2013, Mr. Chen was recognized as professor-level senior economist by the Senior Professional Technical Qualification Appraisal Committee of Sinopec Group (中國石油化工集團公司). In January 2018, Mr. Chen was the deputy head of the capital operation department of Sinopec Group (中國石油化工集團公司) and deputy general manager of Asset Operation and Management Company Limited (資產經營管理有限公司). He was mainly responsible for the capital operation, safety and environmental protection management.

Mr. Chen received his bachelor's degree in petroleum processing from East China College of Chemistry and Technology (華東化工學院) (now known as East China University of Science and Technology (華東理工大學)) in July 1989. Mr. Chen received his master's degree in management from Renmin University of China (中國人民大學) in June 2001.

Mr. Chen did not hold directorships in any listed public companies in the last three years.

陳學先生(「陳先生」)，52歲，為本公司非執行董事。陳先生於2017年1月9日獲委任加入董事會。陳先生亦擔任北京博奇的董事。

自2015年3月，陳先生一直擔任中國石油化工集團公司資本運營部資本併購重組處處長，主要負責資本市場研究及公司內部重組。自2001年3月至2015年3月，陳先生為中國石油化工集團公司多個部門及分部的副處長及處長，包括重組辦、企業改革部、煉化企業經營部及資產管理公司。陳先生於1989年7月至2001年3月於中國石化長城潤滑油公司(中國綜合潤滑油服務提供商)任職。於2013年，陳先生獲中國石油化工集團公司高級專業技術職務任職資格評審委員會評選為教授級高級經濟師。於2018年1月，任中國石油化工集團公司資本運營部副主任、資產經營管理有限公司副總經理，主要負責資本運作、安全環保管理工作。

陳先生於1989年7月獲華東化工學院(現稱華東理工大學)石油加工學士學位。於2001年6月，陳先生獲中國人民大學企業管理學碩士學位。

陳先生在過去三年並無於任何上市公司擔任董事職務。



INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Liu Genyu (劉根鈺) ("Mr. Liu"), aged 55, is an independent non-executive Director and a member of the Remuneration Committee and Audit Committee of the Company. He was appointed to the Board on 28 February 2018. Mr. Liu does not hold any other position with the members of the Group.

Mr. Liu is currently a non-executive director of Huazhong In-vehicle Holdings Company Limited (華眾車載控股有限公司), a Stock Exchange listed company (stock code: 6830) manufactures and sells internal and external decorative and structural automobile parts, molds and tooling, casing and liquid tank of air conditioning or heater units and other non-automobile products. Mr. Liu currently serves as an executive director and vice chairman of China Nuclear Energy Technology Corporation Limited (中國核能科技集團有限公司), a listed company on the Stock Exchange (stock code: 611) engages in EPC operations and consulting services, solar power generation operations and financing operations.

Mr. Liu has extensive experience in project development, commercial negotiation and operational management in the electric power industry. During the period from May 2007 to December 2012, Mr. Liu was the chief executive officer as well as an executive director, a member of the executive committee and the authorized representative of China Power New Energy Development Company Limited (中國電力新能源發展有限公司), a Stock Exchange listed company (stock code: 735) that engages in developing, constructing, owning, operating and managing clean energy power plants. Prior to that, Mr. Liu served as the vice president of Chongqing Jiulong Electric Power Co., Ltd* (重慶九龍電力股份有限公司) (principally engaged in electric power production), a company listed on the Shanghai Stock Exchange (stock code: 600292), and he was mainly responsible for construction projects and market management.

Mr. Liu received his bachelor's degree in industrial electric automation from Harbin Institute of Technology in June 1991. Mr. Liu was awarded an executive master's degree in business administration (EMBA) from Tsinghua University in July 2005.

Save as disclosed above, Mr. Liu did not hold directorships in any listed public companies in the last three years.

獨立非執行董事

劉根鈺先生(「劉先生」)，55歲，為本公司獨立非執行董事及薪酬委員會及審核委員會成員。彼於2018年2月28日獲委任加入董事會。劉先生並無於本集團成員公司擔任任何其他職務。

劉先生現為華眾車載控股有限公司的非執行董事。該公司於聯交所上市(股份代號：6830)，從事製造及出售汽車內部和外部裝飾及結構部件、模具及工具、空調或暖氣機組外殼及儲液罐和其他非汽車產品。劉先生現為中國核能科技集團有限公司的執行董事及副董事長。該公司為一間聯交所上市公司(股份代號：611)，從事EPC業務及諮詢服務、太陽能發電業務及融資業務。

劉先生於電力行業的項目開發、商務談判及營運管理擁有豐富的經驗。劉先生於2007年5月至2012年12月期間在中國電力新能源發展有限公司(一間從事開發、建造、擁有、營運和管理潔淨能源發電廠業務的聯交所上市公司，股份代號：735)工作，擔任行政總裁、執行董事、執行委員會成員和授權代表。在此之前，劉先生出任重慶九龍電力股份有限公司(一間於上海證券交易所上市並主要從事發電業務的公司，股票代碼：600292)的副總裁，主要負責建造項目及市場管理。

劉先生於1991年6月獲得哈爾濱工業大學工業電氣自動化學士學位，並於2005年7月獲得清華大學高級管理人員工商管理碩士學位(EMBA)。

除上文所披露者外，劉先生在過去三年內並無於任何上市公司擔任董事職務。



Dr. Xie Guozhong (謝國忠) (“Dr. Xie”), aged 58, is an independent non-executive Director, the chairman of the Audit Committee and a member of the Nomination Committee of the Company. He was appointed to the Board on 28 February 2018. Dr. Xie does not hold any other position with the members of the Group.

Dr. Xie is an independent economist based in the PRC and is a columnist for publications including South China Morning Post, The New Century Weekly (renamed as Caixin) and Bloomberg where he published his articles analyzing and consulting on global economics and financial markets. Dr. Xie was named as one of the “50 most influential persons in finance” by Bloomberg in 2013. Dr. Xie has 20 years expertise in financial services and has extensive financial management experience in the fields of corporate finance. From December 2007 to December 2010, Dr. Xie served as an independent non-executive director of Shenzhen Development Bank Co., Ltd* (深圳發展銀行股份有限公司), which was listed on the Shenzhen Stock Exchange (stock code: 000001). Dr. Xie worked for Morgan Stanley from July 1997 to September 2006 and held the role of managing director. He was working in the capacity of a managing director in the research division of Morgan Stanley in Hong Kong before his departure. Prior to joining Morgan Stanley, Dr. Xie worked for Macquarie Bank in Singapore as an associate director from 1995 to 1997.

Dr. Xie received his master’s degree of science in transportation and a PhD in Philosophy (in the field of economics) from Massachusetts Institute of Technology in September 1987 and June 1990, respectively.

Dr. Xie did not hold directorships in any listed public companies in the last three years.

謝國忠博士(「謝博士」)，58歲，為本公司獨立非執行董事、審核委員會主席及提名委員會成員。彼於2018年2月28日獲委任加入董事會。謝博士並無於本集團的成員公司擔任任何其他職務。

謝博士為中國獨立經濟學家，且為《南華早報》、《新世紀》周刊(更名《財新》)及彭博新聞社的專欄作家。彼於彭博新聞社刊載分析及討論全球經濟及金融市場的文章。謝博士於2013年獲得彭博新聞社提名為財經界「50位最具影響力人物」之一。謝博士於金融服務方面擁有20年的專業知識並於企業融資領域亦有豐富的財務管理經驗。於2007年12月至2010年12月，謝博士擔任深圳發展銀行股份有限公司(於深圳證券交易所上市，股票代碼：000001)的獨立非執行董事。謝博士於1997年7月至2006年9月任職摩根士丹利，擔任董事總經理。彼於離任前擔任摩根士丹利香港研究部董事總經理。於加入摩根士丹利前，謝博士自1995年至1997年於新加坡麥格理銀行擔任聯席董事。

於1987年9月及1990年6月，謝博士分別取得麻省理工學院的交通運輸學碩士學位及哲學(經濟學領域)博士學位。

謝博士在過去三年並無於任何上市公司擔任董事職務。



DIRECTORS AND SENIOR MANAGEMENT (continued)

董事及高級管理層(續)

Mr. Lu Zhifang (陸志芳) ("Mr. Lu"), aged 65, is an independent non-executive Director, the chairman of the Remuneration Committee and a member of the Nomination Committee of the Company. He was appointed to the Board on 28 February 2018. Mr. Lu does not hold any other position with the members of the Group.

Mr. Lu is a registered lawyer in China, and is currently a senior partner of East & Concord Partners (北京天達共和律師事務所). Mr. Lu was a senior partner of Haiwen Law Firm (海問律師事務所) from 1994 to 2008 and a partner of Beijing Hylands Law Firm (北京浩天信和律師事務所) from 2009 to 2014. Mr. Lu also has more than 20 years experience in international commercial arbitration, which, among others, he served as an arbitrator of China International Economic and Trade Arbitration Commission. From 1991 to 1994, Mr. Lu worked at the law school of University of International Business and Economics as an associate professor, and served as deputy director of the International Economic Law Department of University of International Business and Economics from 1986 to 1994.

Mr. Lu graduated from Beijing University of International Business and Economics (北京對外貿易學院) with a diploma in English in January 1978, and received his master's degree in laws from the University of California in December 1983.

Mr. Lu did not hold directorships in any listed public companies in the last three years.

陸志芳先生(「陸先生」)，65歲，為本公司獨立非執行董事、薪酬委員會主席及提名委員會成員。彼於2018年2月28日獲委任加入董事會。陸先生並無於本集團的成員公司擔任任何其他職務。

陸先生為中國註冊律師，現為北京天達共和律師事務所資深合夥人。陸先生於1994到2008年為海問律師事務所資深合夥人，2009年到2014年為北京浩天信和律師事務所合夥人。陸先生於國際商事仲裁擁有逾20年經驗，曾擔任過中國國際經濟貿易仲裁委員會的仲裁員。陸先生於1991年至1994年期間在對外經濟貿易大學法學院擔任副教授，並曾於1986年至1994年任對外經貿大學國際經濟法系副主任。

陸先生於1978年1月獲得北京對外貿易學院英文文憑，及於1983年12月獲得加利福尼亞大學法律碩士學位。

陸先生在過去三年並無於任何上市公司擔任董事職務。



SENIOR MANAGEMENT

The following table presents certain information concerning the senior management of our Group.

高級管理層

下表呈列有關本集團高級管理層人員的若干資料。

Name 姓名	Age 年齡	Year Joined 加入年份	Position 職位
Ms. Cao Xiaoping (曹曉萍) 曹曉萍女士	65	2008 2008年	Vice president and chief financial officer 副總裁兼財務總監
Mr. Zhang Kongyu (張孔瑜) 張孔瑜先生	57	2010 2010年	Vice president and chief technology officer 副總裁兼技術總監
Mr. Yan Bingli (顏炳利) 顏炳利先生	55	2004 2004年	Vice president 副總裁
Mr. Ma Xuexiang (馬學祥) 馬學祥先生	64	2012 2012年	Vice president 副總裁
Ms. Qian Xiaoning (錢曉寧) 錢曉寧女士	45	2007 2007年	Vice president, Board secretary and joint company secretary 副總裁、董事會秘書兼聯席公司秘書
Mr. Liu Qingbo (劉青波) 劉青波先生	45	2004 2004年	Vice president 副總裁
Mr. Lu Jing (陸景) 陸景先生	57	2011 2011年	Vice president 副總裁
Ms. Ma Zhuo (馬卓) 馬卓女士	44	2006 2006年	Vice president 副總裁
Ms. Yan Zhilian (閻芝蓮) 閻芝蓮女士	60	2004 2004年	Vice president 副總裁



DIRECTORS AND SENIOR MANAGEMENT (continued)

董事及高級管理層(續)

Ms. Cao Xiaoping (曹曉萍) (“Ms. Cao”), aged 65, is the vice president and chief financial officer of the Company. Ms. Cao joined the Group in June 2008. Ms. Cao was appointed as the chief financial officer of the Group in March 2010.

Ms. Cao is primarily responsible for finance and accounting, budget and investment related matters of the Group. Ms. Cao also serves as the chairman of Jiangxi Jinggangshan Boqi Environmental Technology Co., Ltd.* (江西井岡山博奇環保科技有限公司) (“Jinggangshan Boqi”), a director of Shanxi Bo Yuan Qi Cheng Environmental Equipment Service Co., Ltd.* (山西博源奇晟環保設備服務有限公司) (“Shanxi Bo Yuan”) and the chairman of Beijing Boqi Environmental Remediation Tech Co. Ltd* (北京博奇環境修復科技有限公司).

Ms. Cao has over 30 years of experience in accounting and financial management. Prior to joining the Group, Ms. Cao served as the chief accountant of Angang Construction Consortium Co., Ltd (鞍鋼建設集團有限公司) from November 2000 to June 2008. Ms. Cao was the deputy section chief (副科長) of the finance department of Ansteel Group Corporation (鞍鋼集團) and later served as the deputy director and director from February 1985 to November 2000.

Ms. Cao graduated from Dongbei University of Finance and Economics (東北財經大學) with a master’s degree in accounting in March 1999. She became a qualified senior accountant in the PRC in December 1997.

Ms. Cao did not hold directorship in any listed public company in the last three years.

曹曉萍女士(「曹女士」)，65歲，為本公司副總裁兼財務總監。曹女士於2008年6月加入本集團。於2010年3月，曹女士獲委任為本集團財務總監。

曹女士主要負責本集團財務及會計、預算制定及投資相關事宜。曹女士亦擔任江西井岡山博奇環保科技有限公司(「井岡山博奇」)之主席、山西博源奇晟環保設備服務有限公司(「山西博源」)之董事及北京博奇環境修復科技有限公司之主席。

曹女士於會計及財務管理方面有逾30年經驗。於加入本集團之前，曹女士於2000年11月至2008年6月期間擔任鞍鋼建設集團有限公司之總會計師。曹女士於1985年2月至2000年11月期間擔任鞍鋼集團之財務部副科長，其後擔任副處長及處長。

曹女士於1999年3月獲得東北財經大學會計碩士學位。曹女士於1997年12月成為中國高級會計師。

曹女士在過去三年並無於任何上市公司擔任董事職務。



Mr. Zhang Kongyu (張孔瑜) ("Mr. Zhang"), aged 57, is the vice president and chief technology officer of the Company and joined the Group in March 2010. Mr. Zhang started as the vice chief engineer with Beijing Boqi and later was appointed as the vice president and a technical director, the general manager of department of research and development and the general manager of department of production and technology of Beijing Boqi. Mr. Zhang is mainly responsible for technology development, introduction and technology cooperation and responsible for overall technology strategy the Company. For positions with other members of the Group, Mr. Zhang serves as the general manager of Beijing Shengyi and as the supervisor of Beijing Boqi and Zhejiang Boqi.

Prior to joining the Group, Mr. Zhang was the chief engineer of Shanghai Nature Power Technology Co. Ltd (上海納泉電力科技有限公司) from January 2004 to February 2010. During the period from July 2000 to June 2003, Mr. Zhang was the technical director of SEC-IHI Power Generation Environment Protection Engineering Co., Ltd* (上海石川島脫硫工程公司). Mr. Zhang served as director of design of Shanghai Future Environment Engineering Co., Ltd.* (上海未來環境工程有限公司) from January 1995 to July 2000. Mr. Zhang served as the design engineer of Shanghai Metallurgy Mining Machinery Factory* (上海冶金礦山機械廠) from 1989 to 1995. Mr. Zhang also served as a technician of Shanghai Petrochemical General Factory* (上海石油化工總廠) from 1987 to 1989.

Mr. Zhang graduated from Shanghai University of Technology with a bachelor's degree in mechanical manufacturing in 1983.

Mr. Zhang did not hold directorships in any listed public companies in the last three years.

張孔瑜先生(「張先生」)，57歲，為本公司副總裁及技術總監並於2010年3月加入本集團。張先生於北京博奇擔任副總工程師，其後獲委任為北京博奇的副總裁及技術總監、研發部總經理和生產及技術部總經理。張先生主要負責本公司技術開發及引進以及技術合作事宜，並負責整體技術策略。張先生於本集團其他成員公司的職位包括北京聖邑之總經理及北京博奇及浙江博奇之監事。

張先生於加入本集團之前，於2004年1月至2010年2月期間擔任上海納泉電力科技有限公司總工程師。張先生於2000年7月至2003年6月期間擔任上海石川島脫硫工程公司的技術主管。張先生於1995年1月至2000年7月期間擔任上海未來環境工程有限公司的設計主管。張先生於1989年至1995年期間擔任上海冶金礦山機械廠的設計工程師。張先生亦於1987年至1989年期間擔任上海石油化工總廠的技術員。

張先生於1983年獲得上海工業大學機械設計學士學位。

張先生在過去三年並無於任何上市公司擔任董事職務。



DIRECTORS AND SENIOR MANAGEMENT (continued)

董事及高級管理層(續)

Mr. Yan Bingli (顏炳利) ("Mr. Yan"), aged 55, is the vice president of the Company and joined the Group in October 2004. Since joining the Group, Mr. Yan has held various positions including the engineer of department of engineering and the general manager of Yangcheng project, a project director, the general manager of department of operation and maintenance, the general manager of department of sales and marketing and the general manager of department of operational planning and information management of Beijing Boqi. Mr. Yan is primarily responsible for operational planning, information management and internal control of the Company. Mr. Yan does not hold any other position with the members of the Group.

Mr. Yan obtained the diploma in power engineering management in Northeast Dianli University (東北電力學院) in April 1998.

Mr. Yan did not hold directorships in any listed public companies in the last three years.

Mr. Ma Xuexiang (馬學祥) ("Mr. Ma"), aged 64, is the vice president of the Company and joined the Group in August 2012. Mr. Ma is primarily responsible for overseeing project construction and managing quality and safety. Prior to joining the Group, Mr. Ma was the chief operation officer, the assistant general manager and minister of the department of engineering of Angang Steel Construction Group Company Ltd. (鞍鋼建設集團有限公司), from November 2000 to August 2012, where he was mainly responsible for managing project construction and managing project quality and safety. Mr. Ma joined Angang Group (No. 2) Construction Corporation* (鞍鋼集團第二建築工程公司) in May 1983, and has held various positions including technician, team leader and assistant manager and general manager between 1983 and 2000. Mr. Ma has also served as a technician of People's Liberation Army Corps of Engineers infrastructure 002 troops (中國人民解放軍基建工程兵002部隊) since December 1972.

Mr. Ma obtained the diploma in cogenerating from the Changchun Metallurgical Construction School* (長春冶金建築學校) in September 1977.

Mr. Ma did not hold directorships in any listed public companies in the last three years.

顏炳利先生(「顏先生」)，55歲，為本公司副總裁並於2004年10月加入本集團。自加入本集團以來，顏先生歷任北京博奇的多個職位，包括工程部工程師及陽城項目總經理、項目總監、運營和維護部總經理、市場營銷部總經理和經營計劃部和信息管理部總經理。顏先生主要負責本公司經營計劃、信息管理及內部監控。顏先生並無於本集團其他成員公司擔任任何其他職務。

顏先生於1998年4月取得了東北電力學院電力管理工程文憑。

顏先生在過去三年並無於任何上市公司擔任董事職務。

馬學祥先生(「馬先生」)，64歲，為本公司副總裁並於2012年8月加入本集團。馬先生主要負責監督項目建設和安全質量管理。於加入本集團之前，馬先生於2000年11月至2012年8月期間擔任鞍鋼建設集團有限公司之總調度長、助理總經理和工程部部長，主要負責管理項目建設以及管理項目質量及安全。馬先生於1983年5月加入鞍鋼集團第二建築工程公司，並於1983年至2000年期間擔任不同職位，包括技術員、隊長及副經理和總經理。馬先生自1972年12月亦為中國人民解放軍基建工程兵002部隊技術員。

馬先生於1977年9月取得長春冶金建築學校的熱電聯產專業課程文憑。

馬先生在過去三年並無於任何上市公司擔任董事職務。



Ms. Qian Xiaoning (錢曉寧) (“Ms. Qian”), aged 45, is the vice president, Board secretary and joint company secretary of the Company and joined the Group in February 2007. Ms. Qian is primarily responsible for managing human resources, legal compliance issues, administration and Board matters. Since joined the Group, Ms. Qian has held various positions including general manager of legal department, general manager of business department of the Board, general manager of human resource department, Board secretary and vice president of Beijing Boqi. Ms. Qian is also a director of Beijing Bosheng Environmental SCI-TECH Co., Ltd.* (北京博聖環保科技有限公司), the supervisor of Shanxi Puzhou Boqi Environmental Technology Co., Ltd.* (山西蒲州博奇環保科技有限公司) (“Puzhou Boqi”), Shanxi Hejin Boqi Environmental Technology Co., Ltd.* (山西河津博奇環保科技有限公司) (“Hejin Boqi”), Anhui Nengda and Jinggangshan Boqi and the general manager of Shanxi Bo Yuan.

Prior to joining the Group, Ms. Qian was a securities transaction representative (證券事務代表) of Yongyou Network Technology Co., Ltd. (用友網絡科技股份有限公司) (previously known as 用友軟件股份有限公司, a listed company on the Shanghai Stock Exchange, stock code: 600588), an enterprise management software and cloud service provider in the PRC, from 2001 to February 2007. During the time from July 1996 to August 1997, Ms. Qian worked at the legal department of CITIC Group (previously known as China International Trust Investment Corporation).

Ms. Qian graduated from China University of Political Science and Law in July 1996 with a bachelor's degree in economic law. Ms. Qian obtained a master's degree in economic law from China University of Political Science and Law in June 2006 and a master's degree in business administration from Chinese University of Hong Kong in December 2010.

Ms. Qian did not hold directorships in any listed public companies in the last three years.

錢曉寧女士(「錢女士」)，45歲，為本公司副總裁、董事會秘書兼聯席公司秘書並於2007年2月加入本集團。錢女士主要負責人力資源管理、法律合規事宜、行政管理及董事會事宜。錢女士自加入本集團以來歷任北京博奇的多個職位，包括法律部總經理、董事會業務部總經理、人力資源部部長、董事會秘書及副總裁。錢女士亦為北京博聖環保科技有限公司之董事、山西蒲州博奇環保科技有限公司(「蒲洲博奇」)、山西河津博奇環保科技有限公司(「河津博奇」)、安徽能達及井岡山博奇之監事及山西博源之總經理。

於加入本集團之前，錢女士於2001年至2007年2月期間擔任用友網絡科技股份有限公司(前稱用友軟件股份有限公司，一家於上海證券交易所上市的公司，股份代碼：600588)的證券事務代表。該公司是中國企業管理軟件和雲端服務提供商。錢女士於1996年7月至1997年8月期間於中國中信集團(前稱國際信託投資公司)的法律部任職。

錢女士於1996年7月畢業於中國政法大學，持有經濟法學士學位。錢女士於2006年6月獲得中國政法大學經濟法碩士學位，並於2010年12月獲得香港中文大學工商管理碩士學位。

錢女士在過去三年並無於任何上市公司擔任董事職務。



DIRECTORS AND SENIOR MANAGEMENT (continued)

董事及高級管理層(續)

Mr. Liu Qingbo (劉青波) ("Mr. Liu"), aged 45, is the vice president of the Company and joined the Group in April 2004. Since joining the Group, Mr. Liu has held various positions including the engineer of Environmental Technology Development Center, the debugging manager, a manager of customer training, the minister of department of operation and maintenance project management, the deputy general manager of operation and maintenance center, the general manager of operation and maintenance center and an assistant of president of Beijing Boqi. Mr. Liu is mainly responsible for overseeing the operation and maintenance of projects of the Company. Mr. Liu also serves as a director of Hejin Boqi, Puzhou Boqi and Changjizhou Boqi Environmental Technology Co., Ltd.* (昌吉州博奇環保科技有限公司).

Prior to joining the Group, Mr. Liu was the design engineer of electric control department of Tongfang Shareholding Co., Ltd.* (同方股份有限公司), a provider of environmental consulting solutions in the areas of fuel gas desulfurization, denitrification and dedusting, from July 2001 to April 2004, where Mr. Liu was responsible for designing solutions in relation to fuel gas treatment by way of desulfurization and denitrification.

Mr. Liu graduated from Tsinghua University with a bachelor's degree in thermal energy and power engineering in June 1998, and obtained a master's degree in thermal engineering from Tsinghua University in June 2001.

Mr. Liu did not hold directorships in any listed public companies in the last three years.

劉青波先生(「劉先生」)，45歲，為本公司副總裁並於2004年4月加入本集團。加入本集團以來，劉先生歷任北京博奇的多個職位，包括環保技術開發中心工程師、調試經理、客戶培訓專業經理、運維項目管理部部長、運維業務中心、副總經理、運維業務中心總經理及總裁助理。劉先生主要負責監督本公司項目的運營與維護。劉先生亦擔任河津博奇、蒲洲博奇及昌吉州博奇環保科技有限公司的董事。

劉先生於加入本集團之前，於2001年7月至2004年4月期間於同方股份有限公司擔任電力控制部設計工程師，主要負責設計脫硫脫硝燃氣處理方案。該公司主要提供燃氣脫硫脫硝除塵環境諮詢解決方案。

劉先生於1998年6月獲得清華大學熱能及電力工程學士學位，亦於2001年6月獲得清華大學熱能工程碩士學位。

劉先生在過去三年並無於任何上市公司擔任董事職務。



Mr. Lu Jing (陸景) (“Mr. Lu”), aged 57, is the vice president of the Company and joined the Group in March 2011. Since joining the Group, Mr. Lu has held various positions including an assistant for the president and the general manager of department of information, the general manager of Jianan subcontracting department (建安分包部), the vice president and the general manager of marketing and sales center of Beijing Boqi. Mr. Lu is primarily responsible for marketing development and sales. Mr. Lu does not hold any other position with the members of the Group.

Prior to joining the Group, for the period from November 2004 to June 2010, Mr. Lu served as an assistant manager of Great Wall Computer Software & Systems Inc* (長城計算機軟件與系統有限公司), a company mainly engaged in information safety business. Mr. Lu also served at the computer room of 57th Institute of the General Staff Council of People’s Liberation Army (總參第五十七研究所電腦室) from July 1983.

Mr. Lu obtained a bachelor’s degree in applied computer science from PLA Engineering Technology College (人民解放軍工程技術學院) in July 1983.

Mr. Lu did not hold directorships in any listed public companies in the last three years.

陸景先生(「陸先生」)，57歲，為本公司副總裁並於2011年3月加入本集團。自加入本集團以來，陸先生歷任北京博奇的多個職位，包括總裁助理及信息部總經理、建安分包部總經理、副總裁兼市場營銷中心總經理。陸先生主要負責市場開發及銷售。陸先生並無於本集團其他成員公司擔任任何其他職務。

於加入本集團之前，陸先生於2004年11月至2010年6月期間擔任長城計算機軟件與系統有限公司的副經理。該公司從事信息保安業務。陸先生亦於1983年7月起於總參第五十七研究所電腦室工作。

陸先生於1983年7月獲得人民解放軍工程技術學院應用計算機科學專業學士學位。

陸先生在過去三年並無於任何上市公司擔任董事職務。



DIRECTORS AND SENIOR MANAGEMENT (continued)

董事及高級管理層(續)

Ms. Ma Zhuo (馬卓) ("Ms. Ma"), aged 44, vice president of the Company, joined the Group in March 2006. Since she joined the Group, Ms. Ma served several positions in the Company, such as the general manager of the Operating Planning Department, general manager of the Financial Management Center, deputy director of the tender and supervision committee, general manager of the internal control department, general manager of the President's Office, general manager of the Information Management Department, assistant to the president and vice president. Ms. Ma is primarily responsible for marketing strategy and promotion, brand management and client servicing of the Company. Ms. Ma does not hold any other positions in other members of the Group.

Prior to joining the Group, Ms. Ma worked at the Electricity Business Quality Management Center under the State Electricity Regulatory Commission (國家電力監管委員會電力業務資質管理中心) responsible for the financial auditing of power plants from October 2005 to March 2006. During the period from August 2004 to September 2005, Ms. Ma served as the chief financial officer of Xuji Lianhua International Environmental Engineering Co., Ltd. (許繼聯華國際環境工程有限公司), being responsible for finance, taxation, investment and financing analysis and application for recognition as a High and New Technology Enterprise of the Company. During the period from July 1998 to July 2004, Ms. Ma worked at Beijing Sifang Automation Co., Ltd. (北京四方繼保自動化股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601126) mainly engaging in development and research, production, sales and technical service of products for automation of power station, relaying protection, automation of power plants. Ms. Ma served as the senior manager of the finance department, business manager of the market department and general manager of the credit control department respectively, in charge of finance accounting and taxation, regional agents and large customers and contract risks control.

Ms. Ma graduated from North China Electric Power University (華北電力大學) with a bachelor's degree in accounting in July 1998. Ms. Ma obtained a Master Degree of Executive Master of Business Management of Cheung Kong Graduate School of Business in September 2010.

Ms. Ma did not hold any other directorships in any listed public companies in the last three years.

馬卓女士(「**馬女士**」)，44歲，為本公司副總裁並於2006年3月加入本集團。自加入本集團以來，馬女士歷任本公司多個職位，包括經營企劃部總經理、財務管理中心總經理、招標監管委員會副主任、內控部總經理、總裁辦公室總經理、信息管理部總經理、總裁助理及副總裁。馬女士主要負責本公司營銷策略及推廣、品牌管理及客戶服務。馬女士並無於本集團其他成員公司擔任任何其他職務。

馬女士加入本集團之前，於2005年10月至2006年3月期間於國家電力監管委員會電力業務資質管理中心負責發電廠財務審核工作。馬女士於2004年8月至2005年9月期間於許繼聯華國際環境工程有限公司擔任財務總監，負責該公司財務、稅務、投融資分析和高新技術企業申報等全面工作。馬女士於1998年7月至2004年7月期間於北京四方繼保自動化股份有限公司工作，該公司於上海證券交易所(股票代碼：601126)上市，主要從事電站自動化、繼電保護、發電廠自動化產品的研發、生產、銷售和技術服務。馬女士分別在財務部擔任高級經理分管財務核算及稅務工作，在市場部擔任商務經理分管區域代理商，在信用控制部擔任部門總經理負責大客戶及合同風險管控工作。

馬女士於1998年7月畢業於華北電力大學，持有會計學學士學位。馬女士於2010年9月獲得長江商學院高級管理人員工商管理碩士學位。

馬女士在過去三年並無於任何上市公司擔任任何其他董事職務。



Ms. Yan Zhilian (閻芝蓮) ("Ms. Yan"), aged 60, vice president of the Company, joined the Group in 2004. Since she joined the Group, Ms. Yan served several positions in Beijing Boqi Electric Power SCITECH Co., Ltd. (北京博奇電力科技有限公司), such as the technical director, business manager, general manager of the cost actuary department, general manager of the technical department and assistant to the president. Ms. Yan is primarily responsible for estimation and control of project costs and matters related to project settlement of the Company.

Prior to joining the Group, Ms. Yan was the department head of the construction cost department in Liaoning Tianyi Accounting Firm* (遼寧天億會計師事務所) from October 1999 to October 2004, the department head of civil engineering projects of Liaoyang Petrochemical Fiber Company* (遼陽石化纖維公司) from December 1985 to October 1999, and a technician of the Third Construction Company of Liaoning Province* (遼寧省第三建築公司) from December 1977 to December 1985.

Ms. Yan obtained a bachelor's degree in industrial engineering from Fushun Petroleum Institute* (撫順石油學院) in July 1983.

Ms. Yan did not hold any other directorships in any listed companies the last three years.

JOINT COMPANY SECRETARIES

Ms. Qian Xiaoning (錢曉寧), aged 45, is a joint company secretary of our Company. She was appointed as the joint company secretary of the Company on 13 February 2017. Ms. Qian's biographical details are set forth in the paragraph headed "Senior Management" above.

Ms. Wong Wai Ling (黃慧玲) ("Ms. Wong"), aged 38, is a joint company secretary of our Company. She was appointed as the joint company secretary of the Company on 13 February 2017.

Ms. Wong has over 13 years of experience in providing company secretarial services in Hong Kong. Ms. Wong currently is a vice president of SWCS Corporate Services Group (Hong Kong) Limited and is responsible for assisting listed companies in professional company secretarial work. Prior to joining SWCS Corporate Services Group (Hong Kong) Limited, she worked as the secretarial officer of KCS Hong Kong Limited, a corporate service provider, from May 2008 to February 2011. During the period from July 2003 to May 2008, Ms. Wong worked at Grant Thornton (an international accounting firm). Ms. Wong was admitted as associate of The Hong Kong Institute of Chartered Secretaries and was elected as association of The Institute of Chartered Secretaries and Administrators in the United Kingdom in July 2013.

Ms. Wong was awarded a bachelor's degree of Arts in Marketing and Public Relations from The Hong Kong Polytechnic University (香港理工大學) in October 2007, and obtained a master degree of Corporate Governance degree from The Open University of Hong Kong (香港公開大學) in December 2011.

閻芝蓮女士 (「閻女士」)，60歲，為本公司副總裁並於2004年加入本集團。自加入本集團以來，閻女士歷任北京博奇電力科技有限公司多個職位，包括技經主管、商務經理、成本精算部總經理、技經部總經理及總裁助理。閻女士主要負責本公司項目成本的測算及控制，並負責專案結算相關事宜。

於加入本集團之前，閻女士於1999年10月至2004年10月期間擔任遼寧天億會計師事務所工程造價部負責人。閻女士於1985年12月至1999年10月期間擔任遼陽石化纖維公司土建項目負責人。閻女士自1977年12月至1985年12月期間擔任遼寧省第三建築公司技術員。

閻女士於1983年7月獲得撫順石油學院工業工程專業學士學位。

閻女士在過去三年並無於任何上市公司擔任董事職務。

聯席公司秘書

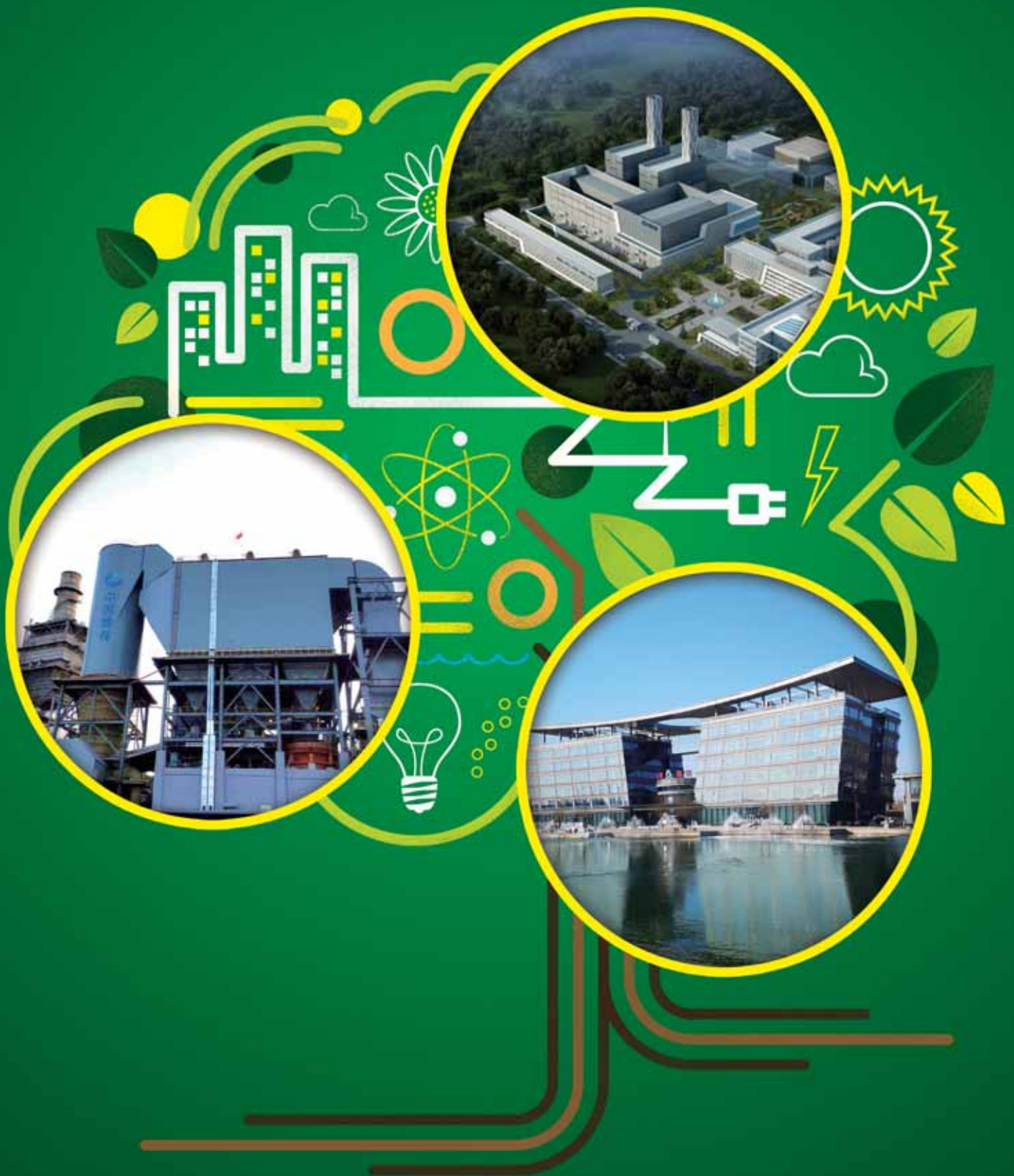
錢曉寧女士，45歲，為本公司聯席公司秘書，於2017年2月13日獲委任為本公司聯席公司秘書。錢女士的簡歷詳情已載於上文「高級管理層」一段。

黃慧玲女士 (「黃女士」)，38歲，為本公司聯席公司秘書，於2017年2月13日獲委任為本公司聯席公司秘書。

黃女士於香港提供公司秘書服務方面擁有逾13年經驗。黃女士現為方圓企業服務集團(香港)有限公司的副總監，負責協助上市公司專業的公司秘書工作。於加入方圓企業服務集團(香港)有限公司前，彼於2008年5月至2011年2月擔任企業服務提供商凱譽香港有限公司的秘書主任。於2003年7月至2008年5月期間，黃女士於致同(一間國際會計師事務所)任職。於2013年7月，黃女士獲准加入香港特許秘書公會及英國特許秘書及行政人員公會。

黃女士於2007年10月獲得香港理工大學市場營銷及公共關係文學士學位及於2011年12月獲得香港公開大學企業管治學碩士學位。

科技創造新環境 **TECHNOLOGY** CREATES NEW ENVIRONMENT





MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析

The Group is committed to the development of the environmental protection industry. As an independent flue gas treatment integrated services provider, the Group is principally engaged in flue gas treatment business, which falls within three segments, namely flue gas desulfurization, flue gas denitrification and dust removal, with their respective business models. The Group also provides waste water treatment services to coal-fired power plants and will continuously expand its existing comprehensive environmental protection business in coal-fired power plants to provide energy conservation and environmental protection solutions to customers by focusing on zero waste water discharge and detoxification treatment of solid waste. The Group also provides its services through various business models including environmental protection facility engineering ("EPC"), operation and maintenance ("O&M") and concession operations.

1. Industry Overview

2018 was the opening year of consistently implementing the spirit of the 19th CPC National Congress with both ecological civilization construction and environmental protection beginning a new journey. Driven by policy and market demand, the environmental protection industry continues to maintain a momentum of rapid development as a whole.

Pursuant to the Environmental Protection Tax Law of the PRC, which came into effect on 1 January 2018, within the territory of China and other sea areas under the jurisdiction of China, enterprises, public institutions and other producers and operators that directly discharge pollutants to the environment shall be liable for environmental pollution tax. The implementation of the Environmental Protection Tax Law of the PRC tightened the management and control efforts on enterprises discharging pollutants, which effectively motivated such enterprises to reduce pollutant emission by improving technologies.

According to the 2018 Work Report of the State Council at the first meeting of the 13th National People's Congress, the PRC government shall achieve greater results in promoting pollution prevention, consolidate the achievements of the blue sky protection policy, and promote ultra-low emission reform in industries such as the steel industry in 2018. Subsequently, on 7 May 2018, the Ministry of Ecology and Environment released the "Work Plan for Ultra-low Emissions Reform of Iron and Steel Enterprises (Consultation Draft)", clarifying that all new steel projects (including relocation) should reach ultra-low emission standard, and will focus on promoting the low-emission work in the steel industry while the enhanced governance of the steel industry will be the focus of air pollution prevention and control. With increasingly stringent environmental inspections, the demand for such services in non-electricity flue gas treatment and emission industries is expected to increase. The market is expected to expand in the future, which may have a scale exceeding that of thermal power field.

本集團致力於環境保護事業的發展。作為獨立煙氣處理綜合服務商，本集團主要從事煙氣處理業務，其中包括煙氣脫硫、煙氣脫硝及除塵服務三個分部，並採用不同的業務模式。本集團亦向燃煤電廠提供污水處理服務，並將繼續拓展現有燃煤電廠的綜合環保業務，通過專注廢水零排放及固體廢棄物無害化處理為客戶提供節能環保解決方案。本集團亦通過環保設施工程（「EPC」）、運營與維護（「運維」）和特許經營等多種業務模式提供其服務。

1. 行業概覽

2018年是貫徹中國共產黨十九大精神的開局之年，生態文明建設和生態環境保護開啟新的征程。在政策催化與市場需求的帶動下，環保產業整體繼續保持快速發展態勢。

2018年1月1日《中華人民共和國環境保護稅法》正式實施，規定在中國領域和中國管轄的其他海域，直接向環境排放應稅污染物的企業事業單位和其他生產經營者應當依照規定繳納環境保護稅。《中華人民共和國環境保護稅法》的執行，一方面進一步加強了政府對排污企業的管控力度，另一方面有效激勵企業改進技術，減少污染物排放。

於第十三屆全國人民代表大會第一次會議上的2018年政府工作報告指出，2018年要推進污染防治要取得更大成效，鞏固藍天保衛戰成果，推動鋼鐵等行業超低排放改造。隨後，2018年5月7日生態環境部發佈《鋼鐵企業超低排放改造工作方案（徵求意見稿）》，明確新建（含搬遷）鋼鐵項目要全部達到超低排放水準，將重點推進鋼鐵行業超低排放工作，鋼鐵行業深度治理將是大氣污染防治的重點。在環保督查日趨嚴格的背景下，非電煙氣排放治理市場將加速釋放，市場空間有望進一步打開，規模或將不低於火電領域。



On 18 May 2018, at the National Working Conference on Environmental Protection held in Beijing, General Secretary Xi Jinping pointed out that to build an ecological civilization is of fundamental importance for the sustainable development of China. The nation shall channel more energy into promoting ecological civilization, resolving environmental problems and battling against pollution in China to promote the advancement of building a ecological civilized country.

On 3 July 2018, the State Council issued the “Three-Year Plan on Defending the Blue Sky”, focusing on the main areas such as the Beijing-Tianjin-Hebei and surrounding areas, the Yangtze River Delta and the Fenhe and Weihe plain and continuing to carry out air pollution prevention and control operations. “The national air pollution prevention and control work will be carried out in the next three years, with the objective to greatly reduce the total amount of major air pollutants, synergistically reduce greenhouse gas emissions so that the concentration can be further reduced to PM2.5, shorten the heavy pollution days, substantially improve the environmental air quality, significantly facilitating the people’s satisfaction of blue sky after the three years of efforts.” Since the introduction of this policy, various local governments have launched corresponding action plans to further open up market space in the atmospheric pollution control and monitoring industries in key regions.

In July 2018, the Ministry of Ecology and Environment published the Law of the People’s Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste (Revised Draft) (Consultation Draft), which stipulated responsibilities of each stakeholder in controlling solid waste while enhancing management of solid waste with comprehensive methods. Further, on 31 August 2018, the Fifth Session of the Standing Committee of the 13th National People’s Congress voted to adopt the Soil Pollution Prevention and Control Law of the PRC. It was implemented on 1 January 2019, promoting the development of the entire industrial chain of soil restoration. With the increasingly stringent state policies on environmental protection, the market prospects for soil restoration and treatment of solid waste and hazardous waste is broad.

2018年5月18日，全國生態環境保護大會在北京召開。習近平總書記指出，生態文明建設是關係到中華民族永續發展的根本大計，要加大力度推進生態文明建設、解決生態環境問題，堅決打好污染防治攻堅戰，推動我國生態文明建設邁上新臺階。

2018年7月3日，國務院印發《打贏藍天保衛戰三年行動計劃》，以京津冀及周邊地區、長三角地區、汾渭平原等區域為重點區域，持續開展大氣污染防治行動。對未來三年國家大氣污染防治工作進行部署，提出環境空氣質量目標：「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PM2.5濃度，明顯減少重污染天數，明顯改善環境空氣質量，明顯增強人民的藍天幸福感。」該政策出台以來，各地紛紛推出相應行動方案，進一步加速重點區域大氣治理和監測行業的市場空間釋放。

2018年7月，國家生態環境部發佈了《中華人民共和國固體廢物污染環境防治法(修訂草案)(徵求意見稿)》，其明確了各方責任促進固體廢物協同治理，綜合運用手段深化固體廢棄物管理。此外，於2018年8月31日，十三屆全國人大常委會第五次會議表決通過了《中華人民共和國土壤污染防治法》，於2019年1月1日起施行，促進了土壤修復整個產業鏈的發展。隨著國家環保政策的趨嚴，土壤修復、固廢及危廢處置市場前景廣闊。

2. Business Review

The Group commenced its flue gas treatment business in 2003 and is among the first independent participants in the flue gas treatment industry in China. The services of the Group cover the entire industry-chain of the flue gas treatment industry, from project design, equipment procurement and facilities construction to operation and maintenance and concession operation of flue gas treatment facilities. Moreover, the Group's business has a broad geographic coverage, reaching almost 30 provinces, municipalities and autonomous regions in China. Furthermore, the Group has been striving to expand its business overseas, including in Europe, South Asia, Latin America, Africa and Southeast Asia.

The following map shows the distribution of the projects of the Group within the PRC as at 31 December 2018:

2. 業務回顧

本集團於2003年開始經營煙氣處理業務，是中國煙氣處理行業的首批獨立參與者。本集團的服務涵蓋煙氣處理行業的全產業鏈，從項目設計、設備採購及設施建設，到煙氣處理設施的運營與維護以及特許經營業務。此外，本集團的項目地理覆蓋範圍廣泛，遍及中國近30個省、市及自治區。同時，我們一直努力擴展海外業務包括歐洲、南亞、拉丁美洲、非洲及東南亞業務。

下圖列示截至2018年12月31日本集團於中國境內的项目分佈：





As at 31 December 2018, the Group has also executed, or has been implementing, more than ten projects in regions outside the PRC, such as Europe, South Asia, Latin America, Africa and Southeast Asia.

As an independent flue gas treatment integrated services provider, the Group provides innovative technologies and quality services which aim to reduce the SO₂ and NO_x emissions of coal-fired power plants and offer flue gas desulfurization, flue gas denitrification and dust removal services, as well as other pollution control solutions to its customers. For the 2018 Financial Year, the Group entered into project contracts with coal-fired power plants, aluminum factories, steel factories, chemical plants and other customers for the provision of services based mainly on three business models: the EPC, the O&M business and concession operations (including “Build-Operate-Transfer” or “BOT”, “Transfer-Operate-Transfer” or “TOT” and “Build-Own-Operate” or “BOO”). The Group adopt different business models for different projects in its desulfurization, denitrification and other flue gas treatment businesses in an effort to comply with general market practices, to meet clients’ expectation or to take advantage of certain favorable government policies.

EPC

The typical EPC business primarily involves project design, procurement of equipment and materials, project construction and equipment installment services in relation to SO₂ or NO_x emission control and dust removal for power plants, aluminum factories, steel factories, chemical plants. The Group acts as the main contractor and is responsible for the design of the client’s project; procurement and selection of various environmentally friendly materials and equipment from domestic and overseas suppliers; construction subcontracting and supervision of the project construction and equipment installment; testing, inspection and trial operation of the facilities; and delivery of finished project to client upon its completion after inspection by the competent government authority or independent subcontractors or customers.

In 2018, the total contract value of new EPC projects (including desulfurization, denitrification and dust removal projects) of the Group amounted to RMB1,036 million, of which the contract value of new EPC projects in steel industry was RMB520 million. The cumulative installed capacities of these projects reached a cumulative sintering machine area of 1,344 m² in steel factories.

截至於2018年12月31日，本集團於中國境外地區(例如歐洲、南亞、拉丁美洲、非洲及東南亞)亦已進行或正進行逾十個項目。

作為獨立煙氣處理綜合服務提供商，本集團提供先進的技術及優質的服務，旨在減少燃煤電廠的二氧化硫及氮氧化物排放，向客戶提供煙氣脫硫、煙氣脫硝及除塵服務及其他污染控制解決方案。於2018財政年度，本集團主要通過三種業務模式與燃煤電廠、鋁廠、鋼鐵廠、化工廠及其他客戶訂立項目合約，據以提供服務，即：EPC、運維及特許經營(包括「建設—經營—移交」或「BOT」、「移交—經營—移交」或「TOT」及「建設—擁有—經營或「BOO」)。本集團就脫硫、脫硝及其他煙氣處理業務中的不同項目採取不同的業務模式，藉以遵守一般市場慣例或滿足客戶需求或利用若干有利的政策支持。

EPC

EPC業務主要涉及為發電廠、鋁廠、鋼鐵廠、化工廠二氧化硫或氮氧化物排放控制及除塵項目提供設計、設備與材料採購、項目建設及設備安裝服務。本集團作為主承包商行事，主要負責客戶項目的設計；向國內及海外提供商採購並篩選多種環保材料及設備；施工分包及監督項目建設及設備安裝工程；設施的測試、檢查及試運行；及項目完工並經由政府有關當局或獨立協力廠商或客戶檢查後，向客戶交付已完工的項目。

於2018年，本集團新訂約EPC項目(包括脫硫、脫硝及除塵項目)的合約總值為人民幣1,036百萬元，其中，鋼鐵行業EPC項目新簽合同額人民幣520百萬元，累計鋼廠燒結機面積1,344 m²。



In 2018, the Group has made a breakthrough in EPC projects in non-electricity fields. As for the petrochemical industry, we have entered into a contract for Chuanwei Denitrification, Desulfurization and Dust Removal Ultra Low Emissions Reconstruction Project. As for the steel industry, we have entered into a contract with Tangshan Xinbaotai Iron and Steel Company Limited for a 210m² sintering machine transformation project, Hebei Jinxi Iron and Steel Company Limited for a flue gas ultra-clean emission project for 265m² sintering machines, Hebei Tangyin Iron and Steel Company Limited for a flue gas ultra-clean emission project for 184m² sintering machine and with Jinxi Wantong Company Limited for a desulfurization and denitrification project for 685m² sintering machines. As for the natural gas industry, we have entered into a contract for our first waste heat boiler denitrification project, which is a waste heat boiler denitrification project with Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd. Meanwhile, the Group successfully entered the electrolytic aluminum flue gas desulfurization market and entered into a contract for Weiqiao Group Aluminium Power One, Two, Three, Four, Five, Yangxin and Beihai Electrolytic Aluminum Flue Gas Desulfurization Project.

In 2018, the continuous battle against atmospheric pollution has brought opportunities for the flue gas treatment industry in non-electricity field. As the leading provider in flue gas treatment field, the Group is equipped with proven technologies as well as innovation capacities and has achieved good performance in non-electricity field in 2018.

In 2018, the Group has 25 EPC projects under construction and their status set forth as below:

2018年，本集團在非電領域EPC項目的業務取得了較大突破。於石化行業，本集團訂約了川維脫硝、脫硫及除塵超低排放改造項目；於鋼鐵行業，本集團訂約了唐山新寶泰鋼鐵有限公司210m²燒結機改造項目，河北津西鋼鐵集團股份有限公司265m²燒結機煙氣超淨排放項目；河北唐銀鋼鐵184m²燒結機煙氣超淨排放項目和津西萬通公司685m²燒結機脫硫脫硝項目；於天然氣行業，本集團訂約了第一個餘熱鍋爐脫硝改造項目—京能高安屯燃氣熱電有限責任公司餘熱鍋爐脫硝項目；同時本集團進一步開拓電解鋁煙氣脫硫市場，簽訂魏橋集團鋁電一、二、三、四、五、陽信、北海公司電解鋁煙氣脫硫項目。

2018年，大氣污染防治攻堅戰持續進行帶來了非電領域煙氣治理行業發展機遇，本集團是煙氣治理領域的領先企業，具備成熟的治理技術及扎實的創新能力，並在非電領域已有所佈局且於2018年取得良好業績。

於2018年度，本集團擁有25個在建EPC項目，其情況如下：

Environmental Protection Facility Engineering projects				Date of contract (Month/Year) 合同簽訂時間 (年/月)	Aggregate contract value (RMB million) 合同額 (人民幣百萬元)
Serial no. 序號	under construction 在建環保設施 工程項目	Type of project 項目類型	Newly built/ upgraded 新建/改造		
1.	Shentou Electric Power Phase II Desulfurization System and WESP Project 神頭發電二期脫硫系統及濕式電除塵項目	Desulfurization and dust removal 脫硫及除塵	Newly built 新建	December 2014 2014年12月	354
2.	Beihai Desulfurization Project 北海脫硫項目	Desulfurization 脫硫	Newly built 新建	November 2015 2015年11月	150
3.	Shouyang Green Island Project 壽陽環保島項目	Green Island 環保島	Newly built 新建	December 2015 2015年12月	288



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析(續)

Environmental Protection Facility Engineering projects Serial no. under construction				Date of contract (Month/Year) 合同簽訂時間 (年/月)	Aggregate contract value (RMB million) 合同額 (人民幣百萬元)
no.	在建環保設施 工程項目	Type of project 項目類型	Newly built/ upgraded 新建/改造		
4.	Binzhou Phase II Dust Removal Project 濱州二期除塵改造項目	Dust removal 除塵	Upgraded 改造	April 2016 2016年4月	30
5.	Shangqiu Desulfurization Project 商丘脫硫項目	Desulfurization 脫硫	Newly built 新建	June 2016 2016年6月	86
6.	Phase II Desulfurization EP Project in Serbia 塞爾維亞二期脫硫EP項目	Desulfurization 脫硫	Newly built 新建	September 2016 2016年9月	90
7.	Seawater Desulfurization System and Equipment Supply Project in Pakistan 巴基斯坦海水脫硫系統 設備與供應項目	Desulfurization 脫硫	Newly built 新建	November 2016 2016年11月	91
8.	Xinjiang New Energy #1-2 Unit Desulfurization Project 新疆新能1-2號機組脫硫項目	Desulfurization 脫硫	Newly built 新建	December 2016 2016年12月	72
9.	Shanghai Petrochemical Boiler Ultra-low Emission Upgrade Project 上海石化鍋爐超低排放改造項目	Green Island 環保島	Upgraded 改造	March 2017 2017年3月	225
10.	Gaoqiao Denitrification System Supplies Procurement Project 高橋脫硝系統物資採購項目	Denitrification 脫硝	Upgraded 改造	April 2017 2017年4月	17
11.	Nanyang Desulfurization Project 南陽脫硫項目	Desulfurization 脫硫	Newly built 新建	March 2017 2017年3月	168
12.	Sinopec Shanghai # 3-4 Unit Desulfurization Project 中國石化上海3-4號機組脫硫項目	Desulfurization 脫硫	Upgraded 改造	September 2017 2017年9月	91



Environmental Protection Facility Engineering projects Serial no. under construction			Newly built/ upgraded 新建／改造	Date of contract (Month/Year) 合同簽訂時間 (年／月)	Aggregate contract value (RMB million) 合同額 (人民幣百萬元)
no.	在建環保設施 工程項目	Type of project 項目類型			
13.	Flue Gas Desulfurization System Construction for Aluminum Company I of Zouping Hongmao New Material Technology Co., Ltd 鄒平縣宏茂新材料科技 有限公司鋁業一公司煙氣 脫硫系統工程	Desulfurization 脫硫	Upgraded 改造	November 2017 2017年11月	20
14.	Flue Gas Desulfurization System Construction for Aluminum Company VI of Zouping Hongzheng New Material Technology Co., Ltd 鄒平縣宏正新材料科技 有限公司鋁業六公司煙氣 脫硫系統工程	Desulfurization 脫硫	Upgraded 改造	November 2017 2017年11月	22
15.	Tangshan Xinbaotai Iron & Steel Limited 210m ² Sintering Machines Upgrade Project 唐山新寶泰鋼鐵有限公司 210 m ² 燒結機改造項目	Desulfurization 脫硫	Upgraded 改造	January 2018 2018年1月	105
16.	Xinjiang Guotai Xinhua Zhundong Phase I Ultra-low Emission Upgrade Project 新疆國泰新華准東一期 超低排放改造項目	Desulfurization 脫硫	Upgraded 改造	May 2018 2018年5月	39
17.	265m ² Ultra-clean Emission Project for Flue Gas from Sintering Machines for Hebei Jinxi Iron and Steel Company Limited 河北津西鋼鐵集團股份 有限公司265 m ² 燒結機煙氣 超淨排放項目	Green Island 環保島	Upgraded 改造	May 2018 2018年5月	120
18.	Jinxi Wanton 1#, 2#, 3# Sintering Machines Flue-gas Ultra-low Emission Project 津西萬通1#、2#、3#燒結機 煙氣超低排放項目	Green Island 環保島	Upgraded 改造	May 2018 2018年5月	216



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析(續)

Environmental Protection Facility Engineering projects				Date of contract (Month/Year)	Aggregate contract value (RMB million)
Serial no.	under construction 在建環保設施 工程項目	Type of project 項目類型	Newly built/ upgraded 新建／改造	合同簽訂時間 (年／月)	合同額 (人民幣百萬元)
19.	Jingneng Gao'antun Gas-fired Thermal Power Co., Ltd Waster Heat Boiler Denitrification Upgrade Project 京能高安屯燃氣熱電有限責任公司餘熱鍋爐脫硝改造項目	Denitrification 脫硝	Upgraded 改造	June 2018 2018年6月	24
20.	Shandong Haihua Thermal Power Company Third Power Plant Desulfurization, Dust Removal and Expansion project 山東海化熱電公司三電廠脫硫除塵擴建改造項目	Desulfurization and dust removal 脫硫及除塵	Expansion and upgraded 擴建改造	July 2018 2018年7月	50
21.	Jingxi Gas Thermal Power Plant #1,#3 Boiler Technical Denitrification System Technical Upgrade Project 京西燃氣熱電1、3號鍋爐脫硝系統技術改造工程	Denitrification 脫硝	Upgraded 改造	August 2018 2018年8月	17
22.	Hebei Tangyin Iron and Steel Co., Ltd. 184m ² Sintering Machine Ultra-clean Emission of Flue Gas 河北唐銀鋼鐵184平米燒結機煙氣超淨排放	Sintering machine desulfurization, denitrification and dust removal 燒結機脫硫脫硝除塵	Newly built 新建	July 2018 2018年7月	79
23.	Zhongke Joint Venture Guangdong Refining and Chemical Integration Project Denitrification Project 中科合資廣東煉化一體化項目脫硝項目	Denitrification 脫硝	Newly built 新建	September 2018 2018年9月	25
24.	Chuanwei Denitrification, Desulfurization and Dust Removal Ultra Low Emissions Reconstruction Project 川維脫硝、脫硫及除塵超低排放改造項目	Green Island 環保島	Upgraded 改造	September 2018 2018年9月	206

Environmental Protection			Date of contract (Month/Year) 合同簽訂時間 (年／月)	Aggregate contract value (RMB million) 合同額 (人民幣百萬元)
Facility Engineering projects				
Serial no.	under construction 在建環保設施 工程項目	Type of project 項目類型	Newly built/ upgraded 新建／改造	
25.	Weiqliao Group Aluminium Power One, Two, Three, Four, Five, Yangxin and Beihai Electrolytic Aluminum Flue Gas Desulfurization Project 魏橋集團鋁電一、二、三、 四、五、陽信、北海公司 電解鋁煙氣脫硫項目	Desulfurization 脫硫	Upgraded 改造	November 2018 2018年11月
				156

O&M

The O&M services mainly include operation services and regular maintenance services for desulfurization and denitrification facilities owned by the customers. The Group acts as a contractor, which provides desulfurization, denitrification and dust removal operation services while the scope of work involves the full operation, repair, upgrade and maintenance of flue gas treatment system/facilities owned by power plants. Under the O&M projects, the customers are either charged service fees for the O&M services calculated based on the total amount of on-grid electricity generated during the service period, or a price predetermined at the commencement of the project based on the scope of work that will be performed. Revenues from the O&M business can be a recurring one, generating stable cash flow for the Group.

In 2018, the Group acted as a contractor under the O&M projects which provided desulfurization, denitrification and dust removal operating services, and the scope of business included full-process operation, upgrading and maintenance of flue gas treatment system/facilities of coal-fired power plants. Regular maintenance services included provision of technical support, regular maintenance, facilities testing, maintenance services and spare parts services for flue gas facilities. In 2018, the Group had 18 O&M projects under operation with an aggregate installed capacity of 24,400 MW. Such projects operated steadily and their emissions were up to standard. They will provide stable growth in our business.

運維

運維服務主要包括對客戶擁有的脫硫及脫硝設施提供運營服務及常規維護服務。本集團作為承包商提供脫硫、脫硝及除塵運營服務，工作範疇包括全面運營、檢修、升級及維護發電廠擁有的煙氣處理系統／設施。根據運維項目，我們向客戶收取就運維服務基於服務期間總上網電量計算的服務費或在項目開始預先根據開展工作範圍釐定的價格。運營與維護業務收入可以為本集團提供經常性收入來源和穩定的現金流量。

於2018年，本集團作為承包商根據運維項目提供脫硫、脫硝及除塵運營服務，且業務範疇包括全面運營、升級及維護燃煤電廠擁有的煙氣處理系統／設施。常規維護服務包括為煙氣設施提供技術支援、常規維護、設備測試、維護服務以及備品備件服務。於2018年度，本集團有18個投運的運維項目，總裝機容量為24,400兆瓦。各項目穩定運行，達標排放，能夠為本集團提供穩健的業績增長來源。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析(續)

The following table sets forth the installed capacities and status of the O&M projects of the Group under operation in 2018:

於2018年度本集團的投運運維項目的裝機容量及項目情況如下：

Serial no.	Project name	Type of project	Starting date of service (Month/Year) 服務起始日期 (年/月)	Expiring date of service contract (Month/Year) 服務合約屆滿日期 (年/月)	Installed capacity 裝機容量
1.	Anshun Flue Gas Desulfurization O&M Project 安順煙氣脫硫運維項目	Desulfurization 脫硫	November 2017 2017年11月	December 2018 2018年12月	2×300MW
2.	Yangcheng #1-6 Unit Flue Gas Desulfurization O&M Project 陽城1-6號機組煙氣脫硫運維項目	Desulfurization 脫硫	July 2018 2018年7月	August 2019 2019年8月	6×350MW
3.	Yangcheng #7-8 Unit Flue Gas Desulfurization O&M Project 陽城7-8號機組煙氣脫硫運維項目	Desulfurization 脫硫	June 2018 2018年6月	August 2019 2019年8月	2×600MW
4.	Yangcheng #7-8 Unit Slag Removal O&M Project 陽城7-8號機組除渣運維項目	Slag removal 除渣	June 2018 2018年6月	August 2019 2019年8月	2×600MW
5.	Kuche Flue Gas Desulfurization O&M Project 庫車煙氣脫硫運維項目	Desulfurization 脫硫	December 2012 2012年12月	December 2018 2018年12月	2×330MW
6.	Bulian Flue Gas Desulfurization O&M Project 布連煙氣脫硫運維項目	Desulfurization 脫硫	April 2013 2013年4月	April 2019 2019年4月	2×660MW
7.	Qinzhou Desulfurization O&M Project 欽州脫硫運維項目	Desulfurization 脫硫	July 2015 2015年7月	June 2021 2021年6月	2×630MW+ 2×1000MW
8.	Guotai Flue Gas Desulfurization, Denitrification and Slag Removal O&M Project 國泰煙氣脫硫、脫硝及除渣運維項目	Denitrification, desulfurization and slag removal 脫硝、脫硫及除渣	November 2015 2015年11月	June 2018 2018年6月	2×350MW



Serial no.	Project name	Type of project	Starting date of service (Month/Year)	Expiring date of service contract (Month/Year)	Installed capacity
序號	項目名稱	項目類型	服務起始日期 (年/月)	服務合約屆滿日期 (年/月)	裝機容量
9.	Jingjiang Flue Gas Desulfurization and Dust Removal O&M Project 靖江煙氣脫硫及除塵運維項目	Desulfurization and dust removal 脫硫及除塵	March 2016 2016年3月	March 2020 2020年3月	2×660MW
10.	Tianjin SDIC Jineng Power Plant Desulfurization, WESP and Water Intake System Operation and Cleaning Project 天津國投津能脫硫濕電取水運行及保潔項目	Desulfurization 脫硫	August 2016 2016年8月	December 2020 2020年12月	4×1000MW
11.	Serbian Flue Gas Desulfurization O&M Project 塞爾維亞煙氣脫硫運維項目	Desulfurization 脫硫	May 2017 2017年5月	May 2018 2018年5月	2×350MW
12.	Yangxi Flue Gas Desulfurization and Denitrification O&M Project 陽西煙氣脫硫脫硝運維項目	Desulfurization and denitrification 脫硫及脫硝	January 2017 2017年1月	December 2025 2025年12月	2×660MW+ 2×600MW
13.	Chengde Desulfurization O&M Project 承德脫硫運維項目	Desulfurization 脫硫	May 2017 2017年5月	September 2019 2019年9月	2×350MW
14.	Anshun #1-2 Units Maintenance and Repair Service Project 安順1-2號機組維護及維修服務項目	Desulfurization 脫硫	September 2017 2017年9月	December 2018 2018年12月	2×300MW
15.	Shouguang Auxiliary Ashing and Sulfurization Control System Entrusted Operation Project 壽光灰硫化輔控系統委托運行項目	Desulfurization 脫硫	May 2018 2018年5月	May 2021 2021年5月	2×1000WM



Serial no.	Project name	Type of project	Starting date of service (Month/Year) 服務起始日期 (年/月)	Expiring date of service contract (Month/Year) 服務合約屆滿日期 (年/月)	Installed capacity 裝機容量
16.	Shanyin Phase II Environmental Protection O&M 山陰二期環保運行維	Denitrification, desulfurization and slag removal 脫硝脫硫及除塵	June 2018 2018年6月	May 2021 2021年5月	2×350MW
17.	Jiantou Zunhua Auxiliary System Entrusted Operation Project 建投遵化輔助系統運行外委項目	Desulfurization 脫硫	August 2018 2018年8月	July 2019 2019年7月	2×350MW
18.	Xilinhote Desulfurization and Denitrification O&M Project 錫林浩特脫硫脫硝運維項目	Desulfurization and denitrification 脫硫脫硝	Expected to be June 2019 預計2019年6月	Expected to be May 2020 預計2020年5月	2×660MW

Concession Operation Business

Under the concession operation business model, the Group is responsible for the financing, investment, construction and upgrading of a project according to its concession contract with the customer. In general, the concession projects are funded by the Group's internal funds or borrowings from local banks. Upon the completion of constructions, the Group owns the project assets and operates the project for a period specified in the concession agreement, which is typically 15 to 20 years, and the Group is entitled to collect revenues generated from the project during the term of the contract. Revenues generated from the concession operation business during the operation phase of the relevant projects are calculated based on the on-grid power generation of the customer multiply by the unit price specified in the concession contract during the operation phase, which is generally settled monthly. The Group also generates revenues from the sales of by-products during the operation of the environmental protection facilities. The fees the Group receives for the provision of concession services typically include a service fee based on a guaranteed minimum flue gas treatment volume and such fees are contingent subject to adjustment of certain variable costs the Group incurred. Such subsidy for the power consumption is pre-determined at the time the concession agreement is entered into with the client.

特許經營業務

在特許經營業務模式下，本集團負責根據與客戶訂立的特許經營合同為項目籌措資金、投資、建設及改造。一般而言，本集團以自有資本或向當地銀行借款為特許經營項目撥付資金。竣工後，本集團亦於特許協議預先規定的期限(通常為15至20年)內擁有項目資產並經營項目，本集團亦有權在合約期內收取項目所得收入。特許經營業務於相關項目經營期內產生的收入乃按經營期內客戶的上網電量使用特許經營合約所訂明之單價計算，並一般按月與客戶結算。本集團亦於環保設施投運期間自銷售副產品產生收入。本集團根據特許合約提供特許經營服務而收取的費用通常包括按最低保證煙氣處理量計算的服務費，該等費用會根據本集團承擔的某些可變成本相應調整，該等電費補貼在與客戶訂立特許協議時預先釐定。



In 2018, the Group continued to carry out its concession operation business, including desulfurization, denitrification and green island (which is an integrated flue gas treatment system to treat synergistically the flue gas pollutants produced by the boilers of coal-fired power plants, including denitrification, desulfurization, dust removal, induced-drafted fan system, reheating system.). As at 31 December 2018, the Group has accumulated 9 concession operation projects with 3 currently under construction and 6 in operation. Among them, the BOT project of flue gas ultralow emission upgrade for two 330MW units in Guqiao power plant of Huainan Mining Industry Group Power Generation Co., Ltd, Xinjiang Guotai Xinhua BOT Project and Guangxi Laibin Desulfurization, Denitrification and Dust Removal “Build-Own-Operate” or “BOO” project are the Group’s new projects in 2018. These projects have provided us with decent investment returns and stable cashflows, laying a strong foundation for us to operate continuously and develop steadily.

於2018年，本集團繼續實施其特許經營業務，包括脫硫、脫硝及環保島（其為燃煤電廠鍋爐燃燒後的煙氣污染物協同處理的集成煙氣處理系統，它包括脫硝、脫硫、除塵、引風機系統、再加熱器等各種裝置）。截至2018年12月31日，本集團累計執行9個特許經營項目，包括3個在建項目及6個投運項目。其中，淮南礦業集團發電有限責任公司顧橋電廠2台330兆瓦機組煙氣超低排放改造BOT項目、新疆國泰新華BOT項目和廣西來賓脫硫脫硝除塵BOO（建設—擁有一經營）項目為本集團2018年新訂約項目，該項目有較好的投資收益和穩定的現金流，能夠為本集團持續經營和穩定發展奠定重要基礎。



MANAGEMENT DISCUSSION AND ANALYSIS (continued)

管理層討論與分析(續)

The following table sets forth the installed capacities and status of the concession operation projects of the Group in 2018:

於2018年度本集團的特許經營項目的裝機容量及項目情況如下：

Serial no.	Project name	Installed capacity	Type of project	Newly built/ upgraded	Total investment RMB million	Date of signing contract (Month/Year)	Ending date of concession period (Year/Month)
序號	項目名稱	裝機容量	項目類型	新建／改造	人民幣百萬元	合同簽訂日期 (年／月)	特許經營期限 屆滿日期 (Year/Month) (年／月)
1.	Jiangxi Jinggangshan BOT Project 江西井岡山 BOT項目	2×300MW+ 2×660MW	Desulfurization 脫硫	Newly built 新建	224	January 2008 (for Phase I) August 2008 (for Phase II) 2008年1月(一期) 2008年8月(二期)	July 2030 (for Phase I) December 2030 (for Phase II) 2030年7月(一期) 2030年12月(二期)
2.	Shanxi Hejin BOT Project 山西河津 BOT項目	2×350MW	Denitrification 脫硝	Newly built 新建	90	June 2012 2012年6月	September 2033 (for Unit #1) May 2033 (for Unit #2) 2033年9月(1號機組) 2033年5月(2號機組)
3.	Shanxi Puzhou Phase I BOT Project 山西蒲洲一期 BOT項目	2×300MW	Denitrification 脫硝	Newly built 新建	84	June 2012 2012年6月	January 2034 (for Unit #1) May 2033 (for Unit #2) 2034年1月(1號機組) 2033年5月(2號機組)
4.	Shanxi Puzhou Phase II BOT Project 山西蒲洲二期 BOT項目	2×350MW	Denitrification 脫硝	Newly built 新建	112	May 2014 2014年5月	End of 2037 2037年底
5.	Shanxi Yuguang BOT Project 山西昱光 BOT項目	2×300MW	Green Island 環保島	Upgraded 改造	82	May 2015 2015年5月	February 2036 (for Unit #1) May 2035 (for Unit #2) 2036年2月(1號機組) 2035年5月(2號機組)
6.	Xinjiang Shenhua BOT Project 新疆神火BOT項目	4×350MW	Green Island 環保島	Upgraded 改造	490	June 2017 2017年6月	End of 2032 2032年底
7.	Huainan Guqiao BOT Project 淮南顧橋 BOT項目	2×330MW	Green Island 環保島	Upgraded 改造	173	May 2018 2018年5月	End of 2033 2033年底

Serial no.	Project name	Installed capacity	Type of project	Newly built/ upgraded	Total investment RMB million	Date of signing contract (Month/Year)	Ending date of concession period
序號	項目名稱	裝機容量	項目類型	新建／改造	人民幣百萬元	合同簽訂日期 (年／月)	特許經營期限 屆滿日期 (Year/Month) (年／月)
8.	Xinjiang Guotai Xinhua BOT Project 新疆國泰新華 BOT項目	2×350MW	Green Island 環保島	Upgraded 改造	150	July 2018 2018年7月	June 2028 2028年6月
9.	Guangxi Laibin BOO Project 廣西來賓BOO項目	2×300MW	Green Island 環保島	Upgraded 改造	281	December 2018 2018年12月	End of 2033 2033年底

3. Financial Position and Operating Results

In 2018, there had been significant uncertainties in the global economy. Under the great goal of reducing capacity, eliminating economic bubble, and deleveraging, the Chinese economy began to implement a series of major policies such as restructuring, stabilizing growth, ensuring the environmental protection, and benefiting the people. There is still a large room for environmental protection industry to developed under the support of national policies.

2018 has been a milestone year for the Group. On 16 March 2018, the Group was successfully listed on the Main Board of The Stock Exchange of Hong Kong Limited. As a listed company, China Boqi entered the capital market with a new attitude and will continue to seize its unique advantages and potential to seek for a new round of growth utilising the financing platform in Hong Kong.

Projects in the new fields of non-electricity industries, such as iron and steel, metallurgical and petrochemical, have successively won the bid and signed contracts to provide guarantee for the sustainable development of the Group. The EPC, O&M and concession operation business have been executed smoothly, and the integration of industry and capital have improved. The net profit has a relatively large increase as compared with 2017. The gearing ratio remained at a low level. The cashflow and bank facilities were sufficient and laid an important foundation for the development of the Group.

3. 財務狀況及經營業績

2018年，全球經濟存在重大不確定性；中國經濟在去產能、去泡沫、去槓桿的大目標下，開始了調結構、穩增長、保環境和惠民生等一系列重大方針的實施。環保行業在國家政策支持下，依舊保持較大的發展空間。

2018年是本集團具有里程碑意義的一年。本集團於2018年3月16日成功在香港聯交所主板上市，中國博奇作為上市公司，以全新的姿態進入資本市場，將繼續把握自身獨特的優勢及發展潛力，利用香港融資平台尋求新一輪發展。

鋼鐵、冶金、石化等非電行業新領域的項目陸續中標及簽訂合同，為本集團可持續發展提供保障。EPC、運維和特許經營業務生產平穩進行，產業與資本融合穩步推進。淨利潤較2017年相比有較大幅度的增長；槓桿比率繼續保持較低水平；現金流量和銀行授信充裕，為本集團發展奠定了重要基礎。



Non-IFRS Measurement Indicators

We believe that indicators such as adjusted net profit for the year provide useful information for investors and others to compare net profit across different periods and different companies by eliminating the impact of items which are, in the view of our management, not indicative of our business performance. Our management also adopts the same approach to understand and assess our operating results. We expect that the impact of reconciliation items will decrease gradually from 2019.

The adjusted net profit for 2018 increased by 32.1% to approximately RMB259 million in 2018 (2017: approximately RMB196 million). The following tables reconcile our adjusted net profit for 2018 indicated to the profit for the year in accordance with IFRS:

非國際財務報告準則計量指標

我們相信，經調整淨利潤指標有利於通過去除管理層認為對我們經營表現不具指示性的項目的影響，為投資者及其他人士比較不同期間及不同公司之間的淨利潤提供有用的資料，我們的管理層亦採用相同方式瞭解及評估我們的經營業績。我們預計對賬項目的影響將自2019年起逐步減少。

2018年經調整淨利潤增加32.1%至約人民幣259百萬元(2017年：約人民幣196百萬元)。下表載列所呈列期間2018年的經調整淨利潤與根據國際財務報告準則的年內利潤的對賬：

		2018 2018年 RMB'000 人民幣千元 (unaudited) (未經審核)	2017 2017年 RMB'000 人民幣千元 (unaudited) (未經審核)
Reconciliation of profit for the year to adjusted net profit for the year	年內利潤與年內經調整淨利潤的對賬		
Profit (loss) for the year	年內溢利(虧損)	392,819	(37,029)
Adjusted for:	就以下項目調整：		
Change in fair value of convertible ordinary shares	可轉換普通股公允價值變動	(133,541)	233,228
Adjusted net profit for the year	年內經調整後淨利潤	259,278	196,199



Revenue

In the 2018 Financial Year, the Group's total revenue increased by 31.3% to RMB1,745 million as compared with RMB1,329 million for the 2017 Financial Year, primarily attributable to the significant increase in revenue of EPC and BOT business segment of the Group during the reporting period.

The Group generates revenues primarily from three major operating segments: (i) the EPC business, (ii) the O&M business, and (iii) concession operation business. The following table sets forth a breakdown of the revenue of the Group by segment for the periods stated.

		Segment revenue 分部收入	
		Year ended 31 December 2018 截至2018年 12月31日止年度 RMB'000 人民幣千元	Year ended 31 December 2017 截至2017年 12月31日止年度 RMB'000 人民幣千元
EPC	EPC	722,117	555,261
Operation and Maintenance	運維	415,113	402,815
Concession Operation	特許經營	580,051	340,477
Of which: Operation	其中：運營	369,880	254,986
Construction	建造	210,171	85,491
Others	其他	27,717	30,525
Total	總額	1,744,998	1,329,078

Revenue generated from the EPC business for the 2018 Financial Year increased by 30.1% to RMB722 million as compared with RMB555 million for the 2017 Financial Year, mainly attributable to the increased number of projects newly contracted by the Group in steel and petrochemical fields.

The revenue generated from the O&M business for the 2018 Financial Year increased by 3.0% to RMB415 million as compared with RMB403 million for the 2017 Financial Year, mainly attributable to the increase in the Group's power generation capacity for the operation and maintenance projects in 2018.

Revenue from concession operation business for the 2018 Financial Year increased by 70.6% to RMB580 million as compared with RMB340 million for the 2017 Financial Year, mainly attributable to the increase in construction revenue of new BOT projects and the gradual commencement of operation of projects that were previously under construction during the reporting period.

收入

本集團的收入總額於2018財政年度為人民幣1,745百萬元，較2017財政年度的人民幣1,329百萬元增長31.3%，主要由於本集團EPC和BOT業務板塊報告期內收入增幅明顯。

本集團主要從三個經營分部賺取收入：(i) EPC業務；(ii)運維業務；及(iii)特許經營業務。下表載列本集團於所示期間按分部劃分的收入明細。

EPC業務的收入由2017財政年度的人民幣555百萬元增長30.1%至2018財政年度的人民幣722百萬元，主要由於本集團在鋼鐵、石化領域新承接項目較多。

運維業務的收入由2017財政年度的人民幣403百萬元增長3.0%至2018財政年度的人民幣415百萬元，主要由於本集團於2018年運維項目發電量增加。

特許經營業務的收入由2017財政年度的人民幣340百萬元增長70.6%至2018財政年度的人民幣580百萬元，主要由於本集團於報告期內新增加BOT項目建造收入增加及前期在建項目陸續投運。



Cost of Sales and Services

The Group's cost of sales and services for the 2018 Financial Year increased by 38.3% to RMB1,427 million as compared with RMB1,032 million for the 2017 Financial Year mainly attributable to the increase in cost resulting from the increased revenue of each business segment of the Group during the reporting period.

Cost of sales and services for the Group's EPC business consists primarily of equipment procurement cost, construction and installation costs. The cost of sales and services for the Group's EPC business for the 2018 Financial Year increased by 30.1% to RMB666 million as compared with RMB512 million for the 2017 Financial Year, mainly attributable to the increase in newly contracted projects in steel and petrochemical fields during the reporting period.

Cost of sales and services for the O&M service consists of raw materials costs, staff costs and repair and maintenance costs. The cost of sales and services for the O&M service for the 2018 Financial Year increased by 5.4% to RMB291 million as compared with RMB276 million for the 2017 Financial Year, mainly attributable to the increase of the Group's O&M project repair and power generation.

Cost of sales and services for the Group's concession operation business consists primarily of raw material costs, construction costs and amortization and depreciation. The cost of sales and services for the Group's concession operation business for the 2018 Financial Year increased by 103.5% to RMB466 million as compared with RMB229 million for the 2017 Financial Year, mainly attributable to the increase of construction investment in new BOT projects and the gradual commencement of operation of several projects which led to increase of material costs and labour costs during the reporting period.

銷售及服務成本

本集團的銷售及服務成本由2017財政年度人民幣1,032百萬元增長38.3%至2018財政年度人民幣1,427百萬元，主要由於本集團各業務板塊報告期內收入增加聯動成本增加。

EPC業務的銷售及服務成本主要包括設備採購成本及建造及安裝成本。EPC業務的銷售及服務成本由2017財政年度的人民幣512百萬元增長30.1%至2018財政年度的人民幣666百萬元，主要由於本集團於報告期內在鋼鐵、石化領域新承接項目較多。

運維服務的銷售及服務成本包括原材料成本、員工成本及維修及維護成本。運維服務的銷售及服務成本由2017財政年度的人民幣276百萬元增長5.4%至2018財政年度的人民幣291百萬元，主要由於本集團運維項目檢修及發電量增加所致。

本集團的特許經營業務的銷售及服務成本主要包括原材料成本、建造成本及攤銷及折舊。特許經營業務的銷售及服務成本由2017財政年度的人民幣229百萬元增長103.5%至2018財政年度的人民幣466百萬元，主要由於本報告期內在新增BOT項目上的建造投入增加，以及若干項目陸續投運導致材料成本及人工成本增加所致。

Gross Profit and Gross Profit Margin

The gross profit of the Group for the 2018 Financial Year increased by 7.1% to RMB318 million as compared with RMB297 million for the 2017 Financial Year while the gross profit margin of the Group for the 2018 Financial Year was 18.2% as compared with 22.4% for the 2017 Financial Year, mainly attributable to the increase in the cost of raw material in BOT business and the proportion of revenue attributable from those in the construction period with lower gross profit margin during the reporting period.

The following table sets forth the Group's gross profit and gross profit margin for each of the business segments for the periods stated.

毛利及毛利率

本集團的毛利由2017財政年度的人民幣297百萬元增長7.1%至2018財政年度的人民幣318百萬元，毛利率由2017財政年度的22.4%下降至2018財政年度的18.2%。主要由於本報告期內BOT板塊原材料成本有所上升以及毛利較低的建造期收入佔比增加所致。

下表載列本集團於所列期間各業務分部的毛利及毛利率。

		Year ended 31 December 2018 截至2018年12月31日 止年度		Year ended 31 December 2017 截至2017年12月31日 止年度	
		Gross Profit		Gross Profit	
		RMB'000 人民幣千元	Margin % 毛利率%	RMB'000 人民幣千元	Margin % 毛利率%
EPC	EPC	56,523	7.8	43,072	7.8
O&M	運維	124,556	30.0	126,756	31.5
Concession Operation	特許經營	114,042	19.7	111,452	32.7
Of which: Operation	其中：運營	109,297	29.5	110,605	43.4
Construction	建造	4,745	2.3	847	1.0
Others	其他	22,737	82.0	15,962	52.3
Total	總額	317,858	18.2	297,242	22.4

The gross profit of the Group's EPC business for the 2018 Financial Year increased by 32.6% to RMB57 million as compared with RMB43 million for the 2017 Financial Year, mainly attributable to the year-on-year increase of EPC revenue and gross profit margin remained the same as 2017.

本集團EPC業務的毛利由2017財政年度的人民幣43百萬元增長32.6%至2018財政年度的人民幣57百萬元，主要由於EPC收入同比增加而毛利率與2017年持平。

The gross profit of the Group's O&M business for the 2018 Financial Year decreased by 1.6% to RMB125 million as compared with RMB127 million for the 2017 Financial Year while the gross profit margin decreased from 31.5% in the 2017 Financial Year to 30.0% for the 2018 Financial Year, mainly attributable to the increase of materials and labour costs in certain operation and maintenance projects of the Group.

本集團運維業務的毛利由2017財政年度的人民幣127百萬元減少1.6%至2018財政年度的人民幣125百萬元，而毛利率由2017財政年度的31.5%減少至2018財政年度的30.0%，主要由於本集團部分運維項目材料及人工成本有所上升。

The gross profit of the Group's concession operation business for the 2018 Financial Year increased by 2.7% to RMB114 million as compared with RMB111 million for the 2017 Financial Year while the gross profit margin decreased from 32.7% in the 2017 Financial Year to 19.7% for the 2018 Financial Year, mainly attributable to (i) lower gross profit margin during the construction period; (ii) the increase in materials and labour cost for some of the projects.

本集團特許經營業務的毛利由2017財政年度的人民幣111百萬元增長2.7%至2018財政年度的人民幣114百萬元，而毛利率由2017財政年度的32.7%減少至2018財政年度的19.7%，主要由於：(i)建造階段毛利率較低；(ii)部分項目材料及人工成本費用增加。



Other Income and Other Gains and Losses

Other income and other gains and losses consist primarily of government grants, foreign exchange gains and losses, interest income etc.

The following table sets forth a breakdown of other income and other gains and losses for the periods stated.

其他收入及其他收益及虧損

其他收入及其他收益及損失主要包括政府補助、滙稅損益、利息收入等。

下表載列我們於所列期間的其他收入及其他收益及虧損的明細。

		Year ended 31 December 截至12月31日止年度	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Interest income	利息收入	38,496	17,199
Government grants	政府補助	26,968	11,554
Rental income, net	租金收入淨值	1,526	847
Losses on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(21)	(45)
Gains from extinguishment of liabilities	取消償還負債的收益	8,786	2,534
Foreign exchange gains (losses)	滙稅損益(虧損)	35,445	(10,331)
Others	其他	6,256	4,259
		117,456	26,017

The Group's other income and revenue for the 2018 Financial Year increased by 350.0% to RMB117 million as compared with RMB26 million for the 2017 Financial Year, mainly attributable to increase in interest income, tax refund and foreign exchange gains.

本集團其他收入及收益由2017財政年度的人民幣26百萬元增長350.0%至2018財政年度的人民幣117百萬元，主要由於利息收入、稅收返還及滙稅收益增加所致。

Selling and Distribution Expenses

The Group's selling and distribution expenses were RMB26 million in 2018 Financial Year as compared with RMB18 million for the same period last year, with the share of revenue of 1.5%, up 0.1 percentage point year-on-year, mainly attribute to the increase in resources and expenses for market expansion during the reporting period.

銷售及分銷開支

於2018年財政年度，本集團銷售及分銷開支為人民幣26百萬元，而去年同期為18百萬元。銷售及分銷開支佔收入比1.5%，較同期增加0.1個百分點，主要由於本報告期內市場拓展力度和開支增加所致。



Administrative Expenses

The Group's administrative expenses were RMB109 million in 2018 Financial Year as compared with RMB89 million for the same period last year, with the share of revenue of 6.2% in 2018, down 0.5 percentage point year-on-year.

Finance Costs

Finance costs of the Group consist of interest expense on bank borrowings in 2018 Financial Year. The Group's finance costs increased by 20.0% to RMB6 million as compared with RMB5 million for 2017, mainly attributable to the increase in year-on-year average bank borrowings of the Group during the reporting period.

Gearing Ratio

The gearing ratio is calculated as the percentage which the Group's total bank borrowings bears to the aggregate of the Group's equity. The Group's gearing ratio decreased from 16.9% as at 31 December 2017 to 3.0% as at 31 December 2018, mainly attributable to repayment of the bank borrowings by the Company and increase of equity capital.

Change in Fair Value of Convertible Ordinary Shares

Class B convertible ordinary shares and Class C convertible ordinary shares have been automatically converted into ordinary shares of the Company on 16 March 2018, upon when the Company's shares were listed on the Stock Exchange (the "Listing"). Class B convertible ordinary shares and Class C convertible ordinary shares are included in the Group's consolidated statement of financial position at fair value, the changes are recognised in the Group's profit or loss. The Group incurred a fair value gain of RMB133.5 million and would not affect the Group's operations and profitability. There is no cash income arising from the fair value gains.

Listing Expenses

The Group incurred additional listing expenses of RMB3 million in connection with the preparation for the Listing during the year ended 31 December 2018, which included the professional service fees and other fees but excluded the maintenance expenses after the Listing.

行政開支

於2018年財政年度，本集團行政開支為人民幣109百萬元，而去年同期為89百萬元。於2018年，行政開支佔收入比6.2%，較同期降低0.5個百分點。

財務費用

於2018財政年度，本集團的財務費用包括銀行借款的利息開支。本集團的財務費用為人民幣6百萬元，較2017年的人民幣5百萬元增長20.0%，主要由於本集團報告期內同比平均銀行借款增加所致。

資產負債比率

資產負債比率乃根據本集團的銀行借款總額佔本集團的總權益的百分比釐定。本集團的資產負債比率由2017年12月31日的16.9%減少至2018年12月31日的3.0%。資產負債比率減少乃由於本公司歸還銀行借款和權益資本增加所致。

可轉換普通股的公允價值變動

B類可轉換普通股及C類可轉換普通股於2018年3月16日(本公司股份於聯交所上市("上市"))的日期)自動轉換為本公司的普通股。B類可轉換普通股及C類可轉換普通股按公允價值計入本集團的綜合財務狀況表，其變動於本集團的損益表中確認。本集團產生公允價值盈餘人民幣133.5百萬元，並不會對本集團的營運及盈利能力造成影響。並無由於有關公允價值盈利產生任何現金收入。

上市開支

截至2018年12月31日止年度，本集團因於後期籌備上市產生剩餘上市開支人民幣3百萬元，當中包括專業服務費用以及其他費用，惟不包括上市的維護開支。



Income Tax Expenses

Certain subsidiaries of the Company are entitled to a preferential income tax rate of 15% as a “high-end new technology enterprise”, and some of the other subsidiaries of the Company are entitled to a three-year tax holiday followed by a three-year 50% tax rate reduction as their operations fall within certain qualified environmental protection and energy conservation sections as defined by the PRC government. Other subsidiaries of the Company are subject to an income tax rate of 25% pursuant to the applicable PRC taxation law. The Company, which was incorporated in the Cayman Islands, is not subject to any Cayman Islands taxation.

The income tax expenses of the Group were RMB56 million, representing an increase of 33.3% as compared with RMB42 million for the same period last year, mainly attributable to increase in profit before tax and provision for withholding income tax for dividend.

Profit/(Loss) for the Year

The Group recorded a net profit of RMB393 million for the 2018 Financial Year. Excluding the gain from change in fair value of convertible ordinary shares, the adjusted net profit of the Group would have increased to RMB259 million for the 2018 Financial Year compared to RMB196 million for the 2017 Financial Year.

Profit Attributable to the Owners of the Company

Profit attributable to the owners of the Company for the 2018 Financial Year was RMB394 million while the loss attributable to the owners of the Company for the 2017 Financial Year was RMB36 million.

Liquidity and Capital Resources

Taking into account the financial resources available to the Group, including cash and cash equivalents on hand, cash generated from operations and available facilities of the Company, and the net proceeds from the Listing, and after diligent and careful analysis, the Directors are of the view that the Group have sufficient working capital required for the Group's operations at present and for the year ending 31 December 2019.

Cash Flows

The Group's cash and cash equivalents of RMB689 million as at 31 December 2017 increased by 13.2% to RMB780 million as at 31 December 2018, which is due to the receipt of IPO proceeds and the use of IPO proceeds on BOT projects and fund the working capital.

所得稅開支

本公司部分附屬公司被分類為「高新技術企業」，因而有權享受15%的優惠所得稅率。本公司的若干其他附屬公司因其業務屬於中國政府所定義的若干合資格環保及節能部門，故享受三年免於繳稅及其後三年減半繳稅的優惠待遇。本公司的其他附屬公司須根據適用中國稅法按25%的所得稅率繳稅。本公司於開曼群島註冊成立，並無繳納任何開曼群島稅項。

本集團的所得稅開支為人民幣56百萬元，較同期的42百萬元，增長33.3%，主要由於稅前利潤增加及預提股息分紅所得稅所致。

年內溢利／(虧損)

本集團於2018財政年度錄得淨利人民幣393百萬元。剔除可轉換普通股公允價值變動的收益，本集團的經調整純利將由2017財政年度的人民幣196百萬元增至2018財政年度的人民幣259百萬元。

本公司擁有人應佔溢利

2018財政年度，本公司擁有人應佔溢利為人民幣394百萬元，而於2017財政年度，本公司擁有人應佔虧損為人民幣36百萬元。

流動資金及資本來源

考慮到本集團可動用的財務資源(包括本公司手頭的現金及現金等價物、經營所得現金及可動用融資)及上市所得款項淨額，並經審慎及仔細查詢後，董事認為本集團擁有充足營運資金滿足本集團目前及截至2019年12月31日止年度的經營需求。

現金流量

本集團現金及現金等價物由2017年12月31日的人民幣689百萬元，增長13.2%至2018年12月31日的人民幣780百萬元，乃由於收取首次公開發售所得款項以及將首次公開發售所得款項用於BOT項目及撥付營運資金。



Capital Expenditure

The capital expenditure of the Group comprises expenditures on the purchase of property, plant and equipment and the construction of BOT projects. For the 2018 Financial Year, the total capital expenditure of the Group was RMB392 million which were used primarily for the construction of concession operation projects of the Group and asset acquisition for individual BOT projects.

Pledge of the Group's Assets

As at 31 December 2018, the Group borrowed an aggregate amount of RMB27 million from banks, of which bank borrowings for BOT projects of approximately RMB3 million were secured by the pledge of bank deposit or the right to the future income or the pledge of the concession arrangements for borrowings used in concession operation. The Group also had RMB38 million of notes receivable that has been discounted as at 31 December 2018, of which the Group still has continuing involvement.

Contingent Liabilities

As at 31 December 2018, the Group did not have any material contingent liabilities.

資本開支

本集團的資本開支就購置物業、廠房及設備和建設BOT項目而產生。於2018財政年度，本集團的資本開支總額為人民幣392百萬元，主要用於本集團特許經營項目的建設以及個別BOT項目的資產收購。

本集團資產抵押

於2018年12月31日，本集團向銀行借款合共人民幣27百萬元，而用於BOT項目的銀行借款約人民幣3百萬元乃透過質押銀行存款或未來收入流權利或質押特許經營安排所用借款的特許經營安排作擔保。本集團亦有於2018年12月31日，應收票據擔保貼現人民幣38百萬元。

或然負債

於2018年12月31日，本集團並無任何重大或然負債。

4. Risk Factors and Risk Management

Risks on environmental protection and pollution control policies

The Group provides substantially all of its environmental protection services to customers in the PRC, and the development of its businesses is greatly dependent on the pollution preventive policies of the PRC. Environmental protection industry is one of the major industries that benefit from the constant support of the PRC governments. The demand for the Group's environmental protection services and the revenue generated therefrom are directly linked with the environmental protection requirements imposed on the current and potential customers of the Group. However, there can be no assurance that the specific favourable policies which are currently available will continue to exist. In addition, these policies and incentives may attract additional new market entrants and may encourage other products or services which may achieve greater pollution control effects than the products and services of the Group. There can therefore be no assurance that the Group will directly benefit from the changed industry policies. However, the Group, as a leader among independent flue gas treatment integrated services providers in the PRC, will capture market opportunities to further cover the overall industry chain of flue gas treatment, explore the potential markets and at the same time ambitiously expand its business in new market of the non-electricity industries such as steel, petrochemical and cement, to achieve the sustainable development of the Group's business. The Group will further expand its business scope based on the core competitive strengths of the Group in the flue gas treatment industry to become a comprehensive environmental protection industrial group.

4. 風險因素及風險管理

環保及污染防治政策的風險

本集團向中國客戶提供絕大部分環保服務，且其業務發展在很大程度上取決於中國的污染防治政策。環保行業是受惠於中國政府持續支持的主要行業之一。對本集團環保服務的需求以及於該服務產生的收益與施加於本集團現有及潛在客戶的環保規定直接相關。然而，本集團無法保證目前享有的特定優惠政策將繼續存在。此外，該等政策及激勵措施或會吸引其他新商家進入市場，並可能鼓勵污染防治效果較本集團的產品及服務更好的其他產品或服務。因此，無法保證本集團將直接受惠於已變更的行業政策。然而，本集團作為中國獨立煙氣處理綜合服務提供商的領導者，將把握市場機遇，並同時積極擴展鋼鐵、石化及水泥等非電行業的新市場業務，以進一步涵蓋煙氣處理行業的全產業鏈及深挖潛在市場，以期實現本集團業務的可持續發展。本集團就將進一步依托其於煙氣處理行業的核心競爭優勢擴寬業務範圍，以成為綜合環保產業集團。



Liquidity Risks

Although the Group recorded positive operating cash flow in the 2018 Financial Year, there is no guarantee that the Group's operating cash flow will continue to be positive in the future. The Group's ability to generate adequate cash inflows from operating activities in the future will depend on project schedule and billing arrangement, its ability to collect receivables in timely manner and the credit terms it can obtain. If the Group is not able to generate sufficient cash flows from its operations, the Group's growth prospects may be materially and adversely affected. Ultimate responsibility for liquidity risk management rests with the Directors, who have established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve bank financing, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Credit Risks

The credit risk primarily arises from trade and notes receivables, receivables under concession arrangement, bank balance and cash, pledged bank deposit, contract assets, debt instrument at FVTOCI, other receivables and amounts due from related parties. Due to the nature of business of the Group, the Group has significant concentration of credit risk on a small number of customers and the financial guarantee provided by the Group. As at 31 December 2018, the aggregated amount of the Group's trade and notes receivables to the top five customers was RMB449 million, representing 57.6% of the total trade and notes receivable of the Group on 31 December 2018. Furthermore, the amount receivable from the concession operation business is RMB380 million on 31 December 2018. In addition, the Group's concentration of credit risk by geographical locations is solely in the PRC. The Group has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis. The Group has established a collection team for each customer and require customers to settle progress billings and other debts in accordance with the terms of the agreements such customers have entered into.

流動資金風險

儘管本集團於2018財政年度錄得正經營現金流量，無法保證本集團於任何未來期間的經營現金流量將為正數。本集團未來自經營活動產生充足現金流入的能力將取決於項目時間表及付款安排、本集團及時收回應收款項的能力及本集團能取得的信貸期。倘本集團未能從營運中產生充足的現金流量，本集團的發展前景可能受到重大不利影響。董事須為流動資金風險管理負上最終責任，彼等已建立適當的流動資金風險管理框架，以滿足本集團的短期、中期及長期資金及流動資金管理需要。本集團透過維持足夠備用現金、銀行融資及預留銀行融資、持續監察預測及實際現金流量以及比對金融資產與負債的到期情況來管理流動資金風險。

信貸風險

信貸風險主要來自貿易應收款項及應收票據、特許經營安排項下的應收款項、銀行結餘及現金、已抵押銀行存款、合約資產、按公允價值計入其他全面收益的債務工具、其他應收款項以及應收關連方款項。由於本集團的業務性質，本集團的信貸風險主要集中於少數客戶以及本集團提供的財務擔保。截至於2018年12月31日，本集團五大客戶的貿易應收款項及應收票據總額為人民幣449百萬元，佔本集團2018年12月31日貿易應收款項及應收票據總額的57.6%。此外，於2018年12月31日，特許經營安排項下的應收款項為人民幣380百萬元。此外，本集團的信貸風險地域上僅集中於中國。本集團已落實信貸政策，持續監察所面對的該等信貸風險。本集團針對每個客戶設立清欠團隊，要求客戶根據該等客戶已訂立協定之條款清償進度款項及其他債務。



Foreign Exchange and Conversion Risks

Almost all of the Group's operating activities are carried out in the PRC with most of the transactions denominated in RMB. The Group is exposed to foreign exchange and conversion risks primarily through sales and procurement that are denominated in currencies other than RMB. In addition, RMB is not freely convertible into foreign currencies and the conversion of RMB into foreign currencies is subject to rules and regulations of the foreign exchange control promulgated by the PRC Government.

The Group does not have a foreign currency hedging policy. However, the Directors monitor the Group's foreign exchange exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy in the future.

外匯與貨幣兌換風險

本集團幾乎所有經營業務均在中國進行，且大部分交易以人民幣計值。本集團所面對的外匯及兌換風險主要來自以人民幣以外的其他貨幣所進行的銷售及採購業務。此外，人民幣不可自由兌換為外幣，而且將人民幣兌換為外幣須受中國政府頒佈的外匯管制規則及條例規限。

本集團並無外幣對沖政策。然而，董事密切監察本集團的外匯風險，並可能於日後視乎外幣的情況及走勢考慮採納重大外幣對沖政策。

5. Outlook on the Group's Future Development

In recent years, the PRC government has over time introduced a series of policies that have far-reaching impact on the development of the environmental protection industry, and promoted the sustained and rapid development of environmental protection. The realisation of "Beautiful China initiative" and "Ecological Civilization" has been written into the PRC Constitution, highlighting the importance of ecological civilization construction in the overall layout of the country, and the construction of ecological civilization has risen to the level of national will. With a strong support from national policies, the principal business of the Company has shifted from electricity sector to non-electricity sector. With the gradual opening of flue gas treatment market in the non-power industry and the rapid increase of VOCs market potential, the demand for sewage treatment, soil restoration, solid waste treatment and environmental monitoring will continue to grow. The Group will seize these development opportunities by virtue of its own strength and become a leader in the environmental protection industry.

The Group seeks to strengthen its position as a leading flue gas treatment service provider in the PRC, and further expand the market share to maximize shareholder returns. The Group also plans to expand its business into other environmental protection and energy conservation areas and contribute to the environmental protection in the PRC and around the world. The Group is committed to becoming a world-class environmental industrial group. Looking forward, the Group will carry out the following tasks with its existing advantages:

5. 本集團未來發展的展望

近年來，中國政府相繼出台一系列對環保行業發展影響深遠的政策，促進環保行業持續快速發展。建設「美麗中國」和「生態文明」寫入憲法，彰顯了生態文明建設在國家總體佈局的高度，生態文明建設上升為國家意志。在國家政策的大力支持下，公司的主營業務方向由電力領域轉入非電領域，隨著非電力行業煙氣治理市場的逐步打開、VOCs市場潛力的快速釋放，污水處理、土壤修復、固廢處理和環境監測等需求將不斷增長。本集團將憑藉自身實力抓住發展機遇，成為環保行業中的佼佼者。

本集團矢志鞏固作為中國煙氣處理服務提供商的領軍者地位，進一步擴張市場份額、為股東創造最大回報，並計劃向環保節能的其他領域拓展業務、為中國及世界的環境保護做出貢獻，並致力於發展成為國際一流的環境產業集團。展望未來，本集團將借助已有的優勢，開展如下重點工作：



Maintaining the sustainability of each business segment

In 2018, the Group's business segments and profits achieved remarkable results. In the future, the Group will comprehensively enhance the professional management capabilities of each business segment, further reduce costs, optimize operations, enhance core competitiveness, continue to build quality projects, and actively strengthen its exchange and cooperation with peers in PRC and abroad, introducing and promoting advanced technology, increasing investment in research and development, and improving the innovation ability of enterprises. We will also seize the national policy opportunities, further explore the thermal power industry's desulfurization and denitrification operation and maintenance market potential, and vigorously promote the development of the Company's concession operation and the development of operation and maintenance business through public tendering and strategic cooperation with major customers in the industry. The optimized structure of concession and operation and maintenance business strengthens the foundation of the Company's sustainable development.

Actively participate in the atmospheric management business of non-electrical field

National and local governments in the PRC continue to introduce policies and standards for flue gas treatment in non-electrical fields to drive the efforts of heavy pollution enterprises in desulfurization and denitrification treatment. The Group will seize the opportunity of air pollution control in non-electrical industries, actively participate in the flue gas treatment in various industrial processes, expand its business to steel, cement, petrochemical, metallurgical and other fields, horizontally extend the industrial chain, and seize market opportunities, increase its market share of non-electrical business, and seek new breakthroughs in long-term sustainable development of enterprises. In face of the difficulties in high-level pollutant discharge, high pollution intensity and prevention and control, the Group will make use of its techniques and capital as its own advantages to provide customers with high quality and integrated comprehensive environmental protection and energy saving solutions.

保持各業務板塊可持續發展能力

2018年本集團各業務板塊盈利取得斐然成績，未來本集團將全面提升各業務板塊的專業管理能力，進一步降低成本，優化運行，提升核心競爭力，繼續打造精品工程；並積極加強同國內外同業的交流與合作，引進並推廣先進技術，加大研發投入，提高企業創新能力。我們亦將緊抓國家政策機遇，深挖火電行業脫硫脫硝特許經營及運營維護市場潛力，通過市場競標及行業內大客戶戰略合作等方式大力推動公司特許經營及運營維護業務的發展，優化特許經營及運營維護業務結構佔比，夯實公司可持續經營發展的基礎。

積極參與非電領域大氣治理業務

國家和地方不斷推出非電領域煙氣治理的政策和標準驅動著重污染企業進行脫硫脫硝改造的進度。本集團將緊緊抓住非電行業大氣污染治理的機遇，積極參與各種工業過程中的煙氣治理，將業務拓展至鋼鐵、水泥、石化、冶金等領域，橫向延伸產業鏈，搶佔市場先機，增加非電領域業務佔市場份額的比重，尋求企業長期持續發展的新突破口。面對非電領域污染物排放量高、污染強度大且防治難度大等難點，本集團將借助已有的自身技術及資金優勢，為客戶提供高質量、一體化的綜合環保及節能減排解決方案。



Utilize capital market platform to realize enterprise value appreciation

While developing business and expanding the markets, the Group will leverage its strong capital strength to enter the fields of municipal and industrial sewage treatment business and detoxification treatment of solid waste through various approaches, such as technology cooperation, investment, mergers and acquisitions, so as to build an integrated environmental industry group. In addition, supported with the industry background and resources of our shareholders, the Group would collaborate with relevant research institutes on joint technology licensing, so as to explore our “ultra-low emission” upgrade business in the fields of petroleum and petrochemicals, metallurgical, steel and coal chemicals.

利用資本市場平台實現企業價值增值

在發展業務和開拓市場的同時，本集團將借助資本優勢，為打造綜合環境產業集團，通過技術合作、投資、並購等不同方式，進入市政污水及工業污水治理業務以及固體廢棄物的無害化處理領域。此外，本集團將依托股東的行業背景資源，與有關科研院所聯合技術許可方面展開合作，以拓展石油石化、冶金、鋼鐵及煤化學品領域的「超低排放」改造業務。

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS AND DISPOSALS

The Group had no significant investments held or material acquisitions and disposals of subsidiaries and associated companies during the 2018 Financial Year.

持有的重大投資、重大收購事項及出售事項

於2018年財務年度，本集團並無任何所持重大投資或附屬公司及聯營公司的重大收購及出售。

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2018, the Group had 1,800 employees in total (2017: 1,375 employees), substantially all of whom were based in the PRC. The Group has established labor union branches. Currently, the Group has entered into employment contracts with all employees, in which the position, duties, remuneration, employment benefits, training, confidentiality obligations relating to trade secrets and grounds for termination, among other things are specified pursuant to PRC Labor Law and other relevant regulations.

僱員及薪酬政策

於2018年12月31日，我們共聘用1,800名僱員(2017年：1,375名僱員)，其中絕大多數僱員常駐中國。本集團均設有獨立工會分支。目前，本集團已與全部員工訂立了勞動合同，按照中國勞動法和其他相關法規的規定，明確約定了僱員的職位、職責、薪酬、員工福利、培訓、有關商業秘密的保密責任及終止理由等事項。

The remuneration package of the employees includes salaries, bonuses and allowances. Our employees also receive supplemental medical provision, transportation allowances, meal allowances and other benefits. The Company carries out employee performance appraisals and establishes diversified and dynamic appraisal mechanisms. The department heads' salaries and remunerations will be adjusted corresponding to the results of their performance appraisals. In compliance with applicable PRC regulations, the Company has contributed to social insurance funds, including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, and housing funds for all its employees.

我們的員工的薪酬組合包括薪金、獎金、津貼。我們的員工亦享有補充醫療、交通補貼、午餐津貼及其他福利費。我們推行員工業績考核，建立了不同形式、靈活的考評機制，同時在管理層及項目經理崗位建立了崗位績效與相關負責人的工資薪酬相匹配的機制。我們已按國家要求為員工繳納社保基金(包括養老保險、基本醫療保險、工傷保險、失業保險及生育保險)及住房公積金。

MAJOR SUBSEQUENT EVENTS

Save as disclosed in this report, there are no major subsequent events to 31 December 2018 which would materially affect the Group's operating and financial performance as of the date of this report.

主要期後事項

除本報告所披露者外，本公司於2018年12月31日後概無任何主要期後事項對本集團於本報告日期的經營及財務表現造成重大影響。



MAJOR EVENTS FOR BOQI IN 2018

2018年博奇公司大事記

February 二月



On 8 February 2018 the Company was awarded the second prize of "China Southern Power Grid Science and Technology Progress Award" (「中國南方電網科技進步二等獎」) for its achievement in 2017.

2018年2月8日為其2017年取得的成就獲得「中國南方電網科技進步二等獎」。

March 三月



On 16 March 2018, the Company was successfully listed on the main board of the Hong Kong Stock Exchange with the stock abbreviation of "BOQI ENV" (stock code: 02377).

2018年3月16日，公司成功在香港聯交所主板掛牌上市，股票簡稱「博奇環保」，股票代碼：02377。

March 三月



On 23 March 2018, the Company won the bid for the flue gas ultra-low emission upgrade project for 2×330MW units in Guqiao power plant.

2018年3月23日，公司中標顧橋電廠2×330MW機組煙氣超低排放改造項目。

May 五月



On 21 May 2018, the Company entered into a contract with Hebei Jinxi Iron and Steel Company Limited for an ultra-low emission project of 265m² sintering machines.

2018年5月21日，公司簽署河北津西鋼鐵集團股份有限公司265m²燒結機超低排放項目。



May 五月



On 21 May 2018, the Company entered into a contract with Qianxi County Jinxi Wantong Ductile Iron Pipes Co., Ltd. for an ultra-low emission project of 685m² sintering machines.

2018年5月21日，公司簽署遷西縣津西萬通球墨鑄管有限公司685 m² 燒結機超低排放項目。



In May 2018, Guangxi Qinzhou Power Plant Phase II Expansion Project (2x1000 MW) and Shanxi Yongji "Constructing Large Unite and Restricting Small Ones" 2x300MW Thermal Power Cogeneration Project was awarded the 2018 China Quality Power Project Award (「2018 年度中國電力優質工程獎」).

2018年5月，廣西欽州電廠二期擴建工程(2×1000MW)工程和山西永濟「上大壓小」2×300MW熱電聯產工程獲得2018年度中國電力優質工程獎。

June 六月



On 8 June 2018, the Company entered into a contract for the first fuel gas project, i.e. Gao'antun Gas-fired Thermal Power Waste Heat Boiler Denitrification Upgrade Project.

2018年6月8日，公司簽訂第一個燃氣項目—高安屯燃氣熱電餘熱鍋爐脫硝改造項目。



On 15 June 2018, China Boqi Environmental Protection (Holdings) Co., Ltd. held a general meeting.

2018年6月15日，中國博奇環保(控股)有限公司召開股東大會。



August 八月

On 20 August 2018, Huainan Boqi Environmental Protection Technology Co., Ltd. was incorporated.

2018年8月20日，淮南博奇環保科技有限公司註冊成立。



October 十月



On 17 October 2018, the Company won the bid for the flue gas ultra-low emission upgrade BOO project for 2×300MW units in Laibin Power Plant of Fangyuan Power Co., Ltd. of Guangxi Investment Group.

2018年10月17日，中標廣西投資集團方元電力股份有限公司來賓電廠2×300MW機組煙氣超低排放改造BOO項目。

November 十一月



On 23 November 2018, the Company's first wastewater zero-emission project – Huaeng Jinggangshan Power Plant desulfurization and wastewater zero-emission demonstration project was put into operation.

2018年11月23日，公司第一個廢水零排放項目—華能井岡山電廠脫硫廢水零排放示範工程投運。



On 29 November 2018, the Company participated in the "2018 'North Star Cup' most influential top ten flue gas treatment enterprises" and was awarded the "Most Influential Top Ten Steel Denitrification Enterprise Award" (「最具影響力十大鋼鐵脫硝企業獎」) and "The Most Influential Top Ten De-Plume Enterprise Award" (「最具影響力十大煙氣脫白企業獎」).

2018年11月29日，參加「2018「北極星杯」最具影響力十大煙氣治理企業評選」，公司獲得「最具影響力十大鋼鐵脫硝企業獎」、「最具影響力十大煙氣脫白企業獎」。



December 十二月



In December the Company was awarded the “Leading Enterprise in Atmosphere Governance Industry” (「大氣治理行業領軍企業」) and top three in “Atmospheric Governance Environmental Protection Enterprises (Power Industry)” (「電力行業大氣治理環保企業前三強」).

於12月獲得「大氣治理行業領軍企業」、「電力行業大氣治理環保企業前三強」兩項大獎。

In March and December, the Company was rated as “Quality Supplier of Metallurgical Industry” (「冶金行業優質供應商」) and “Environmental Pioneer of Steel Industry” (「鋼鐵行業環保先鋒」) by Metallurgical Industry International Cooperation Service Center of China Equipment Management Association.

公司分別於3月和12月被中國設備管理協會冶金行業國際合作服務中心評為「冶金行業優質供應商」和「鋼鐵行業環保先鋒」。





CORPORATE GOVERNANCE REPORT

企業管治報告

The Board is pleased to present this corporate governance report in the annual report of the Company for the year ended 31 December 2018.

Corporate Governance Code

The Company's Shares have been listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 16 March 2018 (the "Listing Date"). The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance corporate values and accountability. The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules (the "Listing Rules"). In addition, the Board unanimously approved on 20 December 2018 to adopt the Stock Exchange's amendments to the CG Code and the Listing Rules with effect from 1 January 2019 and implement its application.

Save as disclosed herein, the Company complied with the code provisions as set out in the CG Code during the period from the Listing Date to the date of this annual report (the "Period"). The Company will continue to review and enhance its corporate governance practices to ensure compliance with the CG Code.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code") as its code of conduct regarding dealings in the securities of the Company. Having made specific enquiry to all the Directors, all Directors confirmed that they had strictly complied with the required standards set out in the Model Code during the Reporting Period.

The Board has also adopted the Model Code to regulate all dealings by employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code. No incident of non-compliance with the Model Code by the Company's employees was noted during the Period after making reasonable enquiry.

董事會欣然呈列本公司截至2018年12月31日止年度之年報所載企業管治報告。

企業管治守則

本公司股份已自2018年3月16日(「上市日期」)起於香港聯合交易所有限公司(「聯交所」)上市。本公司致力於維持高水平的企業管治，以保障股東權益以及提升企業價值及問責性。本公司已採納聯交所證券上市規則(「上市規則」)附錄十四所載的企業管治守則(「企業管治守則」)。此外，董事會於2018年12月20日一致審核，採納聯交所於2019年1月1日生效對《企業管治守則》及《上市規則》的修訂內容且實施其應用。

除本文披露者外，本公司自上市日期起直至本年報日期止期間(「該期間」)一直遵守企業管治守則所載的守則條文。本公司將繼續檢討並提升其企業管治常規，以確保遵守企業管治守則。

證券交易的標準守則

本公司已採納上市規則附錄10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」)作為買賣本公司證券的操守守則。經向本公司全體董事作出特定查詢後，全體董事確認彼等於期間已嚴格遵守標準守則所載的規定標準。

董事會亦已採納標準守則以規管可能獲知本公司非公開內幕消息之相關僱員進行有關本公司證券交易的所有行為(見企業管治守則守則條文第A.6.4條)。經作出合理查詢後，於期間內並未發現本公司之有關僱員未有遵守標準守則之情況。



THE BOARD

Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group's strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company's affairs, the Board has established three Board committees including the audit committee (the "Audit Committee"), the remuneration committee (the "Remuneration Committee") and the nomination committee (the "Nomination Committee") (together, the "Board Committees"). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

Directors' and Senior Management's Liability Insurance and Indemnity

The Company has arranged appropriate liability insurance to indemnify the Group's Directors and senior management for their liabilities arising out of corporate activities. The insurance coverage will be reviewed on an annual basis.

Board Composition

The Board currently comprises two executive Directors, namely Mr. Cheng Liquan Richard and Mr. Zeng Zhijun, three non-executive Directors, namely Mr. Tony Tuo Zheng, Mr. Zhu Weihang and Mr. Chen Xue and three independent non-executive Directors, namely Mr. Liu Genyu, Dr. Xie Guozhong and Mr. Lu Zhifang.

Since the Listing Date and up to the date of this annual report, the Board at all times met the requirements of the Rules 3.10(1) and 3.10(2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors with at least one independent non-executive Director possessing appropriate professional qualifications or accounting or related financial management expertise. Among the three independent non-executive Directors, Dr. Xie Guozhong has appropriate professional qualifications or accounting or related financial management expertise as required by Rule 3.10(2) of the Listing Rules.

董事會

職責

董事會負責本公司的整體領導、監督本公司的戰略決定以及監察業務及表現。董事會向本公司高級管理層授出本公司日常管理及營運的權力及職責。為監察本公司事務特定範疇，董事會已設立三個董事委員會，包括審核委員會（「審核委員會」）、薪酬委員會（「薪酬委員會」）及提名委員會（「提名委員會」）（統稱「董事委員會」）。董事會已授予董事委員會載於其各自職權範圍的職責。

全體董事須確保彼等一直本著真誠、遵守適用法律及法規及符合本公司及其股東利益的方式履行職責。

董事及高級管理層的責任保險及彌償

本公司已為本公司董事及高級管理層安排適當的責任保險，以彌償其因從事企業活動而產生的責任，保險的保障範圍將於每年予以檢討。

董事會的組成

董事會目前由兩名執行董事（即程里全先生及曾之俊先生）、三名非執行董事（即鄭拓先生、朱偉航先生及陳學先生）及三名獨立非執行董事（即劉根鈺先生、謝國忠博士及陸志芳先生）組成。

自上市日期起直至本年報日期止，董事會一直符合上市規則第3.10(1)及3.10(2)條，有關委任至少三名獨立非執行董事而當中至少一名獨立非執行董事須具備合適專業資歷或會計或相關財務管理專業知識的規定。於三名獨立非執行董事中，謝國忠博士具備上市規則第3.10(2)條所規定的合適專業資歷或會計或相關財務管理的專業知識。

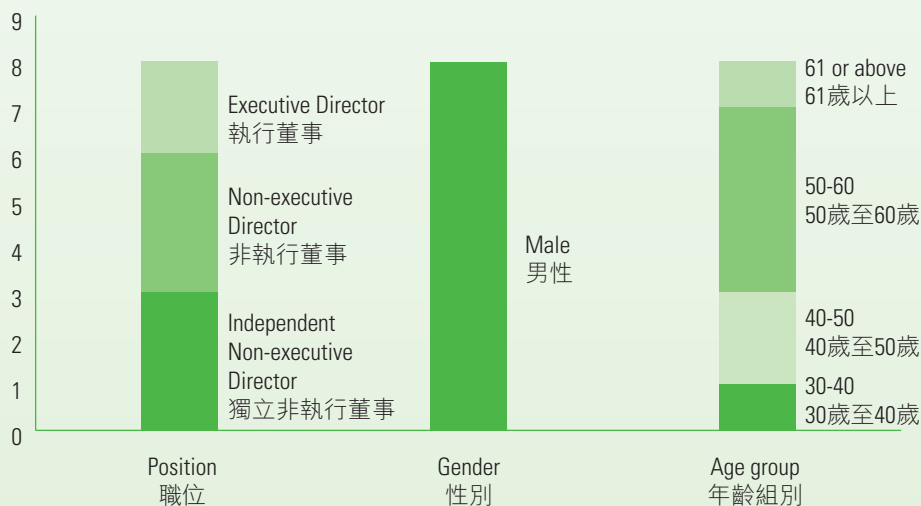


Board Diversity Policy

Pursuant to the code provision A.5.6 of the CG Code, listed issuers are required to adopt a board diversity policy. The policy specifies that in designing the composition the Board, board diversity shall be considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. The appointment of Directors will be based on meritocracy, and candidates will be evaluated against objective criteria, having due regard for the benefits of diversity of the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, culture, educational background, professional experience, knowledge and skills.

The composition of the Board will be disclosed in the Corporate Governance Report every year and the Nomination Committee will supervise the implementation of this policy. The Nomination Committee will review the effectiveness of this policy, as appropriate discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

As at the date of this annual report, the diversity of the Board is illustrated as below. Further details on the biographies and experience of the Directors are set out on page 16 to page 22 of this annual report.



The Nomination Committee has reviewed the membership, structure and composition of the Board, and is of the opinion that the structure of the Board is reasonable, and the experiences and skills of the Directors in various aspects and fields can enable the Company to maintain high standard of operation.

董事會成員多元化政策

根據企業管治守則的守則條文A.5.6條，上市發行人須採納董事會成員多元化政策。該政策訂明董事會於設定董事會成員組合時會從多個方面考慮董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能及知識。董事的委任均以用人唯才為原則，並在評估人選時考慮客觀條件妥善顧及董事會成員多元化的裨益。甄選董事會人選將按一系列多元化範疇為基準，包括但不限於性別、年齡、文化、教育背景、專業經驗、知識及技能。

本公司將每年在企業管治報告中披露董事會的組成。提名委員會將監察本政策的實施。提名委員會將在適當時候檢討本政策的成效，並討論任何或需作出的修訂，且就任何該等修訂向董事會提出建議，以供審議及批准。

於本年報日期，董事會成員多元化列示如下。有關董事履歷及經驗的進一步詳情載於本年報第16至22頁。

提名委員會已檢討董事會成員、架構及組成，認為董事會的架構合理，而董事亦具備多方面及多領域的經驗及技能，致使本公司維持高營運水平。



Independence of the Independent Non-executive Directors

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. After the Board reviews the written annual confirmation from all the non-executive Director of his independence, the Board considers them to be independent in accordance with the independence guidelines as set out in the Listing Rules. The Board is not aware of the occurrence of any events which would cause it to believe that the independence of any of the Independent non-Executive Directors has been impaired up to the date of this annual report.

None of the Directors has any personal relationship (including financial, business, family or other material/relevant relationship), with any other Director.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive directors are invited to serve on the Audit Committee, the Remuneration Committee and the Nomination Committee.

In regards to the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, Directors have agreed to disclose their commitments to the Company in a timely manner.

獨立非執行董事之獨立性

本公司已接獲各獨立非執行董事根據上市規則規定所作出有關其獨立身份的年度確認書。董事會已審閱全體獨立非董事的獨立性確認書，並認為，根據上市規則所載的獨立指引，彼等均為獨立人士。截至本年報日期，董事會並不知悉已發生任何事項，致使其相信任何獨立非執行董事之獨立性受損。

概無董事與任何其他董事有任何個人關係(包括財務、業務、家庭或其他重大／相關關係)。

全體董事(包括獨立非執行董事)均為董事會帶來多種領域的寶貴業務經驗、知識及專業技能，使其高效及有效地運作。獨立非執行董事獲邀成為審核委員會、薪酬委員會及提名委員會的一員。

就企業管治守則條文而言，董事須披露於公眾上市公司或機構所擔任職務的數目及性質以及其他重大職務承擔，以及彼等於發行人公司任職的身份及時間，而董事已同意適時向本公司披露其職務承擔。



Induction and Continuous Professional Development

Pursuant to code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

Each newly appointed Director has been provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under relevant statutes, laws, rules and regulations.

In this reporting period, all the Directors (Mr. Cheng Liquan Richard, Mr. Zeng Zhijun, Mr. Tony Tuo Zheng, Mr. Zhu Weihang, Mr. Chen Xue, Mr. Liu Genyu, Mr. Xie Guozhong and Mr. Lu Zhifang) has attended the training courses conducted by the legal adviser of the Company, William Ji & Co. (in Association with Tian Yuan Law Firm Hong Kong Office). The content of such training related to the new amendments made in the Securities Listing Rules of the Stock Exchange of Hong Kong Limited and CG Code in its Appendix 14 with effect from 1 January 2019. According to it, all the Directors have been updated with the latest developments regarding the Listing Rules and other applicable regulatory requirement to ensure compliance and enhance their awareness of good corporate governance practices. In addition, continuing briefing and professional development to Directors will be arranged whenever necessary.

Chairman and Chief Executive Officer

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals. The positions of chairman and chief executive officer are held by Mr. Cheng and Mr. Zeng, respectively. The chairman provides the overall strategic planning and direction of the Group and is responsible for the effective functioning and leadership of the Board. The chief executive officer focuses on the Company's business development and the daily management and operations generally.

入職培訓及持續專業發展

根據企業管治守則的守則條文A.6.5條，全體董事須參與持續專業發展，以發展及更新彼等的知識及技能，藉此確保彼等對董事會所作貢獻為知情及相關。

每名新委任董事均已獲提供必要的入職培訓及數據，確保其對本公司營運及業務以及其於相關條例、法律、規則及法規的責任有適當程度的了解。

於本報告期內，全體董事(程里全先生、曾之俊先生、鄭拓先生、朱偉航先生、陳學先生、劉根鈺先生、謝國忠先生及陸志芳先生)均已參與由本公司法律顧問紀曉東律師行(天元律師事務所香港分所聯營所)提供的培訓課程，而培訓內容則有關香港聯合交易所有限公司於2019年1月1日新修訂的證券上市規則及其附錄十四企業管治守則。據此，全體董事已獲悉有關上市規則及其他適用監管規定的最新發展，確保遵守有關規定及提高彼等對良好企業管治常規的意識。此外，本公司將於有需要時為董事安排持續簡報及專業發展。

主席及行政總裁

企業管治守則的守則條文A.2.1條規定主席與行政總裁的角色應有區分，不應由同一人擔任。主席與行政總裁的職位分別由程先生及曾先生擔任。主席提供本集團的整體策略規劃及指導，並負責董事會有效運作及領導。行政總裁一般專注於本公司業務發展及日常管理與營運。



Appointment and re-election of Directors

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from 28 February 2018.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing from 28 February 2018.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

In accordance with the Company's amended and restated memorandum and articles of association, at each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Shareholders of the Company entitled to vote at the annual general meeting for the election of Directors will elect a Board consisting of at least the minimum number of Directors set under the articles of association of the Company and all the Directors shall cease to hold office immediately before such election, but are eligible for re-election at such meeting.

The procedures and process of appointment, re-election and removal of directors are set out in the Company's amended and restate memorandum and articles of association. The Nomination Committee is responsible for reviewing the Board composition, monitoring and make recommendations to the Board on the appointment, re-election and succession planning of Directors, in particular the chairman and the chief executive officer.

Board Meetings

The Company adopts the practice of holding board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than fourteen days are given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting. For other Board and committee meetings, reasonable notice is generally given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the Chairman prior to the meeting. Minutes of meetings are kept by the Company with copies circulated to all Directors for information and records.

董事委任及重選

各執行董事已與本公司訂立服務合約，任期自2018年2月28日起計為期三年。

各非執行董事及獨立非執行董事已與本公司簽訂委聘書，任期自2018年2月28日起計為期三年。

概無董事訂立本公司不可於一年內在毋須支付賠償(法定賠償除外)的情況下終止的服務合約。

根據本公司的經修訂及經重列的組織章程大綱及組織章程細則，於每屆股東週年大會上，當時三分之一之董事須輪值退任，惟各董事須最少每三年於股東週年大會上輪值退任一次。有權於股東周年大會上投票選出董事的本公司股東將選出董事會，董事會須至少由本公司組織章程細則所定最少數目的董事組成，而全體董事將於緊接有關選舉前離任，惟有資格於該大會上獲重選連任。

委任、重選及罷免董事的程序及過程載於本公司的經修訂及重列組織章程大綱及細則。提名委員會負責檢討董事會的組成、監察並就董事(尤其是主席及行政總裁)的委任、重選及繼任計劃向董事會提供推薦意見。

董事會會議

本公司採納定期舉行董事會會議的慣例，即每年至少舉行四次會議及大致按季度舉行會議。所有董事會例行會議通知會於至少14日前送呈全體有機會出席會議的董事，並使其可於是次例行會議議程內加載有關事宜。就其他董事會及委員會會議而言，本公司一般會發出合理通知。議程及相關董事會附件將於會議舉行前至少3日寄發予董事或委員會成員，以確保彼等有充足時間審閱有關文件及為會議作充分準備。倘董事或委員會成員未能出席會議，則彼等會獲告知將予討論的事宜及於會議舉行前有機會讓主席獲悉彼等之意見。會議記錄會由本公司保存，而副本將於全體董事間傳閱，以供參考及記錄。



Minutes of the board meetings and committee meetings are recorded in sufficient detail the matters considered by the Board and the committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each board meeting and committee meeting are sent to the Directors for comments within a reasonable time after the date on which the meeting is held. The minutes of the board meetings are available for inspection by Directors.

Since the Listing Date and up to 31 December 2018, four board meetings were held and the details are set out in the table below:

董事會會議及委員會會議的記錄會充分詳盡記錄董事會及委員會所審議的事宜及所達致的決定，包括董事提出的任何疑慮。各董事會會議及委員會會議的記錄草擬本將於會議舉行當日後的合理時間內寄送至各董事，以供彼等發表意見。董事會會議的記錄可供董事公開查閱。

自上市日期起直至2018年12月31日止，董事會曾舉行四次董事會會議，具體情況如下：

Date 日期	Agenda of the meeting 會議議程
29 March 2018 2018年3月29日	To review and approve the relevant (1) corporate governance functions of the Group; (2) the 2017 audited consolidated financial statements of the Group; (3) the 2017 Annual Result Announcement of the Group; (4) the continuing connected transactions of the Group for 2017; (5) Final dividend of the Group; (6) Re-appointment of the Group's auditors in 2018; (7) 2018 Annual General Meeting of the Group; (8) General mandate to issue shares and repurchase shares of the Group; (9) Risk of the Group Management and internal control system; (10) the Group's diversity policy of the Board. 審議及批准有關(1)本集團企業治理職能；(2)本集團2017年經審計合併財務報表；(3)本集團2017年度業績公告；(4)本集團2017年度持續關聯交易；(5)本集團最終股息；(6)本集團2018年審計師的重新任命；(7)本集團2018年度股東大會；(8)本集團發行股份和回購股份的一般性授權；(9)本集團風險管理和內部控制體系；(10)本集團董事會成員多元化政策。
20 April 2018 2018年4月20日	To review and approve the relevant (1) Group's 2017 Annual Report; (2) re-election and appointment of the Directors of the Group; (3) remuneration of Directors. 審議及批准有關(1)本集團2017年度報告；(2)本集團董事的重新選舉及任命；(3)董事的薪酬。
29 August 2018 2018年8月29日	To review and approve of (1) the Group's 2018 Interim Result Announcement; (2) the Group's 2018 Interim Report; (3) the Group's 2018 Interim Dividend; and review the effectiveness of the Group's corporate financial reporting, risk management and internal control systems for the six months ended 30 June 2018. 審議及批准有關(1)本集團2018年中期業績公告；(2)本集團2018年中期報告；(3)本集團2018年中期股息；並審查本集團截至2018年6月30日止六個月的公司財務報告、風險管理和內部控制系統的有效性。
20 December 2018 2018年12月20日	To review and approve the proposal on the adoption and implementation of the new CG Code and the new Listing Rules amendment. 審議及批准有關新《企業管治守則》及新《上市規則》修訂內容採納實施的議案。



Directors 董事	Attendance/number of meetings held 已出席次數／舉行會議次數
Mr. Cheng Liquan Richard 程里全先生	4/4
Mr. Zeng Zhijun 曾之俊先生	4/4
Mr. Tony Tuo Zheng 鄭拓先生	4/4
Mr. Zhu Weihang 朱偉航先生	4/4
Mr. Chen Xue 陳學先生	4/4
Mr. Liu Genyu 劉根鈺先生	4/4
Dr. Xie Guozhong 謝國忠博士	4/4
Mr. Lu Zhifang 陸志芳先生	4/4

Apart from formal meetings, other matters subject to the approval of the Board were handled in the form of written resolutions.

除正式會議外，其他須董事會批准的事宜以傳閱書面決議案方式處理。

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' securities transactions. Specific enquiry has been made of all the Directors and each of the Directors has confirmed that he has strictly complied with the Model Code since the Listing Date and up to the date of this annual report.

The Board has also adopted the Model Code to regulate all dealings by relevant employees who are likely to be in possession of unpublished inside information of the Company in respect of securities in the Company as referred to in code provision A.6.4 of the CG Code. No incident of non-compliance with the Model Code by the Company's relevant employees has been noted during the Period after making reasonable enquiry.

進行證券交易的標準守則

本公司已採納上市規則附錄十所載有關上市發行人董事進行證券交易的標準守則(「標準守則」)，作為其自身有關董事進行證券交易的行為守則。經向全體董事作出特定查詢後，各董事已確認，自上市日期起直至本年報日期止，彼等一直嚴格遵守標準守則。

董事會亦已採納標準守則以規管可能擁有本公司有關本公司證券的未公開內幕消息的相關僱員的所有交易(如企業管治守則守則條文第A.6.4條所述)。經作出合理查詢後，概不知悉本公司相關僱員有違反標準守則的情況。



Delegation by the Board

The Board reserves its decision for all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company's expense and are encouraged to consult with the Company's senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

BOARD COMMITTEES

The Board has established three Board committees to strengthen its functions and corporate governance practices, namely, the Audit Committee, the Nomination Committee and the Remuneration Committee. The Audit Committee, the Nomination Committee and the Remuneration Committee perform their specific roles in accordance with their respective written terms of reference.

Audit Committee

The Audit Committee comprises three members, namely Dr. Xie Guozhong (chairman), Mr. Liu Genyu and Mr. Tony Tuo Zheng, all of them are non-executive Directors and the majority are independent non-executive Directors. The primary duties of the Audit Committee include examining independently the financial positions of the Company, overseeing the Company's financial reporting system, risk management and internal control system, the audit process and proposals of internal management, communicating independently with, monitoring and verifying the work of internal audit and external auditors.

Since the Listing Date and up to 31 December 2018, two meeting of the Audit Committee was held and the details are as follows:

- the first meeting of the first Audit Committee was held on 29 March 2018 to review and approve (1) the Group's 2017 annual financial statements and results announcement; (2) the Group's risk management and internal control system; (3) the re-appointment of the Group's auditors in 2018.

董事會的授權

董事會對本公司所有重大事宜保留決策權，包括：批准及監督一切政策事宜、整體策略及預算、內部監控及風險管理制度、重大交易（特別是可能牽涉利益衝突的交易）、財務數據、委任董事及其他主要財務及營運事宜。董事於履行彼等職責時可尋求獨立專業意見，費用由本公司承擔，且本公司亦鼓勵董事向本公司高級管理層進行獨立諮詢。

本公司的日常管理、行政及營運授權予高級管理層負責。授權職能及職責由董事會定期檢討。管理層訂立任何重大交易前須取得董事會批准。

董事委員會

董事會已成立三個董事會委員會，以加強其職能及企業管治常規，分別為審核委員會、提名委員會及薪酬委員會。審核委員會、提名委員會及薪酬委員會均按照其各自之書面職權範圍履行彼等之特定角色。

審核委員會

審核委員由三名成員組成，即謝國忠博士（主席）、劉根鈺先生及鄭拓先生，全部成員均為非執行董事及大部分成員為獨立非執行董事。審核委員會的主要職責包括獨立審查本公司的財務狀況、監察本公司的財務報告系統、風險管理及內部監控系統、審計過程及內部管理建議、與內部審計核數師及外聘核數師獨立溝通，並監督及核實彼等的工作。

自上市日期起及直至2018年12月31日止，審核委員會曾舉行兩次會議，具體情況如下：

- 2018年3月29日舉行第一屆審核委員會第一次會議，審議及批准有關(1)本集團2017年度財務報表與業績公告；(2)本集團風險管理和內部控制體系；(3)本集團2018年審計師的重新任命。



- the second meeting of the first Audit Committee was held on 29 August 2018 to review and approve (1) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2018, (2) the Group's 2018 Interim Report and Interim Results announcement, and review of the Group for the effectiveness of financial reporting, risk management and internal control systems for the six months ended 30 June 2018.
- 2018年8月29日舉行第一屆審核委員會第二次會議，審議及批准有關(1)本集團截至2018年6月30日止六個月的未審計綜合財務報表，(2)本集團2018年中期報告及中期業績公告，並審查本集團截至2018年6月30日止六個月的財務報告、風險管理和內部控制系統的有效性。

Directors 董事	Attendance/number of meetings held 出席／會議舉行數目
Dr. Xie Guozhong (Chairman) 謝國忠博士(主席)	2/2
Mr. Liu Genyu 劉根鈺先生	2/2
Mr. Tony Tuo Zheng 鄭拓先生	2/2

The Audit Committee reviewed the financial reporting system, compliance procedures, internal control (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function), risk management systems and processes and the reappointment of the external auditor and fulfilled the aforementioned duties as required. The Board had not deviated from any recommendation given by the Audit Committee on the selection, appointment, resignation or dismissal of external auditor.

They also reviewed annual results of the Company and its subsidiaries for the fiscal year as well as the audit report prepared by the external auditor relating to accounting issues and major findings in course of audit. There are proper arrangements for employees, in confidence, to raise concerns about possible improprieties in financial reporting, internal control and other matters. The written terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

審核委員會檢討財務申報制度、合規程序、內部監控(包括本公司在會計及財務申報職能方面的資源、員工資歷及經驗是否足夠，以及培訓課程及預算是否充足)、風險管理制度及程序以及外聘核數師的續聘及履行上述規定的職責。董事會並無偏離審核委員會就挑選、委任、辭退或罷免外聘核數師所提供的任何建議。

彼等亦審閱本公司及其附屬公司於財政年度的年度業績以及由外聘核數師所編製有關審計過程中的會計事項及重大發現的審計報告。該委員會為僱員作出適當安排，讓彼等可以保密方式就財務申報、內部監控及其他事宜可能出現的不當行為提出疑問。審核委員會的書面職權範圍可於本公司及聯交所網站查閱。

**Nomination Committee**

The Nomination Committee currently comprises three members, namely Mr. Cheng Liquan Richard (chairman), Dr. Xie Guozhong and Mr. Lu Zhifang, the majority of them are independent non-executive Directors.

The primary duties of the Nomination Committee are to review the structure, size and composition of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, to make recommendation to the Board regarding candidates to fill vacancies on the Board and/or in the management, and to assess the independence of the independent non-executive Directors.

The Nomination Committee will assess the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. Their written terms of reference are available on the websites of the Stock Exchange and the Company.

Since the Listing Date and up to 31 December 2018, the first meeting of the first Nomination Committee was held on 20 April 2018 to review and approve the Group's Board diversity policy; review and evaluate the independence of the Group's independent non-executive Directors; review and approve the re-election of relevant Directors at the annual general meeting. The details of their attendance are as follows:

Directors 董事	Attendance/number of meetings held 出席／會議舉行數目
Mr. Cheng Liquan Richard (Chairman) 程里全先生(主席)	1/1
Dr. Xie Guozhong 謝國忠博士	1/1
Mr. Lu Zhifang 陸志芳先生	1/1

The Nomination Committee assessed the independence of independent non-executive Directors, considered the re-appointment of the retiring Directors, reviewed the time commitment required from the non-executive Director and fulfilled duties as required aforesaid.

提名委員會

提名委員會目前由三名成員組成，即程里全先生(主席)、謝國忠博士及陸志芳先生，大部份成員均為獨立非執行董事。

提名委員會的主要職責為至少每年檢討董事會的架構、規模及組成，並就董事會為配合本公司的企業策略所作出的任何建議變動提供建議、就填補董事會及／或管理層空缺的人選向董事會提供建議，並評估獨立非執行董事的獨立性。

提名委員會將按標準評估候選人或現任人，如誠信、經驗、技能及投入時間和精力以履行職責及責任的能力。提名委員會的推薦建議隨後將提呈予董事會作出決定。書面職權範圍可於聯交所及本公司網站查閱。

自上市日期起及直至2018年12月31日止，提名委員會於2018年4月20日舉行了第一屆提名委員會第一次會議，審議並批准有關本集團董事會多元化政策；審核並評估本集團獨立非執行董事的獨立性；審議並批准相關董事在股東周年大會上重選連任。其出席詳情如下：

提名董事會評估獨立非執行董事的獨立性、審議退任董事的重選事宜，以及檢討擔任非執行董事所需投入的時間並履行上述規定的職責。



The Board has adopted a Board diversity policy (the "Policy") in accordance with the requirements of the Listing Rules with effect from 29 March 2018 which sets out the approach to achieve diversity on the Board. All Board appointments shall be based on meritocracy, and candidates will be considered against selection criteria, having regard for the benefits of diversity on the Board. Selection of candidates will be based on range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board. The Nomination Committee will monitor the implementation of the Policy and will from time to time review the Policy, as appropriate, to ensure the effectiveness of the Policy.

Remuneration Committee

The Remuneration Committee comprises three members, namely Mr. Lu Zhifang (chairman), Mr. Liu Genyu and Mr. Zeng Zhijun, the majority of them are independent non-executive Directors.

The primary duties of the Remuneration Committee are to recommend the Board on the Group's remuneration policy and structure for the Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy, to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives, and to make recommendations to the Board on the remuneration packages of the executive Directors and senior management.

The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

Since the Listing Date and up to 31 December 2108, the first meeting of the first Remuneration Committee was held on 20 April 2018 to review and approve the remuneration of the Directors and senior management of the Group, and the details are as follows:

董事會已按照上市規則之規定於2018年3月29日採納董事會成員多元化政策(「該政策」)，當中載列董事會為達致其成員多元化而採取之方針。董事會成員之委任均以用人唯才為原則，並在考慮人選時以充分顧及董事會成員多元化之裨益為甄選準則。甄選人選將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。最終將按人選的長處及可為董事會提供之貢獻而作決定。提名委員會將監察該政策的執行，並將不時在適當時候檢討該政策，以確保該政策行之有效。

薪酬委員會

薪酬委員會由三名成員組成，即陸志芳先生(主席)、劉根鈺先生及曾之俊先生，大部份成員為獨立非執行董事。

薪酬委員會的主要職責為就本集團董事及高級管理層薪酬的薪酬政策及架構向董事會提供建議，並就制定薪酬政策設立正式及透明的程序，且參照董事會的企業目標及宗旨檢討及批准管理層薪酬建議，以及就執行董事及高級管理層的薪酬待遇向董事會提供建議。

薪酬委員會的書面職權範圍可於聯交所及本公司網站查閱。

自上市日期起及直至2018年12月31日止，薪酬委員會於2018年4月20日，舉行了第一屆薪酬委員會第一次會議，審議並批准有關本集團董事及高級管理層的薪酬。其出席詳情如下：

Directors 董事	Attendance/number of meetings held 出席／會議舉行數目
Mr. Lu Zhifang (Chairman) 陸志芳先生(主席)	1/1
Mr. Liu Genyu 劉根鈺先生	1/1
Mr. Zeng Zhijun 曾之俊先生	1/1



The Remuneration Committee discussed and reviewed the remuneration policy for Directors and senior management of the Company, made recommendations to the Board on the remuneration packages of individual executive Directors and senior management and fulfilled duties as required aforesaid.

Details of the remuneration by band of the members of senior management of the Company, whose biographies are set out on page 24 to page 31 of this annual report, for the year ended 31 December 2018 are set out in the Independent Auditor's Report on page 210 to page 212 of this annual report.

DIRECTORS' RESPONSIBILITIES FOR FINANCIAL REPORTING IN RESPECT OF FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements for the 2018 Financial Year which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the auditor of the Company regarding their reporting responsibilities on the financial statements of the Company is set out in the Independent Auditor's Report on page 129 to page 133 of this annual report.

薪酬委員會討論及檢討本公司董事及高級管理層的薪酬政策，以及就個別執行董事及高級管理層的薪酬待遇向董事會提供建議並履行上述規定的職責。

截至2018年12月31日止年度，本公司高級管理層成員(其履歷載於本年報第24至31頁)按組別劃分的薪酬詳情載列於本年報第210至212頁的獨立核數師報告內。

董事有關財務報表的財務申報責任

董事事已知悉，彼等有責任編製2018財政年度的財務報表，以真實公平地反映本公司及本集團的事務狀況以及本集團的業績及現金流量。

管理層向董事會提供必要的闡釋及數據，致使董事會能對提呈予董事會批准的本公司財務報表進行知情的評估。本公司每月向董事會全體成員提供有關本公司表現、狀況及前景的最新資料。

董事並不知悉，任何有關可能對本公司持續經營能力嚴重存疑的事件或情況的重大不確定因素。

本公司核數師就彼等對本公司財務報表申報責任的聲明載於本年報第129至133頁的獨立核數師報告內。



INTERNAL CONTROL AND RISK MANAGEMENT

The Board is responsible for maintaining an adequate risk management and internal control systems to safeguard Shareholders' investments and Company's assets and with the support of the Audit Committee, reviewing the effectiveness of such systems on an annual basis. The Company has implemented various internal control and risk management policies, including Asset Depreciation Provision Management Policy, Inventory Management Policy and Financing and Guarantee Management Policy. Furthermore, we also sponsor our internal control staff to attend risk management and internal control related trainings every year. The risk management and internal control policies are designed to help achieve business objectives, safeguarding assets against unauthorised use, and maintaining proper accounting records for the provision of reliable financial information for internal use and for publication. The establishment of risk management and internal control systems is to provide reasonable, but not absolute, assurance against material misstatement of financial statements or loss of assets and to manage rather than eliminate risks of failure in operational systems and achievement of the Group's objectives.

The Company's operation planning department is responsible for the internal control and risk management of the Company's business operations. The internal audit department is responsible for the internal audit of the Company. The Company has also engaged external consultants to perform a review of the internal control and risk management systems of the Group. With the assistance of the external consultants, the operation planning department, the internal control department and the internal audit department of the Company, the Company is able to take mitigating and remedial measures to address the identified risks and such actions and measures are integrated in the day-to-day activities of the Group and their effectiveness is closed monitored. The internal audit, internal control and risk management systems and policies are reviewed by the Board on an ongoing basis in order to make it practical and effective in providing reasonable assurance in relation to the identification of business risks.

The Company has put in place a policy on handling and dissemination of inside information which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way to avoid placing any person in a privileged dealing position. The inside information policy also provides guidelines to employees of the Group to ensure proper safeguards exists to prevent the Company from breaching the statutory and listing rule disclosure requirements. The Company has appropriate internal control and reporting systems to identify and assess potential inside information. Dissemination of inside information of the Company shall be conducted by publishing the relevant information on the websites of the Stock Exchange and the Company, according to the requirements of the Listing Rules.

內部監控及風險管理

董事會負責維持充分的風險管理及內部監控系統，以保障股東投資及本公司的資產，並在審核委員會的支持下，每年檢討有關系統的效能。本公司已落實多項內部控制及風險管理政策，其中包括資產折舊撥備管理政策、存貨管理政策及融資擔保管理政策。此外，我們每年亦組織內部控制員工參加風險管理和內部控制相關培訓。風險管理及內部監控系統已予制訂，以助達成業務目標、保障資產免受到未經授權的使用及存置恰當會計紀錄，以提供可靠的財務數據作內部及刊發之用。設立內部控制及風險管理政策防止財務報表之重大失實聲明或資產損失，及管理(而非消除)營運系統失效及未能達成本集團業務目標的風險。

本公司的經營計劃部負責本公司業務營運中的內部控制及風險管理。內部審計部負責本公司的內部審計。本公司亦已聘請外部顧問對本集團的內部監控及風險管理系統進行檢討。在外部顧問、本公司經營計劃部、內部監控部及內部審計部的協助下，本公司能夠採取緩解及補救措施處理已識別的風險。該等行動及措施乃整合於本集團的日常活動中，而其效用受密切監察。董事會持續檢討內部審計、內部監控及風險管理系統，使其有效可行並對識別業務風險提供合理保證。

本公司已訂立一項處理及發佈內幕消息的政策，列出處理及發佈內幕消息的程序及內部監控，使內幕消息得以適時處理及發佈，而不會導致任何人士在證券交易上處於佔優的地位。內幕消息政策亦為本集團僱員提供指引，確保設有適當的措施，以預防本公司違反法定及上市規則的披露規定。本公司設有適當的內部監控及彙報制度，識別及評估潛在的內幕消息。根據上市規則的規定，本公司發佈內幕消息，會透過聯交所及本公司網站刊登相關消息。



The Audit Committee assists the Board in the review, which covers operational, financial and compliance controls, internal audit and risk management functions, to maintain an adequate and effective internal control system to safeguard the interests of the shareholders and the assets of the Group. For the 2018 Financial Year, the Board conducted an annual review of the effectiveness of the internal control system of the Group by, including but not limited to, considering a written report prepared by the external consultants to the Audit Committee covering the above aspects. The Board has also considered the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programme and budget during the year under review. The Board is not aware of any significant internal control and risk management weaknesses nor significant breach of limits or risk management policies, and considers that the current monitoring systems of the Company are effective and that the qualifications and experience of the staff, performing accounting and financial reporting functions and the training programmes of the Company as well as the experiences and resources for setting the budget of the Company are adequate. The Company has complied with the requirements under C.2.1 to C.2.5 and C.3.3 of the CG Code relating to risk management and internal control since the Listing Date.

AUDITOR'S REMUNERATION

Deloitte Touche Tohmatsu ("Deloitte") was appointed as the Company's auditors to audit the financial statements of the Company for the year ended 31 December 2018 prepared in accordance with IFRSs and the PRC GAAP, respectively. Aggregate fees in respect of audit and audit-related services provided by Deloitte payable by the Company during the year ended 31 December 2018 were HK\$2,800,000.

JOINT COMPANY SECRETARIES AND PRIMARY CONTACT OF THE COMPANY

Ms. Qian Xiaoning was appointed as the joint company secretary of the Company on 13 February 2017. Ms. Qian's biographical details are set out in the section headed "Directors and Senior Management" on page 27 of this annual report. As Ms. Qian Xiaoning does not possess the qualifications as stipulated under Rules 3.28 and 8.17 of the Listing Rules, the Company has applied for and has been granted a waiver by the Stock Exchange from strict compliance with those Listing Rules.

審核委員會亦協助董事會進行有關維持足夠及有效之內部監控系統的審閱，當中涵蓋營運、財務及合規監控內部審計、以及風險管理功能，以保障股東及本集團資產之利益。於2018年財政年度，董事會已透過(其中包括)考慮外部顧問向審核委員會編製之書面報告對本集團內部監控系統之成效進行年度檢討，範圍涵蓋上述各方面。於回顧年度，董事會亦已考慮本公司在會計及財務報告職能方面之資源、員工資歷及經驗是否足夠，以及員工所接受之培訓課程及有關預算是否充足。董事會並未發現任何重大內部監控及風險管理缺陷，亦未發現重大違反限制或風險管理政策之情況，並認為本公司目前的監控系統有效，且本公司員工的資歷和經驗、會計及財務呈報職能的履行，以及本公司的培訓課程及本公司有關預算方面的經驗和資源足夠。本公司自上市日期起已遵守企業管治守則第C.2.1條至C.2.5條及第C.3.3條有關風險管理及內部監控之規定。

核數師酬金

德勤•關黃陳方會計師行(「德勤」)獲委任為本公司核數師，聯席審計本公司截至2018年12月31日止年度按照國際財務報告準則及中國企業會計準則編製的財務報表。就德勤提供的審計及審計相關服務，本公司於截至2018年12月31日止年度支付的酬金總額為2,800,000港元。

本公司的聯席公司秘書及主要聯絡人

於2017年2月13日，錢曉寧女士獲委任為本公司的聯席公司秘書。錢女士的履歷詳情載於本年報第27頁的「董事及高級管理層」一節。由於錢曉寧女士並不具備上市規則第3.28條及第8.17條規定的資格，本公司已向聯交所申請並獲聯交所豁免嚴格遵守該等上市規則。



In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Wong Wai Ling, the president of SWCS Corporate Services Group (Hong Kong) Limited (a company secretarial service provider), as its joint company secretary to assist Ms. Qian Xiaoning to discharge her duties as company secretary of the Company. Ms. Wong Wai Ling's primary contact person in the Company is Ms. Qian Xiaoning.

Ms. Qian Xiaoning and Ms. Wong Wai Ling have undertaken not less than 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules for the year ending 31 December 2018.

GENERAL MEETING

The annual general meeting ("AGM") of the Company will be held on 29 May 2019.

During the Reporting Period, the Group has held two general meetings held on 15 June 2018 and 21 November 2018 respectively. The details of the Directors' attendance are as follows:

為維持良好的企業管治水平及確保遵守上市規則及適用香港法例，本公司亦委聘黃慧玲女士（彼為方圓企業服務集團(香港)有限公司(公司秘書服務供應商)的總監)擔任聯席公司秘書，以協助錢曉寧女士履行其作為本公司公司秘書的職務。黃慧玲女士於本公司的主要聯絡人為錢曉寧女士。

截至2018年12月31日止年度，錢曉寧女士及黃慧玲女士已參與不少於15小時的相關專業培訓，以遵守上市規則第3.29條的規定。

股東大會

本集團股東周年大會(「股東周年大會」)將於2019年5月29日舉行。

本報告期內，本集團共舉行兩次股東大會，分別於2018年6月15日及2018年11月21日舉行，董事出席股東大會情況如下：

Directors 董事	Attendance/number of meetings held 出席／會議舉行數目
Mr. Cheng Liquan Richard 程里全先生	2/2
Mr. Zeng Zhijun 曾之俊先生	2/2
Mr. Tony Tuo Zheng 鄭拓先生	2/2
Mr. Zhu Weihang 朱偉航先生	2/2
Mr. Chen Xue 陳學先生	2/2
Mr. Liu Genyu 劉根鈺先生	2/2
Dr. Xie Guozhong 謝國忠博士	2/2
Mr. Lu Zhifang 陸志芳先生	2/2



COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

The AGM of the Company provides opportunity for shareholders to communicate directly with the Directors. The Chairman of the Company and the chairmen of the Board Committees of the Company will attend the AGMs to answer shareholders' questions. The external auditor of the Company will also attend the AGMs to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website at <http://www.chinaboqi.com>, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access. In 2019, the Company will focus more on the demands of investors and analysts, pay close attention to important policies of the environmental protection and energy conservation industry and allow timely access by the public to sufficient business information and recent developments of the Company.

SHAREHOLDERS' RIGHTS

To safeguard shareholders' interests and rights, a separate resolution will be proposed for each issue at shareholder meetings, including the election of individual directors.

All resolutions put forward at shareholder meetings will be voted by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange in a timely manner after each shareholder meeting.

與股東的溝通及投資者關係

本公司認為，與股東的有效溝通對加強投資者關係及瞭解本集團的業務、表現及策略攸關重要。本公司亦深知及時與非選擇性地披露資料以供股東及投資者作出知情投資決策的重要性。

本公司股東周年大會為股東提供與董事直接溝通的機會。本公司主席及本公司各董事委員會主席將出席股東周年大會解答股東提問。本公司的外聘核數師亦將出席股東周年大會，以解答有關審計操守、核數師報告的編製及內容、會計政策及核數師獨立性的問題。

為促進有效的溝通，本公司採納股東通訊政策，旨在建立本公司與其股東的相互關係及溝通，並設有網站(<http://www.chinaboqi.com>)，刊登有關其業務營運及發展的最新數據、財務數據、企業管治常規及其他數據，以供公眾人士查閱。於2019年，本公司將更集中於投資者及分析師需求，密切關注環保及節能產業的重要政策，及時作出公開披露數據，讓公眾能夠及時取得完整的業務資料並瞭解公司近期發展狀況。

股東權利

為保障股東的利益及權利，本公司會於股東大會上就各項議題(包括選舉個別董事)提呈獨立決議案。

於股東大會上提呈的所有決議案將根據上市規則以投票方式進行表決，投票結果將於各股東大會舉行後及時於本公司及聯交所網站刊登。



Procedures for shareholders to convene an extraordinary general meeting

According to Article 12.3 of the Articles of Association, general meetings can be convened on the written requisition of any two or more shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company deposited at the principal office of the Company in Hong Kong. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Procedures for Shareholders to Propose a Person for Election as a Director

If a shareholder of the Company wishes to propose a person other than a Director for election as a Director at the Company's general meeting ("Proposal"), he/she should lodge a written notice setting out the Proposal and his/her contact details at the principal place of business of the Company or the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited. The Proposal should include the biographical details of the proposed Director and a written notice signed by the proposed Director confirming his/her willingness to be elected, the accuracy and completeness of his/her biographical details.

Shareholders' inquiries

If you have any query in connection with your shareholdings, please write to or contact the Company's Hong Kong share registrar, Tricor Investor Services Limited, at: Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong Tel: (852) 2980 1066 Fax: (852) 2262 7584 Website: www.tricorglobal.com

Investor relations and communications

The Company has set up a website at www.chinaboqi.com as a channel to promote communication, publishing announcements, financial information and other relevant information of the Company. Shareholders are welcome to make enquiries directly to the Company at its principal place of business in Hong Kong. The Company will deal with all enquiries in a timely and appropriate manner. The primary contacts of the Company are Ms. Zhu Beibei and Ms. Xu Na at (email: irhk@chinaboqi.com or tel: +86 10 59579665/+86 10 59579509).

CHANGE IN CONSTITUTIONAL DOCUMENTS

The memorandum and articles of association of the Company have been amended and restated with effect from the Listing Date.

股東召開股東特別大會的程序

根據組織章程細則第12.3條，股東大會須於任何兩名或以上於存放請求書於本公司香港主要辦事處當日持有不少於有權於本公司股東大會上投票的本公司繳足股本十分之一的股東要求時召開。倘董事會並未於提交要求當日起計21日內正式召開將於額外21日內舉行之會議，要求者本身或當中代表彼等所享有全部投票權過半數之任何人士，可按相同方式(盡可能接近董事會可召開會議之方式)召開股東大會，前提為如此召開之任何會議不得在提交要求當日起計三個月屆滿後舉行，而所有因董事會未能履行要求而令要求者產生之合理費用須由本公司向要求者作出補償。

股東提名人選參選董事的程序

倘本公司股東有意於本公司股東大會上提名董事以外的人士參選董事(「議案」)，則應向本公司香港主要營業地點或本公司香港股份過戶登記分處卓佳證券登記有限公司遞交書面通知，載列議案及其聯絡詳情。議案應包括建議董事的履歷詳情及建議董事簽署的書面通知，確認其選舉意願、履歷詳情的準確性及完整程度。

股東查詢

如閣下對所持股份有任何查詢事項，請致函或聯絡本公司香港股份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樓電話：(852) 2980 1066傳真：(852) 2262 7584網站：www.tricorglobal.com

投資者關係及通訊

作為促進有效溝通的溝通，本公司設立網站 www.chinaboqi.com 刊發本公司的公告、財務數據及其他相關數據。股東如有任何查詢，可直接致函至本公司於香港的主要營業地點。本公司將及時以適當方式處理所有查詢。本公司的主要聯絡人為朱蓓蓓女士及徐娜女士(電郵：irhk@chinaboqi.com或電話：+86 10 59579665/+86 10 59579509)。

更改憲章文件

本公司的組織章程大綱及細則已予修訂並重列，有關修訂及重述自上市日期起生效。



DIRECTORS' REPORT

董事會報告

The Board is pleased to present its report together with the audited consolidated financial statements of the Group for the year ended 31 December 2018.

CORPORATE INFORMATION

Basic information about the Company is set out in the sections headed "Corporate Information" and "Company Profile" on page 2 to page 4 and page 14 of this annual report.

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 30 January 2015. The Company's shares were listed on the Stock Exchange on 16 March 2018.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of the Group are providing independent flue gas treatment service and environmental protection solution service by various business models, including environmental protection facility engineering, operation and maintenance and concession operation.

The activities and particulars of the Company's subsidiaries are shown under note 46 to the consolidated financial statements. An analysis of the Group's revenue and operating profit for the year by principal activities is set out in the section headed "Management Discussion and Analysis" in this annual report and note 5 to the consolidated financial statements.

BUSINESS REVIEW

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties facing by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business, could be found in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" in this annual report. The financial risk management objectives and policies of the Group can also be found in note 3 to the consolidated financial statements. In addition, a discussion on relationships with its key stakeholders is included in the section headed "Management Discussion and Analysis" in this annual report. The review forms part of this directors' report.

董事會欣然提呈截至2018年12月31日止年度之董事會報告及本集團經審核綜合財務報表。

公司資料

本公司的基本資料載列於本年報第2至4頁的「公司資料」及第14頁的「公司簡介」章節中。

全球發售

本公司於2015年1月30日於開曼群島註冊成立為獲豁免有限公司。本公司股份於2018年3月16日在聯交所上市。

主要業務

本公司為一家投資控股公司。本集團的主要業務為通過各種不同業務模式提供獨立的煙氣處理服務和環保解決方案，包括環保設施工程、運營與維護以及特許經營。

本公司附屬公司的活動及詳情載於綜合財務報表附註46。本集團年內營業額及經營利潤按主要業務劃分之分析載於本年報「管理層討論與分析」一節及綜合財務報表附註5。

業務回顧

本集團年內業務回顧包括討論本集團面對的主要風險及不明朗因素、採用財務關鍵表現指標分析本集團之表現、年內影響本集團之重大事件詳情以及本集團業務未來發展的揭示，載於本年報「主席報告書」及「管理層討論與分析」章節。本集團的財務風險管理目標及政策亦載於綜合財務報表附註3。此外，就與主要利益相關者之關係之討論載於本年報「管理層討論與分析」章節。該回顧構成本董事會報告之一部分。



RESULTS

The consolidated results of the Group for the year ended 31 December 2018 are set out on page 134 to page 140 of this annual report.

DIVIDEND POLICY

According to the dividend policy that resolved to adopt by the Board (the "Dividend Policy") on 18 May 2018, the Company may declare and distribute dividends to the shareholders of the Company, provided that the Group records a profit and that the declaration and distribution of dividends does not affect the Group's normal operations.

According to the Dividend Policy, the Company takes priority to distributing dividends in cash and shares its profits with the Shareholders. It is expected that the amount of dividends distributed will be in the range of 30%–50% of the Group's net profit for the current year, subject to the following requirements. The remaining profit will be used for the development and operation of the Group.

The Company's ability to distribute dividends will depend on, among others, the operating results, cash flow, financial condition and capital requirements of the Group and the interests of the Shareholders of the Company. The Company's distribution of dividends shall also comply with any restrictions under the Companies Law of the Cayman Islands and the Articles of Association of the Company.

FINAL DIVIDENDS

The Board recommend the payment of HK\$0.09 per ordinary share as final dividend for the year ended 31 December 2018 (2017: Nil).

FINANCIAL SUMMARY

A summary of the Group's results, assets, liabilities for the last four financial years are set out on page 6 to page 8 of this annual report. This summary does not form part of the audited consolidated financial statements.

USE OF NET PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

On 16 March 2018 (the Listing Date), the shares of the Company were listed on the Main Board of the Stock Exchange, pursuant to which 216,105,000 new shares were issued by the Company to the public at HK\$2.40 per share, with net proceeds of HK\$489 million (approximately RMB391 million), after deduction of underwriting commission and estimated expenses payable in connection with the global offering.

業績

本集團截至2018年12月31日止年度的綜合業績載於本年報第134至140頁。

股息政策

根據本公司董事會於2018年5月18日決議及採納的股息政策(「股息政策」)，倘本集團錄得盈利並宣派及派發股息而不影響本集團的正常營運，則本公司可向本公司股東宣派及派發股息。

根據股息政策，本公司優先考慮以現金方式分派股息，與股東共享其溢利，金額預計達到本集團當年度淨利潤的30%–50%，惟須受下列標準所規限，餘下溢利將供本集團作發展及營運之用。

本公司派發股息的能力將取決於(其中包括)本集團的經營業績、現金流量、財務狀況、資本需求以及本公司的股東權益。本公司派發股息亦受限於開曼群島公司法及本公司章程細則項下的任何限制。

末期股息

董事會已建議宣派截至2018年12月31日止年度之末期股息每股普通股0.09港元(2017年：無)。

財務概要

本集團於過去四個財政年度的業績、資產、負債之概要載於本年報第6至8頁。此概要並不構成經審核綜合財務報表的一部分。

本公司首次公開發售所得款項淨額用途

於2018年3月16日(上市日期)，本公司股份在聯交所主板上市，據此，本公司按發售價每股2.40港元發行216,105,000股股份，經扣除本公司就全球發售應付的包銷佣金及估計開支後的所得款項淨額為489百萬港元，(約為人民幣391百萬元)。

In 2018, the Company saw an increase in the capital requirement for the new projects and concession investments in the non-electricity industry. However, taking into consideration factors such as the Company's position of domestic funds, fluctuations in the exchange rate, the Company used part of the fund raised and its own domestic fund for the execution of the above projects. Accordingly, since the Listing Date and up to 31 December 2018, the Company has utilized (i) approximately RMB92 million of the proceeds for the newly built and upgrade concession operation projects; (ii) approximately RMB78 million of the proceeds for the development of sewage treatment, soil and solid waste treatment and new businesses in non-electricity industry; (iii) approximately RMB5 million of the proceeds for research and development expense; and (iv) approximately RMB12 million of the proceeds for working capital and other general corporate purposes, in the ways as disclosed in the prospectus, with a remaining balance of RMB204 million.

For the amounts not utilized yet, the Company will use the net proceeds in the ways as disclosed in the prospectus in the future. The below table sets out the expected plan of use:

2018年，本公司非電行業新項目及特許經營投資資金需求增長，但是綜合考慮本公司境內資金狀況、匯率波動等綜合因素，本公司使用了部分募集資金及境內自有資金用於上述項目開展。因此，自上市日期直至2018年12月31日，本公司已按照招股章程所披露的方式，動用所得款項(i)約人民幣92百萬元以供特許經營項目的新建及改造；(ii)約人民幣78百萬元以供污水處理、土壤及固廢治理領域及非電行業新業務的開發；(iii)約人民幣5百萬元以供研發開支；及(iv)約12百萬元以供營運資金及其他一般企業用途，剩餘人民幣204百萬元還未動用。

就尚未動用款項，未來本公司將按照招股章程所披露的方式使用所得款項淨額，預計使用計劃如下表：

Use of Proceeds 所得款項用途	Amount expected to be utilized as disclosed in the prospectus (RMB million) 招股章程所披露 預期動用金額 (百萬元人民幣)	Utilized amount for the period (RMB million) 期內已動用金額 (百萬元人民幣)	Amount expected to be utilized (RMB million) 預計動用金額 (百萬元人民幣)	Expected time of use 預計使用時間段	Detailed description 詳細描述
New concession projects or the upgrade of the concession projects 特許經營項目的新建及改造	117	92	25	1 January 2019 to 30 June 2019 2019年1月1日至 2019年6月30日	Guqiao and Shenhua concession projects 顧橋、神火特許經營項目
Sewage treatment, soil and solid waste treatment fields and the development of new business of non-electricity industry 污水處理、土壤及固廢治理領域及 非電行業新業務的開發	78	78	0	Not applicable 不適用	Desulfurization, denitrification and dust removal project for steel sintering machines 鋼鐵燒結機脫硫脫硝除塵項目
Research and development expenditures 研發開支	20	5	4	1 January 2019 to 30 June 2019 2019年1月1日至 2019年6月30日	Technological research and development for zero sewage discharge 廢水零排放技術研發
			3	1 January 2019 to 30 June 2019 2019年1月1日至 2019年6月30日	Research and development expense on the fields of flue gas, water and solid waste treatment and other environmental protection solutions 煙氣處理、水處理、固廢處理及其他環境 保護解決方案領域的研發支出
			8	1 July 2019 to 31 December 2019 2019年7月1日至 2019年12月31日	

Use of Proceeds 所得款項用途	Amount expected to be utilized as disclosed in the prospectus (RMB million) 招股章程所披露 預期動用金額 (百萬元人民幣)	Utilized amount for the period (RMB million) 期內已動用金額 (百萬元人民幣)	Amount expected to be utilized (RMB million) 預計動用金額 (百萬元人民幣)	Expected time of use 預計使用時間段	Detailed description 詳細描述
Working capital and other general corporate purposes 營運資金及其他一般企業用途	39	12	20	1 January 2019 to 30 June 2019 2019年1月1日至 2019年6月30日 7 1 July 2019 to 31 December 2019 2019年7月1日至 2019年12月31日	Working capital and other general corporate purposes 營運資金及其他一般企業用途
Strategic mergers and acquisitions 戰略收併購	137	0	137	1 July 2019 to 31 December 2019 2019年7月1日至 2019年12月31日	The Company has been identifying and contacting various acquisition targets to seek strategic merger and acquisition opportunities. Generally, it is expected to take approximately 8 to 16 months from the confirmation of an acquisition target to the completion of the acquisition. 本公司一直在物色及接洽多個收購目標， 尋求戰略併購機會，預計由確定收購目 標至完成收購將通常需時約8至16個月。

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2018, the Group's largest customers accounted for 15.0% of the Group's total revenue. The Group's five largest customers accounted for 47.1% (2017: 49.3%) of the Group's total revenue.

For the year ended 31 December 2018, the Group's largest suppliers accounted for 8.5% of the Group's total cost of procurement. The Group's five largest suppliers accounted for 27.9% (2017: 32.8%) of the Group's total cost of procurement.

Save as disclosed in the prospectus of the Company dated 28 February 2018 (the "Prospectus"), none of the Directors or any of their associates (as defined under Listing Rules) or any Shareholders (which, to the best knowledge of the Directors, owns more than 5% of the Company's issued share capital) has any beneficial interest in the Group's five largest suppliers or the Group's five largest customers.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Company and the Group during the year ended 31 December 2018 are set out in note 13 to the consolidated financial statements.

主要客戶及供應商

截至2018年12月31日止年度，本集團最大客戶佔本集團總收益15.0%。本集團五大客戶佔本集團總收益47.1%。(2017年：49.3%)

截至2018年12月31日止年度，本集團最大供應商佔本集團總採購成本8.5%。本集團五大供應商佔本集團總採購成本27.9%(2017年：32.8%)。

除本公司日期為2018年2月28日的招股章程(「招股章程」)所披露者外，概無董事或彼等的任何聯繫人(定義見上市規則)或任何股東(其就董事所知擁有本公司超過5%已發行股本)於本集團五大供應商或本集團五大客戶擁有任何實益權益。

物業、廠房及設備

本公司及本集團於截至2018年12月31日止年度的物業、廠房及設備變動詳情載於綜合財務報表附註13。



SHARE CAPITAL

Details of movements in the share capital of the Company during the year ended 31 December 2018 are set out in note 36 to the consolidated financial statements.

Tax Relief

The Company is not aware of any tax relief available to the Shareholders by reason of their holding in the Company's securities.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

For the period from the Listing Date and up to 31 December 2018 (the "Period"), the Company purchased 1,255,000 shares of its shares, in aggregate, on the Stock Exchange at a total consideration of HK\$2,038,510.00, which were cancelled thereafter.

Details of the repurchases are summarized as follows:

Month of repurchase in 2018 於2018年回購月份	Number of Shares repurchased 回購股份數目	Highest price paid per share 每股最高價格 HK\$ 港元	Lowest price paid per share 每股最低價格 HK\$ 港元	Aggregate consideration 總代價 HK\$ 港元
December 12月	1,255,000	1.74	1.54	2,038,510.00

Save for the above, neither the Company nor any member of the Group has purchased, sold or redeemed any of the Company's shares during the Period.

PRE-EMPTIVE RIGHTS

As at 31 December 2018, there were no provisions for pre-emptive rights under the Articles of Association, which require the Company to offer new Shares to existing Shareholders in proportion to their shareholdings.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2018 are set out on page 135 to page 136 in the consolidated statement of changes in equity.

DISTRIBUTABLE RESERVES

As at 31 December 2018, the Group's distributable reserves were RMB861,492,000 (as at 31 December 2017: RMB504,141,000).

股本

本公司於截至2018年12月31日止年度的股本變動詳情載於綜合財務報表附註36。

稅務寬免

本公司並不知悉股東因持有本公司證券而享有任何稅務寬免。

購買、出售或贖回本公司上市證券

由上市日期至2018年12月31日止期間(「期間」)，本公司於聯交所按總代價2,038,510.00港元購買合共1,255,000股股份，有關股份於其後註銷。

回購詳情概要如下：

除上述者外，本公司或本集團成員公司於期間內並無購買、出售或贖回任何本公司股份。

優先購買權

於2018年12月31日，組織章程細則並無就優先購買權作出規定，並無要求本公司按股東的持股比例向現有股東提呈發售新股。

儲備

截至2018年12月31日止年度，本公司及本集團之儲備變動詳情載於綜合權益變動表第135至136頁。

可供分配儲備

於2018年12月31日，本集團之可供分配儲備為人民幣861,492,000元(於2017年12月31日：人民幣504,141,000元)。



BANK LOANS AND OTHER BORROWINGS

Particulars of bank loans and other borrowings of the Company and the Group as at 31 December 2018 are set out in note 33 to the consolidated financial statements.

LOAN AND GUARANTEE

During the year ended 31 December 2018, the Group had not made any loan or provided any guarantee for loan, directly or indirectly, to the Directors, senior management, its controlling shareholders being Mr. Cheng, Mr. Zeng, World Hero International Limited ("World Hero") and Best Dawn Limited ("Best Dawn") (collectively referred to as the "Controlling Shareholders") or his/her respective connected persons.

DIRECTORS

The Directors during the year ended 31 December 2018 and up to the date of this annual report were:

Executive Directors

Mr. Cheng Liquan Richard (Chairman)

Mr. Zeng Zhijun

Non-executive Directors

Mr. Tony Tuo Zheng

Mr. Zhu Weihang

Mr. Chen Xue

Independent Non-executive Directors

Mr. Liu Genyu

Dr. Xie Guozhong

Mr. Lu Zhifang

BIOGRAPHICAL DETAILS OF THE DIRECTORS AND THE SENIOR MANAGEMENT

Biographical details of the Directors and the senior management of the Group as at the date of this annual report are set out on page 16 to page 31 in the section headed "Directors and Senior Management" to this annual report.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received a confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors and the Company considers such Directors to be independent during the period from their respective appointments and up to the date of this annual report.

銀行貸款及其他借款

本公司及本集團於2018年12月31日的銀行貸款及其他借款的詳情載於綜合財務報表附註33。

貸款及擔保

截至2018年12月31日止年度，本集團概無任何貸款或就貸款(直接或間接)向董事、高級管理層、其控股股東(即程先生、曾先生、World Hero International Limited(「World Hero」)及Best Dawn Limited(「Best Dawn」)，統稱為「控股股東」)或其各自關連人士提供任何擔保。

董事

截至2018年12月31日止年度及直至本年報日期的董事如下：

執行董事

程里全先生(主席)

曾之俊先生

非執行董事

鄭拓先生

朱偉航先生

陳學先生

獨立非執行董事

劉根鈺先生

謝國忠博士

陸志芳先生

董事及高級管理層的履歷詳情

本集團於本年報日期的董事及高級管理層履歷詳情載列於本年報「董事及高級管理層」一節第16至31頁。

獨立非執行董事的獨立性確認書

本公司已接獲各獨立非執行董事根據上市規則第3.13條所作獨立性確認書，且本公司認為該等董事自彼等各獲委任日期起及直至本年報日期止期間為獨立人士。



EQUITY-LINKED AGREEMENTS

Save for the Pre-IPO Share Award Scheme of the Company as set out in note 43 to the consolidated financial statements, no equity-linked agreements were entered into by the Group, or existed during the year ended 31 December 2018.

DONATIONS

For the year ended 31 December 2018, the Group made charitable donations of HK\$1,000,000 (2017: Nil).

DIRECTORS' SERVICE CONTRACT AND LETTER OF APPOINTMENTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years commencing from 28 February 2018.

Each of the non-executive Directors and the independent non-executive Directors has signed an appointment letter with the Company for a term of three years commencing from 28 February 2018.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Connected Transactions" below, neither the Director nor any entity connected with the Director had a material interest in, 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 the year ended 31 December 2018.

PERMITTED INDEMNITY

Pursuant to the amended and restated memorandum and articles of association of the Company, every Director shall be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a director of the Company. The Company has arranged appropriate liability insurance to indemnify the Directors for their liabilities arising out of corporate activities.

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 ended 31 December 2018.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There was no contract of significance to which the Company or its holding company or any of its subsidiaries was a party and in which any Controlling Shareholder had a material interest subsisted during the year ended 31 December 2018.

股本掛鈎協議

除載於綜合財務報表附註43的首次公開發售前股份獎勵計劃外，截至2018年12月31日止年度，本集團概無訂立任何股本掛鈎協議，或概無過往訂立的股本掛鈎協議。

捐款

截至2018年12月31日止年度，本集團作出慈善捐款1,000,000港元(2017年：無)。

董事的服務合約及委任函

各執行董事已與本公司訂立服務合約，自2018年2月28日起計為期三年。

各非執行董事及獨立非執行董事已與本公司簽署委任函，自2018年2月28日起計為期三年。

概無董事訂立本集團不可於一年內終止而毋須支付賠償(法定賠償除外)的服務合約。

董事於交易、安排或重大合約的權益

除下文「關連交易」一節所披露者外，截至2018年12月31日止年度，概無董事或任何與董事有關連的實體於本公司或其任何附屬公司訂立之對本集團業務而言屬重大的任何合約中直接或間接擁有重大權益。

獲准許彌償條文

根據本公司經修訂及經重列組織章程大綱及細則，每位董事須就其作為本公司董事而產生或蒙受的一切虧損或負債，可自本公司資產中獲得彌償。本公司已為董事安排合適的責任保險，以保障彼等因企業活動而引起之責任賠償。

管理合約

截至2018年12月31日止年度，概無就本公司整體業務或其任何主要部份的管理及行政訂立或存續任何合約。

控股股東於合約的權益

截至2018年12月31日止年度，本公司或其控股公司或其任何附屬公司概無訂立任何控股股東於當中擁有重大權益之重大合約。



CONTRACTS WITH CONTROLLING SHAREHOLDERS

No contract of significance has been entered into among the Company or any of its subsidiaries and the Controlling Shareholders or any of their subsidiaries during the year ended 31 December 2018.

EMPLOYEES

The Group had 1,800 employees as at 31 December 2018, as compared to 1,375 employees as at 31 December 2017. The employees of the Company are employed under employment contracts which set out, among other things, their job scope and remuneration. Further details of their employment terms are set out in the employee handbook of the Company. The Company determines the employees' salaries based on their job nature, scope of duty, and individual performance. The Company also provides various benefits to the employees including medical care, housing subsidies, retirement and other benefits as well as on-the-job education, training and other opportunities to improve their skills and knowledge. The Company also provides employees with contributions to social insurance and housing provident fund for the employees in accordance with PRC regulations and the internal.

EMOLUMENT POLICY

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and five highest paid individuals are set out in notes 12 to the consolidated financial statements.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the 31 December 2018, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions); or (ii) which were required to be recorded in the register of the Company required to be kept under Section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

與控股股東訂立的合約

截至2018年12月31日止年度，本公司或其任何附屬公司並無與控股股東或其任何附屬公司訂立重大合約。

僱員

於2018年12月31日，本集團有1,800名僱員，而2017年12月31日有1,375名僱員。本公司的僱員乃根據載列(其中包括)其工作範圍及薪酬的僱傭合約僱傭。其僱傭條款的進一步詳情載於本公司的僱員手冊。本公司根據僱員的工作性質、職責範圍及個人表現釐定其薪金。本公司亦向僱員提供各種福利，包括醫療、住房補貼、退休及其他福利以及在職教育、培訓及其他機會，以改善其技能及知識。本公司亦根據中國法規及內部政策向僱員提供社會保險及住房公積金供款。

薪酬政策

本集團已設立薪酬委員會，旨在根據本集團之經營業績、董事及高級管理層之個人表現及可資比較市場慣例，檢討本集團的薪酬政策及董事及高級管理層的全部薪酬架構。

董事及五名最高薪酬人士酬金

董事及五名最高薪酬人士酬金詳情載於綜合財務報表附註12。

董事及最高行政人員於股份、相關股份及債券之權益及淡倉

於2018年12月31日，本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債權證中擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉(包括根據證券及期貨條例的有關條文被當作或視作擁有的權益及淡倉)；或(ii)根據證券及期貨條例第352條的規定須記入本公司存置的登記冊的權益及淡倉；或(iii)根據標準守則須知會本公司及聯交所的權益及淡倉如下：



Long position in our Shares, underlying Shares and debentures of our Company

於本公司股份、相關股份及債權證中的好倉

Name of Director 董事姓名	Nature of Interest 權益性質	Number and class of Shares 股份數及類別	Approximate percentage of shareholding 概約持股百分比
Mr. Cheng Liquan Richard (Notes 1 and 2) 程里全先生(附註1及2)	Interest of a controlled corporation; interests held jointly with another person and beneficial owner (Note 1) 受控法團權益；與他人共同持有的權益及實益擁有人(附註1)	406,940,911 (Long Position) (好倉)	40.26%
Mr. Zeng Zhijun (Notes 1 and 3) 曾之俊先生(附註1及3)	Interest of a controlled corporation; interests held jointly with another person (Note 1) 受控法團權益；與他人共同持有的權益(附註1)	406,940,911 (Long Position) (好倉)	40.26%
Mr. Zhu Weihang (Note 4) 朱偉航先生(附註4)	Interest of a controlled corporation; interests held jointly with another person (Note 1) 受控法團權益；與他人共同持有的權益(附註1)	152,573,529 (Long Position) (好倉)	15.09%

Notes:

- (1) Mr. Cheng Liquan Richard and Mr. Zeng Zhijun have entered into an acting-in-concert arrangement, as such, Mr. Cheng and Mr. Zeng together control 40.26% equity interests in the issued share capital of our Company through World Hero, Asia Environment Investment Limited ("Asia Environment") and Best Dawn. Asia Environment is owned as to 47.2% by Mr. Zeng. Asia Environment is interested in 2.67% interest in the issued share capital of the Company, which Mr. Zeng is deemed to be interested in the Shares held by Asia Environment under Part XV of the SFO.
- (2) Mr. Cheng holds the entire issued share capital of World Hero. Therefore, Mr. Cheng is deemed to be interest in the Shares held by World Hero under the SFO.
- (3) Mr. Zeng holds the entire issued share capital of Best Dawn. Therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn under the SFO.
- (4) The entire issued share capital of New Asia Limited ("New Asia") is held by Great Origin Ventures Limited ("Great Origin"), which in turn is held by Mr. Zhu. Therefore, Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.

附註：

- (1) 程里全先生及曾之俊先生已訂立一致行動安排，因此，程先生及曾先生透過World Hero、Asia Environment Investment Limited(「Asia Environment」)及Best Dawn共同控制本公司已發行股本40.26%股權。Asia Environment由曾先生擁有47.2%權益。Asia Environment於本公司已發行股本擁有2.67%權益，故根據證券及期貨條例第XV部，曾先生被視為於Asia Environment持有之股份中擁有權益。
- (2) 程先生持有World Hero之全部已發行股本。因此，程先生根據證券及期貨條例被視為於World Hero持有的股份中擁有權益。
- (3) 曾先生持有Best Dawn之全部已發行股本。因此，曾先生根據證券及期貨條例被視為於Best Dawn持有的股份中擁有權益。
- (4) 偉源創投有限公司(「偉源」)持有New Asia Limited(「New Asia」)的全部已發行股本，而朱先生持有偉源的全部已發行股本。因此，朱先生根據證券及期貨條例被視為於New Asia持有的股份中擁有權益。

Save as disclosed above, as at the date of this annual report, none of the Directors and the chief executive of the Company had or was deemed to have any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

除上文所披露者外，於本年報日期，概無本公司董事及最高行政人員在本公司或其相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中，擁有或被視作擁有須記錄於本公司根據證券及期貨條例第352條存置的登記冊或根據標準守則須知會本公司及聯交所的任何權益或淡倉。



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

From June to July 2018, and from September to November 2018, the Directors and management of the Company successively used their own funds to purchase 4,060,000 Shares at an average price of HK\$1.53 per share, equivalent to the 0.40% of the equity interests in the issued share capital of our Company. Mr. Cheng Liquan Richard and Mr. Zeng Zhijun purchased 4,007,000 shares for the concerted parties. The number of Shares currently held is 406,940,911 shares, and the shareholding ratio has risen to 40.26% of the issued share capital of the Company.

董事收購股份或債權證的權利

於2018年6月至7月，以及2018年9月至11月，本公司董事及管理層相繼使用自有資金在市場以平均每股1.53港元合共購入4,060,000股本公司的股份，相當於本公司發行股本的0.40%。程里全先生及曾之俊先生為一致行動人士共購入4,007,000股，現持有股份數目為406,940,911股，持股比例上升至本公司發行股本的40.26%。

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the date of this annual report, to the best knowledge of the Directors, the following persons (not being a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

主要股東於股份及相關股份中的權益及淡倉

於本年報日期，據董事所深知，下列人士（並非本公司董事或最高行政人員）於股份或相關股份中擁有須記載於本公司按證券及期貨條例第336條須置存之登記冊內的根據證券及期貨條例第XV部第2及3分部的條文須向本公司披露的權益或淡倉：

Name 姓名／名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 股權概約百分比
Mr. Cheng Liquan Richard (Notes 1 and 2) 程里全先生(附註1及2)	Interest of a controlled corporation; interests held jointly with another person and beneficial owner (Note 1) 受控法團權益；與他人共同持有的權益及實益擁有人(附註1)	406,940,911 (Long Position) (好倉)	40.26%
World Hero (Note 2) World Hero (附註2)	Beneficial owner 實益擁有人	168,134,580 (Long Position) (好倉)	16.63%
Ms. Zhou Xuan (Note 3) 周旋女士(附註3)	Interest of spouse 配偶權益	406,940,911 (Long Position) (好倉)	40.26%
Mr. Zeng Zhijun (Notes 1 and 4) 曾之俊先生(附註1及4)	Interest of a controlled corporation; interests held jointly with another person (Note 1) 受控法團權益；與他人共同持有的權益(附註1)	406,940,911 (Long Position) (好倉)	40.26%
Best Dawn (Note 4) Best Dawn (附註4)	Beneficial owner 實益擁有人	210,964,143 (Long Position) (好倉)	20.87%
Ms. Ge Tong (Note 5) Ge Tong女士(附註5)	Interest of spouse 配偶權益	406,940,911 (Long Position) (好倉)	40.26%



DIRECTORS' REPORT (continued)

董事會報告(續)

Name 姓名／名稱	Capacity/Nature of interest 身份／權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 股權概約百分比
New Asia New Asia	Beneficial owner 實益擁有人	152,573,529 (Long Position) (好倉)	15.09%
Great Origin (Note 6) 偉源(附註6)	Interest of a controlled corporation 受控法團權益	152,573,529 (Long Position) (好倉)	15.09%
Mr. Zhu Weihang (Note 6) 朱偉航先生(附註6)	Interest of a controlled corporation 受控法團權益	152,573,529 (Long Position) (好倉)	15.09%
Sinopec Overseas Investment Holding Limited ("Sinopec") 中國石化海外投資控股 有限公司(「中石化」)	Beneficial owner 實益擁有人	110,294,118 (Long Position) (好倉)	10.91%
China Petroleum & Chemical Corporation (Note 7) 中國石油化工股份有限公司 (附註7)	Interest of a controlled corporation 受控法團權益	110,294,118 (Long Position) (好倉)	10.91%
Full Synergy Investment Limited ("Full Synergy") 景滿投資有限公司(「景滿」)	Beneficial owner 實益擁有人	56,508,715	5.59%
Partners Investment Management Limited (Note 8) Partners Investment Management Limited (附註8)	Interest of a controlled corporation 受控法團權益	56,508,715	5.59%
Bullion Riches Limited (Note 8) Bullion Riches Limited (附註8)	Interest of a controlled corporation 受控法團權益	56,508,715	5.59%
Partners Financial Holdings Limited (Note 8) Partners Financial Holdings Limited (附註8)	Interest of a controlled corporation 受控法團權益	56,508,715	5.59%
Bright Hope Global Investments Limited (Notes 8 and 9) Bright Hope Global Investments Limited (附註8及9)	Interest of a controlled corporation 受控法團權益	56,508,715	5.59%
Wan Ten Lap (Notes 8 and 9) Wan Ten Lap (附註8及9)	Interest of a controlled corporation 受控法團權益	56,508,715	5.59%
Zhang Yi (Notes 8 and 9) Zhang Yi (附註8及9)	Interest of a controlled corporation 受控法團權益	56,508,715	5.59%



Note:

- (1) Mr. Cheng Liquan Richard and Mr. Zeng Zhijun have entered into an acting-in-concert arrangement, as such, Mr. Cheng and Mr. Zeng together control 40.26% equity interests in the issued share capital of our Company through World Hero, Asia Environment and Best Dawn. Asia Environment is owned as to 47.2% by Mr. Zeng. Asia Environment is interested in 2.67% interest in the issued share capital of our Company, which Mr. Zeng is deemed to be interested in the Shares held by Asia Environment under Part XV of the SFO.
- (2) Mr. Cheng holds the entire issued share capital of World Hero, therefore, Mr. Cheng is deemed to be interest in the Shares held by World Hero under the SFO.
- (3) Ms. Zhou Xuan (周旋) is the spouse of Mr. Cheng. Under the SFO, Ms. Zhou Xuan is deemed to be interested in the same number of Shares in which Mr. Cheng is interested.
- (4) Mr. Zeng holds the entire issued share capital of Best Dawn, therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn under the SFO.
- (5) Ms. Ge Tong is the spouse of Mr. Zeng. Under the SFO, Ms. Ge Tong is deemed to be interested in the same number of Shares in which Mr. Zeng is interested.
- (6) The entire issued share capital of New Asia is held by Great Origin, which in turn is held by Mr. Zhu. Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.
- (7) China Petroleum & Chemical Corporation holds the entire issued share capital of Sinopec. Therefore, China Petroleum & Chemical Corporation is deemed to be interested in the Shares held by Sinopec under the SFO. China Petroleum & Chemical Corporation is a PRC state-owned company whose H shares are listed on the Main Board (stock code: 386).
- (8) Full Synergy, a company incorporated in the BVI on 2 April 2015, is an investment holding company and a wholly-owned subsidiary of Partners Investment Management Limited. Partners Investment Management Limited is wholly owned by Bullion Riches Limited, which in turn is wholly owned by Partners Financial Holdings Limited. Partners Financial Holdings Limited is a financial holding company, of which its subsidiaries are licensed corporations under the SFO holding type 1, type 4, type 6 and type 9 licences in Hong Kong. Full Synergy is the issuer of structured notes, of which one of the subscribers is a fund established in the PRC. Mr. Cheng, through World Hero subscribed approximately 2.96% of the limited partner interest in such fund. Mr. Cheng does not hold any interest in the general partner of the fund, and is not involved in the decision making process of the fund.
- (9) Bright Hope Global Investments Limited and Wan Ten Lap owns 44% and 51%, respectively, of Partners Financial Holdings Limited, the holding company of Full Synergy. Zhang Yi in turns owns 100% of Bright Hope Global Investments Limited. Under the SFO, Bright Hope Global Investments Limited, Wan Ten Lap and Zhang Yi are deemed to be interested in the same number of Shares in which Full Synergy is interested.

附註:

- (1) 程里全先生及曾之俊先生已訂立一致行動安排，因此，程先生及曾先生透過World Hero、Asia Environment及Best Dawn共同控制本公司已發行股本40.26%股本權益。Asia Environment由曾先生擁有47.2%權益。Asia Environment於本公司已發行股本擁有2.67%權益，故根據證券及期貨條例第XV部，曾先生被視為於Asia Environment持有之股份中擁有權益。
- (2) 程先生持有World Hero之全部已發行股本，因此，程先生根據證券及期貨條例被視為於World Hero所持有的股份中擁有權益。
- (3) 周旋女士為程先生之配偶。根據證券及期貨條例，周旋女士被視為於程先生所持有權益之相同數目股份中擁有權益。
- (4) 曾先生持有Best Dawn之全部已發行股本，因此，曾先生根據證券及期貨條例被視為於Best Dawn所持有的股份中擁有權益。
- (5) Ge Tong女士為曾先生之配偶。根據證券及期貨條例，Ge Tong女士被視為於曾先生所持有權益之相同數目股份中擁有權益。
- (6) 偉源持有New Asia的全部已發行股本，而朱先生持有偉源的全部已發行股本。因此，朱先生根據證券及期貨條例被視為於New Asia所持有的股份中擁有權益。
- (7) 中國石油化工股份有限公司持有中石化之全部已發行股本。因此，中國石油化工股份有限公司根據證券及期貨條例被視為於中石化所持有的股份中擁有權益。中國石油化工股份有限公司為一家於中國成立之中國國有企業，其H股於主板上市(股份代號：386)。
- (8) 景滿為一間於2015年4月2日於英屬處女群島註冊成立的投資控股公司，並為Partners Investment Management Limited之全資附屬公司。Partners Investment Management Limited由Bullion Riches Limited全資擁有，而Bullion Riches Limited由Partners Financial Holdings Limited全資擁有。Partners Financial Holdings Limited為金融控股公司，其附屬公司為於香港持有根據證券及期貨條例第1類、第4類、第6類及第9類牌照的持牌法團。景滿為結構性票據發行人，其中一名認購方為在中國成立的一項基金。程先生透過World Hero認購該基金有限合夥權益約2.96%。程先生並無持有該基金一般合夥人的任何權益且並不參與該基金的任何決策程序。
- (9) Bright Hope Global Investments Limited及Wan Ten Lap分別擁有景滿的控股公司Partners Financial Holdings Limited 44%及51%股權。從而Zhang Yi擁有Bright Hope Global Investments Limited 100%股權。根據證券及期貨條例，Bright Hope Global Investments Limited、Wan Ten Lap及Zhang Yi被視為擁有與景滿所擁有股權的股份數相同的股權。

Save as disclosed above, and as at the date of this annual report, the Directors were not aware of any persons (who were not directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed under Divisions 2 and 3 of Part XV of the SFO, or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

除上文所披露者外，於本年報日期，董事並不知悉任何人士(並非本公司董事或最高行政人員)於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部的條文須予披露的權益或淡倉，或根據證券及期貨條例第336條須記入該條所述登記冊的權益或淡倉。



COMPLIANCE WITH NON-COMPETITION DEED

Each of the Controlling Shareholders, namely Mr. Cheng, Mr. Zeng and Best Dawn, has executed a deed of non-competition on 22 February 2018 pursuant to which they have irrevocably and unconditionally undertaken to the Company (for the Company itself and on behalf of the members of the Group) that, during the period that the Non-Competition Deed remains effective, he/it/she shall not, and shall procure that his/its/her close associates (other than any member of the Company) shall not, directly or indirectly, develop, acquire, participate in, hold any right or interest or invest in or engage in, render any services for or otherwise be involved in any business in competition with or likely to be in competition with the existing business activities of the Company in the PRC or any other area in which the Company carries on business.

The Company shall seek opinion and decision from the independent non-executive Directors who are responsible for reviewing and determining whether to accept or decline such new business opportunity provided by Controlling Shareholders or its associates.

The details of the Deed of Non-competition have been disclosed in the Prospectus under the section headed "Relationship with Controlling Shareholders".

The Company has received the annual confirmation of the Controlling Shareholders in respect of their compliance with the non-competition undertakings under the Non-Competition Deed during the year ended 31 December 2018.

The independent non-executive Directors also reviewed the Controlling Shareholders' compliance with the non-competition undertakings. The independent non-executive Directors confirmed that the Controlling Shareholders were not in breach of the non-competition undertakings during the year ended 31 December 2018.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at 31 December 2018, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the businesses of the Group.

遵守不競爭契據

於2018年2月22日，控股股東(即程先生、曾先生及Best Dawn)各別訂立一份不競爭契據，據此，彼等已不可撤回及無條件地向本公司承諾(為其本身及代表本集團成員公司)於不競爭契據維持有效期間，其本身不會，以及其緊密聯繫人(本公司任何成員公司除外)亦不會直接或間接從事、收購、參與與本公司於中國或本公司進行業務的任何其他地區從事的現有業務活動構成競爭或可能構成競爭的任何業務，或於該等業務中持有任何權利或權益或投資或從事或提供任何服務或以其他方式參與該等業務。

本公司應自負責審閱及確定是否接納或拒絕控股股東或其聯繫人所提供的有關新商機的獨立非執行董事尋求意見及決策。

有關不競爭契據的詳情已於招股章程「與控股股東的關係」一節中披露。

本公司已接獲控股股東就截至2018年12月31日止年度遵守不競爭契據項下不競爭承諾的年度確認書。

獨立非執行董事亦已審閱控股股東遵守不競爭承諾的情況。獨立非執行董事確認，截至2018年12月31日止年度，控股股東並無違反不競爭承諾。

董事於競爭業務中的權益

於2018年12月31日，概無董事或彼等各自之聯繫人已從事與本集團業務競爭或可能競爭的任何業務，或於其中持有任何權益。



CONNECTED TRANSACTIONS

During the reporting period, the Group has undergone the following connected transactions:

1. Exempted connected transactions

Construction subcontracting and supply contracts

On 3 December 2018, Beijing Boqi and Sinopec Fifth Construction Co., Ltd. ("Sinopec Fifth Construction") entered into four construction subcontracting and supply contracts (collectively referred to as the "Construction Subcontracting and Supply Contracts"):

- (1) Construction sub-contract in relation to the maintenance and general E&I finishing (defect elimination) work of #1/2/5/7 boilers under the EPC master contract for the ultra-low emission upgrade project of cogeneration boilers of Sinopec Shanghai for the compliance with emission standard ("Construction Sub-contract 1")

The principal terms of the Construction Sub-contract 1 are summarized as below:

Date of signing:	3 December 2018
Parties:	Beijing Boqi (main contractor) and Sinopec Fifth Construction (subcontractor)
Scope of work:	Sinopec Fifth Construction is responsible for the maintenance and general E&I finishing (defect elimination) work of Boilers #1/2/5/7, which includes the procurement, transportation, installation and inspection of the materials according to the required design and specifications.
Total construction term:	30 days
Contract value:	RMB550,000 (Fixed sum)

關連交易

報告期內，本集團進行了以下的關連交易：

一、獲豁免的關連交易

施工分包及供貨合同

於2018年12月3日北京博奇與中石化第五建設有限公司(「中石化五建」)訂立如下四份施工分包及供貨合同(合稱「施工分包及供貨合同」)：

- (1) 上海石化熱電聯產達標排放改造項目鍋爐超低排放EPC總承包項目#1/2/5/7爐機務、電儀一般尾工(消缺)工程施工分包合同(「施工分包合同1」)

施工分包合同1之主要條款概列如下：

簽訂日期：	2018年12月3日
訂約方：	北京博奇(總承包商)及中石化五建(分包商)
工作範圍：	中石化五建負責#1/2/5/7爐機務、電儀一般尾工(消缺)工程施工，其中包括按照設計和規範要求對所需材料採購、運輸、安裝及檢驗等。
工期總天數：	30天
合同價值：	人民幣550,000元(固定總價)



- (2) Supplemental contract to the sub-contract in relation to maintenance work under the EPC master contract for the upgrade project of #3 and #4 boilers of Sinopec Shanghai's thermal power division for the compliance with emission standard (includes the expedited works for #3 boiler) ("Construction Sub-contract 2")

The principal terms of the Construction Sub-contract 2 are summarized as below:

Date of signing:	3 December 2018
Parties:	Beijing Boqi (main contractor) and Sinopec Fifth Construction (subcontractor)
Scope of work:	Beijing Boqi subcontracts the maintenance work to Sinopec Fifth Construction, after an arm's length negotiation between the parties, includes the expedited works for #3 boiler. This includes the construction, equipment transportation, labour, adjustment and testing and management under this work.
Total construction term:	30 days
Contract value:	RMB950,000 (Fixed sum)

- (2) 上海石化熱電部3號、4號爐達標排放改造EPC總承包建築機務工程分包合同補充合同(#3爐趕工費)(「施工分包合同2」)

施工分包合同2之主要條款概列如下：

簽訂日期：	2018年12月3日
訂約方：	北京博奇(總承包商)及中石化五建(分包商)
工作範圍：	北京博奇已將建築機務工程委託分包給中石化五建進行施工，現經雙方公平磋商後一致同意增加3號爐趕工工作，其中包括本工程內施工建設、設備運輸、勞務、調試及管理。
工期總天數：	30天
合同價值：	人民幣950,000元(固定總價)

- (3) Material supply contract in relation to the ultra-low emission dust removal upgrade project of #1, #2 and #3 coal-fired boilers of Chongqing Chuanwei Petrochemical Engineering Company Limited* ("Supply Contract")

The principal terms of the Supply Contract are summarized as below:

Date of signing:	3 December 2018
Parties:	Beijing Boqi (main contractor) and Sinopec Fifth Construction (subcontractor)
Scope of work:	Beijing Boqi subcontracts the supply of materials to Sinopec Fifth Construction for the construction safety work of the dust removal upgrade project, including dust collectors, steel frames, steel pipes, structural steel, thermal insulation materials, lighting and fireproof materials. All of the above main and supplementary materials and consumables shall be procured and supplied by Sinopec Fifth Construction.
Construction term:	To be completed by February 2020
Contract value:	RMB13,951,170 (tentative)

- (3) 重慶川維化工有限公司燃煤鍋爐超低排放改造項目#1#2#3除塵改造工程材料供貨合同(「供貨合同」)

供貨合同之主要條款概列如下：

簽訂日期：	2018年12月3日
訂約方：	北京博奇(總承包商)及中石化五建(分包商)
工作範圍：	北京博奇將除塵改造項目建安工程包括除塵器本體、鋼支架、鋼管、型鋼、保溫、燈具、防火材料等材料供貨委託於中石化五建進行供貨，以上所有主、輔材料及消耗性材料均將由中石化五建採購並供貨。
工期期限：	2020年2月前完成
合同價值：	人民幣13,951,170元(暫定)



- (4) Construction sub-contract in relation to the ultra-low emission dust removal upgrade project of #1, #2 and #3 coal-fired boilers of Chongqing Chuanwei Petrochemical Engineering Company Limited* of the Sinopec Group (中國石化集團重慶川維化工有限公司) ("Construction Sub-contract 3")

The principal terms of the Construction Sub-contract 3 are summarized as below:

Date of signing:	3 December 2018
Parties:	Beijing Boqi (main contractor) and Sinopec Fifth Construction (subcontractor)
Scope of work:	Beijing Boqi subcontracts the construction safety work of the dust removal upgrade project to Sinopec Fifth Construction. This includes the preparation of the construction, dismantling of the whole original dust removal system, base construction, installation of dust removal and adjustment and testing.
Construction term:	Completion before February 2020
Contract value:	RMB23,724,579 (tentative)

Reasons for and benefits of the transaction: Sinopec Fifth Construction has advanced capabilities in construction and material supply. The signing of the Construction Subcontracting and Supply Contracts enables the Company to complete the EPC master contract for the ultra-low emission upgrade project of cogeneration boilers of Sinopec Shanghai for the compliance with emission standard, as well as the dust removal upgrade work of the ultra-low emission upgrade project of coal-fired boilers of Chongqing Chuanwei Petrochemical Engineering Company Limited*, in a more efficient manner with higher quality and cost-savings. The above transaction is entered into on normal commercial terms.

For the year ended 31 December 2018, Beijing Boqi has not made any payment for the abovementioned construction subcontracting and supply contracts.

- (4) 中國石化集團重慶川維化工有限公司燃煤鍋爐超低排放改造項目#1#2#3除塵改造工程施工分包合同(「施工分包合同3」)

施工分包合同3之主要條款概列如下：

簽訂日期：	2018年12月3日
訂約方：	北京博奇(總承包商)及中石化五(分包商)
工作範圍：	北京博奇將除塵改造項目建安工程的全部工作委託分包給中石化五建實施。包括施工準備、原有電除塵系統整體拆除、基礎施工、除塵器安裝、調試等。
工程期限：	2020年2月前完成
合同價值：	人民幣23,724,579元(暫定)

進行交易的理由及裨益： 中石化五建擁有先進的施工、供貨能力，施工分包及供貨合同的簽訂有助於本公司上海石化熱電聯產達標排放改造項目鍋爐超低排放EPC總承包項目、重慶川維化工有限公司燃煤鍋爐超低排放改造項目除塵改造工程更高效、優質而節省成本地完成。上述該等交易乃按一般商業條款訂立。

截至2018年12月31日，北京博奇暫未支付上述施工分包及供貨合同的任何款項。

China Petroleum & Chemical Corporation holds 10.91% equity interest in the Company through its wholly-owned subsidiary, Sinopec Overseas Investment Holdings Limited ("Sinopec Overseas"). Sinopec Fifth Construction is controlled by China Petrochemical Corporation through Sinopec Engineering (Group) Co., Ltd. and Sinopec Asset Management Co., Ltd. China Petroleum & Chemical Corporation (the parent company of Sinopec Overseas) and Sinopec Engineering (Group) Co., Ltd. (the parent company of Sinopec Fifth Construction) are fellow subsidiaries of China Petrochemical Corporation. Therefore, according to the Listing Rules, they are connected persons of the Company at the issuer level. The Construction Subcontracting and Supply Contracts accordingly constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.81 of the Listing Rules, if a series of connected transactions are entered into or completed within 12 months or are otherwise interrelated, then such connected transactions shall be aggregated and treated as if they were one transaction. Given the Construction Subcontracting and Supply Contracts are entered into between Beijing Boqi and Sinopec Fifth Construction and of the same transaction nature, the contract values of such contracts shall be aggregated pursuant to Rule 14A.81 of the Listing Rules. As the applicable percentage ratio (except for the profit ratio) upon aggregation exceeded 0.1% but was less than 5%, the contracts are subject to the reporting and announcement requirements but exempted from the circular and shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

For details of the above transactions, please refer to the announcement of the Company dated 3 December 2018.

中國石油化工股份有限公司透過其全資子公司中國石化海外投資控股有限公司(「中石化海投」)持有本公司10.91%股權。中石化五建是由中國石油化工集團公司透過中石化煉化工程(集團)股份有限公司及中國石化集團資產經營管理有限公司控制。中國石油化工股份有限公司(中石化海投的母公司)及中石化煉化工程(集團)股份有限公司(中石化五建的母公司)為中國石油化工集團公司的同系附屬公司。故其根據上市規則於發行人層面上為本公司之關連人士。施工分包及供貨合同因此根據上市規則第14A章構成本公司的關連交易。

根據上市規則第14A.81的規定，倘一連串關連交易均於十二個月期間內訂立或完成，又或相關交易彼此有關連，則該等關連交易將合併計算及處理，猶如其為同一交易。鑑於施工分包及供貨合同均為北京博奇與中石化五建簽訂，且交易性質一致，根據上市規則第14A.81的規定，該等合同的合同價值應合併計算。由於合併計算時的適用百分比率(盈利比率除外)超過0.1%但低於5%，根據上市規則第14A.76條須遵守有關申報及公告規定，但獲豁免通函及股東批准的規定。

有關上述交易詳情，請參閱本公司日期為2018年12月3日之公告。



2. Continuing connected transactions exempt from the circular and shareholder approval requirements

Pursuant to Chapter 14A of the Listing Rules, the continuing connected transactions of the Group as set out below are subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has obtained approval from the Stock Exchange in respect of the annual caps of the non-exempt continuing connected transactions upon the Global Offering and such transactions were exempted from announcement and the independent Shareholders' approval requirement.

Design and EPC contracts with Sinopec

1. Technical Service Contract with Fushun Research Institute

Parties: Beijing Boqi and Sinopec Fushun Petrochemical Research Institute of Petroleum and Petrochemicals (中國石油化工股份有限公司撫順石油化工研究院) ("Fushun Research Institute")

Term: September 2017 to December 2019

Contract scope: Beijing Boqi and Fushun Research Institute entered into a technical service contract ("Technical Service Contract") whereby Beijing Boqi provides technical service to Fushun Research Institute in relation to fluid catalytic cracking design for deep dust removal and defogging of regenerative flue gas. Beijing Boqi shall deliver design documents in both hard copy and electronic copy, assist onsite construction and participate in initial debugging work. The technical service provided by Beijing Boqi shall be completed on 31 December 2019, whereas the design work shall be completed within 30 days after signing the Technical Service Contract.

二、獲豁免遵守通函及股東批准規定的持續關連交易

根據上市規則第14A章，本集團載列如下的持續關連交易須遵守上市規則第14A章項下有關申報、年度審查、公告及獨立股東批准的規定。於全球發售後，本公司已就非豁免持續關連交易的年度上限取得聯交所的批准，且該等交易豁免遵守公告及獨立股東批准的規定。

與中石化的設計及EPC合約

1. 與撫順研究院的技術服務合約

訂約方： 北京博奇及中國石油化工股份有限公司撫順石油化工研究院(「撫順研究院」)

期限： 2017年9月 至2019年12月

合約範圍： 北京博奇與撫順研究院訂立技術服務合約(「技術服務合約」)，據此，北京博奇為撫順研究院提供有關再生煙氣深度除塵及除霧的流體媒裂法設計技術服務。北京博奇應以複印件及電子版提交設計文件、協助現場建設及參與初步調試。北京博奇所提供的技術服務應於2019年12月31日完成，而設計工程應於簽署技術服務合約後30天內完成。



Technical service fee: RMB500,000

技術服務費：人民幣500,000元

Payment: Within 30 days after signing the Technical Service Contract, Beijing Boqi shall provide to Fushun Research Institute with a detailed blueprint. It shall issue an invoice upon acceptance of such blueprint by Fushun Research Institute based on the standards set by Sinopec in relation to the standards of detailed engineering design of engineering devices. Within 45 days upon the receipt of such invoice, Fushun Research Institute shall pay the technical service fee to Beijing Boqi.

付款： 於簽署技術服務合約後30天內，北京博奇應根據中石化就工程裝置詳細工程設計所設定的標準，向撫順研究院提供詳細藍圖，並在撫順研究院接納有關藍圖後出具發票。於收取有關發票後45天內，撫順研究院應向北京博奇支付技術服務費。

Confidentiality: Beijing Boqi shall keep all information obtained under and in relation to the Technical Service Contract confidential.

保密性： 北京博奇須就自技術服務合約獲得及與技術服務合約有關的所有資料保密。

Payment Term: The revenue from the Technical Service Contract is RMB500,000 and was settled on 25 October 2017.

付款期限： 技術服務合約產生的收益為人民幣500,000元，已於2017年10月25日結清。

Reasons for and benefits of the transaction: This transaction will enhance the engineering design business of the Group and expand the Group's business opportunities with Sinopec and its group of companies for the Group to provide its wide range of services to market players of petro-chemical industry.

進行交易的理由及裨益： 此項交易將改善本集團的工程設計業務，並擴大本集團與中石化及其集團公司的商機，以向石油化工行業的市場參與者提供廣泛服務。

2. Sinopec Shanghai EPC project

2. 中國石化上海EPC項目

Parties: Sinopec Shanghai Petrochemical Company Limited (中國石化上海石油化工股份有限公司) ("Sinopec Shanghai") and Beijing Boqi.

訂約方： 中國石化上海石油化工股份有限公司(「中國石化上海」)及北京博奇。



Bid and contract scope:	On 7 February 2017, Beijing Boqi won a bid for an EPC project in connection with the upgrade of the desulfurization, denitrification and dust removal environmental facilities of a cogeneration power plant of Sinopec Shanghai for the purpose of meeting the "ultra-low emission" standards. On 1 March 2017, Beijing Boqi entered into an EPC contract with Sinopec Shanghai finalizing the winning bid whereby Beijing Boqi will act as the main contractor. The upgrade work involves project design, procurement of equipment and materials, project construction and installation of five boiler fuel gas denitrification facilities ("Upgrade Project").	投標及合約範圍：	於2017年2月7日，北京博奇中標中國石化上海為符合「超低排放」標準而升級改造熱電廠脫硫、脫硝、除塵環境設施的EPC項目。於2017年3月1日北京博奇與中國石化上海訂立EPC合同，落實中標，藉此北京博奇將擔任總承包商。改造工程涉及項目設計、設備及材料採購以及項目建設及安裝五套燃氣鍋爐脫硝設施（「改造項目」）。
Price:	RMB224,626,000 (including tax) comprised of construction fee, installation fee, fee for procurement of equipment and raw materials.	價格：	人民幣224,626,000元(含稅)，包括建設費、安裝費、設備及原材料採購費。
Term:	The Upgrade Project is expected to be completed in October 2018.	期限：	該項目已於2018年10月完工。
Reasons for and benefits of the transaction:	This transaction will enhance the desulfurization, denitrification and dust removal business operations of the Group and expand the business opportunities with Sinopec and its group of companies for provision of flue gas treatment business to market players of petrochemical industry.	進行交易的理由及裨益：	該交易將改善本集團脫硫、脫硝和除塵業務，並擴大與中石化及其集團公司的商機，以向石油化工行業的市場參與者提供煙氣處理業務。
Revenue and Annual Cap:	The revenue generated from Sinopec Shanghai EPC Project amounted to RMB146,990,000 for the year ended 31 December 2017. The revenue generated from Sinopec Shanghai EPC Project amounted to RMB43,419,000 for the year ended 31 December 2018, which did not exceed the maximum transaction amount of the contract of RMB75,000,000 for the year ended 31 December 2018.	收益及年度上限：	中國石化上海EPC項目截至2017年12月31日止年度產生的收益為人民幣146,990,000元。中國石化上海EPC項目截至2018年12月31日止年度產生的收益為人民幣43,419,000元，並未超過本合約截至2018年12月31日止年度的最高交易金額人民幣75,000,000元。



3. Gaoqiao Petrochemical EPC project

Parties: Sinopec Shanghai Gaoqiao Petrochemical Co., Ltd. (中國石化上海高橋石油化工有限公司) ("Gaoqiao Petrochemical") and Beijing Boqi.

Bid and contract scope: On 24 March 2017, Beijing Boqi won a bid for an upgrade project in connection with the upgrade of denitrification facilities and boilers of the power plant of Gaoqiao Petrochemical ("Gaoqiao Petrochemical EPC Project") for the purpose of meeting the "ultra-low emission" standards. On 24 April 2017, Beijing Boqi and Gaoqiao Petrochemical entered into a contract finalizing the winning bid for the Gaoqiao Petrochemical EPC Project whereby Beijing Boqi will act as the main contractor.

Price: RMB16,990,000 (including tax).

Payment terms: Payment will be made in four instalments. The first instalment of 15% of the contract price to be paid within 30 days after signing of the EPC contract and delivery and confirmation of the design blueprints. The second instalment of 25% of the contract price within 30 days of instalment of the SCR system to the boiler facilities. The third instalment of 50% of the contract price to be paid within 90 days of the issuance of the certificate of compliance by the environmental department of the relevant government authority. The last instalment of 10% of the contract price within 30 days of expiry of the 18 months warranty period.

3. 高橋石油化工EPC項目

訂約方： 中國石化上海高橋石油化工有限公司 (「高橋石油化工」) 及北京博奇。

投標及合約範圍： 於2017年3月24日，北京博奇中標高橋石油化工為符合「超低排放」標準而改造脫硝設施及鍋爐的項目(「高橋石油化工EPC項目」)。於2017年4月24日，北京博奇與高橋石油化工訂立一份合同，落實高橋石油化工EPC項目的中標，藉此北京博奇將擔任總承包商。

價格： 人民幣16,990,000元(含稅)。

付款條款： 付款將分四筆分期付款支付。首筆分期付款合約價15%的付款須於簽署EPC合同及確認設計版圖後30日內支付。第二筆分期付款合約價25%的付款須於將SCR系統安裝至鍋爐設施後30日內支付。第三筆分期付款合約價50%的付款須於相關政府機關的環保部門出具合規證書後90日內支付。最後一筆分期付款項合約價10%的付款須於18個月的保修期屆滿後30日內支付。



Term: The SCR systems for each boiler facility shall be delivered on 6 May 2017, 30 May 2017, 6 July 2017, 30 July 2017 and 30 August 2017 respectively.

期限：各鍋爐設施的SCR系統須分別於2017年5月6日、2017年5月30日、2017年7月6日、2017年7月30日及2017年8月30日交付。

The project is expected to be completed and inspected in on April 2019.

該項目預計於2019年4月份竣工驗收。

Reasons for and benefits of the transaction: This transaction will enhance the desulfurization, denitrification and dust removal business operations of the Group and expand the Group's business opportunities with Sinopec and its group of companies for provision of flue gas treatment business to market players of petro-chemical industry.

進行交易的理由及裨益：該交易將改善本集團脫硫、脫硝和除塵業務，並擴大與中石化及其集團公司的商機，以向石油化工行業的市場參與者提供煙氣處理業務。

Revenue and Annual Cap: The revenue generated from Gaoqiao Petrochemical EPC Project amounted to RMB8,150,000 for the year ended 31 December 2017. The revenue generated from Gaoqiao Petrochemical EPC Project amounted to RMB6,321,000 for the year ended 31 December 2018, which did not exceed the maximum transaction amount of the contract of RMB9,000,000 for the year ended 31 December 2018.

收益及年度上限：高橋石油化工EPC項目截至2017年12月31日止年度產生的收益為人民幣8,150,000元。高橋石油化工EPC項目截至2018年12月31日止產生的收益為人民幣6,321,000元，並未超過本合約截至2018年12月31日止年度的最高交易金額人民幣9,000,000元。

4. Sinopec Shanghai #3-4 EPC project

4. 中國石化上海3-4號EPC項目

Parties: Sinopec Shanghai and Beijing Boqi.

訂約方：中國石化上海及北京博奇

Bid and contract scope: On 14 August 2017, Beijing Boqi won a bid for an EPC project in connection with the upgrade of the #3-4 boiler of a cogeneration power plant of Sinopec Shanghai for the purpose of meeting the "ultra-low emission" standards ("#3-4 Upgrade Project") On 7 September 2017, Beijing Boqi entered into an EPC contract with Sinopec Shanghai finalizing the winning bid whereby Beijing Boqi will act as the main contractor, involves project design, procurement of equipment and materials, project construction and installation.

投標及合約範圍：於2017年8月14日，北京博奇中標中國石化上海為符合「超低排放」標準而改造中國石化上海的熱電廠的3-4號鍋爐的EPC項目（「3-4號改造項目」）。於2017年9月7日，北京博奇與中國石化上海訂立EPC合同，落實中標，藉此北京博奇將擔任總承包商。改造工程涉及項目設計、設備及材料採購以及項目建設及安裝。

Price:	RMB91,123,500.00 (including tax) comprised of construction fee, installation fee, fee for procurement of equipment and raw materials.	價格：	為 人 民 幣 91,123,500.00 元(含稅)，包括建設費、安裝費、設備及原材料採購費。
Term:	The project was completed on November 2018.	期限：	項目已於2018年11月完成。
Reasons for and benefits of the transaction:	This transaction will enhance the desulfurization, denitrification and dust removal business operations of the Group and expand the business opportunities with Sinopec and its group of companies for provision of flue gas treatment business to market players of petrochemical industry.	進行交易的理由及裨益：	該交易將改善本集團脫硫、脫硝和除塵業務，並擴大與中石化及其集團公司的商機，以向石油化工行業的市場參與者提供煙氣處理業務。
Revenue and Annual Cap:	No revenue was generated from Sinopec Shanghai #3-4 EPC project for the year ended 31 December 2017. The revenue generated amounted to RMB83,310,000 for the year ended 31 December 2018, which did not exceed the maximum transaction amount of RMB100,000,000 of the contract for the year ended 31 December 2018.	收益及年度上限：	截至2017年12月31日止年度，中國石化上海3-4號EPC項目概無產生收益。截至2018年12月31日止年度產生的收益為人民幣83,310,000元，並未超過本合約截至2018年12月31日止年度的最高交易金額人民幣100,000,000元。

Fushun Research Institute is a branch of China Petroleum & Chemical Corporation, the parent company of Sinopec Overseas Investment Holding Limited (中國石化海外投資控股有限公司), one of the substantial shareholders of the Company, whereas Sinopec Shanghai and Gaoqiao Petrochemical are fellow subsidiaries (as defined under the Listing Rules) of Sinopec, being owned as to 50.56% and 55%, respectively, by China Petroleum & Chemical Corporation, and each of them is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Given the above continuing connected transactions were all made with the group companies of China Petroleum & Chemical Corporation, the parent company of Sinopec, pursuant to which income shall be received by the Group in relation to the design and EPC services provided. Such transactions shall be aggregated in accordance with Rule 14A.81 of the Listing Rules. The above transaction is entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from strict compliance with the rules regarding the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, on the condition that the aggregate amount of continuing connected transactions with Sinopec for the year 2018 would not exceed the annual cap set out in the Prospectus.

撫順研究院為本公司的主要股東之一中國石化海外投資控股有限公司的母公司中國石油化工股份有限公司之分公司，中國石化上海及高橋石油化工為中石化(由中國石油化工股份有限公司分別擁有50.56%及55%股權)的同系附屬公司(定義見上市規則)，因此，根據上市規則第14A.07(4)條，彼等各自均為本公司的關連人士。鑒於上述持續關連交易乃均與中石化的母公司中國石油化工股份有限公司的集團公司進行，據此，收入應由本集團就所提供設計及EPC服務收取，而有關交易須根據上市規則第14A.81條合併計算。上述交易乃按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司獲豁免嚴格遵守上市規則第14章項下有關公告及獨立股東批准的規定，條件為中石化於2018年的持續關連交易的總額不得超過招股章程所載的年度上限。



Technology Licensing Contract with Fushun Research Institute

As part of the Upgrade Project, Beijing Boqi and Fushun Research Institute entered into two technology licensing contracts ("Technology Licensing Contracts") in 14 September 2017 and 6 September 2018, pursuant to which Beijing Boqi was licensed to use certain patents and know-how of Fushun Research Institute for the purpose of carrying out of the Upgrade Project.

Fushun Research Institute is a branch of China Petroleum & Chemical Corporation, the parent company of Sinopec, one of the substantial shareholders of the Company, and is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules.

Technology Licensing Contract 1

Parties:	Beijing Boqi and Fushun Research Institute
Term:	5 years
Contract scope:	Beijing Boqi was licensed to use the patents and know-how of Fushun Research Institute for the carrying out of the Upgrade Project to achieve "ultra-low emission" standards. The patents and know-how relate to the denitrification catalyst and SCR technology. Beijing Boqi was licensed to use the patent and know-how from the signing date of the Technology Licensing Contract until December 2018, and shall use the patent and know-how within 365 days from the signing date of the Technology Licensing Contract. During the term of the Technology Licensing Contract, Beijing Boqi may make subsequent development in respect of the patent and know-how which it is licensed to use. The parties will enter into separate agreements in respect of the distribution of interests if any interests arised in relation to the development of patent and know-how.

與撫順研究院的技術許可合約

作為改造項目的一部分，北京博奇與撫順研究院分別於2017年9月14日及2018年9月6日訂立兩份技術許可合約(「技術許可合約」)，據此，北京博奇獲許可使用撫順研究院的若干專利及技術，以進行改造項目。

撫順研究院為本公司的主要股東之一中石化的母公司中國石油化工股份有限公司之分公司。因此，根據上市規則第14A.07(4)條，撫順研究院為本公司的關連人士。

技術許可合約一

訂約方：	北京博奇及撫順研究院
期限：	五年
合約範圍：	北京博奇獲許可使用撫順研究院的專利及技術，以進行改造項目，從而遵守「超低排放」標準。相關專利及技術有關脫硝催化劑及SCR技術。北京博奇獲許可自技術許可合約簽署日期直至2018年12月使用相關專利及技術，並於簽署日期後365天內使用專利及技術。於技術許可合約的期限內，北京博奇可能就其獲准使用的專利及技術進行後續開發。倘開發專利及技術產生任何相關利益，訂約方將就利益分配訂立獨立協議。

Licensing fee: Beijing Boqi shall pay RMB2,150,000 to Fushun Research Institute for its license to use the patents and know-how.

特許費：北京博奇應就其獲許可使用專利及技術向撫順研究院支付人民幣2,150,000元。

Payment: Licensing fee of Technology Licensing Contract 1 of RMB2,150,000 was settled on 11 October 2017.

付款：技術許可合約一的特許費人民幣2,150,000元已於2017年10月11日結清。

Confidentiality: Beijing Boqi is under the obligation of confidentiality in respect of the use of patents and know-how of Fushun Research Institute. Such obligation continues to survive 5 years after the termination of the Technology Licensing Contract.

保密性：北京博奇須就使用撫順研究院的專利及技術承擔保密責任。相關責任於技術許可合約終止後五年繼續有效。

The above transaction was entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from strict compliance three year term requirement for continuing connected transactions under Rule 14A.52 of the Listing Rules.

上述交易乃按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司獲豁免嚴格遵守上市規則第14A.52條項下持續關連交易的三年期限規定。

TECHNOLOGY LICENSING CONTRACT 2

技術許可合約二

Date of contract: 6 September 2018

簽訂日期：2018年9月6日

Parties: Beijing Boqi and Fushun Research Institute

訂約方：北京博奇及撫順研究院

Term: From contract signing date to 31 December 2019

期限：自合同簽訂日起至2019年12月31日



Main terms:

- (1) There are 3 patents ("the patents") in total granted under this contract. The details of these patents are as follows:
 - (i) Nature: Invention patents (invention, utility model and appearance design);
 - (ii) Patentee: Fushun Research Institute of China Petroleum & Chemical Corporation;
 - (iii) Patent numbers:
ZL201210409848.0,
ZL201020569738.7
and ZL201010222036.6.
- (2) Contract scope: Beijing Boqi is licensed to use the patents and know-how of the flue gas ultra-clean emission denitrification technology of Fushun Research Institute for the implementation of the Upgrade Project to comply with the "ultra-low emission" standards. Relevant patents and know-how relate to the denitrification catalyst and SCR technology.
- (3) Obligations of Fushun Research Institute: Fushun Research Institute shall submit the following materials to Beijing Boqi: (i) The industrial process documents required for applying the technology and know-how, and (ii) The technical solutions for flue gas denitrification treatment of Shanghai Petrochemical Coal-fired Power Plant. Beijing Boqi is licensed to use the patents and know-how within 365 days from the signing date of the Technology Licensing Contract.
- (4) Confidentiality: Beijing Boqi is under the obligation of confidentiality in respect of the use of patents and knowhow of Fushun Research Institute. Such obligation continues to survive 5 years after the termination of the Technology Licensing Contract.

主要條款：

- (1) 本合同下許可實施的專利權共3項(「本項專利」)，該等專利之細節為：
 - (i) 性質：發明(發明、實用新型、外觀設計)專利；
 - (ii) 專利權人：中國石油化工股份有限公司撫順研究院；
 - (iii) 專利號為：
ZL201210409848.0、
ZL201020569738.7、
ZL201010222036.6。
- (2) 合同範圍：北京博奇獲許可使用撫順研究院擁有的煙氣超潔淨排放脫硝技術專利權、技術秘密，以進行改造項目，從而遵守超低排放標準。相關專利及技術有關脫硝催化劑及SCR脫硝技術。
- (3) 撫順研究院義務：撫順研究院應向北京博奇提交：(i)為實施本專利、技術秘密所必須的工藝流程文件；及(ii)上海石化燃煤電廠煙氣脫硝處理技術工藝包。北京博奇自本合同簽署後365日內開始實施本項專利和技術秘密。
- (4) 保密性：北京博奇須就使用撫順研究院的專利及技術承擔保密責任。相關責任於技術許可合同終止後五年繼續有效。



- (5) Licensing fee: Beijing Boqi shall pay RMB900,000 to Fushun Research Institute for its license to use the patents and know-how. Such amount was determined after arm's length negotiations between Beijing Boqi and Fushun Research Institute with reference to normal commercial terms and market rates.

- (6) Payment: Licensing fee of Technology Licensing Contract 2 of RMB900,000 was settled on 30 October 2018.

Reasons for and the benefits of the transaction: The signing of the Technology Licensing Contract will benefit the Company's Upgrade Project of #3 and #4 Boilers of Sinopec Shanghai's Thermal Power Division for the Compliance with Emission Standard. With the advanced flue gas ultra-clean emission denitrification technology, the flue gas treatment performance can be improved so that the upgrade project can be completed more efficiently and with better quality.

For details of the Technology Licensing Contract 2, please refer to the announcement of the Company dated 6 September 2018.

The above transaction is entered into on normal commercial terms. According to Rule 14A.81 of the Listing Rules, if a series of connected transactions are entered into or completed within 12 months or are otherwise interrelated, then such connected transactions shall be aggregated and treated as if they were one transaction. As both the Technology Licensing Contracts are signed with Fushun Research Institute and of the same transaction nature, these two contracts shall be aggregated in accordance with Rule 14A.81 of the Listing Rules. As the applicable percentage (except for the profit ratio) at the time of the aggregation exceeded 0.1% but was less than 5%, both contracts are subject to the reporting and announcement requirements but exempted from the circular and shareholders' approval requirements, pursuant to Rule 14A.76 of the Listing Rules.

- (5) 特許費：北京博奇應就其獲許可使用專利及技術向撫順研究院支付人民幣900,000元，該款額乃北京博奇與撫順研究院經公平磋商並參考一般商業條款及市價後協定。

- (6) 付款：技術許可合約二的特許費人民幣900,000元已於2018年10月30日結清。

進行交易的理由及裨益：本公司的簽訂有助於本公司上海石化熱電部3號、4號爐達標排放改造工程項目通過採用其先進的煙氣超潔淨排放脫硝技術，提高煙氣處理效率，更高效、優質地完成改造工程。

有關技術許可合約二的交易詳情，請參閱本公司日期為2018年9月6日之公告。

上述交易乃按一般商業條款訂立。根據上市規則第14A.81條的規定，倘一連串關連交易均於十二個月期間內訂立或完成，又或相關交易彼此有關連，則該等關連交易將合併計算及處理，猶如其為同一交易。由於技術許可合約均為與撫順研究院簽訂，且交易性質一致，根據上市規則第14A.81條的規定，本技術許可合約應合併計算。由於合併計算時的適用百分比率（盈利比率除外）超過0.1%但低於5%，根據上市規則第14A.76條須遵守有關申報及公告規定，但獲豁免通函及股東批准的規定。



Shouyang Contract

Parties: Beijing Boqi and Yangmei Group Shouyang Boqi Electric Co., Ltd (陽煤集團壽陽博奇發電有限責任公司) (previously known as Shanxi Shouyang Mingtai Guoneng Power Co., Ltd) (山西壽陽明泰國能發電有限公司) ("Shouyang Power")

Date: Beijing Boqi entered into an EPC master contract with Shouyang Power in December, 2015 (the "Shouyang Contract").

Project: Shanxi Yangquan Coal Industry (Group) Company Limited Shouyang Mingtai Green Island General Contractor Project, with the capacity of 2*350 MW (the "Shouyang Green Island Project").

Under the Shouyang Green Island Project, Beijing Boqi shall act as the main contractor, which involves, among others, project design, procurement of equipment and materials, construction and installment in relation to desulfurization and denitrification and dust removal for low calorific value thermal power plant.

Project Price: RMB287,560,000 (including tax).

Payment term: Shouyang Power shall pay 10% of the contract value as pre – payment to Beijing Boqi within one month from the date the Shouyang Contract takes effect, and the remaining amount of the contract value shall be paid monthly according to the progress of the Shouyang Green Island Project. 5% of the contract value shall be paid by Shouyang Power to Beijing Boqi as quality guarantee after one year period when no quality issue is raised.

壽陽合約

訂約方： 北京博奇及陽煤集團壽陽博奇發電有限責任公司(前稱山西壽陽明泰國能發電有限公司(「壽陽發電」))

日期： 北京博奇，於2015年12月與壽陽發電訂立EPC總合同(「壽陽合約」)。

項目： 山西陽泉煤業集團有限責任公司壽陽明泰環保島總承包項目(「壽陽環保島項目」)，容量為2×350MW。

根據壽陽環保島項目，北京博奇將作為總承包商，其中涉及(其中包括)，有關低熱值火電廠的脫硫、脫硝及除塵設施的項目設計、設備及材料採購、建設及安裝。

項目價格： 為人民幣287,560,000元(含稅)。

支付條款： 壽陽發電須於壽陽合約生效日期起一個月內向北京博奇支付合同價值10%作預付款，而合同價值餘額將根據壽陽環保島項目的進度按月支付。倘於一年後並無出現質量問題，壽陽發電將向北京博奇支付合同價值的5%作質量保證金。



Reasons for and the benefits of the transaction: Carrying out environmental protection facility engineering projects is the usual course of business of Company and entering into such transaction would enable us to consolidate the Company's market presence in the Shanxi Province where Shouyang Power is situated.

交易理由及裨益：環保設施工程項目乃於我們日常業務過程中進行且進行有關交易將讓我們可鞏固於山西省(壽陽發電所在地)的市場地位。

Shouyang Power, through various intermediaries, is 40% held by Mr. Cheng and Mr. Zeng, the ultimate controlling shareholders of the Company and is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The above transaction is entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from strict compliance with the rules regarding the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, on the condition that the respective aggregate amounts of non-exempt continuing connected transaction with Shouyang Power for the years 2018 and 2019 would not exceed the respective annual caps set out in the Prospectus.

壽陽發電由本公司的最終控股股東程先生及曾先生透過多個中介公司持有40%，故此根據上市規則第14A.07(4)條為本公司的關連人士。上述交易按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司豁免嚴格遵守上市規則第14A章項下公告及獨立股東批准規定，惟壽陽發電於2018年及2019年的非豁免持續關連交易各自的總金額不得超過招股章程所載的相關年度上限。

Yangxi Project

On 31 December 2016, Beijing Boqi, Guangdong Huaxia Electric Development Co., Ltd (廣東華廈電力發展有限公司) ("Guangdong Huaxia Electric") and Yangxi Haibin Electric Power Development Co., Ltd (陽西海濱電力發展有限公司) ("Yangxi Electric") entered into a management service agreement ("Yangxi Management Service Agreement") in relation to the provision of operation, daily maintenance and repair services in respect of the #1-#4 desulfurization and denitrification facilities owned by Yangxi Electric ("Yangxi Facilities") prior to the completion of the acquisition of the Yangxi Facilities under the cooperation framework agreement dated 20 May 2016 entered into between the said parties ("Cooperation Framework Agreement"). On the same day, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into an ultra-low emission upgrade project cooperation agreement ("Upgrade Project Cooperation Agreement"), under which Beijing Boqi agreed to construct "ultra-low emission" units to #1-2 desulfurization and denitrification facilities of the Yangxi Facilities for Yangxi Electric. However, no similar arrangement was entered into in relation to #3-4 desulfurization and denitrification facilities as the "ultra-low emission upgrade units have already been constructed and completed by Yangxi Electric at the time the parties entered into the Upgrade Project Cooperation Agreement. On 1 January 2017, Beijing

陽西項目

於2016年12月31日，北京博奇、廣東華廈電力發展有限公司(「廣東華廈電力」)及陽西海濱電力發展有限公司(「陽西電力」)訂立管理服務協議(「陽西管理服務協議」)，內容有關於根據上述訂約方訂立日期為2016年5月20日的合作框架協議(「合作框架協議」)完成收購陽西設施前向陽西電力擁有的1-4號脫硫及脫硝設施(「陽西設施」)提供運營、日常維護及修復服務。於同日，北京博奇、廣東華廈電力與陽西電力訂立超低排放改造項目合作協議(「改造項目合作協議」)，據此，北京博奇同意為陽西電力興建陽西設施的1-2號脫硫及脫硝設施的「超低排放」改造機組。然而，由於「超低排放」改造機組已由陽西電力於訂約方訂立改造項目合作協議時興建及完成，故並無就3-4號脫硫及脫硝設施訂立類似安排。於2017年1月1日，北京博奇、廣東華廈電力與陽西電力另行訂立補充協議，以釐定陽西管理服務協議



Boqi, Guangdong Huaxia Electric and Yangxi Electric further entered into a supplemental agreement solely to determine the pricing terms of the Yangxi Management Service Agreement (the "Yangxi Service Pricing Agreement"). Due to an unexpected delay in the release of the mortgage on the Yangxi Facilities, the completion of the proposed acquisitions of the Yangxi Facilities under the Cooperation Framework Agreement was delayed, and it was agreed between Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric not to proceed with the proposed acquisitions of the Yangxi Facilities. Accordingly, on 28 August 2017, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement ("Yangxi Supplemental Agreement") under which, the proposed acquisitions of the Yangxi Facilities under the Cooperation Framework Agreement, were terminated. On the same day, Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric entered into a supplemental agreement (the "Yangxi Supplemental Management Service Agreement", together with Yangxi Management Service Agreement and the Yangxi Service Pricing Agreement as "Yangxi Agreements") to supersede and extend the term of the services under the Yangxi Management Services Agreement from 1 January 2017 to 30 September 2017 to a term from 1 January 2017 to 31 December 2025. Other provisions in relation to the services and ancillary services to be provided by Beijing Boqi under the Yangxi Management Services Agreement remain unchanged for the extended term.

Yangxi Agreements

Under the Yangxi Agreements, Beijing Boqi provides operation, daily maintenance and repair services in respect of the Yangxi Facilities to Yangxi Electric for a term from 1 January 2017 to 31 December 2025.

Parties:	Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric
Term of the agreement:	1 January 2017 to 31 December 2025.
Services to be provided:	The services to be provided by Beijing Boqi include the operation, daily maintenance and repair of Yangxi Facilities. Beijing Boqi is also responsible for the materials used in the services provided as well as treatment of waste created during the provision of such services.

的定價條款(「陽西服務定價協議」)。基於陽西設施的按揭意外地延遲解除，以及合作框架協議項下陽西設施的擬議收購事項延遲完成，故北京博奇、廣東華廈電力及陽西電力已協定不再進行陽西設施的擬議收購事項。因此，北京博奇、廣東華廈電力及陽西電力於2017年8月28日訂立補充協議(「陽西補充協議」)，據此，合作框架協議項下的陽西設施的擬議收購事項已終止。同日，北京博奇、廣東華廈電力及陽西電力訂立補充協議(「陽西補充管理服務協議」，連同陽西管理服務協議及陽西服務定價協議統稱為「陽西協議」)以將陽西管理服務協議服務期限由2017年1月1日至2017年9月30日延長至2017年1月1日至2025年12月31日。與北京博奇根據陽西管理服務協議提供的服務及輔助服務有關的其他條文於延長期限內保持不變。

陽西協議

根據陽西協議，北京博奇就陽西設施向陽西電力提供運營、日常維護及維修服務，期限自2017年1月1日起至2025年12月31日止。

訂約方：	北京博奇、廣東華廈電力及陽西電力
協議期限：	2017年1月1日至2025年12月31日。
將予提供的服務：	北京博奇將予提供的服務包括陽西設施的營運、日常維護及維修。北京博奇亦負責供應所提供服務使用的材料及處理提供有關服務過程產生的廢棄物。



Service fee policy: The service fee under the Yangxi Agreements is calculated based on the on-grid power generation multiply by a rate which is determined by the parties. The pricing terms of the Yangxi Agreements were determined under the Yangxi Service Pricing Agreement. Such pricing terms are arrived at on arm's length negotiations between Beijing Boqi, Yangxi Electric and Guangdong Huaxia Electric and are determined with reference to (i) the relevant subsidies with respect to desulfurization and denitrification as set by the government; and (ii) the fees and expenses in respect of the operation, management and maintenance of the desulfurization and denitrification facilities.

Payment obligation: Yangxi Electric shall pay to Beijing Boqi the service fee within 15 days of Yangxi Electric receiving the electricity fee from the State Power Grid.

Beijing Boqi shall pay to Yangxi Electric a performance guarantee in an amount of RMB139,000,000 for guaranteeing its work and performance under the Yangxi Agreements and safe operation of the Yangxi Facilities.

The above performance guarantee is arrived at on arm's length negotiations between Beijing Boqi, Guangdong Huaxia Electric and Yangxi Electric and determined based on the estimated service fee to be received (i.e. the estimated on-grid power generation multiplied by a rate (10%) which is determined by the parties) multiplied by the term of the Yangxi Agreements (i.e. 8 years). Such performance guarantee has been paid to Yangxi Electric and shall be refunded to Beijing Boqi upon completion of the term of the Yangxi Agreements.

服務費政策：陽西協議項下的服務費乃按上網電量乘以訂約方釐定的服務費率。陽西協議的定價條款根據陽西服務定價協議釐定。該定價條款乃經北京博奇、陽西電力及廣東華廈電力公平磋商後達致，並經參考(i)政府制定的脫硫及脫硝的相關補貼；及(ii)經營、管理及維護脫硫及脫硝設施的費用及開支釐定。

付款義務：陽西電力須於陽西電力自電網公司收取電費後15日內向北京博奇支付服務費用。

根據陽西補充管理服務協議，北京博奇須向陽西電力支付履約保證金人民幣139,000,000元，以為其於陽西協議項下的工程及績效以及陽西設施的安全營運作擔保。

上述履約保證金乃基於預計將收取的服務費(即預計上網電量乘以由訂約雙方釐定的服務費率(10%))乘以陽西協議的年期(即8年)經北京博奇、廣東華廈電力及陽西電力公平磋商後釐定。相關履約保證金已向陽西電力支付，並將在陽西協議條款完成後退還北京博奇。



Ancillary charges: Under the Yangxi Agreements, Beijing Boqi shall pay to Yangxi Electric before the 10th day of each month the ancillary charges, including relevant operation fees such as water, electricity, vapor, gas, environmental protection penalty and pollution tax fees and other relevant operational charges.

輔助費用：根據陽西協議，北京博奇將於每月第10日向陽西電力支付輔助費用，包括水、電、蒸汽、汽、環保罰款及排污稅費等相關運營費用。

Yangxi Electric is a wholly-owned subsidiary of Guangdong Huaxia Electric, which is owned and controlled by, through various intermediaries, Mr. Zhu Yihang, the brother and associate of Mr. Zhu, one of our substantial shareholders and is therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. The above transaction is entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from (i) strict compliance three year term requirement for continuing connected transactions under Rule 14A.52 of the Listing Rules and (ii) strict compliance with the rules regarding the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, on the condition that the respective aggregate amounts of non-exempt continuing connected transactions with Yangxi Electric for the years 2018, 2019 and 2020 would not exceed the respective annual caps set out in the Prospectus.

陽西電力為廣東華廈電力的全資附屬公司，而廣東華廈電力由我們的主要股東之一朱先生的兄弟及聯繫人朱一航先生透過多家中介公司擁有及控制權益，故此根據上市規則第14A.07(4)條為本公司的關連人士。上述交易按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司豁免(i)嚴格遵守上市規則第14A.52條項下持續關連交易的三年期限規定；及(ii)嚴格遵守上市規則第14A章項下公告及獨立股東批准規定，條件是於2018年、2019年及2020年與陽西電力的非豁免持續關連交易的相關總金額不得超過招股章程所載的相關年度上限。

Reference is made to the announcement of the date of the company's date of 12 March 2019, which relates to, among other things, the Transaction Amount of the Yangxi Agreement. The service fee for Q&M services was approximately RMB261.74 million, exceeding the existing 2018 annual cap by an amount of RMB16.74 million; and the ancillary charges was approximately RMB89.72 million, exceeding the existing 2018 annual cap by an amount of RMB4.67million. Therefore, the highest applicable percentage ratio in respect of the actual 2018 Transaction Amount exceeded 5%, accordingly the transactions under the Yangxi Agreements with Guangdong Huaxia Electric and Yangxi Electric for the year ended 31 December 2018 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under chapter 14A of the Listing Rules. Therefore, the transactions under the Yangxi Agreements for the year ended 31 December 2018 are subject to the ratification of the Independent Shareholders at the EGM.

茲提述本公司日期為2019年3月12日之公告，內容有關(其中包括)陽西協議交易金額，其營運及管理服務的服務費約為人民幣261.74百萬元，超過現有2018年度上限人民幣16.74百萬元；附加費用約為人民幣89.72百萬元，超過現有2018年度上限人民幣4.67百萬元。因此，2018年實際交易金額的最高適用百分比率超過5%，故於截至2018年12月31日止年度與廣東華廈電力及陽西電力訂立的陽西協議項下的交易須遵守上市規則第14A章有關申報、年度審閱、公告及獨立股東批准規定。因此，截至2018年12月31日止年度，陽西協議項下的交易須經獨立股東於股東特別大會上追認。

A circular containing, among other matters, (i) further details of the transactions under the Yangxi Agreements for the year ended 31 December 2018; (ii) details of the New 2019 and 2020 annual Caps; (iii) the letter of recommendation from the Independent Board Committee; (iv) the letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders in respect of the transactions under the Yangxi Agreements; and (v) a notice convening the EGM, is expected to be despatched to the Shareholders on or before 30 April 2019. As Mr. Zhu is deemed to have a material interest in the transactions under the Yangxi Agreements with Guangdong Huaxia Electric and Yangxi Electric, Mr. Zhu and his associate(s) shall abstain from voting on the relevant resolution.

Upgrade Project Cooperation Agreement

On 31 December 2016, Beijing Boqi and Yangxi Electric entered into the Upgrade Project Cooperation Agreement, pursuant to which Beijing Boqi agreed to construct the “ultra-low emission” upgrade units to #1–2 desulfurization and denitrification facilities of the Yangxi Facilities for Yangxi Electric. Pursuant to the Upgrade Project Cooperation Agreement, the ultra-low emission upgrade works conducted by Beijing Boqi include, among others, the upgrade of the desulfurization system, detection and repair of the absorption tower of #1–2 desulfurization and denitrification facilities of the Yangxi Facilities and the upgrade of model of the continuous emission monitoring system for the purpose of enabling Guangdong Huaxia Yangxi Power Plant to comply with the new “ultra-low emission” standards. The total contract value of the Upgrade Project Cooperation Agreement is RMB23,200,000 which consists of the design fee, the equipment fee and the construction and installation fee, and such fees will be borne by Beijing Boqi. Beijing Boqi will pay to Yangxi Electric certain compensations if (a) Beijing Boqi has caused delay in completing the ultra-low emission upgrade works under the Upgrade Project Cooperation Agreement; (b) Beijing Boqi is solely responsible for the non-compliance of the #1–2 desulfurization and denitrification facilities of the Yangxi Facilities with the ultra-low emission standards; and/or (c) Beijing Boqi has solely caused the halt or load decrement of #1–2 desulfurization and denitrification facilities of the Yangxi Facilities.

載有(其中包括)(i)有關截至2018年12月31日止年度陽西協議項下的交易的進一步詳情;(ii)新2019年及2020年年度上限的詳情;(iii)獨立董事委員會推薦建議函件;(iv)嘉林資本就陽西協議項下的交易致獨立董事委員會及獨立股東的意見函件;及(v)召開股東特別大會之通告之通函預期將於2019年4月30日或之前寄發予股東。由於朱先生被視為於與廣東華廈電力及陽西電力訂立的陽西協議項下的交易中擁有重大權益,朱先生及其聯繫人已就有關決議案放棄投票。

改造項目合作協議

於2016年12月31日,北京博奇與陽西電力訂立改造項目合作協議,據此,北京博奇同意為陽西電力的陽西設施1–2號脫硫及脫硝設施興建「超低排放」改造機組。根據改造項目合作協議,北京博奇進行的超低排放改造工程包括(其中包括)改造脫硫系統、檢測及維修陽西設施1–2號脫硫及脫硝設施吸收塔以及改造持續排放監測系統型號,以令廣東華廈陽西發電廠遵守新「超低排放」標準。改造項目合作協議的合約總金額為人民幣23,200,000元,包括設計費、設備費及建設及安裝費,相關費用由北京博奇承擔。倘(a)北京博奇導致改造項目合作協議項下的超低排放改造工程延遲完工;(b)北京博奇單獨就違反陽西設施1–2號脫硫及脫硝設施超低排放標準負責;及/或(c)北京博奇單方面導致陽西設施1–2號脫硫及脫硝設施暫停或負載減少,北京博奇將向陽西電力支付若干賠償。



Reasons for and benefits of the transactions under the Yangxi Agreements and Upgrade Project Cooperation Agreement:

Since the issue of the Action Plan of Energy Saving, Emission Reduction, Upgrading and Retrofitting of Coal-fired Power Plants (2014–2020) which tightened the emission limits for newly-built coal-fired power plants in September 2014 and the Proposals for Comprehensively Implementing the Ultra-low Emissions and Energy Conservation Upgrade of Coal-fired Power Plants in December 2015, which requires the comprehensive implementation of “ultra-low emission” and energy conservation upgrade on coal-fired generator sets by 2020, coal consumption and pollution emission standards have been significantly tightened. To comply with such stringent standards, and minimize operational risk while also minimizing the costs to be incurred, notwithstanding that Yangxi Electric is capable of operating the Yangxi Facilities, Yangxi Electric engaged Beijing Boqi, being a leading independent flue gas treatment integrated service provider who have earned numerous highly recognised awards in the flue gas treatment industry, and having been already familiarized with the operations and facilities of Yangxi Electric, including the Yangxi Facilities, through the prior business dealings with Yangxi Electric in connection with the Yangxi Facilities as a result of the potential acquisition under the Cooperation Framework Agreement, to be the sole desulfurization and denitrification service provider for its power plant during the term of the Yangxi Agreements. Further, it is in the benefit of Yangxi Electric to retain only one desulfurization and denitrification service provider for the Yangxi Facilities for the purpose of minimizing costs and eliminating the need to manage a number of different service providers with different points of contact and who may use different quality management systems.

Provision of O&M services is the Company's usual course of business. By entering into the Yangxi Agreements and the transactions thereunder, Beijing Boqi will leverage its relevant professional experience and strengths in the operation, maintenance and management of the desulfurization and denitrification facilities and the “ultra-low emission” units, export its management experience and gain reasonable income and returns. The execution of the Yangxi Agreements is in line with the Group's overall strategy and business focus of engaging in the operation, management and maintenance of the desulfurization and denitrification facilities and the “ultra-low emission” units and will enhance the Company's market presence in Guangdong province. The enhancement of the Group's competitive edge in its core business is in the interests of the Group as a whole.

根據陽西協議及改造項目合作協議進行的交易的理由及裨益：

由於收緊新建燃煤發電廠排放限額的煤電節能減排升級與改造行動計劃(2014至2020年)於2014年9月頒佈及全面實施燃煤電廠超低排放和節能改造工作方案於2015年12月頒佈，要求燃煤發電機組於2020年前全面實施「超低排放」及節能改造，耗煤及污染物排放標準大幅提高。為遵守相關嚴格標準，降低經營風險，同時減少將產生的成本，儘管陽西電力能經營陽西設施，陽西電力委聘北京博奇於陽西協議期限內為其電廠的唯一脫硫及脫硝服務提供商。北京博奇於煙氣處理行業榮獲多項備受認可的獎項，透過因合作框架協議項下的潛在收購而與陽西電力就陽西設施進行的業務交易，早已熟悉陽西電力(包括陽西設施)的運營及設施。此外，僅就陽西設施保留一名脫硫脫硝服務提供商以降低成本及免除管理聯絡點不同且可能使用不同質量管理體系的多名不同服務提供商的需求符合陽西電力的利益。

運維服務乃屬本公司的日常業務。通過訂立陽西協議及其項下交易，北京博奇將運用其於運營、維護及管理脫硫及脫硝設施及「超低排放」機組的相關專業經驗及優勢，輸出管理經驗，取得合理收入及回報。簽訂陽西協議與本集團從事運營、管理及維護脫硫及脫硝設施及「超低排放」機組的整體策略及業務重心相一致，並將提升本公司於廣東省的市場地位。加強本集團核心業務的競爭優勢符合本集團的整體利益。



According to the Notice on Issuing the Plan for Nationwide Implementation of Ultra-low Emissions and Energy Saving Reform on Coal-fired Power Plant (《關於印發〈全面實施燃煤電廠超低排放和節能改造工作方案〉的通知》) (the "Notice"), the PRC government will give those coal-fired power plants, which satisfy ultra-low emissions standards, electricity price subsidies and generating rewards to encourage ultra-low emissions and energy saving reform in power plants.

It is in the benefit of the Group to construct such "ultra-low emission" upgrade units in order to receive the "ultra-low emission" subsidy, which is obtained through the service fees in connection with its management and operation business. In this respect, under the Yangxi Agreements, the Group agreed to construct and pay the costs of constructing the "ultra-low emission" units for #1–2 facilities so that Guangdong Huaxia Yangxi Power Plant can comply with the new ultra-low emission standards and the Group can enjoy the "ultra-low emission" subsidy and electricity price subsidies. Upon the completion of the upgrade works, the newly constructed "ultra-low emission" units shall belong to Beijing Boqi and will not be pledged as part of the Yangxi Facilities. Beijing Boqi is accordingly entitled to the "ultra-low emission" subsidy generated by the said "ultra-low emission" units, which is calculated based on the "ultra-low emission" electricity price subsidy multiplied by a rate which is determined with reference to the costs of constructing the "ultra-low emission" units and the costs of operating and managing such "ultra-low emission" units in respect of desulfurization and denitrification facilities.

根據《關於印發〈全面實施燃煤電廠超低排放和節能改造工作方案〉的通知》(「通知」)，中國政府將給予該等符合超低排放標準的燃煤電廠電價補貼及獎勵以鼓勵電廠超低排放及節能改革。

興建該等「超低排放」改造機組以收取「超低排放」補貼符合本集團的利益，該等補貼透過與其管理及營運業務有關的服務費收取。就此而言，根據陽西協議，本集團同意興建及支付興建1–2號設施「超低排放」機組的成本，以便廣東華廈陽西發電廠能遵守新超低排放標準，且本集團可享有「超低排放」補貼及電價補貼。於完成改造工程後，新建「超低排放」機組屬於北京博奇所有，且不會被抵押作為陽西設施的一部分。因此，北京博奇有權收取上述「超低排放」機組所帶來的「超低排放」補貼，該補貼按「超低排放」電價補貼乘以參考脫硫及脫硝設施「超低排放」機組建設成本及該等「超低排放」機組運營及管理成本後釐定的比率計算。



In connection with the “ultra-low emission” upgrade units to #3-4 desulfurization and denitrification facilities, for the purpose of securing the “ultra-low emission” subsidy in the form of service fee, in respect of the said “ultra-low emission” upgrade units which have been constructed and owned by Yangxi Electric, Beijing Boqi underwent negotiations with Yangxi Electric in respect of a potential arrangement to bear the costs and expenses for the construction of such “ultra-low emission” upgrade units. However, through a number of discussions and negotiations, Beijing Boqi and Yangxi Electric could not agree on the terms and calculation of the entitlement of the “ultra-low emission” subsidy and no such arrangement would be entered into between the two parties. Accordingly, Beijing Boqi will not be required to bear the costs of the “ultra-low emission” upgrade units to #3-4 desulfurization and denitrification facilities, and as a result, will not be entitled to the “ultra-low emission” subsidy generated by such units. On the other hand, Beijing Boqi's provision of services to Yangxi Electric's desulfurization and denitrification facilities (including #3-4 desulfurization and denitrification facilities) under the Yangxi Agreements and the fees to be received thereunder shall continue and remain unaffected.

For details of the information with respect to the connected transactions mentioned above, please refer to the disclosure as set out in the section headed “Connected Transactions” of the Prospectus.

3. Non-exempt continuing connected transactions subject to reporting, annual review, announcement and independent shareholders' approval requirements

For the year ended 31 December 2018, the Group entered into certain connected transactions, which were disclosed in the note 41 to the consolidated financial statement. These transactions constitute continuing connected transactions under the Listing Rules and are required to be disclosed in this report in accordance with Chapter 14A of the Listing Rules. The Directors confirmed that the Group has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules.

就3-4號脫硫及脫硝設施的「超低排放」改造機組而言，出於就陽西電力已興建及擁有的上述「超低排放」改造機組以服務費的形式收取「超低排放」補貼之目的，北京博奇與陽西電力已就承擔該等「超低排放」改造機組的建設成本及開支的潛在安排進行磋商。然而，透過大量討論及磋商，北京博奇及陽西電力未能就享受「超低排放」補貼的期限及計算方法達成協議，故雙方不會訂立有關安排。因此，北京博奇將毋須承擔3-4號脫硫及脫硝設施「超低排放」改造機組的成本，因此，將不享有有關機組所產生的「超低排放」補貼。另一方面，北京博奇根據陽西協議向陽西設施的脫硫及脫硝設施(包括3-4號脫硫及脫硝設施)提供服務及據此將予收取的費用將繼續及保持不受影響。

有關上述關連交易的詳情，請參閱招股章程「關連交易」一節所載披露。

三、須遵守申報、年度審查、公告及獨立股東批准規定的非豁免的持續關連交易

截至2018年12月31日止年度，本集團訂立若干關聯方交易，乃於財務報表附註41披露。此等交易構成上市規則下的持續關連交易，根據上市規則第14A章須於本報告予以披露。董事確認，本集團已遵守上市規則第14A章的披露規定。



1. CHONGQING CHUANWEI EPC CONTRACT

Date of the contract: 14 September 2018

Date of signing: Chongqing Chuanwei Petrochemical Engineering Company Limited of the Sinopec Group ("Chongqing Chuanwei") (contract-issuing party) and Beijing Boqi (Contractor)

Scope of work: Engineering of ultra-low emission upgrade project of coal-fired boiler; denitrification, desulfurization and dust removal except upgrade of boiler itself; procurement and supply of relevant equipment; construction (including building, installation, removal and transportation of structures related to the project) and subsequent testing and performance evaluation

Completion date: October 2020

Contract value: RMB205,880,000 (tentative estimate of the total value)

Reasons for and the benefits of the transaction: Chongqing Chuanwei EPC Contract is in line with the business development strategy and operation structure adjustment of the Company, which began in late 2016 to explore markets for petrochemicals and steel industries. The Company believes that the transaction will enhance the desulfurization, denitrification and dust removal business of the Group. It is expected to expand the business opportunities between the Group and Sinopec Group and gain considerable project experience, which allows the Company to further expand the market and offer similar services to more market participants of the petrochemical industry in the near future.

Revenue: The revenue generated from Chongqing Chuanwei EPC Contract amounted to RMB6,849,000 for the year ended 31 December 2018.

1. 重慶川維EPC合同

簽約日期： 2018年9月14日

訂約方： 中國石化集團重慶川維化工有限公司(「重慶川維」)(發包人)及北京博奇(承包人)

工作範圍： 燃煤鍋爐超低排放改造項目的設計；除鍋爐本體改造以外的脫硝、脫硫及除塵；相關設備的採購及供應；施工(包括建造、安裝、移除及運輸與項目相關的結構)及後續測試及性能評估

完成期限： 2020年10月

合同價值： 人民幣205,880,000元(暫估總價)

進行交易的理由及裨益： 重慶川維EPC合同符合本公司從2016年底開始開拓石化鋼鐵領域市場的業務發展戰略和經營結構調整。本公司深信該等交易將提升本集團脫硫、脫硝和除塵業務，並期望進一步擴大本集團與中石化集團的商機並累積豐富的項目經驗，以便本公司於不久未來進一步開拓市場，向更多的石油化工行業的市場參與者提供類似的服務。

收益： 重慶川維EPC合同截至2018年12月31日止年度產生的收益為人民幣6,849,000元。

2. NINGBO PROCUREMENT CONTRACT

Date of signing:	14 September 2018
Parties:	Sinopec Ningbo Engineering Co., Ltd. ("Sinopec Ningbo") (Purchaser) and Beijing Boqi (Seller)
Scope of work:	In terms of design, installation, testing, operation, maintenance, procurement of purchased components and during the construction process, the materials provided and the technology delivered strictly comply with the requirements under the Ningbo Procurement Contract and the relevant technical agreement.
Completion date:	May 2019
Contract value:	RMB24,800,000
Reasons for and the benefits of the transaction:	Ningbo Procurement Contract will enhance the desulfurization, denitrification and dust removal business of the Group. The performance of the contract will have a positive impact on the Company's income and operating results, thereby laying an important foundation for the Company to expand and strengthen its environmental protection business in the petrochemical industry, as well as contributing to the continuous growth of the Group's annual performance.
Revenue:	The revenue generated from Ningbo Procurement Contract amounted to RMB1,250,000 for the year ended 31 December 2018.

Chongqing Chuanwei, is indirectly wholly owned by China Petrochemical Corporation through Sinopec Group Asset Management Co., Ltd. (Sinopec Group Asset Management Co., Ltd. and China Petroleum & Chemical Corporation are both subsidiaries of China Petrochemical Corporation, and China Petroleum & Chemical Corporation wholly owns Sinopec Overseas).

2. 寧波採購合同

簽約日期：	2018年9月14日
訂約方：	中石化寧波工程有限公司(「中石化寧波」)(買受方)及北京博奇(出賣方)
工作範圍：	所提供的物資以及所交付的技術，在設計、安裝、測試、運行、維修、外購件採購及製造過程中嚴格遵守寧波採購合同及相關技術協議的要求。
完成期限：	2019年5月
合同價值：	人民幣24,800,000元
進行交易的理由及裨益：	寧波採購合同將提升本集團脫硫、脫硝和除塵業務，對本公司的收益、經營業績產生積極影響，能夠為本公司做大做強石化領域環保業務奠定重要基礎，更助力集團年度經營指標持續增長。
收益：	寧波採購合同截至2018年12月31日止年度產生的收益為人民幣1,250,000元。

重慶川維，由中國石油化工集團公司透過中國石化集團資產經營管理有限公司間接全資擁有(中國石化集團資產經營管理有限公司與中國石油化工股份有限公司均為中國石油化工集團公司的附屬公司，而中國石油化工股份有限公司全資擁有中石化海投)。

Sinopec Ningbo, is controlled by China Petrochemical Corporation through Sinopec Engineering (Group) Co., Ltd and Sinopec Group Asset Management Co., Ltd. (Sinopec Engineering (Group) Co., Ltd, Sinopec Group Asset Management Co., Ltd and China Petroleum & Chemical Corporation are all subsidiaries of China Petrochemical Corporation, and China Petroleum & Chemical Corporation wholly owns Sinopec Overseas).

Since Sinopec Overseas is one of the substantial shareholders of the Company, and both companies are therefore a connected person of the Company under Rule 14A.07(4) of the Listing Rules. Given the above continuing connected transactions were all made with the group companies of China Petroleum & Chemical Corporation, the parent company of Sinopec Overseas, pursuant to which income shall be received by the Group in relation to the EPC and procurement services provided, such transactions shall be aggregated in accordance with Rule 14A.81 of the Listing Rules. The above transaction is entered into on normal commercial terms. Prior to the Listing, the Company had applied to the Stock Exchange and the Stock Exchange had granted the Company, a waiver from strict compliance with the rules regarding the announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules, on the condition that the aggregate amount of non-exempt continuing connected transactions with Sinopec for the year 2018 would not exceed the annual cap set out in the Prospectus.

According to Rule 14A.81 of the Listing Rules, if a series of connected transactions are entered into or completed within 12 months or are otherwise interrelated, then such connected transactions shall be aggregated and treated as if they were one transaction. As both the Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract are signed with the group company of Sinopec Overseas' parent company, China Petroleum & Chemical Corporation and of the same transaction nature, both the Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract shall be aggregated in accordance with Rule 14A.81 of the Listing Rules. As certain applicable percentage ratios of transaction amounts of Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract exceed 5% but are less than 25% after aggregation, therefore, Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract and the transactions thereunder must comply with the reporting, announcement, circular, Independent Shareholders' approval and annual review requirements under Chapter 14A of Listing Rules.

中石化寧波，由中國石油化工集團公司透過中石化煉化工程(集團)股份有限公司及中國石化集團資產經營管理有限公司控制(中石化煉化工程(集團)股份有限公司、中國石化集團資產經營管理有限公司與中國石油化工股份有限公司均為中國石油化工集團公司的附屬公司，而中國石油化工股份有限公司全資擁有中石化海投)。

鑒於中石化海投為我們的主要股東之一，因此，根據上市規則第14A.07(4)條，彼等各自均為本公司的關連人士。鑒於上述持續關連交易乃均與中石化海投的母公司中國石油化工股份有限公司的集團公司進行，據此，收入應由本集團就所提供EPC及採購服務收取，而有關交易須根據上市規則第14A.81條合併計算。上述交易乃按一般商業條款訂立。於上市前，本公司已向聯交所申請且聯交所已批准本公司獲豁免嚴格遵守上市規則第14章項下有關於公告及獨立股東批准的規定的條，條件為中石化於2018年的持續關連交易的總額不得超過招股章程所載的年度上限。

根據上市規則第14A.81條的規定，倘一連串關連交易均於十二個月期間內訂立或完成，又或相關交易彼此有關連，則該等關連交易將合併計算及處理，猶如其為同一交易。由於重慶川維EPC合同以及寧波採購合同均為與中石化海投的母公司中國石油化工股份有限公司的集團公司簽訂，且交易性質一致，根據上市規則第14A.81條的規定，重慶川維EPC合同以及寧波採購合同應合併計算。由於重慶川維EPC合同以及寧波採購合同合算後，交易金額之若干適用百分比率超逾5%，但低於25%，因此，重慶川維EPC合同、寧波採購合同及該等合同下的交易必須遵守上市規則第14A章項下之申報、公告、通函、獨立股東批准及年度審查之規定。



The annual caps approved by the Independent Shareholders in 2018 are as follows:

2018年度經獨立股東批准年度上限如下：

	For the period from 21 November 2018 to 31 December 2018 於2018年11月21日至 2018年12月31日期間 RMB 人民幣	For the year ending 31 December 2019 截至2019年 12月31日止年度 RMB 人民幣	For the year ending 31 December 2020 截至2020年 12月31日止年度 RMB 人民幣	For the period from 1 January 2021 to 21 November 2021 於2021年1月1日至 2021年11月21日期間 RMB 人民幣
Chongqing Chuanwei EPC Contract 重慶川維EPC合同	30,811,874	92,645,623	82,351,665	—
Ningbo Procurement Contract 寧波採購合同	4,960,000	17,360,000	—	2,48,000
Annual caps 年度上限	39,426,062	121,006,185	90,586,831	2,728,000

The revenue generated from Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract amounted to RMB8,099,000 for the year ended 31 December 2018, which did not exceed the maximum transaction amount of the contract of RMB39,426,062 for the year ended 31 December 2018.

截至2018年12月31日止年度，重慶川維EPC合同以及寧波採購合同產生的收益為人民幣8,099,000元，並未超過本合約截至2018年12月31日止年度的最高交易金額人民幣39,426,062元。

For details of the transaction, please refer to the announcement of the Company dated 14 September 2018 and the circular of the Company dated 31 October 2018.

有關交易詳情，請參閱本公司日期為2018年9月14日之公告及本公司日期為2018年10月31日之通函。

CONFIRMATION BY INDEPENDENT NON-EXECUTIVE DIRECTORS

The independent non-executive Directors have reviewed each of the above mentioned continuing connected transactions and confirmed that:

- (1) the transactions stated in the section headed “— Exempt Continuing Connected Transactions” in this annual report have been generated during the Group's ordinary and usual course of business on normal commercial terms (or more favorable than normal commercial terms available for the Group), and that the terms of such transactions are fair and reasonable, and are in the interests of the Company and its shareholders as a whole; and
- (2) the transactions and relevant annual caps stated in this section headed “— Non-exempt Continuing Connected Transactions” in this annual report have been generated during the Group's ordinary and usual course of business on normal commercial terms (or more favorable than normal commercial terms available for the Group), and that the terms of such transactions are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

獨立非執行董事確認

獨立非執行董事已審閱上述各項持續關連交易，並確認：

- (1) 本年報「—獲豁免持續關連交易」一節所載之交易乃於本集團之日常及一般業務過程中按一般商業條款(或優於本集團可取得的一般商業條款)產生，而該等交易條款屬公平合理，並符合本公司及其股東的整體利益；及
- (2) 本年報「—不獲豁免持續關連交易」一節所載之交易及相關年度上限乃於本集團之日常及一般業務過程中按一般商業條款(或優於本集團可取得的一般商業條款)產生，而該等交易條款屬公平合理，並符合本公司及其股東的整體利益。

During the year ended 31 December 2018, the Group has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

AUDITOR'S LETTER

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditors of the Company, Deloitte, to report on the Group's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. Based on its work, Deloitte has provided the Board with a letter confirming that, with respect to the aforesaid continuing connected transactions:

- (1) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Company's board of directors;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Company;
- (3) nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions set out above, except for the service fee for O&M services of approximately RMB261.74 million and ancillary charges of approximately RMB89.72 million as described in "Yangxi Agreements", nothing has come to our attention that causes us to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company.

RELATED PARTY TRANSACTIONS

Please refer to note 41 to the consolidated financial statements in this annual report for details of the significant related party transactions pursuant to IFRSs. For the connected transactions and continuing connected transactions pursuant to the requirements of the Listing Rules, please refer to the disclosure as set out in the above section headed "Connected Transactions" in this report of Directors. Except for those disclosed in the section headed "Connected Transactions" in this report of Directors, the other related party transactions as disclosed in note 41 are not considered as connected transactions, or are exempt from reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

截至2018年12月31日止年度，本集團於回顧年度訂立的關連交易及持續關連交易，本公司已遵守上市規則第14A章所述的披露規定。

核數師函件

根據上市規則第14A.56條，董事會已委聘本公司核數師德勤按照香港會計師公會所頒布的香港鑒證業務準則第3000號「歷史財務資料審計或審閱以外之鑒證工作」及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」申報本集團的持續關連交易。根據其工作，德勤向董事會出具函件確認，就上述持續關連交易而言：

- (1) 核數師並無注意到任何事項令他們相信該等已披露的持續關連交易未獲本集團董事會批准；
- (2) 就本集團提供貨品或服務所涉及的交易，核數師並無注意到任何事項令他們相信該等交易在所有重大方面未有按照本集團的定價政策進行；
- (3) 核數師並無注意到任何事項令他們相信該等交易在所有重大方面未有按照規管該等交易的相關協議進行；及
- (4) 就上文所載每項持續關連交易的總金額而言，除「陽西協議」所述營運及管理服務的服務費約人民幣261.74百萬元及附加費用約人民幣89.72百萬元之外，核數師並無注意到任何事項令他們相信該等已披露的持續關連交易的金額超出本公司就上述每項已披露的持續關連交易設定的年度上限。

關連方交易

有關國際財務報告準則項下重大關連方交易的詳情，請參閱本年報綜合財務報表附註41。有關上市規則規定項下的關連交易及持續關連交易的詳情，請參閱本董事會報告「關連交易」一節所載披露。除本董事會報告「關連交易」一節所披露者外，附註41所披露的其他關連方交易並不被視作關連交易，或豁免遵守上市規則之申報、公告及獨立股東批准規定。



MAJOR SUBSEQUENT EVENTS

The Company was successfully listed on the Main Board of the Stock Exchange on 16 March 2018.

The first goal for the Company's second-stage leaping development was achieved by bringing in important investors such as Yunnan Energy Investment (H K) Co. Limited upon Listing. In 2019, the Group will make full use of the Listing as a capital platform and leverage the strength of its capital to realize mutual integration and promotion between capital and industry and take a step forward to become a comprehensive environmental protection industry group.

Save as disclosed in this annual report, there are no major subsequent events to 31 December 2018 which would materially affect the Group's operating and financial performance as of the date of this annual report.

AUDIT COMMITTEE AND REVIEW OF FINANCIAL STATEMENTS

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this annual report, the Audit Committee comprises three members, namely Dr. Xie Guozhong, Mr. Liu Genyu and Mr. Tony Tuo Zheng. Dr. Xie Guozhong is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited financial statements of the Group for the 2018 Financial Year. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and the internal control with senior management members and the external auditor of the Company, Deloitte. Based on this review and discussions with the management, the Audit Committee was satisfied that the Group's audited consolidated financial statements were prepared in accordance with accounting standards and fairly present the Group's financial position and results for the 2018 Financial Year.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Board has adopted the principles and the code provisions of the Corporate Governance Code contained in Appendix 14 to Listing Rules to ensure that the Company's business activities and decision making processes are regulated in a proper and prudent manner.

Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on page 64 of this annual report. During the Period, the Company has fully complied with the CG Code.

主要期後事項

本公司於2018年3月16日於聯交所主板成功上市。

上市引入香港雲能國際投資有限公司等重要投資人，實現了公司二次跨越式發展的第一步目標。2019年，本集團將充分發揮上市資本平台作用，借助其資本的力量，實現資本與產業的相互融合和促進，逐步向綜合性環保產業集團邁進的步伐。

除本公告所披露者外，本公司於2018年12月31日後概無任何主要期後事項對本集團於本年報日期的經營及財務表現造成重大影響。

審核委員會及審閱財務報表

本公司已成立審核委員會，並已遵照企業管治守則制定其書面職權範圍。於本年報日期，審核委員會由三名成員組成，即謝國忠博士、劉根鈺先生及鄭拓先生。謝國忠博士為審核委員會主席。

審核委員會已審閱本集團於2018財政年度的經審核財務報表。審核委員會亦已就本公司所採納會計政策及實務以及內部控制有關的事宜與高級管理層成員及本公司外部核數師德勤展開討論。基於是次審閱及與管理層展開的討論，審核委員會信納，本集團的經審核綜合財務報表乃根據會計準則編製及公允地反映本集團於2018財政年度的財務狀況及業績。

遵守企業管治守則

本公司致力維持高水平的企業管治，以保障股東利益及提升企業價值及問責性。董事會已採納上市規則附錄14所載的企業管治守則的原則及守則條文，以確保本公司的業務活動及決策過程受到恰當及審慎規管。

有關本公司採納企業管治常規之資料載於本年報第64頁的企業管治報告內。於本期間，本公司已全面遵守企業管治守則。



SUFFICIENCY OF PUBLIC FLOAT

Based on information publicly available to the Company and to the knowledge of the Directors, at least 25% of the Company's total issued share capital, the prescribed minimum percentage of public float approved by the Stock Exchange and permitted under the Listing Rules, are held by the public at all times as of the date of this report.

AUDITOR

The Shares were listed on the Stock Exchange on 16 March 2018, and there has been no change in auditors since the Listing Date. The consolidated financial statements for the year ended 31 December 2018 have been audited by Deloitte Touche Tohmatsu, Certified Public Accountants, who are proposed for reappointment at the forthcoming AGM.

MATERIAL LEGAL PROCEEDINGS

The Group was not involved in any material legal proceeding during the year ended 31 December 2018.

COMPLIANCE WITH LAWS AND REGULATIONS

For the year ended 31 December 2018, the Company is in compliance with the relevant laws and regulations that have a significant impact on the Company.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As an environmental protection service provider, the Group strictly abides by the laws and regulations relating to its business, including provision of services of environment protection and energy conservation, inspection of the pollutants and flue gas generated by coal-fired power plants. The Group is committed to protecting the environment and giving back to community and achieving sustainable growth. The achievements of the Group are based on constructing the mutual beneficial relations with our clients and employees and maintaining coexistence with ecological and social environment. The Group will continue to commit to its social responsibilities and exert its advantages as an environmental protection enterprise and make consistent efforts to forage an environment with blue sky and white clouds.

Details of the environment, social responsibilities and governance of the Company will be set out in the Environmental, Social Responsibilities and Governance Report ("ESG Report") to be issued by the Company separately pursuant to Rule 13.91 and Appendix 27 to the Listing Rules.

足夠的公眾持股量

根據本公司公開可得的資料及就董事所知，截至本報告日期，公眾一直持有本公司全部已發行股本的至少25%（聯交所批准及上市規則准許的規定最低公眾持股量）。

核數師

股份於2018年3月16日方於聯交所上市，自上市日期以來核數師並無發生變動。截至2018年12月31日止年度的綜合財務報表由建議於應屆股東週年大會上續聘的執業會計師德勤•關黃陳方會計師行審閱。

重大法律訴訟

本集團於截至2018年12月31日止年度並無涉及任何重大法律訴訟。

遵守法律及法規

截至2018年12月31日止年度，本公司遵守對本公司有重大影響的相關法律及法規。

環保政策及績效

作為環保服務提供商，本集團嚴格遵守與其業務有關的法律法規，包括有關提供環保及節能服務、監測燃煤發電廠產生的污染物及煙氣的法律法規。本集團致力於保護環境、回饋社會及實現可持續發展。本集團取得的成就離不開與客戶及員工建立互利關係，以及保持生態環境及社會環境的和諧共存。本集團將繼續履行其社會責任，發揮環保企業的優勢，為打造藍天白雲的美好環境不懈努力。

有關本公司的環境、社會責任及管治的詳情將載列於本公司根據上市規則第13.91條及附錄27而將單獨刊發的環境、社會責任及管治報告（「環境、社會責任及管治報告」）。



ANNUAL GENERAL MEETING

The AGM will be held on Wednesday, 29 May 2019. A notice convening the AGM will be published and dispatched to the shareholders of the Company in the manner required by the Listing Rules in due course.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the AGM, the register of members will be closed from Friday, 24 May 2019 to Wednesday, 29 May 2019, both dates inclusive, during which period no transfer of share will be effected. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 pm on Thursday, 23 May 2019. The record date for such purpose is Wednesday, 29 May 2019.

In order to determine the entitlement to the proposed final dividend for the year ended 31 December 2018, the transfer books and register of members of the Company will be closed from Wednesday, 26 June 2019 to Friday, 28 June 2019, both days inclusive. During the above period, no transfer of shares will be registered. In order to qualify for the entitlement to the proposed final dividend, all transfers accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong before 4:30 p.m. on Tuesday, 25 June 2019.

On behalf of the Board

Cheng Liquan Richard

Chairman

Hong Kong, 26 March 2019

股東週年大會

股東週年大會將於2019年5月29日(星期三)舉行。召開股東週年大會的通告將按上市規則的規定適時刊發及寄送予本公司股東。

暫停辦理股份過戶登記

為釐定出席股東週年大會及於會上投票的資格，將於2019年5月24日(星期五)至2019年5月29日(星期三)(包括首尾兩日)期間內暫停辦理股份過戶登記手續，期間將不會辦理任何股份過戶登記。為符合資格出席股東週年大會及於會上投票，本公司股份之未登記持有人應確保將所有股份過戶文件連同有關股票於2019年5月23日(星期四)下午四時三十分前，送交本公司的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。有關上述事項的記錄日期為2019年5月29日(星期三)。

為釐定收取截至2018年12月31日止年度建議末期股息的資格，本公司股東名冊的過戶及登記將於2019年6月26日(星期三)至2019年6月28日(星期五)期間暫停辦理(包括首尾兩日)。於上述期間，不會辦理股份過戶手續。為符合資格收取建議末期股息，所有過戶文件連同相關股票及過戶表格必須於2019年6月25日(星期二)下午四時三十分前，送交本公司香港股份過戶登記分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。

代表董事會

董事長

程里全

香港，2019年3月26日



HUMAN RESOURCES

人力資源

1. Profile of human resources

As at 31 December 2018, the Group had 1800 employees in total, substantially all of whom were based in the PRC. The Group has established labor union branches. Currently, the Group had entered into employment agreements with all employees, in which the position, duties, remuneration, employment benefits, training, confidentiality obligations relating to trade secrets, grounds for termination and other aspects are specified pursuant to PRC Labor Law and other relevant regulations.

The table below sets forth the number of employees as at 31 December 2018 by their functions:

Function	職能	Number of employees 僱員人數	Percentage of the total number of employees 人數百分比
Concession operation management personnel	特許經營管理人員	93	5.17%
Engineering and technical personnel	工程技術人員	176	9.78%
Sales personnel	銷售人員	24	1.33%
Research and development personnel	研發人員	75	4.17%
Administrative and management personnel	行政管理人員	40	2.22%
Manufacture personnel	生產人員	1,392	77.33%
Other	其他	0	0
Total	總計	1,800	100%

2. Employee incentive

Guided by the business strategy and annual business objectives, the Company is centered on economic benefits and is supported by the market as the leader and technique, comprehensively improving the Company's overall execution ability on its plan, project management ability and teamwork ability. During the year, an evaluation system based on "contribution value" as a performance measurement standard and "performance result" was established. It emphasis on job ability which is judged by work efficiency, guiding employees to achieve excellence. The Group implements a responsibility system for business management objectives, and all members participate in the performance evaluation. By setting post key performance indicators and index evaluation criteria, the performance for the completion of task in each position is evaluated scientifically and objectively, assisting employees to improve their working standard and working performance so that the Company's annual business objectives can be realized. Meanwhile, the corresponding reward and punishment system; and promotion system are implemented according to the quantitative evaluation results so as to truly realize employee incentives.

1、人力資源情況

於2018年12月31日，我們共聘用1800名僱員，其中絕大多數僱員常駐中國。本集團均設有獨立工會分支。目前，本集團已與全部員工訂立了勞動合同，按照中國勞動法和其他相關法規的規定，明確約定了僱員的職位、職責、薪酬、員工福利、培訓、有關商業秘密的保密責任及終止理由等事項。

下表列示於2018年12月31日按職能劃分的員工人數：

2、員工激勵

本公司以經營戰略和年度經營目標為指導，以經濟效益為中心，以市場為龍頭、技術研發為支撐，全面提高公司整體計劃執行能力、項目管理能力、團隊協作能力。年度內，建立了以「貢獻值」為業績衡量標準，「績效結果」為導向的考核體系，注重以工作效率評判崗位工作能力，引導員工創效創優。集團實行經營管理目標責任制，全員參與績效評估。通過設定崗位關鍵績效指標及指標評價標準，科學、客觀地評價各崗位任務完成情況，幫助員工提升自身工作水平和工作業績，以保證公司年度經營目標的實現。同時根據量化評估結果匹配相應獎懲制度、晉升制度，真正實現員工激勵。



3. The Employees Remuneration Policy

The remuneration package of the employees include salaries, bonuses and allowances. Our employees also receive supplementary medical provision, transportation allowances, meal allowances and other benefits. The Company carries out employee performance appraisals and establishes diversified and dynamic appraisal mechanisms. The department heads' salaries and remunerations will be adjusted corresponding to the results of their performance appraisals. Pursuant to applicable PRC regulations, the Company has contributed to social insurance funds, including pension plans, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance, and housing funds for all its employees.

4. Training for Employees

In order to allure and retain quality employees and further enrich their knowledge, skill level and professionalism the Group places a strong emphasis on the training of its employees. The Group provides professional education, training and other opportunities for the management personnel and the employees to improve their professional skills and knowledge. We have commenced elite training in sales and marketing centers, enhancement training in procurement management, training in national related policies and laws and regulations, and the beginner training for fresh graduates.

In 2018, the Group conducted 77 training programs in the areas of professional knowledge and skills, management knowledge and skills, safety and quality, professional qualifications, and achieved 92% training rate.

5. Protection of the employees' rights

The Group complies with the Labour Law of the PRC and the Labour Contract Law of the PRC in all material respects, including making contributions to social insurance and housing provident funds for its employees, among which the social insurance includes basic pension insurance, medical insurance, work-related injuries insurance, unemployment insurance and childbirth maternity insurance.

3、員工薪酬政策

我們的員工的薪酬組合包括薪金、獎金、津貼。我們的員工亦享有補充醫療、交補、餐補及其他福利費。我們推行員工業績考核，建立了不同形式、靈活的考評機制，同時在管理層及項目經理崗位建立了崗位績效與相關負責人的工資薪酬相匹配的機制。我們已按國家要求為員工繳納社保基金(包括養老保險、基本醫療保險、工傷保險、失業保險及生育保險)及住房公積金。

4、員工培訓

為吸納及挽留高素質的員工及進一步提高員工的知識、技能水平及職業素養，我們十分注重對員工的培訓。我們向管理人員及員工提供專業性教育、培訓及其他機會，提高員工的專業技能及知識，開展了市場營銷中心銷售精英、採購管理能力提升培訓、國家相關政策及法律法規等培訓，以及繼續開展畢業生培養的雛鷹計劃。

於2018年，本集團進行77項專業知識與技能類、管理知識與技能類、安全質量類、職業資格類等培訓，培訓完成率達到92%。

5、員工權利保障

本集團於所有重大方面均遵守中國勞動法和中國勞動合同法，依法為員工繳納了社會保險及住房公積金，其中社會保險包括基本養老保險、基本醫療保險、工傷保險、失業保險及生育保險。



INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

**TO THE SHAREHOLDERS OF
CHINA BOQI ENVIRONMENTAL (HOLDING) CO., LTD.**
(incorporated in the Cayman Islands with limited liability)

致中國博奇環保(控股)有限公司股東

(於開曼群島註冊成立的有限公司)

Opinion

We have audited the consolidated financial statements of China Boqi Environmental (Holding) Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 134 to 272 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 International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the Hong Kong Institute of Certified Public Accountants ("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.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the current period. This matter was 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 this matter.

意見

我們已審核第134至272頁所載中國博奇環保(控股)有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於2018年12月31日之綜合財務狀況表及截至該日止年度之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，其中包括主要會計政策概要。

我們認為，綜合財務報表已按照國際會計準則委員會(「國際會計準則委員會」)頒佈的國際財務報告準則(「國際財務報告準則」)真實公平地反映 貴集團於2018年12月31日之綜合財務狀況以及其於截至該日止年度之綜合財務表現及其綜合現金流量，並已按照香港公司條例之披露規定妥為編製。

意見基準

我們已按照香港會計師公會(「香港會計師公會」)頒佈的香港核數準則(「香港核數準則」)進行審核工作。我們按上述準則而履行的責任進一步詳述於本報告核數師對審核綜合財務報表的責任一節。我們根據香港會計師公會職業會計師道德守則(「該守則」)獨立於 貴集團，並已根據該守則履行其他道德責任。我們相信，我們所取得的審核憑證就提出審核意見基礎而言屬充分及恰當。

關鍵審核事項

根據專業判斷，關鍵審核事項為我們審核本期間的綜合財務報表中最重要的事項。我們在審核整體綜合財務報表及就此達致意見時處理此等事項，而不會就此等事項單獨發表意見。



Key Audit Matter (continued)

關鍵審核事項(續)

Key audit matter

關鍵審核事項

Revenue from construction contracts

建造合約收益

We identified the revenue from construction contracts as a key audit matter due to the fact that the amount recognised is significant in the consolidated financial statements and the accounting treatments of which require significant estimations made by the directors of the Company ("Directors").

The Group's revenue from construction contracts is recognised over time based on the stage of completion of the contracts which is determined as the proportion of the costs incurred relative to the estimated total costs to complete the contract.

The Directors estimate both of the profit margin and contract cost at the beginning for each contract, revises the estimation of both profit margin and contract cost through regular review when the Directors consider there are changes in the assumptions throughout the contract period.

Details of the related key estimation uncertainty are set out in note 4 to the consolidated financial statements.

由於確認金額對該等綜合財務報表影響重大，且其會計處理方式涉及管理層的重大會計估計，因此我們將建造合約收益認定為關鍵審核事項。

貴集團的建造合約收益乃根據合約完成階段確認，合約完成階段按所產生的成本佔完成合約的估計總成本的比例釐定。

董事在初始對各合約的毛利率及合約成本作出估計，在董事認為整個合約期間的假設發生變化時，通過定期檢討修訂有關毛利率及合約成本估計。

相關主要估計不確定性詳情載於綜合財務報表附註4。

How our audit addressed the key audit matter

我們的審計如何處理關鍵審核事項

Our procedures in relation to revenue from construction contracts included:

- Testing controls relevant to our audit on budget preparation and revenue recognition of construction contracts;
- Recalculating the proportion of the costs incurred relative to the estimated total costs to complete the contracts on a sample basis;
- Evaluating the reasonableness of the key assumptions adopted by the Directors in determining the profit margin and total contract costs, cross checking to the corresponding construction contracts and the respective budget;
- Testing construction costs incurred during the year by tracing to supporting documentation on a sample basis; and
- Visiting selected construction sites on a sample basis to observe the existence of the construction work and interview the site project managers for the progress of the construction work.

我們針對建造合約收益執行的審核程序包括：

- 測試與建築合約預算編製及收益確認審核相關的控制；
- 按抽樣基準重新計算所產生的成本佔完成合約的估計總成本的比例；
- 評估董事於釐定合約利潤及合約成本總額採用的主要假設的合理性、交叉檢查相應建築工程及相關預算；
- 按抽樣基準追蹤證明文件，對年內產生的建造成本進行測試；及
- 抽樣考察施工選址，以觀察建造工程的存在，與工地項目經理討論建造工程的進度。



Other Information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

其他資料

董事對其他資料負責。其他資料包括載於年報的資料，惟不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表作出的意見並無涵蓋其他資料，而我們不會對其他資料發表任何形式的核證結論。

就審核綜合財務報表而言，我們的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或我們在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述的情況。倘若我們基於已進行的工作認為其他資料存在重大錯誤陳述，我們須報告有關事實。就此而言，我們沒有任何報告。

董事及治理層就綜合財務報表須承擔的責任

董事須遵照國際會計準則理事會頒佈之國際財務報告準則及香港公司條例之披露規定，負責編製作出真實公平反映之綜合財務報表，以及落實董事認為就編製綜合財務報表必要之有關內部監控，以使綜合財務報表並無重大錯誤陳述(不論因欺詐或錯誤)。

在編製綜合財務報表時，董事須負責評估貴集團持續經營的能力，並披露與持續經營有關的事項(如適用)。除非董事擬將貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

治理層負責監督貴集團的財務報告流程。



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

核數師對審核綜合財務報表的責任

我們的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並按照我們協定的委聘條款向全體股東出具載有我們意見的核數師報告，除此之外，我們的報告不作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔任何責任。合理保證屬高水平的保證，惟根據香港核數準則進行的審計工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，倘個別或整體在合理預期情況下可影響使用者根據此等綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

在根據香港核數準則進行審計的過程中，我們運用專業判斷，保持專業懷疑態度。我們亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審計程序以應對該等風險，以及獲取充足和適當的審計憑證，作為我們的意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部監控，以設計在有關情況下屬適當的審計程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。倘有關披露不足，則修訂我們的意見。我們的結論乃基於截至核數師報告日期止所取得的審計憑證。然而，未來事項或情況可能導致貴集團無法持續經營。



Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in the independent auditor's report is Chung Chin Cheung.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

26 March 2019

核數師對審核綜合財務報表的責任(續)

- 評估綜合財務報表的整體呈報方式、結構及內容，包括披露資料，以及綜合財務報表是否中肯反映相關交易及事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審計憑證，以便對綜合財務報表發表意見。我們負責集團審計的方向、監督及執行。我們僅對我們的審計意見承擔責任。

我們與治理層就(其中包括)審計的計劃範圍、時間安排及重大審計發現溝通，該等發現包括我們在審計過程中識別的內部監控的任何重大缺失。

我們亦向治理層作出聲明，指出我們已符合有關獨立性的相關道德要求，並與彼等溝通可能被合理認為會影響我們的獨立性的所有關係及其他事宜，以及相關防範措施(如適用)。

從與治理層溝通的事項中，我們釐定對本期間綜合財務報表的審計至關重要的事項，因而構成關鍵審計事項。我們在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在我們的報告中溝通某事項造成的不利後果超出產生的公眾利益，則我們決定不應在報告中傳達該事項。

出具本獨立核數師報告的審計項目合夥人為鍾振翔。

德勤•關黃陳方會計師行

執業會計師

香港

2019年3月26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2018年12月31日止年度

		Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Revenue	收益	5	1,744,998	1,329,078
Cost of sales and services	銷售及服務成本		(1,427,140)	(1,031,836)
Gross profit	毛利		317,858	297,242
Other income and other gains and losses	其他收入及其他收益及虧損	6	117,456	26,017
Selling and distribution expenses	銷售及分銷開支		(26,170)	(18,318)
Administrative expenses	行政開支		(109,103)	(88,892)
(Allowance) reversal of impairment losses on financial assets and contract assets	金融資產及合約資產的 減值虧損(撥備)撥回	7	(3,816)	10,158
Share of profit of an associate	分佔聯營公司溢利	17	27,963	31,694
Finance costs	財務成本	8	(5,900)	(5,333)
Change in fair value of convertible ordinary shares	可轉換普通股之 公允價值變動	34	133,541	(233,228)
Listing expenses	上市開支		(3,319)	(14,114)
Profit before tax	除稅前溢利		448,510	5,226
Income tax expense	所得稅開支	9	(55,691)	(42,255)
Profit (loss) for the year	年內溢利(虧損)	10	392,819	(37,029)
Other comprehensive (expense) income for the year:	年內其他全面(開支)收入:			
Items that will not be reclassified to profit or loss:	不會重新分類至 損益的項目:			
Fair value loss on investments in equity instrument at fair value through other comprehensive income	按公允價值計入其他 全面收益的股本工具 投資的公允價值虧損		(5,460)	—
Income tax relating to investments in equity instrument at fair value through other comprehensive income	有關按公允價值計入 其他全面收益的股本 工具投資的所得稅		819	—
			(4,641)	—
Items that may be subsequently reclassified to profit or loss:	其後可能重新分類至 損益的項目:			
Change in fair value of an available-for-sale investment	可供出售投資的 公允價值變動		—	7,000
Income tax relating to items that may be reclassified subsequently	有關其後可能重新分類 的項目的所得稅		—	(1,051)
			—	5,949
Total comprehensive income (expense) for the year	年內全面收入(開支)總額		388,178	(31,080)
Profit (loss) for the year attributable to:	以下應佔年內溢利(虧損):			
Owners of the Company	本公司擁有人		394,359	(36,418)
Non-controlling interests	非控股權益		(1,540)	(611)
			392,819	(37,029)
Total comprehensive income (expense) for the year attributable to:	以下應佔年內全面收入 (開支)總額:			
Owners of the Company	本公司擁有人		389,718	(30,469)
Non-controlling interests	非控股權益		(1,540)	(611)
			388,178	(31,080)
Earnings (loss) per share	每股盈利(虧損)			
— Basic (RMB)	— 基本(人民幣)	11	0.44	(0.08)
— Diluted (RMB)	— 攤薄(人民幣)	11	0.27	(0.08)



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2018

截至2018年12月31日止年度

		Notes 附註	2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	88,330	67,021
Investment properties	投資物業	14	12,348	12,982
Intangible assets	無形資產	15	543,824	425,140
Receivables under service concession arrangement-non-current	服務特許經營安排項下的應收款項—非流動	16	367,029	384,565
Investment in an associate	於聯營公司的投資	17	69,537	70,098
Equity instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的股本工具	18	3,540	—
Available-for-sale investment	可供出售投資	19	—	9,000
Amounts due from related parties – non-current	應收關連方款項—非流動	41	143,287	158,014
Deferred tax assets	遞延稅項資產	21	25,121	21,995
Total non-current assets	非流動資產總額		1,253,016	1,148,815
Current assets	流動資產			
Receivables under service concession arrangement	服務特許經營安排項下的應收款項	16	12,526	23,519
Debt instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的債務工具	20	70,205	—
Inventories	存貨	22	37,841	25,429
Contract assets	合約資產	23	204,289	—
Amounts due from customers for contract work	應收客戶合約工程款項	23	—	95,348
Trade and notes receivables	貿易應收款項及應收票據	24	779,070	667,253
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	26	123,190	70,176
Amounts due from related parties-current	應收關連方款項—流動	41	181,520	70,405
Pledged bank deposits	已抵押銀行存款	28	88,113	54,383
Bank balances and cash	銀行結餘及現金	29	780,480	689,354
Total current assets	流動資產總額		2,277,234	1,695,867



CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

綜合財務狀況表(續)

			At 31 December 於12月31日 2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
		Notes 附註		
Current liabilities	流動負債			
Trade and notes payables	貿易應付款項及應付票據	30	885,535	720,727
Other payables, deposits received and accrued expenses	其他應付款項、已收按金及應計開支	31	176,024	405,489
Contract liabilities-current	合約負債—流動	23	115,651	—
Amounts due to customers for contract work	應付客戶合約工程款項	23	—	27,708
Income tax payable	應繳所得稅		24,805	17,719
Other tax liabilities	其他稅項負債	32	57,659	32,385
Bank borrowings	銀行借款	33	53,483	100,000
Amounts due to related parties	應付關連方款項	41	23,901	5,496
Total current liabilities	流動負債總額		1,337,058	1,309,524
Net current assets	流動資產淨值		940,176	386,343
Total assets less current liabilities	資產總額減流動負債		2,193,192	1,535,158
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	21	8,018	—
Bank borrowings	銀行借款	33	12,000	27,000
Convertible ordinary shares	可轉換普通股	34	—	755,129
			20,018	782,129
Net assets	資產淨值		2,173,174	753,029
Capital and reserves	股本及儲備			
Share capital	股本	36	67	32
Reserves	儲備		2,174,058	752,408
Equity attributable to owners of the Company	本公司擁有人應佔權益		2,174,125	752,440
Non-controlling interests	非控股權益	37	(951)	589
			2,173,174	753,029

The consolidated financial statements on pages 134 to 272 were approved and authorised for issue by the Board of Directors on 26 March 2019 and are signed on its behalf by:

載於第134至272頁之綜合財務報表已於2019年3月26日獲董事會批准及授權刊發，並由下列董事代表簽署：

Zhijun Zeng

曾之俊

DIRECTOR

董事

Liquan Cheng

程里全

DIRECTOR

董事



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2018

截至2018年12月31日止年度

		Attributable to owners of the Company 本公司擁有人應佔								Non-controlling interests 非控股權益	Total equity 權益總額
		Share capital 股本	Treasury shares 庫存股份	Merger reserve 合併儲備	Other reserve 其他儲備	Share premium reserve 溢價儲備	Statutory surplus reserve 法定盈餘儲備	Retained profits 保留溢利	Investment revaluation reserve 重估儲備		
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
							(note i) (附註i)				
At 1 January 2017	於2017年1月1日	42	(2)	371,500	(128,167)	58,964	151,220	563,932	(344)	1,017,145	1,017,145
Loss for the year	年內虧損	-	-	-	-	-	-	(36,418)	-	(36,418)	(37,029)
Other comprehensive income for the year, net of tax	年內其他全面收益， 經扣除稅項	-	-	-	-	-	-	-	5,949	5,949	5,949
Total comprehensive (expense) income for the year	年內全面(開支)收益總額	-	-	-	-	-	-	(36,418)	5,949	(30,469)	(31,080)
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	-	-	-	-	23,373	(23,373)	-	-	-
Redesignation of Class A ordinary shares to Class B convertible ordinary shares (note ii)	A類普通股重新指定為B類 可轉換普通股(附註ii)	(8)	-	-	-	(201,329)	-	-	-	(201,337)	(201,337)
Repurchase of Class A ordinary shares (note iii)	購回A類普通股(附註iii)	(2)	-	-	-	(40,103)	-	-	-	(40,105)	(40,105)
Share-based payment	以股份為基礎的付款	-	-	-	-	7,206	-	-	-	7,206	7,206
Contribution from Non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	1,200	1,200
		(10)	-	-	-	(234,226)	23,373	(23,373)	-	(234,236)	(233,036)
At 31 December 2017	於2017年12月31日	32	(2)	371,500	(128,167)	(175,262)	174,593	504,141	5,605	752,440	753,029
Effect arising from initial application of IFRS 9 (note 2)	首次應用國際財務報告準則第9號的影響(附註2)	-	-	-	-	-	-	(6,282)	-	(6,282)	(6,282)
At 1 January 2018	於2018年1月1日	32	(2)	371,500	(128,167)	(175,262)	174,593	497,859	5,605	746,158	746,747
Profit (loss) for the year	年內溢利(虧損)	-	-	-	-	-	-	394,359	-	394,359	392,819
Other comprehensive expense for the year, net of tax	年內其他全面開支， 經扣除稅項	-	-	-	-	-	-	-	(4,641)	(4,641)	(4,641)
Total comprehensive income (expense) for the year	年內全面收益(開支)總額	-	-	-	-	-	-	394,359	(4,641)	389,718	388,178
Transfer to statutory surplus reserve	轉撥至法定盈餘儲備	-	-	-	-	-	30,726	(30,726)	-	-	-
Conversion of Class B and Class C convertible ordinary Shares into ordinary shares (note 36)	B類及C類可轉換普通股 轉換為普通股(附註36)	21	-	-	-	621,567	-	-	-	621,588	621,588
Exercise of pre-IPO share awards (note iv)	首次公開發售前股份獎勵 計劃的行使(附註iv)	-	1	-	-	18,946	-	-	-	18,947	18,947
Forfeiture of pre-IPO share awards	沒收首次公開發售前 股份獎勵計劃	-	-	-	-	74	-	-	-	74	74
Repurchase of ordinary shares (note v)	購回普通股(附註v)	-	(1,799)	-	-	-	-	-	-	(1,799)	(1,799)
Share-based payment	以股份為基礎的付款	-	-	-	-	8,442	-	-	-	8,442	8,442
Issue of new shares upon listing (note 36)	上市後之新股份發行 (附註36)	14	-	-	-	390,983	-	-	-	390,997	390,997
		35	(1,798)	-	-	1,040,012	30,726	(30,726)	-	1,038,249	1,038,249
At 31 December 2018	於2018年12月31日	67	(1,800)	371,500	(128,167)	864,750	205,319	861,492	964	2,174,125	2,173,174



CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

綜合權益變動表(續)

Notes:

- (i) In accordance with the Articles of Association of all subsidiaries established in the People's Republic of China (the "PRC"), the PRC subsidiaries are required to set aside 10% of their profit after tax as per statutory financial statements determined under the PRC laws and regulations for the statutory surplus reserve fund until the reserve reach 50% of their registered capital. Transfer to this reserve must be made before distributing dividends to equity owners of the subsidiaries. The statutory surplus reserve can be used to make up previous years' losses, expand the existing operations or convert into additional capital of the respective subsidiaries.
- (ii) On 9 January 2017, the Company redesignated 125,000,000 Class A ordinary shares which were owned by New Asia Limited ("New Asia") to Class B convertible ordinary shares.
- (iii) Subsequent to the investment by Sinopec Overseas Investment Holding Limited ("Sinopec") and New Asia, on 11 January 2017, the Company, Mr. Cheng Liquan Richard ("Mr. Cheng"), World Hero International Limited ("World Hero"), a shareholder of the Company which is wholly owned by Mr. Cheng, and Full Synergy Investment Limited ("Full Synergy"), the Company's financial investor, entered into a share transfer agreement whereby World Hero transferred 24,722,563 Class A ordinary shares in the Company to Full Synergy at the price of approximately RMB1.77 per share for a total consideration of the US dollars equivalent to RMB43,750,000. Immediately after the transfer, the Company agreed to repurchase the 24,722,563 Class A ordinary shares held by Full Synergy in consideration for the allotment and issue of 24,722,563 Class C-3 convertible ordinary shares to Full Synergy.
- (iv) During the year ended 31 December, 2018, 11,122,000 pre-IPO share awards were exercised.
- (v) In December 2018, the Company repurchased 1,255,000 ordinary shares at prices in a range of HK\$1.54 (RMB1.35) to HK\$1.74 (RMB1.52) per share.

附註：

- (i) 根據於中華人民共和國(「中國」)成立的所有附屬公司的組織章程細則，中國附屬公司須將法定財務報表所示根據中國法律及法規釐定的除稅後溢利10%撥往法定盈餘儲備金，直至儲備達到其註冊資本50%。於分派股息予附屬公司權益擁有人前須先向該儲備撥款。法定盈餘儲備可用於抵銷過往年度虧損、擴展現有營運或轉換為相關附屬公司的額外資本。
- (ii) 於2017年1月9日，本公司將New Asia Limited(「New Asia」)擁有的125,000,000股A類普通股重新指定為B類可轉換普通股。
- (iii) 於中國石化海外投資控股有限公司(「中石化」)及New Asia投資後，於2017年1月11日，本公司、程里全先生(「程先生」)、本公司股東World Hero International Limited(「World Hero」)(由程先生全資擁有)及本公司財務投資者景滿投資有限公司(「景滿」)訂立一份股份轉讓協議，據此，World Hero以每股股價約人民幣1.77元轉讓24,722,563股本公司A類普通股予景滿，總代價為人民幣43,750,000元的等值美元。緊隨轉讓後，本公司同意購回景滿持有之24,722,563股A類普通股，代價為向景滿配發及發行24,722,563股C-3類可轉換普通股。
- (iv) 截至2018年12月31日止年度，首次公開發售前股份獎勵計劃的11,122,000股股份已行使。
- (v) 於2018年12月，本公司以介乎每股1.54港元(人民幣1.35元)至1.74港元(人民幣1.52元)的價格購回1,255,000股普通股。



CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2018

截至2018年12月31日止年度

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
OPERATING ACTIVITIES	經營活動		
Profit before tax	除稅前溢利	448,510	5,226
Adjustments for:	調整：		
Finance costs	財務成本	5,900	5,333
Change in fair value of convertible ordinary shares	可轉換普通股之公允價值變動	(133,541)	233,228
Share of profit of an associate	分佔聯營公司溢利	(27,963)	(31,694)
Interest income	利息收入	(38,496)	(17,199)
Profit from construction service under concession operation	特許經營建造服務溢利	(4,209)	(820)
Depreciation of property, plant and equipment	物業、廠房及設備折舊	11,153	6,454
Depreciation of investment properties	投資物業折舊	634	634
Amortisation of intangible assets	無形資產攤銷	36,851	33,418
Allowance for inventories	存貨撥備	—	484
Allowance (reversal of allowance) for trade receivables	貿易應收款項撥備 (撥備撥回)	324	(10,458)
Allowance for other receivables	其他應收款項撥備	125	300
Allowance for contract assets	合約資產撥備	1,278	—
Allowance for amounts due from related parties	應收關連方款項撥備	2,244	—
Reversal of allowance for receivables under service concession arrangement	服務特許經營安排項下的應收款項撥備撥回	(155)	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	21	45
Share-based payment	以股份為基礎的付款	8,442	7,206
Foreign exchange (gain) loss	匯兌(收益)虧損	(35,445)	10,331
Operating cash flows before movements in working capital	營運資金變動前經營現金流量	275,673	242,488
Increase in inventories	存貨增加	(12,412)	(3,861)
Decrease in contract assets	合約資產減少	11,437	—
Decrease in amounts due from customers for contract work	應收客戶合約工程款項減少	—	22,630
(Increase) decrease in trade and notes receivables	貿易應收款項及應收票據 (增加)減少	(301,086)	76,196
Increase in debt instrument at fair value through other comprehensive income	按公允價值計入其他全面收益的債務工具增加	(4,368)	—
(Increase) decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項(增加)減少	(28,548)	20,333
Decrease in receivable under service concession arrangement	服務特許經營安排的應收款項減少	25,011	—
Increase in amounts due from related parties	應收關連方款項增加	(116,779)	(27,561)
Increase in trade and notes payables	貿易應付款項及應付票據增加	146,824	26,988
Increase (decrease) in other payables, deposits received and accrued expenses	其他應付款項、已收按金及應計開支增加(減少)	50,496	(81,519)
Increase in contract liabilities	合約負債增加	41,130	—
Increase in amounts due to customers for contract work	應付客戶合約工程款項增加	—	11,447
Increase in other tax liabilities	其他稅項負債增加	20,290	5,583
Increase in amounts due to related parties	應付關連方款項增加	18,405	5,363
Cash generated from operations	經營所得現金	126,073	298,087
Income taxes paid	已付所得稅	(41,153)	(32,572)
NET CASH FROM OPERATING ACTIVITIES	經營活動所得現金淨額	84,920	265,515



CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

綜合現金流量表(續)

		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
INVESTING ACTIVITIES	投資活動		
Placement of pledged bank deposits	存入已抵押銀行存款	(86,824)	(206,066)
Withdrawal of pledged bank deposits	提取已抵押銀行存款	53,094	443,286
Interest received	已收利息	38,496	17,199
Dividend received from an associate	自聯營公司收取股息	28,524	13,351
Purchase of property, plant and equipment	購買物業、廠房及設備	(32,541)	(40,541)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項	58	442
Purchase of intangible assets and costs capitalised under service concession arrangements	購買無形資產及服務特許經營安排的資本化費用	(391,636)	(187,160)
Deposit refunded for the acquisition of assets	就收購資產退回之按金	—	136,000
Advance to related parties	向關連方墊款	(2,507)	(139,759)
Repayment from related parties	關連方還款	17,815	1,203
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得現金淨額	(375,521)	37,955
FINANCING ACTIVITIES	融資活動		
Repayment of bank borrowings	償還銀行借款	(100,000)	(298,530)
New bank borrowings raised	新籌得銀行借款	—	80,000
Proceeds from discounted notes receivables from banks	銀行已貼現應收票據所得款項	38,483	—
Interest paid	已付利息	(5,900)	(5,333)
Proceeds from issue of shares	發行股份所得款項	418,860	—
Exercise of pre-IPO share awards	行使公開發售前股份獎勵	18,947	—
Repurchase of ordinary shares	購回普通股	(1,799)	—
Cash paid by employees due to forfeiture of pre-IPO share awards	僱員因沒收首次公開發行前股份獎勵所付現金	74	—
Contribution from non-controlling interests	非控股權益注資	—	1,200
Cash received from convertible ordinary shares	自可轉換普通股收取的現金	—	280,459
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	368,665	57,796
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加淨額	78,064	361,266
Effects of exchange rate changes	匯率變動的影響	13,062	(20,253)
CASH AND CASH EQUIVALENTS 1 JANUARY	於1月1日的現金及現金等價物	689,354	348,341
CASH AND CASH EQUIVALENTS 31 DECEMBER	於12月31日的現金及現金等價物	780,480	689,354



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2018

截至2018年12月31日止年度

1. General

China Boqi Environmental (Holding) Co., Ltd. (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 30 January 2015 of which its shares were listed on the Main, Board of the Stock Exchange of Hong Kong Limited on 16 March 2018. The addresses of the registered office of the Company and principal place of business of the Company and its subsidiaries (collectively referred to as the “Group”) are disclosed in the section headed Corporate Information to the annual report.

The Company is an investment holding company. The principal activities of the Group are providing independent flue gas treatment service and environmental protection solution service by various business models, including environmental protection facility engineering, operation and maintenance and concession operation.

The consolidated financial statements are presented in Renminbi (“RMB”), which is also the functional currency of the Company.

1. 一般資料

中國博奇環保(控股)有限公司(「本公司」)於2015年1月30日在開曼群島註冊成立為獲豁免有限公司，其股份於2018年3月16日在香港聯合交易所有限公司主板上市。本公司的註冊辦事處及本公司及其附屬公司(統稱「本集團」)的主要營業地點的地址披露於年報公司資料一節。

本公司為投資控股公司。本集團的主要業務為透過多種業務模式(包括環保設施工程、運營與維護及特許經營)提供獨立煙氣處理服務及環保解決方案服務。

綜合財務報表以人民幣(「人民幣」)呈列，人民幣亦為本公司的功能貨幣。



2. Application of New and Revised International Financial Reporting Standards (“IFRSs”)

New and Amendments to IFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board (“IASB”) for the first time in the current year:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the Related Amendments
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 “Financial Instruments” with IFRS 4 “Insurance Contracts”
Amendments to IAS 28	As part of the Annual Improvements to IFRSs Standard 2014–2016 Cycle
Amendments to IAS 40	Transfers of Investment Property

Except as described below, the application of the new and amendments to IFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior year and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則

本年度強制生效的新訂及經修訂國際財務報告準則

本集團已於本年度首次應用由國際會計準則委員會(「國際會計準則委員會」)頒佈的新訂及經修訂國際財務報告準則：

國際財務報告準則	金融工具
第9號	
國際財務報告準則	客戶合約收益及
第15號	相關修訂
國際財務報告	外幣交易與
詮釋委員會	預收(付)代價
—詮釋第22號	
國際財務報告準則	以股份為基礎的支付
第2號(修訂本)	交易的分類及計量
國際財務	連同國際財務
報告準則	報告準則第4號
第4號(修訂本)	「保險合約」一併
	應用國際財務
	報告準則第9號
	「金融工具」
國際會計準則	作為國際財務
第28號(修訂本)	報告準則2014年
	至2016年週期之
	年度改進的一部分
國際會計準則	轉讓投資物業
第40號(修訂本)	

除下文所述者外，本年度首次應用新訂及經修訂國際財務報告準則並無對本集團本年度及上一個年度的財務表現及狀況及／或該等綜合財務報表的披露產生重大影響。



2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 15 Revenue from Contracts with Customers

The Group has applied IFRS 15 for the first time in the current year. IFRS 15 superseded IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations.

The Group has applied IFRS 15 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2018. Any difference at the date of initial application is recognised in the opening retained profits (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in IFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 January 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 18 *Revenue* and IAS 11 *Construction Contracts* and the related interpretations.

The Group recognises revenue from the following major sources which arise from contracts with customers:

- Environmental protection facility engineering (“EPC”) services
- Operation and management (“O&M”) services
- Concession operation (“Build-Operate-Transfer”, “BOT”, and “Transfer-Operate-Transfer”, “TOT”)
- Others including sewage treatment, sales of by-products and others

Information about the Group’s performance obligations and the accounting policies resulting from application of IFRS 15 are disclosed in note 5 and 3 respectively.

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.1 國際財務報告準則第15號客戶合約收益

本集團於本年度首次應用國際財務報告準則第15號。國際財務報告準則第15號取代國際會計準則第18號收益、國際會計準則第11號建築合約及相關詮釋。

本集團已追溯應用國際財務報告準則第15號，首次應用該準則的累計影響於2018年1月1日首次應用當日確認。而首次應用當日產生的任何差異於期初留存溢利中確認(或其他權益組成部分，如適當)及比較資料並沒有被重列。此外，根據香港財務報告準則第15號的過渡條文，本集團僅選擇對2018年1月1日尚未完成之合約追溯應用該準則。因此，若干比較資料可能無法比較，因該比較資料為根據國際會計準則第18號收益、國際會計準則第11號建築合約及相關詮釋編製。

本集團確認以下產生自客戶合約的主要來源的收益：

- 環保設施工程(「EPC」)服務
- 營運及管理服務
- 特許經營業務(「建設—經營—移交」、「BOT」及「移交—經營—移交」、「TOT」)
- 其他包括污水處理、副產品銷售及其他

有關本集團履約責任及應用國際財務報告準則第15號導致的會計政策的資料分別於附註5及3披露。

2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 15 Revenue from Contracts with Customers (continued)

Summary of effects arising from initial application of IFRS 15

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2018. Line items that were not affected by the changes have not been included.

		Gross carrying amounts previously reported at 31 December 2017	Reclassification	Gross carrying amounts under IFRS 15 at 1 January 2018*
		先前於2017年 12月31日報告 的賬面總值 RMB'000 人民幣千元	重新分類 RMB'000 人民幣千元	國際財務報告 準則第15號下 於2018年1月1日 的賬面總值* RMB'000 人民幣千元
Current Assets	流動資產			
Trade and notes receivables (note(ii))	貿易應收款項及 應收票據(附註(ii))	698,677	(127,489)	571,188
Contract assets (note (i) and (iii))	合約資產(附註(i)及(iii))	—	222,837	222,837
Amounts due from customers for contract work (note (iii))	應收客戶合約工程款項 (附註(iii))	95,348	(95,348)	—
Current Liabilities	流動負債			
Contract liabilities (note (ii) and (iii))	合約負債(附註(ii)及(iii))	—	74,521	74,521
Amounts due to customers for contract work (note (ii))	應付客戶合約工程款項 (附註(ii))	27,708	(27,708)	—
Other payables, deposits received and accrued expenses (note (iii))	其他應付款項、已收按金 及應計開支(附註(iii))	405,489	(51,797)	353,692
Other tax liabilities	其他稅項負債	32,385	4,984	37,369

* The amounts in this column are before the adjustment from the application of IFRS 9.

* 此列金額為應用國際財務報告準則第9號調整前金額。

Notes:

(i) At the date of initial application, retention receivables of RMB127,489,000 arising from construction contracts was retention receivables which was conditional on the Group's achieving specified milestones as stipulated in the contracts, and hence such balance was reclassified from trade receivables to current contract assets by RMB127,489,000.

(ii) In relation to construction contracts related to EPC previously accounted for under IAS 11, the Group continues to apply input method in estimating the performance obligations satisfied up to date of initial application. RMB95,348,000 and RMB27,708,000 of amounts due from/to customers for contract work were reclassified to contract assets and contract liabilities, respectively.

附註：

(i) 於首次應用日期，建築合約產生的應收保證金人民幣127,489,000元為須待本集團達成合約所規定的指定里程碑後方可作實的應收保證金，因此該等結餘已從貿易應收款項重新分類至流動合約資產人民幣127,489,000元。

(ii) 就先前根據國際會計準則第11號入賬的有關EPC的建築合約而言，直至首次應用日期，本集團持續採用輸入法估計已履行的履約責任。應收／應付客戶合約工程款項人民幣95,348,000元及人民幣27,708,000元已分別重新分類至合約資產及合約負債。



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 15 Revenue from Contracts with Customers (continued)

Summary of effects arising from initial application of IFRS 15 (continued)

Notes: (continued)

(iii) As at 1 January 2018, advances from customers of RMB51,797,000 in respect of construction contracts and the related value added tax previously included in other payables, deposits received and accrued expenses were reclassified to contract liabilities and other tax liabilities, respectively.

The following tables summarise the impacts of applying IFRS 15 on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of cash flows for the current year for each of the line items affected. Line items that were not affected by the changes have not been included.

Impact on the consolidated statement of financial position as at 31 December 2018:

		Notes 附註	Gross carrying amount as reported 據報告 賬面總值 RMB'000 人民幣千元	Adjustments 調整 RMB'000 人民幣千元	Gross carrying amount without application of IFRS 15 無應用 國際財務報告 準則第15號 的賬面總值 RMB'000 人民幣千元
Non-Current Assets	非流動資產				
Amounts due from related parties	應收關連方款項	41	145,850	—	145,850
Current Assets	流動資產				
Trade and notes receivables	貿易應收款項及 應收票據	24	802,046	69,980	872,026
Contract assets	合約資產	23	211,400	(211,400)	—
Amounts due from customers for contract work	應收客戶合約 工程款項	23	—	111,420	111,420
Amounts due from related parties	應收關連方款項	41	184,040	30,000	214,040
Current Liabilities	流動負債				
Contract liabilities	合約負債	23	115,651	(115,651)	—
Amounts due to customers for contract work	應付客戶合約 工程款項	23	—	43,808	43,808
Other payables, deposits received and accrued expenses	其他應付款項、 已收按金及應計開支	31	176,024	81,304	247,867
Other tax liabilities	其他稅項負債	32	57,659	(9,461)	48,198

There is no impact on the consolidated statement of profit and loss and other comprehensive income.

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.1 國際財務報告準則第15號客戶合約收益(續)

首次應用國際財務報告準則第15號所產生的影響概述(續)

附註：(續)

(iii) 於2018年1月1日，先前分別計入其他應付款項、已收按金及應計開支有關建築合約及相關增值稅的客戶墊款人民幣51,797,000元已分別重新分類至合約負債及其他稅項負債。

下表概述應用國際財務報告準則第15號對本集團於2018年12月31日的綜合財務狀況表的影響及各受影響項目對本集團本年度的綜合現金流量表的影響。未受變動影響的項目並不包括在內。

對於2018年12月31日綜合財務狀況表的影響

對綜合損益及其他全面收益表概無影響。



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.1 IFRS 15 Revenue from Contracts with Customers (continued)

Summary of effects arising from initial application of IFRS 15 (continued)

Impact on the consolidated statement of cash flows for the year ended 31 December 2018

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.1 國際財務報告準則第15號客戶合約收益(續)

首次應用國際財務報告準則第15號所產生的影響概述(續)

對截至2018年12月31日止年度綜合現金流量表的影響

		As reported	Adjustments	Amount without application of IFRS 15
		據報告	調整	無應用國際財務報告準則第15號的金額
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
OPERATING ACTIVITIES	經營活動			
Increase in trade and notes receivables	貿易應收款項及應收票據增加	(301,086)	57,509	(243,577)
Decrease in contract assets	合約資產減少	11,437	(11,437)	—
Increase in amounts due from customers for contract work	應收客戶合約工程款項增加	—	(16,072)	(16,072)
Increase in amounts in due from related parties	應收關連方款項增加	(116,779)	(30,000)	(146,779)
Increase in contract liabilities	合約負債增加	41,130	(41,130)	—
Increase in amounts due to customers for contract work	應付客戶合約工程款項增加	—	16,100	16,100
Increase in other payable, deposits received and accrued expenses	其他應付款項、已收按金及應計開支增加	50,496	29,507	80,003
Increase in other tax liabilities	其他稅項負債增加	20,290	(4,477)	15,813



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.2 IFRS 9 Financial Instruments and the related amendments

In the current year, the Group has applied IFRS 9 *Financial Instruments* and the related consequential amendments to other IFRSs. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and other items (for example, contract assets) and 3) general hedge accounting.

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9, i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained profits and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 *Financial Instruments: Recognition and Measurement*.

Accounting policies resulting from application of IFRS 9 are disclosed in note 3.

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.2 國際財務報告準則第9號金融工具及相關修訂

於本年度，本集團已應用國際財務報告準則第9號金融工具及其他國際財務報告準則相關的相應修訂。國際財務報告準則第9號引入了1)金融資產及金融負債的分類及計量、2)金融資產及其他項目(如合約資產)的預期信貸虧損(「預期信貸虧損」)及3)一般對沖會計法的新規定。

本集團已根據國際財務報告準則第9號所載過渡性條文應用國際財務報告準則第9號，即就於2018年1月1日(首次應用日期)尚未終止確認的工具追溯應用分類及計量規定(包括減值)，而毋須就已於2018年1月1日終止確認的工具應用規定。2017年12月31日的賬面值與2018年1月1日的賬面值差額於期初保留溢利及其他權益部分確認，而不需重列資料。

因此，若干比較資料未必具可比性，因比較資料乃根據國際會計準則第39號金融工具：確認及計量編製。

應用國際財務報告準則第9號導致的會計政策於附註3披露。



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.2 IFRS 9 Financial Instruments and the related amendments (continued)

Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement of financial assets, financial liabilities and other items subject to ECL under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

		Available-for-sale investment	Equity instrument at FVTOCI* 按公允價值計入其他全面收益的股本工具	Trade and notes receivables 貿易應收款項及應收票據	Amounts due from customers for contract work 應收客戶合約工程款項	Prepayment, deposits and other receivables 預付款項、按金及其他應收款項	Amounts due from related parties 應收關連方款項	Receivables under service concession arrangement 服務特許經營安排項下的應收款項		Debt instrument at FVTOCI 按公允價值計入其他全面收益的債務工具	Contract assets 合約資產	Deferred tax assets 遞延稅項資產	Retained profits 保留溢利
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	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	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	人民幣千元
Closing balance at 31 December 2017 – IAS 39	於2017年12月31日期末結餘—國際會計準則第39號												
		9,000	-	667,253	95,348	70,176	228,419	408,084	-	-	21,995	504,141	
Effect arising from initial application of IFRS 15	首次應用國際財務報告準則第15號所產生的影響	-	-	(127,489)	(95,348)	-	-	-	-	222,837	-	-	-
Effect arising from initial application of IFRS 9	首次應用國際財務報告準則第9號所產生的影響												
Reclassification from Available-for-sale investment	重新分類自可供出售投資	(9,000)	9,000	-	-	-	-	-	-	-	-	-	-
Trade and notes receivables	貿易應收款項及應收票據	-	-	(65,837)	-	-	-	-	65,837	-	-	-	-
Remeasurement Impairment under ECL model	重新計量預期信貸虧損模式下的減值	-	-	4,381	-	(59)	(2,839)	(3,673)	-	(5,833)	1,741	(6,282)	
Opening balance at 1 January 2018	於2018年1月1日期初結餘	-	9,000	478,308	-	70,117	225,580	404,411	65,837	217,004	23,736	497,859	

* FVTOCI: Fair value through other comprehensive income

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.2 國際財務報告準則第9號金融工具及相關修訂(續)

首次應用國際財務報告準則第9號所產生的影響概述

下表說明於首次應用日期二零一八年一月一日根據國際財務報告準則第9號及國際會計準則第39號面臨預期信貸虧損的金融資產、金融負債以及其他項目的分類及計量。



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.2 IFRS 9 Financial Instruments and the related amendments (continued)

Summary of effects arising from initial application of IFRS 9 (continued)

- (a) Available-for-sale ("AFS") investment
From AFS investment to FVTOCI

The Group elected to present in other comprehensive incomes for the fair value changes of all its equity investments previously classified as AFS investment. These investments are not held for trading and not expected to be sold in the foreseeable future. At the date of initial application of IFRS 9, RMB9,000,000 were reclassified from AFS investment to equity instrument at FVTOCI. The fair value gains of RMB7,000,000 relating to those investments previously carried at fair value continued to accumulate in investment revaluation reserve.

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.2 國際財務報告準則第9號「金融工具」及相關修訂(續)

首次應用國際財務報告準則第9號所產生的影響概述(續)

- (a) 可供出售(「可供出售」)投資
自可供出售投資至按公允價值計入其他全面收益

本集團選擇於其他全面收益呈列所有先前分類為可供出售投資的股權投資的公允價值變動。該等投資並非持作買賣，且預計於可預見未來不會出售。於首次應用國際財務報告準則第9號日期，人民幣9,000,000元自可供出售投資重新分類至按公允價值計入其他全面收益的股本工具。有關先前按公允價值列賬的該等投資的公允價值收益人民幣7,000,000元繼續於投資重估儲備中累計。



2. Application of New and Revised International Financial Reporting Standards (“IFRSs”) (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.2 IFRS 9 Financial Instruments and the related amendments (continued)

Summary of effects arising from initial application of IFRS 9 (continued)

(b) Impairment under ECL model

The Group applies the IFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all contract assets and trade receivables. To measure the ECL, contract assets and trade receivables are grouped based on shared common risk characteristics. The Group believes that most of the customers of trade receivable are the same in nature, who are power plants. The ECL on these financial assets are estimated using a provision matrix i.e. analysis of the outstanding balances by aging and apply a probability-weighted estimate of the credit losses within the relevant time band. The probability-weighted estimate of the credit losses is determined based on the Group’s historical credit loss experience, adjusted for factors that are specific to general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.2 國際財務報告準則第9號「金融工具」及相關修訂(續)

首次應用國際財務報告準則第9號所產生的影響概述(續)

(b) 預期信貸虧損模式下的減值

本集團應用國際財務報告準則第9號簡化方法計量預期信貸虧損，以計量所有合約資產及貿易應收款項的全期預期信貸虧損。為計量預期信貸虧損，合約資產及貿易應收款項按具有共同風險特點分類。本集團相信貿易應收款項的大部分客戶(即發電廠)屬同一性質。該等金融資產的預期信貸虧損使用撥備矩陣估計，即分析未償還結餘的賬齡，並應用相關時段內信貸虧損的概率加權估計。信貸虧損概率加權估計乃根據本集團過去的信貸虧損經驗釐定，並按一般經濟情況特定因素，以及對於報告日期現行情況的評估及未來情況的預測(包括金錢的時間值(如適用))而作出調整。



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.2 IFRS 9 Financial Instruments and the related amendments (continued)

Summary of effects arising from initial application of IFRS 9 (continued)

(b) Impairment under ECL model (continued)

The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets.

Except for those which had been determined as credit-impaired under IAS 39, ECL for other financial assets at amortised cost, including pledged bank deposits, bank balances and cash, other receivables, notes receivables, amounts due from related parties and receivables under service concession arrangement are measured on 12-month ECL ("12m ECL") basis and there had been no significant increase in credit risk since initial recognition.

As at 1 January 2018, additional credit loss allowance of RMB8,023,000 has been recognised against retained profits netting of deferred tax effect of RMB1,741,000. The additional loss allowance is charged against the respective assets.

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.2 國際財務報告準則第9號「金融工具」及相關修訂(續)

首次應用國際財務報告準則第9號所產生的影響概述(續)

(b) 預期信貸虧損模式下的減值(續)

合約資產與未開單在製品有關，並與同類合約貿易應收款項具有大致相同的風險特徵。因此，本集團合理認為，貿易應收款項的預期虧損率與合約資產虧損率相若。

除根據國際會計準則第39號被釐定為信貸減值的該等款項外，按攤銷成本計量的其他金融資產的預期信貸虧損(包括已抵押銀行存款、銀行結餘及現金、其他應收款項、應收票據、應收關連方款項及服務特許經營安排項下的應收款項)以12個月預期信貸虧損(「12個月預期信貸虧損」)基準計量，自初始確認以來信貸風險並無顯著增加。

於2018年1月1日，人民幣8,023,000元的額外信貸虧損撥備(扣除遞延稅項影響人民幣1,741,000元)已於保留溢利確認，額外虧損撥備已於相關資產扣除。



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.2 IFRS 9 Financial Instruments and the related amendments (continued)

Summary of effects arising from initial application of IFRS 9 (continued)

(b) Impairment under ECL model (continued)

All loss allowances including contract assets, trade and notes receivables, other receivables, amounts due from customers for contract work, amounts due from related parties, receivables under service concession arrangement, and debt instrument at FVTOCI as at 31 December 2017 reconciled to the opening loss allowances as at 1 January 2018 are as follows:

		Contract assets	Trade and notes receivables	Prepayments, deposits and other receivables	Amounts due from related parties	Receivables under service concession arrangement
		合約資產 RMB'000 人民幣千元	貿易應收款項及應收票據 RMB'000 人民幣千元	預付款項、按金及其他應收款項 RMB'000 人民幣千元	應收關連方款項 RMB'000 人民幣千元	服務特許經營安排項下的應收款項 RMB'000 人民幣千元
At 31 December 2017- IAS 39	於2017年12月31日－ 國際會計準則第39號	N/A				
		不適用	31,424	300	—	—
Reclassification	重新分類	5,281	(5,281)	—	—	—
Amounts remeasured through opening retained profits	透過期初保留溢利重新計量的金額	552	900	59	2,839	3,673
Opening balance at 1 January 2018	於2018年1月1日的 期初結餘	5,833	27,043	359	2,839	3,673

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.2 國際財務報告準則第9號「金融工具」及相關修訂(續)

首次應用國際財務報告準則第9號所產生的影響概述(續)

(b) 預期信貸虧損模式下的減值(續)

於2017年12月31日的所有虧損撥備(包括合約資產、貿易應收款項及應收票據、其他應收款項、應收客戶合約工程款項、應收關連方款項、服務特許經營安排項下的應收款項及按公允價值計入其他全面收益的債務工具)與於2018年1月1日的期初虧損撥備的對賬如下：



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.2 IFRS 9 Financial Instruments and the related amendments (continued)

Summary of effects arising from initial application of IFRS 9 (continued)

(c) Debt instrument at FVTOCI

As part of the Group's cash flow management, the Group discounted some of the notes received from debtors to financial institutions before the notes are due for payment and derecognises notes discounted on the basis that the Group has transferred substantially all risks and rewards to the relevant counterparties. Accordingly, the Group's trade and notes receivables of RMB65,837,000 were considered as within the hold to collect contractual cash flows and to sell business model, and reclassified to debt instrument at FVTOCI. The related fair value approximates to the carrying amount of debt instrument at FVTOCI as at 1 January 2018.

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.2 國際財務報告準則第9號「金融工具」及相關修訂(續)

首次應用國際財務報告準則第9號所產生的影響概述(續)

(c) 按公允價值計入其他全面收益的債務工具

作為本集團現金流量管理的一部分，本集團於票據到期前貼現所收金融機構債務人的若干票據，並於本集團將幾乎所有的風險及回報轉移至相關對手方時，終止確認該等已貼現的應收票據。因此，本集團的貿易應收款項及應收票據人民幣65,837,000元被視為屬於既以收取合約現金流量又以出售為目標而持有的商業模式，並已重新分類為按公允價值計入其他全面收益的債務工具。於2018年1月1日，相關的公允價值虧損與按公允價值計入其他全面收益的債務工具的賬面值相若。

2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and Amendments to IFRSs that are mandatorily effective for the current year (continued)

2.3 Impacts on opening consolidated statement of financial position arising from the application of all new standards and amendments

As a result of the changes in the Group's accounting policies above, the opening consolidated statement of financial position had to be restated. The following table show the adjustments recognised for each of the line items affected. Line items that were not affected by the changes have not been included.

		31 December 2017 (Audited) 2017年 12月31日 (經審核) RMB'000 人民幣千元	IFRS 15 國際財務 報告準則 第15號 RMB'000 人民幣千元	IFRS 9 國際財務 報告準則 第9號 RMB'000 人民幣千元	1 January 2018 (Restated) 2018年 1月1日 (經重列) RMB'000 人民幣千元
Non-current Assets	非流動資產				
Receivables under service concession arrangement	服務特許經營安排項下的應收款項	384,565	—	(3,461)	381,104
Available-for-sale investment	可供出售投資	9,000	—	(9,000)	—
Amounts due from related parties	應收關連方款項	158,014	—	(1,840)	156,174
Equity instrument at FVTOCI	按公允價值計入其他全面收益的股本工具	—	—	9,000	9,000
Deferred tax assets	遞延稅項資產	21,995	—	1,741	23,736
Current Assets	流動資產				
Trade and notes receivables	貿易應收款項及應收票據	667,253	(127,489)	(61,456)	478,308
Amounts due from related parties	應收關連方款項	70,405	—	(999)	69,406
Amounts due from customers for contract work	應收客戶合約工程款項	95,348	(95,348)	—	—
Receivables under service concession arrangement	服務特許經營安排項下的應收款項	23,519	—	(212)	23,307
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	70,176	—	(59)	70,117
Debt instrument at FVTOCI	按公允價值計入其他全面收益的債務工具	—	—	65,837	65,837
Contract assets	合約資產	—	222,837	(5,833)	217,004
Current Liabilities	流動負債				
Contract liabilities	合約負債	—	74,521	—	74,521
Amounts due to customers for contract work	應付客戶合約工程款項	27,708	(27,708)	—	—
Other payables, deposits received and accrued expenses	其他應付款項、已收按金及應計開支	405,489	(51,797)	—	353,692
Other tax liabilities	其他稅項負債	32,385	4,984	—	37,369
Capital and Reserves	股本及儲備				
Retained profits	保留溢利	504,141	—	(6,282)	497,859

Note: For the purposes of reporting cash flows from operating activities under indirect method for the year ended 31 December 2018, movements in working capital have been computed based on opening statement of financial position as at 1 January 2018 as disclosed above.

2. 應用新訂及經修訂國際財務報告準則(續)

本年度強制生效的新訂及經修訂國際財務報告準則(續)

2.3 應用所有新準則及修訂對期初綜合財務狀況表的影響

由於上述本集團會計政策變動，期初綜合財務狀況表須予以重列。下表顯示就各受影響項目確認的調整。未受變動影響的項目並不包括在內。

附註：為呈報截至2018年12月31日止年度以間接方法計算的經營活動所得現金流量，營運資金的變動已根據上文所披露的於2018年1月1日的期初財務狀況表計算。

2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and revised IFRSs in issue but not yet effective

The Group has not adopted the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 16	Leases ¹
IFRS 17	Insurance Contracts ³
IFRIC 23	Uncertainty over Income Tax Treatments ¹
Amendments to IFRS 3	Definition of a Business ⁴
Amendments to IFRS 9	Prepayment Features with Negative Compensation ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to IAS 1 and IAS 8	Definition of Material ⁵
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement ¹
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures ¹
Amendments to IFRSs	Annual Improvements to IFRSs 2015-2017 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2019

² Effective for annual periods beginning on or after a date to be determined

³ Effective for annual periods beginning on or after 1 January 2021

⁴ Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020

⁵ Effective for annual periods beginning on or after 1 January 2020

Except for the new and amendments to IFRSs mentioned below, the directors of the Company ("Directors") anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

2. 應用新訂及經修訂國際財務報告準則(續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則

本集團並無採納以下已頒佈但尚未生效的新訂及經修訂國際財務報告準則：

國際財務報告準則第16號	租賃 ¹
國際財務報告準則第17號	保險合約 ³
國際財務報告詮釋委員會—詮釋第23號	所得稅處理之不确定性 ¹
國際財務報告準則第3號(修訂本)	業務的定義 ⁴
國際財務報告準則第9號(修訂本)	負補償的預付款項功能 ¹
國際財務報告準則第10號及國際會計準則第28號(修訂本)	投資者與其聯營公司或合營企業之間的資產出售或注資 ²
國際會計準則第1號及國際會計準則第8號(修訂本)	重大的定義 ⁵
國際會計準則第19號(修訂本)	計劃修訂、縮減或清償 ¹
國際會計準則第28號(修訂本)	於聯營公司及合營企業的長期權益 ¹
國際財務報告準則(修訂本)	國際財務報告準則2015年至2017年週期之年度改進 ¹

¹ 於2019年1月1日或之後開始的年度期間生效

² 於有待確定日期或其後開始的年度期間生效

³ 於2021年1月1日或之後開始的年度期間生效

⁴ 對收購日期為2020年1月1日或之後開始的首個年度期間初或之後的業務合併及資產收購生效

⁵ 於2020年1月1日或之後開始的年度期間生效

除下文所述的新訂國際財務報告準則及其修訂本外，本公司董事(「董事」)預計應用所有其他新訂國際財務報告準則及其修訂本在可預見的將來不會對綜合財務報表產生重大影響。



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and revised IFRSs in issue but not yet effective (continued)

IFRS 16 Leases

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede IAS 17 Leases and the related interpretations when it becomes effective.

IFRS 16 distinguishes lease and service contracts on the basis of whether an identified asset is controlled by a customer. In addition, IFRS 16 requires sales and leaseback transactions to be determined based on the requirements of IFRS 15 as to whether the transfer of the relevant asset should be accounted as a sale. IFRS 16 also includes requirements relating to subleases and lease modifications.

Distinctions of operating leases and finance leases are removed for lessee accounting, and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees, except for short-term leases and leases of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date.

Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. For the classification of cash flows, the Group currently presents upfront prepaid lease payments as investing cash flows in relation to leasehold lands for owned use and those classified as investment properties while other operating lease payments are presented as operating cash flows. Upon application of IFRS 16, lease payments in relation to lease liability will be allocated into a principal and an interest portion which will be presented as financing cash flows by the Group, upfront prepaid lease payments will continue to be presented as investing or operating cash flows in accordance to the nature, as appropriate.

2. 應用新訂及經修訂國際財務報告準則(續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號「租賃」

國際財務報告準則第16號同時為出租人及承租人引入一個用以識別租賃安排及會計處理的全面模式。國際財務報告準則第16號將於其生效時取代國際會計準則第17號租賃及相關詮釋。

國際財務報告準則第16號根據所識別資產是否由客戶控制區分租賃及服務合約。此外，國際財務報告準則第16號規定，銷售及售後租回交易須根據國際財務報告準則第15號的規定釐定，取決於轉讓相關資產是否應作為銷售確認入賬。國際財務報告準則第16號還載有關於分租及租約修訂的規定。

經營租賃及融資租賃之差異自承租人會計處理中撤銷，並由承租人須就所有租賃確認使用權資產及相應負債之模式替代，惟短期租賃及低價值資產租賃則除外。

使用權資產初步乃按成本計量，其後按成本(除若干例外情況外)減累計折舊及減值虧損計量，並就租賃負債任何重新計量而作出調整。租賃負債按於該日尚未支付的租金現值初始計量。

其後，就(其中包括)利息及租賃款項以及租賃修訂的影響調整租賃負債。就現金流量分類而言本集團目前將有關自用租賃土地及分類為投資物業的租賃土地的預付租賃款項呈列為投資現金流量，而其他經營租賃款項呈列為經營現金流量。根據國際財務報告準則第16號，有關租賃負債的租賃款項將分配至將呈列為融資現金流量的本金及利息部分。預付租賃款項將繼續根據性質(如適用)以投資或經營現金流呈列。



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and revised IFRSs in issue but not yet effective (continued)

IFRS 16 Leases (continued)

Under IAS 17, the Group has already recognised an asset and a related finance lease liability for finance lease arrangement and prepaid lease payments for leasehold lands where the Group is a lessee. The application of IFRS 16 may result in potential changes in classification of these assets depending on whether the Group presents right-of-use assets separately or within the same line item at which the corresponding underlying assets would be presented if they were owned.

Other than certain requirements which are also applicable to lessor, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, and continues to require a lessor to classify a lease either as an operating lease or a finance lease.

Furthermore, extensive disclosures are required by IFRS 16.

As at 31 December 2018, the Group has non-cancellable operating lease commitments of RMB20,430,000 as disclosed in note 40. A preliminary assessment indicates that these arrangements will meet the definition of a lease. Upon application of IFRS 16, the Group will recognise a right-of-use asset and a corresponding liability in respect of all these.

In addition, the Group currently considers refundable rental deposits paid of RMB3,063,000 and refundable rental deposits received of RMB397,000 as rights and obligations under leases to which IAS 17 applies. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use the underlying assets, accordingly, the carrying amounts of such deposits may be adjusted to amortised cost. Adjustments to refundable rental deposits paid would be considered as additional lease payments and included in the carrying amount of right-of-use assets. Adjustments to refundable rental deposits received would be considered as advance lease payments.

2. 應用新訂及經修訂國際財務報告準則(續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號「租賃」(續)

根據國際會計準則第17號，本集團已就本集團為承租人的融資租賃安排及租賃土地的預付租賃款項確認一項資產及一項相關融資租賃負債。應用國際財務報告準則第16號可能導致該等資產分類潛在變動，視乎本集團是否分開呈列使用權資產或於呈列相應相關資產(倘擁有)的相同項目內呈列。

除同時適用於出租人的若干規定外，國際財務報告準則第16號大致上繼承國際會計準則第17號的出租人會計處理規定，並繼續要求出租人將租賃分類為經營租賃或融資租賃。

此外，國際財務報告準則第16號規定須作出全面披露。

誠如附註40所披露，於2018年12月31日，本集團的不可取消經營租賃承擔為人民幣20,430,000元。初步評估表明，該等安排將符合租賃的定義。於應用國際財務報告準則第16號後，本集團將就所有此等確認使用權資產及相應的負債。

此外，本集團現時認為已付可退回租賃按金人民幣3,063,000元及已收可退回租賃按金人民幣397,000元是租賃項下的權利及義務，適用於國際會計準則第17號。按國際財務報告準則第16號租賃款項的定義，上述按金並非與使用相關資產權利有關的付款，因此，上述按金的賬面值可予調整至經攤銷成本，已付可退回租賃按金的調整將被視為額外租賃款項及計入使用權資產的賬面值。已收可退回租賃按金的調整將被視為預付租賃款項。



2. Application of New and Revised International Financial Reporting Standards ("IFRSs") (continued)

New and revised IFRSs in issue but not yet effective (continued)

IFRS 16 Leases (continued)

The application of new requirements may result in changes in measurement, presentation and disclosure as indicated above. The Group intends to elect the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 determining whether an arrangement contains a lease and not apply this standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. Therefore, the Group will not reassess whether the contracts are, or contain a lease which already existed prior to the date of initial application. Furthermore, the Group intends to elect the modified retrospective approach for the application of IFRS 16 as lessee and will recognise the cumulative effect of initial application to opening retained profits without restating comparative information.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. The amendments also align the definition across all IFRS Standards and will be mandatorily effective for the Group's annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

2. 應用新訂及經修訂國際財務報告準則(續)

已頒佈但尚未生效的新訂及經修訂國際財務報告準則(續)

國際財務報告準則第16號「租賃」(續)

應用新規定可能導致上文所述的計量、呈列及披露變動。本集團擬選擇可行權宜方法，就先前應用國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號「釐定安排是否包括租賃」識別為租賃的合約應用國際財務報告準則第16號，而並無對先前應用國際會計準則第17號及國際財務報告詮釋委員會詮釋第4號並未識別為包括租賃的合約應用該準則。因此，本集團將不會重新評估合約是否為或包括於首次應用日期前已存在的租賃。此外，本集團(作為承租人)擬選擇經修訂追溯法應用國際財務報告準則第16號，並將確認首次應用對期初保留溢利的累計影響，而並無重列比較資料。

國際會計準則第1號及國際會計準則第8號重大的定義(修訂本)

該等修訂計及作出重要性判斷的額外的指引及解釋，藉此改良重大的定義。該等修訂亦符合所有國際財務報告準則的定義，並將於本集團自2020年1月1日起的年度期間強制生效。應用該等修訂預期不會對本集團的財務狀況及表現產生重大影響，但可能會影響綜合財務報表中的呈列及披露。



3. Significant Accounting Policies

The consolidated financial statements have been prepared in accordance with IFRSs issued by IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited ("Listing Rules") and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 "Share-based payment", leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 "Inventories" or value in use in IAS 36 "Impairment of assets".

3. 主要會計政策

綜合財務報表乃根據國際會計準則委員會頒佈的國際財務報告準則編製。此外，綜合財務報表包括香港聯合交易所有限公司主板證券上市規則（「上市規則」）及香港公司條例規定的適用披露。

綜合財務報表按歷史成本基準編製，惟若干物業及金融工具則按各報告期末的公允價值計量。詳情載於下文的會計政策。

歷史成本通常基於換取商品及服務交易所付出代價的公允價值。

公允價值是於計量日期由市場參與人於有秩序交易中出售資產可收取或轉讓負債須支付的價格，而不論該價格是否直接可觀察或可使用其他估值技術估計。若市場參與人於計量日期對資產或負債定價時會考慮資產或負債的特點，則本集團於估計資產或負債的公允價值時會考慮該等特點。本綜合財務報表中作計量及／或披露用途的公允價值乃按此基準釐定，惟屬於國際財務報告準則第2號「以股份為基礎的付款」範圍內的以股份付款的交易、屬於國際會計準則第17號範圍內的租賃交易，以及與公允價值有部份相若地方但並非公允價值的計量，譬如國際會計準則第2號「存貨」內的可變現淨額或國際會計準則第36號「資產減值」的使用價值除外。



3. Significant Accounting Policies (continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvements with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

3. 主要會計政策(續)

此外，就財務申報而言，公允價值計量根據公允價值計量的輸入數據可觀察程度及輸入數據對公允價值計量整體的重要性分類為第一級、第二級或第三級，其載述如下：

- 第一級輸入數據是實體於計量日期可以取得的相同資產或負債於活躍市場之報價(未經調整)；
- 第二級輸入數據是就資產或負債直接或間接地可觀察之輸入數據(第一級內包括的報價除外)；及
- 第三級輸入數據是資產或負債的不可觀察輸入數據。

主要會計政策載於下文。

綜合基準

綜合財務報表包含本公司及其附屬公司之財務報表。本公司於以下情況擁有控制權：

- 可對投資對象行使權力；
- 因參與投資對象之營運而承受所得浮動回報之風險或享有浮動回報之權利；及
- 能行使權力影響回報。

倘有事實及情況顯示上述三個控制因素其中一個或以上有變，本公司會重新評估其是否控制投資對象。

本公司在取得附屬公司的控制權時開始將該附屬公司綜合入賬，並於失去該附屬公司之控制權時終止綜合入賬。具體而言，於年內所收購或出售的附屬公司的收入及開支由本公司取得控制權當日開始計入綜合損益及其他全面收益表，直至本公司不再控制該附屬公司當日為止。



3. Significant Accounting Policies (continued)

Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which represent present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9/IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

3. 主要會計政策(續)

綜合基準(續)

損益及其他全面收益各組成部分乃歸屬予本公司擁有人及非控股權益。附屬公司的全面收益總額乃歸屬予本公司擁有人及非控股權益，即使此舉導致非控股權益出現虧絀結餘。

在有需要時，將對附屬公司的財務報表作出調整，使其會計政策與本集團之會計政策相符。

所有與本集團成員公司之間的交易有關之集團內公司間資產及負債、權益、收入、開支以及現金流量均於綜合時全數抵銷。

附屬公司非控股權益自當中的本集團權益中獨立呈列，於清盤後相當於其持有人有權按比例分佔相關附屬公司資產淨值的現存所有權權益。

本集團於現有附屬公司的擁有權權益變動

本集團於附屬公司的權益變動若不導致本集團對其喪失控制權，將作股權交易入賬。本集團的權益與非控股權益的賬面值作出調整以反映彼等於附屬公司中相關權益的變動。非控股權益經調整的金額與所支付或收取代價的公允價值之間的任何差額直接於權益確認並歸屬於本公司擁有人。

倘本集團失去附屬公司的控制權，則收益或虧損於損益確認並按(i)所收代價之公允價值及任何保留權益之公允價值之總額與(ii)該附屬公司過往資產之賬面值(包括商譽)及負債以及任何非控股權益兩者之間的差額計算。先前於其他全面收益就該附屬公司確認的所有款額，會按猶如本集團已直接出售該附屬公司的相關資產或負債入賬(即按適用國際財務報告準則所訂明／允許而重新分類至損益或轉撥至另一權益類別)。於失去控制權當日在前附屬公司保留的任何投資之公允價值，會根據國際財務報告準則第9號／國際會計準則第39號於其後入賬時列作初步確認的公允價值或(如適用)於初步確認時於聯營公司或合營企業之投資成本。



3. Significant Accounting Policies (continued)

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis.

Revenue from contracts with customers (upon application of IFRS 15 in accordance with transitions in note 2)

Under IFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

3. 主要會計政策(續)

租賃

倘租約條款將擁有權之絕大部分風險及回報轉歸承租人所有時，有關租約分類為融資租賃。所有其他租約分類為經營租賃。

本集團作為出租人

經營租賃的租金收入在相關租期內按直線法於損益中確認。

本集團作為承租人

經營租賃款項乃於租賃期間內按直線法支銷。根據經營租賃所產生的或然租金乃於其產生的期間內支銷。

倘就訂立經營租約獲得租賃優惠，則該等優惠確認為負債。優惠利益總額乃按直線法確認為租金開支之扣減。

客戶合約收益(根據附註2的過渡應用國際財務報告準則第15號)

根據國際財務報告準則第15號，本集團於履行履約責任時(或就此)確認收益，即當特定履約責任相關的貨品或服務的「控制權」轉讓予客戶時確認。

履約責任指可區分的單一貨品或服務(或組合貨品或服務)或大致相同的一系列可區分貨品或服務。

倘符合下列其中一項標準，按完全達成相關履約責任的進度隨時間轉移控制權及確認收益：

- 客戶於本集團履約的同時收取及消耗本集團履約所提供的利益；
- 本集團的履約創建及增強客戶於本集團履約時控制的資產；或
- 本集團的履約未創建對本集團具有替代用途的資產，而本集團有強制執行權收取至今已履約部分的款項。



3. Significant Accounting Policies (continued)

Revenue from contracts with customers (upon application of IFRS 15 in accordance with transitions in note 2) (continued)

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with IFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

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

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Contracts with multiple performance obligations (including allocation of transaction price)

For contracts that contain more than one performance obligations, including certain BOT & TOT contracts, the Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis.

The stand-alone selling price of the distinct good or service underlying each performance obligation is determined at contract inception. It represents the price at which the Group would sell a promised good or service separately to a customer. If a stand-alone selling price is not directly observable, the Group estimates it using appropriate techniques such that the transaction price ultimately allocated to any performance obligation reflects the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised goods or services to the customer.

Input method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

3. 主要會計政策(續)

客戶合約收益(根據附註2的過渡應用國際財務報告準則第15號)(續)

否則，於客戶獲得可區分貨品或服務的控制權時確認收入。

合約資產指本集團就換取本集團已向客戶轉讓的商品或服務而收取代價的權利(尚未成為無條件)。其按照國際財務報告準則第9號評估減值。相反，應收款項指本集團收取代價的無條件權利，即代價到期付款前僅需時間推移。

合約負債指本集團因已向客戶收取代價(或已到期代價金額)而須向客戶轉讓商品或服務的責任。

關於同一份合約的合約資產及合約負債按淨額基準入賬及呈列。

有多項履約責任(包括分配交易價)的合約

就載有多於一項履約責任的合約(包括若干BOT及TOT合約)而言，本集團按相對獨立的售價基準將交易價分配至各項履約責任。

各項履約責任相關的可區分貨品或服務的獨立售價於訂立合約時釐定，乃指本集團將向客戶獨立出售承諾貨品或服務的價格。倘獨立售價無法直接觀察所得，則本集團會採用適當技術對其作出估算，致令最終分配至任何履約責任的交易價反映本集團預期於向客戶轉交承諾貨品或服務時有權收取的代價金額。

投入法

完成履約責任的進度是以投入法為基礎計量，此方法乃基於本集團為完成履約責任而付出的努力或投入，相對於其為完成該項履約責任而預期所需的總投入，來確認收益，其最能反映本集團於轉讓貨品或服務控制權方面的履約情況。



3. Significant Accounting Policies (continued)

Revenue from contracts with customers (upon application of IFRS 15 in accordance with transitions in note 2) (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input method (continued)

Revenue is measured based on the consideration specified in a contract with customer and excluded amounts collected on behalf of third parties. The Group principally earns revenue from provision of construction, operation and management services including:

- EPC services
- O&M services
- BOT & TOT
- Others

Specifically, revenue is recognised in profit or loss as follows:

(i) EPC services

EPC business primarily involves project engineering and design, procurement of equipment and materials, project construction, equipment installation and commissioning services in relation to desulfurisation and denitrification and dust removal for coal-fired power plants.

The Directors have assessed that the Group's performance creates and enhances an asset that the customers control as the Group performs. Therefore, the Directors have satisfied that there is only one single performance obligation and the services are satisfied over time.

Accordingly, revenue from EPC services, which are generally under project based development contracts, is recognised based on the progress towards complete satisfaction of a performance obligation which is determined as the proportion of the costs incurred for the works (i.e. subcontracting costs, material costs and direct staff costs incurred) performed to date relative to the estimated total costs to complete the satisfaction of these services and the margin of each project, to the extent that the amount can be measured reliably and its recovery is considered probable.

3. 主要會計政策(續)

客戶合約收益(根據附註2的過渡應用國際財務報告準則第15號)(續)

在一段時間內確認收益：計量完成履約責任的進度

投入法(續)

收益基於客戶合同所述代價計量，不包括代第三方收取的金額。本集團主要自提供建築、營運及管理服務賺取收益，包括：

- EPC服務
- 運維服務
- BOT及TOT
- 其他

具體而言，收益於損益確認如下：

(i) EPC服務

EPC業務主要涉及為燃煤電廠的脫硫、脫硝及除塵提供項目工程設計、設備與材料採購、項目建設、設備安裝及調試服務。

董事確定本集團的履約為客戶創造資產及增強客戶控制的資產。因此，董事認為只有一種履約責任，而服務須經一段時間達成。

因此，EPC服務(一般根據項目式開發合約進行)的收益，按照合約完成階段確認。合約完成階段按各項目迄今已完成工作所產生的成本(即分包成本、物料成本及直接員工成本)佔完成該等服務估計總成本加上溢利的比例釐定，惟須以能可靠計量且可能收回的金額為限。



3. Significant Accounting Policies (continued)

Revenue from contracts with customers (upon application of IFRS 15 in accordance with transitions in note 2) (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (continued)

Input method (continued)

(ii) O&M services

O&M services mainly include the provision of operation service and regular maintenance service for desulfurisation and denitrification facilities and dust removal facilities owned by their customers, where the Group's work scope includes the full operation, testing and repairing, upgrading and maintenance of flue gas treatment system/facilities owned by these coal-fired power plants.

Pursuant to the contracts of rendering related O&M services, the transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring O&M services to customers. Additionally, the O&M services typically meet the criterion where customers simultaneously receive and consume the benefits of the Group's performance as the Group performs. Therefore the Directors have satisfied that the performance obligation of rendering O&M services are satisfied over time which is recognised over the service period.

(iii) BOT&TOT services

In a typical BOT&TOT project, the Group is responsible for the financing, investment, construction and operation of the project according to the concession contract with their customer. After the completion of the constructions, the Group operates and maintains the project for a pre-defined period, which is typically 15 to 20 years, when they are entitled to collecting revenues generated from the project during the term of the contract.

The Directors have assessed that BOT&TOT services generally comprise two separate performance obligations, the construction or upgrading of the facilities and the operating and maintenance service upon the completion of the construction or upgrading of facilities, equivalent as a combination of EPC service and O&M service. The Group allocates the transaction price to each performance obligation on a relative stand-alone selling price basis, taking into account of the significant financing component. Revenue recognition for each performance obligation follows the comparable stand-alone services specified above in (i) and (ii).

3. 主要會計政策(續)

客戶合約收益(根據附註2的過渡應用國際財務報告準則第15號)(續)

在一段時間內確認收益：計量完成履約責任的進度(續)

投入法(續)

(ii) 運維服務

運維服務主要包括對客戶擁有的脫硫及脫硝設施及除塵設施提供運營服務及常規維護服務。本集團的工作範疇包括全面運營、檢修、升級及維護有關燃煤電廠擁有的煙氣處理系統／設施。

根據提供相關運維服務的合約，交易價格即本集團預期向客戶提供運維服務應得的代價。此外，運維服務通常符合客戶同時獲得及使用本集團履約所得利益的準則。因此，董事認為提供運維服務的履約責任需經一段時間達成，並在服務期確認。

(iii) BOT及TOT服務

在一般BOT及TOT項目中，本集團負責根據與客戶訂立的特許經營合同為項目籌措資金、投資、建設及運營。竣工後，本集團亦於預先規定的期限(通常為15至20年)內控制、運營及維持項目，本集團有權在合約期內收取項目所得收益。

董事已評估，BOT及TOT服務包括兩項個別的履約責任，即設施建造完成後的設施建設、運營及維修服務，相當於EPC服務及運維服務的結合。本集團經考慮重大融資部分按相對獨立的售價基準將交易價分配至各項履約責任。各履約責任的收益確認遵循上文(i)及(ii)指明的可比較的獨立服務。



3. Significant Accounting Policies (continued)

Revenue from contracts with customers (upon application of IFRS 15 in accordance with transitions in note 2) (continued)

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation (continued)

Input method (continued)

- (iv) Other revenues from sewage treatment are recognised over the service period as the customers simultaneously receive and consume the benefits provided by the Group's performance as the Group performs. Revenues from sales of by-products and others are recognised at the point of time when the control of goods is passed to the customer.

The Group's construction contracts include payment schedules which require stage payments over the construction period once certain specified milestones are reached. The Group requires certain customers to provide upfront deposits range from 10% to 30% of total contract sum, when the Group receives a deposit before construction commences, this will give rise to contract liabilities at the start of a contract, until the revenue recognised on the specific contract exceeds the amount of the deposit.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. The interest income from bank balances and cash and receivables under service concession arrangement is recognised in other income and other gains and losses.

Operating lease

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing above.

3. 主要會計政策(續)

客戶合約收益(根據附註2的過渡應用國際財務報告準則第15號)(續)

在一段時間內確認收益：計量完成履約責任的進度(續)

投入法(續)

- (iv) 由於客戶同時獲得及使用本集團履約所得的利益，污水處理的其他收益在服務期內確認。銷售副產品及其他的收益在貨品的控制權轉移至客戶時確認。

本集團的建築合約包括付款時間表，其規定一旦達到若干指定的里程碑，需要在有關建築期間分期付款。本集團要求若干客戶提供前期按金佔合約總額的10%至30%，當本集團於建築開始前收到按金，合約負債將在合約開始時產生，直至特定合約的已確認收益超出按金額。

利息收入

利息收入乃以時間為基準按未償還本金額及適用實際利率累計，而該利率為於初步確認時將金融資產在預計年期的估計日後現金收入準確折讓為該資產之賬面淨值之比率。自銀行結餘及現金的利息收入以及服務特許經營安排的應收款項於其他收入及其他收益及虧損中確認。

經營租賃

本集團確認經營租賃所得收益的會計政策於上文租賃會計政策中詳述。



3. Significant Accounting Policies (continued)

Revenue recognition (prior to 1 January 2018)

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue is recognised when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities, as described below.

Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. 主要會計政策(續)

收益確認(2018年1月1日之前)

收益乃按已收或應收代價的公允價值計量，即於日常業務過程中出售貨品及提供服務的應收款項，並扣除折扣及相關銷售稅項。

如下文所述，收益於收益金額能可靠計量時、當未來經濟利益可能流入本集團時及本集團各活動達致特定標準時確認。

銷售貨物

來自銷售貨品的收益於交付貨品且轉移擁有權以及下列所有條件獲達成後確認：

- 本集團將貨品擁有權的重大風險和回報轉移予買方；
- 本集團並無持續參與一般與已售貨品擁有權相關的管理，亦無擁有已售貨品的實際控制權；
- 收益的金額能可靠地計量；
- 交易涉及的經濟利益可能流入本集團；及
- 交易已產生或將產生的成本能可靠地計量。



3. Significant Accounting Policies (continued)

Revenue recognition (prior to 1 January 2018) (continued)

Construction contracts

Construction contracts included design, construction and equipment installment and testing services, where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and notes receivables.

Operation and Maintenance

Revenue from operation and maintenance revenue are recognised when the related services are rendered.

Interest Income

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

Operating lease

The Group's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing above.

3. 主要會計政策(續)

收益確認(2018年1月1日之前)(續)

建築合約

建築合約包括設計、建造及設備安裝及測試服務。當建築合約之成果能可靠估計，其收益及成本乃參考報告期末合約活動完成階段確認，並按迄今已落實工程產生之合約成本佔估計總合約成本之比例釐定，惟倘此不能反映完成階段則例外。合約工程之變動、索賠及獎金付款以能夠可靠地計量及被視為可能收取之金額為限計算在內。

倘建築合約之成果不能可靠估計，則合約收益僅按可能收回之已產生合約成本確認。合約成本於其產生期間確認為支出。倘總合約成本有可能超出總合約收益時，預期虧損即時確認為支出。

倘迄今產生之合約成本加已確認溢利減已確認虧損超出進度款項，則超出部份列作應收客戶合約工程款項。對於進度款項超出迄今產生之合約成本加已確認溢利減已確認虧損，則超出部份列作應付客戶合約工程款項。於進行有關工程前收取之款項，作為負債計入綜合財務狀況表中，列作已收墊款。就已進行工程發出賬單但客戶尚未支付之款項則計入綜合財務狀況表項下貿易應收款項及應收票據。

運營與維護

運營與維護收益於提供相關服務時確認。

利息收入

利息收入乃以時間為基準按未償還本金額及適用實際利率累計，而該利率為於初步確認時將金融資產在預計年期的估計日後現金收入準確折讓為該資產之賬面淨值之比率。

經營租賃

本集團確認經營租賃所得收益的會計政策於上文租賃會計政策中詳述。



3. Significant Accounting Policies (continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income 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 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 temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business consolidation) 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 associated with 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of 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.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續)

稅項

所得稅支出指現時應繳稅項及遞延稅項總和。現時應繳稅項乃按年內應課稅溢利計算。應課稅溢利因其不包括其他年度的應課稅或可扣稅收支項目及其進一步不包括毋須課稅或不獲扣稅項目而有別於綜合損益及其他全面收益表所報除稅前溢利。本集團之即期稅項使用於報告期末前已頒佈或實質上已頒佈之稅率計算。

就綜合財務報表內資產及負債賬面值與計算應課稅溢利所採用相應稅基之暫時差額確認遞延稅項。遞延稅項負債通常確認所有應課稅暫時差額。一般情況下，所有可扣減暫時差額的遞延稅項資產，於該等可扣減暫時差額可用以對銷應課稅溢利時予以確認。如初次確認一項交易之其他資產及負債(業務綜合除外)所產生之暫時差額不影響應課稅溢利或會計溢利，有關資產及負債不予確認。

對於與附屬公司及聯營公司之投資相關的應課稅暫時性差額會確認為遞延稅項負債，除非本集團能夠控制這些暫時性差額的轉回，而暫時性差額在可預見的將來很可能不會轉回。僅當很可能取得足夠的應課稅溢利以抵扣此類投資及權益相關的可抵扣暫時性差額，並且暫時性差額在可預見的未來將轉回時，才確認該可抵扣暫時性差額所產生的遞延稅項資產。

遞延稅項資產之賬面值在每一報告期末進行檢討，並於並無足夠應課稅溢利可用以收回所有或部分資產時作出相應扣減。

遞延稅項資產和負債，以報告期末已執行或實質上已執行的稅率(和稅法)為基礎，按預期清償該負債或實現該資產當期應用的稅率計量。



3. Significant Accounting Policies (continued)

Taxation (continued)

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Pledged bank deposits

Pledged bank deposits represent amounts held by banks, which are not available for the Group's use, as security for issuance of bills to the Group's suppliers, letters of credit relating to the EPC contracts and the operation and maintenance contracts signed with the customers, and letters of guarantee for bank borrowings. Upon maturity of the letters of credit, letters of guarantee and repayment of bank borrowings, the deposits are released by the bank and become available for general use by the Group. Pledged bank deposits are reported within cash flows from investing activities in the consolidated statement of cash flows with reference to the purpose of making the pledge.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

3. 主要會計政策(續)

稅項(續)

遞延稅項負債和資產的計量，反映本集團在報告期末預期收回或清償其資產和負債賬面金額的方式所導致的納稅後果。

當期和遞延稅項於損益中確認，除非其與其他全面收益確認或直接於權益確認的項目相關(於此情況下，當期和遞延稅項亦分別於其他全面收益確認或直接於權益確認)。

已抵押銀行存款

已抵押銀行存款指由銀行持有但不可供本集團使用的款項，作為向本集團提供商發行票據、與EPC合約及與客戶簽訂的運營及維護合約有關的信用證及銀行借款保函的擔保。於信用證、保函及銀行借款償還期限屆滿時，銀行將解除存款且存款可供本集團作一般用途。已抵押銀行存款經參考抵押的目的於綜合現金流量表的投資活動所得現金流量內申報。

外幣

編製個別集團實體的財務報表時，以該實體的功能貨幣以外之貨幣(即外幣)所作的交易按交易當日適用的匯率確認。於各報告期末，以外幣列值之貨幣項目按有關日期現行之匯率予以重新換算。按歷史成本計量以外幣列值之非貨幣項目不予重新換算。結算貨幣項目及重新換算貨幣項目所產生之匯兌差額於彼等產生期間於損益中確認。



3. Significant Accounting Policies (continued)

Property, plant and equipment

Property, plant and equipment held for use in the supply of services, or held for administrative purposes other than construction in progress as described below, are stated in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Construction in progress represents building under construction which is carried at cost, less any recognised impairment loss. Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operation in the manner intended by the Directors).

3. 主要會計政策(續)

物業、廠房及設備

持作用於提供服務或行政用途(不包括在建工程)的物業、廠房及設備為於綜合財務狀況表按成本減累計折舊及任何累計減值虧損(如有)列賬。

物業、廠房及設備項目(在建工程除外)的折舊乃在其估計可使用年期內扣除剩餘價值後使用直線法確認以撇銷其成本。估計可使用年期、剩餘價值及折舊方法於各報告期末檢討,任何估計變動的影響按不予追溯基準入賬。

在建工程乃指在建建築物的工程項目,其按成本減任何已確認減值虧損列賬。該等資產乃於竣工後並可投入作擬定用途時歸類為適當類別的物業、廠房及設備。該等資產按與其他資產相同的基準,於該等資產可投入作擬定用途時開始計提折舊。

物業、廠房及設備項目於出售時或當繼續使用該資產預期不會產生任何日後經濟利益時終止確認。出售或報廢物業、廠房及設備項目產生的損益按出售所得款項與該資產的賬面金額的差額釐定,並於損益確認。

未來作業主自用的開發中樓宇

當樓宇在開發中作生產或行政用途,建設期間計提的預付租賃款項的攤銷列入在建樓宇的部分成本。在建樓宇按成本減任何可識別減值虧損入賬。樓宇於可供使用時折舊(即於樓宇達致按董事擬定方式運作所需地點及狀況時)。



3. Significant Accounting Policies (continued)

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in the consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Appropriate adjustments have been made to conform the associate’s accounting policies to those of the Group. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group’s share of the profit or loss and other comprehensive income of the associate. When the Group’s share of losses of an associate exceeds the Group’s interest in that associate (which includes any long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

3. 主要會計政策(續)

投資物業

投資物業指持作賺取租金及／或待資本增值之物業。

投資物業初步按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業乃按成本減其後累計折舊及任何累計減值虧損列賬。投資物業按其估計可使用年期，經考慮其估計殘值以直線法確認折舊，以撇銷成本。

投資物業乃於出售時或在投資物業永久不再使用或預期出售物業不會產生未來經濟利益時終止確認。終止確認該資產時產生之任何損益(按出售所得款項淨額與該資產之賬面值之差額計算)計入該項目終止確認期間之損益內。

於聯營公司的投資

聯營公司是指本集團有重大影響力的實體。重大影響力指有權參與被投資方的財務及經營政策決定但非控制或共同控制該等政策。

聯營公司的業績與資產及負債，乃採用權益會計法列入綜合財務報表，惟倘該項投資(或其中部份)被分類為持作出售，則會根據國際財務報告準則第5號「持作出售的非流動資產及已終止經營業務」入賬。擬作權益會計用途的聯營公司財務報表按與本集團於類似情況下就同類交易及事件採用的相同會計政策編製。為符合本集團的會計政策，聯營公司的會計政策已作適當調整。根據權益會計法，於聯營公司的投資初步於綜合財務狀況表按成本確認，並於其後就確認本集團應佔該聯營公司的溢利或虧損及其他全面收入而作出調整。當本集團應佔一間聯營公司的虧損超出本集團於該聯營公司的權益時(包括實質上構成本集團於聯營公司的投資淨值一部份的任何長期權益)，本集團會終止確認其應佔的進一步虧損。額外虧損僅於本集團已產生法定或推定責任或代表該聯營公司付款時方予確認。



3. Significant Accounting Policies (continued)

Investments in an associate (continued)

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 "Impairment of Assets" ("IAS 36") as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in the investee with a resulting gain or loss being recognised in profit or loss. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IFRS 9/IAS 39. The difference between the carrying amount of the associate or at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. 主要會計政策(續)

於聯營公司的投資(續)

於聯營公司的投資自被投資方成為聯營公司當日起以權益法入賬。收購於聯營公司的投資時，任何投資成本超出本集團應佔被投資方的可識別資產及負債公平淨值的差額，均確認為商譽，並計入該項投資的賬面值內。本集團應佔可識別資產及負債的公平淨值超出投資成本的任何數額經重新評估後，即時於收購該項投資的期間於損益內確認。

本集團會評估是否具客觀證據證明於聯營公司的權益可能減值。倘若存在任何客觀證據，投資的全部賬面值(包括商譽)將根據國際會計準則第36號「資產減值」(「國際會計準則第36號」)以單一資產方式進行減值測試，方法是比較其可收回金額(即使用價值與公允價值減出售成本的較高者)與其賬面值。任何已確認減值虧損均構成該項投資賬面值的一部份。有關減值虧損的任何撥回乃於該項投資的可收回金額其後增加時根據國際會計準則第36號確認。

倘若本集團失去對聯營公司的重大影響力，將被列作出售於該被投資方的全部權益，所產生的收益或虧損於損益確認。倘本集團保留於前聯營公司的權益，且該保留權益為金融資產，則本集團會於該日按公允價值計量保留權益，而該公允價值被視為根據國際財務報告準則第9號／國際會計準則第39號首次確認時的公允價值。聯營公司於終止採用權益法當日的賬面值與任何保留權益及出售聯營公司部分權益的任何所得款項的公允價值之間的差額，乃於釐定出售該聯營公司的收益或虧損時計入。此外，本集團將先前於其他全面收入就該聯營公司確認的所有金額入賬，基準與倘該聯營公司直接出售相關資產或負債時所規定的基準相同。因此，倘該聯營公司先前已於其他全面收入確認的收益或虧損將於出售相關資產或負債時重新分類至損益，則本集團會在終止使用權益法時，將該項收益或虧損由權益重新分類至損益(作為重新分類調整)。



3. Significant Accounting Policies (continued)

Investments in an associate (continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Intangible assets

Intangible assets with finite useful lives, other than service concession arrangements as set out in "Service concession arrangements" below, that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

When the Group has a right to construct and operate the concession infrastructure (as a consideration for providing construction service in a service concession arrangement), it recognises a contract asset at fair value during the construction or upgrade period. Upon the completion of the construction or upgrade, the contract asset is reclassified to intangible asset which is carried at cost less accumulated amortisation and accumulated impairment losses.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

3. 主要會計政策(續)

於聯營公司的投資(續)

當於聯營公司之投資成為於合營企業之投資或於合營企業之投資成為於聯營公司之投資時，本集團將繼續使用權益法。於此類所有權權益變動發生時，公允價值不會重新計量。

倘本集團削減其於聯營公司的擁有權權益但本集團繼續採用權益法，而有關收益或虧損會於出售相關資產或負債時重新分類至損益，則本集團會將先前就削減擁有權權益而於其他全面收入確認的收益或虧損部份重新分類至損益。

倘集團實體與本集團一間聯營公司進行交易，與該聯營公司進行交易所產生的損益僅於該聯營公司的權益與本集團無關的情況下，才會在本集團的綜合財務報表中確認。

無形資產

單獨收購及有限定可使用年期之無形資產(不包括下文「服務特許經營安排」所載的服務特許經營安排)按成本減累計攤銷及累計減值虧損列賬。攤銷於其估計可使用年期以直線法確認。

倘本集團有權建造及經營特許經營基礎設施(作為提供服務特許經營安排下建造服務之代價)，其於建造或改造期間按公允價值確認合約資產。完成建造或改造後，合約資產會重新分類至無形資產，並以成本減累計攤銷及累計減值虧損列賬。

無形資產於出售時或預期其使用或出售不會產生任何日後經濟利益時終止確認。終止確認無形資產所產生的損益按資產的出售所得款項淨額與賬面金額的差額計算，並於終止確認資產期間於損益確認。



3. Significant Accounting Policies (continued)

Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or 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.

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

3. 主要會計政策(續)

有形及無形資產減值

於各報告期末，本集團審查其有形及無形資產的賬面金額，以釐定是否存在該等資產遭受減值虧損的任何跡象。倘存在任何該等跡象，則會估計資產的可收回金額，以釐定減值虧損(如有)的程度。倘不能估計個別資產的可收回金額，則本集團會估計資產所屬現金產生單位的可收回金額。倘可識別合理及一致的分配基準，企業資產亦會被分配至個別現金產生單位，否則或會被分配至可識別合理及一致的分配基準的最小組別現金產生單位。

可收回金額為公允價值減出售成本與使用價值兩者中的較高者。於評估使用價值時，估計未來現金流量使用稅前貼現率折現至其現值，而稅前貼現率反映現時市場對貨幣時間價值的評估及資產特定風險(未來現金流量估計並無作出調整)。

如資產(或現金產生單位)的可收回金額估計少於其賬面金額，該資產(或現金產生單位)的賬面金額減至其可收回金額。減值虧損即時於損益中確認。

如減值虧損隨後撥回，該資產(或現金產生單位)的賬面金額則增至其經修訂的估計可收回金額，惟增加的賬面金額不得超過倘於過往年度並無就該資產(或現金產生單位)確認減值虧損而本應釐定的賬面金額。撥回的減值虧損即時於損益中確認。



3. Significant Accounting Policies (continued)

Research and development costs

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

When no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Service concession arrangements

The Group has entered into a number of service concession arrangements with certain owners of the power plants (the “Grantors”).

Under these service concession arrangements:

- the Grantors control or regulate the services the Group must provide with the infrastructure, to whom it must provide them, and at what price; and
- the Grantors control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangements, or the infrastructure is used for its entire useful life under the arrangements, or both the Group’s practical ability to sell or pledge the infrastructure is restricted and continuing right of use of the infrastructure is given to the Grantors throughout the period of the arrangements.

Revenue relating to construction services under a service concession arrangement is recognised based on the progress towards complete satisfaction of a performance obligation, consistent with the Group’s accounting policy on recognising revenue from construction contracts.

3. 主要會計政策(續)

研發成本

研發活動開支於其產生期間確認為開支。

倘並無確認內部產生的無形資產，研發開支將於其產生期間於損益確認。

服務特許經營安排

本集團已與若干發電廠擁有人(「授予人」)訂立多項服務特許經營安排。

根據該等服務特許經營安排，

- 授予人控制或監管本集團需提供基建的服務、被提供服務的人士及價格；及
- 於安排期限末，授予人透過擁有權、實際權利或其他方式控制基建的任何重大剩餘權益，或基建根據安排於整個可用年限內使用，或於整個安排期間本集團出售或抵押基建的實際能力受到限制及使用基建的持續權利給予授予人。

特許經營安排項下建造服務的收益根據完全履行履約責任的進度確認，與本集團有關確認建築合約收益的會計政策一致。



3. Significant Accounting Policies (continued)

Service concession arrangements (continued)

Consideration given to the Grantor

A financial asset (receivables under service concession arrangement) is recognised to the extent that the Group has an unconditional right to receive cash or another financial asset from the Grantors for the consideration paid and payable by the Group to the Grantors. The Group has unconditional right to receive cash if the Grantors contractually guarantee to pay the Group specified or determinable amounts or the shortfall, if any, between amounts received from the users by the Grantors and specified or determinable amounts. The financial assets (receivables under service concession arrangement) are accounted for in accordance with the policy set out for financial assets at amortised cost under IFRS 9 or loans and receivables under IAS 39.

An intangible asset (service concession) is recognised consistent to the extent that the Group receives a right to charge the owners of the power plant, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the operation and maintenance service that will be delivered. The intangible asset (service concession) is accounted for in accordance with the policy set out for "Intangible assets" above.

Construction and upgrade services

Revenue and costs relating to construction or upgrade services of the existing or new infrastructure are recognised in accordance with the policy for "Construction contracts" above while the costs incurred to date plus recognised profits less recognised losses, if any, (representing the revenue) are included in contract assets during the construction or upgrade period and reclassified to intangible assets or receivables under service concession arrangement upon the completion of the construction or upgrade, as appropriate.

Operating service

Revenue relating to operating service are accounted for in accordance with the policy for "Revenue" above. Costs for operating services are expensed in the period in which they are incurred.

3. 主要會計政策(續)

服務特許經營安排(續)

給予授予人的代價

所確認金融資產(服務特許經營安排下的應收款項)以下列者為限：本集團有無條件權利向授予人收取現金或其他金融資產作為本集團支付及應付授予人的代價。如授予人以合約方式保證向本集團支付指定或待定金額，或授予人已收用戶的款項與指定或待定金額兩者間的差額(如有)，本集團擁有無條件權利收取現金。金融資產(服務特許經營安排下的應收款項)根據國際財務報告準則第9號有關按攤銷成本計量的金融資產或根據國際會計準則第39號有關貸款及應收款項的政策列賬。

無形資產(特許服務權)於本集團獲得向發電廠擁有人收費的權利時確認，惟該權利並非收取現金的無條件權利，因為該款項須以運營與維護服務將獲提供為條件。無形資產(特許服務權)根據上文「無形資產」所載的政策列賬。

建造及改造服務

與現有或新基礎設施的建造或改造服務有關的收入及成本根據上述「建築合約」的政策確認，而迄今已產生的合約成本加已確認溢利減已確認虧損(如有)計作收入，並於建造或改造期間計入合約資產，且於完成建造或改造後(如適用)根據服務特許經營安排重新分類至無形資產或應收款項。

營運服務

與營運服務有關的收入根據上述「收益」的政策列賬。營運服務的成本於其產生時支銷。



3. Significant Accounting Policies (continued)

Inventories

Inventories mainly include supplies and spare parts in relation to the Group's environment protection facility and operation and maintenance services are stated at the lower of cost and net realisable value. Cost of inventories are calculated using first-in-first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Employee benefits

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees' payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post-retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the PRC government.

The Group's contributions to the defined contribution retirement schemes are expensed as incurred.

3. 主要會計政策(續)

存貨

存貨(主要包括有關本集團環保設施及運營與維護服務的材料及零部件)按成本及可變現淨值中較低者入賬。存貨成本按先進先出法計算。可變現淨值指存貨的估計售價減所有估計完成成本及作出銷售的所需成本。

政府補助

直至合理確定本集團將會符合政府補助所附的條件及將會收取補助時方確認政府補助。

政府補助乃於本集團確認補助擬補償的相關成本開支期間，有系統地於損益內確認。具體而言，政府補助的首要條件為，本集團應購置、興建或以其他方式獲得非流動資產，並在綜合財務狀況表內確認為遞延收入及於有關資產的使用年期有系統地及按合理基準轉撥至損益。

僱員福利

根據中國規則及規例，本集團的中國僱員參加由中國相關省市政府組織的多項定額供款退休福利計劃，據此，本集團與中國僱員須每月按僱員薪金若干百分比向該等計劃作出供款。

省市政府承諾會承擔根據上述計劃應付所有現任及日後退休中國僱員的退休福利責任。除每月供款外，本集團並無支付僱員退休及其他退休後福利的責任。該等計劃的資產由中國政府管理的獨立管理基金持有，並與本集團的資產分開持有。

本集團向定額供款退休計劃的供款於產生時支銷。



3. Significant Accounting Policies (continued)

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15 since 1 January 2018. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

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

Interest income which are derived from the Group's ordinary course of business are presented as revenue.

3. 主要會計政策(續)

金融工具

金融資產及金融負債乃當集團實體成為工具合同條文之訂約方時確認。

金融資產及金融負債按公允價值初步計量，惟客戶合約產生的貿易應收款項自2018年1月1日起初次根據國際財務報告準則第15號計量。收購或發行金融資產及金融負債直接產生的交易成本，於初步確認時加入金融資產或金融負債的公允價值或自金融資產或金融負債的公允價值內扣除(如適用)。就按公允價值計入損益的金融資產或金融負債而言，收購直接產生的交易成本即時於損益表確認。

實際利率法乃計算金融資產或金融負債的攤銷成本及按有關期間攤分利息收入及利息支出的方法。實際利率法乃將估計日後現金收入及付款(包括所有構成整體實際利率的已付或已收費用及利率差價、交易成本及其他溢價或折讓)按金融資產或金融負債的預期使用年期，或(倘合適)較短期間實際折現至初次確認的賬面淨值的利率。

於本集團日常業務過程中產生的利息收入呈列為收益。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets

Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in note 2)

The Group's financial assets are classified into two categories, including financial assets subsequently measured at amortised cost and financial assets subsequently measured at FVTOCI.

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at FVTOCI:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets shall be subsequently measured at FVTPL, except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in OCI if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies. At the date of initial application, the Group elects to present subsequent changes in fair value of the equity investment in Wuhan BOCH JACO Environmental Co., Ltd. ("Wuhan BOCH") in OCI.

3. 主要會計政策(續)

金融工具(續)

金融資產

金融資產的分類及後續計量(根據附註2的過渡應用國際財務報告準則第9號)

本集團的金融資產分為兩類,包括其後按攤銷成本計量的金融資產及其後按公允價值計入其他全面收益計量的金融資產。

符合下列條件的金融資產其後按攤銷成本計量:

- 於一個商業模式內持有金融資產,而其目的是為了收取合約現金流量;及
- 合約條款令於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

符合下列條件的金融資產其後按公允價值計入其他全面收益計量:

- 於一個商業模式內持有金融資產,而其目的由收取合約現金流量及銷售達成;及
- 合約條款令於特定日期產生的現金流量純粹為支付本金及未償還本金的利息。

所有其他金融資產其後按公允價值計入損益計量,惟在首次應用/初始確認金融資產之日,倘該股本投資並非持作買賣,亦非收購方在國際財務報告準則第3號業務合併所適用的業務合併中確認的或然代價,本集團可不可撤銷地選擇於其他全面收益呈列股本投資公允價值的其後變動。於首次應用日期,本集團選擇在其他全面收益中呈列武漢博奇玉宇環保股份有限公司(「武漢博奇」)股本投資的公允價值變動。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (upon application of IFRS 9 in accordance with transitions in note 2) (continued)

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost and debt instruments/receivables subsequently measured at FVTOCI. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Equity instruments designated as at FVTOCI

Investments in equity instruments designated as at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained profits. Dividends from these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the other income and other gains and losses line item in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及後續計量(根據附註2的過渡應用國際財務報告準則第9號)(續)

(i) 攤銷成本及利息收入

利息收入就其後按攤銷成本計量的金融資產及按公允價值計入其他全面收益計量的債務工具／應收款項以實際利率法確認。利息收入將實際利率用於金融資產總賬面值來計算，惟其後已變為信貸減值的金融資產除外(見下文)。就其後已變為信貸減值的金融資產而言，利息收入將實際利率用於自下個報告期起計的金融資產攤銷成本來確認。如信貸減值金融工具的信貸風險降低，以讓金融資產不再維持信貸減值，則利息收入在斷定資產不再維持信貸減值後，將實際利率用於自報告期開始時起計的金融資產總賬面值來確認。

(ii) 指定為按公允價值計入其他全面收益的股本工具

指定為按公允價值計入其他全面收益的股本工具的投資其後按公允價值計量，其公允價值變動產生的收益及虧損於其他全面收益確認及於儲備累積；無須作減值評估。累計損益將不重新分類至出售股本投資之損益，並將轉撥至保留溢利。當本集團確認收取股息的權利時，該等股本工具投資的股息於損益中確認，除非股息明確表示收回部分投資成本。股息計入損益「其他收入及其他收益及虧損」項目。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 2)

The Group recognises a loss allowance for ECL on financial assets and contract assets which are subject to impairment under IFRS 9 (including trade receivables, other receivables, amounts due from related parties, receivables under service concession arrangement, bank balances and cash and pledged bank deposits). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group always recognises lifetime ECL for trade receivables and contract assets without significant financing component. The ECL on these assets are assessed collectively using a provision matrix.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用國際財務報告準則第9號)

本集團根據國際財務報告準則第9號就發生減值的金融資產及合約資產(包括貿易應收款項、其他應收款項、應收關連方款項、服務特許經營安排項下的應收款項、銀行結餘及現金以及已抵押銀行存款)確認預期信貸虧損的虧損撥備。預期信貸虧損的金額於各報告日期更新，以反映自初步確認後信用風險的變化。

全期預期信貸虧損指相關工具的預期使用期內所有可能的違約事件產生的預期信貸虧損。相反，12個月預期信貸虧損指預期於報告日期後12個月內可能發生的違約事件導致的全期預期信貸虧損部分。

評估乃根據本集團的歷史信貸虧損經驗進行，並根據債務人特有的因素、一般經濟狀況以及對報告日期當前狀況的評估以及對未來狀況的預測作出調整。

本集團始終就沒有重大融資成分的貿易應收款項及合約資產確認全期預期信貸虧損。預期信貸虧損使用撥備矩陣進行集體評估。

對於所有其他工具，本集團計量的虧損撥備等於12個月預期信貸虧損，除非自初步確認後信貸風險顯著增加，本集團確認全期預期信貸虧損。是否應確認全期預期信貸虧損的評估乃基於自初步確認以來發生違約的可能性或風險的顯著增加。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 2) (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用國際財務報告準則第9號)(續)

(i) 信貸風險大幅增加

於評估金融工具自初步確認以來信貸風險有否大幅增加時，本集團將於報告日期金融工具發生的違約風險與初步確認日以來金融工具發生的違約風險進行比較。本集團進行此項評估時會考慮合理且可支持的定量及定性資料，包括無需付出不必要的成本或努力而可得的歷史經驗及前瞻性資料。

具體而言，評估信貸風險自初步確認以來有否大幅增加時，會考慮以下資料：

- 金融工具外部(如有)或內部信用評級實際或預期會顯著惡化；
- 信用風險的外部市場指標明顯惡化，例如信貸息差大幅上升，或金融資產公允價值低於其攤銷成本的時長或幅度大幅增加；
- 預計會導致債務人履行債務責任能力大幅下降的業務、財務或經濟狀況的現有或預期不利變動；



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 2) (continued)

- (i) Significant increase in credit risk (continued)
- an actual or expected significant deterioration in the operating results of the debtor;
 - an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

- (ii) Definition of default
- The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when the contractual payment is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用國際財務報告準則第9號)(續)

- (i) 信貸風險大幅增加(續)
- 債務人經營業績實際或預期會顯著惡化；
 - 導致債務人履行債務責任能力大幅下降的監管、經濟或技術環境的實際或預期重大不利變動。

本集團定期監控用以識別信貸風險有否大幅增加的標準的效益，且修訂標準(如適當)來確保標準能在金額逾期前識別信貸風險大幅增加。

- (ii) 違約的定義
- 本集團認為以下情況就內部信貸風險管理目的而言構成違約事件，因為過往經驗表明符合以下任何一項條件的應收款項一般無法收回：

- 對手方違反契諾；或
- 內部產生或獲取自外部來源的資料表明，債務人不太可能向債權人(包括本集團)全額還款，不計及本集團持有的任何抵押品。

無論上文分析如何，本集團認為當合約付款逾期超過90日時，即屬發生違約，除非本集團有合理及有根據的資料證明較寬鬆的違約標準更為適用則當別論。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 2) (continued)

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用國際財務報告準則第9號)(續)

(iii) 信貸減值金融資產

金融資產在一項或以上事件(對該金融資產估計未來現金流量構成不利影響)發生時維持信貸減值。金融資產維持信貸減值的證據包括有關下列事件的可觀察數據：

- 發行人或借款人的重大財困；
- 違反合約(如違約或逾期事件)；
- 借款人的貸款人因有關借款人財困的經濟或合約理由而向借款人批出貸款人不會另行考慮的優惠；
- 借款人將可能陷入破產或其他財務重組；或
- 該金融資產的活躍市場因財困而消失。

(iv) 撇銷政策

資料顯示對手方處於嚴重財困及無實際收回可能時(例如對手方被清盤或已進入破產程序)，本集團則撇銷金融資產。經考慮法律意見後(倘合適)，遭撇銷的金融資產可能仍須按本集團收回程序進行強制執行活動。任何收回款項在損益中確認。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (upon application IFRS 9 with transitions in accordance with note 2) (continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

To measure the ECL, contract assets and trade receivables and other receivables are grouped based on shared common risk characteristics. The Group believes that most of the customers of trade receivable are the same in nature, who are power plants, and treats all customers as one single group. The grouping is regularly reviewed by the Directors to ensure the constituents of the group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments/receivables that are measured at FVTOCI, the Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade receivables, contract assets and other receivables where the corresponding adjustment is recognised through a loss allowance account. For investments in debt instruments/receivables that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the investment revaluation reserve without reducing the carrying amount of these debt instruments/receivables.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(根據附註2的過渡應用國際財務報告準則第9號)(續)

(v) 預期信貸虧損的計量及確認

預期信貸虧損的計量為違約概率、違約損失率及違約風險的函數。違約概率及違約損失率乃基於根據前瞻性資料調整的歷史數據評估。預期信貸虧損的預佔乃無偏概率加權平均金額，以發生違約的風險為權重確定。

一般而言，預期信貸虧損為本集團根據合約應收的所有合約現金流量與本集團預計收取的所有現金流量的差額，並按初步確認時釐定的實際利率貼現。

計量預期信貸虧損時，合約資產及貿易應收款項及其他應收款項按共同風險特點分類。本集團相信貿易應收款項的大部分客戶(發電廠)屬同一性質，將全部客戶視為同一類。董事定期檢討分組，確保集團成員公司繼續攤佔類似的信貸風險特點。

利息收入按金融資產的總賬面值計算，除非該金融資產信貸減值，則利息收入按金融資產的攤銷成本計算。

除債務工具投資／按公允價值計入其他全面收益計量的應收款項外，本集團通過調整所有金融工具的賬面值於損益確認彼等的減值收益或虧損，惟貿易應收款項、合約資產及其他應收款項除外，此種情況下透過虧損撥備賬確認相應調整。就債務工具投資／按公允價值計入其他全面收益計量的應收款項而言，虧損撥備於其他全面收益確認，並於投資重估儲備累計，不扣除該等債務工具／應收款項的賬面值。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 January 2018)

Financial assets are classified into the two categories, AFS investment and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that required delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including receivables under service concession arrangement, trade receivables, other receivables, amounts due from related parties, pledged bank deposits and bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment. (See the accounting policy in respect of impairment loss on financial assets below)

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及後續計量(於2018年1月1日應用國際財務報告準則第9號前)

金融資產分為兩類，包括可供出售投資以及貸款及應收款項。分類視乎金融資產的性質及目的而定，且於初步確認時釐定。所有以常規方式購買或出售的金融資產，均按交易日基準進行確認及終止確認。以常規方式購買或出售是指要求在相關市場中的規則或慣例通常約定的時間內交付資產的金融資產買賣。

(i) 貸款及應收款項

貸款及應收款項為有定額或可定額還款且並非在活躍市場報價的非衍生金融資產。於初步確認後，貸款及應收款項(包括服務特許經營安排項下的應收款項、貿易應收款項、其他應收款項、應收關連方款項、已抵押銀行存款與銀行結餘及現金)扣減任何減值後使用實際利率法按攤銷成本列賬。(參閱下文有關金融資產減值虧損的會計政策)

利息收入透過採用實際利率法確認，惟貼現的影響甚微的短期應收賬款除外。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Classification and subsequent measurement of financial assets (before application of IFRS 9 on 1 January 2018) (continued)

(ii) AFS investment

An AFS investment is non-derivatives that are either designated as available-for-sale or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL. The Group designated an equity investment in Wuhan BOCH as AFS investment on initial recognition.

Equity and debt securities held by the Group that are classified as AFS investments are measured at fair value at the end of each reporting period except for unquoted equity investments whose fair value cannot be reliably measured. Changes in the carrying amount of AFS investment relating to interest income calculated using the effective interest method, are recognised in profit or loss. Dividends on AFS investment are recognised in profit or loss when the Group's right to receive the dividends is established. Other changes in the carrying amount of AFS investment are recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve.

An AFS investment that does not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產的分類及後續計量(於2018年1月1日應用國際財務報告準則第9號前)(續)

(ii) 可供出售投資

可供出售投資為指定為可供出售或不可分類為(a)貸款及應收款項、(b)持至到期投資、或(c)按公允價值計入損益的金融資產的非衍生工具。本集團於初步確認時將於武漢博奇的股本投資指定為可供出售投資。

本集團持有的權益及債務證券於各報告期末分類為可供出售投資，按公允價值計量，惟公允價值不能可靠計量的無報價股權投資除外。有關使用實際利率法計算的利息收入的可供出售投資的賬面值變動於損益中確認。可供出售投資的股息於本集團確立收取股息的權利時於損益中確認。可供出售投資賬面值的其他變動於其他全面收益中確認及於投資重估儲備中累積。

就並無活躍市場之市場報價及公允價值不能可靠計量的可供出售投資而言，該等投資於報告期末按成本減任何已識別減值虧損計量。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of IFRS 9 on 1 January 2018)

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For an AFS investment, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty;
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial asset's original effective interest rate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於2018年1月1日應用香港財務報告準則第9號前)

於各報告期末，會評估金融資產有否減值跡象。當有客觀證據顯示因於初步確認金融資產後發生的一項或多項事件而引致投資該等金融資產的估計未來現金流量受到影響時，金融資產被視為出現減值。

就可供出售投資而言，證券公允價值大幅或長時間低於其成本被視為減值的客觀證據。

就所有其他金融資產而言，減值的客觀證據可包括：

- 發行人或對手方出現嚴重財政困難；
- 違約，如逾期支付或拖欠利息或本金；或
- 借款人有可能破產或進行財務重組。

就按攤銷成本列賬的金融資產而言，已確認減值虧損金額乃為資產賬面值與按金融資產原實際利率貼現的估計未來貼現現金流量的現值之間的差額。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (before application of IFRS 9 on 1 January 2018) (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable or other receivables is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an AFS investment is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of an AFS investment, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under investment revaluation reserve.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(於2018年1月1日應用香港財務報告準則第9號前)(續)

就所有金融資產而言，減值虧損會直接於金融資產的賬面值中作出扣減，惟貿易應收款項及其他應收款項除外，其賬面值會透過撥備賬作出扣減。當貿易應收款項或其他應收款項被視為不可收回時，其將於撥備賬內撇銷。其後收回先前撇銷的金額於撥備賬內對銷。撥備賬內的賬面值變動會於損益中確認。

倘可供出售投資被視為須予減值，則過往於其他全面收益確認的累計收益或虧損於期內重新分類至損益。

就按攤銷成本計量的金融資產而言，倘於隨後某一段期間減值虧損金額減少，且該減幅客觀上可能與減值確認後發生的某一事件有關，則此前確認的減值虧損透過損益撥回，惟該投資於減值撥回當日的賬面值不得超過在如無確認減值的情況下原應有的攤銷成本。

就可供出售投資而言，過往於損益確認的減值虧損並非透過損益撥回。於減值虧損後出現的任何公允價值增長於其他全面收益確認，並於投資重估儲備項下累計。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of an investment in a debt instrument classified as at FVTOCI upon application of IFRS 9, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI upon application of IFRS 9, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained profits.

On derecognition of an AFS financial asset, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

終止確認金融資產

僅當從資產收取現金流量之合約權利已到期，或當本集團已將金融資產及其於資產擁有權之絕大部分風險及回報轉讓予另一實體時，本集團終止確認金融資產。倘本集團並無轉讓亦無保留擁有權之絕大部分風險及回報，並繼續控制已轉讓資產，本集團確認其於資產內的保留權益，並就其可能須支付的款項確認相關負債。倘本集團保留已轉讓金融資產擁有權之絕大部分風險及回報，則本集團繼續確認金融資產，同時亦就已收取之所得款項確認有抵押借貸。

終止確認按攤銷成本計量的金融資產時，資產賬面價值與已收及應收代價之總和之差額，將於損益中確認。

應用根據國際財務報告準則第9號終止確認分類為按公允價值計入其他全面收益的債務工具的投資時，以往於投資重估儲備中累計的損益會重新分類至損益。

終止確認股本工具的投資(本集團應用國際財務報告準則第9號後於初步確認時選擇按公允價值計入其他全面收益計量)時，以往於投資重估儲備中累計的損益不會重新分類至損益，但會轉入保留溢利。

終止確認可供出售金融資產時，以往於投資重估儲備中累計的損益會重新分類至損益。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. The Group's financial liabilities are classified as financial liabilities at FVTPL and financial liabilities at amortised cost.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具

分類為債務或權益

集團實體所發行的債務及股本工具按合同安排的性質以及金融負債及股本工具的定義分類為金融負債或權益。

股本工具

股本工具為證明實體資產經扣除其所有負債後的剩餘權益的任何合同。集團實體發行的股本工具按已收所得款項(扣除直接發行成本)確認。

本公司本身之股本工具之購回乃直接於權益內確認及扣除。並無於損益賬內確認購買、出售、發行或註銷本公司本身之股本工具之溢利或虧損。

金融負債

所有金融負債其後以實際利率法按攤銷成本計量，或按公允價值計入損益。本集團的金融負債分類為按公允價值計入損益的金融負債及按攤銷成本計量的金融負債。

按公允價值計入損益的金融負債

當金融負債為(i)收購方可能支付之或然代價(作為國際財務報告準則第3號適用之業務合併的一部份)；(ii)持作買賣；或(iii)其獲指定為按公允價值計入損益時，金融負債分類為按公允價值計入損益。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity instrument (continued)

Financial liabilities at FVTPL (continued)

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9/IAS 39 permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Upon application of IFRS 9, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained profits upon derecognition of the financial liability.

Prior to application of IFRS 9 on 1 January 2018, financial liabilities designated at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any interest paid on the financial liabilities and is included in the other income and other gains and losses line item. Fair value is determined in the manner described in note 34.

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

按公允價值計入損益的金融負債(續)

- 有關指定消除或大幅減少可能出現計量或確認歧異；或
- 金融負債構成一組金融資產或金融負債或金融資產及金融負債組合之一部分，而根據本集團制定之風險管理或投資策略，該項負債之管理及績效乃以公允價值為基準進行評估，且有關分類之資料乃按該基準向內部提供；或
- 其構成包含一個或多個內含衍生工具合約之一部分，且國際財務報告準則第9號／國際會計準則第39號准許整份合併合約(資產或負債)指定為按公允價值計入損益。

應用國際財務報告準則第9號後，就指定為按公允價值計入損益的金融負債而言，因金融負債信貸風險有變而導致其公允價值變動的款額乃於其他全面收益中確認，除非於其他全面收益中確認該負債信貸風險變動的影響會產生或增加損益的會計錯配，則作別論。於其他全面收益中確認的金融負債信貸風險引起的公允價值變動其後不會重新分類至損益，而會於終止確認金融負債後轉入保留溢利。

於2018年1月1日應用國際財務報告準則第9號前，指定為按公允價值計入損益的金融負債按公允價值計量，而重新計量所產生的收益或虧損於損益確認。於損益確認的收益或虧損淨額包括就金融負債支付的任何利息，計入「其他收入及其他收益及虧損」項目。公允價值按附註34所述的方式釐定。



3. Significant Accounting Policies (continued)

Financial instruments (continued)

Financial liabilities and equity instrument (continued)

Financial liabilities measured at amortised cost

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

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

3. 主要會計政策(續)

金融工具(續)

金融負債及股本工具(續)

按攤銷成本計量的金融負債

按攤銷成本計量的金融負債包括貿易應付款項及應付票據、其他應付款項、應付關連方款項及銀行借款，其後按攤銷成本使用實際利率法計量。

金融資產與金融負債相互抵銷

當且僅當本集團有現行依法可強制執行的權利以抵銷已確認金額，且有意以淨額結算或同時變現資產和清償債務時，則金融資產與金融負債相互抵銷，以淨額於財務狀況表內呈列。

撥備

倘本集團因過往事件而承擔現有責任(法定或推定)，而本集團可能須履行該項責任，且有關責任涉及的金額能可靠估計時則會確認撥備。撥備按於報告期末時履行現時責任所需代價的最佳估計計量，當中已考慮與責任有關的風險及不確定因素。倘撥備以估計履行現時責任的現金流量計量時，其賬面值為該等現金流量的現值(倘貨幣時間價值的影響屬重大時)。

借貸成本

收購、建造或生產合資格資產(指必須經一段長時間方準備就緒作其擬定用途或出售的資產)直接應佔的借貸成本乃加上至該等資產的成本，直至資產大致上準備就緒作其擬定用途或出售時為止。

所有其他借貸成本均在其產生期間內於損益確認。



3. Significant Accounting Policies (continued)

Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 43.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest.

The impact of the version of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

3. 主要會計政策(續)

以股份為基礎之付款安排

向僱員及其他提供類似服務的人士作出的以股權結算以股份為基礎的付款乃於授出日期按股本工具的公允價值計量。有關釐定以股權結算以股份為基礎的交易的公允價值的詳情載於附註43。

於授出日期釐定以股權結算以股份為基礎的付款的公允價值乃於歸屬期間，基於本集團對將會最終歸屬的股本工具的估計，按直線法支銷，權益則相應增加。於各報告期末，本集團會修訂其對預計將會歸屬的股本工具數量的估計。

修訂最初估計的影響(倘有)將於損益中確認，以使累積開支能夠反映修訂後的估計，並對股權結算僱員福利儲備作出相應調整。

僱員以外人士參與的以股權結算以股份為基礎的付款交易按所接收商品或服務的公允價值計量，除非有關公允價值無法可靠估計，在此情況下，則按所授出股本工具的公允價值於實體取得商品或對手方提供服務之日計量。

對於以現金結算以股份為基礎付款，就所取得的商品或服務確認一項負債，初步按負債公允價值計量。於各報告期末直至負債獲清償及於清償之日，負債公允價值予以重新計量，而公允價值的任何變動則於年內損益確認。



4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The followings are the critical judgements, apart from those involving estimations that the Directors have made in the process of applying the Group's accounting policies and have the most significant effect on the amounts recognised in the consolidated financial statements.

Judgments in determining the performance obligations

In making their judgments, the Group considered the detailed criteria for recognition of revenue set out in IFRS 15. In determining performance obligations, the Directors consider whether the customer benefits from each service on its own and whether it is distinct in the context of the contract. Specifically, when concluding a contract has multiple performance obligations, the Directors consider that the individual performance obligation is regularly satisfied separately and the service is separately identifiable from other promises within the contract.

4. 關鍵會計判斷及估計不明朗因素的主要來源

於應用附註3所述之本集團會計政策時，董事被要求就未能於其他來源取得之資產及負債之賬面金額作出判斷、估計及假設。

估計及相關假設乃根據過往經驗及其他被認為屬相關之因素作出。實際結果可能有別於該等估計。本集團會持續審視該等估計及相關假設。倘會計估計之修訂僅影響作出修訂估計之期間，則有關估計修訂將於作出修訂之期間確認，或倘修訂對本期及未來期間均會構成影響，則會於作出修訂之期間及未來期間確認。

應用會計政策的關鍵判斷

以下部分為關鍵判斷，惟該等涉及董事於採用本集團會計政策時已作出的估計及對於綜合財務報表確認的金額產生最關鍵影響的估計之判斷除外。

釐定履約責任的判斷

本集團在作出判斷時考慮國際財務報告準則第15號所載有關收益確認的具體標準。釐定履約責任時，董事考慮客戶自身是否受惠於各項服務以及各項服務在合同中是否可明確區分。具體而言，認定合約具有多項履約責任時，董事認為個別履約責任已單獨按時履行，而服務亦可從合約的其他承諾中單獨區分。



4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Critical judgements in applying accounting policies (continued)

Judgments in determining the timing of satisfaction of performance obligations

Note 3 describes the revenue recognition basis to each of the Group's revenue streams. The recognition of each of the Group's revenue streams requires judgment by the Directors in determining the timing of satisfaction of performance obligations.

In making their judgment, the Directors considered the detailed criteria for recognition of revenue set out in IFRS 15 and in particular, whether the Group has satisfied all the performance obligations over time or at a point in time with reference to the detailed terms of transactions as stipulated in the contracts entered into with its customers.

The Directors has assessed that the Group's performance creates and enhances an asset that the customer controls as the Group performs in a EPC business; that the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs in a O&M business; and that the BOT business contains two performance obligations characterised as EPC and O&M business. Therefore, the Directors have satisfied that the performance obligation is satisfied over time and recognised the revenue over the service period.

Accounting for the Group's service concession arrangements under IFRIC Interpretation 12 Service Concession Arrangements ("IFRIC 12")

The Group's service concession arrangements are accounted for as intangible assets and/or financial assets (receivables under service concession arrangement) in accordance with IFRIC 12 because, in the opinion of the Directors, the Group's service concession arrangements contain the following:

- the grantors control or regulate the services the Group must provide with the infrastructure, to whom the Group must provide such services, and at prices agreed with the grantors;
- the grantors of the infrastructure controls, through ownership, any significant residual interest in the infrastructure at the end of the service concession agreement; and
- the grantors restrict the Group's practical ability to sell or pledge the infrastructure that give the Group continuing right of use throughout the period of the arrangements.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

應用會計政策的關鍵判斷(續)

釐定履約責任完成時間的判斷

附註3闡述本集團各收益來源的收益確認基準。確認本集團各收益來源需要董事在釐定完成履約責任時間時作出判斷。

董事作出判斷時會考慮國際財務報告準則第15號所載有關收益確認的具體標準，尤其是經參考與客戶訂立的合約訂明的交易詳細條款後確定本集團是經一段時間或於某一時間點完成所有履約責任。

董事確定本集團在EPC業務履約時，本集團的履約產生及提升一項由客戶控制的資產，確定本集團在運維業務履約時，客戶同時收取及耗用本集團履約所提供的利益，確定含有兩個履約責任的BOT業務有EPC及運維業務的特點。因此，董事相信履約責任乃經一段時間完成並於服務期內確認收益。

本集團服務特許經營安排根據國際財務報告詮釋委員會詮釋第12號服務特許經營安排(「國際財務報告詮釋委員會詮釋第12號」)之會計處理

本集團服務特許經營安排根據國際財務報告詮釋委員會詮釋第12號列賬為無形資產及／或金融資產(服務特許經營安排項下的應收款項)，原因為董事認為本集團服務特許經營安排包括以下各項：

- 授予人控制或監管本集團必須與基礎建設一同提供的服務、本集團服務的提供對象以及授予人同意的服務價格；
- 基礎建設授予人在服務特許經營協議終止時通過所有權控制基礎建設的任何重大剩餘利益；及
- 授予人限制本集團出售或抵押於整個安排期間授予本集團持續使用權的基礎建設之實際能力。



4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key Sources of estimation uncertainty

The followings are 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.

Progress of completion of performance obligations

The Group recognises contract revenue and profit on a construction contract according to the Directors' estimation of the total outcome of the project as well as the progress of completion of performance obligations. Notwithstanding that the Directors reviews and revises the estimates of both contract gross margin and costs for the construction contract as the contract progresses, the actual outcome of the contract in terms of its total revenue and costs may be higher or lower than the estimates and this will affect the revenue and profit recognised.

In addition, the Group makes provision for expected loss on construction contracts based on the estimation of the outcome of the ongoing construction projects by the Directors' prior experience and industry averages for similar projects. The Group assesses periodically the expected return of construction contracts and if the expectation differs from the original estimate, such difference will impact the expected return in the period in which such estimate has been changed.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不確定因素的主要來源

以下為於報告期末有關未來之主要假設及估計不明朗因素之其他主要來源，具有導致資產及負債之賬面金額於下一財政年度內作出大幅調整之重大風險。

完成履約責任的進度

本集團根據董事就項目總成果及完成履約責任的進度的估計，確認建築合約的合約收益及溢利。儘管董事根據合約的進展程度，審閱及修訂建築合約的合約毛利率及成本估計，有關合約總收益及成本的實際結果或會高於或低於估計值，這將會影響已確認的收益及溢利。

此外，本集團根據董事就類似項目的過往經驗及行業平均水平就正在進行的建築項目成果的估計對建築合約預期虧損計提撥備。本集團定期評估建築合約的預期回報及倘預期值有別於原始估計，有關差額將影響有關估計變動期間的預期回報。



4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (continued)

Key Sources of estimation uncertainty (continued)

Provision of ECL for trade receivables and contract assets

The Group uses provision matrix to calculate ECL for the trade receivables and contract assets. The provision rates are based on internal credit ratings as a grouping of various debtors that have similar loss patterns. The provision matrix is based on the Group's historical default. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered. In addition, trade receivables and contract assets with significant balances and credit impaired are assessed for ECL individually. The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Group's trade receivables and contract assets are disclosed in notes 27, 24 and 23, respectively.

Useful life and impairment of property, plant and equipment

The Directors determine the estimated useful lives and the depreciation method in determining the related depreciation charges for its property, plant and equipment. This estimate is based on the Directors' experience of the actual useful lives of property, plant and equipment of similar nature and functions. In addition, the Directors assess impairment whenever events or changes in circumstances indicate that the carrying amount of an item of property, plant and equipment may not be recoverable. The Directors will increase the depreciation charge where useful lives are estimated to be shorter than previously estimated, or will write off or write down obsolete assets that have been abandoned or impaired. Any changes in these estimates may have a material impact on the results of the Group.

4. 關鍵會計判斷及估計不明朗因素的主要來源(續)

估計不確定因素的主要來源(續)

貿易應收款項及合約資產的預期信貸虧損撥備

本集團使用撥備矩陣計算貿易應收款項及合約資產的預期信貸虧損。撥備率以具有類似虧損模式的不同債務人組別的內部信貸評級為基礎。撥備矩陣基於本集團的歷史違約情況。於各報告期末，可觀察的歷史違約率會重新評估，並考慮前瞻性資料的變動。此外，具有重大結餘及信貸減值的貿易應收款項及合約資產將分別評估預期信貸虧損。預期信貸虧損撥備對估計變動尤為敏感。有關預期信貸虧損及本集團貿易應收款項及合約資產的資料分別於附註27、24及23披露。

物業、廠房及設備的可使用年期及減值

董事釐定其物業、廠房及設備的估計可使用年期及釐定相關折舊費用的折舊方法。該估計乃根據董事對類似性質及功能的物業、廠房及設備的實際可使用年期的經驗而釐定。此外，在出現任何顯示可能無法收回物業、廠房及設備項目的賬面值的事件或情況出現變化時，董事會評估減值。倘若可使用年期預計少於先前預期，則董事將增加折舊費用，或會撇銷或撇減已報廢或減值的廢舊資產。該等估計如有任何變動，可能會對本集團的業績造成重大影響。



5. Revenue and Segment Information

Revenue is mainly generated from the flue gas desulfurisation and denitrification services through three different models, namely EPC, operation and maintenance and concession operation. In addition, the Group also provides sewage treatment and sales of by-products, which are recorded in others.

For the purposes of resources allocation and assessment of segment performance, the executive Directors, being the chief operating decision maker ("CODM"), regularly review types of goods or services delivered or provided by focusing on different business models. No operating segments have been aggregated in arriving at the reportable segments of the Group.

Specifically, the Group's reportable segments under IFRS 8 are as follows:

EPC	project design, procurement of equipment and materials, project construction and equipment installment and testing services
O&M	operation service and regular maintenance service for desulfurisation and denitrification facilities and dust removal facilities
BOT & TOT	construction of infrastructure or acquisition of existing infrastructure from grantor, operation and maintenance of flue gas treatment project for a pre-defined period according to the concession contract and transfer the ownership of the infrastructure to the customer at the end of the period
Others:	sewage treatment, sales of by-products and others

5. 收益及分部資料

收益主要透過三種不同模式(即EPC、運營與維護及特許經營業務)自煙氣脫硫及脫硝服務產生。此外，本集團亦提供污水處理及銷售副產品並於其他中列賬。

為進行資源分配及分部業績評估，執行董事(即主要運營決策者(「主要運營決策者」))通過專注於不同業務模式定期審查所交付貨物或所提供服務的類別。於達致本集團可呈報分部時概無匯集經營分部。

具體而言，根據國際財務報告準則第8號，本集團的可呈報分部如下：

EPC	項目設計、設備及材料採購、項目建設及設備安裝及測試服務
運維	脫硫及脫硝設施及除塵設施的運營服務及常規維護服務
BOT及TOT	根據特許經營合約於預定期間進行基礎設施建設或自授予人收購現有基礎設施、煙氣治理項目運營與維護以及於期末轉讓基礎設施所有權予客戶
其他	污水處理、銷售副產品及其他

5. Revenue and Segment Information (continued)

Disaggregation of revenue

5. 收益及分部資料(續)

收益的細分

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Timing of revenue recognition	確認收益的時間		
Over time	隨著時間	1,717,555	1,307,718
A point in time	時間點	27,443	21,360
		1,744,998	1,329,078
Types of goods and services	貨品及服務類品		
Provision of services	提供服務	1,717,555	1,307,718
Sales of goods	銷售貨品	27,443	21,360
		1,744,998	1,329,078
Nature of goods and services EPC	貨品及服務性質		
EPC	EPC	722,117	555,261
O&M	運營與維護	415,113	402,815
Concession operation	特許經營	580,051	340,477
Others	其他	27,717	30,525
		1,744,998	1,329,078

**5. Revenue and Segment Information (continued)****Disaggregation of revenue (continued)****Transaction price allocated to the remaining performance obligations for contracts with customers**

The performance obligations for the EPC services and construction services under service concession arrangements have an original expected duration of one year or less. Therefore the transaction price allocated to these unsatisfied contracts is not disclosed as permitted by IFRS 15.

For certain O&M services and the O&M service under service concession arrangements, the Group applies the practical expedient by recognising revenue in the amount to which the Group has right to invoice. The transaction price allocated to these unsatisfied contracts is not disclosed as permitted by IFRS 15.

For the O&M services with fixed total contract amounts, the transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2018 and the expected timing of recognising revenue are as follows:

		O&M 運營與維護 RMB'000 人民幣千元
Within one year	一年內	151,976
More than one year but not more than two years	一年以上但不超過兩年	37,363
More than two years	超過兩年	102,813
Total	總計	292,152

5. 收益及分部資料(續)**收益的細分(續)****客戶合約中分配至剩餘履約責任的交易價格**

服務特許經營安排的EPC服務及建造服務的履約責任的原定預期期限為一年或以內。按國際財務報告準則第15號准許，分配至該等未履行合約的交易價格並未披露。

就若干運營與維護服務及服務特許經營安排的運營與維護服務而言，本集團透過確認本集團有權開具發票的金額之收益應用可行權宜方法。按國際財務報告準則第15號准許，分配至該等未履行合約的交易價格並未披露。

就固定合約總數的運營與維護服務而言，於2018年12月31日分配至剩餘履約責任(未滿足或部分滿足)的交易價格及預期確認收益如下：



5. Revenue and Segment Information (continued)

Disaggregation of revenue (continued)

Geographical information

The Group primarily operates in the PRC. Substantially all non-current assets and revenue of the Group are located in and generated from the PRC.

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

5. 收益及分部資料(續)

收益的細分(續)

地區資料

本集團主要於中國經營業務。本集團幾乎所有非流動資產及收益均位於中國及自中國產生。

下文為按營運及可呈報分部劃分的本集團收益及業績分析：

		Segment revenue		Segment profit	
		Year ended 31 December		Year ended 31 December	
		分部收益		分部溢利	
		截至12月31日止年度		截至12月31日止年度	
		2018	2017	2018	2017
		2018年	2017年	2018年	2017年
		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
EPC	EPC	722,117	555,261	56,523	43,072
O&M	運維	415,113	402,815	124,556	126,756
Concession operation	特許經營	580,051	340,477	114,042	111,452
Others	其他	27,717	30,525	22,737	15,962
Total	總計	1,744,998	1,329,078	317,858	297,242
Unallocated other income and other gains and losses	未分配其他收入、其他收益及虧損			117,456	26,017
Unallocated selling and distribution expenses	未分配銷售及分銷開支			(26,170)	(18,318)
Unallocated administrative expenses	未分配行政開支			(109,103)	(88,892)
Unallocated (allowance) reversal of impairment losses on financial assets and contract assets	未分配金融資產及合約資產的減值虧損(撥備)撥回			(3,816)	10,158
Unallocated share of profit of an associate	未分配應佔聯營公司溢利			27,963	31,694
Unallocated finance costs	未分配融資成本			(5,900)	(5,333)
Unallocated change in fair value of convertible ordinary shares	可轉換普通股的公允價值變動			133,541	(233,228)
Unallocated listing expenses	未分配上市開支			(3,319)	(14,114)
Profit before tax	除稅前溢利			448,510	5,226



5. Revenue and Segment Information (continued)

Disaggregation of revenue (continued)

The accounting policies of the operating and reportable segments are the same as the Group's accounting policies described in note 3.

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales for the year ended 31 December 2018 (2017: Nil).

Segment profit represents the gross profit of each segment. This is the measure reported to the CODM for the purposes of resource allocation and assessment of segment performance.

No segment assets and liabilities are presented as the CODM does not regularly review segment assets and liabilities.

Information about major customers

Revenue from customers during the year contributing over 10% of the total revenue of the Group are as follows:

5. 收益及分部資料(續)

收益的細分(續)

營運及可呈報分部的會計政策與本集團於附註3敘述的會計政策相同。

上文呈報的分部收益指來自外部客戶的收益。截至2018年12月31日止年度概無分部間銷售(2017年：無)。

分部溢利指各分部的毛利。此為就資源分配及分部業績評估向主要運營決策者報告的方法。

由於主要運營決策者並未定期審閱分部資產及負債，因此，概無呈列分部資產及負債。

主要客戶資料

於本年度，來自貢獻本集團總收益10%以上客戶的收益如下：

		Year ended 31 December 截至12月31日止年度	
Segment 分部		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Customer A 客戶A	O&M 運維	255,575	197,061
Customer B 客戶B	Concession operation & O&M 特許經營及運維	*	168,696
Customer C 客戶C	EPC EPC	*	146,990

* Revenue from these customers was less than 10% in 2018.

* 來自該等客戶的收益於2018年不足10%。



6. Other Income and Other Gains and Losses

6. 其他收入及其他收益及虧損

		Year ended 31 December 截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest income	利息收入	38,496	17,199
Government grants	政府補助	26,968	11,554
Rental income, net (note 10)	租金收入淨值(附註10)	1,526	847
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	(21)	(45)
Gains from extinguishment of liabilities (note)	取消償還負債的收益(附註)	8,786	2,534
Foreign exchange gains (losses)	匯兌收益(虧損)	35,445	(10,331)
Others	其他	6,256	4,259
		117,456	26,017

Note: The amount mainly represents certain outstanding trade payables, other payables and accrued expenses, relating to construction contracts, which has exceeded the maximum recourse periods and is no longer payable by the Group.

附註：該金額主要指與建築合約有關的若干未償還貿易應付款項、其他應付款項及應計開支，已超過最長追索期，本集團不再需要支付。

7. (Allowance) Reversal of Impairment Losses on Financial Assets and Contract Assets

7. 金融資產及合約資產的減值虧損(撥備)撥回

		Year ended 31 December 截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Allowance (reversal) of allowance for trade receivables	貿易應收款項撥備(撥回)	(324)	10,458
Allowance for other receivables	其他應收款項撥備	(125)	(300)
Allowance for contract assets	合約資產撥備	(1,278)	—
Allowance for amounts due from related parties	應收關連方款項撥備	(2,244)	—
Reversal of allowance for receivables under service concession arrangement	服務特許經營安排項下的應收款項撥備撥回	155	—
		(3,816)	10,158

8. Finance Costs

8. 財務成本

		Year ended 31 December 截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest on bank borrowings	銀行借貸利息	5,900	5,333



9. Income Tax Expense

9. 所得稅開支

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax - PRC	即期所得稅—中國	48,239	29,718
Deferred income tax (note 21)	遞延稅項(附註21)	7,452	12,537
Total	總計	55,691	42,255

The Company and CBEE Holdings Co., Ltd. ("CBEE") were incorporated in the Cayman Islands and the British Virgin Islands ("BVI"), respectively. Both entities did not have tax assessable profit in Cayman Islands, BVI or other jurisdiction during the reporting periods.

Pursuant to the Enterprise Income Tax Law (the "EIT Law") effective on 1 January 2008, Beijing Boqi Electric Power SCI-TECH Co., Ltd. (北京博奇電力科技有限公司) ("Beijing Boqi") obtained a "High and New Technology Enterprise" (the "HNTE") in 2008 which Beijing Boqi was entitled to a preferential tax rate of 15% from 2008 to 2010 and could be re-applied every three years; the current active HNTE certificate has an effective date until December 2020.

In October 2015, Shanxi Hejin Boqi Environmental Technology Co., Ltd. (山西河津博奇環保科技有限公司) ("Hejin Boqi") obtained the approval for being eligible as the HNTE for the year ended 31 December 2015 which Hejin Boqi was entitled to a preferential tax rate of 15% from 2015 to 2017 and could be re-applied every three years; the current active HNTE certificate has an effective date until December 2021.

In November 2016, Jiangxi Jinggangshan Boqi Environmental Technology Co., Ltd. (江西井岡山博奇環保科技有限公司) ("Jinggangshan Boqi") obtained the approval for being eligible as the HNTE for the year ended 31 December 2016 which Jinggangshan Boqi was entitled to a preferential tax rate of 15% from 2016 to 2018 and could be re-applied every three years, and the current active HNTE certificate has an effective date until November 2019.

本公司及CBEE Holdings Co., Ltd. (「CBEE」)分別於開曼群島及英屬處女群島(「英屬處女群島」)註冊成立。於報告期間，該等實體於開曼群島、英屬處女群島或其他司法權區並無應課稅溢利。

根據於2008年1月1日生效的企業所得稅法(「企業所得稅法」)，北京博奇電力科技有限公司(「北京博奇」)於2008年獲評為「高新技術企業」(「高新技術企業」)，北京博奇據此於2008年至2010年間享有15%的優惠稅率且可每隔三年重新申請；目前生效的高新技術企業認證有效期至2020年12月。

於2015年10月，山西河津博奇環保科技有限公司(「河津博奇」)取得批文，於截至2015年12月31日止年度合資格為高新技術企業。因此，河津博奇自2015年至2017年享有15%的優惠稅率且可每隔三年重新申請；目前生效的高新技術企業認證有效期至2021年12月。

於2016年11月，江西井岡山博奇環保科技有限公司(「井岡山博奇」)取得批文，於截至2016年12月31日止年度合資格為高新技術企業，因此，井岡山博奇於2016年至2018年享有15%的優惠稅率且可每隔三年重新申請；目前生效的高新技術企業認證有效期至2019年11月。



9. Income Tax Expense (continued)

In December 2017, Shanxi Puzhou Boqi Environmental Technology Co., Ltd. (山西蒲洲博奇環保科技有限公司) ("Puzhou Boqi") obtained the approval, by which the desulfurisation program in Puzhou Boqi was entitled to a preferential income tax of three-years free from 2017, followed by a three-year preferential rate of 12.5%.

The applicable tax rate of other PRC subsidiaries of the Company was 25% for the year ended 31 December 2018 (2017: 25%).

According to the relevant tax law in the PRC, dividend distributed to foreign investors out of the profit generated from 1 January 2008 onwards shall be subject to withholding tax at 10% and withheld by the PRC entities, pursuant to Articles 3 and 37 of the EIT Law and Article 91 of its Detailed Rules for the Implementation of the Regulation.

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

9. 所得稅開支(續)

於2017年12月，山西蒲洲博奇環保科技有限公司(「蒲洲博奇」)獲批於蒲洲博奇的脫硫計劃自2017年享有免繳三年所得稅的優惠，其後三年可享有12.5%的優惠稅率。

截至2018年12月31日止年度，本公司其他中國附屬公司的適用稅率為25%(2017年：25%)。

根據中國相關稅法，按企業所得稅法第3及37條以及其實施條例細則第91條，中國實體須就自2008年1月1日以來產生的溢利向海外投資者分派的股息繳納10%的預扣稅。

年內所得稅開支可與綜合損益及其他全面收益表所示除稅前溢利對賬如下：

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before tax	除稅前溢利	448,510	5,226
Tax at applicable income tax rate of 25%	按適用所得稅稅率25%計算的稅項	112,128	1,307
Tax deduction due to preferential tax rate	因優惠稅率而扣減稅項	(31,210)	(24,052)
Tax effect of R&D super deduction	研發超級扣稅之稅務影響	(836)	(643)
Tax effect of income not taxable for tax purpose	毋須課稅收入之稅務影響	(48,831)	(5,397)
Tax effect of expenses that are not deductible for tax purpose	不可扣稅開支之稅務影響	14,053	70,714
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(113)	(166)
Tax effect of tax losses not recognised	未確認稅項虧損之稅務影響	2,482	492
Withholding income tax on earnings expected to be remitted by subsidiaries (note 21)	預期由附屬公司匯入的盈利的預扣所得稅(附註21)	8,018	—
Tax charge for the year	年內稅務支出	55,691	42,255



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

10. Profit (Loss) for the Year

10. 年內溢利(虧損)

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit (loss) for the year has been arrived at after charging (crediting):	年內溢利(虧損)乃經扣除(計入)以下各項後得出：		
Staff costs, including directors' remuneration set out in note 12	員工成本(包括董事薪酬)載列於附註12		
Salaries and other benefits	薪資及其他福利	155,927	122,513
Contributions to retirement benefits scheme	退休福利計劃供款	18,758	12,685
Share-based payment expenses (note 43)	以股份為基礎的付款開支(附註43)	8,442	7,206
Total staff costs	員工成本總額	183,127	142,404
Gross rental income from investment properties	投資物業租金收入總額	(2,160)	(1,548)
Less: Direct operating expense (including depreciation) incurred for investment properties that generated rental income during the year (included in other income and other gains and losses)	減：年內產生租金收入的投資物業產生的直接營運開支(包括折舊)(計入其他收入及其他收益及虧損)	634	701
		(1,526)	(847)
Cost of inventories recognised as expenses (included in cost of sales and services)	確認為開支的存貨成本(計入銷售及服務成本)	541,325	364,105
Depreciation of property, plant and equipment	物業、廠房及設備折舊	11,153	6,454
Depreciation of investment properties	投資物業折舊	634	634
Amortisation of intangible assets	無形資產攤銷	36,851	33,418
Research and development expenses	研發開支	10,618	8,204
Auditor's remuneration	核數師薪酬	2,340	5,500



11. Earnings (Loss) Per Share

The calculation of the basic and diluted earnings (loss) per share attributable to the owners of the Company is based on the following data:

Earnings (loss) figures are calculated as follows:

11. 每股盈利(虧損)

本公司持有人應佔每股基本及攤薄盈利(虧損)乃基於以下數據計算：

盈利(虧損)數字計算如下：

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Earnings (loss):	盈利(虧損)		
Earnings (loss) for the purpose of calculating earnings (loss) per share (profit (loss) for the year attributable to owners of the Company) – basic	計算每股盈利(虧損)的盈利(虧損) (本公司擁有人應佔年內溢利(虧損))—基本	394,359	(36,418)
Effect of dilutive potential ordinary shares:	攤薄潛在普通股的影響：		
Change in fair value of convertible ordinary shares	可轉換普通股之公允價值變動	(133,541)	—
Earnings (loss) for the purpose of calculating earnings (loss) per share (profit (loss) for the year attributable to owners of the Company) – diluted	計算每股盈利(虧損)的盈利(虧損) (本公司擁有人應佔年內溢利(虧損))—攤薄	260,818	(36,418)
Number of shares:	股份數目：		
Weighted average number of ordinary shares for the purpose of calculating basic earnings (loss) per share	計算每股基本盈利(虧損)的普通股加權平均數	903,159,880	453,694,494
Weighted average number of ordinary shares for the purpose of calculating diluted earnings (loss) per share	計算每股攤薄盈利(虧損)的普通股加權平均數	967,910,157	453,694,494

The calculation of basic earnings per share for the year ended 31 December 2018 was based on the profit for the year attributable to the owners of the Company, and the number of shares has taken into account the allotment and issuance with regards to the conversion of Class B and C convertible ordinary shares and the issuance of shares upon listing on 16 March 2018, and repurchase of ordinary shares from 18 December 2018 to 31 December 2018.

The calculation of basic loss per share for the year ended 31 December 2017 was based on the loss for the year attributable to the owners of the Company and the number of 600,000,000 ordinary shares, which had been adjusted retrospectively for the effect of bonus element of additional shares issued and the share split as set out in note 36 as it the bonus issue and the share split had been effective on 1 January 2017.

The computation of diluted earnings per share for the year ended 31 December 2018 has considered the effect of the shares issued under the Pre-IPO Share Award Scheme, and the conversion of Class B and C convertible ordinary shares.

截至2018年12月31日止年度的每股基本盈利乃基於本公司擁有人應佔年內溢利計算，而股份數目已考慮有關於2018年3月16日轉換B類及C類可轉換普通股及於上市後發行股份，以及於2018年12月18日至2018年12月31日期間購回普通股。

於截至2017年12月31日止年度之每股基本虧損乃按本公司擁有人應佔年內虧損及600,000,000股普通股數目計算，相關股份數目已就額外已發行股份及股份拆細產生的紅利影響作出追溯調整(載於附註36)，猶如供股及股份拆細已於2017年1月1日生效。

計算截至2018年12月31日止年度的每股攤薄盈利時已考慮根據首次公開發售前股份獎勵計劃已發行股份及轉換B類及C類可轉換普通股的影響。

**11. Earnings (Loss) Per Share (continued)**

The computation of diluted loss per share for the year ended 31 December 2017 has not considered the effect of the shares issued under the Pre-IPO Share Award Scheme given that the effect is anti-dilutive and does not assume the conversion of the Class B and C convertible ordinary shares issued by the Company in 2017 since their assumed exercise would result in an anti-dilutive in loss per share.

12. Directors', Chief Executives' and Employees' Emoluments**Directors and chief executives**

Mr. Cheng served as the Company's Chairman and Executive Director and Mr. Zeng served as the Company's Vice Chairman, Executive Director and Chief Executive Officer since the incorporation of the Company on 30 January 2015.

Mr. Tony Tuo Zheng was appointed as non-executive director of the Company on 30 January 2015. Mr. Zhu Weihang was appointed as non-executive director of the Company on 9 January 2017. Mr. Chen Xue was appointed as non-executive director of the Company on 9 January 2017.

Details of the emoluments paid to the Directors and the Chief Executive Officer of the Company during the years reported are as follows:

For the year ended 31 December 2018:

		Salaries and other allowances	Retirement benefit scheme contributions	Total
Directors' fee		薪金及 其他津貼	退休福利 計劃供款	總計
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
Executive directors:	執行董事：			
Mr. Cheng	程先生	—	850	908
Mr. Zeng	曾先生	—	850	908
Non-executive Directors:	非執行董事：			
Mr. Tony Tuo Zheng	鄭拓先生	—	—	—
Mr. Zhu Weihang	朱偉航先生	—	—	—
Mr. Chen Xue	陳學先生	—	—	—
		—	1,700	1,816

11. 每股盈利(虧損)(續)

計算截至2017年12月31日止年度的每股攤薄虧損時並未考慮根據首次公開發售前股份獎勵計劃已發行股份的影響，因相關影響為反攤薄性質，且並未假設轉換本公司於2017年發行的B類及C類可轉換普通股，乃由於相關假設行使將導致每股虧損反攤薄。

12. 董事、主要行政人員及僱員酬金**董事及主要行政人員**

自本公司於2015年1月30日註冊成立以來，程先生擔任本公司的主席兼執行董事及曾先生擔任本公司的副主席、執行董事兼行政總裁。

鄭拓先生於2015年1月30日獲委任為本公司非執行董事。朱偉航先生於2017年1月9日獲委任為本公司非執行董事。陳學先生於2017年1月9日獲委任為本公司非執行董事。

於報告年度，支付予本公司董事及行政總裁的酬金詳情如下：

截至2018年12月31日止年度：



12. Directors', Chief Executives' and Employees' Emoluments (continued)

Directors and chief executives (continued)

For the year ended 31 December 2017:

		Directors' fee	Salaries and other allowances	Retirement benefit scheme contributions	Total
		董事袍金	薪金及其他津貼	退休福利計劃供款	總計
		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
Executive directors:	執行董事：				
Mr. Cheng	程先生	—	850	57	907
Mr. Zeng	曾先生	—	850	57	907
Non-executive Directors:	非執行董事：				
Mr. Tony Tuo Zheng	鄭拓先生	—	—	—	—
Mr. Zhu Weihang	朱偉航先生	—	—	—	—
Mr.Chen Xue	陳學先生	—	—	—	—
		—	1,700	114	1,814

The emoluments of the Directors and chief executives shown above were mainly for their management services rendered to the Company and the Group and were determined by the shareholders of the Group having regard to the performance of individuals and market trends.

No emoluments were paid or payable to Mr. Tony Tuo Zheng, Mr. Zhu Weihang, and Mr.Chen Xue during the year ended 31 December 2018 (2017: nil).

12. 董事、主要行政人員及僱員酬金 (續)

董事及主要行政人員(續)

截至2017年12月31日止年度：

以上所示董事及主要行政人員的酬金主要就彼等提供予本公司及本集團的管理服務而支付，並由本集團股東經計及個人表現及市場趨勢後釐定。

截至2018年12月31日止年度，並無已付或應付鄭拓先生、朱偉航先生及陳學先生的酬金(2017年：無)。

**12. Directors', Chief Executives' and Employees' Emoluments (continued)****Employees**

The five highest paid individuals of the Group included two directors for the year ended 31 December 2018 (2017: two), whose emoluments are included in the disclosures above. The emoluments of the remaining three individuals for the years ended 31 December 2018 (2017: three) are as follows:

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other benefits	薪金及其他福利	1,560	1,560
Retirement benefit scheme contributions	退休福利計劃供款	58	57
Share-based payments	以股份為基礎的付款	1,025	875
		2,643	2,492

The five highest paid individuals, including two directors, whose emoluments were within the following bands:

五名最高薪酬人士(包括兩名董事)的酬金介於以下範圍：

		Number of employees	
		Year ended 31 December	
		僱員人數	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
Nil to HKD1,000,000	零至1,000,000港元	3	3
HKD1,000,001 to HKD1,500,000	1,000,001港元至1,500,000港元	2	2
		5	5

During the year, no remuneration was paid by the Group to the Directors or the top five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2017: nil). None of the Directors has waived any remuneration during the year (2017: nil).

於本年度，本集團並無向任何董事或五名最高薪酬僱員支付薪酬作為誘使加入或於加入本集團時之獎勵或離職時之補償(2017年：無)。於本年度，概無董事放棄任何薪酬(2017年：無)。



13. Property, Plant and Equipment

13. 物業、廠房及設備

		Leasehold land and building 租賃土地 及樓宇 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Fixtures and equipment 裝置及設備 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
COST	成本					
At 1 January 2017	於2017年1月1日	32,472	17,573	11,820	—	61,865
Additions	添置	244	3,648	36,592	57	40,541
Disposals	出售	—	(4,914)	(673)	—	(5,587)
At 31 December 2017	於2017年 12月31日	32,716	16,307	47,739	57	96,819
Additions	添置	5,567	2,646	8,193	16,135	32,541
Disposals	出售	—	(852)	(752)	—	(1,604)
At 31 December 2018	於2018年 12月31日	38,283	18,101	55,180	16,192	127,756
ACCUMULATED DEPRECIATION	累計折舊					
At 1 January 2017	於2017年1月1日	(6,694)	(13,164)	(8,586)	—	(28,444)
Charge for the year	年內支出	(1,022)	(2,505)	(2,927)	—	(6,454)
Elimination on disposals	出售時撇銷	—	4,494	606	—	5,100
At 31 December 2017	於2017年 12月31日	(7,716)	(11,175)	(10,907)	—	(29,798)
Charge for the year	年內支出	(1,073)	(1,572)	(8,508)	—	(11,153)
Elimination on disposals	出售時撇銷	—	810	715	—	1,525
At 31 December 2018	於2018年 12月31日	(8,789)	(11,937)	(18,700)	—	(39,426)
CARRYING VALUES	賬面值					
At 31 December 2018	於2018年 12月31日	29,494	6,164	36,480	16,192	88,330
At 31 December 2017	於2017年 12月31日	25,000	5,132	36,832	57	67,021

The above items of property, plant and equipment, other than construction in progress, after taking into account their estimated residual value of 5% of the cost, are depreciated on a straight-line basis with the following expected useful lives:

除在建工程外，上述物業、廠房及設備項目經計及其成本5%的估計剩餘價值後按以下預期可使用年期以直線法折舊：

Leasehold land and building	30 years	租賃土地及樓宇	30年
Motor vehicles	5 years	汽車	5年
Fixtures and equipment	2–7.5 years	裝置及設備	2至7.5年



14. Investment Properties

14. 投資物業

		RMB'000 人民幣千元
COST	成本	
At 1 January 2017, 31 December 2017, and 31 December 2018	於2017年1月1日、2017年12月31日及 2018年12月31日	20,871
ACCUMULATED DEPRECIATION	累計折舊	
At 1 January 2017	於2017年1月1日	(7,255)
Provided for the year	年內撥備	(634)
At 31 December 2017	於2017年12月31日	(7,889)
Provided for the year	年內撥備	(634)
At 31 December 2018	於2018年12月31日	(8,523)
CARRYING VALUES	賬面值	
At 31 December 2018	於2018年12月31日	12,348
At 31 December 2017	於2017年12月31日	12,982

The investment properties are the units located on the same floor within the same building in Beijing, the PRC, which are held to earn rentals or for capital appreciation purposes. The investment properties are depreciated on a straight-line basis at the rates of 3.17% per annum, estimated residual value of 5% of the cost.

The fair value of the Group's investment properties as at 31 December 2018 was RMB62,450,000 (2017: RMB58,712,000) which was determined by the Directors by using direct comparison method based on observable market transaction prices of properties in similar locations. The fair value hierarchy is level 2 as at 31 December 2018 (2017: level 2).

投資物業為位於中國北京相同樓宇同一樓層的單位，持有以賺取租金或升值。投資物業以直線基準按每年3.17%、成本的估計殘值5%折舊。

於2018年12月31日，本集團投資物業的公允價值為人民幣62,450,000元(2017年：人民幣58,712,000元)，由董事通過使用直接比較法根據位於類似地點的物業的可觀察市場交易價格釐定。於2018年12月31日，公允價值等級為第二級(2017年：第二級)。



15. Intangible Assets

15. 無形資產

		Software	Patents and trademarks	Service concession arrangements	Total
		軟件	專利及商標	服務特許	總計
		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
COST	成本				
At 1 January 2017	於2017年1月1日	12,695	28,774	544,661	586,130
Additions	添置	29	—	42,926	42,955
At 31 December 2017	於2017年12月31日	12,724	28,774	587,587	629,085
Additions	添置	1,586	—	153,949	155,535
Disposals	出售	—	—	(793)	(793)
At 31 December 2018	於2018年12月31日	14,310	28,774	740,743	783,827
ACCUMULATED AMORTISATION	累計攤銷				
At 1 January 2017	於2017年1月1日	(11,846)	(26,302)	(132,379)	(170,527)
Charge for the year	年內支出	(327)	(1,120)	(31,971)	(33,418)
At 31 December 2017	於2017年12月31日	(12,173)	(27,422)	(164,350)	(203,945)
Charge for the year	年內支出	(332)	(979)	(35,540)	(36,851)
Elimination on disposals	出售時撇銷	—	—	793	793
At 31 December 2018	於2018年12月31日	(12,505)	(28,401)	(199,097)	(240,003)
CARRYING VALUES	賬面值				
At 31 December 2018	於2018年12月31日	1,805	373	541,646	543,824
At 31 December 2017	於2017年12月31日	551	1,352	423,237	425,140

**15. Intangible Assets (continued)**

The Group has entered into a number of service concession arrangements with certain power plants which are owned by state owned enterprise in the PRC on a BOT basis in respect of its desulfurisation and denitrification construction and maintenance services. Pursuant to the service concession arrangement contracts, the Group (i) is responsible for the construction of the desulfurisation and denitrification facilities; (ii) has the contractual obligations to maintain the infrastructures at a specified level of serviceability; and (iii) is entitled to operate the facilities upon completion for a specified concession period from 15 to 20 years by receiving the monthly fees, which are determined by on-grid tariff subsidies on a per kilowatt hour basis for power generated by the power plant and settled with the customers on a monthly basis. The Group will not hold any residual interest in the facilities upon expiration of the concession period. As such, these contracts are accounted for as service concession arrangements and intangible assets were recognised upon the completion of construction at amounts equal to the stand-alone selling price for provision of construction service.

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment loss. Service concession arrangements are amortised on a straight-line basis, over the remaining concession period. Other intangible assets are amortised a straight-line basis based on their estimated useful lives as follows:

Software	5 years
Patents and trademarks	5 years–15 years

15. 無形資產(續)

本集團按BOT基準就其脫硫及脫硝工程及維護服務與中國國有企業擁有的若干電廠訂立多項服務特許經營安排。根據服務特許經營安排合約，本集團(i)負責建造脫硫及脫硝設施；(ii)承擔按特定可提供服務水平維護基礎設施的合約責任；及(iii)有權於完成後於15至20年內的規定特許經營期透過每月收取費用經營設施，而每月收取的費用乃就發電廠所發電力按每千瓦時上網電價津貼釐定，並每月與客戶結算。本集團於特許經營期屆滿後不再持有設施任何餘下利益。因此，該等合約於完成建造後入賬列作服務特許經營安排及無形資產，並按相等於提供建造服務的獨立出售價格確認。

無形資產按成本減累計攤銷及任何累計減值虧損呈列。服務特許經營安排按餘下特許經營期以直線基準攤銷。其他無形資產乃根據下述估計可使用年期以直線基準攤銷：

軟件	5年
專利及商標	5年至15年



16. Receivables Under Service Concession Arrangement

In June 2017, the Group entered into a service concession arrangement with a state owned power plant. Through the arrangement, the Group is involved as an operator (i) paying a specific amount for purchasing the relevant infrastructure for operation under the service concession arrangements; (ii) using the existing infrastructure and upgrading the acquired facilities for provision of services under the service concession arrangements; and (iii) operating and maintaining the infrastructure for the period of 15 years (the "Service Concession Period"), and the Group will be paid for its services over the Service Concession Period at prices stipulated through a pricing mechanism. The Group is entitled to use all of the related infrastructure, however, the power plant, as the grantor, will control and regulate the scope of service that the Group must provide with the infrastructure. The construction or upgrade of this service concession arrangement have been fully completed in December 2018.

The service fee is charged by reference to on-grid tariff subsidies determined on a per kilowatt hour basis as set out in the service concession agreement. However, the Group is entitled to a minimum guaranteed service charge, which is calculated based on the minimum guaranteed on-grid tariff per year and the price agreed in the service concession agreement. Accordingly, the receivables under service concession arrangement was recognised based on the consideration paid by the Group upon the completion of the construction or upgrade of the infrastructure.

The receivables under service concession arrangement arose from the minimum service charge guaranteed by the power plant was as follows:

16. 服務特許經營安排項下的應收款項

於2017年6月，本集團與一間國有電廠訂立服務特許經營安排。透過該安排，本集團以運營商身份參與(i)就購買服務特許經營安排項下供投運的相關基礎設施支付特定金額；(ii)使用本集團現有基礎設施以及改造所收購設施，以提供服務特許經營安排項下的服務；以及(iii)營運及維持相關基礎設施達15年（「服務特許經營期」），而本集團將於服務特許經營期內就其所提供的服務按通過定價機制所訂明的價格獲取報酬。本集團有權使用所有相關基礎設施，惟電廠將以授予人身份控制並規定本集團須以有關基礎設施提供的服務範疇。該服務特許經營安排的建造或改造已於2018年12月全面完成。

服務費乃經參考按服務特許經營協議所訂明的每千瓦時基準計算的上網電價津貼收取。然而，本集團有權享有最低擔保服務費用，而該費用乃根據每年最低擔保上網電價及服務特許經營協議所規定的價格計算。因此，服務特許經營安排的應收款項按完成基礎設施建造或改造後本集團所付代價確認。

由電廠保證的最低服務費用產生之服務特許經營安排項下的應收款項如下：

		At 31 December 於12月31日	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Current portion	即期部分	12,526	23,519
Non-current portion	非即期部分	367,029	384,565
		379,555	408,084
Expected collection schedule is analysed as follows:		預計收款時間如下：	
Within one year	一年內	12,526	23,519
More than one year, but not more than two years	一年以上但不超過兩年	18,981	17,830
More than two years but not more than five years	兩年以上但不超過五年	88,811	60,600
More than five years	五年以上	259,237	306,135
		379,555	408,084

**16. Receivables Under Service Concession Arrangement (continued)**

The Group accounts for the receivables under service concession arrangement based on the present value of the estimated annual minimum service charge in the Service Concession Period by applying an implied (2017: effective) interest rate of 6.37% which is calculated based on the significant financing component implied in the contract (2017: considered by reference to the market interest rate and the credit risk of the grantor).

The grantor under the service concession arrangement is a state owned power plant in which the default risk is generally perceived to be low. The Directors consider that there was no significant change in credit risk in the year ended 31 December 2018, and thus measure the loss allowance for receivables under service concession arrangement at an amount equal to 12m ECL, which is RMB3,518,000 (1 January 2018: RMB3,673,000). While the Company consider the credit risk is low, the collection of receivables under service concession arrangement is closely monitored by the Company in order to minimise any credit risk associated with the receivables.

17. Investment in an Associate**16. 服務特許經營安排項下的應收款項(續)**

本集團將服務特許經營安排項下應收款項按服務特許經營期的估計年度最低服務費的現值應用基於合約中隱含的重大融資部分計算的隱含(2017年：實際)利率6.37%(2017年：經參考市場利率及授予人的信貸風險釐定)入賬。

服務特許經營安排項下的授予人為違約風險被普遍認為較低的國有電廠。董事認為，截至2018年12月31日止年度的信貸風險並無重大變動，因此將服務特許經營安排項下的應收款項虧損撥備計成等於12個月預期信貸虧損的金額，即人民幣3,518,000元(2018年1月1日：人民幣3,673,000元)。儘管本公司認為信貸風險較低，本公司密切監察服務特許經營安排項下應收款項的收款情況以減低任何與應收款項有關的信貸風險。

17. 於聯營公司的投資

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cost of investment in an associate	於聯營公司投資的成本	33,000	33,000
Share of profit of an associate, net of dividend received	分佔聯營公司溢利 (扣除已收股息)	36,537	37,098
Proportion of ownership interest and voting rights held by the Group	本集團的擁有權權益及 所持表決權比例	69,537	70,098

17. Investment in an Associate (continued)

As at 31 December 2018 and 2017, the Group had interests in the following associate:

Name of entity	Place of registration	Principal place of operation	Class of shares held	Proportion of ownership interest and voting rights held by the Group	Principal activity
實體名稱	註冊地點	主要經營地點	股份類別	本集團的擁有權權益及所持投票權比例	主要業務
				at 31 December 於12月31日	
				2018 2018年 Directly 直接	2017 2017年 Directly 直接
漢川龍源博奇環保科技有限公司 Han Chuan Long Yuan BoQi Environmental Technology Co., Ltd. ("Han Chuan Long Yuan") 漢川龍源博奇環保科技有限公司 「漢川龍源」)	The PRC 中國	The PRC 中國	Ordinary 普通股	30%	30% Design installation operation and maintenance of EPC EPC設計及 安裝、運營 與維護

The associate is accounted for using the equity method in the consolidated financial statement. The summarised financial information in respect of Han Chuan Long Yuan is set out below:

聯營公司於綜合財務報表中使用權益法入賬。漢川龍源的財務資料概述如下：

		At 31 December 於12月31日	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Total assets	總資產	461,026	497,116
Total liabilities	總負債	(229,236)	(263,455)
Net assets	資產淨值	231,790	233,661
		Year ended 31 December 於12月31日	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Revenue	收益	241,146	211,270
Profit and total comprehensive income for the year	年內溢利及全面收益總額	93,209	105,645

**18. Equity Instrument at Fair Value through Other Comprehensive Income****18. 按公允價值計入其他全面收益的股本工具**

		At 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元
Listed equity investment	上市股權投資	
– Equity securities listed in on NEEQ	– 在全國中小企業股份轉讓 系統上市的股本證券	3,540

The listed equity investment represents investment in Wuhan BOCH JACO Environmental Co., Ltd. ("Wuhan BOCH"), an entity incorporated in the PRC. The shares of Wuhan BOCH is traded on National Equities Exchange and Quotations ("NEEQ"). The Directors elected to present in OCI for the fair value changes of this equity investment previously classified as an AFS investment. This investment is not held for trading and not expected to be sold in the foreseeable future.

上市股權投資指於中國註冊成立的實體武漢博奇玉宇環保股份有限公司(「武漢博奇」)的投資。武漢博奇股份於全國中小企業股份轉讓系統(「全國中小企業股份轉讓系統」)交易。董事選擇於其他全面收益呈列此項先前分類為可供出售投資的股權投資的公允價值變動。此項投資並非持作買賣，且預計於可預見未來不會出售。

19. Available-for-sale Investment**19. 可供出售投資**

		At 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元
Listed equity investment at fair value	按公允價值入賬的上市股權投資	9,000

The equity investment represented the investment in Wuhan BOCH, which has been reclassified to equity instrument at fair value through other comprehensive income upon application of IFRS 9 on 1 January 2018.

股權投資指於武漢博奇的投資，其於2018年1月1日應用國際財務報告準則第9號後已重新分類至按公允價值計入其他全面收益的股本工具。



20. Debt Investment at Fair Value through Other Comprehensive Income

		At 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元	At 1 January 2018 於2018年 1月1日 RMB'000 人民幣千元
Notes receivable	應收票據	70,205	65,837

The Directors recognised the notes receivable, with fixed rate and maturity date, as debt investment at FVTOCI, as they held these notes for the purpose of cash collection and discounting. The Directors assessed the expected credit loss risk of notes receivable as low, mainly because the notes were secured by the drawer's bank deposit and the default risk was low. The Directors assess the fair value of all notes receivables approximate to their carrying amount as the maturity dates are within 6 months.

20. 按公允價值計入其他全面收益的債務投資

董事將有固定利率及到期日的應收票據確認為按公允價值計入其他全面收益的債務投資，原因為持有該等票據的目的為收取現金及貼現。董事確定應收票據的預期信貸虧損風險較低，主要因為票據由出票人的銀行存款擔保，違約風險較低。由於應收票據的到期日為6個月內，董事確定所有應收票據的公允價值與其賬面值相約。

21. Deferred Tax

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		At 31 December 於12月31日 2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Deferred tax assets	遞延稅項資產	25,121	21,995
Deferred tax liabilities	遞延稅項負債	(8,018)	—
		17,103	21,995

21. 遞延稅項

就綜合財務狀況表呈列而言，若干遞延稅項資產及負債已予抵銷。就財務申報而言，遞延稅項結餘分析如下：



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

21. Deferred Tax (continued)

The following are the deferred tax assets and deferred tax liabilities recognised and movement thereon during the years reported:

21. 遞延稅項(續)

下列為於報告年間的已確認遞延稅項資產及遞延稅項負債及其變動：

		Allowance for credit losses and inventories	Change in fair value of equity instrumen at FVTOCI 按公允價值 計入其他 全面收益的 信貨虧損 撥備及存貨 公允價值變動	Provision for onerous contracts 合約撥備	Accrued expenses 應計開支	Patent 專利	Withholding tax on the earnings anticipated to be distributed by subsidiaries 預期的 附屬公司 將分派的 盈利的預扣稅	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	RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	7,326	61	8,215	17,101	2,880	–	35,583
Charged to profit or loss	扣除自損益	(2,811)	–	(2,460)	(7,105)	(161)	–	(12,537)
Charged to other comprehensive income	扣除自其他全面收益	–	(1,051)	–	–	–	–	(1,051)
At 31 December 2017	於2017年12月31日	4,515	(990)	5,755	9,996	2,719	–	21,995
Adjustment arising from initial adoption of IFRS 9 (note 2)	首次應用國際財務報告準則 第9號的調整(附註2)	1,741	–	–	–	–	–	1,741
At 1 January 2018	於2018年1月1日	6,256	(990)	5,755	9,996	2,719	–	23,736
Charged to profit or loss	扣除自損益	(101)	–	(1,390)	2,218	(161)	(8,018)	(7,452)
Charged to other comprehensive income	扣除自其他全面收益	–	819	–	–	–	–	819
At 31 December 2018	於2018年12月31日	6,155	(171)	4,365	12,214	2,558	(8,018)	17,103



21. Deferred Tax (continued)

As at 31 December 2018, the Group has unused tax loss of RMB22,557,000 (2017: RMB13,081,000), available for offset against future profits for the consecutive five years and will expire between 2019 and 2023. No deferred tax assets have been recognised in respect of such tax losses due to the unpredictability of future tax profit streams.

Deferred tax assets is recognised if it is probable that all of the deferred tax assets will be realised through the recovery of taxes previously paid and/or future taxable income. The Directors have reviewed its deferred tax assets at the end of the reporting period and considered that it was probable that the deferred tax assets of the Group will be realised through future taxable income based on the Directors' assessment of the probability that taxable profits will be available over the year which the deferred tax assets can be realised or utilised.

Under the EIT law of the PRC, withholding tax is imposed on dividend declared in respect of profits earned by the PRC subsidiaries from 1 January 2008 onwards.

As at 31 December 2018, the Group recognised the relevant deferred tax liabilities of RMB8,018,000 (2017: nil) on earnings anticipated to be remitted by certain subsidiaries in the foreseeable future. No withholding tax had been provided for the earnings of approximately RMB781,314,000 (2017: 504,141,000) expected to be retained by the PRC subsidiaries and not to be remitted to a foreign investor in the foreseeable future based on several factors, including the Directors' estimation of overseas funding requirements.

21. 遞延稅項(續)

於2018年12月31日，本集團的未動用稅項虧損為人民幣22,557,000元(2017年：人民幣13,081,000元)，可用於抵銷連續五年的未來溢利並將於2019年至2023年期間到期。由於未來稅項溢利流量無法預測，故並無就該等稅項虧損確認遞延稅項資產。

遞延稅項資產於所有遞延稅項資產可透過收回先前已付的稅項及／或未來應課稅收入變現時予以確認。董事已審閱其於報告期末的遞延稅項資產，並基於董事對於遞延稅項資產可獲變現或動用年度內出現應課稅溢利的可能性評估，認為本集團的遞延稅項資產可透過日後的應課稅收入變現。

根據中國企業所得稅法，自2008年1月1日起，中國附屬公司在就其所賺取溢利宣派股息時須繳交預扣稅。

於2018年12月31日，本集團就預計若干附屬公司於可預見未來將匯出的盈利確認相關的遞延所得稅負債人民幣8,018,000元(2017年：無)。根據包括董事對境外資金需求估計在內的多項因素，本集團並無就預期由中國附屬公司保留且不會於可預見的將來匯給境外投資者的盈利約人民幣781,314,000元(2017年：504,141,000)撥備預扣稅。



22. Inventories

22. 存貨

		At 31 December 於 12 月 31 日	
		2018 2018 年 RMB'000 人民幣千元	2017 2017 年 RMB'000 人民幣千元
Equipments, supplies and spare parts	設備、材料及備件	37,958	25,546
Allowance for inventories	存貨撥備	(117)	(117)
		37,841	25,429

23. Contract Assets and Contract Liabilities/Amounts Due from (to) Customers for Contract Work

The Group has rights to considerations from customers for the provision of construction, operation and maintenance services. Contract assets arise when the Group has rights to considerations for completion of such services and not yet billed under the relevant contracts, and their rights are conditioned on factors other than passage of time. Any amount previously recognised as a contract assets are transferred to trade receivables when the rights become unconditional. Remaining rights and performance obligations in a particular contract are accounted for and presented on a net basis, as either a contract asset or a contract liability.

23. 合約資產及合約負債／應收(應付)客戶合約工程款項

本集團有權就提供工程、營運及維護服務向客戶收取代價。合約資產於本集團有權就完成有關服務且尚未根據相關合約收費收取代價時產生，而其權利以隨著時間流逝以外的因素為條件。先前確認為合約資產的任何款項於有關權利成為無條件時轉移為貿易應收款項。個別合約內的餘下權利及履約責任按淨額基準入賬並呈列為合約資產或合約負債。

		At 31 December 2018 於 2018 年 12 月 31 日 RMB'000 人民幣千元	At 1 January 2018* 於 2018 年 1 月 1 日 * RMB'000 人民幣千元
Construction contracts analysed for reporting purposes as follows:	供呈報用途作分析的建造合約如下：		
Contract assets	合約資產	204,289	217,004
Contract liabilities	合約負債	(115,651)	(74,521)



23. Contract Assets and Contract Liabilities/Amounts Due from (to) Customers for Contract Work (continued)

Contract assets are analysed for reporting purposes as follows:

		At 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元	At 1 January 2018* 於2018年 1月1日* RMB'000 人民幣千元
Current	即期	204,289	217,004
		204,289	217,004

Contract liabilities are analysed for reporting purposes as follows:

		At 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元	At 1 January 2018* 於2018年 1月1日* RMB'000 人民幣千元
Current	即期	115,651	74,521
		115,651	74,521

* The amounts in this column are after the adjustments from the application of IFRS 9 and 15.

* 此列金額為經應用國際財務報告準則第9號及第15號而調整的金額。

The contract assets primarily relate to the Group's right to consideration for work completed and not billed because the rights are conditioned on the Group's future performance. The contract assets are transferred to trade receivables when the rights become unconditional. The Group typically reclassifies contract assets to trade receivables on the date of issue of invoice or billing with the customers when such right of collections becomes unconditional other than the passage of time.

The Group classified these contract assets and contract liabilities as current because the Group expects to realise them in its normal operating cycle.

合約資產主要關於本集團就已完成且未收費的工程收取代價的權利，此乃由於該等權利以本集團未來的履行作為條件。當該等權利變為無條件時，合約資產即轉移為貿易應收款項。本集團一貫於發出發票日期或與客戶計費日期，即當該等收回款項權利非隨著時間流逝變為無條件時，將合約資產重新分類至貿易應收款項。

本集團將此等合約資產及合約負債分類為即期，此乃由於本集團預期於其正常營運周期內變現此等合約資產及合約負債。

**23. Contract Assets and Contract Liabilities/Amounts Due from (to) Customers for Contract Work (continued)**

The following table shows how much of the revenue recognised in the current year relates to carried-forward contract liabilities. There is no revenue recognised in the current year related to performance obligations that were satisfied in prior periods.

	Construction contracts 建築合約 RMB'000 人民幣千元
Revenue recognised that was included in the contract liability balance at the beginning of the year 於年初計入合約負債結餘的已確認收入	20,614

Movement in lifetime ECL that has been recognised for contract assets in accordance with the simplified approach set out in IFRS 9 for the year ended 31 December 2018 is as follows:

截至2018年12月31日止年度，根據國際財務報告準則第9號簡化方法就合約資產確認的全期預期信貸虧損變動如下：

		RMB'000 人民幣千元
At 31 December 2017 under IAS 39	於2017年12月31日國際會計準則第39號項下	—
Adjustment upon application of IFRS 9	應用國際財務報告準則第9號後之調整	5,833
At 1 January 2018 – restated under IFRS 9	於2018年1月1日—國際財務報告準則第9號項下重列	5,833
Allowance for contract assets	合約資產撥備	1,278
At 31 December 2018	於2018年12月31日	7,111

Amounts due from (to) customers for contract work as at 31 December 2017, which were reclassified to contract assets and contract liabilities upon initial application of IFRS 15, are analysed as follows:

應收(應付)客戶合約工程款項於初次應用國際財務報告準則第15號後重新分類為合約資產及合約負債。於2017年12月31日的應收(應付)客戶合約工程款項分析如下：

		RMB'000 人民幣千元
Contracts in progress at the end of reporting period	於報告期末進行中的合約	
Contract costs incurred plus recognised profits less recognised losses to date	迄今所產生的合約成本加已確認溢利減已確認虧損	350,172
Less: progress billings	減：進度賬款	(282,532)
		67,640
Recognised and included in the consolidated financial statements as amounts due:	於綜合財務報表確認及入賬的款項：	
– from customers for contract work	– 應收客戶合約工程款項	95,348
– to customers for contract work	– 應付客戶合約工程款項	(27,708)
		67,640



24. Trade and Notes Receivables

24. 貿易應收款項及應收票據

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	貿易應收款項	802,046	632,840
Notes receivables	應收票據	—	65,837
Less: Allowance for credit losses	減：信貸虧損撥備	(22,976)	(31,424)
		779,070	667,253

The Group generally grants credit period between 30 to 90 days which are agreed with each of its trade customers. The extension of credit period to the customers may be granted on a discretionary basis by considering customer type, the current creditworthiness and the customer's financial condition and payment history with the Group.

Trade receivables relate to a number of independent customers that have a good track record with the Group. The allowance for doubtful debts of the Group is based on the evaluation of collectability and aging analysis of individual trade debts performed by the Directors. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer.

As at 31 December 2017, included in the trade receivables are retention amounts of RMB206,601,000, which were held by customers under construction contracts. Upon application of IFRS 15, the retentions receivables were reclassified to contract assets.

Notes receivables are bank acceptance notes and the aging is generally within 90 days to 180 days, which the Directors believe that no impairment allowance is necessary as there is no significant change in credit quality and the balances are considered fully recoverable. Notes receivables are reclassified to debt instrument at FVTOCI upon application of IFRS 9 on 1 January 2018.

本集團一般授出的客戶信貸期介乎30至90日，乃與其各貿易客戶協定。本集團考慮客戶之類別、其目前信譽及財政狀況，以及其與本集團之過往付款紀錄而酌情向客戶授予延長信貸期。

貿易應收款項與若干與本集團之間保持良好往績記錄之獨立客戶有關。本集團的呆賬撥備乃基於董事對個別貿易應收款項的可回收性及賬齡分析進行的估值。評估該等應收款項之最終變現能力採用若干的判斷，包括每名客戶的現有信譽及過往還款記錄。

本集團貿易應收款項包括於2017年12月31日應收保證金人民幣206,601,000元，由客戶根據建造合約持有。於應用國際財務報告準則第15號後，應收保證金重新分類為合約資產。

應收票據為銀行承兌票據，且賬齡一般介乎90至180日，董事認為毋須就其計提減值撥備，原因為信貸質素並無重大變動且該等結餘仍被視為可悉數收回。於2018年1月1日應用國際財務報告準則第9號後，應收票據重新分類為按公允價值計入其他全面收益的債務工具。

**24. Trade and Notes Receivables (continued)**

Aging analysis of trade receivables net of allowance for credit losses based on invoice date or notes receiving dates is as follows:

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
1–90 days	1至90日	448,239	293,006
91–180 days	91至180日	75,851	72,187
181–365 days	181至365日	121,812	96,524
1–2 years	1至2年	81,775	156,788
2–3 years	2至3年	18,454	37,385
Over 3 years	超過3年	32,939	11,363
		779,070	667,253

As at 31 December 2018, included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB330,831,000 which are past due as at the reporting date.

As at 31 December 2017, included in the Group's trade receivable balance are debtors with aggregate carrying amount of RMB321,872,000 which are past due as at the reporting date for which the Group has not recognised any allowance for doubtful debts because, based on past experience, the Directors are of the opinion that there has not been a significant change in credit quality and the balances are still considered fully recoverable. There is no past due for notes receivables.

24. 貿易應收款項及應收票據(續)

按發票日期或應收票據日期呈列之貿易應收款項(扣除信貸虧損撥備)之賬齡分析如下:

於2018年12月31日,包括於本集團應收貿易款項結餘為總賬面值人民幣330,831,000元的債務人,其於報告期末已逾期。

於2017年12月31日,包括於本集團應收貿易款項結餘為總賬面值人民幣321,872,000元的債務人,其於報告期末已逾期,而本集團並未就此確認任何呆賬撥備,原因為根據以往經驗,董事認為信貸質素並無重大變動且結餘仍被視作可悉數收回。概無已逾期應收票據。



24. Trade and Notes Receivables (continued)

Aging analysis of trade receivables that are past due but not impaired is as follows:

		At 31 December 2017 於2017年 12月31日 RMB'000 人民幣千元
Overdue by:	逾期：	
1–90 days	1至90日	25,914
91–180 days	91至180日	80,938
181–365 days	181至365日	116,775
1–2 years	1至2年	66,837
2–3 years	2至3年	20,050
Over 3 years	超過3年	11,358
		321,872

Movements in the allowance for doubtful debts are as follows:

呆賬撥備之變動如下：

		2017 2017年 RMB'000 人民幣千元
At beginning of the year	於年初	49,289
Recoveries of debts previously written off	收回過往撇銷之債務	1,800
Reversal of allowance for trade receivables	貿易應收款項撥備撥回	(10,458)
Amounts written off as uncollectable	因無法收回而撇銷的款項	(9,207)
At end of the year	於年末	31,424

As at 31 December 2017, allowance for doubtful debts included individually impaired trade receivables with an aggregate gross principal balance of RMB235,218,000, which were either under dispute with the customers or the customers are in financial difficulties. The Group does not hold any collateral over these balances.

於2017年12月31日，呆賬撥備包括個別減值貿易應收款項，本金結餘總額為人民幣235,218,000元，原因為與該等客戶發生糾紛或該等客戶面臨財政困難。本集團並無就該等結餘持有任何抵押品。



24. Trade and Notes Receivables (continued)

Movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9 for the year ended 31 December 2018 is as follows:

		RMB'000 人民幣千元
At 31 December 2017 under IAS 39	於2017年12月31日國際會計準則第39號項下	31,424
Reclassification to allowance for contract assets upon application of IFRS 15	應用國際財務報告準則第15號後重新分類至合約資產撥備	(5,281)
Adjustment upon application of IFRS 9	應用國際財務報告準則第9號後之調整	900
At 1 January 2018 – restated under IFRS 9	於2018年1月1日－國際財務報告準則第9號項下重列	27,043
Allowance for trade receivables	貿易應收款項撥備	324
Written-off as uncollectible	因無法收回而撇銷	(4,391)
At 31 December 2018	於2018年12月31日	22,976

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings whichever occurs earlier. The Group has taken legal action against the debtors to recover the amount due.

24. 貿易應收款項及應收票據(續)

截至2018年12月31日止年度，已根據國際財務報告準則第9號簡化方法確認的貿易應收款項全期預期信貸虧損的變動如下：

倘有資料顯示債務人處於嚴重財務困難及無實際期望可收回欠款(例如於債務人被清盤或進入破產程序時，以較早發生者為準)，本集團則撇銷該金融資產。本集團已向債務人採取法律行動以收回逾期款項。



25. Transfers of Financial Assets

As at 31 December 2018, unmatured notes receivable amounting to RMB66,368,000 (2017: nil) issued by certain listed banks were discounted to banks. As the Group has transferred substantially all the risks and rewards relating to these notes to the banks, these notes receivable have been derecognized in the consolidated financial statements.

In addition, the following are the Group's financial assets as at 31 December 2018 that were transferred to banks by discounting the notes receivables on a full recourse basis. As the Group has not transferred substantially all the risks and rewards relating to these receivables, the full carrying amount of the receivables are continuously recognised and the cash received upon the discount is recorded as a collateralised bank borrowing (see note 33). These financial assets are carried at fair value through other comprehensive income in the Group's consolidated statement of financial position as the overall business model is to hold to collect contractual cash flows and to sell.

As at 31 December 2018

25. 金融資產轉移

截至2018年12月31日，若干上市銀行發行但尚未到期的應收票據金額為人民幣66,368,000元(2017年：無)，並貼現至銀行。由於本集團已將有關該等應收票據的絕大部分風險及回報轉移至銀行，故該等應收票據已於綜合財務報表中終止確認。

此外，以下為本集團於2018年12月31日在完全追索權的基礎上貼現應收票據而轉移至銀行的金融資產。因本集團並無轉移此等應收款項的絕大部分風險及回報，應收款項的整個賬面值持續確認及於貼現後收取的現金列賬為有抵押銀行借款(請參閱附註33)。由於本集團的整體商業模式為持有該等金融資產以收取合約現金流量及出售，該等金融資產按公允價值計入全面收益於本集團的綜合財務狀況表列賬。

於2018年12月31日

		Notes receivables discounted but not derecognised 已貼現但 未終止確認 的應收票據 RMB'000 人民幣千元
Carrying amount of transferred assets	轉移資產賬面值	38,483
Carrying amount of associated liabilities	相關負債賬面值	(38,483)
Net position	淨額	—



26. Prepayments, Deposits and Other Receivables

26. 預付款項、按金及其他應收款項

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Project bidding and other deposits	項目招標及其他按金	23,767	27,529
Prepayments for project construction cost and project equipment purchase	項目建設成本及購買項目設備之預付款項	27,326	20,942
Prepaid construction outsourcing fee	預付建築外包費用	8,433	8,663
Prepaid value added tax	預付增值稅	60,491	4,411
Deferred listing cost	遞延上市成本	—	7,019
Others	其他	3,657	1,912
		123,674	70,476
Less: impairment losses on other receivables	減：其他應收款項減值虧損	(484)	(300)
		123,190	70,176

Movements in the allowance for doubtful debts are as follows:

呆賬撥備之變動如下：

		2017
		2017年
		RMB'000
		人民幣千元
At beginning of the year	於年初	700
Allowance for other receivables	其他應收款項撥備	300
Amounts written off as uncollectable	因無法收回而撤銷的款項	(700)
At end of the year	於年末	300



26. Prepayments, Deposits and Other Receivables (continued)

Movement in lifetime ECL that has been recognised for other receivables in accordance with the simplified approach set out in IFRS 9 for the year ended 31 December 2018 is as follows:

		RMB'000 人民幣千元
At 31 December 2017 under IAS 39	於2017年12月31日國際會計準則第39號項下	300
Adjustment upon application of IFRS 9	應用國際財務報告準則第9號後之調整	59
At 1 January 2018 – restated under IFRS 9	於2018年1月1日—國際財務報告準則第9號項下重列	359
Allowance for other receivables	其他應收款項撥備	125
At 31 December 2018	於2018年12月31日	484

26. 預付款項、按金及其他應收款項(續)

截至2018年12月31日止年度，已根據國際財務報告準則第9號簡化方法確認的其他應收款項全期預期信貸虧損的變動如下：

27. Overview of the Group's Exposure to Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the reporting periods, the Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

In order to minimise credit risk, the Group has tasked a team to develop and maintain the Group's credit risk grading to categorise exposures according to their degree of risk of default. The Directors use historical credit loss experience to rate its customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

27. 本集團所面臨的信貸風險概述

信貸風險指對手方就其合約責任違約且導致本集團財務損失的風險。於報告期末，本集團因交易對手方未能履行責任引致本集團財務虧損所承擔之最大信貸風險來自綜合財務狀況表所載各已確認財務資產之賬面值。

為盡量減低信貸風險，本集團派遣特定團隊建立及維持本集團的信貸風險評級制度，並根據違約風險程度將所面臨的風險分類。董事採用過往信貸虧損經驗對客戶作出評級。本集團持續地監察其所面臨的風險及其對手方的信貸評級，已完成的交易總價值在已批准的對手方中分攤。



27. Overview of the Group's Exposure to Credit Risk (continued)

The Group's current credit risk grading framework comprises the following categories:

27. 本集團所面臨的信貸風險概述(續)

本集團現有信貸風險評級框架包括以下類別：

Internal credit rating 內部信貸評級	Description 描述	Basis for recognising expected credit losses 確認預期信貸虧損的基礎
Low risk 低風險	The counterparty has a low risk of default 對手方的逾期風險為低	12-months ECL 12個月預期信貸虧損
Doubtful 不確定	There has been a significant increase in credit risk since initial recognition 自初始確認以來信貸風險顯著上升	Lifetime ECL-not credit-impaired 全期預期信貸虧損—無信貸減值
In default 逾期	There is evidence indicating that the asset is credit-impaired 有證據顯示該資產出現信貸減值	Lifetime ECL- credit-impaired 全期預期信貸虧損—出現信貸減值
Write-off 撇銷	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery 有證據顯示債務人處於嚴重財務困難，且本集團對收回欠款並無實際期望	Amount is written off 款額已撇銷



27. Overview of the Group's Exposure to Credit Risk (continued)

The tables below detail the credit risk exposures of the Group's financial assets and contract assets, which are subject to ECL assessment:

27. 本集團所面臨的信貨風險概述(續)

下表詳列本集團金融資產及合約資產根據預期信貸虧損評估所面臨的信貨風險：

31/12/2018		Notes	External credit rating 外部 信貨評級	Internal credit rating 內部 信貨評級	12-month or lifetime 12個月 或全期	Gross carrying amount 總賬面值 RMB'000 人民幣千元
2018年12月31日		附註				
Debt instrument at FVTOCI	按公允價值計入其他 全面收益的債務工具	20	N/A 不適用	Low risk 低風險	12-month 12個月	70,205
Trade receivables	貿易應收款項	24	N/A 不適用	Note 附註	Lifetime ECL 全期預期 信貸虧損	800,742
Contract assets	合約資產	23	N/A 不適用	Note 附註	Lifetime ECL 全期預期 信貸虧損	208,707
Amounts due from related parties	應收關連方款項	41	N/A 不適用	Note 附註	Lifetime ECL 全期預期 信貸虧損	329,890
Receivables under service concession arrangement	特許經營安排下的 應收款項	16	AA-	Low risk 低風險	12-month 12個月	383,073
Prepayments, deposits and other receivables	預付款項、按金及 其他應收款項	26	N/A 不適用	Low risk 低風險	12-month 12個月	123,674

Note: For trade receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant outstanding balances or credit-impaired, the Group determines the expected credit losses on these items by using a provision matrix, grouped by past due status.

附註：就貿易應收款項及合約資產而言，本集團應用國際財務報告準則第9號的簡化方法計量全期預期信貸虧損的虧損撥備，惟對於大額結欠或出現信貸減值的債務人，本集團採用撥備矩陣（按逾期狀態分組）釐定該等項目的預期信貸虧損。

The Group writes off trade receivables and contract assets when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

倘有資料顯示債務人處於嚴重財務困難及無實際期望可收回欠款，本集團則撇銷該貿易應收款項及合約資產（例如於債務人被清盤或進入破產程序時）。

As part of the Group's credit risk management, the Group uses debtors' aging to assess the impairment for its customers in relation to its all operation because these customers consist of some customers with common risk characteristics that are representative of the customers' abilities to pay all amounts due in accordance with the contractual terms.

作為本集團信貸風險管理的一部分，本集團使用債務人的賬齡評估其客戶有關其所有營運的減值，因該等客戶包含部分具有相同風險特徵的客戶，能代表客戶償還所有根據合約條款到期款項的能力。



27. Overview of the Group's Exposure to Credit Risk (continued)

The following tables provide information about the exposure to credit risk for trade receivables and amounts due from related parties which are assessed based on provision matrix as at 1 December 2018 and 31 December 2018 within lifetime ECL (not credit impaired). Trade debtors with credit impaired with gross carrying amounts of RMB1,504,000 and RMB1,304,000 at 1 January 2018 and 31 December 2018 were assessed individually.

As at 1 January 2018

Trade receivables 貿易應收款項		Average loss rate 平均虧損率 %	Gross carrying amount 總賬面值 RMB'000 人民幣千元	Impairment loss allowance 減值虧損撥備 RMB'000 人民幣千元
Less than 1 year	少於1年	1.48	335,104	4,947
1-2 years	1至2年	5.26	100,915	5,311
2-3 years	2至3年	16.49	39,381	6,493
More than 3 years	超過3年	30.89	28,447	8,788
			503,847	25,539

Amounts due from related parties 應收關連方款項		Average loss rate 平均虧損率 %	Gross carrying amount 總賬面值 RMB'000 人民幣千元	Impairment loss allowance 減值虧損撥備 RMB'000 人民幣千元
Less than 1 year	少於1年	1.11	209,294	2,319
1-2 years	1至2年	1.38	800	11
More than 3 years	超過3年	2.78	18,325	509
			228,419	2,839

27. 本集團所面臨的信貨風險概述(續)

以下各表提供有關於2018年12月1日及2018年12月31日就貿易應收款項及應收關連方款項基於撥備矩陣作出評估的所面臨於全期預期信貸虧損(無信貸減值)以內的信貸風險的資料。於2018年1月1日及2018年12月31日，出現信貸減值的貿易債務人總賬面值為人民幣1,504,000元及人民幣1,304,000元，此等債務人乃獨立作出評估。

於2018年1月1日



27. Overview of the Group's Exposure to Credit Risk (continued)

As at 31 December 2018

27. 本集團所面臨的信貸風險概述(續)

於2018年12月31日

Trade receivables		Average loss rate	Gross carrying amount	Impairment loss allowance
貿易應收款項		平均虧損率	總賬面值	減值虧損撥備
		%	RMB'000	RMB'000
		%	人民幣千元	人民幣千元
Less than 1 year	少於1年	0.92	651,881	5,979
1-2 years	1至2年	3.29	84,555	2,780
2-3 years	2至3年	12.36	21,056	2,602
More than 3 years	超過3年	23.84	43,250	10,311
			800,742	21,672

Amounts due from related parties		Average loss rate	Gross carrying amount	Impairment loss allowance
應收關連方款項		平均虧損率	總賬面值	減值虧損撥備
		%	RMB'000	RMB'000
		%	人民幣千元	人民幣千元
Less than 1 year	少於1年	0.92	149,295	1,377
1-2 years	1至2年	2.05	180,595	3,706
			329,890	5,083

The credit risk of contract assets is assessed based on the provision matrix within lifetime ECL. The Group applies average loss rates of 2.62% and 2.12% on the gross carrying amounts of RMB222,837,000 and RMB208,707,000 for contract assets with not-credit impaired as at 1 January 2018 and 31 December 2018, respectively. The gross carrying amount of RMB2,693,000 at 31 December 2018 for the contract asset with credit impaired was assessed individually.

合約資產的信貸風險乃根據全期預期信貸虧損內的撥備矩陣評估。本集團就於2018年1月1日及2018年12月31日總賬面值分別為人民幣222,837,000元及人民幣208,707,000元的合約資產(無信貸減值)應用平均虧損率2.62%及2.12%。2018年12月31日，總賬面值為人民幣2,693,000元的合約資產(出現信貸減值)已個別評估。



27. Overview of the Group's Exposure to Credit Risk (continued)

As at 31 December 2018 (continued)

For receivable under service concession arrangement, the Directors determine the ECL rate separately based on the specific credit risk of the customer. Such customer has good credit rating, rare past default payment history with minimal amount. The Directors have adopted average loss rate of 0.90% and 0.92% on the gross carrying amounts of the receivable under service concession arrangement as at 1 January 2018 and 31 December 2018, respectively, as there is no significant change in the specific credit risk.

27. 本集團所面臨的信貨風險概述(續)

於2018年12月31日(續)

有關服務特許經營安排下的應收款項，董事基於客戶特定信貸風險個別地釐定預期信貸虧損。該等客戶具有良好信貸評級及甚少過往逾期還款記錄且僅為小額。於2018年1月1日及2018年12月31日，董事就服務特許經營安排下的應收款項的總賬面值分別採用平均虧損率0.90%及0.92%，此乃由於特定信貸風險並無重大變動。

		Average loss rate 虧損率 %	Gross carrying amount 平均總賬面值 RMB'000 人民幣千元	Impairment loss allowance 減值虧損撥備 RMB'000 人民幣千元
As at 1 January 2018	於2018年1月1日			
Receivables under service concession	特許經營安排下的應收款項	0.90	408,084	3,673
As at 31 December 2018	於2018年12月31日			
Receivables under service concession	特許經營安排下的應收款項	0.92	383,073	3,518

In determining the ECL for pledged bank deposits, bank balances and cash, other receivables and debt instrument at FVTOCI for notes receivables, the Directors have taken into account the historical default experience and the future prospects of the industries and/or considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of pledged bank deposits, bank balances and cash, other receivables and debt instrument at FVTOCI for notes receivables, occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. For the purposes of impairment assessment, other receivables, receivables under service concession arrangement and amounts due from related parties, are considered to have very low credit risk as the counterparties to these financial assets have a high credit rating. Accordingly, the loss allowance is measured at an amount equal to 12m ECL and minimal.

本公司董事於釐定已抵押銀行存款、銀行結餘及現金、其他應收款項及作為按公允價值計入其他全面收益的債務工具的應收票據的預期信貸虧損時，考慮過往違約經驗及該等行業的未來前景及／或考慮實際及預測的經濟資訊的各個外部來源(倘適用)以估算已抵押銀行存款、銀行結餘及現金、其他應收款項及作為按公允價值計入其他全面收益的債務工具的應收票據於相關虧損評估時間範圍的違約概率，並且考慮每個個案於違約後的虧損。就減值評估而言，其他應收款項、服務特許經營安排下的應收款項及應收關連方款項被視為具有非常低的信貸風險，此乃由於金融資產對手方擁有高信貸評級。因此，虧損撥備按相等於12個月預期信貸虧損及極微的金額計量。



27. Overview of the Group's Exposure to Credit Risk (continued)

As at 31 December 2018 (continued)

No allowance has been provided for notes receivables, pledged bank deposits and bank balances and cash since the balances are all with the banks which have low credit risks during the year ended 31 December 2018.

There has been no change in the estimation technique or significant assumptions made throughout the year ended 31 December 2018.

28. Pledged Bank Deposits

Pledged bank deposits represent deposits pledged to banks to secure 1) other short-term bank borrowings, letter of credits and facilities of the Group as at 31 December 2018 and 2017 and 2) a back to back guarantee provided by a bank in the PRC in respect of an oversea bank borrowing of the Company as at 31 December 2017, and the guarantee have been withdrawn as the bank borrowing was repaid in 2018. The pledged bank deposits will be released upon the settlement of the expiration of letter of credits and banking facilities.

Pledged bank deposits of the Group carrying interest at market rates which range from 0.30% to 4.00% per annum as at 31 December 2018 (2017: from 0.30% to 4.00% per annum).

29. Bank Balances and Cash

Bank balances and cash of the Group comprises cash held by the Group and bank balances that bear interest at prevailing market rates ranging from 0.0001% to 1.50% per annum as at 31 December 2018 (2017: from 0.0001% to 1.75% per annum), with an original maturity of three months or less.

27. 本集團所面臨的信貨風險概述(續)

於2018年12月31日(續)

截至2018年12月31日止年度，概無就應收票據、已抵押銀行存款及銀行結餘及現金作出撥備，此乃由於所有此等結餘皆為存置於低信貸風險銀行之結餘。

於截至2018年12月31日止年度內，估計技術或重要假設概無變更。

28. 已抵押銀行存款

已抵押銀行存款指1)就本集團於2018年及2017年12月31日的其他短期銀行借款、信用證及融資；及2)就中國一家銀行於2017年12月31日就本公司的海外銀行借款所提供的連帶擔保而抵押予銀行的存款，該擔保已因銀行借貸於2018年償還而撤回。已抵押銀行存款將於結清相關信用證及銀行融資到期時發還。

於2018年12月31日，本集團的已抵押銀行存款按介乎0.30%至4.00%的市場年利率計息(2017年：0.30%至4.00%)。

29. 銀行結餘及現金

本集團銀行結餘及現金包括本集團持有的帶息現金及銀行結餘，於2018年12月31日，該等銀行結餘按介乎0.0001%至1.50% (2017年：介乎0.0001%至1.75%)的現行市場年利率計息且原到期日為三個月或不足三個月。



30. Trade and Notes Payables

30. 貿易應付款項及應付票據

		At 31 December 於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	貿易應付款項	695,360	641,187
Notes payables	應付票據	190,175	79,540
Total	總計	885,535	720,727

The credit period on purchases of goods and services is generally 30 to 90 days. The table below sets forth, as at the end of reporting period indicated, the aging analysis of the trade and notes payables based on the invoice or completion report date:

採購貨品及服務之信貸期一般為30至90日。下表載列於所示報告期末根據發票或完成報告日期的貿易應付款項及應付票據之賬齡分析：

		At 31 December 於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Less than 90 days	少於90日	349,822	244,900
90–180 days	90至180日	194,485	108,416
180 days–1 year	180日至1年	92,898	95,020
1–2 years	1至2年	87,244	128,528
2–3 years	2至3年	58,310	46,241
Over 3 years	超過3年	102,776	97,622
Total	總計	885,535	720,727



31. Other Payables, Deposits Received and Accrued Expenses

31. 其他應付款項、已收按金及應計開支

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Advance from customers	客戶預墊款	—	51,797
Accrued expenses	應計開支	62,772	55,581
Accrued liabilities (note)	應計負債(附註)	17,435	26,708
Accrued payroll and welfare	應計工資及福利	54,185	34,446
Payable for obtaining service concession arrangement	取得服務特許經營安排的應付款項	—	217,536
Projects deposit received from vendors	自供應商收取的項目按金	28,863	9,043
Others	其他	12,769	10,378
		176,024	405,489

Note: Accrued liabilities mainly represent the expected loss for onerous contract recorded when it is probable that total contract costs will exceed total contract revenue.

附註：應計負債主要指錄得總合約成本可能超過總合約收益的虧損合約的預期虧損。

32. Other Tax Liabilities

32. 其他稅項負債

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Value added tax	增值稅	57,213	31,972
Other taxes	其他稅項	446	413
		57,659	32,385



33. Bank Borrowings

33. 銀行借款

		At 31 December 於12月31日	
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Analysed as:	分析為：		
Secured bank borrowings carry interest at variable rates	按浮動利率計息的有抵押銀行借款	3,000	11,000
Secured bank borrowing arose from discounted notes receivables carry interest at fixed rates	按固定利率計息的貼現應收票據產生的有抵押銀行借款	38,483	—
Unsecured bank borrowings carry interest at variable rates	按浮動利率計息的無抵押銀行借款	24,000	116,000
		65,483	127,000
Carrying amount repayable:	應償還賬面值：		
Within one year	一年內	53,483	100,000
More than one year, but not more than two years	一年以上但不超過兩年	12,000	15,000
More than two years but not more than five years	兩年以上但不超過五年	—	12,000
		65,483	127,000
Less: Amounts due within one year shown under current liabilities	減：於流動負債呈列的於一年內到期的款項	53,483	100,000
Amounts shown under non-current liabilities	於非流動負債呈列的款項	12,000	27,000

The amounts due are based on scheduled repayment dates set out in the borrowing agreements. As at 31 December 2018 and 2017, no bank borrowings contained any repayment on demand clause.

到期款項乃基於借款協議所載的計劃償還日期。於2018年及2017年12月31日，概無銀行借款包含任何按要求償還的條款。



33. Bank Borrowings (continued)

Interests on bank borrowings denominated in RMB at floating rates are calculated based on the borrowing rates announced by the People's Bank of China. The effective interest rate bank borrowings are charged at the prevailing market rates ranging from 3.65% to 4.79% per annum as at 31 December 2018 (2017: 1.68% to 4.79%).

As at 31 December 2018, bank borrowings of approximately RMB3,000,000 (2017: RMB11,000,000) were secured by the pledge of bank deposits, or the right to the future income stream or the pledge of the concession arrangements for borrowings used in Jinggangshan Boqi's service concession arrangements, and bank discounted notes receivables of approximately RMB38,483,000 (2017: nil) were secured by the notes discounted to the bank.

33. 銀行借款(續)

以人民幣計值的浮息銀行借款利息按中國人民銀行公佈的借款利率計算。銀行借款的實際利率按於2018年12月31日介乎3.65%至4.79%的現行市場年利率收取(2017年：1.68%至4.79%)。

於2018年12月31日，約人民幣3,000,000元(2017年：人民幣11,000,000元)銀行借款由已抵押銀行存款或獲取未來收入流的權利或抵押有關井岡山博奇服務特許經營安排使用的借款的特許經營權安排作抵押，以及約人民幣38,483,000元(2017年：無)的銀行貼現票據應收款項以銀行貼現票據作抵押。

34. Convertible Ordinary Shares

34. 可轉換普通股

		At 1 January 2018 於2018年 1月1日 RMB'000 人民幣千元	Change in fair value 公允價值 變動 RMB'000 人民幣千元	Conversion 轉換 RMB'000 人民幣千元	At 31 December 2018 於2018年 12月31日 RMB'000 人民幣千元
Class B convertible ordinary shares ("Class B Shares")	B類可轉換普通股 (「B類股份」)	295,548	(52,266)	(243,282)	—
Class C-1 convertible ordinary shares ("Class C-1 Shares")	C-1類可轉換普通股 (「C-1類股份」)	65,195	(11,530)	(53,665)	—
Class C-2 convertible ordinary shares ("Class C-2 Shares")	C-2類可轉換普通股 (「C-2類股份」)	260,777	(46,116)	(214,661)	—
Class C-3 convertible ordinary shares ("Class C-3 Shares")	C-3類可轉換普通股 (「C-3類股份」)	133,609	(23,629)	(109,980)	—
Class C convertible ordinary shares ("Class C Shares")	C類可轉換普通股 (「C類股份」)	459,581	(81,275)	(378,306)	—
		755,129	(133,541)	(621,588)	—

On 16 March 2018, the Company was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited, upon when all of the Company's Class B and Class C convertible ordinary shares were converted into ordinary shares. The fair value of such Class B and Class C convertible shares upon conversion was changed to RMB621,588,000, which was recorded as the Company's equity upon such conversion.

於2018年3月16日，本公司成功於香港聯合交易所有限公司主板上市，所有本公司B類及C類可轉換普通股隨即轉換為普通股。於轉換後，該等B類及C類可轉換普通股的公允價值變為人民幣621,588,000元，並於該轉換後列賬為本公司的權益。

35. Reconciliation of Liabilities Arising from Financing Activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows from financing activities.

		Non-cash changes 非現金變動						
		01/01/2017 2017年 1月1日 RMB'000 人民幣千元	Financing cash flows ⁽ⁱ⁾ 融資 現金流量 ⁽ⁱ⁾ RMB'000 人民幣千元	Redesignation 重新指定 RMB'000 人民幣千元	Exchange effect 匯兌影響 RMB'000 人民幣千元	Fair value adjustments 公允價值 調整 RMB'000 人民幣千元	Other changes ⁽ⁱⁱ⁾ 其他變動 ⁽ⁱⁱ⁾ RMB'000 人民幣千元	31/12/2017 2017年 12月31日 RMB'000 人民幣千元
Bank borrowings (note 33)	銀行借款(附註33)	343,254	(223,863)	–	2,276	–	5,333	127,000
Convertible ordinary shares	可轉換普通股	–	280,459	241,442	–	233,228	–	755,129
		343,254	56,596	241,442	2,276	233,228	5,333	882,129

		Non-cash changes 非現金變動					
		01/01/2018 2018年 1月1日 RMB'000 人民幣千元	Financing cash flows ⁽ⁱ⁾ 融資 現金流量 ⁽ⁱ⁾ RMB'000 人民幣千元	Conversion 轉換 RMB'000 人民幣千元	Fair value adjustments 公允價值 調整 RMB'000 人民幣千元	Other changes ⁽ⁱⁱ⁾ 其他變動 ⁽ⁱⁱ⁾ RMB'000 人民幣千元	31/12/2018 2018年 12月31日 RMB'000 人民幣千元
Bank borrowings (note 33)	銀行借款(附註33)	127,000	(67,417)	–	–	5,900	65,483
Convertible ordinary shares	可轉換普通股	755,129	–	(621,588)	(133,541)	–	–
		882,129	(67,417)	(621,588)	(133,541)	5,900	65,483

Notes:

- (i) The cash flows from bank borrowings and convertible ordinary shares make up the net amount of proceeds from borrowings, repayment of borrowings, payment of interest and issuance of convertible ordinary shares in the statement of cash flows.
- (ii) Other changes include interest accruals.

附註：

- (i) 銀行借款及可轉換普通股所產生現金流量補足現金流量表的借款所得款項、償還借款、支付利息及發行可轉換普通股淨額。
- (ii) 其他變動包括應計利息。

36. Share Capital

Details of the movement of share capital are as follows:

36. 股本

股本的變動詳情如下：

		Number of shares 股份數目	Nominal value per share 每股面值 US\$ 美元	Share capital 股本 US\$ 美元
Authorised	法定			
At 31 December 2017 and 31 December 2018	於2017年12月31日及 2018年12月31日	5,000,000,000	0.00001	50,000



36. Share Capital (continued)

36. 股本(續)

Issued 已發行		Ordinary shares 普通股	Class A ordinary shares A類普通股	Class B convertible ordinary shares B類可轉換 普通股	Class C convertible ordinary shares C類可轉換 普通股	Total 總計	Nominal value per shares 每股面值 US\$ 美元	Share capital of ordinary shares and Class A ordinary shares 普通股及 A類普通股的 股本 US\$ 美元
At 1 January 2017	於2017年1月1日	625,000,000	–	–	–	625,000,000	0.00001	6,250
Redesignation of ordinary shares to Class A Shares (note (ii))	重新指定普通股為A類股份(附註(ii))	(625,000,000)	625,000,000	–	–	–	0.00001	–
Redesignation of Class A ordinary shares to Class B convertible ordinary shares (note (iii))	重新指定A類普通股為B類可轉換普通股(附註(iii))	–	(125,000,000)	125,000,000	–	–	0.00001	(1,250)
Issuance of Class C-1 convertible ordinary shares (note 34)	發行C-1類可轉換普通股(附註34)	–	–	–	27,573,529	27,573,529	0.00001	–
Issuance of Class C-2 convertible ordinary shares (note 34)	發行C-2類可轉換普通股(附註34)	–	–	–	110,294,118	110,294,118	0.00001	–
Issuance of Class C-3 convertible ordinary shares (note 34)	發行C-3類可轉換普通股(附註34)	–	–	–	31,786,152	31,786,152	0.00001	–
Repurchase of Class A ordinary shares	購回A類普通股	–	(24,722,563)	–	–	(24,722,563)	0.00001	(247)
Issuance of Class C-3 convertible ordinary shares upon repurchase	購回後發行C-3類可轉換普通股	–	–	–	24,722,563	24,722,563	0.00001	–
At 31 December 2017	於2017年12月31日	–	475,277,437	125,000,000	194,376,362	794,653,799	0.00001	4,753
Conversion of Class A ordinary shares to ordinary shares (note (iii))	A類普通股轉換至普通股(附註(iii))	475,277,437	(475,277,437)	–	–	–	0.00001	–
Conversion of Class B convertible ordinary Shares to ordinary shares	B類可轉換普通股轉換至普通股	125,000,000	–	(125,000,000)	–	–	0.00001	1,250
Conversion of Class C-1 convertible ordinary Shares to ordinary shares (note (iv))	C-1類可轉換普通股轉換至普通股(附註(iv))	27,573,529	–	–	(27,573,529)	–	0.00001	276
Conversion of Class C-2 convertible ordinary Shares to ordinary shares (note (iv))	C-2類可轉換普通股轉換至普通股(附註(iv))	110,294,118	–	–	(110,294,118)	–	0.00001	1,103
Conversion of Class C-3 convertible ordinary Shares to ordinary shares (note (iv))	C-3類可轉換普通股轉換至普通股(附註(iv))	56,508,715	–	–	(56,508,715)	–	0.00001	565
Issue of new shares upon listing (note (vi))	於上市後發行的新股(附註(vi))	216,105,000	–	–	–	216,105,000	0.00001	2,161
At 31 December 2018	於2018年12月31日	1,010,758,799	–	–	–	1,010,758,799	0.00001	10,108



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

36. Share Capital (continued)

36. 股本(續)

		At 31 December 於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Presented as	呈列為	67	32

Notes:

- (i) On 9 January 2017, all of the Company's ordinary shares were redesignated to Class A ordinary shares.
- (ii) On 9 January 2017, the Company redesignated 125,000,000 Class A ordinary shares which were owned by New Asia to Class B convertible ordinary shares.
- (iii) Upon completion of the Initial Public Offering ("IPO"), all of the Company's Class A ordinary shares were converted into ordinary shares on a one-to-one basis immediately.
- (iv) Upon completion of the IPO, all of the Company's outstanding 125,000,000 Class B convertible ordinary shares and 194,376,362 Class C convertible ordinary shares were converted into ordinary shares on a one-to-one basis immediately. As a result, the financial liabilities for the convertible redeemable preferred shares were derecognised and recorded as share capital and share premium reserve of the Company, respectively.
- (v) Upon completion of the IPO, the Company issued 216,105,000 new shares by way of global offering of US\$0.00001 each at a price of HK\$2.40 (equivalent to RMB1.94) each, and raised gross proceeds of approximately HK\$518,652,000 (equivalent to RMB418,860,000). The respective share capital amount was approximately RMB13,699 and share premium arising from the issuance was approximately RMB390,983,000, net of the share issuance costs. The share issuance costs mainly included share underwriting commissions, lawyers' fees, reporting accountant's fee and other related costs, which are incremental costs directly attributable to the issuance of the new shares. These costs amounting to RMB27,863,000 were treated as a deduction against the share premium arising from the issuance.

附註：

- (i) 於2017年1月9日，本公司的所有普通股已重新指定為A類普通股。
- (ii) 於2017年1月9日，本公司重新指定New Asia擁有的125,000,000股A類普通股為B類可轉換普通股。
- (iii) 於首次公開發售(「首次公開發售」)完成後，所有本公司的A類普通股按一比一基準即時轉換至普通股。
- (iv) 於首次公開發售完成後，所有本公司尚未轉換的125,000,000股B類可轉換普通股及194,376,362股C類可轉換普通股按一比一基準即時轉換至普通股。故此，可轉換可贖回優先股的相關財務負債終止確認並分別列賬為本公司的股本及股份溢價儲備。
- (v) 於首次公開發售完成後，本公司透過全球發售以每股面值0.00001美元按每股2.40港元(相當於人民幣1.94元)發行了216,105,000股新股份，總所得款項約為518,652,000港元(相當於人民幣418,860,000元)。相應的股本金額約為人民幣13,699元，由發行所產生的股份溢價約為人民幣390,983,000元(扣除股份發行成本)。股份發行成本主要包括股份包銷佣金、律師費、申報會計師費用及其他相關成本，此等為由發行新股份直接產生的增支成本。此等金額為人民幣27,863,000元的成本被視為由發行所產生的股份溢價的扣減。



37. Non-Controlling Interests

37. 非控股權益

		RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	—
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(611)
Contribution from non-controlling interests shareholder (note)	非控股權益股東注資(附註)	1,200
At 31 December 2017	於2017年12月31日	589
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	(1,540)
At 31 December 2018	於2018年12月31日	(951)

38. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged during the year ended 31 December 2018.

The capital structure of the Group consists of bank borrowings, bank balances and cash and equity attributable to owners of the Company, comprising paid-in capital and reserves in the consolidated statement of changes in equity.

The Directors review the capital structure on an annual basis. As part of this review, the Directors consider the cost of capital and the risks associated with each class of capital. Based on the results of the review of the Directors, the Group will balance its overall capital structure through the payment of dividends, raising new share capital as well as the issue of new debt.

38. 資本風險管理

本集團對其資本進行管理，以確保本集團各實體可繼續按持續經營基準經營，同時透過優化債務及股本平衡，為股東創造最大回報。本集團的整體策略於截至2018年12月31日止年度內保持不變。

本集團之資本架構由銀行借款、銀行結餘及現金以及本公司擁有人應佔股權(包括綜合權益變動表中的實繳股本及儲備)組成。

董事每年檢討資本架構。作為此項檢討的一環，董事考慮資本成本及各資本類別所附帶的風險。根據董事的檢討結果，本集團將透過派付股息、籌集新股本及發行新債項平衡其整體資本架構。



39. Financial Instruments

Categories of financial instruments

39. 金融工具

金融工具類別

		At 31 December, 於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets	金融資產		
Financial assets at amortised cost	按攤銷成本計量的金融資產	2,378,965	—
Equity instrument at FVTOCI	按公允價值計入其他全面收益 的股本工具	3,540	—
Debt instrument at FVTOCI	按公允價值計入其他全面收益 的債務工具	70,205	—
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金 及現金等價物)	—	2,076,634
AFS investment	可供出售投資	—	9,000
Financial liabilities	金融負債		
Liabilities measured at amortised cost	按攤銷成本計量的負債	1,079,323	1,145,761
Liabilities measured at FVTPL	按公允價值計入損益計量的負債	—	755,129

Financial risk management objectives and policies

The Group's major financial instruments include equity investment, debt investment, trade receivables, other receivables, receivables under service concession arrangement, amounts due from related parties, pledged bank deposits, bank balances and cash, trade and notes payables, other payables, amounts due to related parties, bank borrowings and convertible ordinary shares. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (interest rate risk, currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out in note 27 and below. The Directors manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

金融風險管理目標及政策

本集團的主要金融工具包括股權投資、債務投資、貿易應收款項、其他應收款項、服務特許經營安排下的應收款項、應收關連方款項、已抵押銀行存款、銀行結餘及現金、貿易應付款項及應付票據、其他應付款項、應付關連方款項、銀行借款及可轉換普通股。該等金融工具的詳情於相關附註披露。與該等金融工具有關的風險包括市場風險(利率風險、貨幣風險及其他價格風險)、信貸風險及流動資金風險。有關如何降低該等風險的政策載列於附註27及下文。董事管理及監控該等風險，以確保及時有效地實施適當措施。



39. Financial Instruments (continued)

Categories of financial instruments (continued)

Market risk

Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings, pledged bank deposits and bank balances. And the Group is also exposed to fair value interest rate risk in relation to fixed-rate borrowings (see note 33 for the details). It is the Group's policy to keep its bank borrowings, pledged bank deposits and bank balances at floating rate of interests so as to minimise the fair value interest rate risk. The Group's cash flow interest rate risk is mainly concentrated on the fluctuation of the Benchmark Lending Rate of the People's Bank of China.

The Group currently does not have an interest rate hedging policy. However, the Directors monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for bank balances and cash, pledged bank deposits and variable rate bank borrowings at the end of each reporting period and assumed that the amount of liabilities outstanding at the end of each reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 31 December, 2018 would have increased/decreased by RMB3,123,000 (2017: RMB2,670,000), respectively. This is mainly attributable to the Group's exposure to interest rates on its bank balances and pledged bank deposits and partially offset by the impact from bank borrowings.

Currency risk

The Group has bank balances which is denominated in foreign currencies, mainly US\$ and HK\$, as at 31 December 2018 and 2017.

39. 金融工具(續)

金融工具類別(續)

市場風險

利率風險

本集團就浮息銀行借款、已抵押銀行存款及銀行結餘面臨現金流量利率風險。本集團亦就固定利率借貸面臨公允價值利率風險(詳情請參閱附註33)。本集團的政策為將其銀行借款、已抵押銀行存款及銀行結餘維持在浮息利率，以盡量降低公允價值利率風險。本集團的現金流量利率風險主要集中於中國人民銀行基準貸款利率波動。

本集團目前並無利率對沖政策。然而，董事監控利率風險及在需要時將考慮對沖重大利率風險。

敏感度分析

下文敏感度分析乃根據各報告期末的銀行結餘及現金、已抵押銀行存款及浮息銀行借款的利率風險釐定，並假設於各報告期末尚未償還的負債於整個年度尚未償還。向主要管理人員內部匯報利率風險時，利用50個基數點的增減，代表管理層對利率的合理可能變動作出的評估。

倘利率增／減50個基數點且所有其他可變因素維持不變，本集團截至2018年12月31日止年度的除稅後溢利將分別增加／減少人民幣3,123,000元(2017年：人民幣2,670,000元)。此乃主要由於本集團的銀行結餘及已抵押銀行存款面對利率風險，且部分被銀行借款的影響所抵銷。

貨幣風險

於2017年及2018年12月31日，本集團擁有以外幣(主要為美元及港元)計值的銀行結餘。



39. Financial Instruments (continued)

Foreign currency sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to foreign currency rates and includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A 5% increase or decrease is used when reporting foreign currency rate risk internally to key management personnel and represents the Directors' assessment of the reasonably possible change in foreign currency rates.

If RMB had been appreciated/depreciated 5% against the foreign currency and all other variables were held constant, the Group's post-tax profit for the year ended 31 December 2018 would have decreased/increased by RMB14,902,000 (2017: RMB4,043,000). This is mainly attributable to the Group's exposure to the foreign currency bank balance as at 31 December 2018 and 2017.

Credit risk

The Group's maximum exposure to credit risk which cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

39. 金融工具(續)

外幣敏感度分析

以下敏感度分析乃根據面臨的外匯匯率而釐定，且僅包括以外幣計值之尚未償還貨幣項目並就外幣匯率變動5%調整期末換算。向主要管理人員內部匯報外匯匯率風險時，利用5%的增減，代表董事對外匯匯率的合理可能變動作出的評估。

倘人民幣兌外幣升值／貶值5%且所有其他可變因素維持不變，本集團截至2018年12月31日止年度的除稅後溢利將減少／增加人民幣14,902,000元(2017年：人民幣4,043,000元)。此乃主要由於本集團面臨於2018年及於2017年12月31日外幣銀行結餘的匯率風險。

信貸風險

本集團因交易對手方未能履行責任引致本集團財務虧損所承擔之最大信貸風險來自綜合財務狀況表所載各已確認財務資產之賬面值。



39. Financial Instruments (continued)

Sensitivity analysis (continued)

Credit risk (continued)

The Group's credit risk is primarily attributable to its trade and notes receivables, receivables under service concession arrangement, bank balances and cash, pledged bank deposit, debt instrument at FVTOCI, prepayments, deposits and other receivables, amounts due from related parties and contract assets.

With respect to the credit risk of the Group's treasury operations, the Directors has established internal procedures to monitor the Group's bank balances and cash, investments to be placed and entered into with financial institutions of good reputation. These internal procedures help minimise the Group's credit risk exposure.

The credit risk on bank balances and pledged bank deposits is limited because the counterparties are banks with high credit ratings.

Due to the nature of business of the Group, the Group has significant concentration of credit risk on a number of customers. As at 31 December 2018, the aggregate amount of the Group's trade receivables to the top five customers was RMB448,798,000, representing 57.6% (2017: RMB225,456,000, 33.8%) of the total trade receivables of the Group. In addition, the receivables under concession arrangements was RMB379,555,000 as at 31 December 2018 (2017: RMB408,084,000), which was due from one customer. Furthermore, the Group's concentration of credit risk by geographical locations is solely in the PRC. In the opinion of the Directors, those customers are mainly large electricity companies with good financial backgrounds.

The Group only invests in debt securities with low credit risk. The Group's debt instrument at FVTOCI mainly comprise notes receivables discounted to the banks with good credit rating and therefore are considered to be low credit risk investments. During the year ended 31 December 2018, no expected credit losses on debt instrument at FVTOCI were recognised in the profit or loss.

39. 金融工具(續)

敏感度分析(續)

信貸風險(續)

本集團的信貸風險主要來自其貿易應收款項及應收票據、服務特許經營安排項下的應收款項、銀行結餘及現金、已抵押銀行存款、按公允價值計入其他全面收益的債務工具、預付款項、按金及其他應收款項、應收關連方款項及合約資產。

就有關本集團資金營運之信貸風險，董事已制定內部程序以監控本集團銀行結餘及現金、將投放於聲譽良好之金融機構之投資以及將與聲譽良好之金融機構訂立之投資。該等內部程序有助於減低本集團信貸風險。

銀行結餘及已抵押銀行存款之信貸風險有限，原因是交易對手方為信譽等級良好之銀行。

由於本集團的業務性質，本集團的信貸風險主要集中於少數客戶。於2018年12月31日，本集團五大客戶的貿易應收款項總額為人民幣448,798,000元，佔本集團貿易應收款項總額的57.6% (2017年：人民幣225,456,000元，33.8%)。此外，於2018年12月31日，特許經營安排項下的應收款項為人民幣379,555,000元 (2017年：人民幣408,084,000元)，為應收一名客戶款項。此外，本集團的信貸風險地域上僅集中於中國。董事認為，這些客戶主要是具有良好的金融背景的大型電力公司。

本集團只投資低信貸風險的債務證券，本集團按公允價值計入其他全面收益的債務工具主要包括貼現予高信貸評級銀行的應收票據，因此其被視為低風險投資。截至2018年12月31日止年度，概無按公允價值計入其他全面收益的債務工具的預期信貸虧損確認於損益。



39. Financial Instruments (continued)

Sensitivity analysis (continued)

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors, who have established an appropriate liquidity risk management framework for the management of the Group's short-, medium-and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The amounts included in below tables for guarantee are the maximum amounts the Group could be forced to settle under the arrangement for the full guaranteed amount if that amount is claimed by the bank to the guarantor. The Directors have represented that they considered the initial fair value of such guarantee was immaterial and that the borrower has made repayments to the bank in accordance with the scheduled repayment dates set out in the bank borrowing agreements, it is not probable that the Group will result in payment under such financial guarantee.

39. 金融工具(續)

敏感度分析(續)

流動資金風險

流動資金風險管理乃由本公司董事最終負責，而董事已建立適當的流動資金風險管理架構，以符合本集團短期、中期及長期資金及流動資金管理規定。本集團透過維持充足的儲備、銀行融資及儲備借款額度、透過持續監控預測及實際現金流量以及透過對金融資產及負債之到期情況進行配對而管理流動資金風險。

下表詳列本集團非衍生金融負債的剩餘合約期。下表乃根據金融負債的未折現現金流量基於本集團可能須付款的最早日日期編製。表格包括利息及本金現金流量。倘利息流為浮動利率，未貼現金額源自報告期末的利率曲線。合約到期日乃根據本集團須支付最早日期釐定。

下表所載擔保金額是當銀行向擔保人索償時，本集團按安排需要支付全部擔保款項的最高金額。董事聲明，彼等認為有關擔保的初始公允價值並不重大及借款人已根據銀行借款協議所載計劃還款日期向銀行還款，本集團不可能根據有關財務擔保須支付款項。

39. Financial Instruments (continued)

Sensitivity analysis (continued)

Liquidity risk (continued)

39. 金融工具(續)

敏感度分析(續)

流動資金風險(續)

		Weighted average effective interest rate 加權平均 實際利率 %	On demand or within 3 months 按要求 或於3個月內 RMB'000 人民幣千元	3 months to 1 year 3個月 至1年 RMB'000 人民幣千元	1-5 years 1至5年 RMB'000 人民幣千元	More than 5 years 5年以上 RMB'000 人民幣千元	Total undiscounted cash flow 未折現現金 流量總額 RMB'000 人民幣千元	Carrying value 賬面值 RMB'000 人民幣千元
At 31 December 2018	於2018年12月31日							
Financial liabilities	金融負債							
Trade and notes payables	貿易應付款項 及應付票據	—	885,535	—	—	—	885,535	885,535
Other payables	其他應付款項	—	104,404	—	—	—	104,404	104,404
Amounts due to related parties	應付關連方款項	—	23,901	—	—	—	23,901	23,901
Bank borrowings	銀行借款	2.91	298	55,005	12,441	—	67,744	65,483
Guarantee	擔保	—	—	—	66,000	—	66,000	—
			1,014,138	55,005	78,441	—	1,147,584	1,079,323
At 31 December 2017	於2017年12月31日							
Financial liabilities	金融負債							
Trade and notes payables	貿易應付款項 及應付票據	—	720,727	—	—	—	720,727	720,727
Other payables	其他應付款項	—	292,538	—	—	—	292,538	292,538
Amounts due to related parties	應付關連方款項	—	5,496	—	—	—	5,496	5,496
Bank borrowings	銀行借款	4.41	1,432	103,589	27,893	—	132,914	127,000
Guarantee	擔保	—	—	—	66,000	—	66,000	—
			1,020,193	103,589	93,893	—	1,217,675	1,145,761



39. Financial Instruments (continued)

Sensitivity analysis (continued)

Fair value measurement

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

This note provides information about how the Group determines fair values of the following financial assets.

39. 金融工具(續)

敏感度分析(續)

公允價值計量

按經常性基準以公允價值計量之本集團金融資產與金融負債之公允價值。

本附註提供本集團釐定下列金融資產公允價值方法的資料。

		Fair value as at 31 December 於12月31日的公允價值			Valuation technique and key input 估值技術及 主要輸入數據
		2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元	Fair value hierarchy 公允價值等級	
Equity investment in the PRC (note 18)	中國股權投資(附註18)	3,540	9,000	Level 3 第三級	Discounted cash flow based on the future cash flow of the company's operations (note (i)) 根據公司經營的未來 現金流量貼現現金流量 (附註(i))
Debt instrument at FVTOCI (note 20)	按公允價值計入其他 全面收益的債務工具 (附註20)	70,205	–	Level 3 第三級	Discounted cash flow (note (ii)) 貼現現金流量(附註(ii))
Convertible ordinary shares	可轉換普通股	N/A 不適用	755,129	Level 3 第三級	Market Approach (note (iii)) 市場估值法(附註(iii))

There were no transfers between Level 1 and 2 during the year ended 31 December 2018 (2017: nil).

截至2018年12月31日止年度，第一級與第二級之間並無轉移(2017年：無)。



39. Financial Instruments (continued)

Sensitivity analysis (continued)

Fair value measurement (continued)

Notes:

- (i) A slight increase in the discount rate used in isolation would result in a decrease in the fair value. A 1% increase in the discount rate, holding all other variables constant, would decrease the carrying amount of the equity investment in the PRC by RMB 302,000 as at 31 December 2018 (2017: RMB911,000). A 1% decrease in the discount rate, holding all other variables constant, would increase the carrying amount of the equity investment in the PRC by RMB 405,000 as at 31 December 2018 (2017: RMB1,146,000).
- (ii) A slight increase in the discount rate used in isolation would result in a decrease in the fair value. A 1% increase in the discount rate, holding all other variables constant, would decrease the carrying amount of the debt instrument as FVTOCI by RMB 114,000 as at 31 December 2018. A 1% decrease in the discount rate, holding all other variables constant, would increase the carrying amount of the debt instrument as FVTOCI by RMB 115,000 as at 31 December 2018.
- (iii) The convertible ordinary shares issued by the Company are not traded in an active market and the respective fair value is determined by using valuation technique. The Directors have used market approach to determine the fair value of the convertible ordinary shares. Fair value of convertible ordinary shares is primarily affected by market multiples – P/E ratio. If the market multiple – P/E ratio had increased/decreased by 10% with all other variables held constant, profit before income tax for the year ended 31 December 2017 would have been approximately RMB72,189,000 lower/higher, respectively.

39. 金融工具(續)

敏感度分析(續)

公允價值計量(續)

附註：

- (i) 獨立使用的貼現率輕微增加將導致公允價值下跌。於2018年12月31日，倘貼現率增加1%(所有其他可變因素維持不變)，中國權益投資的賬面值將減少人民幣302,000元(2017年：人民幣911,000元)。於2018年12月31日，倘貼現率減少1%(所有其他可變因素維持不變)，中國權益投資的賬面值將增加人民幣405,000元(2017年：人民幣1,146,000元)。
- (ii) 獨立使用的貼現率輕微增加將導致公允價值下跌。於2018年12月31日，倘貼現率增加1%(所有其他可變因素維持不變)，按公允價值計入其他全面收益的債務工具賬面值將減少人民幣114,000元。於2018年12月31日，倘貼現率減少1%(所有其他可變因素維持不變)，按公允價值計入其他全面收益的債務工具賬面值將增加人民幣115,000元。
- (iii) 本公司發行的可換股普通股並無在活躍市場買賣，而相關公允價值乃採用估值技術釐定。董事已採用市場估值法釐定可換股普通股的公允價值。可換股普通股的公允價值主要受市場倍數的市盈率影響。倘市場倍數的市盈率增加／減少10%，且所有其他可變因素維持不變，截至2017年12月31日止年度的除所得稅前溢利將分別減少／增加約人民幣72,189,000元。

**39. Financial Instruments (continued)****Sensitivity analysis (continued)****Fair value measurement (continued)**

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values due to short maturity, initially recognised close to the end of reporting period, or with floating interest rates.

40. Operating Leases**The Group as lessor****Leasing arrangements**

Operating leases relate to the investment properties owned by the Group are with lease terms of two years. The lessee does not have an option to purchase the property at the expiry of the lease periods.

Rental income earned by the Group from its investment properties and direct operating expenses arising on the investment properties are set out in note 10.

Non-cancellable operating lease receivables

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	730	1,362
In the second to fifth year, inclusive	第二至五年(包括首尾兩年)	403	944
		1,133	2,306

39. 金融工具(續)**敏感度分析(續)****公允價值計量(續)**

非按經常性基準以公允價值計量之本集團金融資產與金融負債之公允價值。

由於年期短、初始確認臨近報告期末或利率浮動，董事認為於綜合財務報表中按攤銷成本入賬的金融資產及金融負債的賬面值與其公允價值相若。

40. 經營租賃**本集團作為出租人****租賃安排**

與本集團所擁有投資物業相關的經營租賃之租期為兩年。承租人並無於租期屆滿後購買該物業之選擇權。

本集團自投資物業賺取的租賃收入及投資物業所產生的直接經營開支載於附註10。

不可撤銷經營租賃應收款項



40. Operating Leases (continued)

The Group as lessee

Minimum lease payments paid under operating leases during the year ended 31 December 2018 and 2017 are as follows:

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Premises	物業	10,503	9,337

Non-cancellable operating lease payables

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within one year	一年內	10,305	10,299
In the second to fifth year, inclusive	第二至五年(包括首尾兩年)	10,125	19,406
		20,430	29,705

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of two years and rentals are fixed for an average of two years.

40. 經營租賃(續)

本集團作為承租人

截至2018年及2017年12月31日止年度，根據經營租賃支付的最低租賃款項如下：

不可撤銷經營租賃應付款項

於報告期末，本集團根據不可撤銷經營租賃的未來最低租賃款項承擔到期情況如下：

經營租賃款項指本集團就其若干辦公物業應付的租金。租賃經磋商後之平均年期為兩年，而租金金額於兩年平均租期內固定。



41. Related Party Transactions and Balances

(a) Amounts due from related parties

Amounts due from related parties – trade nature

41. 關連方交易及結餘

(a) 應收關連方款項

應收關連方款項－貿易性質

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yangxi Haibin Electric Power Development Co., Ltd ("Yangxi Electric")	陽西海濱電力發展有限公司 (「陽西電力」)	100,868	18,860
Yangmei Group Shouyang Boqi Electric Co., Ltd. ("Shouyang Power")	陽煤集團壽陽博奇發電有限 責任公司(「壽陽發電」)	26,735	18,714
Sinopec Shanghai Petrochemical Company Limited ("Sinopec Shanghai")	中國石化上海石油化工股份 有限公司(「中國石化上海」)	47,007	32,597
Sinopec Shanghai Gaoqiao Petrochemical Co., Ltd ("Sinopec Shanghai Gaoqiao")	中國石化上海高橋石油化工 有限公司(「中國石化上海高橋」)	6,590	—
		181,200	70,171
Analysed for reporting purpose as:	供呈報用途作以下分析：		
Current assets	流動資產	181,200	70,171
Non-current assets	非流動資產	—	—
		181,200	70,171



41. Related Party Transactions and Balances (continued)

(a) Amounts due from related parties (continued)

Amounts due from related parties – trade nature (continued)

The Group generally grants a credit period of 90 days to its related parties. Aging analysis of amounts due from related parties – trade nature, based on invoice date, is as follows:

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
1–90 days	1至90天	72,896	50,672
91–180 days	91至180天	66,412	10,503
181–365 days	181至365天	8,290	8,196
1–2 years	1至2年	33,602	800
		181,200	70,171

Aging analysis of amounts due from related parties – trade nature that are past due but not impaired is as follows:

41. 關連方交易及結餘(續)

(a) 應收關連方款項(續)

應收關連方款項—貿易性質(續)

本集團一般向其關連方授予90天的信貸期。應收關連方款項(貿易性質)按發票日期的賬齡分析如下：

逾期但尚未減值之應收關連方款項(貿易性質)的賬齡分析如下：

		At 31 December 2017
		於2017年12月31日
		RMB'000
		人民幣千元
1–90 days	1至90日	10,503
91–180 days	91至180日	8,196
1–2 years	1至2年	800
		19,499



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

41. Related Party Transactions and Balances (continued)

(a) Amounts due from related parties (continued)

Amounts due from related parties – non-trade nature

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yangxi Electric (note (i))	陽西電力(附註(i))	143,287	139,690
Boqi Environmental Engineering (note (ii))	博奇環保工程(附註(ii))	—	18,324
Han Chuan Long Yuan (note (iii))	漢川龍源(附註(iii))	320	234
		143,607	158,248

Notes:

(i) On 28 August 2017, the Group entered into a revised management service agreement with Guangdong Huaxia Electric Development Co., Ltd and Yangxi Electric to extend the O&M service term from 1 January 2017 to 31 December 2017 to a term from 1 January 2017 to 31 December 2025 and require a deposit of RMB139,690,000, which was paid by the Group on 31 December 2017. The deposit is unsecured and repayable at the end of the O&M service term.

(iii) The balances are all unsecured, interest-free and repayable on demand.

41. 關連方交易及結餘(續)

(a) 應收關連方款項(續)

應收關連方款項—非貿易性質

附註：

(i) 於2017年8月28日，本集團與廣東華廈電力發展有限公司及陽西電力訂立經修訂管理服務協議，將運維服務期限由2017年1月1日至2017年12月31日延長至2017年1月1日至2025年12月31日及需支付按金人民幣139,690,000元，有關按金已由本集團於2017年12月31日支付。該按金無抵押，須於運維服務期未償還。

(iii) 該等結餘為無抵押、免息及須於要求時償還。



41. Related Party Transactions and Balances (continued)

(a) Amounts due from related parties (continued)

Amounts due from related parties – non-trade nature (continued)

Maximum amount outstanding during the year are as follows:

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yangxi Electric	陽西電力	143,287	139,690
Boqi Environmental Engineering	博奇環保工程	18,324	18,328
Han Chuan Long Yuan	漢川龍源	320	420
		161,931	158,438

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Analysed for reporting purpose as:	供呈報用途作以下分析：		
Current assets	流動資產	320	234
Non-current assets	非流動資產	143,287	158,014
		143,607	158,248

Movement in lifetime ECL that has been recognised for amounts due from related parties in accordance with the simplified approach set out in IFRS 9 for the year ended 31 December 2018 is as follows:

截至2018年12月31日止年度，根據國際財務報告準則第9號的簡化方法確認的應收關連方款項全期預期信貸虧損變動如下：

		RMB'000
		人民幣千元
At 31 December 2017 under IAS 39	於2017年12月31日國際會計準則第39號項下	—
Adjustment upon application of IFRS 9	應用國際財務報告準則第9號後之調整	2,839
At 1 January 2018—restated under IFRS 9	於2018年1月1日—國際財務報告準則第9號項下重列	2,839
Allowance for amounts due from related parties	應收關連方款項撥備	2,244
At 31 December 2018	於2018年12月31日	5,083



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

41. Related Party Transactions and Balances (continued)

(b) Amounts due to related parties

Amounts due to related parties – trade nature

		At 31 December 於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Chongqing Chuanwei Petrochemical Engineering Company Limited of the Sinopec Group ("Chongqing Chuanwei")	中國石化重慶川維化工有限公司(「重慶川維」)	10,546	–
Sinopec Ningbo Engineering Co., Ltd ("Sinopec Ningbo")	中國石化寧波工程有限公司(「中石化寧波」)	9,718	–
Sinopec Fifth Construction Co., Ltd.	中國石化第五建設有限公司	2,765	–
Richinfo Technology Co., Ltd (note)	彩訊科技股份有限公司(附註)	696	86
Boqi Environmental Engineering	博奇環保工程	176	–
Sinopec Shanghai	中國石化上海	–	5,410
		23,901	5,496

Note: Richinfo is owned as to 49.5% by Mr. Zeng and an independent third party in aggregate acting-in-correct with each other.

附註：彩訊由曾先生及與其一致行動的獨立第三方擁有合共49.5%的股權。

The credit period granted by the related parties is ranging from 30 to 90 days. Aging analysis of amounts due to related parties – trade nature is as follows:

關連方授予的信貸期介乎30至90天。應付關連方款項(貿易性質)的賬齡分析如下：

		At 31 December 於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
1–90 days	1至90天	23,525	5,496
91–180 days	91至180天	376	–
		23,901	5,496



41. Related Party Transactions and Balances (continued)

(c) The transactions with related parties during the year reported are listed out below:

41. 關連方交易及結餘(續)

(c) 於報告年度，關連方交易載列如下：

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Yangxi Electric (note (i))	陽西電力(附註(i))		
– O&M service	– 運維服務	255,575	197,061
– Interest income	– 利息收入	6,160	2,510
– Water and electricity, labor, spare parts and miscellaneous items charged by Yangxi Electric	– 陽西電力收取的水電、勞工、備件及雜項費用	89,724	84,944
Shouyang Power (note (iii))	壽陽發電(附註(iii))		
– EPC service	– EPC服務	–	23,329
Sinopec Shanghai (note (iii))	中國石化上海(附註(iii))		
– EPC service	– EPC服務	126,729	146,990
Sinopec Shanghai Gaoqiao (note (iv))	中國石化上海高橋(附註(iv))		
– EPC service	– EPC服務	6,321	8,154
Richinfo Technology Co., Ltd. ("Richinfo")	彩訊科技股份有限公司(「彩訊」)		
– Purchase of intangible assets	– 購買無形資產	21	745
Sinopec Fushun Petrochemical Research Institute of Petroleum and Petrochemicals ("Fushun Research Institute")	中國石化撫順石油化工研究院(「撫順研究院」)		
– EPC consulting fee (note (v))	– 諮詢費用(附註(v))	900	2,150
– Designing service	– 設計服務	–	472
Sinopec Fifth Construction Co., Ltd. (note (vi))	中國石化第五建設有限公司(附註(vi))		
– Purchase of equipments	– 購買機器	2,001	–
– Purchase of construction service	– 購買建造服務	12,542	–
Chongqing Chuanwei	重慶川維		
– EPC service (note (vii))	– EPC服務(附註(vii))	6,849	–
Sinopec Ningbo	中石化寧波		
– EPC service (note (viii))	– EPC服務(附註(viii))	1,250	–
Sinopec Dalian Petrochemical Research Institute	中國石化大連石油化工研究院		
– Consulting service	– 諮詢服務	94	–



41. Related Party Transactions and Balances (continued)

(c) The transactions with related parties during the years reported are listed out below: (continued)

Notes:

- (i) In December 2016, the Group entered into a management service agreement, pursuant to which the Group provided O&M service to Yangxi Electric, and RMB255,575,000 was recognised as revenue during the year ended 31 December 2018 (2017: RMB197,061,000). The Group also purchases water and electricity, labor, space parts and miscellaneous items from Yangxi to support the O&M service. During the year ended 31 December 2018, the Group purchased RMB89,724,000 (2017: RMB84,944,000) water and electricity, labor, space parts and miscellaneous items from Yangxi Electric;
- (ii) In December 2015, the Group entered into an EPC service contract with Shouyang Power for a total contract amount of RMB287,560,000, of which no revenue were recognised during the year ended 31 December 2018 (2017: RMB23,329,000);
- (iii) In March 2017, the Group entered into an EPC service contract with Sinopec Shanghai for a total contract of RMB224,626,000, of which RMB126,729,000 was recognised as revenue during the year ended 31 December 2018 (2017: RMB146,990,000);
- (iv) In April 2017, the Group entered into EPC service contract with Sinopec Shanghai Gaoqiao for a total contract amount of RMB16,990,000, of which RMB6,321,000 was recognised as revenue during the year ended 31 December 2018 (2017: RMB8,154,000);
- (v) In September 2017, the Group entered into a technology licensing contract with Fushun Research Institute, an entity of which the controlling shareholder has significant influence in the company, pursuant to which the Group was licensed to use certain patents and know-how of Fushun Research Institute from the contract signing date to the end of December 2018.
- (vi) During the year ended 31 December 2018, the group purchases equipments and construction service from Sinopec Fifth Construction for certain EPC contract amount of RMB2,001,000 and RMB12,542,000, respectively.
- (vii) In September 2018, the Group entered into an EPC service contract with Chongqing Chuanwei for a total contract amount of RMB194,870,000, of which RMB6,849,000 were recognised as revenue during the year ended 31 December 2018.
- (viii) In August 2018, the Group entered into an EPC service contract with Sinopec NingBo Engineering for a total contract amount of RMB24,800,000, of which RMB1,250,000 were recognised as revenue during the year ended 31 December 2018.

41. 關連方交易及結餘(續)

(c) 於報告年度，關連方交易載列如下：(續)

附註：

- (i) 於2016年12月，本集團訂立管理服務協議，據此，本集團將提供運維服務予陽西電力，其中截至2018年12月31日止年度確認收入為人民幣255,575,000元(2017年：197,061,000元)，本集團亦自陽西購買水電、勞工、備件及雜項項目，以支持運維服務。截至2018年12月31日止年度，本集團自陽西電力購買水電、勞工、備件及雜項項目人民幣89,724,000元(2017年：84,944,000元)；
- (ii) 於2015年12月，本集團與壽陽發電訂立EPC服務合約，總合約金額為人民幣287,560,000元，其中截至2018年12月31日止年度無確認任何收入(2017年：人民幣23,329,000元)；
- (iii) 於2017年3月，本集團與中國石化上海訂立EPC服務合約，總合約金額為人民幣224,626,000元，其中截至2018年12月31日止年度確認收入人民幣126,729,000元(2017年：人民幣146,990,000元)；
- (iv) 於2017年4月，本集團與中石化上海高橋訂立EPC服務合約，總合約金額為人民幣16,990,000元，其中截至2018年12月31日止年度確認收入人民幣6,321,000元(2017年：人民幣8,154,000元)；
- (v) 於2017年9月，本集團與撫順研究院訂立技術特許合約，其控股股東對公司有重大影響力，據此，本集團自合約簽署日期至2018年12月末被允許使用其若干專利和專有技術；
- (vi) 截至2018年12月31日止年度，本集團因若干EPC合約自中國石化第五建設購買機器及建造服務的金額分別為人民幣2,001,000元及人民幣12,542,000元；
- (vii) 於2018年9月，本集團與重慶川維訂立EPC服務合約，總合約金額為人民幣194,870,000元，其中截至2018年12月31日止年度確認收入人民幣6,849,000元；
- (viii) 於2018年8月，本集團與中國石化寧波工程訂立EPC服務合約，總合約金額為人民幣24,800,000元，其中截至2018年12月31日止年度確認收入人民幣1,250,000元。



41. Related Party Transactions and Balances (continued)

(d) Guarantees provided to Han Chuan Long Yuan

On 18 July 2014 and 15 January 2015, the Company and the Wuhan branch of China Everbright Bank entered into two separate financial guarantee contracts, pursuant to which Beijing Boqi will provide guarantees for the liabilities under the maximum credit limit amounting to RMB45,000,000 and RMB21,000,000, respectively, arising from securing two bank term loans to Han Chuan Long Yuan, for the loan period from 18 July 2014 to 17 July 2021 and from 15 January 2015 to 14 January 2022, respectively. The Company has considered the initial fair value of such guarantee was immaterial and that Han Chuan Long Yuan has made repayments to China Everbright for their bank loans in accordance with the scheduled repayment dates set out in the bank borrowing agreements, it is not probable that the Group will result in payment under such financial guarantee.

(e) Compensation of key management personnel

The remuneration of key management personnel which represent the Directors and key executives of the Company for the year reported are as follows:

		Year ended 31 December	
		截至12月31日止年度	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries and other benefits	薪金及其他福利	3,260	3,260
Contributions to retirement benefits scheme	退休福利計劃供款	174	171
Total emoluments	薪酬總額	3,434	3,431

The remuneration of the Directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

Same as disclosed above, there were no other significant transactions with related parties during the years reported or other significant balances with them at the end of each reporting period.

41. 關連方交易及結餘(續)

(d) 向漢川龍源提供的擔保

於2014年7月18日及2015年1月15日，本公司與中國光大銀行武漢分行訂立兩項獨立財務擔保合約，據此，北京博奇將按最高信貸額分別為人民幣45,000,000元及人民幣21,000,000元的負債提供擔保，負債乃由於獲取兩項銀行定期貸款予漢川龍源所致，貸款期限分別為2014年7月18日至2021年7月17日期間及2015年1月15日至2022年1月14日期間，本公司表示，彼等認為相關擔保的初始公允價值並不重大，且漢川龍源已根據銀行借款協議所載的計劃償還日期向中國光大償還銀行貸款，本集團不大可能就該財務擔保支付任何款項。

(e) 主要管理人員薪酬

主要管理人員(指本公司董事及主要行政人員)於報告年度的薪酬如下：

董事及主要行政人員的薪酬經薪酬委員會考慮個人表現及市場趨勢後釐定。

除上述披露外，於報告年度與關連方並無其他重大交易，或在各報告期末與彼等亦並無任何重大結餘。

**42. Retirement Benefits Plans**

The employees of the Group in the PRC are members of a state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

The amounts of contributions made by the Group in respect of the retirement benefits scheme during the year reported are disclosed in notes 10 and 12.

43. Share-Based Payment

The Company adopted the Pre-IPO Share Award Scheme ("Scheme") pursuant to a resolution passed by the Directors on 15 April 2016, through which a total of 25,000,000 shares ("Awarded Shares") at a par value of US\$0.00001 each were issued to Acheson (the "Trust") on 11 May 2016, who will hold the Awarded Shares for the benefit of the eligible employees ("Selected Employees") and facilitate the purchase, holding and/or vesting of such Awarded Shares as a trustee pursuant to the trust deed ("Trust Deed") signed by the Company. The Trust was established pursuant to the Trust Deed dated 2 September 2016 with retrospective effect from 10 May 2016.

A management committee has been established and authorised by the Directors to make all determination and provide directions to the Trustee in relation to the Scheme (the "Committee"). The Pre-IPO Share Award Scheme is valid and effective for a period of ten years from the date of adoption.

Pursuant to the Scheme, the Selected Employees are entitled to subscribe for the Awarded Shares at the price of RMB0.85 per Awarded Share by way of a loan provided by the Company. The Awarded Shares shall vest in three tranches on the following vesting dates provided that the vesting conditions applicable to such Selected Employee are satisfied:

- (i) 50% on the date of listing of the Company's share on the Main Board of the Stock Exchange of Hong Kong Limited ("Listing" and "Listing Date") (the "First Vested Shares"), provided the Selected Employees remain in service until the first trading day following the first anniversary of the Listing Date;
- (ii) 25% on the first trading date following the first anniversary of the Listing Date; and
- (iii) 25% on the first trading date following the second anniversary of the Listing Date.

42. 退休福利計劃

本集團於中國的僱員為中國政府實施的國家指導退休福利計劃的成員。本集團須向退休福利計劃作出由各地方政府機構釐定的工資成本特定百分比的供款，以為福利提供資金。本集團有關退休福利計劃的責任僅為根據計劃作出特定供款。

於報告年度，本集團就退休福利計劃作出的供款金額於附註10及12披露。

43. 以股份為基礎的付款

本公司根據董事於2016年4月15日通過的決議案採納首次公開發售前股份獎勵計劃（「計劃」），據此，合共25,000,000股每股面值0.00001美元的股份（「獎勵股份」）於2016年5月11日發行予Acheson（「信託」），其將以合資格僱員（「經甄選僱員」）的利益持有獎勵股份並根據本公司簽署的信託契據（「信託契據」）作為受託人促使購買、持有及／或歸屬該等獎勵股份。該信託乃根據日期為2016年9月2日並追溯至2016年5月10日起生效的信託契據成立。

管理委員會（「委員會」）已告成立並獲董事授權就計劃作出一切決定及向受託人提供指導。首次公開發售前股份獎勵計劃自採納日期起為期十年有效且具效力。

根據計劃，經甄選僱員有權按每股獎勵股份人民幣0.85元的價格以向本公司貸款的方式認購獎勵股份。獎勵股份須於以下歸屬日期分三批歸屬，惟須達成適用於有關經甄選僱員的歸屬條件：

- (i) 50%的獎勵股份於本公司股份在香港聯合交易所有限公司主板上市當日（「上市」及「上市日期」）歸屬（「首批歸屬股份」），前提是被授予股份的員工在上市日期第一週年後第一個交易日前不得離職；
- (ii) 25%的獎勵股份將於上市日期第一週年後第一個交易日歸屬；及
- (iii) 25%的獎勵股份將於上市日期第二週年後第一個交易日歸屬。



43. Share-Based Payment (continued)

Upon the date of Listing, the trustee will sell the First Vested Shares under the instruction of the Committee. The proceeds, after netting off the loan borrowed by the respective Selected Employees ("Net Proceed"), 80% of which will be paid to the Selected Employees. However, if such Selected Employee terminates its employment with the Group during the one-year period after the Listing Date, the Net Proceed received should be repaid to the Company. The remaining 20% of the Net Proceed will be paid provided that such Selected Employee continues to serve the Company for one year after the Listing Date. If the proceeds are less than the amount of the loan borrowed, the Selected Employees will still need to repay the loan to the Company.

The expected vesting period for tranche (i) and (ii) is one year after the Listing Date and the expected vesting period for tranche (iii) is two years after the Listing Date.

On 7 September 2016, the Company granted 23,170,000 Awarded Shares to the Selected Employees.

The details of the Awarded Shares granted for the year ended 31 December 2016 are as follows:

Number of Awarded Shares granted 授出獎勵股份的數目	Grant date 授出日期	Expiry date 屆滿日期	Purchase price RMB 購買價 人民幣元
23,170,000 23,170,000股	7 September 2016 2016年9月7日	7 September 2026 2026年9月7日	0.85

At the end of each reporting period, the Company will revise its estimates of the number and timing of shares that are expected to vest ultimately. The impact of the revision of the estimates, if any, will be recognised in profit or loss, with a corresponding adjustment to the share options reserve.

In accordance with the Trust deed entered into between the Trust and the Company ("Trust Deed"), the Company has the control over the Trust. Therefore, the Trust is consolidated by the Group. Accordingly, the shares issued and held by Acheson should be treated as treasury shares and shown separate amounts in the consolidated statement of changes in equity. In addition, finance costs and administration expenses of the trust are recognised by the Company.

The Group has used the discounted cash flow method to determine the underlying ordinary share fair value of Awarded Shares. The Group has determined the fair value of the Awarded Shares based on binominal option-pricing model as of the grant date. The valuation model requires the input of highly subjective assumptions, including the equity risk premium and the discount rate due to lack of control, and changes in the subjective input assumptions can materially affect the fair value estimate of the Awarded Shares.

43. 以股份為基礎的付款(續)

於上市日期，受託人將按委員會的指示出售首批歸屬股份。扣除相關經甄選僱員籌借的貸款後，所得款項(「所得款項淨額」)的80%將付予經甄選僱員。然而，倘有關經甄選僱員於上市日期後一年期間終止與本集團的僱傭關係，則已收取的所得款項淨額應退還予本公司。所得款項淨額的餘下20%將支付予經甄選僱員，惟有關經甄選僱員須於上市日期後一年期間繼續在本公司任職方可作實。倘所得款項低於已借入貸款金額，經甄選僱員仍將須向本公司償還貸款。

預計(i)及(ii)批次的歸屬期間為上市日期後一年，而(iii)批次的預計歸屬期間為上市日期後兩年。

於2016年9月7日，本公司授予23,170,000股獎勵股份予經甄選僱員。

截至2016年12月31日止年度授出的獎勵股份詳情如下：

於各報告期末，本公司將修訂預期將最終歸屬的股份的估計數目及期限。估計(如有)修訂的影響將於損益確認，並對購股權儲備作出相應調整。

根據信託與本公司訂立的信託契據(「信託契據」)，本公司對信託具有控制權。因此，信託由本集團綜合入賬。因此，Acheson所發行及持有之股份應被視為庫存股份並於綜合權益變動表中單獨列示金額。此外，信託的融資成本及行政開支由本公司確認。

本集團已採用貼現現金流量方式，以釐定獎勵股份的相關普通股公允價值。本集團已於授出日期按「二項式」期權定價模式釐定獎勵股份的公允價值。該估值模式需要作出高度主觀假設的輸入，包括股權風險溢價及缺乏控制折讓率，且主觀輸入假設的變動可對獎勵股份的公允價值的估值造成重大影響。



43. Share-Based Payment (continued)

43. 以股份為基礎的薪酬(續)

		7 September 2016 2016年9月7日 RMB 人民幣元
Weighted average grant date fair value per share	每股加權平均授出日公允價值	1.94
Weighted average exercise price	加權平均行使價	0.85
Detailed forecast period	詳細預測期	5 years
Weighted average cost of capitals	加權平均資本成本	16.83%
Leveraged beta	槓桿beta	1.04
Equity risk premium	股權風險溢價	0.5%
Discount rate due to lack of control	缺乏控制折讓率	10%

Movements in Awarded Shares during the year

The following reconciles the shares outstanding at the beginning and end of the year:

獎勵股份於年內的變動

以下為年初發行在外股份與年末發行在外股份的對賬：

		Number of shares 股份數目	Weighted average purchase price 加權平均 購買價
Balance at 1 January 2017	於2017年1月1日的結餘	23,170,000	0.85
Forfeited during the year	年內沒收	(925,000)	0.85
Balance at 31 December 2017	於2017年12月31日的結餘	22,245,000	0.85
Exercised during the year	年內行使	(11,122,000)	0.85
Forfeited during the year	年內沒收	(250,000)	0.85
Balance at 31 December 2018	於2018年12月31日的結餘	10,873,000	0.85

The Company recognised a total share-based payment expenses of RMB8,442,000 in profit or loss during the year ended 31 December 2018 (2017: RMB7,206,000) in relation to the Awarded Shares granted by the Company.

截至2018年12月31日止年度本公司就本公司授出的獎勵股份於損益確認以股份為基礎的薪酬開支總額為人民幣8,442,000元(2017年：人民幣7,206,000元)。

44. Commitment for Capital Expenditure

44. 資本開支承擔

		At 31 December 於12月31日 2018 2018年 RMB'000 人民幣千元	2017 2017年 RMB'000 人民幣千元
Commitments for construction of infrastructure under concession operation (contracted but not provided for)	特許經營項下建造基礎設施的承擔(已訂約但未撥備)	84,538	116,209



45. Statement of Financial Position and Reserves of the Company

45. 本公司財務狀況表及儲備

		At 31 December	
		於12月31日	
		2018	2017
		2018年	2017年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-Current Assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	272	—
Amounts due from subsidiaries	應收附屬公司款項	201,791	—
Investments in subsidiaries	於附屬公司的投資	1,082,859	1,082,859
		1,284,922	1,082,859
Current Assets	流動資產		
Inventories	存貨	6,704	7,271
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	6,462	7,282
Amounts due from subsidiaries	應收附屬公司款項	3,931	26,958
Bank balances and cash	銀行結餘及現金	318,979	80,873
		336,076	122,384
Current liabilities	流動負債		
Other payables, deposits received and accrued expenses	其他應付款項、已收按金及應計開支	29,864	10,641
Net current assets	流動資產淨值	306,212	111,743
Non-Current Liabilities	非流動負債		
Class B and Class C convertible ordinary shares	B類及C類可轉換普通股	—	755,129
		—	755,129
Net assets	資產淨值	1,591,134	439,473
Paid-in capital/share capital	實收資本／股本	67	32
Reserves	儲備	1,591,067	439,441
Total equity	權益總額	1,591,134	439,473



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

45. Statement of Financial Position and Reserves of the Company (continued)

The movements in the reserves of the Company are shown as follows:

45. 本公司財務狀況表及儲備(續)

本公司儲備變動列示如下：

		Treasury shares 庫存股份 RMB'000 人民幣千元	Merger reserve 合併儲備 RMB'000 人民幣千元	Other reserve 其他儲備 RMB'000 人民幣千元	Share premium reserve 股份溢價儲備 RMB'000 人民幣千元	Retained profits 保留溢利 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2017	於2017年1月1日	(2)	371,500	(130,310)	736,746	(25,794)	952,140
Loss and total comprehensive expense for the year	年內虧損及全面 開支總額	—	—	—	—	(278,473)	(278,473)
Share-based compensation expenses	以股份為基礎的補償開支	—	—	—	7,206	—	7,206
Redesignation of Class A ordinary shares to Class B convertible ordinary shares	A類普通股重新指定為 B類可轉換普通股	—	—	—	(201,329)	—	(201,329)
Repurchase of Class A shares	購回A類股份	—	—	—	(40,103)	—	(40,103)
At 31 December 2017	於2017年12月31日	(2)	371,500	(130,310)	502,520	(304,267)	439,441
Loss and total comprehensive expense for the year	年內虧損及全面開支總額	—	—	—	—	132,359	132,359
Share-based payment	以股份為基礎的薪酬	—	—	—	8,442	—	8,442
Forfeiture of pre-IPO share awards	沒收首次公開發售前獎勵 股份	—	—	—	74	—	74
Repurchase of ordinary shares	購回普通股	(1,799)	—	—	—	—	(1,799)
Conversion of Class B and C convertible ordinary shares into ordinary shares	B類及C類可轉換普通股 轉換為普通股	—	—	—	621,567	—	621,567
Issue of new shares upon listing	於上市時發行新股份	—	—	—	390,983	—	390,983
At 31 December 2018	於2018年12月31日	(1,801)	371,500	(130,310)	1,523,586	(171,908)	1,591,067



46. Particulars of Subsidiaries

At end of each reporting periods, the Company has direct and indirect shareholders/equity interests in the following subsidiaries:

46. 附屬公司詳情

於各報告期末，本公司於下列附屬公司直接及間接擁有股東／股權權益：

Name of subsidiary 附屬公司名稱	Place of establishment 成立地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本／ 註冊資本	Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有已發行股本面值／註冊資本比例		Principal activities 主要業務
			As of 31 December 於12月31日		
			2018	2017	
			2018年	2017年	
			%	%	
			%	%	
CBEE	BVI	—	100	100	Investment holding
CBEE	英屬處女群島	—			投資控股
Beijing Shengyi	The PRC	RMB371,500,000	100	100	Investment holding
北京聖邑	中國	人民幣371,500,000元			投資控股
Beijing Bosheng	The PRC	RMB10,000,000	100	100	Investment holding
北京博聖	中國	人民幣10,000,000元			投資控股
Beijing Boqi	The PRC	RMB400,000,000	100	100	Environmental protection
北京博奇	中國	人民幣400,000,000元			facilities engineering, operation and maintenance services
					環保設施工程、 運營與維護服務
Jinggangshan Boqi	The PRC	RMB81,000,000	100	100	Concession operation services
井岡山博奇	中國	人民幣81,000,000元			特許經營服務
Zhejiang Boqi Electric Power SCI-TECH Co., Ltd. ("Zhejiang Boqi")	The PRC	RMB20,000,000	100	100	Inactive
浙江博奇電力科技有限公司	中國	人民幣20,000,000元			暫無營業
Puzhou Boqi	The PRC	RMB55,000,000	100	100	Concession operation services
蒲州博奇	中國	人民幣55,000,000元			特許經營服務
Hejin Boqi	The PRC	RMB25,000,000	100	100	Concession operation services
河津博奇	中國	人民幣25,000,000元			特許經營服務



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

綜合財務報表附註(續)

46. Particulars of Subsidiaries (continued)

46. 附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of establishment 成立地點	Issued and fully paid share capital/ registered capital 已發行及 繳足股本／ 註冊資本	Proportion of nominal value of issued capital/registered capital held by the Company 本公司持有已發行 股本面值／註冊資本比例		Principal activities 主要業務
			As of 31 December 於12月31日		
			2018 2018年	2017 2017年	
			%	%	
			%	%	
Anhui Nengda Fuel Co., Ltd. ("Anhui Nengda") 安徽能達燃料有限公司	The PRC 中國	RMB20,000,000 人民幣20,000,000元	100	100	Sale of coal and chemicals 煤及化學品銷售
Shanxi Bo Yuan Qi Cheng Environmental Equipment Service Co., Ltd. ("Shanxi Bo Yuan") 山西博源奇晟環保設備 服務有限公司	The PRC 中國	RMB10,000,000 人民幣10,000,000元	100	100	Operation and maintenance services 環保設施工程、運營與 維護服務
Changjizhou Boqi Environmental Technology Co., Ltd. ("Changjizhou Boqi") 昌吉州博奇環保科技有限公司	The PRC 中國	RMB140,000,000 人民幣140,000,000元	100	100	Environmental protection facility engineering, operation and maintenance services 環保設施工程、運營與 維護服務
Beijing Boqi Environmental Remediation Tech Co. Ltd. ("Boqi Remediation") 北京博奇環境修復有限公司	The PRC 中國	RMB3,000,000 人民幣3,000,000元	60	60	Technology services, engineering and exploration services 技術服務、工程及勘探服務
Huainan Boqi Environmental Technology Co., Ltd. ("Huainan Boqi") 淮南博奇環保科技有限公司	The PRC 中國	RMB50,000,000 人民幣50,000,000元	100	N/A 不適用	Environmental protection facility engineering, operation and maintenance services 環保設施工程、運營與 維護服務

47. Subsequent Events

Save as disclosed above, there has been no other material events subsequent to the year, which require adjustment or disclosure in accordance with IFRSs.

47. 期後事項

除上文所披露者外，本年度後並無其他重大事件須根據國際財務報告準則作出調整或披露。

中国博奇环保(控股)有限公司

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