



ELL
Environmental
Holdings Limited

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

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 1395

Annual Report 2014 年報



* For identification purpose only
僅供識別

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DIRECTORS

Executive Directors

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

Non-Executive Directors

CHAN Pak Lam Brian
CHAU Chi Yan Benny

Independent Non-executive Directors

NG Chung Yan Linda
NG Man Kung
SZE Yeuk Lung Benedict

BOARD COMMITTEES

Audit Committee

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

Nomination Committee

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

Remuneration Committee

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

REGISTERED OFFICE

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

董事

執行董事

周安達源(*主席*)
陳昆(*行政總裁*)

非執行董事

陳柏林
周致人

獨立非執行董事

伍頌恩
吳文拱
施若龍

董事委員會

審核委員會

伍頌恩(*主席*)
周致人
吳文拱
施若龍

提名委員會

周安達源(*主席*)
陳昆
伍頌恩
吳文拱
施若龍

薪酬委員會

吳文拱(*主席*)
陳柏林
伍頌恩
施若龍

註冊辦事處

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

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

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

於中華人民共和國(「中國」)的總部

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

香港主要營業地點

香港
華蘭路20號
華蘭中心11樓1-3室

AUTHORISED REPRESENTATIVES

CHAN Kwan
KWOK Siu Man FCS

授權代表

陳昆
郭兆文 FCS

COMPANY SECRETARY

KWOK Siu Man FCS

公司秘書

郭兆文 FCS

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR

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

開曼群島主要股份過戶登記處

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

HONG KONG BRANCH SHARE REGISTRAR

Boardroom Share Registrars (HK) Limited
31st Floor
148 Electric Road
North Point
Hong Kong

香港證券登記分處

寶德隆證券登記有限公司
香港
北角
電氣道148號
31樓

Corporate Information 公司資料

PRINCIPAL BANKERS

Chiyu Banking Corporation Limited
The Hongkong and Shanghai Banking Corporation Limited

INDEPENDENT AUDITORS

Ernst & Young
Certified Public Accountants

LEGAL ADVISORS

As to Hong Kong law:

Michael Tam & Co. in association with
Berwin Leighton Paisner (HK) LLP

As to PRC law:

King & Wood Mallesons

As to Cayman Islands law:

Maples and Calder

COMPLIANCE ADVISOR

Quam Capital Limited

WEBSITE

www.ellhk.com

STOCK CODE

1395

主要來往銀行

集友銀行有限公司
香港上海滙豐銀行有限公司

獨立核數師

安永會計師事務所
執業會計師

法律顧問

有關香港法律：

譚國彥律師事務所
與博聞(香港)律師事務所聯盟

有關中國法律：

金杜律師事務所

有關開曼群島法律：

邁普達律師事務所

合規顧問

華富嘉洛企業融資有限公司

公司網站

www.ellhk.com

股份代號

1395

Dear Shareholders,

On behalf of the board of directors (the “Directors”) (the “Board”) of ELL Environmental Holdings Limited (“ELL Environmental” or the “Company”, together with its subsidiaries, the “Group”), I am pleased to present the annual report for the year ended 31 December 2014.

Marking a significant milestone of the Group, ELL Environmental’s listing on The Stock Exchange of Hong Kong Limited on 26 September 2014 brought the Group into a new stage of development. The listing not only provides strong capital support for our future development and enhances our competitive edge but also creates a better platform for the sustainability of our business development.

The 12th Five-Year Plan of the government of the People’s Republic of China (the “PRC”) encourages development on green environment. With increased public awareness of environmental protection, the central government has responded with the promulgation of new policies on environmental protection related businesses, with particular emphasis on water pollution and inadequate water resources. After the promulgation of “Action Plan on Prevention and Control of Air Pollution”, the long-awaited “Action Plan on Prevention and Control of Water Pollution” is expected to be announced in near future. This new policy is commonly expected to lead to an upward adjustment of water tariff and investment of RMB2,000 billion in the market, bringing tremendous business potentials to water utilities industry. The management believes, as the PRC government demonstrates increased attention to environmental protection, the industry and the Group will enjoy more opportunities for expansion and development.

Currently, ELL Environmental has three wastewater treatment facilities in Jiangsu Province, the PRC, namely, the Haiyan Hengfa Facility, the Rugao Hengfa Facility and the Rugao Honghao Facility. These facilities have a total maximum capacity of more than 80,000 tonnes per day. The completion of the upgrade works of the Haiyan Hengfa Facility and the Rugao Hengfa Facility will be a significant growth driver for the Group in 2015. The Group is now negotiating with the local government about the water tariff adjustment. The water tariff is expected to enjoy a reasonable increment after the completion of the upgrade works of the two facilities.

致各位股東：

本人謹代表強泰環保控股有限公司（「強泰環保」或「本公司」，連同其附屬公司統稱「本集團」）董事（「董事」）會（「董事會」）欣然呈報截至二零一四年十二月三十一日止年度的年報。

二零一四年九月二十六日，強泰環保正式於香港聯合交易所有限公司上市。這是集團一個非常重要的里程碑，標誌強泰環保的發展邁向新一階段。上市不僅為我們日後發展提供有力的資本支持，亦提升我們的競爭優勢，同時為公司業務的可持續發展創造了更為良好的平台。

中華人民共和國（「中國」）政府「十二五」規劃大力發展綠色經濟，加上環保意識日增，有關環保產業新政策頻出，尤其是注重水資源的污染及不足，更引起中央政府的關注。繼「大氣十條」後，籌劃多年的《水污染防治行動計劃》（「水十條」）亦預期於短期內出台，普遍預期新政策亦將會令水價上調，預期將為市場帶來人民幣2萬億元的投資規模，為水務行業帶來重大商機。管理層相信，隨著內地政府對環保愈趨重視，將會為行業以至集團帶來更多擴充和發展的機遇。

目前，強泰環保現時在中國江蘇省有三座污水處理設施，即海安恆發設施、如皋恆發設施及如皋宏皓設施，合共最高處理能力每天超過80,000噸。隨著旗下兩個污水處理設施，海安恆發及如皋恆發升級工程相繼完成，亦為2015年集團增長帶來顯著動力。集團現時正就水務費用調整與當地政府商討，預計海安恆發及如皋恆發的升級工程完成後，水務費用調整幅度可獲合理提升。

Chairman's Statement 主席報告

Looking ahead, ELL Environmental will be committed to developing the wastewater treatment industry in Jiangsu Province. Leveraging our enriched experience, familiarity with Jiangsu market and well-established relationship with the local government authorities, the Group will strive for more wastewater treatment projects to consolidate our position in Jiangsu market and maintain sustainable development. Currently, the Group is seeking for other wastewater treatment projects with an aim of further expanding the business. As an environmentally friendly enterprise, the Group will not rule out the possibility of developing other green business apart from wastewater treatment. We shall also keep an eye on any overseas opportunities.

Last but not least, I would like to express my gratitude to the continuous support of all the shareholders, investors and clients on behalf of the Board. The Group's management team and all staff members will strive for obtaining more wastewater treatment projects and maintaining steady business development so as to achieve attractive and stable returns for our shareholders.

Chau On Ta Yuen
Chairman

Hong Kong, 18 March 2015

展望來年，強泰環保將致力投身於發展江蘇省的污水處理業，集團將善用我們的豐富經驗、對江蘇省市場的熟悉，以及與地方政府機關的良好合作關係，爭取獲得更多污水處理項目，從而鞏固我們在江蘇省的市場地位，維持業務的穩定擴展。目前，集團正與其他污水處理項目洽談中，期望可進一步拓展業務規模。除污水處理外，集團作為環保企業，不排除會留意其他環保業務，亦會關注海外的發展機會。

最後，本人謹代表董事會感謝所有投資者及客戶對強泰環保的不懈支持，集團管理層成員及全體員工將繼續全力以赴，爭取更多污水處理項目及穩定發展業務，務求為股東帶來優厚穩定的回報。

主席
周安達源

香港，二零一五年三月十八日

BUSINESS REVIEW AND FUTURE DEVELOPMENT

On 26 September 2014, ELL Environmental Holdings Limited (“ELL Environmental”, the “Company” together with its subsidiaries, the “Group”) embarked on an important milestone through its listing on The Stock Exchange of Hong Kong Limited. Stepping onto the stage of international capital market, ELL Environmental is expected to have more opportunities with increased access to funding and capital. The Group will utilise its competitive edge in order to further reinforce its market position.

We, ELL Environmental, are a wastewater treatment services provider with three wastewater treatment facilities in Jiangsu Province, the People’s Republic of China (“PRC”). We offer a one-stop approach to the provision of wastewater treatment services using the “Build-Operate-Transfer” or “BOT” model. We cover the whole spectrum of activities from the design of wastewater treatment facilities, through the procurement of suitable equipment and materials, to the supervision of their construction as well as the on-going operation and maintenance of the facilities throughout long-term concession periods. We currently have three wastewater treatment facilities, including one in Haian County, namely the Haian Hengfa Facility, and two in Rugao Economic and Technological Development Zone (the “Rugao ETDZ”), namely the Rugao Hengfa Facility and the Rugao Honghao Facility. The daily wastewater treatment combined capacities of the three facilities are about 40,000 tonnes, 40,000 tonnes and 3,500 tonnes respectively. The Group is negotiating with the local government to adjust the water tariff. We expect to see a reasonable increment to our water tariff after the completion of the upgrade works of the Haian Hengfa Facility and the Rugao Hengfa Facility. In addition, the productivity of Rugao Honghao Facility will further increase to strengthen the project capability of the Group.

A fire accident occurred on the first floor of the Rugao Honghao Facility on 4 December 2014. The repair of the facility was completed on 18 December 2014 and its operation resumed on 22 December 2014. The fire accident had not resulted in any loss of revenue during the period in which the operations of the Rugao Honghao Facility were suspended. The Fire Accident did not have any material impact on the operational and financial results of the Company for the year ended 31 December 2014. The Company has reviewed and updated its existing fire prevention policies and emergency procedures, and has enhanced communication with its employees to promote fire safety awareness to prevent occurrence of similar incidents.

業務回顧及未來發展

強泰環保控股有限公司(「強泰環保」, 「本公司」, 連同其附屬公司統稱「本集團」)於二零一四年九月二十六日(「上市日期」)在香港聯合交易所有限公司上市, 標誌其發展的一個重要里程碑。踏足國際資本市場後, 預期強泰環保有更多機會獲得更多資金及資本。本集團將利用其競爭優勢, 進一步鞏固其市場地位。

我們強泰環保是一家污水處理服務供應商, 在中華人民共和國(「中國」)江蘇省有三座污水處理設施。我們採用「建設—經營—移交」或「BOT」模式提供一站式污水處理服務。我們提供全套服務, 涵蓋設計污水處理設施、採購合適的設備及材料、監督設施建設以及在整個漫長特許期內持續運營及保養設施。我們目前有三個經營中的污水處理設施, 包括一個位於海安縣的設施(海安恆發設施)及兩個位於國家級如皋經濟技術開發區(「如皋經濟技術開發區」)的設施(如皋恆發設施及如皋宏皓設施)。該三個設施的每天可處理的合併污水量分別約為40,000噸、40,000噸及3,500噸。本集團與當地政府磋商以調整水務費用。我們預期的水務費用於海安恆發設施及如皋恆發設施的升級工程完成後有合理升幅。此外, 如皋宏皓設施的生產力將進一步增加以加強本集團的項目能力。

如皋宏皓設施一樓於二零一四年十二月四日發生火災。維修設施已於二零一四年十二月十八日完成, 並於二零一四年十二月二十二日恢復營運。火災並無導致如皋宏皓設施暫停營運期間任何營業收入損失。火災並無對本公司截至二零一四年十二月三十一日止年度的營運及財務業績造成任何重大影響。本公司已審閱及更新其現有防火政策及應急程序, 並已加強與其僱員的溝通, 以推廣消防安全意識, 從而避免發生類似事故。

Management Discussions and Analysis

管理層討論與分析

As at 31 December 2014 and the date of this report, we have not completed the environmental inspection and acceptance procedures for the Rugao Honghao Facility and have not obtained the pollutants discharge permit for such facility. Based on our communication with the relevant authorities in the Rugao ETDZ, we expect to complete the environmental inspection and acceptance procedures and obtain the pollutants discharge permit for the Rugao Honghao Facility around June 2015 at the earliest. We had applied and the relevant authorities in Rugao ETDZ had approved the further extension of the trial operation period of the Rugao Honghao Facility to September 2015. The Company will continue to update the shareholders of the Company on the above matters in the next interim report.

We completed an offering of 200,000,000 ordinary shares of HK\$0.0001 each in the Company (the “Shares”) at an offer price of HK\$0.55 per offer Share on 26 September 2014 (the “Share Offer”). The net proceeds received by the Company from the Share Offer, after deducting the relevant underwriting commissions and other related listing expenses payable by the Company, was approximately HK\$77.6 million. The net proceeds is intended to be applied in a manner consistent with that in the Company’s prospectus issued on 12 September 2014.

The PRC government’s continuous promotion of urbanisation, the increasing awareness towards water pollution among the Chinese community, together with the inadequate wastewater treatment capacities in the country lay strong foundation for the long-term growth potential for the wastewater treatment industry in the PRC. Moreover, the long-awaited “Action Plan on Prevention and Control of Water Pollution” is expected to be promulgated soon and the industry envisages approximately RMB2,000 billion of investment will be made to develop the sector. Under these favourable policies, we expect the water utilities industry to continue to grow steadily.

於二零一四年十二月三十一日及本公告日期，我們並未為如皋宏皓設施完成環境驗收程序，亦並未為該設施取得污染物排放許可證。基於我們與國家級如皋經濟技術開發區相關機構的溝通，我們預期最早於二零一五年六月前後完成如皋宏皓設施的環境驗收程序並取得污染物排放許可證。我們已申請將如皋宏皓設施的試運期間進一步延長至二零一五年九月，該申請亦獲國家級如皋經濟技術開發區相關機構批准。本公司將於未來中期報告中就上述事宜持續知會本公司股東最新情況。

我們於二零一四年九月二十六日完成按發售價每股發售股份0.55港元發售本公司200,000,000股每股0.0001港元的普通股（「股份」）（「股份發售」），本公司從股份發售已收所得款項淨額（經扣除相關包銷佣金及本公司應付其他有關上市開支後）約為77.6百萬港元。上市所得款項淨額之使用將與本公司於二零一四年九月十二日刊發的招股章程上公佈一致。

中國政府持續推廣城市化，對水污染的關注日益增加，如國內污水處理能力不足等，這為中國污水處理行業長遠增長潛力奠定堅固的基礎。此外，期待已久的「水污染防治行動計劃」預期將近頒佈，而行業預計投資約人民幣20,000億以開發行業。於該等有利政策下，我們預期水電行業將定增長。

Going forward, the wastewater treatment industry in Jiangsu Province remains to be our development focus. The Group will continue to adopt the BOT model to provide wastewater treatment services to maintain satisfactory business performance. With our long accumulated experience, established network and relationships in Jiangsu Province, and proficient and effective project capability, our management believes that the Company possesses unique business strengths to ensure sustainable development of the Group. The Group is also considering opportunities to develop more wastewater treatment projects and is evaluating the possibility to expand into other green businesses. We will adopt a strict and disciplined approach when pursuing any new opportunities. In addition to applying our careful project selection criteria, which take into account key factors such as profitability, growth potential and technical requirements, we will ensure that (i) we will only pursue such opportunities if they are in the best interest of the shareholders of the Company, and (ii) we have or are able to employ the necessary personnel with the appropriate experience and expertise to execute the projects. As at 31 December 2014 and the date of this report, we had not identified any potential opportunities for tendering or for acquisition.

FINANCIAL REVIEW

Revenue

Our total revenue increased by approximately 30.9% to approximately HK\$85.2 million for the year ended 31 December 2014 from approximately HK\$65.1 million for the preceding year, of which revenue excluding the imputed interest income increased to approximately HK\$70.7 million for the year ended 31 December 2014 from approximately HK\$51.5 million for the preceding year. The increase in revenue was primarily attributable to (i) the increased total volume of wastewater treated, and (ii) the recognition of construction revenue as a result of the upgrade works of the Hai'an Hengfa Facility and improvement works of the Rugao Hengfa Facility which amounted to approximately HK\$13.2 million and HK\$3.5 million, respectively, while no construction revenue was recognised for the year ended 31 December 2013. The Group has only one reportable operating segment which is the construction and operation of wastewater treatment facilities.

展望未來，江蘇省污水處理仍是我們的發展重點。本集團將繼續採用BOT模式提供污水處理服務以維持令人滿意的業務表現。憑藉我們於江蘇省累積已久的經驗、建立已久的網絡及關係，連同熟練及有效的項目處理能力，管理層相信本公司擁有獨特的業務優勢，有助確保本集團持續發展。本集團亦考慮開發更多污水處理項目的機遇，並評估擴展至其他環保業務的可能性。我們將於追求任何新機遇時採取嚴格而有紀律的方針。除應用我們計及盈利能力、增長潛力及技術要求等主要因素的謹慎選擇項目作為標準外，我們將確保(i)我們將僅於有關機遇符合股東最佳利益時追求有關機遇；及(ii)我們已或能夠委聘具備適當經驗及專業知識以執行項目的所須人員。於二零一四年十二月三十一日及本報告日期，我們並未物色到任何投標或收購的潛在機遇。

財務回顧

營業收入

我們的營業收入總額由去年約65.1百萬元增加約30.9%至截至二零一四年十二月三十一日止年度約85.2百萬元，其中扣除推算利息收入的營業收入由去年約51.5百萬元增加至截至二零一四年十二月三十一日止年度約70.7百萬元。於期內，營業收入增加乃主要因(i)污水處理總量的增加；及(ii)因海安恆發設施的升級工程及如皋恆發設施的改造工程，致使確認建設營業收入分別約13.2百萬元及3.5百萬元，而截至二零一三年十二月三十一日止年度並無確認任何建設營業收入。本集團僅有一個可呈報經營分部，即污水處理設施的建造及運營。

Cost of sales

Our total cost of sales increased by approximately 136.1% to approximately HK\$37.2 million for the year ended 31 December 2014 from approximately HK\$15.8 million for the preceding year primarily due to (i) the incurrence of total construction costs of approximately HK\$14.7 million as a result of the upgrade works of the Hai'an Hengfa Facility and the improvement works of the Rugao Hengfa Facility, both commenced during the year ended 31 December 2014, while no construction cost was incurred for the preceding year, (ii) an increase in raw materials costs of approximately HK\$1.8 million due to the increase in chemicals used to treat the increased volume of wastewater, (iii) the increase in overhead costs of approximately HK\$2.7 million, which was mostly attributable to the increased electricity consumption by the Rugao Hengfa Facility to operate additional equipment and machinery for treating the increased volume of wastewater, and (iv) an increase in repair and maintenance costs of approximately HK\$1.3 million for replacing a number of obsolete parts in the Rugao Hengfa Facility and Rugao Honghao Facility.

Gross profit and gross profit margin

Our gross profit decreased by approximately 2.8% to approximately HK\$48.0 million for the year ended 31 December 2014 from approximately HK\$49.3 million for the preceding year, primarily due to the increase in our cost of sales mentioned above. As the gross profit margins for the construction revenue of the upgrade works of the Hai'an Hengfa Facility and the improvement works of the Rugao Hengfa Facility (both commenced during the year ended 31 December 2014) are lower than the gross profit margins for the operation of our wastewater treatment facilities, our gross profit margin decreased to approximately 56.3% for the year ended 31 December 2014 from approximately 75.8% for the preceding year.

銷售成本

我們的銷售成本總額由去年約15.8百萬港元增加約136.1%至截至二零一四年十二月三十一日止年度約37.2百萬港元，主要由於(i)因截至二零一四年十二月三十一日止年度開始的海安恆發設施升級工程及如皋恆發設施改造工程而增加建設成本總額約14.7百萬港元，而去年並無產生任何建設成本；(ii)因截至二零一四年十二月三十一日止年度處理增加的污水量所用的化學品增加令原材料成本增加約1.8百萬港元；(iii)間接成本增加約2.7百萬港元，主要原因是如皋恆發設施於截至二零一四年十二月三十一日止年度需要運作額外設備及機器處理增加的污水量而令其電力消耗量增加；及(iv)因替換如皋恆發設施及如皋宏皓設施的若干陳舊部件而令維修及保養成本增加約1.3百萬港元。

毛利及毛利率

我們的毛利由去年約49.3百萬港元減少約2.8%至截至二零一四年十二月三十一日止年度約48.0百萬港元，主要由於上述銷售成本增加。由於海安恆發設施升級工程及如皋恆發設施改造工程(兩者同樣於截至二零一四年十二月三十一日止年度展開)的建設營業收入毛利率較污水處理設施營運的毛利率為低，故我們的毛利率由去年約75.8%下降至截至二零一四年十二月三十一日止年度約56.3%。

Administrative expenses

As a percentage of our revenue, our administrative expenses represented approximately 7.0% and 36.2% for the year ended 31 December 2013 and 2014, respectively. Our administrative expenses increased by approximately 5.8 times to approximately HK\$30.8 million for the year ended 31 December 2014 from approximately HK\$4.5 million for the preceding year. The increase was primarily attributable to (i) the professional fees of HK\$20.1 million incurred in relation to the listing of our Shares (the “Listing”) during the year ended 31 December 2014; and (ii) the increase of salaries and staff costs by approximately 349.8% to approximately HK\$4.2 million for the year ended 31 December 2014 from approximately HK\$0.9 million for the preceding year due to the hiring of more employees, including senior personnel, to manage our expanded operations and to prepare for the Listing.

Finance costs

Our finance costs decreased by approximately 53.0% to approximately HK\$1.2 million for the year ended 31 December 2014 from approximately HK\$2.5 million for the preceding year. The decrease in finance costs was primarily attributable to the full repayment in October 2013 of the bank loan drawn down in October 2012.

Profit before tax

Our profit before tax decreased by 53.9% to HK\$22.1 million for the year ended 31 December 2014 from HK\$48.0 million for the year ended 31 December 2013, primarily due to the factors mentioned above.

行政開支

截至二零一三年及二零一四年十二月三十一日止年度，我們行政開支佔營業收入的百分比分別約為7.0%及36.2%。我們的行政開支由去年約4.5百萬港元增加約5.8倍至截至二零一四年十二月三十一日止年度約30.8百萬港元。有關增加主要由於(i)截至二零一四年十二月三十一日止年度產生股份上市(「上市」)相關專業費用20.1百萬港元；及(ii)薪金及員工成本因我們擴充經營及籌備上市的需要，增聘僱員(包括高級人員)由去年約0.9百萬港元增加約349.8%至截至二零一四年十二月三十一日止年度約4.2百萬港元。

融資成本

我們的融資成本由去年約2.5百萬港元減少約53.0%至截至二零一四年十二月三十一日止年度約1.2百萬港元。融資成本減少主要因為於二零一三年十月悉數償還於二零一二年十月所提取的銀行貸款。

除稅前溢利

除稅前溢利由截至二零一三年十二月三十一日止年度約48.0百萬港元減少約53.9%至截至二零一四年十二月三十一日止年度約22.1百萬港元，主要基於上文所述的原因。

Income tax

Our income tax expense decreased by approximately 22.9% to approximately HK\$10.9 million for the year ended 31 December 2014 from approximately HK\$14.1 million for the preceding year. The decrease was mainly attributable to (i) the preferential income tax treatment obtained by the Hai'an Hengfa Facility and the Rugao Hengfa Facility pursuant to which its income tax for the year ended 31 December 2014 was taxed at the taxable profit based on 90% of their revenue generated for the year, and (ii) the reversal of approximately HK\$0.4 million for the overprovision of withholding tax on the distributable profits derived from Hai'an Hengfa Property Development Limited (海安恆發置業有限公司), the subsidiary that we deregistered with effect from 6 June 2014. Notwithstanding the decrease of profit before tax for the year ended 31 December 2014 by approximately 53.9% as compared with the preceding year, our income tax expense decreased only by 22.9% as compared to the preceding year, as the decrease in our profit before tax was mainly attributable to the net effect of increase in professional fees in relation to the Listing in 2014, which were not tax deductible, and the gain on deregistration of a subsidiary in 2014 and the gain on bargain purchase of subsidiaries in 2013, both of which were not taxable.

Profit attributable to owners of the parent

Our profit attributable to owners of the parent decreased by approximately 71.3% to approximately HK\$9.3 million for the year 31 December 2014 from approximately HK\$32.3 million for the preceding year primarily due to (i) the substantial increase in our administrative expenses, comprising mostly of the professional fees in relation to the Listing, and (ii) the increase in our cost of sales, both as discussed above.

Final dividend

The Board does not recommend the payment of any final dividend in respect of the period from 25 February 2014 (date of incorporation of the Company) to 31 December 2014.

所得稅

我們的所得稅開支由去年約14.1百萬港元減少約22.9%至截至二零一四年十二月三十一日止年度約10.9百萬港元。有關減少主要由於(i)海安恆發設施及如皋恆發設施於二零一四年取得所得稅優惠待遇，故其截至二零一四年十二月三十一日止年度應課所得稅的溢利，其中營業收入是按年內產生營業收入的90%計算，及(ii)撥回源自我們自二零一四年六月六日起撤銷註冊的附屬公司海安恆發置業有限公司可分派溢利的預扣稅超額撥備約0.4百萬港元。儘管截至二零一四年十二月三十一日止年度除稅前溢利較去年減少約53.9%，由於到除稅前溢利減少乃主要由於非稅收抵扣的於二零一四年有關上市的專業費用增加、於二零一四年毋須納稅撤銷註冊一間附屬公司以及於二零一三年毋須納稅的議價購買附屬公司收益的淨影響所致，所得稅開支較去年僅減少約22.9%。

本公司母公司擁有人應佔溢利

我們的母公司擁有人應佔溢利由去年約32.3百萬港元減少約71.3%至截至二零一四年十二月三十一日止年度約9.3百萬港元，主要由於上文所述之(i)有關上市的專業費用所產生的行政開支顯著增加，及(ii)銷售成本增加所致。

末期股息

董事會並不建議就二零一四年二月二十五日(本公司註冊成立日期)至二零一四年十二月三十一日期間支付任何末期股息。

Liquidity and financial resources

As at 31 December 2014, the net asset value of the Group was approximately HK\$364.8 million (2013: approximately HK\$215.3 million) and the carrying amount of the Group's cash and cash equivalents was approximately HK\$99.1 million (2013: HK\$75.6 million). The increase in net asset value and cash and cash equivalent of the Group was primarily due to the receipt of the net proceeds from the Share Offer. As at 31 December 2014, the Group had net current assets of approximately HK\$117.2 million (2013: approximately HK\$51.7 million) and its current ratio increased from 1.6 times as at 31 December 2013 to 5.7 times as at 31 December 2014. Current ratio is calculated by dividing current assets by current liabilities as at the end of the year. The increase in the current ratio is primarily due to (i) the prompt payment of wastewater treatment fees by our customers in 2014, which in turn reduced our receivables under service concession arrangements as at 31 December 2014 as compared to that of 31 December 2013, and (ii) the settlement of the other payables and accruals and an amount due to a related party.

As at 31 December 2014, the Group's total bank loans amounted to approximately HK\$18.3 million (2013: approximately HK\$17.6 million).

The Group's gearing ratio is calculated by dividing total debt by total equity and total debt is the sum of other payables and accruals, an amount due to a related party, interest-bearing bank borrowings and shareholders' loans which represent payables of the Group incurred out of the ordinary course of business. As at 31 December 2014, our gearing ratio was 0.1 times (2013: 0.7 times). The decrease was primarily due to (i) the increase in total equity as a result of the Share Offer (ii) the settlement of the other payables and accruals and an amount due to a related party, and (iii) capitalisation of shareholders' loans in 2014.

流動資金及財務資源

於二零一四年十二月三十一日，本集團的資產淨值約為364.8百萬港元(二零一三年：約215.3百萬港元)，而本集團的現金及現金等價物賬面值約為99.1百萬港元(二零一三年：75.6百萬港元)。本集團資產淨值及現金及現金等價物增加主要由於收取股份發售所得款項淨額。於二零一四年十二月三十一日，本集團的流動資產淨值約為117.2百萬港元(二零一三年：約51.7百萬港元)，其流動比率由二零一三年十二月三十一日1.6倍增加至二零一四年十二月三十一日5.7倍。流動比率按年末的流動資產除以流動負債計算。流動比率增加主要由於(i)客戶於二零一四年及時繳付污水處理費，從而使我們於二零一四年十二月三十一日的服務特許權安排下的應收款項相對二零一三年十二月三十一日減少，以及(ii)由於結算其他應付款項及應計費用及結算應付關聯方款項。

於二零一四年十二月三十一日，本集團的銀行貸款總額約為18.3百萬港元(二零一三年：約17.6百萬港元)。

本集團的資產負債比率按債務總額除以權益總額計算，而債務總額指並非於日常業務過程中產生的本集團應付款項總額，包括其他應付款項及應計費用、應付一名關聯方款項、計息銀行借款及股東貸款。於二零一四年十二月三十一日，我們的資產負債比率為0.1倍(二零一三年：0.7倍)。有關減少主要由於在二零一四年(i)股份發售導致權益總額增加；(ii)結算其他應計費用及結算應付關聯方款項；及(iii)股東貸款資本化。

Loans and borrowings

As at 31 December 2014, there was a bank loan of HK\$9.8 million. It was a five-year term loan and repayable on demand. It was denominated in U.S. dollars with a floating interest rate at 1.25% above the U.S. dollar prime rate per annum. As at 31 December 2014, it was secured by the wastewater treatment concession rights of Rugao Hengfa Facility and Rugao Honghao Facility comprising receivables under service concession rights of these two facilities. As at 31 December 2013, this bank loan was also secured by personal guarantees provided by Mr. Chan Kwan, Ms. Wong Shu Ying and Mr. Chan Chun Keung and certain properties provided by Ms. Wong Shu Ying and Mr. Chan Chun Keung. Mr. Chan Kwan is a director and beneficial shareholder of the Company. Ms. Wong Shu Ying is a beneficial shareholder of the Company and Mr. Chan Chun Keung is a close family member of certain beneficial shareholders of the Company. Such personal guarantees and charges on properties have been released upon the Listing.

As at 31 December 2014, the Group had a three-year bank loan of HK\$8.6 million (2013: Nil) which was denominated in RMB with a fixed interest rate at 6.77% per annum. This bank loan was secured by the Group's land use right and properties used in the operation of Hai'an Hengfa Facility with a total construction cost of HK\$6.0 million which had been charged to the cost of sales in the years of construction in prior years in accordance with HK(IFRIC)-Int 12.

Capital expenditures

Our major capital expenditures consist primarily of expenditures to upgrade and improve the Group's wastewater treatment facilities.

For the year ended 31 December 2014, our capital expenditures amounted to approximately HK\$14.7 million. These capital expenditures were funded by funds generated from our operating activities as well as bank loans.

貸款和借款

於二零一四年十二月三十一日，我們有銀行貸款9.8百萬港元。該筆貸款為五年期貸款及須按要求償還。該筆貸款以美元計值，每年按浮息以美元最優惠利率加1.25%計息。於二零一四年十二月三十一日，該筆銀行信貸以如皋恆發設施及如皋宏皓設施的污水處理服務特許權作抵押，包括該兩個設施服務特許權下應收款項。於二零一三年十二月三十一日，該筆銀行貸款亦以陳昆先生、王穗英女士及陳進強先生提供的個人擔保，以及王穗英女士及陳進強先生提供的若干物業作抵押。陳昆先生為本公司董事兼實益股東。王穗英女士為本公司實益股東，而陳進強先生為本公司若干實益股東之密切家庭成員。該等個人擔保及物業押記於上市時已解除。

於二零一四年十二月三十一日，本集團有三年期銀行貸款8.6百萬港元(二零一三年：零)，該貸款以人民幣計值，按6.77%的固定年利率計息。該筆銀行貸款以用於海安恆發設施營運的土地使用權及物業作抵押，有關污水處理業務營運的總建築成本為6.0百萬港元，已於過往年度根據香港(國際財務報告詮釋委員會)－詮釋第12號扣自建築年度銷售成本。

資本開支

我們的重大資本開支主要包括本集團污水處理設施升級及改造工程的開支。

截至二零一四年十二月三十一日止年度，我們的資本開支達到約14.7百萬港元。該等資本開支由我們的經營活動所得資金及銀行貸款撥付。

Funding and treasury policies

Our principal liquidity and capital requirements primarily relate to investments in our projects, construction of our wastewater treatment facilities and purchases of equipment as well as costs and expenses related to the operation and maintenance of our facilities. Historically, we have met our capital expenditures, working capital and other liquidity requirements principally from cash generated from our operations, bank borrowings and shareholder's loan/equity. Going forward, we expect to fund our working capital, capital expenditures and other capital requirements with a combination of various sources, including but not limited to cash generated from our operations, bank borrowings, the net proceeds from the Share Offer as well as other external equity and debt financing. The Group's objectives are to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirements.

Foreign exchange risk

Individual companies within the Group have limited foreign currency risk as most of the transactions are denominated and settled in Renminbi. As of 31 December 2014, the Group did not have significant foreign currency exposure from its operations. However, our consolidated financial information is presented in Hong Kong dollars. Any appreciation or depreciation of Hong Kong dollar against Renminbi will affect our financial position and be reflected in the exchange fluctuation reserve. The Group does not have a foreign currency hedging policy. The Directors monitor the Group's foreign exchange fluctuation exposure closely and may, depending on the circumstances and trend of foreign currency, consider adopting significant foreign currency hedging policy in the future.

Contingent liabilities

As at 31 December 2014, the Group had no contingent liabilities.

資金及庫務政策

我們的主要流動性和資本需求主要涉及到我們項目的投資，我們的污水處理設施建設和設備採購，以及與我們的設施的運行和維護成本和費用有關。過往，我們主要以經營產生的現金、銀行借款及股東貸款／權益應付我們的資本開支、營運資金及其他流動性要求。展望未來，我們期待結合不同來源，為我們的營運資金、資本開支及其他資本要求撥資，包括但不限於經營產生的現金、銀行借款、股份發售所得款項淨額及其他對外權益及債務融資。本集團的目標是維持審慎的理政政策，監控流動比率對風險額度，並保持應急計劃的資金，確保本集團維持充足的現金以滿足其流動資金需求。

外匯風險

由於大部分交易均以人民幣列值及結算，因此本集團內各公司僅承受有限的外幣風險。於二零一四年十二月三十一日，本集團之業務並無重大外幣風險。然而，我們的綜合財務資料以港元呈列。任何港元兌人民幣升值或貶值將影響我們的財務狀況，並將於匯兌波動儲備中反映。本集團並無外幣對沖政策。董事密切監察本集團的外匯風險，且在視乎外幣情況及趨勢下考慮於日後採納重大外幣對沖政策。

或然負債

於二零一四年十二月三十一日，本集團並無或然負債。

Management Discussions and Analysis

管理層討論與分析

Employee and remuneration policies

As at 31 December 2014, the Group had 75 employees (including the Directors). Employee costs (including Directors' emoluments) amounted approximately to HK\$8.3 million for the year ended 31 December 2014. Our remuneration policy for the Directors and our senior management members is based on their experience, level of responsibility, length of service and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members.

Material acquisitions and disposals

For the year ended 31 December 2014, the Group did not have any material acquisitions and disposals of assets.

僱員及薪酬政策

於二零一四年十二月三十一日，本集團共有75名僱員(包括董事)。截至二零一四年十二月三十一日止年度的僱員成本(包括董事酬金)約為8.3百萬港元。我們的董事及高級管理層成員的薪酬政策乃根據彼等的經驗、所負責任、服務年期及一般市場情況釐定。任何酌情花紅及其他獎勵金均與本集團溢利表現及董事與高級管理層成員的個人表現掛鈎。

重大收購及出售

截至二零一四年十二月三十一日止年度，本集團並無任何重大的資產收購及出售。

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

Mr. Chau On Ta Yuen

Mr. Chau On Ta Yuen, aged 66, was appointed as a director of ELL Environmental Holdings Limited (the "Company") together with its subsidiaries (the "Group") on 18 March 2014 and was re-designated as the chairman and an executive director of the Company on 5 September 2014. He has been the chairman of the nomination committee of the Company's board of directors (the "Board") since 5 September 2014. Mr. Chau is mainly responsible for business development and strategic formulation of the Group. He joined the Group in December 2002 as a director of Everbest Water Treatment Development Company Limited ("Everbest"), an indirect wholly-owned subsidiary of the Company.

Mr. Chau obtained a bachelor's degree in Chinese language and literature from Xiamen University (廈門大學) in China in August 1968. He is currently a member of the 12th National Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議), a deputy officer of the Social and Legal Affairs Committee of the Chinese People's Political Consultative Conference (全國政協社會和法制委員會) and the vice chairman of the 9th board of directors of the Hong Kong Federation of Fujian Associations (香港福建社團聯會). Mr. Chau was awarded the Bronze Bauhinia Star by the Hong Kong government in 2010.

Mr. Chau has held directorship in various companies listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Chau has been an executive director of China Ocean Shipbuilding Industry Group Limited (stock code: 651) since September 2007 and an independent non-executive director of Redco Properties Group Limited (stock code: 1622), Sumpo Food Holdings Limited (stock code: 1089), Come Sure Group (Holdings) Limited (stock code: 794) and Good Fellow Resources Holdings Limited (stock code: 109) since January 2014, December 2010, February 2009 and July 2007, respectively. Mr. Chau had also been an executive director of Rosan Resources Holdings Limited (stock code: 578) from March 2000 to November 2006, an independent non-executive director of Hao Wen Holdings Limited (stock code: 8019) from June 2003 to August 2009, and an independent non-executive director of Buildmore International Limited (stock code: 108) from December 2008 to September 2010. Mr. Chau is the father of Mr. Chau Chi Yan Benny, a non-executive director of the Company.

Mr. Chau held 225,000,000 shares in the Company representing approximately 28.13% of the issued share capital of the Company, through Wealthy Sea Holdings Limited, which is 90%-owned by him and 10% by his wife, within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

周安達源先生

周安達源先生，66歲，於二零一四年三月十八日獲委任為強泰環保控股有限公司（「本公司」，連同其附屬公司統稱「本集團」）董事，並於二零一四年九月五日調任為本公司主席兼執行董事。彼自二零一四年九月五日起一直為本公司董事會（「董事會」）的提名委員會主席。周先生主要負責本集團的業務發展及策略制訂。彼於二零零二年十二月加入本集團擔任本公司間接全資附屬公司恆發水務發展有限公司（「恆發」）的董事。

周先生於一九六八年八月獲中國廈門大學頒發漢語言文學學士學位。彼現時為中國人民政治協商會議第十二屆全國委員會委員、全國政協社會和法制委員會副主任及香港福建社團聯會第九屆董事會副主席。周先生於二零一零年獲香港政府授予銅紫荊星章。

周先生於多間香港聯合交易所有限公司（「聯交所」）上市公司擔任董事職務。周先生自二零零七年九月起擔任中海船舶重工集團有限公司（股份代號：651）執行董事，並分別自二零一四年一月、二零一零年十二月、二零零九年二月及二零零七年七月起擔任力高地產集團有限公司（股份代號：1622）、森寶食品控股有限公司（股份代號：1089）、錦勝集團（控股）有限公司（股份代號：794）及自金威資源控股有限公司（股份代號：109）獨立非執行董事。周先生亦於二零零零年三月至二零零六年十一月擔任融信資源控股有限公司（股份代號：578）執行董事、於二零零三年六月至二零零九年八月擔任皓文控股有限公司（股份代號：8019）獨立非執行董事及於二零零八年十二月至二零一零年九月擔任建懋國際有限公司（股份代號：108）獨立非執行董事。周先生為本公司非執行董事周致人先生的父親。

周先生透過潤海集團有限公司持有225,000,000股本公司股份，相當於本公司已發行股份約28.13%，該公司由彼及彼之妻子分別擁有90%及10%（定義見香港法例第571章證券及期貨條例第XV部）。

Directors' and Senior Management's Biographical Details

董事及高級管理層之個人履歷

Mr. Chan Kwan

Mr. Chan Kwan, aged 32, was appointed as a director of the Company on 25 February 2014 and was re-designated as the chief executive officer and an executive director of the Company on 5 September 2014. He has been a member of the nomination committee of the Board since 5 September 2014. Mr. Chan is mainly responsible for all major affairs of the Group, including project construction and operation, business development, marketing and strategic formulation. Mr. Chan joined the Group in March 2007 as a director of Everbest. Prior to joining the Group, Mr. Chan was a database administrator at Panda Restaurant Group, Inc. in Los Angeles, the United States, from February 2005 to December 2006.

Mr. Chan obtained a bachelor's degree in science from the Iowa State University of Science and Technology in the United States in December 2004. He is a member of the 11th Fujian Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議福建省委員會), a standing committee member of the 8th board of directors of the Hong Kong Federation of Fujian Associations (香港福建社團聯會), the chief supervisor of the 9th Hong Kong Minxi Association Ltd. (香港閩西聯會), the vice-president of the 10th Supervision Committee of Lung Yen Residents Association of Hong Kong Limited (香港龍岩同鄉會), and the vice-president of the Hong Kong Federation of Overseas Chinese Youth Committee (香港華僑華人總會). Mr. Chan is the elder brother of Mr. Chan Pak Lam Brian, a non-executive director of the Company.

Mr. Chan held 20% interest in Everbest Environmental Investment Limited, a controlling shareholder of the Company, which held 375,000,000 shares in the Company, representing approximately 46.88% of the issued share capital of the Company.

陳昆先生

陳昆先生，32歲，於二零一四年二月二十五日獲委任為本公司董事，並於二零一四年九月五日調任為本公司行政總裁兼執行董事。彼自二零一四年九月五日起一直為董事會的提名委員會成員。陳先生主要負責本集團一切重大事務，包括項目建設及營運、業務發展、市場推廣及策略制訂。陳先生於二零零七年三月加入本集團，擔任恆發的董事。於加入本集團前，陳先生於二零零五年二月至二零零六年十二月為美國洛杉磯 Panda Restaurant Group, Inc. 的數據庫管理員。

陳先生於二零零四年十二月獲美國愛荷華州立大學(Iowa State University of Science and Technology)頒發理學學士學位。彼為中國人民政治協商會議第十一屆福建省委員會委員、香港福建社團聯會第八屆董事會常務會董、香港閩西聯會第九屆監事長、香港龍岩同鄉會第十屆監督委員會副會長及香港華僑華人總會青年委員會副主席。陳先生為本公司非執行董事陳柏林先生的胞兄。

陳先生持有本公司控股股東 Everbest Environmental Investment Limited (持有 375,000,000 股本公司股份，相當於本公司已發行股本約 46.88%) 的 20% 權益。

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

Mr. Chan Pak Lam Brian

Mr. Chan Pak Lam Brian, aged 26, was appointed as a director of the Company on 18 March 2014 and was re-designated as a non-executive director of the Company on 5 September 2014. He has been a member of the remuneration committee of the Board since 5 September 2014. Mr. Chan obtained a bachelor's degree in arts from Purdue University in the United States in May 2011. Since March 2013, Mr. Chan has been working as marketing and sales director at PT. Indoferro. He has been involved in the business of the Group since September 2012 when he was appointed as a director of Exuberant Legacy Holdings Ltd. ("Exuberant"), a company incorporated in Hong Kong, which was intended by the then shareholders of Everbest to be used as the holding company for the purpose of the listing the Group. While serving as a director of Exuberant, Mr. Chan was involved in exploring business opportunities in the environmental-related industry within the larger Asia region and was also responsible for the setting up and maintenance of the Company's information technology system. Mr. Chan continued to be involved in the Group's business after he was appointed as a Director on 18 March 2014. Mr. Chan is the younger brother of Mr. Chan Kwan, an executive director and the chief executive officer of the Company.

陳柏林先生

陳柏林先生，26歲，於二零一四年三月十八日獲委任為本公司董事，並於二零一四年九月五日調任為本公司非執行董事。彼自二零一四年九月五日起一直為董事會的薪酬委員會成員。陳先生於二零一一年五月獲美國普渡大學頒發文學學士學位。自二零一三年三月起，陳先生一直在PT. Indoferro擔任市場推廣及銷售總監。彼自二零一二年九月起已參與本集團業務，當時彼獲委任為一間香港註冊成立公司強泰控股有限公司（「強泰」）的董事，而恆發當時的股東擬就本集團上市將強泰作為控股公司。在擔任強泰董事時，陳先生參與在亞洲更多地區探索環保相關行業的業務機會，亦負責本公司資訊科技系統的設立及保養。陳先生於二零一四年三月十八日獲委任為董事後繼續參與本集團業務。陳先生為本公司執行董事兼行政總裁陳昆先生的胞弟。

Directors' and Senior Management's Biographical Details

董事及高級管理層之個人履歷

Mr. Chau Chi Yan Benny

Mr. Chau Chi Yan Benny, aged 33, was appointed as a director of the Company on 18 March 2014 and was re-designated as a non-executive director of the Company on 5 September 2014. He has been a member of the audit committee of the Board since 5 September 2014.

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

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

周致人先生

周致人先生，33歲，於二零一四年三月十八日獲委任為本公司董事，並於二零一四年九月五日調任為本公司非執行董事。彼自二零一四年九月五日起一直為董事會的審核委員會成員。

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

周先生現時為康宏理財服務有限公司的顧問。彼於二零零五年九月獲英國曼徹斯特城市大學頒發文學學士學位。彼亦為專業保險經紀協會的註冊業務代表。周先生為本公司執行董事兼董事會主席周安達源先生之子。

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

Ms. Ng Chung Yan Linda

Ms Ng Chung Yan Linda, aged 39, was appointed as an independent non-executive director of the Company on 5 September 2014. She has been the chairman of the audit committee of the Board and a member of each of the remuneration committee and nomination committee of the Board since 5 September 2014.

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

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

伍頌恩小姐

伍頌恩小姐，39歲，於二零一四年九月五日獲委任為本公司獨立非執行董事。彼自二零一四年九月五日起一直為董事會的審核委員會主席以及董事會的薪酬委員會及提名委員會各自之成員。

伍小姐自二零一二年四月起擔任伍頌恩會計師事務所有限公司(前稱蔣伍會計師事務所有限公司)董事，此前彼於二零零八年一月至二零一三年四月為會計師行伍頌恩會計師事務所的獨資經營者。伍小姐亦自二零零四年二月起擔任Futurelink Limited的董事、自二零一三年九月起為CCH Hong Kong Limited出版的《Practical Guide to Financial Reporting Standards in Hong Kong》的作者、自二零一零年八月起為HKCA Learning Media Limited的兼職講師、自二零零七年九月至二零一零年四月為Accountancy Training Company (International) Limited的兼職講師及自二零零七年六月至二零一二年六月擔任Learning Is Fun Association Limited的董事。伍小姐於二零零零年九月至二零零一年九月為安永會計師事務所的會計職員，其後於二零零一年十月獲晉升為高級會計師，直至二零零二年十月離職。

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

Directors' and Senior Management's Biographical Details

董事及高級管理層之個人履歷

Mr. Ng Man Kung

Mr. Ng Man Kung, aged 63, was appointed as an independent non-executive director of the Company on 5 September 2014. He has been the chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of the Board since 5 September 2014.

Mr. Ng has been a business consultant of China Orient Asset Management (International) Holding Limited, a company principally engaged in investment, since January 2014. He worked at Chiyu Banking Corporation Ltd. from July 1969 to December 2012 and was a chief executive from April 1992 to July 2012. Mr. Ng was an honorary president of the 37th Chinese Bankers Club, Hong Kong, a member of the Council of Hong Kong Polytechnic University from April 1999 to March 2003 and a member of the 10th Fujian Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議福建省委員會). Mr. Ng completed an extension course in banking at the Hong Kong Polytechnic University in September 1982. Mr. Ng has also been an independent non-executive director of Fujian Holdings Limited (stock code: 181) since June 2014.

吳文拱先生

吳文拱先生，63歲，於二零一四年九月五日獲委任為本公司獨立非執行董事。彼自二零一四年九月五日起一直為薪酬委員會主席以及董事會的審核委員會及提名委員會各自之成員。

吳先生自二零一四年一月起一直出任中國東方資產管理(國際)控股有限公司的業務顧問，該公司主要從事投資業務。彼於一九六九年七月至二零一二年十二月於集友銀行有限公司任職，於一九九二年四月至二零一二年七月擔任總經理。吳先生為第37屆香港銀行華員會名譽會長、於一九九九年四月至二零零三年三月為香港理工大學校董會成員及為中國人民政治協商會議第十屆福建省委員會委員。吳先生於一九八二年九月修畢香港理工大學銀行業校外課程。自二零一四年六月起，吳先生亦擔任閩港控股有限公司(股份代號：181)的獨立非執行董事。

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

Mr. Sze Yeuk Lung Benedict

Mr. Sze Yeuk Lung Benedict, aged 44, was appointed as an independent non-executive director of the Company on 5 September 2014. He has been a member of each of the audit committee, remuneration committee and nomination committee of the Board since 5 September 2014.

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

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

Mr. Sze is a member of the All-China Federation of Returned Overseas Chinese (中華全國歸國華僑聯合會) (the "ACFROC"), a member of the legal advisory committee of the ACFROC (中國僑聯法律顧問委員會), an overseas legal adviser of the legal advisory committee of the ACFROC in Jiangsu Province (江蘇省僑聯法律顧問委員會), an overseas legal adviser of the ACFROC in Zhejiang Province (浙江省僑聯), a member of the 11th Fujian Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議福建省委員會), a legal adviser of the Sy Clan Association of HK Limited (香港施氏宗親會), a voluntary legal adviser of the Hong Kong CPPCC of Fukien Province Members Association (港區省級政協委員聯誼會), a voluntary legal adviser of the Hong Kong Federation of Fujian Associations (香港福建社團聯會) and a voluntary legal adviser of the 15th board of Hong Kong Federation of Jin Jiang Clans (香港晉江同鄉會).

施若龍先生

施若龍先生，44歲，於二零一四年九月五日獲委任為本公司獨立非執行董事。彼自二零一四年九月五日起一直為董事會的審核委員會、薪酬委員會及提名委員會各自之成員。

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

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

施先生為中華全國歸國華僑聯合會(「僑聯」)會員、中國僑聯法律顧問委員會會員、江蘇省僑聯法律顧問委員會海外法律顧問、浙江省僑聯海外法律顧問、中國人民政治協商會議第十一屆福建省委員會委員、香港施氏宗親會法律顧問、港區省級政協委員聯誼會義務法律顧問、香港福建社團聯會義務法律顧問及香港晉江同鄉會第十五屆理事會義務法律顧問。

Directors' and Senior Management's Biographical Details

董事及高級管理層之個人履歷

SENIOR MANAGEMENT

Mr. Lui Hin Weng Samuel

Mr. Lui Hin Weng Samuel, aged 40, joined our Group in December 2013 and was appointed as the chief financial officer of the Company on 18 March 2014 and is mainly responsible for financial management and reporting, investor relations, fund raising and capital management of our Group. He assists the chief executive officer in our strategic planning and business development and leveraging on his compliance knowledge and experience gained from his prior practice and involvement in accounting, private equity and investment banking, and his previous role as chief financial officer, oversees the Group's compliance with applicable laws and regulations in Hong Kong and in the PRC as our compliance officer.

Prior to joining the Group, Mr. Lui was a director within the private equity funds business at Rockstead Capital Private Limited from December 2011 to October 2013. Mr. Lui also served as the chief financial officer at Feres Pte Ltd from July 2009 to May 2011, a director at Merrill Lynch in Hong Kong and Singapore from May 2007 to May 2009, an assistant director of the financial sponsors group, Asia in global clients at ABN AMRO Bank N.V., Hong Kong Branch from September 2005 to April 2007, vice president at project finance and advisory department at Societe Generale Asia Limited from July 2004 to August 2005, manager of project and export finance at HSBC from May 2003 to July 2004, senior associate at Ernst & Young from May 2002 to May 2003, and senior at Arthur Andersen from September 1998 to January 2002.

Mr. Lui obtained a bachelor's degree in accountancy from Nanyang Technological University in Singapore in July 1998. Mr. Lui is a member of the Institute of Singapore Chartered Accountants (previously known as the Institute of Certified Public Accountants of Singapore) since October 2002.

高級管理層

呂顯榮先生

呂顯榮先生，40歲，於二零一三年十二月加入本集團，於二零一四年三月十八日獲委任為財務總監，主要負責本集團的財務管理和申報、投資者關係、集資和資金管理。彼協助行政總裁實施策略規劃及業務發展，並憑藉其自過往實踐及參與會計、私募股權及投資銀行以及過往擔任財務總監一職所取得的合規、知識及經驗，作為合規主任監督本集團遵守香港及中國適用法律法規的情況。

於加入本集團前，呂先生於二零一一年十二月至二零一三年十月為Rockstead Capital Private Limited私募基金業務總監。呂先生亦於二零零九年七月至二零一一年五月擔任Feres Pte Ltd財務總監、於二零零七年五月至二零零九年五月在香港及新加坡擔任美林投資銀行的董事、於二零零五年九月至二零零七年四月擔任荷蘭銀行(香港分行)亞洲財務保薦人組副總監、於二零零四年七月至二零零五年八月擔任法國興業亞洲有限公司項目融資及顧問部副總監、於二零零三年五月至二零零四年七月擔任滙豐銀行項目及出口融資經理、於二零零二年五月至二零零三年五月擔任安永高級審計員及於一九九八年九月至二零零二年一月擔任Arthur Andersen高級審計員。

呂先生於一九九八年七月獲新加坡南洋理工大學頒發會計學學士學位。呂先生自二零零二年十月起為新加坡特許會計師協會(前稱新加坡註冊會計師協會)會員。

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

Mr. Wang Zili

Mr. Wang Zili, aged 52, was appointed as the deputy general manager, Haian Hengfa Facility on 18 March 2014. Mr. Wang joined the Group in February 2005 and is mainly responsible for overseeing operational matters related to the Haian Hengfa Facility. Prior to joining the Group, Mr. Wang was vice chairman and general manager at Beijing Solar Power Nutritious Engineering Development Co., Ltd. (北京瑞權營養工程發展有限公司), a deputy general manager at National Youth Services Centre (中國青少年社會服務中心) and a researcher at Zhuzhou Electric Locomotive Research Institute (鐵道部株洲電力機車研究院), and worked at Shenzhen Recruitment Services Company (深圳市人才服務公司). Mr. Wang obtained a bachelor's degree in engineering from Dalian Railway Institute (大連鐵道學院) (now known as Dalian Jiaotong University (大連交通大學)) in July 1983.

Mr. Zhou Yinbing

Mr. Zhou Yinbing, aged 37, was appointed as the deputy general manager, Rugao Hengfa Facility on 18 March 2014 and is mainly responsible for overseeing operational matters related to the Rugao Hengfa Facility and the Rugao Honghao Facility of the Group. Mr. Zhou joined the Group in February 2004. Prior to joining the Group, Mr. Zhou worked at Nantong Feilong Towngas Fittings Factory (南通飛龍煤氣設備製造廠) from September 1997 to February 2004, providing technological support in the production department.

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

汪自力先生

汪自力先生，52歲，於二零一四年三月十八日獲委任為海安恆發設施副總經理。汪先生於二零零五年二月加入本集團，主要負責監督海安恆發設施相關營運事宜。於加入本集團前，汪先生曾擔任北京瑞權營養工程發展有限公司副主席及總經理、中國青少年社會服務中心副總經理、鐵道部株洲電力機車研究院研究員以及曾於深圳市人才服務公司任職。汪先生於一九八三年七月獲大連鐵道學院(現稱大連交通大學)頒發工程學士學位。

周銀兵先生

周銀兵先生，37歲，於二零一四年三月十八日獲委任為如皋恆發設施副總經理，主要負責監督與本集團如皋恆發設施及如皋宏皓設施有關的營運事宜。周先生於二零零四年二月加入本集團。加入本集團前，周先生於一九九七年九月至二零零四年二月在南通飛龍煤氣設備製造廠任職，為生產部門提供技術支持。

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

Directors' and Senior Management's Biographical Details

董事及高級管理層之個人履歷

COMPANY SECRETARY

Mr. Kwok Siu Man

Mr. Kwok Siu Man, aged 56, was appointed as the company secretary of the Company on 18 March 2014. Mr. Kwok is the head of corporate secretarial in Boardroom Corporate Services (HK) Limited and a director of Boardroom Share Registrars (HK) Limited, our Hong Kong branch share registrar. Mr. Kwok has been a member of the Hong Kong Securities and Investment Institute since April 1999. He has also been a fellow of the Institute of Financial Accountants in England since August 1996, The Hong Kong Institute of Chartered Secretaries ("HKICS") since August 1994, the Institute of Chartered Secretaries and Administrators in England since October 1990, The Association of Hong Kong Accountants since June 2014 and The Hong Kong Institute of Directors since July 2014. He also possesses professional qualifications in arbitration, tax, financial planning and human resource management. He was the chief examiner of the "Corporate Secretaryship" module of the HKICS and has served it as a council member for 18 years, the maximum length of service that any HKICS member can serve. Mr. Kwok completed the Common Professional Examination in England and Wales and obtained a post-graduate diploma in laws from the Manchester Metropolitan University in England in July 1998, and obtained a bachelor's degree of arts in accountancy and a professional diploma in company secretaryship and administration, both from the Hong Kong Polytechnic University, in November 1994 and November 1983 respectively.

Mr. Kwok has an aggregate of about 25 years of extensive in-house corporate secretarial, legal and management experience gained at company secretary and other senior positions from overseas and Hong Kong (including Hang Seng Index Constituent stock) listed companies. He was the managing director of a leading financial printer in Hong Kong with international affiliation. In 1999, he was named in the International WHO'S WHO of Professionals and has been an adjudicator of the Best Annual Reports Awards organised by the Hong Kong Management Association and a member of the Board of Review appointed by the government of Hong Kong under the Inland Revenue Ordinance. He is currently the company secretary and a joint company secretary of a number of companies listed on the Stock Exchange and an independent non-executive director of a company listed on the Main Board of the Stock Exchange.

公司秘書

郭兆文先生

郭兆文先生，56歲，於二零一四年三月十八日獲委任為本公司的公司秘書。郭先生為寶德隆企業服務(香港)有限公司的企業秘書部主管及我們香港證券登記分處寶德隆證券登記有限公司的董事。郭先生自一九九九年四月起為香港證券及投資學會會員。彼亦自一九九六年八月起為英國財務會計師公會資深會員、自一九九四年八月起為香港特許秘書公會(「港秘書會」)資深會員、自一九九零年十月起為英國特許秘書及行政人員公會資深會員、自二零一四年六月起為香港專業會計師協會資深會員、及自二零一四年七月起為香港董事學會資深會員。彼亦具備仲裁、稅務、財務策劃及人力資源管理方面等專業資格。彼曾為港秘書會「企業秘書學」專業試的主考官，並曾擔任該會理事會的理事18年(港秘書會會員能夠服務的最長服務期限)。郭先生於一九九八年七月完成英格蘭及威爾士的普通法專業考試並取得英國曼徹斯特都會大學的法學深造文憑，且分別於一九九四年十一月及一九八三年十一月取得香港理工大學的會計學文學學士學位及公司秘書及行政學專業文憑。

郭先生於多家海外及香港(包括恒生指數成份股)上市公司擔任公司秘書及其他高級職位期間，在機構內部的企業秘書、法律及管理方面合共積累約25年的豐富經驗。彼曾為一家香港擁有國際聯繫並具領導地位的財經印刷公司的董事總經理。於一九九九年，彼名列國際專業人士名人錄(International WHO'S WHO of Professionals)，並曾擔任香港管理專業協會舉辦的「最佳年報獎」的評判以及獲香港政府按稅務條例委任為稅務上訴委員會成員。彼目前為多間在聯交所上市公司的公司秘書及聯席公司秘書及一間於聯交所主板上市之公司的獨立非執行董事。

ELL Environmental Holdings Limited (the “Company”) is committed to fulfilling its responsibilities to the Company’s shareholders and protecting and enhancing shareholder value through good corporate governance.

The directors of the Company (the “Directors”) recognise the importance of incorporating elements of good corporate governance in the management structures and internal control procedures of the Company and its subsidiaries (the “Group”) so as to achieve effective accountability.

CORPORATE GOVERNANCE PRACTICES

As the Company’s shares were initially listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 26 September 2014 or, the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) was not applicable to the Company for the period from 1 January 2014 to 25 September 2014, being the date immediately before the 26 September 2014 (the “Listing Date”). The Company applied the principles and complied with all applicable code provisions as set out in the CG Code during the period from the Listing Date to 31 December 2014 (the “Relevant Period”).

SECURITIES TRANSACTIONS BY DIRECTORS

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

強泰環保控股有限公司(「本公司»)致力履行其對本公司股東之職責，並透過良好企業管治維護及提高股東價值。

本公司之董事(「董事»)深信要達至有效的問責制度，在本公司及其附屬公司(「本集團»)之管理架構及內部監控程序中引進良好企業管治的元素非常重要。

企業管治常規

由於本公司股份於二零一四年九月二十六日於香港聯合交易所有限公司(「聯交所»), 聯交所證券上市規則(「上市規則»)附錄十四所載企業管治守則(「企業管治守則»)於二零一四年一月一日至二零一四年九月二十五日(即緊隨二零一四年九月二十六日(「上市日期»)前之日期)期間並不適用於本公司。本公司於上市日期至二零一四年十二月三十一日期間(「相關期間»)採納載列於企業管治守則之原則並遵守所有適用守則條文。

董事進行證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則»), 作為董事進行證券交易之操守準則。經本公司向全體董事作出具體查詢後，彼等確認其於相關期間內一直遵守標準守則。

BOARD OF DIRECTORS

Responsibilities

The board of Directors (the “Board”) is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group’s values and standards and ensures that the requisite financial and human resources support are in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group’s business plans and strategies, reviewing the Company’s financial results and performance and approving its interim and annual results, upon review and recommendation of the audit committee of the Board (the “Audit Committee”), approving appointment, removal or re-appointment of the Board members upon the recommendation of the nomination committee of the Board (the “Nomination Committee”), approving the remuneration package of the Directors and senior management of the Company upon the recommendation of the remuneration committee of the Board (the “Remuneration Committee”), deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group’s corporate governance, and all other functions reserved to the Board under the Company’s articles of association (the “Articles of Association”). The Board may from time to time delegate certain functions to senior management of the Group if and when considered appropriate. The senior management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

董事會

職責

董事會(「董事會」)主要負責監察及監管本集團之業務事宜管理及整體表現。董事會確立本集團之價值及標準，並確保本集團擁有必需之財務及人力資源支持以達至其目標。董事會履行的職能包括但不限於制訂本集團業務計劃及策略、因應董事會轄下審核委員會(「審核委員會」)的審閱及推薦建議審查本公司財務業績及表現、批准本公司中期及年度業績；並因應董事會轄下提名委員會(「提名委員會」)的推薦建議，批准委任、罷免或再委任董事會成員；因應董事會轄下薪酬委員會(「薪酬委員會」)的推薦建議，批准本公司董事及高級管理人員的薪酬，決定所有重大財務(包括主要的資本支出)及營運事項，發展、監察及審查本集團的企業管治，及所有其他根據本公司之組織章程細則(「組織章程細則」)須由董事會負責的職能。董事會可於其認為適當之時，不時授予本集團高級管理人員若干職能。高級管理人員主要負責執行董事會採納及並不時獲指派的業務計劃、策略及政策。

Composition

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

Currently, the Board comprises the following seven Directors:

Executive Directors

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

Non-Executive Directors (the “NEDs”)

Mr. Chan Pak Lam Brian
Mr. Chau Chi Yan Benny

Independent Non-executive Directors (the “INEDs”)

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

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

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

The two executive Directors are responsible for the leadership and control of the Company and overseeing the Group’s businesses development, strategic formulation and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

組成

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

目前，董事會由以下七位董事組成：

執行董事

周安達源先生(主席)
陳昆先生(行政總裁)

非執行董事(「非執行董事」)

陳柏林先生
周致人先生

獨立非執行董事(「獨立非執行董事」)

伍頌恩女士
吳文拱先生
施若龍先生

各董事的履歷資料列載於本年度報告「董事及高級管理層之個人履歷」內。

董事會主席周安達源先生為非執行董事周致人先生之父親。彼亦為本公司之主要股東。本公司行政總裁陳昆先生為非執行董事陳柏林先生之兄長。陳昆先生持有本公司控股股東已發行股本20%。除上述者外，董事之間並無財務、業務、家族或其他重大關係。

兩位執行董事負責領導、管控本公司與監控本集團業務發展、策略制定，並透過指令及監督本公司事項，共同負責促進本公司邁向成功。

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

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

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

Directors' Induction and Continuing Professional Development

Each newly appointed Director received formal, comprehensive and tailored-made induction on the first occasion of his/her appointment to ensure a proper understanding of the Company's operations and business and full awareness of the Director's responsibilities under the statutes and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies. The Directors have attended training sessions on obligations, duties and responsibilities of directors conducted by the Company's Hong Kong legal advisers. They understand their duties and responsibilities as Directors.

The Company will from time to time provide briefings to all Directors to develop and refresh the Directors' duties and responsibilities. All Directors are also encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records.

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

本公司於相關期間內按上市規則規定委任三名獨立非執行董事，即獨立非執行董事的人數須佔董事會成員人數的至少三分之一，以及至少有一名獨立非執行董事具備適當專業資格或會計或相關財務管理專業知識。

各獨立非執行董事已根據上市規則第3.13條規定，就其獨立性以書面提交年度確認書。而董事會信納，從上市日期至本年度報告日期止，全體獨立非執行董事均具獨立性且已遵守上市規則第3.13條所設定的獨立指引。

董事就任須知及持續專業發展

各新委任之董事於首次接受委任時均已接受正式、全面及專門為其而設之就任須知，以確保新董事恰當理解本公司營運及業務情況，並完全清楚董事根據法規及普通法、上市規則、法律及其他監管規定須承擔之責任及本公司業務及管治政策。董事已參加本公司之香港法律顧問舉辦的有關董事義務、職責及責任的培訓課程。彼等知悉其作為董事的職責及責任。

本公司將不時向全體董事提供簡報，使董事得以發展及了解其職責及責任。我們亦鼓勵全體董事參加相關培訓課程，費用由本公司承擔，以及彼等須向本公司提供其培訓記錄。

Meetings of Board and Board Committees and Directors' Attendance Records

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

董事會會議、董事會轄下委員會及董事出席記錄

董事會每年舉行四次會議，大約每季舉行一次，並最少於會議十四天前向董事會發出通知。有關由於本公司營運期間發生需要商討及議決重大事項而舉行之額外董事會會議，將事先於合理時間內發出通知。於每次董事會會議前，最少於三天前或事前協定期間前向全體董事發出議程稿本，以便董事可以於議程內加入任何其他需要在會上商討及議決事宜。為使董事能夠適當知悉董事會會議產生之議題簡要及作出知情決定，將於每次董事會會議三天前或事前協定期間前向全體董事發出有關董事會會議文件及所有關於會議事項之適用及相關資料。所有董事應該有機會獲得公司秘書之意見和服務，以確保董事會程序及所有適用規則和法規得到遵守。本公司之公司秘書負責保管所有董事會會議記錄。於每次會議後，通常於合理期間內提供記錄稿本予董事傳閱，以便董事給予意見，而最終確認版本可公開供董事查閱。根據上市規則，任何於董事會會議行將討論事項具有重大權益之董事及其聯繫人士(定義見上市規則)將須就批准該等交易的決議案放棄其表決權，及不會被計入會議法定人數內。

Controlling Shareholders' and Directors' Competing Business

Each of Ms. Judy Chan (“Ms. Chan”), Mr. Chan Kwan (the Chief Executive Officer and an Executive Director) (“Mr. Chan”), Ms. Wong Shu Ying (“Ms. Wong, the mother of Ms. Chan and Mr. Chan”), Everbest Environmental Investment Limited (a company owned by Ms. Wong, Ms. Chan and Mr. Chan as to 50%, 30% and 20%, respectively), Mr. Chau On Ta Yuen (the Chairman and an Executive Director) (“Mr. Chau”) and Wealthy Sea Holdings Limited (a company owned 90% and 10% by Mr. Chau and his wife respectively) (collectively, the “Controlling Shareholders”) executed a deed of non-competition (the “Deed of Non-Competition”) in favour of the Group on 5 September 2014, pursuant to which each of the Controlling Shareholders has unconditionally and irrevocably agreed, undertaken to and covenanted with the Company for itself and for the benefits of each other members of the Group that it/he/she would not, and would procure its/his/her associates (other than members of the Group) not to directly or indirectly, either on its/his/her own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise, and whether for profit, reward or otherwise) be involved in or undertake any activity or business which competes or is likely to compete, directly or indirectly, with the business of operating wastewater treatment facilities in the People Republic of China (the “PRC”) by the Group as described in the prospectus of the Company dated 12 September 2014 and any other business from time to time conducted, carried on or contemplated to be carried on by any member of the Group or in which any member of the Group is engaged or has invested or which any member of the Group has otherwise publicly announced its intention to enter into, engage in or invest in (whether as principal or agent and whether undertaken directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement).

控股股東及董事之競爭業務

陳芳女士(「陳女士」)、陳昆先生(行政總裁兼執行董事)(「陳先生」)、王穗英女士(「王女士」, 陳女士及陳先生之母親)、Everbest Environmental Investment Limited(一家分別由王女士、陳女士及陳先生持有50%、30%及20%之公司)、周安達源先生(主席兼執行董事)(「周先生」)及潤海集團有限公司(一家由周先生及其妻子分別持有90%及10%之公司)(統稱「控股股東」)於二零一四年九月五日以本集團為受益人執行一份不競爭契約(「不競爭契約」), 據此各控股股東無條件及不可撤回地同意、向本公司(為其本身及本集團各其他成員公司的利益)承諾及契諾, 其不會及會促使其聯繫人(本集團任何成員公司除外)不會直接或間接地以自己的名義或聯同或代表任何人士、商號或公司(其中包括)進行或參與任何直接或間接與本公司日期為二零一四年九月十二日之招股章程所述本集團在中華人民共和國(「中國」)經營的污水處理設施業務競爭或可能競爭的任何活動或業務或於當中擁有權益或從事或收購或持有(在各個情況下不論是否以股東、董事、合夥人、代理、僱員或其他身份及不論以牟利、獎勵或其他方式)涉及或進行該等活動或業務以及本集團任何成員公司不時經營、進行或擬進行或本集團任何成員公司從事或投資或本集團任何成員公司已公開宣佈其有意訂立、從事或投資(不論是否以主事人或代理身份及不論是否直接或透過任何法人團體、合夥、合營公司或其他合約或其他安排進行)的任何其他業務。

In order to properly manage any potential or actual conflict of interests between the Company and the Controlling Shareholders in relation to the compliance and enforcement of the Deed of Non-Competition, the Company has adopted the following measures:

- (a) all INEDs will review, on an annual basis, the compliance with the Deed of Non-Competition by the Controlling Shareholders;
- (b) the Company will disclose decisions on matters reviewed by the INEDs relating to compliance and enforcement of the Deed of Non-Competition by the Controlling Shareholders in the annual reports of the Company;
- (c) in the event that connected transactions, if any, between the Group and other business in which any of the Directors or their respective associates has any interest are submitted to the Board for consideration, the relevant interested Director will not be counted in the quorum and will abstain from voting on such matters, and majority votes by non-conflicted Directors are required to decide on such connected transactions; and
- (d) pursuant to the CG Code and Corporate Governance Report set out in appendix 14 to the Listing Rules, the Directors, including the INEDs, will be able to seek independent professional advice in appropriate circumstances at our Company's cost.

The Directors consider that the above corporate governance measures are sufficient to manage any potential conflict of interests between the Controlling Shareholders and their respective associates and the Group and to protect the interests of the Company's shareholders and, in particular, the minority shareholders.

Particulars of the above measures taken on or before the date of this Annual Report are contained in the Directors Report.

為恰當管理本公司與控股股東之間關於遵守及強制執行該不競爭契約之潛在或實質權益衝突，本公司已採取下列措施：

- (a) 所有獨立非執行董事須每年審閱控股股東遵守不競爭契據的情況；
- (b) 本公司將於本公司年報披露有關獨立非執行董事就控股股東遵守及執行不競爭契據的情況所審閱事項而作出的決定；
- (c) 倘本集團與任何董事或彼等各自的聯繫人擁有任何權益的其他業務進行的關連交易(如有)提呈董事會審議，相關有利害關係的董事將不會計入法定人數，且須就有關事項放棄投票，而就關連交易的決定須由無利益衝突的董事以大多數票決定；及
- (d) 根據上市規則附錄十四的企業管治守則及企業管治報告，董事(包括獨立非執行董事)將於適當情況下尋求獨立專業意見，費用由本公司承擔。

董事認為，上述企業管治措施足以管理控股股東及其各自聯繫人士與本集團之間的任何潛在衝突，及保障本公司股東(尤其是小股東)之權益。

於本年度報告日期或之前採取之上述措施詳情載於董事報告。

During the Relevant Period, no general meeting, meeting of the Remuneration Committee and the Nomination Committee was held. The table below sets out the number of meetings of the Board and the Audit Committee, individual attendance by the Board and Audit Committee members at these meetings during the Relevant Period:

於相關期間，並無舉行大會、薪酬委員會及提名委員會會議。下表載列於本期間內董事會及董事會轄下審核委員會（「審核委員會」）舉行會議之次數、每位董事會及委員會成員出席該等會議之出席率：

| Name of Directors | 董事姓名 | Number of Attendance/ Number of meetings 出席次數／會議次數 | |
|--------------------------------|---------|--|---|
| | | Board meetings 董事會 會議次數 | Audit Committee meetings 審核委員會 會議次數 |
| Executive Directors (the "ED") | 執行董事 | | |
| Chau On Tai Yuen | 周安達源 | 2/2 | 2/2 |
| Chan Kwan | 陳昆 | 2/2 | 2/2 |
| NEDs | 非執行董事 | | |
| Chan Pak Lam Brian | 陳柏林 | 1/2 | 2/2 |
| Chau Chi Yan Benny | 周致人 | 2/2 | 2/2 |
| INEDs | 獨立非執行董事 | | |
| Ng Chung Yan Linda | 伍頌恩 | 2/2 | 2/2 |
| Ng Man Kung | 吳文拱 | 2/2 | 2/2 |
| Sze Yeuk Lung Benedict | 施若龍 | 1/2 | 1/2 |

Board Diversity Policy

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

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

董事會多元化政策

董事會於二零一四年九月五日採納董事會多元化政策，並就推行該政策討論所有可衡量宗旨。

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

CHAIRMAN AND CHIEF EXECUTIVE

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

BOARD COMMITTEES

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

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

Audit Committee

The Audit Committee was established on 5 September 2014 with written terms of reference in compliance with the CG Code. It consists of three INEDs, namely Ms. Ng Chung Yan Linda (Chairman), Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict and a NED, namely Mr. Chau Chi Yan Benny.

The principal responsibilities of the Audit Committee include:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and considering any questions of its resignation or dismissal;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and discussion with the external auditor the nature and scope of the audit and reporting obligations before the audit commences;
- developing and implementing a policy on engaging an external auditor to supply non-audit services and reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed;

主席及行政總裁

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

董事會轄下委員會

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

上述各董事會轄下委員會之書面職權範圍均符合上市規則，並分別刊登於聯交所及本公司網站上。

審核委員會

董事會於二零一四年九月五日設立具備書面職權範圍及符合企管守則之審核委員會。審核委員會包括三名獨立非執行董事，即伍頌恩女士(主席)、吳文拱先生及施若龍先生及一名非執行董事，即周致人先生。

審核委員會主要責任包括：

- 就外部核數師的委聘、續聘及解聘向董事會提供建議、批准外部核數師薪酬及聘用條款，及考慮任何有關外部核數師辭職或解聘的問題；
- 審查及監察外部核數師之獨立性、客觀性及核數程序依據適用準則之有效性，並於開始核數前與外部核數師商討核數性質與範疇及匯報責任；
- 制定及執行聘任外部核數師之政策，以提供非核數服務，向董事會匯報、並於需要行動或改進時確定及推薦任何事項；

- discussing with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- discussing problems and reservations arising from the interim and final audits, and any matters the external auditor may wish to discuss (in the absence of management where necessary);
- reviewing and monitoring the integrity of the Company's financial statements and annual report and accounts, half-year report and, reviewing significant financial reporting judgements contained in them;
- reviewing the Company's financial controls, internal control and risk management systems;
- discussing the internal control system with management to ensure that management has performed its duty to have an effective internal control system;
- considering major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- ensuring co-ordination between the internal and external auditors, and that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the external auditor's management letter, any material queries raised by the auditor to management about the accounting records, financial accounts or systems of control and management's response and ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter; and
- considering any other topics as defined by the Board.
- 於核數工作開始前與外聘核數師討論核數性質及範疇以及申報責任；
- 審查及監察本公司政策及做法符合法律及監管要求；
- 討論中期及年度核數過程中產生的問題及保留意見，以及外聘核數師可能希望討論的任何事宜(有需要時，應在管理層不在場情況下進行有關討論)；
- 審查及監察本公司財務報表、年度報告及賬目、半年度報告及(如為刊登而擬備)季度報告之完整性，並審查其中所載重大財務匯報判斷；
- 審查本公司財務管控、內部管控及風險管理制度；
- 與管理層商討內部管控制度，以確保管理層已履行其職責，提供有效之內部管控制度；
- 根據董事會委託或其本身主動提議，審閱對內部管制事項主要調查結果及管理層對有關調查結果之回應；
- 確保內部與外部核數師之間的協調，使內部核數具備適當充實之功能及於本公司內部有恰當立場，並審查及監察其有效性；
- 審查本集團財務及會計之政策及慣例；
- 審查外部核數師之管理函件、核數師向管理層提出之任何會計記錄、財務賬目或管制制度之重大查詢及管理層之回應，並確保董事會將會就外部核數師管理層函件所提出事項及時給予回應；及
- 研究董事會界定之任何其他課題。

During the Relevant Period, two Audit Committee meetings were held whereat the Audit Committee reviewed the unaudited financial results of the Company for the six months ended 30 June 2014 and considered the nature and scope of the audit of the financial statements of the Company and its subsidiaries for the year ended 31 December 2014 (the “Year”), respectively.

At its meeting held on 18 March 2015, the Audit Committee reviewed the Company’s audited consolidated results for the Year, including the accounting principles and practice adopted by the Group and recommended to the Board for consideration the same and the re-appointment of Ernst & Young, Certified Public Accountants as the Company’s independent auditor at the forthcoming annual general meeting of the Company to be held on 8 May 2015 (the “AGM”).

Remuneration Committee

The Board established a Remuneration Committee on 5 September 2014 with written terms of reference in compliance with the CG Code. The Remuneration Committee consists of three INEDs, namely Mr. Ng Man Kung, serving as the chairman, Ms. Ng Chung Yan Linda and Mr. Sze Yeuk Lung Benedict, and a NED, namely Mr. Chan Pak Lam Brian. The principal responsibilities of the Remuneration Committee include:

- making recommendations to the Board on the Company’s policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing a remuneration policy;
- reviewing and approving the management’s remuneration proposals by reference to the Board’s corporate goals and objectives;
- making recommendations to the Board on the remuneration packages of individual executive Directors and senior management and such packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- making recommendations to the Board on the remuneration of NEDs;
- considering salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group;

於相關期間內，已舉行兩次審核委員會會議，在會議上，審核委員會分別審閱本公司截至二零一四年六月三十日止六個月的未經審核財務業績及研究截至二零一四年十二月三十一日（「本年度」）本公司及其附屬公司之財務報表核數的性質及範疇。

於二零一五年三月十八日舉行的會議上，審核委員會審閱本公司本年度經審核綜合業績，包括本集團採納之會計原則及做法，並向董事會推薦考慮該等會計原則及慣例及在即將於二零一五年五月八日舉行之本公司股東週年大會（「股東週年大會」）上續聘安永會計師事務所擔任本公司獨立核數師。

薪酬委員會

董事會於二零一四年九月五日設立具備書面職權範圍符合企管守則之薪酬委員會。薪酬委員會成員包括三名獨立非執行董事，即吳文拱先生（擔任主席）、伍頌恩女士及施若龍先生及一名非執行董事，即陳柏林先生。薪酬委員會主要責任包括：

- 就本公司關於全體董事與高級管理人員薪酬政策及結構、及就制定薪酬政策而設立正式及透明程序而向董事會提供推薦意見；
- 於參考董事會企業目標及宗旨後，審查及批准管理層薪酬建議；
- 就個別執行董事及高級管理人員之薪酬組合向董事會提供推薦意見，而有關薪酬組合包括實物利益、退休金權利及補償付款（包括任何損失或終止其任職或委任之任何應付補償）；
- 就非執行董事之薪酬向董事會提供推薦意見；
- 審閱可供比較公司所支付薪金、時間之投放、責任及本集團其他成員之僱用條件；

- reviewing and approving compensation payable to the executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
 - reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
 - ensuring that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration; and
 - reviewing the Group's policy on expense reimbursements for the Directors and senior management.
- 檢討及批准向執行董事及高級管理人員就喪失或終止其職務或委任有關的賠償，以確保有關賠償按有關合約條款釐定，若未能按有關合約條款釐定，賠償亦須公平合理，不會對公司造成過重負擔；
 - 檢討及批准關於罷免或解聘行為不當董事之補償安排，以確保有關安排按合約條款釐定，若未能按有關合約條款釐定，有關賠償亦須合理適當；
 - 確保概無董事或其任何聯繫人士(定義見上市規則)參與釐定其本身薪酬；及
 - 審閱本集團的董事及高級管理層費用報銷政策。

During the Relevant Period, no Remuneration Committee meeting was held.

At its meeting held on 18 March 2015, the Remuneration Committee reviewed and recommended to the Board for consideration certain remuneration-related matters of the Directors.

相關期間內並無舉行薪酬委員會會議。

薪酬委員會於二零一五年三月十八日舉行之會議上審閱及向董事會推薦建議若干與董事薪酬有關之事項。

Nomination Committee

The Nomination Committee was established on 5 September 2014 with written terms of reference in compliance with the CG Code. It consists of three INEDs, namely Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict, and two EDs, namely Mr. Chau On Ta Yuen and Mr. Chan Kwan with Mr. Chau On Ta Yuen serving as the chairman. The principal responsibilities of the Nomination Committee include:

提名委員會

董事會已於二零一四年九月五日設立具備書面職權範圍及符合企管守則之提名委員會。提名委員會包括三名獨立非執行董事，即伍頌恩女士、吳文拱先生及施若龍先生及兩名執行董事，即周安達源先生及陳昆先生。周安達源先生擔任提名委員會主席。提名委員會主要責任包括：

- reviewing the structure, size and composition (including the skills, knowledge and experience and diversity of perspectives) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
 - identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, with due regard for the benefits of diversity on the Board;
 - assessing the independence of the INEDs;
- 至少每年檢討董事會結構、規模及組成(包括技巧、知識及經驗及觀點多元化)，並就任何建議變動向董事會提供推薦意見，以補充本公司的企業策略；
 - 物色具備合適資格可擔任董事之人士，並就挑選提名有關人士出任董事向董事會提供推薦意見，並適當考慮董事會多元化的益處；
 - 評估獨立非執行董事之獨立性；

- reviewing the Board diversity policy of the Company, as appropriate; and reviewing the measurable objectives that the Board has set for implementing such policy, and the progress on achieving the objectives; and
- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for the Directors, in particular, the Chairman and the chief executives.

During the Relevant Period, no Nomination Committee meeting was held.

The Nomination Committee met on 18 March 2015 and recommended to the Board for consideration the re-appointment of all the retiring Directors as Directors at the forthcoming AGM.

Board's Corporate Governance Functions

The Company has adopted the code provisions stated in the Corporate Governance Code as set forth in Appendix 14 to the Listing Rules and the Board is responsible for performing the corporate governance functions of the Company. The Board has, amongst other matters, reviewed this corporate governance report in discharge of its corporate governance functions, ensuring compliance with the Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Each of the EDs has entered into a service contract with the Company, pursuant to which they have agreed to act as EDs for an initial term of three years with effect from 5 September 2014.

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

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

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

- 檢討本公司董事會多元化政策(如適用);及審查董事會為推行該政策所設定可衡量宗旨及實現該等宗旨之進度;及
- 就董事委任或重新委任以及(尤其是主席及行政總裁)之繼任計劃,向董事會提供推薦意見。

相關期間內並無舉行提名委員會會議。

提名委員會於二零一五年五月八日舉行會議,於即將舉行之股東週年大會上向董事推薦考慮重新委任全體退任董事為董事。

董事會之企業管治職能

本公司已採納上市規則附錄十四所載企業管治守則規定之守則條文及董事會負責執行本公司之企業管治職能。董事會已審閱(其中包括)本企業管治報告,履行其企業管治職能,以確保遵守上市規則。

委任及重選董事

各執行董事已與本公司訂立服務合約,據此彼等同意擔任執行董事,初始任期為三年,自二零一四年九月五日起生效。

各非執行董事根據其各自與本公司訂立之委任書已獲委任,初始任期為三年,自二零一四年九月五日開始。

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

全體董事(包括獨立非執行董事)須依據組織章程細則輪席退任及符合重選資格。於每次股東週年大會上,當時三分之一董事(如數目少於三(3)或三(3)之倍數,則最接近之數,但不得低於三分之一(1/3))將輪席退任,惟各董事須最少每三(3)年退任一次。退任董事須留任直至彼將退任之大會結束為止,屆時將符合資格膺選連任。

The Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting. The Company may by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors in general meetings. Any Director so appointed shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. According to code provision A.4.2 of the CG Code, all Directors appointed to fill a casual vacancy should be subject to election by the shareholders at the first general meeting after appointment. However, the Director so appointed will retire at the first general meeting after appointment in order to comply with the Listing Rules. No general meeting of the Company had been held during the Relevant Period.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year are set out in note 8 to the consolidated financial statements.

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

Remuneration band (in HKD)

薪酬組別(港元)

Nil to 1,000,000
1,000,001 to 1,500,000

董事會可不時及隨時委任任何人士為董事，以填補董事會臨時空缺或出任董事會新增成員。就此獲委任的任何董事僅任職至本公司下屆股東大會舉行為止，惟可膺選連任。本公司可通過普通決議案於股東大會選出任何人士出任董事，以填補董事會臨時空缺或出任董事會新增成員。就此獲委任的任何董事僅任職至本公司下一屆股東大會舉行為止，惟可膺選連任。根據企業管治守則第A.4.2條，所有獲委任以填補臨時空缺的董事，須於獲委任後首個股東大會獲股東重選。但是，就此獲委任的董事為遵守上市規則將於獲委任後首個股東大會退任。本公司並無於相關期間舉行股東大會。

董事及高級管理人員薪酬

本年度內董事之薪酬詳情列載於綜合財務報表附註8內。

根據企管守則第B.1.5條之守則規定，高級管理人員(董事及公司秘書除外)薪酬(其資料按組別列載於本年度內本年度報告「董事及高級管理層之個人履歷」內)列載如下：

Number
of individuals
人士數目

零至1,000,000 2
1,000,001至1,500,000 1

INDEPENDENT AUDITORS' REMUNERATION

For the Year, apart from the provision of annual audit services, Ernst & Young, the Group's independent auditors, also acted as the reporting accountants of the Company in relation to the listing of the Company's 800,000,000 issued ordinary shares of HK\$0.0001 each on the Main Board of the Stock Exchange on the Listing Date (the "Listing").

In respect of the year ended 31 December 2014, the remuneration paid and payable to the Company's independent auditors, Ernst & Young, is set out as below:

Audit service

Non-audit services:
Professional service fees in relation to
Initial public offering of the Company
Agreed-upon procedures on interim financial report

獨立核數師酬金

本年度內，本集團獨立核數師安永會計師事務所除提供年度核數服務外，亦擔任本公司將800,000,000股每股0.0001港元之已發行普通股於上市日期於聯交所主板上市(「上市」)的申報會計師。

截至二零一四年十二月三十一日止年度，已付及應付本公司獨立核數師安永會計師事務所之薪酬列載如下：

| | HK\$'000 千港元 |
|--|-------------------|
| 核數服務 | 1,350 |
| 非核數服務： 有關本公司首次公開 發售之專業服務費 於中期財務報告 程序協定 | 3,725 |
| | 280 |
| | <hr/> 5,355 <hr/> |

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

In addition, Ernst & Young has stated in the independent auditors' report its reporting responsibility on the Company's consolidated financial statements for the Year.

INTERNAL CONTROL

It is the responsibility of the Board to ensure that the Company maintains sound and effective internal controls to safeguard the shareholders' investment and the Group's assets at all times. The Company has adopted a series of internal control policies and procedures designed to provide reasonable assurance for achieving objectives including effective and efficient operations, reliable financial reporting and compliance with applicable laws and regulations.

In order to maintain a sound internal control system and to prevent the occurrence of non-compliance incidents in the future, the Company has adopted the following measures:

Non-compliance in respect of PRC and Hong Kong corporate procedures

The general and administration department (the "GA Department") prepares and maintains (i) a list of legal requirements that need to be complied with, and (ii) a list of the required documentations that need to be submitted or presented to the relevant government authorities or shareholders for review and/or approvals for incorporating new subsidiaries and maintaining existing subsidiaries.

董事對財務報表之責任

董事知悉彼等有責任編製本年度之綜合財務報表，以真實公平方式反映本公司於本年度的事務狀況及本集團的業績及現金流量，並根據適用的法定規定及會計準則按持續經營基準妥編製。董事並無發現有任何可能影響本公司業務之重大不肯定因素或影響本公司持續經營能力之重大懷疑。

此外，安永會計師事務所已於獨立核數師報告述明其對本公司於本年度內綜合財務報表之申報責任。

內部監控

董事會負責確保本公司之內部監控系統在任何時候穩健妥善而且有效，以保障股東之投資及本公司之資產。本公司已採取了一系列旨在為實現目標，包括有效及高效的運營、可靠的財務報告，並遵守適用的法律和法規提供合理保證的內部監控政策和程序。

為維持穩健內部監控系統及預防未來出現違規事件，本公司以採納以下措施：

有關中國及香港公司程序的違規

我們的一般及行政部門（「一般及行政部門」）編製及存置(i)須遵守的法律規定清單及(ii)就註冊成立新附屬公司或維持現有附屬公司提交或呈交相關政府部門或股東審閱及／或批准所需的文件清單。

Non-compliance in respect of procurement, environmental protection, labour and social security related regulations

- (a) The Company has established formal tendering procedures in respect of the construction and procurement for all the Group's wastewater treatment facilities under which the selection and engagement of contractors or suppliers for construction projects or major procurement orders shall be conducted through tendering.
- (b) The GA Department maintains a business unit establishment checklist and a log for all licences, permits and certificates that are necessary for the wastewater treatment operations for each of the operating subsidiaries to monitor the existence and expiry of such licences and certificates.
- (c) The GA Department maintains a log of all employees and their wage levels to determine the amount payable by the Group for their social security insurance and housing provident funds to ensure prompt and full payment of such contributions.

Future lending to third parties and future borrowing

- (a) The Company has adopted an internal policy that prohibits lending of any amount by any of the PRC subsidiaries to any person, including other members of the Group, the Controlling Shareholders and other related parties.
- (b) All lending transactions by the Company and any of the non-PRC subsidiaries shall be pre-approved by the compliance officer who will seek external legal advice to approve only those transactions that are legal and compliant under the applicable laws and regulations.
- (c) The Company is establishing a system under which any subsidiary in need of funds is required to make an application for borrowing to chief accountant for review and approval, and such application will need to be counter-approved by the compliance officer. The finance department will monitor the fund flow of each subsidiary on a monthly basis by reviewing the reports submitted by the finance department of each subsidiary and cross-check the balance set out in the monthly report against the balance at the relevant bank account. This could help identify any suspicious or non-approved lending transactions, in particular, any large amount of money going out to other parties.

在採購、環保、勞工及社會保障相關法規方面的違規

- (a) 本公司已就本集團所有的污水處理設施的建設及採購設立正式招標程序，據此，為建設項目或主要採購訂單甄選及委聘承包商或供應商須透過招標程序進行。
- (b) 一般及行政部門存置一份有業務單位設立清單及有關污水處理業務所需全部牌照、許可證及證書的記錄，以供各經營附屬公司監察有關牌照及證書的現況及到期情況。
- (c) 一般及行政部門存置有關所有僱員及釐定本集團就彼等的社會保險及住房公積金應付款項的工資水平的記錄，以確保及時全額作出有關供款。

日後向第三方提供的借貸及日後借款

- (a) 本公司已採納一項內部政策，該政策禁止任何中國附屬公司向任何人士（包括本集團其他成員公司、控股股東及其他關聯方）提供任意金額的借貸。
- (b) 本公司及任何非中國附屬公司進行的一切借貸交易均須預先經合規主任批准，合規主任將尋求外部法律意見，並僅會批准合法及符合適用法律及法規的交易。
- (c) 本公司正建立一套制度，據此，有資金需求的任何附屬公司須就借款向總會計師作出申請，供總會計師審批，有關申請將須獲合規主任批准。財務部門將透過審閱各附屬公司財務部提交的報告每月監察各附屬公司的資金流向，並將每月報告所載結餘與相關銀行賬戶結餘核對。這將有助發現任何可疑或未經批准的借貸交易，尤其是任何大量資金流向其他方。

Property related compliance issues

The GA Department maintains a list of required constructions permits, construction work planning permits and building ownership certificates that need to be obtained from the relevant government authorities. The personnel of the engineering department must proceed to obtain the required permits and certificates set out in the list before commencing construction.

Other general measures for enhancing internal control and legal compliance

To ensure on-going compliance with applicable laws and regulations, the Company has retained King & Wood Mallesons as its PRC legal advisers to advise the Company and provide the Directors and senior management legal training annually on the legal and regulatory requirements applicable to the operations and other compliance related matters arising from the Company's ordinary course of business in the PRC after the Listing. The Company has also engaged Michael Tam & Co. in association with Berwin Leighton Paisner (HK) LLP as its Hong Kong legal advisers to advise the Company on application of Hong Kong laws and regulations to the Group after the Listing. Further, the Company has appointed Quam Capital Limited as the compliance adviser to advise the Company on compliance matters in accordance with Rule 3A.19 of the Listing Rules.

The Company has appointed Mr. Lui Hin Weng Samuel, the chief financial officer of the Company (the "Chief Financial Officer"), as the compliance officer to oversee the Group's compliance with applicable Hong Kong and PRC laws and regulations. With the help of the Company's compliance adviser and external legal advisers, the compliance officer will conduct on-going assessments in response to new legal and regulatory requirements, update compliance and internal control procedures and oversee their implementation. Before embarking on a new "Build – Operate – Transfer" project, the compliance officer, with the assistance of legal advisers, will prepare a report detailing all necessary licences, approvals and permits required for conducting operations which will then be submitted to the Board for consideration. The compliance officer will also compile and submit a compliance report to the Board on a quarterly basis, highlighting any material changes in the legal and regulatory requirements as advised by the external counsels, any update, development or material issues relevant to the compliance with the applicable laws and regulations, including but not limited to the progress of the upgrade works of the wastewater treatment facility operated by Hai'an Hengfa Wastewater Treatment Company Limited, a non-wholly owned subsidiary of the Company and the wastewater treatment facility operated by Rugao Hengfa Water Treatment Company Limited, an indirect wholly-owned subsidiary of the Company.

與物業有關的合規事宜

一般及行政部門存置一份須自相關政府部門取得的必要建築許可證、建設工程規劃許可證及房屋所有權證清單。工程部門人員於動工前須取得清單所列必要許可及證書。

加強內部監控及法律合規的其他綜合措施

為確保一直遵守適用法律及法規，本公司已委聘金杜律師事務所為其中國法律顧問，以就經營所適用的法律及監管規定及上市後在中國的日常業務過程中所產生的其他合規相關事宜向本公司提供意見並每年為董事及高級管理層提供法律培訓。本公司亦已委聘譚國彥律師事務所與博聞(香港)律師事務所聯盟為其香港法律顧問，就上市後香港法例及法規對本集團的適用情況為本公司提供意見。此外，本公司已根據上市規則第3A.19條委任華富嘉洛企業融資有限公司為合規顧問，就合規事宜向本公司提供意見。

本公司已委任本公司財務總監(「財務總監」)呂顯榮先生為我們的合規主任，監督本集團遵守香港及中國的適用法律及法規。在合規顧問及外部法律顧問的協助下，合規主任將對新訂法律及監管規定進行持續評估，更新合規及內部控制程序並監督其實施情況。在開始新「建設－經營－移交」項目之前，合規主任將在法律顧問協助下編製一份詳細說明進行運營所需的所有牌照、批文及許可證的報告，隨後將提交董事會考慮。合規主任將每季編製合規報告，並提交董事會，重點說明外部法律顧問所告知的有關法律及監管規定的任何重大變動、與遵守任何適用法律及法規有關的任何最新消息、發展或重大問題，包括但不限於海安恆發污水處理有限公司(本公司之非全資附屬公司)營運之污水處理設施及如皋恆發水處理有限公司(本公司之間接全資附屬公司)營運之污水處理設施升級工程的進展。

Separately, during the Year the Company has engaged BDO Financial Services Limited to perform an internal control review on the enhanced internal control measures adopted by the Group to prevent future non-compliance incidents.

Adequacy of enhanced internal control measures

Having considered the above, the Directors (including the INEDs) consider that the enhanced internal control measures of the Company are adequate and effective to ensure compliance with the applicable legal and regulatory requirements.

COMPANY SECRETARY

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

As Mr. Kwok was first appointed as the company secretary of a Hong Kong Hang Seng Index constituent stock company in 1991 and has been acting in such capacity for a number of other reputable companies listed on the Stock Exchange at substantial times since then, he is not required to have at least 15 hours of relevant continuous professional development training in the Year under the Listing Rules.

SHAREHOLDERS’ RIGHTS

Procedures for Putting Forward Proposals at Shareholders’ Meetings

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

本公司於本年度內已另行委聘德豪財務顧問有限公司，對本集團已採用以防止日後發生不合規事件的經強化內部控制措施進行內部監控檢討

經強化內部控制措施的充足度

經考慮以上所述，董事(包括獨立非執行董事)認為本公司經加強的內部監控措施足以及有效確保遵守適用法律及監管規定。

公司秘書

郭兆文先生(「郭先生」)由寶德隆企業服務(香港)有限公司(「寶德隆」)提名擔任該職位。寶德隆已根據本公司與寶德隆簽訂之聘任函件向本公司提供若干企業秘書服務。郭先生就公司秘書事宜與本公司聯絡之主要人士為財務總監及合規主任呂顯榮先生。

由於郭先生原初於一九九一年獲一家香港恒生指數成份股股份公司委任作為公司秘書，並曾於若干在聯交所上市之其他良好聲譽公司長期擔任該職位，因此，彼無須根據上市規則於年內接受至少十五小時相關連續專業發展培訓。

股東權利

在股東大會上提呈建議的程序

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

Procedures for Shareholders to Convene an EGM

Article 12.3 of the Articles of Association stipulates that:

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

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

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the 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 Send Enquires to the Board

Shareholders may, at any time, direct questions, request for publicly available information and provide comments and suggestions to the Directors or management of the Company. Such questions, requests and comments can be addressed to the Company by mail to Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong or by email to ell@tri-hk.com.

Shareholders should direct their questions about their shareholdings by mail to the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited at 31st Floor 148 Electric Road, North Point, Hong Kong, which has been appointed by the Company to deal with Shareholders for share registration and related matters.

股東召開股東特別大會的程序

組織章程細則第 12.3 條規定：

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

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

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

股東向董事會發出查詢之程序

股東可於任何時間向本公司董事或管理層提出問題、要求公眾可用資料及提供意見及建議。該等問題、要求及意見可透過郵件至香港鰂魚涌華蘭路 20 號華蘭中心 11 樓 1-3 室或透過電郵至 ell@tri-hk.com 送達本公司。

股東可將有關彼等持股之問題透過郵件至本公司之香港股份過戶登記分處寶德隆股份過戶登記處（香港）有限公司，地址為香港北角電氣道 148 號 31 樓，寶德隆股份過戶登記處（香港）有限公司已獲本公司委任處理股東之股份登記及相關事宜。

COMMUNICATION WITH SHAREHOLDERS

The Company has adopted a Shareholders' communication policy on 5 September 2014 with the objective of enhancing investor relations and investors' understanding of the Company's business performance and strategies.

Information about the Company will be communicated to the Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), AGM and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications on the respective websites of the Stock Exchange and the Company.

CONSTITUTIONAL DOCUMENTS

Except for the adoption of new M&A by the Company to comply with the applicable legal and regulatory requirements (including the Listing Rules) on 5 September 2014 in anticipation of the Listing, there were no changes in the constitutional documents of the Company during the Year.

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

股東通訊

本公司於二零一四年九月五日採用股東通訊政策，旨在加強投資者關係和投資者對本公司之經營業績和策略之理解。

有關本公司資料將主要透過本公司財務報告(中期及年度報告)、股東週年大會及其他可能召開之股東大會，與向聯交所提交之披露資料及分別於聯交所及本公司網站之企業通訊知會股東及投資人士。

憲章文件

本公司為籌備上市，為遵守適用法例及規管法規要求(包括上市規則)於二零一四年九月五日採納新大綱及細則，除此之外，本公司於年內之憲章文件並無改動。

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

Directors' Report 董事會報告

The directors of ELL Environmental Holdings Limited (the “Company” and the “Directors”, respectively) present their report and the audited consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2014 (the “Year”).

SHARE OFFER

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 25 February 2014. Pursuant to a reorganisation to rationalise the group structure in preparation for the listing of the issued ordinary shares of HK\$0.0001 each (the “Shares”) in the capital of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “Listing”, respectively), the Company became the holding company of the Group. Details of the reorganisation are set out in the “Reorganisation” paragraph in the section headed “History, Reorganisation and Corporate Structure” of the Company’s prospectus dated 12 September 2014 (the “Prospectus”). Following the offering of 200,000,000 Shares of the Company (the “Share Offer”), the Company was listed on the Main Board of the Stock Exchange on 26 September 2014 (the “Listing Date”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are the provision of wastewater treatment services in Jiangsu Province, the People’s Republic of China (the “PRC”). The principal activities and other particulars of its subsidiaries are set out in note 15 to the consolidated financial statements.

強泰環保控股有限公司(「本公司」)之董事(「董事」)提呈本公司及其附屬公司(統稱「本集團」)截至二零一四年十二月三十一日止年度(「本年度」)之董事會報告及經審核綜合財務報表。

股份發售

本公司於二零一四年二月二十五日在開曼群島註冊成立為獲豁免有限公司。根據本公司為籌備將其股本中每股面值0.0001港元之已發行普通股股份(「股份」)在香港聯合交易所有限公司主板上市(分別為「聯交所」及「上市」)而進行之重組，本公司成為本集團的控股公司。重組之詳情載於本公司日期為二零一四年九月十二日之招股章程(「招股章程」)「歷史、重組及公司架構」一節內之「重組」一段。於發售本公司200,000,000股股份(「股份發售」)後，本公司於二零一四年九月二十六日(「上市日期」)在聯交所主板上市。

主要業務

本公司之主要業務為投資控股。其主要附屬公司之業務為於中華人民共和國(「中國」)江蘇省提供污水處理服務。其主要附屬公司之主要業務及其他資料列載於綜合財務報表附註15。

RESULTS

The results of the Group for the Year and the state of affairs of the Company and of the Group at that date are set out on pages 66 to 146 of the annual report.

DIVIDENDS

The board of Directors (the "Board") does not recommend the payment of any final dividend in respect of the Year.

FINANCIAL SUMMARY

A summary of the results for the year ended and the assets and liabilities of the Group as at 31 December 2014 and for the past three financial years are set out on pages 147 to 148 of this annual report. This summary does not form part of the audited financial statements.

ANNUAL GENERAL MEETING

The annual general meeting of the Company (the "AGM") is scheduled to be held on Friday, 8 May 2015. A notice convening the AGM will be issued and despatched to the shareholders of the Company (the "Shareholders") on 2 April 2015.

CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 6 May 2015 to Friday, 8 May 2015 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Boardroom Share Registrars (HK) Limited, at 31/F., 148 Electric Road, North Point, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 5 May 2015.

業績

本集團於本年度之業績及本公司與本集團於該日期之財務狀況列載於年報第66至146頁。

股息

董事會(「董事會」)不建議就本年度派發任何末期股息。

財務摘要

本集團於截至二零一四年十二月三十一日止年度之業績及於二零一四年十二月三十一日及過去三個財政年度之資產及負債摘要列載於本年報第147至148頁。本概要並不構成經審核財務報表之一部分。

股東週年大會

本年度股東週年大會(「股東週年大會」)謹定於二零一五年五月八日(星期五)舉行。召開股東週年大會之通知將於二零一五年四月二日刊發及寄發予本公司股東(「股東」)。

暫停辦理股份過戶登記

為確定出席股東週年大會及投票之股東權利，本公司股東名冊定於二零一五年五月六日(星期三)至二零一五年五月八日(星期五)(首尾兩天包括在內)暫停辦理股票過戶手續，期內將不會辦理股份過戶登記手續。為符合出席股東週年大會之資格，股東須不遲於二零一五年五月五日(星期二)下午四時三十分，將所有過戶文件連同相關股票交到本公司之香港證券登記分處－位於香港北角電氣道148號31樓之寶德隆證券登記有限公司辦理過戶手續。

USE OF PROCEEDS FROM INITIAL PUBLIC OFFERING

Based on the offer price of HK\$0.55 per offer Share and 200,000,000 new Shares offered by the Company, the net proceeds received by the Company from the Share Offering, after deducting the relevant underwriting commissions and other related listing expenses payable by the Company, was approximately HK\$77.6 million. The net proceeds is intended to be applied in a manner consistent with that in the Prospectus.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group for the Year are set out in note 14 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

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

MAJOR CUSTOMERS AND SUPPLIERS

In the Year, the Group's turnover was attributable to two customers who are local government authorities. They jointly accounted for 100% of the Group's turnover, each of them accounting for 67.7% and 32.3% of the Group's turnover respectively. The percentage of purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for 13.4% and 38.5% respectively.

None of the Directors or any of their close associates or any Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

首次公開發售所得款項用途

基於本公司以每股發售股份0.55港元之發售價發售200,000,000股新股，本公司於扣除本公司應付之相關包銷佣金及其他相關上市開支後之股份發售所得款項淨額約為77.6百萬港元。所得款項淨額之使用將與招股章程上公佈一致。

物業、廠房及設備

本集團於本年度之物業、廠房及設備變動詳情列載於綜合財務報表附註14內。

優先購買權

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

主要客戶及供應商

於本年度，本集團的營業額來自兩名客戶，其為本地政府機關。其合共佔本集團的營業額100%，並各自分別佔本集團的營業額67.7%及32.3%。本集團最大供應商及五名最大供應商所佔之採購額百分比分別為13.4%及38.5%。

概無董事或其任何緊密聯繫人或任何股東（據董事所知，擁有超過本公司已發行股本之5%）擁有本集團五名最大客戶及供應商之任何實益權益。

SHARE CAPITAL

Details of movements in the share capital of the Company during the Year, together with the reasons therefor, are set out in note 24 to the consolidated financial statements.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in note 25(b) to the consolidated financial statements and in the consolidated statement of changes in equity on page 69, respectively.

DISTRIBUTABLE RESERVES OF THE COMPANY

At 31 December 2014, the Company's reserves available for distribution to the Shareholders amounted to HK\$211.7 million.

Under the Companies Law of the Cayman Islands, the share premium account of the Company in the amount of HK\$183.3 million may be applied for paying distributions or dividends to the Shareholders provided that immediately following the date on which the distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business.

股本

本公司於本年度之股本變動詳情及有關原因列載於綜合財務報表附註24內。

儲備

本公司及本集團於本年度之儲備變動詳情分別列載於綜合財務報表附註25(b)內及第69頁的綜合權益變動表內。

本公司之可分派儲備

於二零一四年十二月三十一日，本公司可分派予股東之儲備為211.7百萬港元。

根據開曼群島公司法，本公司股份溢價賬為183.3百萬港元，可用支付股東之分派或股息，惟緊隨建議支付分派或股息之日期後，本公司須有能力支付一般業務過程中到期應付之公司債項。

DIRECTORS

The following are the Directors during the period between 25 February 2015, being the date of incorporation of the Company, and the date of this report (the "Period"):

Executive Directors

CHAU On Ta Yuen (Chairman)^N (appointed on 18 March 2014)

CHAN Kwan (Chief Executive Officer)^N (appointed on 25 February 2014)

Non-Executive Directors (the "NEDs")

CHAN Pak Lam Brian^R (appointed on 18 March 2014)

CHAU Chi Yan Benny^A (appointed on 18 March 2014)

Independent Non-executive Directors (the "INEDs")

NG Chung Yan Linda^{A/R/N} (appointed on 5 September 2014)

NG Man Kung^{A/R/N} (appointed on 5 September 2014)

SZE Yeuk Lung Benedict^{A/R/N} (appointed on 5 September 2014)

A = member of audit committee of the Board (the "Audit Committee")

R = member of remuneration committee of the Board

N = member of nomination committee of the Board

In accordance with Articles 16.2 and 16.3 of the Articles of Association, Mr. Chau On Ta Yuen, Mr. Chan Pak Lam Brian, Mr. Chau Chi Yan Benny, Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict shall retire at the AGM and all of them, being eligible, have offered themselves for re-election. In accordance with Article 16.18 of the Articles of Association, Mr. Chan Kwan will retire from office by rotation and being eligible, has offered himself for re-election at the forthcoming AGM.

董事

於二零一四年二月二十五日(即本公司註冊成立日期)至本報告日期期間(「本期間」)之董事如下：

執行董事

周安達源(主席)^N
(於二零一四年三月十八日獲委任)

陳昆(行政總裁)^N
(於二零一四年二月二十五日獲委任)

非執行董事(「非執行董事」)

陳柏林^R
(於二零一四年三月十八日獲委任)

周致人^A
(於二零一四年三月十八日獲委任)

獨立非執行董事(「獨立非執行董事」)

伍頌恩^{A/R/N}
(於二零一四年九月五日獲委任)

吳文拱^{A/R/N}
(於二零一四年九月五日獲委任)

施若龍^{A/R/N}
(於二零一四年九月五日獲委任)

A = 董事會審核委員會成員(「審核委員會」)

R = 董事會薪酬委員會成員

N = 董事會提名委員會成員

根據組織章程細則第16.2及第16.3條，周安達源先生、陳柏林先生、周致人先生、伍頌恩女士、吳文拱先生及施若龍先生將於股東週年大會上退任，且彼等均符合資格並已願意膺選連任。根據組織章程細則第16.18條，陳昆先生將於應屆股東週年大會上輪值退任，且符合資格並已願意於會上膺選連任。

CONFIRMATION OF INDEPENDENCE OF INEDS

The Company has received from each of the INEDs, namely Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict, an annual written confirmation of his/her independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). At the date of this report, the Company considers all of them to be independent.

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHICAL DETAILS

The biographical details of the Directors and the Senior Management are set out on pages 17 to 26 of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each of the Executive Directors has entered into a service contract with the Company, pursuant to which each of them has agreed to act as an Executive Director for an initial fixed term of three years with effect from 5 September 2014. The appointment of an Executive Director may be terminated by giving of three months' written notice by the Company to the Executive Director or vice versa.

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

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

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 32 to the financial statements, no director of the Company had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Period.

確認獨立非執行董事之獨立性

本公司已收到各獨立非執行董事，即伍頌恩女士、吳文拱先生及施若龍先生依據聯交所證券上市規則(「上市規則」)第3.13條對其獨立性之年度確認書。本公司於本報告日期認為彼等均具有獨立性。

董事及高級管理層之個人履歷

董事及高級管理層之個人履歷詳情載於本年報第17至26頁。

董事服務合約

執行董事已各自與本公司訂立服務合約，及依據有關服務合約，彼待各自同意擔任執行董事，初始固定任期為三年，自二零一四年九月五日開始。執行董事之委任可由本公司向執行董事發出三個月書面通知(反之亦然)予以終止。

根據各非執行董事及獨立非執行董事與本公司訂立的委任函件，彼等各自已獲委任，任期為三年，自二零一四年九月五日開始。非執行董事或獨立非執行董事之委任可由本公司向有關非執行董事及獨立非執行董事發出三個月書面通知(反之亦然)予以終止。

擬於下屆股東週年大會上膺選連任之本公司董事概無與本公司訂立本公司不能決定於一年內無需做出賠償(法定補償除外)之服務合約或委任函件。

董事於重大合約的權益

除財務報表附註32所披露者外，於本期間，概無本公司董事與本公司或任何其附屬公司訂立對本集團業務屬重大的任何合約中直接或間接擁有重大權益。

SHARE OPTION SCHEME

On 5 September 2014, the Company adopted a share option scheme (the "Share Option Scheme") to enable the Company to grant options to eligible participants as incentives or rewards for their contribution or potential contribution to the Group, the principal terms of which are set out in section headed "Statutory and General Information – D. Share Option Scheme" in Appendix IV to the Prospectus.

The Share Option Scheme took effect on 26 September 2014 and no options have been granted, exercised, cancelled or lapsed since then and there were no outstanding share options under the Share Option Scheme as at 31 December 2014.

A summary of the Share Option Scheme is as follows:

- (i) Share option may be granted to any eligible participants being any full-time or part-time employees, or potential employees, executives or officers (including executive, non-executive and independent non-executive Directors) of our Company or any of its subsidiaries and any suppliers, customers, agents and advisers who, in the sole opinion of the Board, will contribute or have contributed to the Company and/or any of its subsidiaries.
- (ii) The total number of the Shares available for issue under the Share Option Scheme and any other share option schemes of the Company may be granted is 80,000,000 shares representing 10% of the issued share capital of the Company as at the date of this annual report, excluding for this purpose the number of Shares which would be issued on the exercise in full of the options granted under the Share Option Scheme or any other schemes of the Company but not cancelled, lapsed or exercised.
- (iii) The maximum entitlement of each eligible participant under the Share Option Scheme is subject to Rule 17.03 of the Listing Rules.

購股權計劃

於二零一四年九月五日，本公司採納一項購股權計劃（「購股權計劃」），令本公司能夠向合資格參與者授予購股權作為彼等對本集團作出貢獻或潛在貢獻的激勵或獎勵。有關條款載於招股章程附錄四「法定及一般資料－D.購股權計劃」一節。

購股權計劃於二零一四年九月二十六日生效，之後概無授出、行使、註銷任何購股權或有任何購股權失效，且於二零一四年十二月三十一日，購股權計劃下亦無任何購股權未獲行使。

購股權計劃概要如下：

- (i) 購股權可向本公司或其任何附屬公司的任何全職或兼職僱員、潛在僱員、行政人員或高級職員（包括執行、非執行及獨立非執行董事）及董事會單獨認為將會對或已經對本公司及／或其任何附屬公司作出貢獻的任何供應商、客戶、代理人及顧問授出。
- (ii) 根據購股權計劃及本公司任何其他購股權計劃可能授出的購股權所涉及的股份數目上限為80,000,000股股份，相當於本年報日期本公司已發行股本10%，不包括根據購股權計劃或本公司任何其他計劃授出的購股權（以並無註銷、失效或獲行使者為限）權獲悉數行使時發行的股份數目。
- (iii) 各合資格參與者於購股權計劃下的最高權益受上市規則第17.03條所規限。

- (iv) Each of the grantees to whom an options has been granted under the Share Option Scheme shall be entitled to exercise his option in the following manner:
- (a) up to 33% of the Shares that are subject to the option so granted shall be exercised at any time during the period commencing from the first anniversary of the date on which such option is granted (the “**Commencement Date**”) and ending on the expiry of the period to be notified by the Board (the “**Option Period**”);
 - (b) up to 66% of the Shares that are subject to the option so granted shall be exercised at any time during the period commencing from the second anniversary of the Commencement Date and ending on the expiry of the Option Period; and
 - (c) up to 100% of the Shares that are subject to the option so granted shall be exercised at any time during the period commencing from the third anniversary of the Commencement Date and ending on the expiry of the Option Period.
- (v) The share option must be exercised within the period of 10 years commencing on the Commencement Date.
- (vi) A share option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the share option duly signed by the grantee, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof, is received by the Company on or before the relevant acceptance date.
- (vii) The exercise price shall, subject to certain adjustment, be determined by the Board in its sole discretion, save that such price shall not be less than the highest of:
- (a) the official closing price of the Shares of the Company as stated in the daily quotation sheets of the Stock Exchange on the date of grant, which must be a day on which the Stock Exchange is open for business of dealing in securities;
 - (b) the average of the official closing price of the Shares of the Company as stated in the daily quotation sheets of the Stock Exchange for the five business days (as defined in the Listing Rules) immediately preceding the date of grant; and
- (iv) 根據購股權計劃獲授予購股權的各承授人應有權以下列方式行使其購股權：
- (a) 於授出購股權當日(「開始日期」)的第一周年起至董事會告知各承授人可行使購股權的期限(「購股權期限」)屆滿為止的期間內任何時間，承授人獲授予的購股權所涉及股份的最多33%；
 - (b) 於開始日期的第二周年起至購股權期限屆滿為止的期間內任何時間，承授人獲授予的購股權所涉及股份的最多66%；及
 - (c) 於開始日期的第三周年起至購股權期限屆滿為止的期間內任何時間，承授人獲授予的購股權所涉及股份的最多100%。
- (v) 購股權必須就開始日期起計十年的期限內行使。
- (vi) 當本公司於相關接納日期或之前收到由承授人正式簽署構成接納購股權的一式兩份要約文件連同付予本公司1.00港元的股款作為授出購股權的代價後，該購股權即視為已授出及已獲承授人接納並已生效。
- (vii) 行使價由董事會全權酌情釐定，可予若干調整，惟該價格將不得低於以下各項最高者：
- (a) 授出日期(須為聯交所開市各項進行證券交易業務的日子)聯交所每天報價表所列的股份正式收市價；
 - (b) 緊接授出日期前五個營業日(定義見上市規則)聯交所每天報價表所列的股份正式平均收市價；及

(c) the nominal value of a Share of the Company.

(viii) The Company may by resolution in general meeting or the Board at any time resolve to terminate the operation of the Share Option Scheme.

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES

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

MANAGEMENT CONTRACT

No contract 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 Period.

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

Details of the emoluments of the Directors and the five individuals with the highest emoluments for the Year are set out in notes 8 and 9 to the consolidated financial statements, respectively.

(c) 本公司股份的面值。

(viii) 本公司在任何時候可在股東大會或董事會以決議案終止購股權計劃的運作。

董事購入股份的安排

本公司或其任何附屬公司於本期間任何時間概無訂立任何安排，致使董事可藉購入股份或其他法人團體的任何股份而獲益。

管理合約

於本期間，就本公司整體或任何重要環節業務方面並無訂立或存在管理及行政合約。

董事薪酬及五名最高薪酬人士

於本年度，董事薪酬及五名最高薪酬人士的詳情分別載於綜合財務報表附註8及9。

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

As at 31 December 2014, the interests or short positions of the Directors or chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong (the "SFO") required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") as set out in Appendix 10 to the Listing Rules, were as follows:

The Company's Shares of HK\$0.0001 each

| Name of Directors/Chief Executive | Capacity/Nature of Interest | Number of Shares Held | Approximate Percentage of Shareholding in the Company 於本公司概約 持股百分比 |
|---|--|----------------------------|--|
| 董事／最高行政人員姓名 | 身份／權益性質 | 所持股份數目 | |
| Chau On Ta Yuen ("Mr. Chau") 周安達源(「周先生」) | Interest in a controlled corporation 受控法團權益 | 225,000,000 ⁽¹⁾ | 28.1% |
| Chan Kwan ("Mr. Chan") 陳昆(「陳先生」) | Interest in a controlled corporation 受控法團權益 | 375,000,000 ⁽²⁾ | 46.9% |

Notes:

- Wealthy Sea Holdings Limited ("Wealthy Sea") which held 225,000,000 Shares is owned as to 90% and 10% by Mr. Chau, an Executive Director and the Chairman of the Company and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively.
- Everbest Environmental Investment Limited ("Everbest Environmental"), which held 375,000,000 Shares, is owned as to 50%, 30% and 20% by Ms. Wong Shu Ying, Ms. Judy Chan and Mr. Chan, an Executive Director and the Chief Executive Officer of the Company, respectively. Ms. Wong Shu Ying is the mother of both Ms. Judy Chan and Mr. Chan.
- All the above Shares were held in long position.

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

於二零一四年十二月三十一日，本公司董事或最高行政人員於本公司或其任何相聯法團(定義見香港法例第571章證券及期貨條例第XV部)的股份、相關股份及債權證中擁有須：(a)根據證券及期貨條例第XV部第7及8分部知會本公司及聯交所的權益或淡倉(包括彼等根據證券及期貨條例的該等條文被當作或視為擁有的權益或淡倉)；(b)根據證券及期貨條例第352條須登記於該條所指登記冊的權益或淡倉；或(c)根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉如下：

本公司每股面值0.0001港元的股

附註：

- 潤海集團有限公司(「潤海」)持有225,000,000股股份，並由本公司執行董事兼主席周先生及黃美玲女士(周先生的妻子)分別擁有90%及10%。
- Everbest Environmental Investment Limited(「Everbest Environmental」)持有375,000,000股股份並由王穗英女士、陳芳女士及本公司執行董事兼行政總裁陳先生分別擁有50%、30%及20%。王穗英女士為陳芳女士及陳先生的母親。
- 上述所有股份均以好倉持有。

Save as disclosed above, as at 31 December 2014, none of the Directors or chief executives of the Company had any interest or short positions in any shares or underlying shares or interest in any debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange or to be entered in the register referred to the SFO.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2014, to the best of the Directors' knowledge, the following persons or organizations (other than the Directors and chief executives of the Company) had or were deemed or taken to have an interest and/or a short position in the Shares or the underlying Shares, which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO:

除上文所披露者外，於二零一四年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的任何股份、相關股份或債權證中擁有須知會本公司及聯交所或須登記於證券及期貨條例所指登記冊的權益或淡倉。

主要股東及其他人士於股份、相關股份及債權證中的權益及淡倉

於二零一四年十二月三十一日，就董事所知，下列人士或組織(本公司董事及最高行政人員除外)被視作或當作於股份或相關股份中擁有須根據證券及期貨條例第XV部第2及第3分部的條文作出披露的權益及／或淡倉：

| Name of Shareholders | Capacity/Nature of Interest | Number of Shares Held | Approximate percentage of Shareholding in the Company 於本公司概約 持股百分比 |
|--|--|------------------------------|---|
| 股東姓名 | 身份／權益性質 | 身所持股份數目 | |
| Everbest Environmental Everbest Environmental | Beneficial interest 實益權益 | 375,000,000 ⁽¹⁾ | 46.9% |
| Wong Shu Ying 王穗英 | Interest in a controlled corporation 受控法團權益 | 375,000,000 ⁽¹⁾ | 46.9% |
| Wealthy Sea 潤海 | Beneficial interest 實益權益 | 225,000,000 ⁽²⁾ | 28.1% |
| Wong Mei Ling 黃美玲 | Interest held by spouse 配偶所持權益 | 225,000,000 ⁽²⁾ | 28.1% |

Notes:

- (1) Everbest Environmental is owned as to 50% by Ms. Wong Shu Ying and, therefore, Ms. Wong Shu Ying is deemed to be interested in the 375,000,000 Shares held by Everbest Environmental pursuant to the SFO. Ms. Wong Shu Ying is the mother of Mr. Chan, an Executive Director and the Chief Executive Officer of the Company.
- (2) Wealthy Sea is owned as to 90% and 10% by Mr. Chau, an Executive Director and the Chairman of the Company and Ms. Wong Mei Ling, the wife of Mr. Chau, respectively. Ms. Wong Mei Ling is, therefore, deemed to be interested in the 225,000,000 Shares held by Wealthy Sea controlled by Mr. Chau pursuant to the SFO.
- (3) All the above Shares were held in long positions.

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

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

The Shares were initially listed on the Main Board of the Stock Exchange on the Listing Date and the Company did not redeem any of its shares listed on the Main Board of the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such shares during the period from the Listing Date to 31 December 2014.

附註：

- (1) Everbest Environmental由王穗英女士擁有50%，因此，根據證券及期貨條例，王穗英女士被視為於Everbest Environmental所持有的375,000,000股股份中擁有權益。王穗英女士為本公司執行董事兼行政總裁陳先生的母親。
- (2) 潤海由本公司執行董事兼主席周先生及黃美玲女士(周先生的妻子)分別擁有90%及10%。因此，根據證券及期貨條例，黃美玲女士被視為於周先生控制的潤海所持有的225,000,000股股份中擁有權益。
- (3) 上述所有股份均以好倉持有。

除上文所披露者外，董事並不知悉有任何人士或組織(董事或本公司最高行政人員除外)於股份或相關股份中擁有或被視為或視作擁有根據證券及期貨條例第XV部第2及第3分部之條文須向本公司披露的權益或淡倉，或須登記於本公司根據證券及期貨條例存置的登記冊的權益或淡倉。

購買、出售或贖回本公司的上市股份

股份於上市日期首次在聯交所主板上市，而於上市日期至二零一四年十二月三十一日，本公司概無贖回其於聯交所主板上市的任何股份，本公司或其任何附屬公司亦無購買或出售任何有關股份。

RETIREMENT BENEFIT SCHEMES/PENSION SCHEME

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

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

SUFFICIENCY OF PUBLIC FLOAT

Based on the information available to the Company and within the knowledge of the Directors, the Company maintained adequate public float (i.e. at least 25% of the issued Shares being held by the public) since the Listing Date.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the ordinary course of business by the Group during the Year are set out in note 32 to the consolidated financial statements.

CONNECTED TRANSACTION

During the year ended 31 December 2014, the Group has not conducted any "connected transaction" or "continuing connected transaction" (as defined under Chapter 14A of the Listing Rules) which is subject to reporting and annual review requirements under the Listing Rules. The transaction disclosed in note 32(a) to the financial statements as related party transactions falls under the definition of "connected transaction" or "continuing connected transaction" (as defined under Chapter 14A of the Listing Rules), but such transaction is not subject to the reporting, annual review or independent shareholders approval requirements under Chapter 14A of the Listing Rules. The other transactions disclosed in note 32 to the financial statements as related party transactions did not fall under the definition of "connected transaction" or "continuing connected transaction" (as defined under Chapter 14A of the Listing Rules).

退休福利計劃／退休金計劃

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

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

足夠公眾持股量

根據本公司所取得的資料及據董事所知，本公司自上市日期起維持足夠公眾持股量(即至少25%的已發行股份由公眾持有)。

關聯方交易

本集團於本年度在日常業務過中進行的關聯方交易情載於綜合財務報表附註32。

關連交易

於截至二零一四年十二月三十一日止年度，本集團並無進行任何須遵守上市規則之申報及年度審核規定之「關連交易」或「持續關連交易」(定義見上市規則第14A章)。財務報表附註32(a)披露為關聯方交易之交易，列為「關連交易」或「持續關連交易」(定義見上市規則第14A章)，但有關交易毋須遵守上市規則第14A章的申報、年度審核或獨立股東批准規定。財務報表附註32披露為關聯方交易之其他交易，並不符合「關連交易」或「持續關連交易」(定義見上市規則第14A章)。

DEED OF NON-COMPETITION

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

The INEDs have reviewed the compliance by each of the Controlling Shareholders with the Deed of Non-Competition. Each of the Controlling Shareholders has made a declaration as to the compliance with the terms of the Deed of Non-Competition during the Year.

不競爭契據

陳芳女士(「陳女士」)、陳先生(行政總裁兼執行董事)、王穗英女士(「王女士、陳女士及陳先生的母親」)、Everbest Environmental(一家由王女士、陳女士及陳先生分別擁有50%、30%及20%的公司)、周先生(主席兼執行董事)及潤海(一家由周先生及其妻子分別擁有90%及10%的公司)(統稱「控股股東」)各自與本集團於二零一四年九月五日就本集團的利益訂立不競爭契據(「不競爭契據」)，據此，控股股東各自無條件及不可撤回地同意、向本公司(為其本身及本集團各其他成員公司的利益)承諾及契諾，其不會及會促使其緊密聯繫人士(本集團成員公司除外)不會直接或間接地以自己的名義或聯同或代表任何人士、商號或公司(其中包括)進行或參與任何直接或間接與招股章程所述本集團在中國經營的污水處理設施業務競爭或可能競爭的任何活動或業務或於當中擁有權益或從事或收購或持有(在各個情況下不論是否以股東、董事、合夥人、代理、僱員或其他身份及不論以牟利、獎勵或其他方式)參與或經營該等活動或業務以及本集團任何成員公司不時經營、進行或擬進行或本集團任何成員公司從事或投資或本集團任何成員公司已公開宣佈其有意訂立、從事或投資(不論是否以主事人或代理身份及不論是否直接或透過任何法人團體、合夥、合營公司或其他合約或其他安排進行)的任何其他業務。不競爭契據主要條款概要載於招股章程「與我們控股股東的關係」一節。

獨立非執董事已審閱各控股股東遵行不競爭契據之情況。各控股股東已於本年度作出遵守不競爭契據條款的聲明。

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

Save as disclosed above, during the Period and up to the date of this report, none of the Directors are considered to have interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group and have any other conflicts of interest, as required to be disclosed under the Listing Rules.

SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed above, no Shareholder had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Period.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2014, the Group had 75 employees (including the Directors). Employee costs (including Directors' emoluments) amounted approximately to HK\$8.3 million for the Year. The remuneration policy for the Directors and senior management members is based on their experience, level of responsibility and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members.

CORPORATE GOVERNANCE REPORT

Details of the Corporate Governance Report are set out on pages 27 to 47 of this annual report.

REVIEW BY AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises four members, namely Ms. Ng Chung Yan Linda (*committee chairman*), Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict, all being INEDs and Mr. Chau Chi Yan Benny, a NED. The Audit Committee and the Company's management have reviewed the accounting principles and practices adopted by the Group and the audited annual results of the Group for the Year.

董事於競爭業務的權益

除上文所披露者外，於本期間及直至本報告日期，概無董事被認為於與本集團業務直接或間接競爭或可能產生競爭的業務中擁有權益及有任何其他利益衝突須根據上市規則予以披露。

股東於重大合約之權益

除上文所披露者外，概無董事於對本集團業務具備重要性之任何合約(本公司或其任何附屬公司於本期間作為合約一方)直接或間接有重大權益。

僱員及薪酬政策

於二零一四年十二月三十一日，本集團共有75名僱員(包括董事)。於本年度，僱員成本(包括董事酬金)約為8.3百萬港元。董事及高級管理層成員的薪酬政策乃根據彼等的經驗、所負責任及一般市場情況釐定。任何酌情花紅及其他獎金均與本集團溢利表現及董事與高級管理層成員的個人表現掛鈎。

企業管治報告

企業管治報告詳情載於本年報第27至47頁。

由審核委員會審閱

本公司已遵照上市規則第3.21條及企業管治守則第C.3段成立審核委員會，旨在審閱及監督本集團的財務申報程序及內部控制。審核委員會包括四名成員，即獨立非執行董事伍頌恩女士(委員會主席)、吳文拱先生及施若龍先生及非執行董事周致人先生。審核委員會已與本公司管理層審閱本集團所採納的會計原則及慣例以及本集團於本年度的經審核年度業績。

AMENDMENT OF THE ARTICLES OF ASSOCIATION

Pursuant to a special resolution passed by the Shareholders on 5 September 2014, certain amendments to the Articles of Association were adopted for the purposes of compliance with the requirements under the Listing Rules.

INDEPENDENT AUDITORS

The financial statements have been audited by Ernst & Young who retire and, being eligible, offer themselves for reappointment at the forthcoming AGM. Having been approved by the Board upon the Audit Committee's recommendation, a resolution to re-appoint Ernst & Young and to authorise the Directors to fix their remuneration will be proposed at the forthcoming AGM.

On behalf of the Board

Chau On Ta Yuen
Chairman

Hong Kong, 18 March 2015

修訂組織章程細則

根據股東於二零一四年九月五日通過的特別決議案，組織章程細則的若干修訂獲採納以符合上市規則的規定。

獨立核數師

財務報表經已由安永會計師事務所審核，安永會計師事務所將退任及符合資格，並願意於即將舉行之股東週年大會接受續聘。經董事會根據審核委員會的推薦意見批准，續聘請安永會計師事務所並授權董事訂定其薪酬之決議案將於即將舉行之股東週年大會提呈。

代表董事會

主席
周安達源

香港，二零一五年三月十八日



To the shareholders of ELL Environmental Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of ELL Environmental Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 66 to 146, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

致強泰環保控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

吾等已審核第66至146頁所載強泰環保控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，當中包括於二零一四年十二月三十一日的綜合及公司財務狀況表及截至該日止年度的綜合全面收入表、綜合權益變動表及綜合現金流量表、主要會計政策概要以及其他闡釋資料。

董事對綜合財務報表的責任

貴公司董事須負責根據香港財務報告準則及香港《公司條例》披露規定編製及真實公允地呈列本綜合財務報表，以及維持董事認為必要的有關內部監控，以確保編製綜合財務報表時不存在因欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

吾等負責根據吾等的審核工作就本綜合財務報表發表意見。吾等報告僅對閣下整體呈報，而不作其他用途。吾等不會就本報告內容向任何其他人士負責或承擔責任。

吾等根據香港會計師公會頒佈的香港審計準則進行審核工作，該等準則規定吾等須遵守道德要求，並規劃及執行審核工作，以合理確定綜合財務報表是否並不存在重大錯誤陳述。

To the shareholders of ELL Environmental Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

18 March 2015

致強泰環保控股有限公司全體股東
(於開曼群島註冊成立的有限公司)

審核工作涉及進行程序以取得有關綜合財務報表所列金額及披露程序以事項的審核憑證的程序。所選擇的程序視乎核數師的判斷而定，包括評估因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。於評估有關風險時，核數師會考慮與該實體編製真實公允的綜合財務報表相關的內部監控，以設計切合情況的審核程序，惟並非旨在就該實體內部監控的成效發表意見。審核工作亦包括評估董事所採用的會計政策是否合適及所作出的會計估計是否合理，以及評價綜合財務報表的整體呈列方式。

吾等相信，吾等獲得的審核憑證足以以及適合用作吾等審核意見的基礎。

意見

吾等認為，綜合財務報表乃根據香港財務報告準則，真實公允地反映 貴公司及 貴集團於二零一四年十二月三十一日的財務狀況，及 貴集團截至該日止年度的溢利及現金流量，並已根據香港《公司條例》的披露規定妥為編製。

安永會計師事務所
執業會計師
香港中環
添美道1號
中信大廈22樓

二零一五年三月十八日

Consolidated Statement of Comprehensive Income

綜合全面收入表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

| | | Notes 附註 | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|--|---------------------------------|-------------|-----------------------------------|-----------------------------------|
| REVENUE | 營業收入 | 5 | 85,183 | 65,090 |
| Cost of sales | 銷售成本 | | (37,225) | (15,769) |
| Gross profit | 毛利 | | 47,958 | 49,321 |
| Other income and gains | 其他收入及收益 | 5 | 6,140 | 5,664 |
| Administrative expenses | 行政開支 | | (30,802) | (4,543) |
| Finance costs | 融資成本 | 7 | (1,160) | (2,468) |
| PROFIT BEFORE TAX | 除稅前溢利 | 6 | 22,136 | 47,974 |
| Income tax expense | 所得稅開支 | 10 | (10,861) | (14,080) |
| PROFIT FOR THE YEAR | 年內溢利 | | 11,275 | 33,894 |
| OTHER COMPREHENSIVE INCOME | 其他全面收入 | | | |
| <i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i> | <i>於隨後期間重新分類至損益的其他全面收入：</i> | | | |
| Exchange differences on translation of financial statements of entities not using Hong Kong dollar ("HK\$") as functional currency | 換算並非以港元(「港元」)為功能貨幣的實體的財務報表的匯兌差額 | | (7,863) | 8,286 |
| Release of exchange fluctuation reserve upon deregistration of a subsidiary | 撤銷註冊一間附屬公司時解除匯兌波動儲備 | | (5,779) | — |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | 年內全面收入總額 | | (2,367) | 42,180 |
| Profit attributable to: | 以下各方應佔溢利： | | | |
| Owners of the parent | 母公司擁有人 | 11 | 9,267 | 32,259 |
| Non-controlling interest | 非控股權益 | 27 | 2,008 | 1,635 |
| | | | 11,275 | 33,894 |
| Total comprehensive income attributable to: | 以下各方應佔全面收入總額： | | | |
| Owners of the parent | 母公司擁有人 | | (3,695) | 39,795 |
| Non-controlling interest | 非控股權益 | | 1,328 | 2,385 |
| | | | (2,367) | 42,180 |
| EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT | 母公司普通股股權持有人應佔每股盈利 | 13 | | |
| Basic and diluted | 基本及攤薄 | | HK1.42 cents 1.42 港仙 | HK5.38 cents 5.38 港仙 |

Details of the dividend for the year are disclosed in note 12 to the financial statements.

本年度股息之詳情披露於財務報表附註 12。

Consolidated Statement of Financial Position 綜合財務狀況表

31 December 2014 二零一四年十二月三十一日

| | Notes 附註 | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|---|-------------|-----------------------------------|-----------------------------------|
| NON-CURRENT ASSETS | | | |
| Property, plant and equipment | 14 | 2,778 | 2,520 |
| Receivables under service concession arrangements | 16 | 292,759 | 289,604 |
| Total non-current assets | | 295,537 | 292,124 |
| CURRENT ASSETS | | | |
| Inventories | | 308 | 349 |
| Receivables under service concession arrangements | 16 | 42,240 | 50,804 |
| Prepayments and other receivables | 17 | 647 | 6,238 |
| Amount due from a related party | 32(c) | — | 542 |
| Cash and cash equivalents | 18 | 99,064 | 75,625 |
| Total current assets | | 142,259 | 133,558 |
| CURRENT LIABILITIES | | | |
| Trade payables | 19 | 5,062 | 2,474 |
| Other payables and accruals | 20 | 6,424 | 43,003 |
| Amount due to a related party | 32(c) | — | 8,965 |
| Interest-bearing bank borrowings | 21 | 12,720 | 17,550 |
| Income tax payables | | 848 | 9,900 |
| Total current liabilities | | 25,054 | 81,892 |
| NET CURRENT ASSETS | | 117,205 | 51,666 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 412,742 | 343,790 |

Consolidated Statement of Financial Position 綜合財務狀況表

31 December 2014 二零一四年十二月三十一日

| | | Notes 附註 | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|--|-------------------|-------------|----------------------------------|----------------------------------|
| NON-CURRENT LIABILITIES | 非流動負債 | | | |
| Shareholders' loans | 股東貸款 | 32(c) | — | 89,329 |
| Interest-bearing bank borrowing | 計息銀行借款 | 21 | 5,621 | — |
| Deferred tax liabilities | 遞延稅項負債 | 22 | 37,017 | 35,075 |
| Provision for major overhauls | 重大檢修撥備 | 23 | 5,275 | 4,134 |
| Total non-current liabilities | 非流動負債總額 | | 47,913 | 128,538 |
| Net assets | 資產淨值 | | 364,829 | 215,252 |
| EQUITY | 權益 | | | |
| Equity attributable to owners of the parent | 母公司擁有人應佔權益 | | | |
| Issued capital | 已發行股本 | 24 | 80 | — |
| Reserves | 儲備 | 25(a) | 336,515 | 188,346 |
| | | | 336,595 | 188,346 |
| Non-controlling interest | 非控股權益 | 27 | 28,234 | 26,906 |
| Total equity | 權益總額 | | 364,829 | 215,252 |

Chau On Ta Yuen
Director
周安達源
董事

Chan Kwan
Director
陳昆
董事

Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

| | | Attributable to owners of the parent 母公司擁有人應佔 | | | | | | | | |
|---|---------------------------|--|--|--|--|--|-----------------------------|------------------|--|-------------------------|
| | | Issued capital 已發行 股本 | Share premium 股份溢價 | Other reserves 其他儲備 | Exchange fluctuation reserve 匯兌波動 儲備 | Reserve funds 儲備金 | Retained profits 保留溢利 | Total 總計 | Non- controlling interest 非控股權益 | Total equity 權益總額 |
| | | HK\$' 000 千港元 (note 24) (附註 24) | HK\$' 000 千港元 (note 25(b)) (附註 25(b)) | HK\$' 000 千港元 (note 25(a)(i)) (附註 25(a)(i)) | HK\$' 000 千港元 (note 25(a)(ii)) (附註 25(a)(ii)) | HK\$' 000 千港元 (note 25(a)(iii)) (附註 25(a)(iii)) | HK\$' 000 千港元 | HK\$' 000 千港元 | HK\$' 000 千港元 | HK\$' 000 千港元 |
| At 1 January 2013 | 於二零一三年一月一日 | — | — | — | 31,104 | 8,241 | 109,206 | 148,551 | 24,521 | 173,072 |
| Profit for the year | 年內溢利 | — | — | — | — | — | 32,259 | 32,259 | 1,635 | 33,894 |
| Other comprehensive income for the year: | 年內其他全面收入： | | | | | | | | | |
| Exchange differences on translation of financial statements of entities not using HK\$ as functional currency | 換算並非以港元為功能貨幣的實體的財務報表的匯兌差額 | — | — | — | 7,536 | — | — | 7,536 | 750 | 8,286 |
| Total comprehensive income for the year | 年內全面收入總額 | — | — | — | 7,536 | — | 32,259 | 39,795 | 2,385 | 42,180 |
| Transfer to reserve funds | 轉撥至儲備金 | — | — | — | — | 2,978 | (2,978) | — | — | — |
| At 31 December 2013 and 1 January 2014 | 於二零一三年十二月三十一日及二零一四年一月一日 | — | —* | —* | 38,640* | 11,219* | 138,487* | 188,346 | 26,906 | 215,252 |
| Profit for the year | 年內溢利 | — | — | — | — | — | 9,267 | 9,267 | 2,008 | 11,275 |
| Other comprehensive income for the year: | 年內其他全面收入： | | | | | | | | | |
| Exchange differences on translation of financial statements of entities not using HK\$ as functional currency | 換算並非以港元為功能貨幣的實體的財務報表的匯兌差額 | — | — | — | (7,183) | — | — | (7,183) | (680) | (7,863) |
| Release of exchange fluctuation reserve upon deregistration of a subsidiary (note 5) | 撤銷註冊一間附屬公司時解除匯兌波動儲備(附註5) | — | — | — | (5,779) | — | — | (5,779) | — | (5,779) |
| Total comprehensive income for the year | 年內全面收入總額 | — | — | — | (12,962) | — | 9,267 | (3,695) | 1,328 | (2,367) |
| Issue of shares | 股份發行 | — | — | — | — | — | — | — | — | — |
| Issue of shares pursuant to the Share Swap | 根據股份互換的股份發行 | 60 | 113,720 | (113,780) | — | — | — | — | — | — |
| Issue of shares pursuant to the Share Offer | 根據股份發售的股份發行 | 20 | 109,980 | — | — | — | — | 110,000 | — | 110,000 |
| Shares issue expenses | 股份發行開支 | — | (10,360) | — | — | — | — | (10,360) | — | (10,360) |
| Capitalisation of shareholders' loans | 股東貸款資本化 | — | — | 82,304 | — | — | — | 82,304 | — | 82,304 |
| Transfer to reserve funds | 轉撥至儲備金 | — | — | — | — | 2,611 | (2,611) | — | — | — |
| Interim special 2014 dividend (note 12) | 二零一四年中期特別股息(附註12) | — | (30,000) | — | — | — | — | (30,000) | — | (30,000) |
| At 31 December 2014 | 於二零一四年十二月三十一日 | 80 | 183,340* | (31,476)* | 25,678* | 13,830* | 145,143* | 336,595 | 28,234 | 364,829 |

* These reserve accounts comprise the consolidated reserves of HK\$336,515,000 (2013: HK\$188,346,000) in the consolidated statement of financial position.

* 該等儲備賬目組成於綜合財務狀況表中的綜合儲備336,515,000港元(二零一三年: 188,346,000港元)。

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

| | | Notes 附註 | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|---|--------------------------|-------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | 經營活動產生的 現金流量 | | | |
| Profit before tax | 除稅前溢利 | | 22,136 | 47,974 |
| Adjustments for: | 對以下各項作出調整： | | | |
| Interest income | 利息收入 | 5 | (239) | (1,509) |
| Depreciation | 折舊 | 6 | 434 | 323 |
| Gain on bargain purchase of subsidiaries | 議價購買附屬公司收益 | 5 | — | (3,410) |
| Provision for major overhauls | 重大檢修撥備 | 6 | 1,000 | 766 |
| Finance costs | 融資成本 | 7 | 1,160 | 2,468 |
| Gain on deregistration of a subsidiary | 撤銷註冊一間 附屬公司收益 | 5 | (5,779) | — |
| | | | 18,712 | 46,612 |
| Decrease/(increase) in inventories | 存貨減少/(增加) | | 33 | (110) |
| Decrease/(increase) in receivables under service concession arrangements | 服務特許權安排下的 應收款項減少/(增加) | | (3,013) | 4,453 |
| Decrease in prepayments and other receivables | 預付款項及其他應收款項 減少 | | 954 | 313 |
| Increase in trade payables | 貿易應付款項增加 | | 2,669 | 634 |
| Increase/(decrease) in other payables and accruals | 其他應付款項及應計 費用增加/(減少) | | 1,550 | (6,945) |
| Cash generated from operations | 經營產生的現金 | | 20,905 | 44,957 |
| Income tax paid | 已付所得稅 | | (16,781) | (5,701) |
| Net cash flows from operating activities | 經營活動產生的 現金流量淨額 | | 4,124 | 39,256 |
| CASH FLOWS FROM INVESTING ACTIVITIES | 投資活動產生的 現金流量 | | | |
| Payment for purchases of items of property, plant and equipment | 購買物業、廠房及 設備項目的付款 | 14 | (758) | (1,448) |
| Acquisition of subsidiaries | 收購附屬公司 | 26 | — | 13,350 |
| Interest received | 已收利息 | | 239 | 1,559 |
| Repayment from Rugao City New Infrastructure Investment Company Limited | 如皋市新區基礎設施投資 有限公司的還款 | | — | 25,230 |
| Decrease in other receivables | 其他應收款項減少 | | — | 33,373 |
| Decrease in amounts due from related parties | 應收關聯方款項減少 | | 533 | 111,551 |
| Net cash flows from investing activities | 投資活動產生的現金 流量淨額 | | 14 | 183,615 |

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2014 截至二零一四年十二月三十一日止年度

| | Notes 附註 | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|---|-------------------------------|-----------------------------------|-----------------------------------|
| CASH FLOWS FROM FINANCING ACTIVITIES | 融資活動產生的現金流量 | | |
| New bank borrowings | 新造銀行借款 | 11,168 | — |
| Repayment of bank borrowings | 償還銀行借款 | (10,378) | (33,030) |
| Decrease in amounts due to related parties | 應付關聯方款項減少 | (15,849) | (142,719) |
| Interest paid | 已付利息 | (907) | (2,321) |
| Decrease in an amount due to a non-controlling equity holder of Hai'an Hengfa | 應付海安恒發的一名 非控股權益擁有人 款項減少 | (32,847) | — |
| Gross proceeds from the Share Offer | 股份發售所得款項總額 | 110,000 | — |
| Payment of listing expenses in relation to issuance of new ordinary shares of the Company | 支付有關發行本公司 新普通股的上市開支 | (10,360) | — |
| Interim special dividend paid | 已付中期特別股息 | (30,000) | — |
| Net cash flows from/(used in) financing activities | 融資活動所得／ (所用)現金流量淨額 | 20,827 | (178,070) |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 現金及現金等價物增加 淨額 | 24,965 | 44,801 |
| Cash and cash equivalents at beginning of year | 年初現金及現金等價物 | 75,625 | 29,606 |
| Effect of foreign exchange rate changes, net | 外匯匯率變動的 影響，淨額 | (1,526) | 1,218 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 年末現金及現金等價物 | 99,064 | 75,625 |
| ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS | 現金及現金等價物 結餘分析 | | |
| Cash and bank balances | 現金及銀行結餘 | 49,004 | 75,625 |
| Non-pledge time deposit with original maturity of less than three months when acquired | 於購買時原到期日少於 三個月的非抵押 定期存款 | 50,060 | — |
| Cash and cash equivalents as stated in the consolidated statement of cash flows | 於綜合現金流量表所列 現金及現金等價物 | 99,064 | 75,625 |

Statement of Financial Position 財務狀況表

31 December 2014 二零一四年十二月三十一日

| | | Notes 附註 | 2014 二零一四年 HK\$'000 千港元 |
|----------------------------------|---------------|-------------|----------------------------------|
| NON-CURRENT ASSETS | 非流動資產 | | |
| Investments in a subsidiaries | 於附屬公司的投資 | 15 | 113,781 |
| CURRENT ASSETS | 流動資產 | | |
| Due from a subsidiary | 應收一間附屬公司 | 15 | 16,571 |
| Cash and cash equivalents | 現金及現金等價物 | 18 | 82,765 |
| Total current assets | 總流動資產 | | 99,336 |
| CURRENT LIABILITIES | 流動負債 | | |
| Accrual | 應計費用 | 20 | 1,350 |
| Due to a subsidiary | 應付一間附屬公司 | 15 | 1 |
| Total current liabilities | 總流動負債 | | 1,351 |
| NET CURRENT ASSETS | 流動資產淨值 | | 97,985 |
| Net assets | 資產淨值 | | 211,766 |
| EQUITY | 權益 | | |
| Issued capital | 已發行股本 | 24 | 80 |
| Reserves | 儲備 | 25(b) | 211,686 |
| Total equity | 權益總額 | | 211,766 |

Chau On Ta Yuen
Director
周安達源
董事

Chan Kwan
Director
陳昆
董事

1. CORPORATE INFORMATION

ELL Environmental Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. The registered address of the Company is P.O. Box 39, Ugland House, Grand Cayman, KY1-1104, Cayman Islands. The principal place of business of the Company is located at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong.

The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 26 September 2014 (the “Listing”).

The Company is an investment holding company. The Company’s principal subsidiaries are engaged in the construction and operation of wastewater treatment facilities.

Pursuant to the reorganisation of the Company in connection with the listing of the shares of the Company on the Stock Exchange (the “Reorganisation”), the Company became the holding company of the companies now comprising the Group on 25 February 2014. Details of the Reorganisation are set out in the paragraph headed “Reorganisation” in the section headed “History, Reorganisation and Corporate Structure” to the prospectus of the Company dated 12 September 2014 (the “Prospectus”).

The Reorganisation has been accounted for in accordance with the principle similar to a reverse acquisition as set out in HKFRS 3 *Business Combinations*. The issue of shares of the Company in exchange for the equity interest in Everbest Water Treatment Development Company Limited (“Everbest Water Treatment Development”) resulted in the Company becoming the holding company of Everbest Water Treatment Development.

1. 公司資料

強泰環保控股有限公司(「本公司」)為一間在開曼群島註冊成立的獲豁免有限責任公司。本公司的註冊辦事處地址為P.O. Box 39, Ugland House, Grand Cayman, KY1-1104, Cayman Islands。本公司的主要營業地點位於香港華蘭路20號華蘭中心11樓1-3室。

本公司股份於二零一四年九月二十六日於香港聯合交易所有限公司(「聯交所」)主板上市(「上市」)。

本公司為一間投資控股公司。本公司的主要附屬公司從事污水處理設施的建造及營運。

根據本公司就其於聯交所上市進行重組(「重組」)，本公司於二零一四年二月二十五日成為現時組成本集團各公司的控股公司。重組詳情載於本公司日期為二零一四年九月十二日的招股章程(「招股章程」)「歷史、重組及公司架構」一節「重組」一段。

重組已根據與香港財務報告準則第3號業務合併所載的反向收購類似的原則入賬。本公司發行股份以換取恆發水務發展有限公司(「恆發水務發展」)的股權使本公司成為恆發水務發展的控股公司。

Notes to Financial Statements 財務報表附註

31 December 2014 二零一四年十二月三十一日

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance relating to the preparation of financial statements, which for this financial year and the comparative period continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), “Accounts and Audit”, which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. All HKFRSs effective for the accounting period commencing from 1 January 2014, together with the relevant transitional provisions, have been early adopted by the Company and its subsidiaries (collectively referred to as the “Group”) in the preparation of the financial statements since 1 January 2013.

These financial statements have been prepared under the historical cost convention. These financial statements are presented in HK\$ and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 編製基準

該等財務報表乃按照香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)(包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)及香港公認會計原則編製。該等財務報表亦符合香港公司條例有關編製財務報表之適用披露規定，而根據香港公司條例(第622章)附表11第76至第87條所載該條例第9部「賬目及審核」所作之過渡性安排及保留安排之規定，就本財政年度及比較期間而言，該等規定繼續構成前公司條例(第32章)之一部份。本公司及其附屬公司(統稱為「本集團」)編製自二零一三年一月一日起的財務報表時已提早採納於二零一四年一月一日開始的會計期間生效的所有香港財務報告準則連同有關過渡條文。

該等財務報表乃按歷史成本慣例編製。該等財務報表以港元呈列，而除另有指明外，所有數值已約整至最接近的千位數。

2.1 BASIS OF PREPARATION (Cont'd)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2014. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries below. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

2.1 編製基準(續)

綜合基準

綜合財務報表包括本公司及其附屬公司於截至二零一四年十二月三十一日止年度的財務報表。附屬公司與本公司的財務報表的報告期間相同，並採用一致的會計政策編製。附屬公司的業績由本集團取得控制權當日起作綜合入賬，並繼續綜合入賬至不再控制當日為止。

損益及其他全面收入的各個組成部分歸屬於本集團母公司的擁有人及非控股權益，即使此舉會導致非控股權益有虧絀結餘。所有有關本集團各成員公司間的交易集團內公司間資產及負債、權益、收入、開支及現金流量會於綜合計算時全數抵銷。

倘事實及情況顯示下文附屬公司的會計政策所述三項控制因素中的一項或多項出現變化，本集團會重新評估其是否控制被投資方。並無失去控制權的附屬公司擁有權權益變動以股本交易入賬。

倘本集團失去對附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債，(ii)任何非控股股東權益的賬面值及(iii)於權益內入賬的累計匯兌差額；及確認(i)已收代價的公允值，(ii)任何所保留投資的公允值及(iii)損益中任何因此產生的盈餘或虧絀。先前已於其他全面收入內確認的本集團應佔部分重新分類至損益或保留溢利(如適用)，基準與本集團直接出售相關資產或負債所需使用的基準相同。

Notes to Financial Statements 財務報表附註

31 December 2014 二零一四年十二月三十一日

2.2 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED

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

Amendments to HKAS 1
香港會計準則第1號(修訂本)
HKFRS 9
香港財務報告準則第9號
Amendments to HKFRS 10
and HKAS 28 (2011)
香港財務報告準則第10號及
香港會計準則第28號
(二零一一年)(修訂本)
Amendments to HKFRS 10,
HKFRS 12 and HKAS 28 (2011)
香港財務報告準則第10號、香港財務
報告準則第12號及香港會計準則
第28號(二零一一年)(修訂本)
Amendments to HKFRS 11
香港財務報告準則第11號(修訂本)
HKFRS 14
香港財務報告準則第14號
HKFRS 15
香港財務報告準則第15號
Amendments to HKAS 16 and HKAS 38
香港會計準則第16號及
香港會計準則第38號(修訂本)
Amendments to HKAS 16 and HKAS 41
香港會計準則第16號及
香港會計準則第41號(修訂本)
Amendments to HKAS 19
香港會計準則第19號(修訂本)
Amendments to HKAS 27 (2011)
香港會計準則第27號(二零一一年)(修訂本)
Annual Improvements 2010-2012 Cycle
二零一零至二零一二年週期的年度改進
Annual Improvements 2011-2013 Cycle
二零一一至二零一三年週期的年度改進
Annual Improvements 2012-2014 Cycle
二零一二至二零一四年週期的年度改進

*Disclosure Initiative*²
披露計劃²
*Financial Instruments*⁴
金融工具⁴
*Sale or Contribution of Assets between an Investor and
its Associate or Joint Venture*²
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

*Investment Entities: Applying the Consolidation Exception*²
投資實體：應用綜合入賬之例外情況²

*Accounting for Acquisitions of Interests in Joint Operations*²
收購共同營運權益的會計處理²
*Regulatory Deferral Accounts*⁵
管制遞延賬⁵
*Revenue from Contracts with Customers*³
來自客戶合約的收益³
*Clarification of Acceptable Methods of Depreciation and
Amortisation*²
可接受的折舊及攤銷方式的澄清²

*Agriculture: Bearer Plants*²
農業：生產性植物²

*Defined Benefit Plans: Employee Contributions*¹
界定福利計劃：僱員供款¹
*Equity Method in Separate Financial Statements*²
獨立財務報表之權益法²
Amendments to a number of HKFRSs¹
多項香港財務報告準則的修訂¹
Amendments to a number of HKFRSs¹
多項香港財務報告準則的修訂¹
Amendments to a number of HKFRSs²
多項香港財務報告準則的修訂²

2.2 尚未採納的新訂及經修訂香港財務報告準則以及香港公司條例項下新披露規定

本集團並無於該等財務報表應用以下已頒佈但尚未生效的新訂及經修訂香港財務報告準則。

2.2 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED (Cont'd)

- 1 Effective for annual periods beginning on or after 1 July 2014
- 2 Effective for annual periods beginning on or after 1 January 2016
- 3 Effective for annual periods beginning on or after 1 January 2017
- 4 Effective for annual periods beginning on or after 1 January 2018
- 5 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

In addition, the Hong Kong Companies Ordinance (Cap. 622) will affect the presentation and disclosure of certain information in the consolidated financial statements for the year ending 31 December 2015. The Group is the process of making an assessment of the impact of these changes.

Further information about those HKFRSs that are expected to be applicable to the Group is as follows:

The amendments to HKAS 1 are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures.

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt HKFRS 9 from 1 January 2018. The Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

2.2 尚未採納的新訂及經修訂香港財務報告準則以及香港公司條例項下新披露規定(續)

- 1 於二零一四年七月一日或之後開始的年度期間生效
- 2 於二零一六年一月一日或之後開始的年度期間生效
- 3 於二零一七年一月一日或之後開始的年度期間生效
- 4 於二零一八年一月一日或之後開始的年度期間生效
- 5 首次採納香港財務報告準則的實體，適用於二零一六年一月一日或之後開始的年度財務報表

此外，香港公司條例(第622章)將影響若干資料於截至二零一五年十二月三十一日止年度綜合財務報表的呈列及披露。本集團正就該等變動的影響作出評估。

預期將適用於本集團的該等香港財務報告準則的進一步資料如下：

香港會計準則第1號之修訂旨在進一步鼓勵公司在釐定於財務報表所披露之資料時運用專業判斷。譬如說，有關修訂明確指出重要性適用於整份財務報表而收錄非重要資料乃削弱財務資料披露的有用性。此外，有關修訂澄清，公司在決定於何處及以何種順序在財務披露中呈列資料時應運用專業判斷。

於二零一四年九月，香港會計師公會頒佈香港財務報告準則第9號的最終版本，將金融工具項目的所有階段集於一起以代替香港會計準則第39號及香港財務報告準則第9號的全部先前版本。該準則引入分類及計量、減值及對沖會計處理的新規定。本集團預期自二零一八年一月一日起採納香港財務報告準則第9號。本集團預期採納香港財務報告準則第9號將對本集團金融資產的分類及計量產生影響。有關影響的進一步資料將於接近該準則的實施日期獲得。

2.2 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED (Cont'd)

The narrow-scope amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances, which will reduce the costs of applying the standards.

HKFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. The Group expects to adopt HKFRS 15 on 1 January 2017 and is currently assessing the impact of HKFRS 15 upon adoption.

Amendments to HKAS 16 and HKAS 38 clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

2.2 尚未採納的新訂及經修訂香港財務報告準則以及香港公司條例項下新披露規定(續)

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(二零一一年)之窄幅修訂引入對投資實體會計規定之澄清。有關修訂亦為特定情況提供寬免，減輕應用有關準則之成本。

香港財務報告準則第15號建立一個新的五步模式，將應用於自客戶合約產生的營業收入。根據香港財務報告準則第15號，營業收入按能反映實體預期就交換向客戶轉讓貨物或服務而有權獲得的代價金額確認。香港財務報告準則第15號的原則為計量及確認營業收入提供更加結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆營業收入總額、關於履行責任、不同期間之間合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。該準則將取代香港財務報告準則項下所有現時營業收入確認的規定。本集團預期於二零一七年一月一日採納香港財務報告準則第15號，目前正評估採納香港財務報告準則第15號的影響。

香港會計準則第16號及香港會計準則第38號(修訂本)澄清香港會計準則第16號及香港會計準則第38號中的原則，即收益反映自經營業務(該資產為其一部分)產生的經濟利益而非通過使用資產消耗的經濟利益的模式。因此，收益法不得用於折舊物業、廠房及設備，並且僅在非常有限的情況下可用於攤銷無形資產。該等修訂即將應用。預期該等修訂於二零一六年一月一日採納後將不會對本集團的財務狀況或表現產生任何影響，原因是本集團並未使用收益法計算其非流動資產的折舊。

2.2 NEW AND REVISED HKFRSs AND NEW DISCLOSURE REQUIREMENTS UNDER THE HONG KONG COMPANIES ORDINANCE NOT YET ADOPTED (Cont'd)

The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Except for amendments to HKFRS 2, HKFRS 3 and HKFRS 13 that were early adopted by the Group since 1 January 2013, the Group expects to adopt the amendments from 1 January 2015. None of the amendments are expected to have a significant financial impact on the Group.

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsidiaries

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

The results of a subsidiary are included in the Company's profit or loss to the extent of dividends received and receivable. The Company's investment in a subsidiary is stated at cost less any impairment losses.

2.2 尚未採納的新訂及經修訂香港財務報告準則以及香港公司條例項下新披露規定(續)

於二零一四年一月頒佈的香港財務報告準則二零一零年至二零一二年週期之年度改進載列多項香港財務報告準則的修訂。除本集團自二零一三年一月一日起提早採納的香港財務報告準則第2號、香港財務報告準則第3號及香港財務報告準則第13號(修訂本)外，本集團預期自二零一五年一月一日起採納該等修訂。預期該等修訂概不會對本集團構成重大財務影響。

2.3 重大會計政策概要

附屬公司

附屬公司指受本公司直接或間接控制的實體(包括結構性實體)。倘本集團透過參與被投資方業務而享有或有權取得被投資方的可變回報，且有能力行使在被投資方的權力影響有關回報，則本集團擁有該實體的控制權(即現時賦予本集團指導被投資方相關活動的能力)。

倘本公司直接或間接擁有的被投資方投票權或類似權利不及半數，則評估本公司對被投資方是否擁有權力時，本集團會考慮所有相關事實及情況，包括：

- (a) 與該被投資方其他投票權持有人的合約安排；
- (b) 根據其他合約安排所享有的權利；及
- (c) 本集團的投票權及潛在投票權。

附屬公司業績按已收及應收股息計入本公司之損益。本公司對附屬公司的投資按成本減任何減值虧損列賬。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2.3 重大會計政策概要(續)

業務合併及商譽

業務合併乃以收購法入賬。轉讓的代價乃以收購日期的公允值計量，該公允值為本集團轉讓的資產於收購日期的公允值、本集團自被收購方之前度擁有人承擔的負債及本集團發行以換取被收購方控制權的股本權益的總和。於各業務合併中，本集團選擇是否以公允值或被收購方可識別資產淨值的應佔比例，計量於被收購方屬現時擁有權權益並賦予其持有人有權於清盤時按比例分佔實體的淨資產的非控制權益。非控制權益的一切其他成分乃按公允值計量。收購相關成本於產生時列為開支。

當本集團收購一項業務時，會根據合約條款、於收購日期的經濟環境及相關條件，評估將承接的金融資產及負債，以作出適當的分類及標示，其中包括分離被收購方主合約中的嵌入式衍生工具。

商譽初步按成本計量，即已轉讓代價、已確認非控制權益金額及本集團先前持有被收購方股本權益的任何公允值的總額超出所收購可識別資產淨值及所承擔負債的差額。倘此代價及其他項目的總和低於所收購淨資產的公允值，則再評估後的差額於損益確認為議價收購所得利益。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fair value measurement

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

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

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

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

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.3 重大會計政策概要(續)

公允值的計量

公允值為市場參與者於計量日期在有序交易中出售資產所收取的價格或轉讓負債所支付的價格。公允值計量乃假設出售資產或轉讓負債的交易於資產或負債主要市場或(在無主要市場情況下)最具優勢市場進行而作出。主要或最具優勢市場須為本集團可進入的市場。資產或負債的公允值乃基於市場參與者於資產或負債定價所用的假設計量(即假設市場參與者會以最佳經濟利益行事)。

非金融資產的公允值計量須計及市場參與者透過最大限度使用該資產達致最佳用途，或將該資產出售予將最大限度使用該資產達致最佳用途的其他市場參與者以產生經濟利益的能力。

本集團採納適用於不同情況且具備充分數據以供計量公允值的估值方法，以盡量使用相關可觀察輸入數據及盡量減少使用不可觀察輸入數據。

所有於財務報表計量或披露公允值的資產及負債乃基於對公允值計量整體而言屬重大的最低層輸入數據按以下公允值層級分類：

第一級 – 基於相同資產或負債於活躍市場的報價(未經調整)

第二級 – 按估值技術計量，而對公允值計量而言屬重大的最低層輸入數據可直接或間接觀察得出

第三級 – 按估值技術計量，而對公允值計量而言屬重大的最低層輸入數據不可觀察得出

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Fair value measurement (Cont'd)

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

Impairment of non-financial assets

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

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

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

2.3 重大會計政策概要(續)

公允值的計量(續)

就按經常性基準於財務報表確認的資產及負債而言，本集團透過於各報告期末重新評估分類(基於對公允值計量整體而言屬重大的最低層輸入數據)確定是否發生不同層級轉移。

非金融資產的減值

倘資產存在減值跡象或須進行年度減值測試(存貨及金融資產除外)，則會就該項資產的可收回金額作出估計。資產的可收回金額為資產或現金產生單位的可使用價值與其公允值減出售成本兩者中的較高者，並就個別資產而釐定，除非該項資產並不產生在頗大程度上獨立於其他資產或資產組別的現金流入，在此情況下，可收回金額以該項資產所屬的現金產生單位釐定。

資產的賬面值超逾其可收回金額時則確認減值虧損。於評估可使用價值時，估計未來現金流量將以除稅前貼現率折讓至現值，該貼現率反映現時市場對貨幣時間值及該項資產的特定風險的評估。減值虧損將於其產生期間於損益內與減值資產的功能一致的開支類別中扣除。

於各報告期末會評估是否有跡象顯示於過往確認的減值虧損可能不再存在或可能已減少。倘存在有關跡象，則會就有關可收回金額作出估計。僅於用以釐定資產的可收回金額的估計出現變動時，過往確認商譽以外的資產的減值虧損方可撥回，但撥回金額不得高於假設過往年度並無就該資產確認減值虧損而應有的賬面值(扣除任何折舊／攤銷)。該減值虧損的撥回於其產生期間計入損益。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Property, plant and equipment and depreciation

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

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

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

| | |
|------------------|-----|
| Equipment | 10% |
| Office equipment | 20% |
| Motor vehicles | 20% |

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

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

2.3 重大會計政策概要(續)

物業、廠房及設備與折舊

物業、廠房及設備按成本減累計折舊及任何減值虧損列賬。物業、廠房及設備項目的成本包括其購買價及使資產處於擬定用途的運作狀況及地點而產生的任何直接應佔成本。

物業、廠房及設備項目投入運作後產生的支出(例如維修及保養)，一般於其產生期間自損益內扣除。倘能夠符合確認標準，重大檢查的開支會於資產賬面值中資本化作為替換。倘物業、廠房及設備的主要部分須定期替換，本集團會確認該等部分為有特定使用年期的個別資產及相應計提折舊。

折舊以直線法計算，按每項物業、廠房及設備項目的估計可使用年期撇銷其成本至其剩餘價值。為此目的而主要使用的每年折舊率如下：

| | |
|-------|-----|
| 設備 | 10% |
| 辦公室設備 | 20% |
| 汽車 | 20% |

倘物業、廠房及設備項目的部分有不同的可使用年期，則該項目的成本須在各部件之間合理分配，而各部分須單獨計算折舊。剩餘價值、可使用年期和折舊方法至少於各財政年度末檢討一次，並在適當情況下作出調整。

初始確認的物業、廠房及設備項目包括任何重要部分於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認資產的年度在損益內確認的任何出售或報廢收益或虧損，為有關資產銷售所得款項淨額與其賬面值的差額。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

Related parties

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

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

or

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

2.3 重大會計政策概要(續)

關聯方

在下列情況下，有關一方將被視為與本集團有關聯：

- (a) 某個別人士或其親密家庭成員，而該名人士
 - (i) 控制或共同控制本集團；
 - (ii) 對本集團具重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員；

或

- (b) 有關方為實體且符合下列任何條件：
 - (i) 該實體與本集團屬同一集團的成員；
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或屬另一實體的母公司、附屬公司或同系附屬公司的旗下)；
 - (iii) 該實體及本集團均為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 該實體為離職後福利計劃，該計劃的受益人為本集團或與本集團有關的實體的僱員；
 - (vi) 該實體由(a)項所述人士控制或共同控制；及
 - (vii) 於(a)(i)項所述人士對該實體有重大影響或屬該實體(或該實體的母公司)主要管理層成員。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Service concession arrangements

Consideration given by the grantor

A financial asset is recognised to the extent that (a) the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services rendered; and (b) the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if the payment is contingent on the Group ensuring that the infrastructure meets specified quality of efficiency requirements. The financial asset is classified as receivables under service concession arrangements and is accounted for in accordance with the policy set out for loans and receivables under “Investments and other financial assets” below.

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of the public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. The intangible asset (operating concession) is accounted for in accordance with the policy set out for “Operating concessions” below.

If the Group is paid partly by a financial asset and partly by an intangible asset, in which case, each component of the consideration is accounted for separately and the consideration received or receivable for both components shall be recognised initially at the fair value of the consideration received or receivable in respect of work carried out until that date.

Construction or upgrade services

Revenue and costs relating to construction or upgrade services are accounted for in accordance with the policy set out for “Construction contracts” below.

2.3 重大會計政策概要(續)

服務特許權安排

授予人作出的代價

所確認金融資產以下列者為限：(a) 本集團有無條件權利就所提供建造服務向授予人或按其指示收取現金或其他金融資產；及(b) 授予人擁有有限酌情權(如有)逃避付款，通常因為協議可依法強制執行。倘授予人以合約方式擔保向本集團支付(a) 指定或待定金額，或(b) 已收公共服務用戶的款項與指定或待定金額兩者間的差額(如有)，而儘管付款須以本集團確保基礎設施符合規定質素及效率要求為條件，本集團仍擁有無條件權利收取現金。金融資產分類為服務特許權安排下的應收款項並根據下文「投資及其他金融資產」所載的有關貸款及應收款項的政策列賬。

無形資產(特許經營權)於本集團獲得向公共服務用戶收費的權利時確認，惟該權利並非收取現金的無條件權利，因為該款項須以公眾使用該服務為條件。無形資產(特許經營權)根據下文「特許經營權」所載的政策列賬。

若本集團獲得金融資產及無形資產分別作為部分報酬，在此情況下，代價各部分會分開列賬，就兩部分已收或應收代價應按就直至該日期所進行的工作已收或應收代價的公允值作初始確認。

建造或升級服務

與建造或升級服務有關的營業收入及成本按下文「建造合約」所載的政策列賬。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Service concession arrangements (Cont'd)

Operating services

Revenue relating to operating services are accounted for in accordance with the policy for "Revenue recognition" below. Costs for operating services are expensed in the period in which they are incurred.

Contractual obligations to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations (a) to maintain the wastewater treatment facilities it operates to a specified level of serviceability and (b) to restore the facilities to a specified condition before they are handed over to the grantor at the end of the service concession arrangement. These contractual obligations to maintain or restore the wastewater treatment facilities, except for upgrade element, are recognised and measured in accordance with the policy set out for "Provisions" below.

Operating concessions

Operating concessions represent the rights to operate wastewater treatment facilities are stated at cost less accumulated amortisation and any accumulated impairment losses. Operating concessions acquired separately are measured on initial recognition at cost. The cost of operating concessions acquired in a business combination is the fair value as at the date of acquisition. Amortisation is provided on the straight-line basis over the respective periods of the operating concessions granted and assessed for impairment whenever there is an indication that operating concessions may be impaired. The amortisation period and the amortisation method for an operating concession with a finite useful life are reviewed at least at the end of each reporting period.

An operating concession is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the period the operating concession is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant operating concession.

2.3 重大會計政策概要(續)

服務特許權安排(續)

經營服務

與經營服務有關的營業收入按下文「營業收入確認」所載的政策列賬。經營服務的成本於產生期間支銷。

修復基礎設施至特定可提供服務水平的合約責任

本集團的合約責任為(a)保養其經營的污水處理設施，確保符合特定的可提供服務水平及(b)於服務特許權安排結束時，在移交該等設施予授受人之前，將其修復至指定狀態。該等保養或修復污水處理設施的合約責任(升級部分除外)乃根據下文「撥備」所載政策確認與計量。

特許經營權

特許經營權指經營污水處理設施的權利，乃按成本減累計攤銷及任何累計減值虧損列賬。單獨收購的特許經營權於初始確認時按成本計量。於業務合併中收購的特許經營權的成本為於收購日期的公允值，於所授特許經營權期間按直線法進行攤銷，及於有跡象顯示特許經營權可能減值時進行減值評估。具有有限使用年期的特許經營權的攤銷期間及攤銷方法至少於各報告期末檢討一次。

特許經營權於出售時或於預期使用或出售不會產生未來經濟利益時終止確認。於終止確認特許經營權的期間在損益內確認的任何出售或報廢收益或虧損，為有關特許經營權銷售所得款項淨額與其賬面值的差額。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Construction contracts

Revenue from the construction of wastewater treatment facilities under the terms of Build-Operate-Transfer (“BOT”) contracts (service concession agreements) is estimated on a cost-plus basis in which the construction margin is determined with reference to a prevailing market rate of gross margins of market comparables at the time of construction and is recognised on the percentage-of-completion method, measured by reference to the estimated proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management.

Investments and other financial assets

Initial recognition and measurement

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

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

Subsequent measurement

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

2.3 重大會計政策概要(續)

建造合約

根據建設－經營－移交(BOT)合約(服務特許權協議)條款，來自建造污水處理設施的營業收入以成本加成法估計，其建設毛利率乃參考建造時可資比較市場的現行市場毛利率而釐定，並按完工百分比方法確認入賬，及參考截至當日已產生的成本佔有關合約的估計總成本的估計比例計算。

管理層一旦預期有任何預見的虧損時，將對該等虧損即時作出撥備。

投資及其他金融資產

初始確認及計量

金融資產於初始確認時分類為貸款及應收款項。金融資產於初始確認時以公允值加收購金融資產應佔的交易成本計量。

所有以日常買賣的金融資產概於交易日(即本集團承諾購買或出售該資產的日期)確認。日常買賣乃指須於市場規定或慣例一般所訂的期間內交付資產的金融資產買賣。

其後計量

貸款及應收款項為有固定或可確定付款額，但在活躍市場中並無報價的非衍生金融資產。於初始計量後，該類資產其後以實際利率法按攤銷成本減任何減值撥備計量。計算攤銷成本時會計及收購所產生的任何折讓或溢價，以及包括作為實際利率一部分的費用或成本。實際利率攤銷會計入損益的「營業收入」或「其他收入及收益」(如適用)。減值產生的虧損於損益「其他開支」確認。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments and other financial assets (Cont'd)

Impairment of financial assets

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

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

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

2.3 重大會計政策概要(續)

投資及其他金融資產(續)

金融資產減值

本集團於各報告期末就有無客觀證據顯示一項金融資產或一組金融資產已出現減值評估金融資產。倘於初始確認資產後發生的一項或多項事件對該項或該組金融資產的估計未來現金流量造成影響，而該影響能夠可靠地估計，則該項或該組金融資產出現減值。減值證據可能包括一名債務人或一組債務人面對嚴重財務困難、拖欠利息或本金、可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流量有可計量的跌幅，如與違約相關的欠款或經濟狀況出現變動。

就按攤銷成本列賬的金融資產而言，本集團首先會個別評估個別重大的金融資產有否減值，或組合評估非個別重大的金融資產有否減值。倘本集團釐定個別已評估金融資產項目並無客觀減值證據，則有關資產(不論是否重大)會計入一組信貸風險特點相若的金融資產，共同作減值評估。對於個別作減值評估的資產，倘其減值虧損會確認或持續確認，則不計入共同減值評估。

任何已識別的減值虧損按資產賬面值與估計未來現金流量(不包括尚未產生的未來信貸虧損)的現值的差額計量。估計未來現金流量的現值以金融資產的原實際利率(即初始確認時計算的實際利率)貼現。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments and other financial assets (Cont'd)

Impairment of financial assets (Cont'd)

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

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

Derecognition

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

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

2.3 重大會計政策概要(續)

投資及其他金融資產(續)

金融資產減值(續)

資產的賬面值會通過使用備抵賬而調減，虧損於損益內確認。調減後的賬面持續累計利息收入，並採用計量減值虧損時用作貼現未來現金流量的利率累計。若日後收回款項的機會渺茫及所有抵押品已變現或已轉讓予本集團，則撇銷貸款及應收款項連同任何相關撥備。

倘在其後期間估計減值虧損因減值確認後發生的事件而增加或減少，則通過調整備抵賬增加或減少先前確認的減值虧損。倘於其後收回撇銷款項，收回的款項則計入損益的「其他開支」。

終止確認

金融資產(或倘適用，一項金融資產的一部分或一組相若金融資產的一部分)主要在下列情況下將予終止確認(即自本集團的綜合財務狀況表剔除)：

- 自該項資產收取現金流量的權利已屆滿；或
- 本集團已轉讓自該項資產收取現金流量的權利，或已根據一項「轉付」安排，承擔將所得現金流量在無嚴重延緩的情況下全數付予第三方的責任；且(a)本集團已轉讓該項資產的絕大部分風險及回報，或(b)本集團並無轉讓或保留該項資產的絕大部分風險及回報，但已轉讓對該項資產的控制權。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Investments and other financial assets (Cont'd)

Derecognition (Cont'd)

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

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

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings. All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

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

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

2.3 重大會計政策概要(續)

投資及其他金融資產(續)

終止確認(續)

倘本集團已轉讓其收取該項資產所產生現金流量的權利或已訂立轉付安排，則會評估其有否保留該項資產擁有權的風險及回報，以及其程度。倘本集團並無轉讓或保留該項資產的絕大部分風險及回報，亦無轉讓對該項資產的控制權，則本集團將以本集團繼續參與的程度繼續確認該已轉讓資產。在此情況下，本集團亦確認聯屬責任。已轉讓資產及聯屬責任以反映本集團所保留的權利及責任為基準計量。

以經轉讓資產擔保方式的持續參與按資產原始金額與本集團可能被要求償還的對價的最高金額之間的較低者計量。

金融負債

初始確認及計量

金融負債於初始確認時分類為貸款及借款。所有金融負債初始按公允值確認並減去直接應佔交易成本。

其後計量

初始確認後，貸款及借款其後會以實際利率法按攤銷成本計量，惟倘折讓影響並不重大，則會按成本列賬。當負債終止確認及已透過實際利率攤銷時，收益及虧損會於損益確認。

計算攤銷成本時會計及收購所產生的任何折讓或溢價，以及作為實際利率一部分的費用或成本。實際利率攤銷會計入損益的「融資成本」。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial liabilities (Cont'd)

Derecognition

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

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

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis and includes expenditures incurred in acquiring the inventories and bringing them to their existing location and condition. When inventories are consumed, the carrying value of those inventories is recognised as an expense in profit or loss.

2.3 重大會計政策概要(續)

金融負債(續)

終止確認

當負債項下責任已解除、取消，或是期滿時，即會終止確認金融負債。

倘一項現有金融負債被來自同一貸款人且大部分條款都不同的另一項金融負債所取代，或現有負債的條款被大幅修改，則該項取替或修改視作終止確認原有負債並確認新增負債處理，而兩者的賬面值差額於損益中確認。

抵銷金融工具

倘若現時存在法律上可強制執行的權利，可抵銷已確認金額，且亦有意以淨額結算或同時變現資產以償還負債，則金融資產及金融負債可互相抵銷，並將淨額於財務狀況表內呈報。

存貨

存貨乃按成本與可變現淨值中的較低者列賬。成本按先入先出基準釐定，包括收購存貨並使存貨達到現時地點及狀況所產生的開支。在耗用存貨後，有關存貨的賬面值會於損益中確認為開支。

Notes to Financial Statements 財務報表附註

31 December 2014 二零一四年十二月三十一日

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in "Finance costs" in profit or loss.

2.3 重大會計政策概要(續)

現金及現金等價物

就綜合現金流量表而言，現金及現金等價物包括現金、活期存款及可隨時轉換為已知數額現金、價值變動風險極低及一般自購入後三個月內到期的短期高流動性投資，但須扣減應要求償還及構成本集團現金管理不可分割部分的銀行透支。

就財務狀況表而言，現金及現金等價物包括用途不受限制的現金及銀行現金(包括定期存款及性質上類似現金的資產)。

撥備

倘因過往事件導致現有債務(法定或推定)及日後可能需要有資源流出以償還債務，則確認撥備，但必須能可靠估計有關債務金額。

倘折現的影響重大，則就撥備確認的金額為預期須用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額會計入損益的「融資成本」。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2.3 重大會計政策概要(續)

所得稅

所得稅包括即期及遞延稅項。與並非於損益賬確認的項目有關的所得稅會在並非損益賬的其他全面收入內或直接在權益中確認。

即期及過往期間的即期稅項資產及負債按預期獲稅務機構退回或向稅務機構支付的款項計量。計量的基準為報告期末已頒佈或已實際頒佈的稅率(及稅法)，亦考慮本集團經營所在國家現行的詮釋及慣例。

遞延稅項乃使用負債法，就於報告期末資產及負債的稅基與其用作財務呈報的賬面值之間的所有暫時性差額作出撥備。

遞延稅項負債乃就所有應課稅暫時差額而確認，惟下列情況除外：

- 在交易時不影響會計溢利或應課稅溢利或虧損的非業務合併交易中初始確認的資產或負債時，或初始確認商譽時產生的遞延稅項負債；及
- 就與於附屬公司的投資有關的應課稅暫時差額而言，暫時差額的撥回時間可以控制，且該等暫時差額於可見將來可能不會被撥回。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Income tax (Cont'd)

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.3 重大會計政策概要(續)

所得稅(續)

遞延稅項資產乃就所有可扣稅暫時差額、未動用稅項抵免和任何未動用稅項虧損的結轉而確認。倘日後很可能有應課稅溢利可供抵銷可扣稅暫時差額、未動用稅項抵免和未動用稅項虧損的結轉，則會確認遞延稅項資產，惟下列情況除外：

- 在交易時不影響會計溢利或應課稅溢利或虧損的非業務合併交易中初始確認資產或負債時產生的可扣稅暫時差額有關的遞延稅項資產；及
- 就與於附屬公司的投資有關的可扣稅暫時差額而言，遞延稅項資產僅於暫時差額於可見將來有可能撥回且應課稅溢利將可用以抵銷暫時差額的情況下，方予確認。

遞延稅項資產的賬面值於各報告期末作出檢討，並在不再有足夠應課稅溢利以供抵銷全部或部分遞延稅項資產時予以扣減。未確認的遞延稅項資產會於各報告期末重新評估，並在可能有足夠應課稅溢利以收回全部或部分遞延稅項資產時予以確認。

遞延稅項資產及負債乃按預期適用於變現資產或清還負債期間的稅率計量，並以報告期末已頒佈或已實際頒佈的稅率(及稅法)為基準。

遞延稅項資產可與遞延稅項負債抵銷，但必須存在容許以即期稅項資產抵銷即期稅項負債的可執行合法權利，且遞延稅項須涉及同一課稅實體及同一稅務機構。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Cont'd)

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (a) from construction services, on the percentage-of-completion basis, as further explained in the accounting policy for “Construction contracts” above;
- (b) from the rendering of wastewater treatment operation services, when the service is rendered;
- (c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset; and
- (d) dividend income, when the shareholders’ right to receive payment has been established.

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

2.3 重大會計政策概要(續)

營業收入確認

營業收入於經濟利益很可能流入本集團及能可靠計量時，根據以下基準確認：

- (a) 來自建造服務的營業收入按完工百分比確認，詳情於上文「建造合約」的會計政策內闡釋；
- (b) 提供污水處理經營服務的收益於提供服務時確認；
- (c) 利息收入按累計基準採用實際利率法入賬，所採用利率為在金融工具的預計年期或較短期間(如適用)將估計未來現金收入準確折現至金融資產的賬面淨值；及
- (d) 股息收入於股東有權收取款項時入賬。

政府補助

政府補助在合理肯定能收到補貼且符合所有附帶條件的情況下按公允價值確認。當補助涉及開支項目時，於其擬補償的成本支銷期間按系統基準確認為收入。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Employee benefits

Pension schemes

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

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.3 重大會計政策概要(續)

僱員福利

退休金計劃

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

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

借款成本

因收購、建造或生產合資格資產(即需要長時間準備作擬定用途或銷售的資產)而直接產生的借款成本資本化作該等資產成本的一部分。當該等資產大致上可作擬定用途或銷售時，則停止將借款成本資本化。特定借款用於合資格資產前作為臨時投資所賺取的投資收入於已資本化的借款成本中扣除。所有其他借款成本於其產生期間內列作開支。借款成本包括一間實體在借入資金時所產生的利息及其他成本。

2.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Foreign currencies

The financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

The functional currencies of certain subsidiaries in Mainland China are currencies other than the HK\$. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates prevailing at the end of the reporting period and their profit or loss are translated into HK\$ at the weighted average exchange rates for the year. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a operation with functional currency other than the presentation currency of the Company, the component of other comprehensive income relating to that particular operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of certain subsidiaries in Mainland China are translated into HK\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of these subsidiaries which arise throughout the year are translated into HK\$ at the weighted average exchange rates for the year.

2.3 重大會計政策概要(續)

外幣

財務報告以港元呈列，而港元為本公司的功能及呈列貨幣。本集團內各實體自行釐定其各自的功能貨幣，而各實體的財務報表項目乃以該功能貨幣計量。本集團內實體錄得的外幣交易初始按交易當日適用的各功能貨幣匯率入賬。以外幣計值的貨幣資產及負債，按有關功能貨幣於報告期末的適用匯率換算。結算或換算貨幣項目產生的差額在損益確認。以外幣按歷史成本計量的非貨幣項目，採用初始交易日期的匯率換算。

以外幣按歷史成本計量的非貨幣項目，採用初始交易日期的匯率換算。

若干中國內地附屬公司的功能貨幣為港元以外的貨幣。於報告期末，該等實體的資產及負債以年內的適用匯率換算為本公司的呈列貨幣，其收益或虧損以報告期間加權平均匯率換算為港元。所產生的匯兌差額於其他全面收入內確認，並於匯兌波動儲備內累計。出售功能貨幣為本公司呈列貨幣以外貨幣的業務時，與該業務有關的其他全面收入部分於損益確認。

就綜合現金流量表而言，若干中國內地附屬公司的現金流量按現金流量日期適用的匯率換算為港元。該等附屬公司於各年經常產生的現金流量按各年的加權平均匯率換算為港元。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The major judgements, estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

Service concession arrangements

The Group entered into BOT arrangements in wastewater treatment. The Group concluded that the BOT arrangements are service concession arrangements under HK(IFRIC) - Int 12 *Service Concession Arrangements*, because the local government controls and regulates the services that the Group must provide with the infrastructure at a pre-determined service charge. In addition, upon expiry of concession right agreement, the infrastructure has to be transferred to the local government at nil consideration.

Determination of fair value of contract revenue in respect of the construction services rendered

Revenue from the construction of wastewater treatment facilities under the terms of a BOT contract is estimated on a cost-plus basis in which the construction margin is determined with reference to a prevailing market rate of gross margins of market comparables at the time of construction, and is recognised on the percentage-of-completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

3. 重大會計判斷及估計

編製本集團財務報表需要管理層作出判斷、估計及假設，而該等判斷、估計及假設影響營業收入、開支、資產及負債的呈報金額及相關披露，以及或然負債的披露。此等假設及估計的不明朗因素可引致日後需對受影響的資產或負債的賬面值作出重大調整。

對財務報表所確認金額具有最重大影響及導致資產及負債賬面值於下一個財政年度出現重大調整的重大風險的主要判斷、估計及假設載列如下：

服務特許權安排

本集團已訂立污水處理BOT安排。本集團認為有關BOT安排均屬香港（國際財務報告詮釋委員會）－詮釋第12號*服務特許權安排*下的服務特許權安排，因為當地政府控制並監管本集團按預定服務費以基礎設施提供的服務。此外，在特許權協議到期後，有關基礎設施須無償轉歸當地政府。

釐定所提供建造服務的合約營業收入公允值

根據BOT合約條款來自建造污水處理設施的營業收入以成本加成法估計，而建設毛利率乃參考於建造時可資比較市場的現行市場毛利率釐定，並按完工百分比方法確認入賬，及參考截至當日已產生的成本佔有關合約的估計總成本的比例計量。

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Cont'd)

Determination of imputed interest income on receivables under service concession arrangements

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

The relevant effective interest rate is determined with reference to the yield of corporate bonds of comparable infrastructure companies in Mainland China.

Provision for major overhauls of wastewater treatment facilities to a specified level of serviceability

The Group has contractual obligations (a) to maintain the wastewater treatment facilities it operates to a specified level of serviceability and (b) to restore the facilities to a specified condition before they are handed over to the grantor at the end of the service concession arrangement. These contractual obligations to maintain or restore infrastructure, except for any upgrade element, are recognised and measured in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the end of each reporting period. The estimation of the expenditure requires the Group to estimate the expected future cash outlays on major overhauls of the wastewater treatment facilities over the service concession periods and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of the provision for major overhauls carried as a liability in the consolidated statement of financial position as at 31 December 2014 was HK\$5,275,000 (2013: HK\$4,134,000), further details of which are set out in note 23 to the financial statements.

3. 重大會計判斷及估計(續)

釐定服務特許權安排下的應收款項推算利息收入

服務特許權安排下的應收款項不時會使用實際利率法按累計基準確認推算利息收入，並按照初始確認時計算的實際利率將服務特許期的估計未來現金收入貼現。

相關實際利率經參考可資比較的中国內地基建公司的公司債券收益率釐定。

污水處理設施至特定可提供服務水平的重大檢修撥備

本集團的合約責任為(a)保養其經營的污水處理設施，確保符合特定的可提供服務水平及(b)於服務特許權安排結束時，在移交該等設施予授予人之前，將其修復至指定狀態。該等保養或修復基礎設施的合約責任(升級部分除外)乃根據香港會計準則第37號撥備、或然負債及或然資產予以確認與計量，即按各報告期末履行當前責任所需支出的最佳估計值進行確認與計量。估計開支時本集團須估計服務特許期內污水處理廠重大檢修的預計未來現金開支，並選擇適當貼現率以計算該等現金流量的現值。於二零一四年十二月三十一日的綜合財務狀況表內列作負債的重大檢修撥備的賬面值為5,275,000港元(二零一三年：4,134,000港元)，有關進一步詳情載於財務報表附註23。

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Cont'd)

Impairment of receivables under service concession arrangements, other receivables and an amount due from a related party

The policy for provision for impairment of receivables under service concession arrangements, other receivables and an amount due from a related party of the Group is based on the evaluation of collectability and ageing analysis of accounts and on management's estimation. A considerable amount of estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The aggregate carrying amount of receivables under service concession arrangements, other receivables and an amount due from a related party carried as assets in the consolidated statement of financial position as at 31 December 2014 was HK\$335,465,000 (2013: HK\$345,725,000). Further details are set out in notes 16, 17 and 32(c) to the financial statements.

Current tax and deferred tax

The Group is subject to income taxes in Hong Kong and the PRC. The Group carefully evaluates tax implications of its transactions in accordance with prevailing tax regulations and makes tax provision accordingly. However, judgement is required in determining the Group's provision for income taxes as there are many transactions and calculations of which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact on the income tax and deferred tax provision in the periods in which the determination is made. The carrying amounts of current tax payables and deferred tax liabilities are set out in the consolidated statement of financial position and note 22 to the financial statements.

3. 重大會計判斷及估計(續)

服務特許權安排下的應收款項、其他應收款項及應收關聯方款項減值

本集團服務特許權安排下的應收款項、其他應收款項及應收關聯方款項減值撥備政策乃根據可收回性評估及賬目賬齡分析以及管理層的估計作出。於評估該等應收款項的最終變現數額時須作出大量估計，包括各債務人現時的信譽及過往收回歷史。倘債務人的財務狀況惡化，導致其付款能力降低，則可能須作額外撥備。於二零一四年十二月三十一日的綜合財務狀況表內列作資產的服務特許權安排下的應收款項、其他應收款項及應收關聯方款項的賬面值總額為335,465,000港元(二零一三年：345,725,000港元)。有關進一步詳情載於財務報表附註16、17及32(c)。

即期稅項及遞延稅項

本集團於香港及中國須繳納所得稅。本集團審慎評估現行稅務規例對其交易的稅務影響並相應地計提稅項撥備。然而，於釐定本集團的所得稅撥備時須作出判斷，乃因於日常業務過程中未能準確釐定最終須繳納稅項的交易及計算相當繁多。若有關事項的最終稅務結果與初始入賬額不同，則該差額將影響釐定稅款期間的所得稅及遞延稅項撥備。應付即期稅項及遞延稅項負債的賬面值分別載於綜合財務狀況表及財務報告附註22。

4. SEGMENT INFORMATION

For management purposes, the Group has only one reportable operating segment which is the construction and operation of wastewater treatment facilities. Since this is the only reportable operating segment of the Group, no further operating segment analysis thereof is presented.

Geographical information

All of the Group's revenue is derived from customers located in Mainland China and all of the Group's non-current assets are located in Mainland China.

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for the year is set out below:

| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|------------|------|-----------------------------------|-----------------------------------|
| Customer A | 客戶 A | 27,489 | 13,203 |
| Customer B | 客戶 B | 57,694 | 51,887 |
| | | 85,183 | 65,090 |

5. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents: (1) an appropriate proportion of contract revenue of construction contracts under service concession arrangements; (2) revenue from operation of wastewater treatment facilities under service concession arrangements, net of government surcharges; and (3) the imputed interest income on receivables under service concession arrangements.

4. 分部資料

就管理目的而言，本集團僅有一個可呈報經營分部，即污水處理設施的建造及運營。由於此乃本集團唯一可呈報經營分部，故並無呈列進一步經營分部分析。

地理資料

本集團所有的營業收入均來自位於中國內地的客戶且本集團所有非流動資產均位於中國內地。

有關主要客戶的資料

於年內佔本集團10%或以上營業收入的每名主要客戶的營業收入載列於下：

5. 營業收入、其他收入及收益

營業收入，即本集團的營業額，指：(1)服務特許權安排下建設合約的合約營業收入的適當部份；(2)來自服務特許權安排下營運污水處理設施的營業收入(扣除政府附加費)；及(3)服務特許權安排下應收款項的推算利息收入。

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31 December 2014 二零一四年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS (Cont'd)

An analysis of the Group's revenue, other income and gains is as follows:

| | | Note 附註 | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|--|------------------------|------------|-----------------------------------|-----------------------------------|
| Revenue | 營業收入 | | | |
| Construction services | 建設服務 | | 16,680 | — |
| Wastewater treatment facility operation services | 污水處理設施營運服務 | | 54,011 | 51,509 |
| Imputed interest income on receivables under service concession arrangements | 服務特許權安排下 應收款項推算利息收入 | | 14,492 | 13,581 |
| | | | 85,183 | 65,090 |
| Other income and gains | 其他收入及收益 | | | |
| Interest income | 利息收入 | | 239 | 1,509 |
| Foreign exchange gains, net | 外匯收益淨額 | | 77 | 64 |
| Government grants [#] | 政府補貼 [#] | | 45 | 542 |
| Gain on bargain purchase of subsidiaries | 議價購買附屬公司收益 | 26 | — | 3,410 |
| Gain on deregistration of a subsidiary | 撤銷註冊一間 附屬公司收益 | | 5,779 | — |
| Others | 其他 | | — | 139 |
| | | | 6,140 | 5,664 |

Government grants have been received from local governments in Jiangsu Province for the purpose of carrying out environmental protection works. There were no unfulfilled conditions or contingencies relating to these grants as at 31 December 2013 and 31 December 2014.

5. 營業收入、其他收入及收益(續)

本集團營業收入、其他收入及收益的分析如下：

| | Note 附註 | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|--|------------|-----------------------------------|-----------------------------------|
| Revenue | | | |
| Construction services | | 16,680 | — |
| Wastewater treatment facility operation services | | 54,011 | 51,509 |
| Imputed interest income on receivables under service concession arrangements | | 14,492 | 13,581 |
| | | 85,183 | 65,090 |
| Other income and gains | | | |
| Interest income | | 239 | 1,509 |
| Foreign exchange gains, net | | 77 | 64 |
| Government grants [#] | | 45 | 542 |
| Gain on bargain purchase of subsidiaries | 26 | — | 3,410 |
| Gain on deregistration of a subsidiary | | 5,779 | — |
| Others | | — | 139 |
| | | 6,140 | 5,664 |

政府補貼就實施環保工程自江蘇省地方政府收取。於二零一三年及二零一四年十二月三十一日概無有關該等補貼的未完成條件或或然事件。

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6. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

6. 除稅前溢利

本集團的除稅前溢利乃經扣除/(計入)以下各項後得出：

| | | Notes 附註 | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|--|--------------------------|-------------|-----------------------------------|-----------------------------------|
| Cost of construction services | 建設服務成本 | | 14,684 | — |
| Cost of wastewater treatment facilities operation services rendered | 提供污水處理設施 營運服務的成本 | | 22,541 | 15,769 |
| Depreciation | 折舊 | 14 | 434 | 323 |
| Minimum lease payments under operating leases in respect of office premise | 根據經營租賃有關辦公室 物業的最低租金付款 | | 115 | — |
| Auditors' remuneration | 核數師薪酬 | | 1,384 | 19 |
| Listing expenses in relation to listing of existing issued shares | 有關現有已發行股份 上市的上市開支 | | 20,127 | 1,598 |
| Employee benefit expense (including directors' remuneration (note 8)): | 僱員福利開支(包括 董事酬金(附註8)): | | | |
| Salaries, wages and benefits in kind | 薪金、工資及實物福利 | | 7,724 | 3,289 |
| Pension scheme contributions* | 退休金計劃供款* | | 598 | 284 |
| | | | 8,322 | 3,573 |
| Foreign exchange differences, net | 匯兌差額淨額 | | (41) | (64) |
| Provision for major overhauls | 重大檢修撥備 | 23 | 1,000 | 766 |

* At 31 December 2014, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2013: Nil).

* 於二零一四年十二月三十一日，本集團並無可供減少其未來年度退休金計劃供款的已沒收供款(二零一三年：無)。

Notes to Financial Statements 財務報表附註

31 December 2014 二零一四年十二月三十一日

7. FINANCE COSTS

| | | Group 本集團 | |
|--|------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| | Note 附註 | | |
| Interest on bank loans wholly repayable within five years | | 907 | 2,281 |
| Increase in discounted amounts of provision for major overhauls arising from the passage of time | 23 | 253 | 187 |
| | | 1,160 | 2,468 |

7. 融資成本

8. DIRECTORS' REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange and section 78 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

8. 董事薪酬

董事於年內的薪酬根據聯交所證券上市規則(「上市規則」)及香港公司條例第622章附表11第78條以及經參考前身香港公司條例第32章第161條披露如下：

| | | Group 本集團 | |
|---|------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Fees | 袍金 | 218 | — |
| Other emoluments: | 其他薪酬： | | |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益 | 158 | 158 |
| Discretionary bonuses | 酌情花紅 | 222 | — |
| | | 380 | 158 |
| | | 598 | 158 |

The Company was incorporated on 25 February 2014, hence, director's remuneration for the year ended 31 December 2013 was remuneration received by certain directors of the Company from subsidiaries now comprising the Group for their appointments as directors of these subsidiaries.

本公司於二零一四年二月二十五日註冊成立，因此，截至二零一三年十二月三十一日止年度的董事薪酬為本公司董事自現時組成本集團各附屬公司收取作為該等公司董事的薪酬。

8. DIRECTORS' REMUNERATION (Cont'd)

(a) Independent non-executive directors

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

| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|----------------------------|-------|----------------------------------|----------------------------------|
| Ms. Ng Chung Yan Linda | 伍頌恩女士 | 38 | — |
| Mr. Ng Man Kung | 吳文拱先生 | 38 | — |
| Mr. Sze Yeuk Lung Benedict | 施若龍先生 | 33 | — |
| | | 109 | — |

Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict were appointed as independent non-executive directors of the Company on 5 September 2014.

There were no other emoluments payable to the independent non-executive directors during the year.

8. 董事薪酬(續)

(a) 獨立非執行董事

年內支付獨立非執行董事之費用如下：

| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|----------------------------|-------|----------------------------------|----------------------------------|
| Ms. Ng Chung Yan Linda | 伍頌恩女士 | 38 | — |
| Mr. Ng Man Kung | 吳文拱先生 | 38 | — |
| Mr. Sze Yeuk Lung Benedict | 施若龍先生 | 33 | — |
| | | 109 | — |

伍頌恩女士、吳文拱先生及施若龍先生於二零一四年九月五日獲委任為本公司獨立非執行董事。

年內並無支付獨立非執行董事其他報酬。

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8. DIRECTORS' REMUNERATION (Cont'd)

(b) Executive directors and non-executive directors

| | | Fees | Salaries, allowances and benefits in kind | Discretionary bonuses | Total remuneration |
|--------------------------|--------|-----------------|--|--------------------------|-----------------------|
| | | 薪金、津貼及 費用 | 實物利益 | 酌情花紅 | 酬金總額 |
| | | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 | HK\$'000 千港元 |
| 2013 | 二零一三年 | | | | |
| Executive directors: | 執行董事： | | | | |
| Mr. Chau On Ta Yuen | 周安達源先生 | — | 76 | — | 76 |
| Mr. Chan Kwan | 陳昆先生 | — | 82 | — | 82 |
| | | — | 158 | — | 158 |
| 2014 | 二零一四年 | | | | |
| Executive directors: | 執行董事： | | | | |
| Mr. Chau On Ta Yuen | 周安達源先生 | 38 | 76 | 56 | 170 |
| Mr. Chan Kwan | 陳昆先生 | 26 | 82 | 53 | 161 |
| | | 64 | 158 | 109 | 331 |
| Non-executive directors: | 非執行董事： | | | | |
| Mr. Chan Pak Lam Brian | 陳柏林先生 | 26 | — | 53 | 79 |
| Mr. Chau Chi Yan Benny | 周致人先生 | 26 | — | 53 | 79 |
| | | 52 | — | 106 | 158 |
| | | 116 | 158 | 215 | 489 |

Mr. Chau On Ta Yuen and Mr. Chan Kwan were appointed as executive directors of the Company on 18 March 2014 and 25 February 2014, respectively. Mr. Chan Pak Lam Brian and Mr. Chau Chi Yan Benny were appointed as non-executive directors of the Company on 18 March 2014. Mr. Chan Kwan was appointed as the chief executive officer of the Company on 18 March 2014.

There was no arrangement under which a director waived or agreed to waive any remuneration during the year.

8. 董事薪酬(續)

(b) 執行董事及非執行董事

周安達源先生及陳昆先生分別於二零一四年三月十八日及二零一四年二月二十五日獲委任為本公司之執行董事。陳柏林先生及周致人先生於二零一四年三月十八日獲委任為本公司之非執行董事。陳昆先生於二零一四年三月十八日獲委任為本公司之行政總裁。

年內並無任何董事放棄或同意放棄任何薪酬的安排。

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31 December 2014 二零一四年十二月三十一日

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2013: two) director, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2013: three) non-director, highest paid employees are as follows:

| | | Group 本集團 | |
|---|------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Salaries, allowances and benefits in kind | 薪金、津貼及實物利益 | 2,129 | 516 |
| Discretionary bonuses | 酌情花紅 | 370 | — |
| Pension scheme contributions | 退休金計劃供款 | 60 | 8 |
| | | 2,559 | 524 |

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

| | | Number of employees 僱員數目 | |
|--------------------------------|-------------------------------|-----------------------------|---------------|
| | | 2014 二零一四年 | 2013 二零一三年 |
| Nil to HK\$1,000,000 | 零至 1,000,000 港元 | 3 | 3 |
| HK\$1,000,001 to HK\$1,500,000 | 1,000,001 港元至 1,500,000 港元 | 1 | — |
| | | 4 | 3 |

9. 五名最高薪酬僱員

年內五名最高薪酬僱員包括一名(二零一三年：兩名)董事，彼等薪酬之詳情載列於上文附註8。年內餘下四名(二零一三年：三名)非董事之最高薪酬僱員之薪酬詳情載列如下：

薪酬屬於以下範圍非董事的最高薪酬僱員的數目如下：

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10. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

No provision for Hong Kong profits tax had been made as the Group did not generate any assessable profits arising in Hong Kong during the year (2013: Nil).

The provision for the People's Republic of China (the "PRC") income tax is based on the respective corporate income tax rates applicable to the subsidiaries located in Mainland China as determined in accordance with the relevant income tax rules and regulations of the PRC.

Haian Hengfa Wastewater Treatment Company Limited ("Haian Hengfa") and Rugao Hengfa Water Treatment Company Limited* ("Rugao Hengfa") obtained preferential income tax treatment in 2014 whereby their income taxes are taxed at the taxable profit based on 90% of the revenue generated for the year.

10. 所得稅

根據開曼群島及英屬處女群島規則及法例，本集團毋須於開曼群島及英屬處女群島繳納任何所得稅。

由於本集團於年內並無於香港產生任何可評稅溢利(二零一三年：無)，故概無計提香港利得稅撥備。

中華人民共和國(「中國」)所得稅撥備是根據位於中國內地的附屬公司所適用並按中國相關所得稅規則及法規所釐定的各企業所得稅率而作出。

海安恆發污水處理有限公司(「海安恆發」)及如皋恆發水處理有限公司(「如皋恆發」)於二零一四年獲得所得稅優惠待遇，據此，其所得稅按基於其於年內產生的90%營業收入計算的應稅所得繳納。

| | | Group 本集團 | |
|---------------------------------------|-----------------|----------------------------------|----------------------------------|
| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
| Current – Mainland China | 即期 – 中國內地 | | |
| Charge for the year | 年內支出 | 8,220 | 9,455 |
| Overprovision in prior years | 過往年度超額撥備 | (216) | — |
| Deferred (note 22) | 遞延(附註22) | 2,857 | 4,625 |
| Total tax expense for the year | 年內稅項開支總額 | 10,861 | 14,080 |

* The English name of this entity represents management's best effort at translating its Chinese name as it did not register any official English name.

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10. INCOME TAX (Cont'd)

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

| | | Group 本集團 | |
|--|--------------------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Profit before tax | 除稅前溢利 | 22,136 | 47,974 |
| Tax at the statutory tax rates of different jurisdictions | 按不同司法權區法定稅率計算的稅項 | 7,327 | 12,232 |
| Adjustments in respect of current tax of previous periods | 有關過往期間即期稅項的調整 | (216) | — |
| Effect of withholding tax on the distributable profits of the Group's subsidiaries in Mainland China | 預扣稅對本集團中國內地附屬公司可供分配溢利的影響 | 1,391 | 2,154 |
| Income not subject to tax | 毋須課稅收入 | (2,650) | (946) |
| Expenses not deductible for tax | 不可扣稅開支 | 5,009 | 640 |
| Tax expense at the Group's effective tax rate | 按本集團的實際稅率計算的稅項開支 | 10,861 | 14,080 |

11. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

The consolidated profit attributable to owners of the parent for the year ended 31 December 2014 includes a loss of HK\$1,654,000 (2013: Nil), which has been dealt with in the financial statements of the Company (note 25(b)).

10. 所得稅(續)

按本公司附屬公司註冊成立所在司法權區的法定稅率計算的除稅前溢利適用的稅項開支與按本集團實際稅率計算的稅項開支的對賬如下：

11. 母公司擁有人應佔溢利

截至二零一四年十二月三十一日止年度之母公司擁有人應佔綜合溢利包括已於本公司財務報表予以處理的虧損1,654,000港元(二零一三年：零)(附註25(b))。

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12. DIVIDENDS

| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|--|------------------------|-----------------------------------|-----------------------------------|
| Special interim dividend – HK5 cents per ordinary share | 特別中期股息 — 每股普通股 5 港仙 | 30,000 | — |

On 5 September 2014, the Company declared a special dividend of HK\$30,000,000 to the then shareholders of the Company. Such special dividend was paid on 11 September 2014.

The directors of the Company do not recommend the payment of any final dividend in respect of the year (2013: Nil).

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount for the year ended 31 December 2014 is based on the profit for the year attributable to ordinary equity holders of the parent of HK\$9,267,000 (2013: HK\$32,259,000), and the weighted average number of ordinary shares of 653,151,000 (2013: 600,000,000) in issue during the year, as if the Reorganisation had been effective since 1 January 2013.

The weighted average number of ordinary shares used to calculate the basic earnings per share amount for the year ended 31 December 2014 includes the 1,000 ordinary share of the Company issued upon incorporation (note 24(i)) and the 599,999,000 new ordinary shares issued in the Share Swap (note 24(ii)), as if all these shares had been in issue throughout the year ended 31 December 2014, and the weighted average of 53,151,000 new ordinary shares issued pursuant to the Share Offer (note 24(iii)).

12. 股息

於二零一四年九月五日，本公司向本公司當時股東宣派特別股息 30,000,000 港元。有關特別股息於二零一四年九月十一日支付。

本公司董事並不建議就本年度支付任何末期股息(二零一三年：零)。

13. 母公司普通股股權持有人應佔每股盈利

截至二零一四年十二月三十一日止年度每股基本盈利金額乃根據母公司普通股股權持有人應佔年內溢利 9,267,000 港元(二零一三年：32,259,000 港元)及本年度已發行普通股加權平均數 653,151,000 (二零一三年：600,000,000) 計算，猶如重組已自二零一三年一月一日起生效。

截至二零一四年十二月三十一日止年度用於計算每股基本盈利金額的普通股加權平均數包括本公司於註冊成立時發行的 1,000 股普通股(附註 24(i))及於股份互換發行的 599,999,000 股新普通股(附註 24(ii))，猶如所有該等股份於截至二零一四年十二月三十一日止年度已發行，以及根據股份發售發行的新普通股加權平均數 53,151,000 股(附註 24(iii))。

13. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT (Cont'd)

The number of ordinary share used to calculate the basic earnings per share amount for the year ended 31 December 2013 was based on 600,000,000 ordinary shares, representing the number of ordinary shares of the Company immediately after the Share Swap, as if all these shares had been in issue throughout the year ended 31 December 2013.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2013 and 2014 as the Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2013 and 2014.

13. 母公司普通股股權持有人應佔每股盈利(續)

截至二零一三年十二月三十一日止年度，用於計算每股基本盈利的普通股數目乃基於600,000,000股普通股，相當於本公司緊隨股份互換後的普通股數目，猶如所有該等股份於截至二零一三年十二月三十一日止年度已發行。

由於本集團於截至二零一三年及二零一四年十二月三十一日止年度並無已發行潛在攤薄普通股，故並無對所呈列截至二零一三年及二零一四年十二月三十一日止年度的每股基本盈利金額作出調整。

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14. PROPERTY, PLANT AND EQUIPMENT

14. 物業、廠房及設備

Group

本集團

| | | Equipment 設備 HK\$' 000 千港元 | Office equipment 辦公室設備 HK\$' 000 千港元 | Motor vehicles 汽車 HK\$' 000 千港元 | Total 總計 HK\$' 000 千港元 |
|--|--------------------------------------|-------------------------------------|--|---|---------------------------------|
| 31 December 2014 | 二零一四年 十二月三十一日 | | | | |
| At 31 December 2013 and at 1 January 2014: | 於二零一三年 十二月三十一日及 二零一四年 一月一日： | | | | |
| Cost | 成本 | 1,983 | 744 | 1,016 | 3,743 |
| Accumulated depreciation | 累計折舊 | (246) | (294) | (683) | (1,223) |
| Net carrying amount | 賬面淨值 | 1,737 | 450 | 333 | 2,520 |
| At 1 January 2014, net of accumulated depreciation | 於二零一四年 一月一日， 扣除累計折舊 | 1,737 | 450 | 333 | 2,520 |
| Additions | 添置 | 533 | 182 | 43 | 758 |
| Depreciation | 折舊 | (236) | (136) | (62) | (434) |
| Exchange realignment | 匯兌重列 | (45) | (13) | (8) | (66) |
| At 31 December 2014, net of accumulated depreciation | 於二零一四年 十二月三十一日， 扣除累計折舊 | 1,989 | 483 | 306 | 2,778 |
| At 31 December 2014: | 於二零一四年 十二月三十一日： | | | | |
| Cost | 成本 | 2,464 | 881 | 1,033 | 4,378 |
| Accumulated depreciation | 累計折舊 | (475) | (398) | (727) | (1,600) |
| Net carrying amount | 賬面淨值 | 1,989 | 483 | 306 | 2,778 |

14. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

14. 物業、廠房及設備(續)

Group (Cont'd)

本集團(續)

| | | Equipment 設備 HK\$' 000 千港元 | Office equipment 辦公室設備 HK\$' 000 千港元 | Motor vehicles 汽車 HK\$' 000 千港元 | Total 總計 HK\$' 000 千港元 |
|--|------------------------------|-------------------------------------|--|---|---------------------------------|
| 31 December 2013 | 二零一三年 十二月三十一日 | | | | |
| At 1 January 2013: | 於二零一三年 一月一日： | | | | |
| Cost | 成本 | 703 | 456 | 987 | 2,146 |
| Accumulated depreciation | 累計折舊 | (96) | (199) | (590) | (885) |
| Net carrying amount | 賬面淨值 | 607 | 257 | 397 | 1,261 |
| At 1 January 2013, net of accumulated depreciation | 於二零一三年 一月一日， 扣除累計折舊 | 607 | 257 | 397 | 1,261 |
| Additions | 添置 | 1,255 | 193 | — | 1,448 |
| Acquisition of subsidiaries (note 26) | 收購附屬公司 (附註26) | — | 77 | — | 77 |
| Depreciation | 折舊 | (160) | (88) | (75) | (323) |
| Exchange realignment | 匯兌重列 | 35 | 11 | 11 | 57 |
| At 31 December 2013, net of accumulated depreciation | 於二零一三年 十二月三十一日， 扣除累計折舊 | 1,737 | 450 | 333 | 2,520 |
| At 31 December 2013: | 於二零一三年 十二月三十一日： | | | | |
| Cost | 成本 | 1,983 | 744 | 1,016 | 3,743 |
| Accumulated depreciation | 累計折舊 | (246) | (294) | (683) | (1,223) |
| Net carrying amount | 賬面淨值 | 1,737 | 450 | 333 | 2,520 |

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31 December 2014 二零一四年十二月三十一日

15. INVESTMENTS IN SUBSIDIARIES

15. 投資於附屬公司

| | | Company 本公司 |
|-------------------------|-----------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 |
| Unlisted share, at cost | 非上市股份，按成本 | 113,781 |

The amounts due from and to subsidiaries included in the Company's current assets and liabilities are unsecured, interest-free and repayable on demand.

計入本公司流動資產及負債的應收及應付附屬公司款項為無抵押、不計息及按要求償還。

The carrying amounts of the amounts due from and to subsidiaries approximate to their fair values due to their short term maturity.

由於應收及應付附屬公司款項到期時間短，該等款項的賬面值與其公允值相若。

Particulars of the subsidiaries of the Group as at 31 December 2014 are set out below:

於二零一四年十二月三十一日，本集團附屬公司的詳情如下：

| Company name 公司名稱 | Place of incorporation/ registration and business 成立/ 註冊及業務地點 | Issued and paid up ordinary share capital/paid-up registered capital 已發行及已繳足 普通股本/ 已繳足註冊資本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要活動 |
|--|---|--|--|----------------|---------------------------------|
| | | | Direct 直接 | Indirect 間接 | |
| ELL Environmental Limited | British Virgin Islands ("BVI") 英屬處女群島 (「英屬處女群島」) | US\$100 100美元 | 100% | — | Investment holding 投資控股 |
| Everbest Water Treatment Development 恆發水務發展 | Hong Kong 香港 | HK\$1,000 1,000港元 | — | 100% | Investment holding 投資控股 |
| Grand Target Holdings Limited | BVI 英屬處女群島 | HK\$100 100港元 | — | 100% | Investment holding 投資控股 |
| Greatcorp International Limited ("Greatcorp") | Hong Kong 香港 | HK\$100 100港元 | — | 100% | Investment holding 投資控股 |
| Haian Hengfa* 海安恆發* | The PRC/ Mainland China 中國/中國內地 | RMB30,000,000 人民幣30,000,000元 | — | 70% | Wastewater treatment 污水處理 |

15. INVESTMENTS IN SUBSIDIARIES (Cont'd)

15. 投資於附屬公司(續)

| Company name 公司名稱 | Place of incorporation/ registration and business 成立/ 註冊及業務地點 | Issued and paid up ordinary share capital/paid-up registered capital 已發行及已繳足 普通股本/ 已繳足註冊資本 | Percentage of equity attributable to the Company 本公司應佔權益百分比 | | Principal activities 主要活動 |
|---|--|--|--|----------------|---------------------------------|
| | | | Direct 直接 | Indirect 間接 | |
| Rugao Hengfa** 如皋恆發** | The PRC/ Mainland China 中國/中國內地 | US\$5,880,000 5,880,000 美元 | — | 100% | Wastewater treatment 污水處理 |
| Rugao Honghao Metal Surface Water Treatment Company Limited ("Rugao Honghao") **/^ 如皋宏皓金屬表面水處理有限公司 (「如皋宏皓」)** | The PRC/ Mainland China 中國/中國內地 | US\$4,500,000 4,500,000 美元 | — | 100% | Wastewater treatment 污水處理 |

Notes:

- * This entity is registered as a Sino-foreign equity joint venture under the laws of the PRC.
- ** This entity is registered as a wholly-owned foreign enterprises under the laws of the PRC.
- ^ The English name of this entity represents management's best effort at translating its Chinese name as it did not register any official English name.

附註：

- * 該實體根據中國法律註冊為中外合資經營企業。
- ** 該實體根據中國法律註冊為外商獨資企業。

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16. SERVICE CONCESSION ARRANGEMENTS

The Group has entered into a number of service concession arrangements with certain governmental authorities in Mainland China on a BOT basis in respect of its wastewater treatment services. Pursuant to the service concession arrangements, the Group has to design, construct, operate and manage wastewater treatment facilities in Mainland China over the service concession periods. The governmental authorities guarantee that the Group will receive minimum annual payments in connection with the arrangements. The Group is generally entitled to use the wastewater treatment facilities and the related facilities (the "Facilities"), however, the Group has the obligation to maintain the Facilities in good condition and the Facilities will be transferred to the relevant governmental authorities at a specified level of serviceability upon expiry of the concession periods. The service concession arrangements do not contain renewal options. The BOT agreements do not grant any termination rights to any of the contracting parties.

As at 31 December 2014, the Group had 5 (2013: 5) service concession arrangements on wastewater treatment with two governmental authorities in Mainland China and a summary of the major terms of the principal service concession arrangements, are set out as follows:

| Name of company as operator 作為運營商 的公司名稱 | Name of wastewater treatment facility 污水處理 設施名稱 | Location 位置 | Name of grantor 授予人名稱 | Type of service concession arrangement 服務特許權 安排類型 | Designed processing capacity (ton/day) 設計 處理能力 (噸/天) | Service concession period 服務特許期 |
|---|--|--|--|---|---|--|
| Haian Hengfa 海安恆發 | Haian Hengfa Municipal Wastewater Treatment Facility (Phase I) 海安恆發市政 污水處理設施 (一期) | Haian County, Nantong City 南通市 海安縣 | Haian County Construction Bureau* (江蘇省海安縣 建設局) | BOT on wastewater treatment 有關污水 處理的 BOT | 20,000 | 28 years from 2002 to 2030 and extended to 2036 in 2013 28年， 從二零零二年起 計至二零三零年止， 並於二零一三年 延長至二零三六年 |

16. 服務特許權安排

本集團已與若干中國內地政府機關就污水處理服務按BOT基準訂立多項服務特許權安排。根據服務特許權安排，本集團須於服務特許期內設計、建造、經營及管理中國內地污水處理設施。政府機關保證本集團將就有關安排收取最低年度付款。本集團通常有權使用污水處理設施及相關設施(「該等設施」)，然而，本集團有責任維持該等設施處於良好狀況且該等設施將於特許期屆滿後按一定可提供服務水平移交有關政府機關。服務特許權安排不包含續期選擇權。BOT安排概無授予任何訂約方任何終止權。

於二零一四年十二月三十一日，本集團與兩個中國內地政府機關訂立5項(二零一三年：5項)服務特許權安排，主要服務特許權安排的主要條款概要載列如下：

16. SERVICE CONCESSION ARRANGEMENTS (Cont'd)

16. 服務特許權安排(續)

| Name of company as operator 作為運營商 的公司名稱 | Name of wastewater treatment facility 污水處理 設施名稱 | Location 位置 | Name of grantor 授予人名稱 | Type of service concession arrangement 服務特許權 安排類型 | Designed processing capacity (ton/day) 設計 處理能力 (噸/天) | Service concession period 服務特許期 |
|---|---|---|--|---|---|--|
| Haian Hengfa 海安恆發 | Haian Hengfa Municipal Wastewater Treatment Facility (Phase II) 海安恆發市政 污水處理設施 (二期) | Haian County, Nantong City 南通市 海安縣 | Haian County Construction Bureau 江蘇省海安縣 建設局 | BOT on wastewater treatment 有關污水 處理的 BOT | 20,000 | 22.5 years from 2013 to 2036 22.5年， 有關污水 處理的 BOT 計至二零三六年止 |
| Rugao Hengfa 如皋恆發 | Rugao Hengfa Municipal and Industrial Wastewater Treatment Facility (Phase I) 如皋恆發市政 及工業污水 處理設施(一期) | Rugao County, Nantong City 南通市 如皋縣 | Rugao Economic and Technological Development Zone Administrative Committee 江蘇省如皋 經濟技術開發區 管委會 | BOT on wastewater treatment 有關污水 處理的 BOT | 20,000 | 25 years from 2007 to 2032 and extended to 2035 in 2009 25年， 從二零零七年計至 二零三二年止， 並於二零零九年 延長至二零三五年 |
| Rugao Hengfa 如皋恆發 | Rugao Hengfa Municipal and Industrial Wastewater Treatment Facility (Phase II) 如皋恆發市政及 工業污水處理 設施(二期) | Rugao County, Nantong City 南通市 如皋縣 | Rugao Economic and Technological Development Zone Administrative Committee 江蘇省如皋 經濟技術開發區 管委會 | BOT on wastewater treatment 有關污水 處理的 BOT | 20,000 | 25 years from 2010 to 2035 25年， 從二零一零年起計至 二零三五年止 |
| Rugao Honghao 如皋宏皓 | Rugao Honghao Heavy Metal Wastewater Treatment Facility 如皋宏皓重金屬 污水處理設施 | Rugao County, Nantong City 南通市 如皋縣 | Rugao Economic and Technological Development Zone Administrative Committee 江蘇省如皋 經濟技術開發區 管委會 | BOT on wastewater treatment 有關污水 處理的 BOT | 3,500 | 28 years from 2011 to 2039 28年， 從二零一一年起計至 二零三九 |

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

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16. SERVICE CONCESSION ARRANGEMENTS (Cont'd)

Pursuant to the service concession agreements entered into by the Group, the Group are granted the rights to use the property, plant and equipment of the wastewater treatment facilities and certain related land during the service concession periods, but the Group is generally required to surrender these items of property, plant and equipment to the grantors at a specified level of serviceability at the end of the respective service concession periods. As at 31 December 2014, the title certificates with respect to certain land use rights of certain wastewater treatment facilities to which the Group's service concession arrangements relate did not register under the names of the relevant companies in the Group. The directors of the Company are of the opinion that the Group is entitled to the lawful and valid occupation or use of the buildings and land to which the above-mentioned land use rights relate during the respective concession periods for nil consideration for providing wastewater treatment services under the relevant BOT agreements.

For the year ended 31 December 2014, revenue and profit were recognised for exchanging construction services for a financial asset amounting to HK\$16,680,000 (2013: Nil) and HK\$1,996,000 (2013: Nil), respectively, and no revenue (2013: Nil) was recognised for exchanging construction services for an intangible asset. Considerations for revenue related to the construction and operation services under BOT arrangements were recognised as "receivables under service concession arrangements" in the consolidated statement of financial statements.

16. 服務特許權安排(續)

根據本集團所訂立的服務特許權安排，本集團獲授權於服務特許期內使用污水處理設施的物業、廠房及設備以及若干相關土地，但本集團通常須於各服務特許期結束時按一定可提供服務水平將該等物業、廠房及設備項目移交授予人。於二零一四年十二月三十一日，有關本集團服務特許權安排的若干污水處理設施的若干土地使用權的業權證書並未登記於本集團有關公司的名下。本公司的董事認為，根據相關BOT安排，本集團有權於相關特許期內就提供污水處理服務以零代價合法佔用及使用該等與上述土地使用權有關的樓宇及土地。

截至二零一四年十二月三十一日止年度，分別確認有16,680,000港元(二零一三年：無)及1,996,000港元(二零一三年：無)的營業收入及溢利就以建造服務交換金融資產，概無(二零一三年：無)就以建造服務交換無形資產確認營業收入。與BOT安排項下建造及經營服務有關的營業收入代價於財務資料確認為「服務特許權安排下的應收款項」。

16. SERVICE CONCESSION ARRANGEMENTS (Cont'd)

At 31 December 2014, certain wastewater treatment concession rights of the Group comprising receivables under service concession arrangements with a carrying amount of HK\$225,139,000 (2013: HK\$231,467,000) were pledged to secure bank loans granted to the Group (note 21).

16. 服務特許權安排(續)

於二零一四年十二月三十一日，本集團若干污水處理特許權(包括賬面值為225,139,000港元(二零一三年：231,467,000港元)的服務特許權安排下的應收款項)獲抵押作為授予本集團的銀行貸款的擔保(附註21)。

| | | Group 本集團 | |
|---|---------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Receivables under service concession arrangements | 服務特許權安排下的應收款項 | 334,999 | 340,408 |
| Portion classified as current assets | 分類為流動資產的部分 | (42,240) | (50,804) |
| Non-current portion | 非流動部分 | 292,759 | 289,604 |

An ageing analysis of the receivables under service concession arrangements, based on the invoice date, is as follows:

根據發票日期對服務特許權安排下的應收款項的賬齡分析如下：

| | | Group 本集團 | |
|-----------------|--------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Billed: | 已開具發票： | | |
| Within 3 months | 3個月以內 | 15,947 | 17,209 |
| 4 to 6 months | 4至6個月 | 14,784 | 16,964 |
| 7 to 12 months | 7至12個月 | 5,001 | 6,094 |
| Over 1 year | 1年以上 | — | 4,481 |
| | | 35,732 | 44,748 |
| Not yet billed | 尚未開具發票 | 299,267 | 295,660 |
| | | 334,999 | 340,408 |

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16. SERVICE CONCESSION ARRANGEMENTS (Cont'd)

Receivables under service concession arrangements are usually due for settlement within 10 days after each month end. Exposures to credit risk are monitored on an ongoing basis. The Group has only two customers whom are local government authorities in Mainland China and therefore concentration of credit risk existed. The Group does not hold any collateral or other credit enhancements over these receivable balances. In view of the fact that the parties to BOT arrangements are municipal governments in Mainland China, the directors of the Company consider the credit risk is not significant.

An ageing analysis of the receivables under service concession arrangements that are neither individually nor collectively considered to be impaired is as follows:

| | | Group 本集團 | |
|-------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Neither past due nor impaired | 既未逾期亦未減值 | 299,267 | 295,660 |
| Less than 1 month past due | 逾期1個月以內 | 6,259 | 5,694 |
| 1 to 3 months past due | 逾期1至3個月 | 9,688 | 11,515 |
| 4 to 6 months past due | 逾期4至6個月 | 14,784 | 16,964 |
| 7 months to 1 year past due | 逾期7個月至1年 | 5,001 | 6,094 |
| Over 1 year past due | 逾期1年以上 | — | 4,481 |
| | | 334,999 | 340,408 |

17. PREPAYMENTS AND OTHER RECEIVABLES

| | | | |
|-------------------|--------|------------|--------------|
| Prepayments | 預付款項 | 181 | 1,463 |
| Other receivables | 其他應收款項 | 466 | 4,775 |
| | | 647 | 6,238 |

None of the above assets is either past due or impaired. The financial assets included in the above balances related to receivables for which there was no recent history of default. Other receivables are unsecured, interest-free and have no fixed terms of repayment.

16. 服務特許權安排(續)

服務特許權安排下的應收款項通常於每月月底後10日內到期結算。所承擔的信用風險按持續基準監控。本集團僅有兩名中國內地地方政府機關客戶，故存在信用集中風險。本集團並無就該等應收款項結餘持有任何抵押品或其他信用增強措施。鑒於BOT安排的訂約方為中國內地市政府，本公司董事認為信用風險並不重大。

未個別或共同視作減值的服務特許權安排下的應收款項的賬齡分析如下：

| | | Group 本集團 | |
|-------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Neither past due nor impaired | 既未逾期亦未減值 | 299,267 | 295,660 |
| Less than 1 month past due | 逾期1個月以內 | 6,259 | 5,694 |
| 1 to 3 months past due | 逾期1至3個月 | 9,688 | 11,515 |
| 4 to 6 months past due | 逾期4至6個月 | 14,784 | 16,964 |
| 7 months to 1 year past due | 逾期7個月至1年 | 5,001 | 6,094 |
| Over 1 year past due | 逾期1年以上 | — | 4,481 |
| | | 334,999 | 340,408 |

17. 預付款項及其他應收款項

| | | Group 本集團 | |
|-------------------|--------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Prepayments | 預付款項 | 181 | 1,463 |
| Other receivables | 其他應收款項 | 466 | 4,775 |
| | | 647 | 6,238 |

上述資產概無逾期或減值。計入上述結餘的金融資產與近期並無拖欠記錄的應收款項有關。其他應收款項為無抵押、不計息及無固定還款期。

18. CASH AND CASH EQUIVALENTS

18. 現金及現金等價物

| | | Group 本集團 | | Company 本公司 |
|--|-----------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 | 2014 二零一四年 HK\$' 000 千港元 |
| Cash and bank balances | 現金及銀行結餘 | 49,004 | 75,625 | 32,705 |
| Time deposits | 定期存款 | 50,060 | — | 50,060 |
| | | 99,064 | 75,625 | 82,765 |
| Cash and cash equivalents denominated in: | 以下列貨幣計值的現金 及現金等價物： | | | |
| Renminbi ("RMB") | 人民幣(「人民幣」) | 43,751 | 67,748 | 30,058 |
| HK\$ | 港元 | 55,279 | 73 | 52,707 |
| United States dollars ("US\$") | 美元(「美元」) | 34 | 7,804 | — |
| | | 99,064 | 75,625 | 82,765 |

RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

人民幣不可自由兌換為其他貨幣，惟根據中國內地外匯管制規例及結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務的銀行將人民幣兌換為其他貨幣。

銀行現金根據每天銀行存款利率按浮動利率賺取利息。短期定期存款的存款期各異，介乎一天至三個月不等，視乎本集團即時現金需求而定，而利息則按各個短期定期存款利率賺取。銀行結餘及定期存款乃存入近期並無拖欠記錄的信譽良好銀行。

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19. TRADE PAYABLES

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

| | | Group 本集團 | |
|----------------|-------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Within 1 month | 1個月以內 | 3,900 | 1,798 |
| 1 to 3 months | 1至3個月 | 404 | 155 |
| Over 3 months | 3個月以上 | 758 | 521 |
| | | 5,062 | 2,474 |

The trade payables are non-interest-bearing and are normally settled on terms of 30 days.

19. 貿易應付款項

於報告期末，根據發票日期對貿易應付款項的賬齡分析如下：

| | | Group 本集團 | |
|----------------|-------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Within 1 month | 1個月以內 | 3,900 | 1,798 |
| 1 to 3 months | 1至3個月 | 404 | 155 |
| Over 3 months | 3個月以上 | 758 | 521 |
| | | 5,062 | 2,474 |

貿易應付款項為不計息及一般於30日內清償。

20. OTHER PAYABLES AND ACCRUALS

| | | Group 本集團 | | Company 本公司 |
|----------------|--------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 | 2014 二零一四年 HK\$' 000 千港元 |
| Other payables | 其他應付款項 | 883 | 41,968 | — |
| Accruals | 應計費用 | 5,541 | 1,035 | 1,350 |
| | | 6,424 | 43,003 | 1,350 |

Included in the above other payables of the Group as at 31 December 2013 was an amount due to a non-controlling equity holder of Haian Hengfa amounting to HK\$41,635,000 which had been fully settled during the year ended 31 December 2014.

Other payables and accruals are non-interest-bearing and are normally repayable on demand.

20. 其他應付款項及應計費用

| | | Group 本集團 | | Company 本公司 |
|----------------|--------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 | 2014 二零一四年 HK\$' 000 千港元 |
| Other payables | 其他應付款項 | 883 | 41,968 | — |
| Accruals | 應計費用 | 5,541 | 1,035 | 1,350 |
| | | 6,424 | 43,003 | 1,350 |

上述本集團於二零一三年十二月三十一日的其他應付款項包括應付海安恆發一名非控股股權持有人款項為41,635,000港元，該結餘已於截至二零一四年十二月三十一日止年度悉數付清。

其他應付款項及應計費用為不計息及一般按要價償還。

21. INTEREST-BEARING BANK BORROWINGS

21. 計息銀行借款

| Group | | 2014 | | 2013 | |
|----------------------|----------|---------------------|---------------|-----------|---------------|
| | | 二零一四年 | | 二零一三年 | |
| | | Maturity | HK\$'000 | Maturity | HK\$'000 |
| | | 到期日 | 千港元 | 到期日 | 千港元 |
| Current | 即期 | 2015 or | 12,720 | On demand | 17,550 |
| Bank loans – secured | 銀行貸款－有抵押 | on demand | | 按要求 | |
| | | 二零一五年 或按要求 | | | |
| Non-current | 非即期 | 2016 - 2017 | | — | — |
| Bank loan – secured | 銀行貸款－無抵押 | 二零一六年 至 二零一七年 | 5,621 | | |
| | | | 18,341 | | 17,550 |

| | | Group | |
|--|-------------------------|---------------|---------------|
| | | 2014 | 2013 |
| | | 二零一四年 | 二零一三年 |
| | | HK\$'000 | HK\$'000 |
| | | 千港元 | 千港元 |
| Analysed into: | 按以下分析： | | |
| Bank loans repayable: | 須於以下時間償還 的銀行貸款 | | |
| Within one year or on demand | 於一年內或按要求 | 12,720 | 17,550 |
| In the second year | 第二年 | 3,176 | — |
| In the third to fifth years, inclusive | 第三年至第五年(包括 該第三年及第五年) | 2,445 | — |
| | | 18,341 | 17,550 |

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21. INTEREST-BEARING BANK BORROWINGS (Cont'd)

As at 31 December 2014, a bank loan of HK\$9,750,000 (2013: HK\$17,550,000) was a five-year term loan and repayable on demand. It was denominated in US\$ with a floating interest rate at 1.25% above the US\$ prime rate per annum. As at 31 December 2014, it was secured by the pledge of the Group's wastewater treatment concession rights comprising receivables under service concession arrangements of HK\$225,139,000 (2013: HK\$231,467,000) (note 16). As at 31 December 2013, this bank loan was also secured by personal guarantees provided by Mr. Chan Kwan, Ms. Wong Shu Ying (substantial shareholder of the Company) and Mr. Chan Chun Keung (a close family member of Mr. Chan Kwan, a director of the Company) and certain properties provided by Ms. Wong Shu Ying and Mr. Chan Chun Keung, of which these personal guarantees and charges were released upon the Listing. Subsequent to 31 December 2014, this bank loan had been fully repaid in February 2015.

As at 31 December 2014, the Group had a three-year bank loan of HK\$8,591,000 (2013: Nil) which was denominated in RMB with a fixed interest rate at 6.77% per annum. This bank loan was secured by the Group's land use right and properties used in the operation of the Group's wastewater treatment business with a total construction cost of HK\$6,047,000 which had been charged to the cost of sales in the years of construction in prior years in accordance with HK(IFRIC)-Int 12.

21. 計息銀行借款(續)

於二零一四年十二月三十一日，銀行貸款9,750,000港元(二零一三年：17,550,000港元)為須按要求償還的五年期貸款。該筆貸款以美元計值，按美元優惠利率加1.25%的浮動年利率計息。於二零一四年十二月三十一日，該筆貸款以本集團污水處理特許權安排下的應收款項225,139,000港元(二零一三年：231,467,000港元)(附註16)作抵押。於二零一三年十二月三十一日，該筆銀行貸款亦以陳昆先生、王穗英女士(本公司主要股東)及陳進強先生(本公司董事陳昆先生的家族成員)提供的個人擔保以及王穗英女士及陳進強先生提供的若干物業作抵押，該等個人擔保及押記於上市後解除。於二零一四年十二月三十一日後，該筆銀行貸款已於二零一五年二月悉數償還。

於二零一四年十二月三十一日，本集團有三年期銀行貸款8,591,000港元(二零一三年：零)，該貸款以人民幣計值，按6.77%的固定年利率計息。該筆銀行貸款以用於本集團污水處理業務營運的土地使用權及物業作抵押，有關污水處理業務營運的總建築成本為6,047,000港元，已於過往年度根據香港(國際財務報告詮釋委員會)－詮釋第12號扣自建築年度銷售成本。

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21. INTEREST-BEARING BANK BORROWINGS (Cont'd)

The maturity profile of the loans as at the end of the reporting period, based on the contractual undiscounted payments and ignoring the effect of any repayment on demand clause, is as follows:

Group

| | | 本集團 | | |
|---------------------|-------------------|--|--|--------------------------------|
| | | Within 1 year 1年內 HK\$'000 千港元 | Between 1 to 5 years 1至5年 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
| At 31 December 2014 | 於二零一四年 十二月三十一日 | 11,588 | 7,974 | 19,562 |
| At 31 December 2013 | 於二零一三年 十二月三十一日 | 8,467 | 10,083 | 18,550 |

21. 計息銀行借款(續)

根據合約未貼現付款及忽略任何根據按要條款還款的影響，該等貸款於報告期末的到期情況如下：

本集團

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22. DEFERRED TAX

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

Group

| | | Provision for major overhauls 重大 檢修撥備 HK\$' 000 千港元 | Temporary differences related to service concession arrangements 與服務特許 權安排有關的 暫時性差額 HK\$' 000 千港元 | Withholding taxes 預扣稅 HK\$' 000 千港元 | Total 總計 HK\$' 000 千港元 |
|--|-----------------------------|---|---|---|---------------------------------|
| At 1 January 2013 | 於二零一三年一月一日 | 704 | (17,163) | (6,449) | (22,908) |
| Credited/(charged) to profit or loss during the year (note 10) | 計入/(扣自)年內 損益(附註10) | 238 | (2,779) | (2,084) | (4,625) |
| Acquisition of subsidiaries (note 26) | 收購附屬公司(附註26) | 66 | (4,430) | (2,259) | (6,623) |
| Exchange realignment | 匯兌重列 | 26 | (665) | (280) | (919) |
| At 31 December 2013 and 1 January 2014 | 於二零一三年十二月三十一日 及二零一四年一月一日 | 1,034 | (25,037) | (11,072) | (35,075) |
| Credited/(charged) to profit or loss during the year (note 10) | 計入/(扣自)年內 損益(附註10) | 313 | (3,155) | (15) | (2,857) |
| Exchange realignment | 匯兌重列 | (28) | 641 | 302 | 915 |
| At 31 December 2014 | 於二零一四年十二月三十一日 | 1,319 | (27,551) | (10,785) | (37,017) |

22. 遞延稅項

遞延稅項資產及負債的組成部分(結餘淨額於綜合財務狀況表確認)及於本年的變動如下:

本集團

Temporary differences related to service concession arrangements

與服務特許 權安排有關的 暫時性差額

Withholding taxes 預扣稅

Total 總計

HK\$' 000
千港元

HK\$' 000
千港元

HK\$' 000
千港元

HK\$' 000
千港元

22. DEFERRED TAX (Cont'd)

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

| | | Group 本集團 | |
|------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Net deferred tax liabilities | 遞延稅項負債淨額 | 37,017 | 35,075 |

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

22. 遞延稅項(續)

為呈列目的，若干遞延稅項資產及負債已於綜合財務狀況表抵銷並報告如下：

| | | Group 本集團 | |
|------------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Net deferred tax liabilities | 遞延稅項負債淨額 | 37,017 | 35,075 |

根據中國企業所得稅法，在中國內地成立的外資企業向外國投資者宣派的股息須繳納10%的預扣稅。該規定自二零零八年一月一日起生效，適用於自二零零七年十二月三十一日起獲得的盈利。倘中國內地與該等外國投資者所在司法權區有簽訂稅務條約，則可按較低稅率繳納預扣稅。就本集團而言，適用的預扣稅稅率為5%或10%。因此，本集團須就該等於中國內地成立的附屬公司就二零零八年一月一日起所得盈利而分派的股息繳納預扣稅。

本公司向其股東支付股息並不附帶任何所得稅影響。

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23. PROVISION FOR MAJOR OVERHAULS

Pursuant to the service concession agreements entered into by the Group, the Group has contractual obligations to maintain the Facilities it operates to a specified level of serviceability and/or to restore the Facilities to a specified condition before they are handed over to the grantors at the end of the service concession periods. These contractual obligations to maintain or restore the Facilities, except for any upgrade element, are recognised and measured in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, i.e., at the best estimate of the expenditure that would be required to settle the present obligation at the end of each reporting period. The future expenditure on these maintenance and restoration costs is collectively referred to as “major overhauls”. The estimation basis is reviewed on an ongoing basis, and revised where appropriate.

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

23. 重大檢修撥備

根據本集團所訂立的服務特許權協議，本集團須承擔合約責任，以保養其經營的該等設施，確保其符合一定可提供服務水平及／或於服務特許期結束時，在將該等設施轉讓予授予人前，將其修復至指定狀況。保養或修復該等設施的合約責任(除升級部分外)按香港會計準則第37號撥備、或然負債及或然資產予以確認及計量，換言之，按各報告期末履行現有責任所需開支的最佳估計金額列賬。有關該等保養及修復費用的未來開支統稱為「重大檢修」。估計基準持續獲檢討並於適當時修訂。

於本年該等設施的重大檢修撥備變動如下：

| | | Group 本集團 | |
|---|------------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| | Notes 附註 | | |
| At 1 January | 於一月一日 | 4,134 | 2,810 |
| Additional provision | 額外撥備 | 1,000 | 766 |
| Increase in discounted amounts arising from the passage of time | 由於時間流逝而產生的貼現金額增加 | 253 | 187 |
| Acquisition of subsidiaries | 收購附屬公司 | — | 266 |
| Exchange realignment | 匯兌重列 | (112) | 105 |
| At 31 December | 於十二月三十一日 | 5,275 | 4,134 |

24. SHARE CAPITAL

The Reorganisation was only completed on 25 February 2014, hence, the paid-in capital as at 31 December 2013 represented the paid-in capital of Everbest Water Treatment Development and the paid-in capital as at 31 December 2014 represented the paid-in capital of the Company.

Shares

| | | 2013 二零一三年 HK\$'000 千港元 |
|--|---------------------------|----------------------------------|
| Authorised: | 法定： | |
| 100,000 ordinary shares of HK\$1 each | 100,000 股每股面值 1 港元的普通股 | 100 |
| Issued and fully paid | 已發行及繳足： | |
| 4 ordinary shares of HK\$1 each | 4 股每股面值 1 港元的普通股 | — |

| | | 2014 二零一四年 HK\$'000 千港元 |
|---|---------------------------------------|----------------------------------|
| Authorised: | 法定： | |
| 3,800,000,000 ordinary shares of HK\$0.0001 each | 3,800,000,000 股每股 面值 0.0001 港元的普通股 | 380 |
| Issued and fully paid: | 已發行及繳足： | |
| 800,000,000 ordinary shares of HK\$0.0001 each | 800,000,000 股每股 面值 0.0001 港元的普通股 | 80 |

The Company is a limited liability company incorporated in the Cayman Islands on 25 February 2014 with an initial authorised share capital of HK\$380,000 divided into 3,800,000,000 ordinary shares of HK\$0.0001 each.

24. 股本

重組於二零一四年二月二十五日完成，故於二零一三年十二月三十一日的實繳股本指恆發水務發展的實繳股本，而於二零一四年十二月三十一日的實繳股本指本公司的實繳股本。

股份

| | | 2013 二零一三年 HK\$'000 千港元 |
|--|---------------------------|----------------------------------|
| Authorised: | 法定： | |
| 100,000 ordinary shares of HK\$1 each | 100,000 股每股面值 1 港元的普通股 | 100 |
| Issued and fully paid | 已發行及繳足： | |
| 4 ordinary shares of HK\$1 each | 4 股每股面值 1 港元的普通股 | — |

| | | 2014 二零一四年 HK\$'000 千港元 |
|---|---------------------------------------|----------------------------------|
| Authorised: | 法定： | |
| 3,800,000,000 ordinary shares of HK\$0.0001 each | 3,800,000,000 股每股 面值 0.0001 港元的普通股 | 380 |
| Issued and fully paid: | 已發行及繳足： | |
| 800,000,000 ordinary shares of HK\$0.0001 each | 800,000,000 股每股 面值 0.0001 港元的普通股 | 80 |

本公司為於二零一四年二月二十五日在開曼群島註冊成立的有限公司，最初法定股本為380,000港元，分為3,800,000,000股每股面值0.0001港元的普通股。

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24. SHARE CAPITAL (Cont'd)

The movements in the Company's issued share capital during the period from 25 February 2014 (date of incorporation) to 31 December 2014 were as follows:

| | | Notes 附註 | Number of ordinary shares in issue 已發行 普通股數目 | Issued capital HK\$'000 已發行股本 千港元 |
|--|------------------------------|-------------|---|---|
| At 25 February 2014 (date of incorporation) | 於二零一四年 二月二十五日 (註冊成立日期) | | — | — |
| Issue of shares | 股份發行 | (i) | 1,000 | — |
| Issue of shares pursuant to the Share Swap | 根據股份互換的 股份發行 | (ii) | 599,999,000 | 60 |
| Issue of shares pursuant to the Share Offer | 根據股份發售的股份發行 | (iii) | 200,000,000 | 20 |
| At 31 December 2014 | 於二零一四年 十月三十一日 | | 800,000,000 | 80 |

Notes:

- (i) On the date of incorporation, one ordinary share was allotted and issued by the Company to the initial subscriber, Mapcal Limited, at HK\$0.0001 per share and such one share was transferred to Wealthy Sea Holdings Limited ("Wealthy Sea") on the same day. On the same day, 625 ordinary shares were allotted and issued to Everbest Water Treatment Investment (Haian) Limited ("Everbest Investment Haian") and another 374 ordinary shares were allotted and issued to Wealthy Sea for cash at par value. Wealthy Sea and Everbest Investment Haian were the shareholders of Everbest Water Treatment Development prior to the completion of the Reorganisation on 25 February 2014.
- (ii) On 25 February 2014, Everbest Investment Haian and Wealthy Sea transferred all the shares they held in Everbest Water Treatment Development to a directly wholly-owned subsidiary of the Company in consideration of the Company allotting and issuing 374,999,375 and 224,999,625 ordinary shares to them, respectively, in connection with the Reorganisation (the "Share Swap"). Further details are set out in the paragraph "Reorganisation" in the section headed "History, Reorganisation and Corporate Structure" to the Prospectus.

24. 股本(續)

本公司於二零一四年二月二十五日(註冊成立日期)至二零一四年十二月三十一日的已發行股本變動如下:

| | | Notes 附註 | Number of ordinary shares in issue 已發行 普通股數目 | Issued capital HK\$'000 已發行股本 千港元 |
|--|------------------------------|-------------|---|---|
| At 25 February 2014 (date of incorporation) | 於二零一四年 二月二十五日 (註冊成立日期) | | — | — |
| Issue of shares | 股份發行 | (i) | 1,000 | — |
| Issue of shares pursuant to the Share Swap | 根據股份互換的 股份發行 | (ii) | 599,999,000 | 60 |
| Issue of shares pursuant to the Share Offer | 根據股份發售的股份發行 | (iii) | 200,000,000 | 20 |
| At 31 December 2014 | 於二零一四年 十月三十一日 | | 800,000,000 | 80 |

附註:

- (i) 於註冊成立日期，一股普通股由本公司按每股0.0001港元配發及發行予初始認購人Mapcal Limited，而該一股股份同日獲轉讓予潤海集團有限公司(「潤海」)。同日，本公司按每股普通股面值分別配發及發行625股普通股予恆發水務投資(海安)有限公司(「恆發投資海安」)及374股普通股予潤海以換取現金。潤海及恆發投資海安於二零一四年二月二十五日完成重組前為恆發水務發展的股東。
- (ii) 於二零一四年二月二十五日，就重組而言，恆發投資海安及潤海分別轉移彼等於恆發水務發展持有的所有股份予本公司一間直接附屬公司，作為本公司向彼等配發及發行374,999,375股及224,999,625股普通股的代價(「股份互換」)。進一步詳情載於本招股章程「歷史、重組及公司架構」一節「重組」一段。

24. SHARE CAPITAL (Cont'd)

- (iii) In connection with the listing of the shares of the Company on the Stock Exchange (the "Share Offer"), 200,000,000 new ordinary shares of HK\$0.0001 each were issued at a price of HK\$0.55 per ordinary share for a total cash consideration, before expenses, of HK\$110,000,000. Dealings in the shares of the Company on the Stock Exchange commenced on 26 September 2014.

25. RESERVES

(a) Group

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

(i) Other reserves

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

(ii) Exchange fluctuation reserve

The exchange fluctuation reserve comprises all relevant exchange differences arising from the translation of the financial statements of operations with functional currencies other than HK\$.

(iii) Reserve funds

The transfers from retained profits to the reserve funds were made in accordance with the relevant PRC rules and regulations and the articles of association of the Company's subsidiaries established in the PRC.

24. 股本(續)

- (iii) 就本公司股份於聯交所上市(「股份發售」)而言，200,000,000股每股面值0.0001港元的新普通股已按每股普通股0.55港元的價格發行，總現金代價(未計入有關開支)為110,000,000港元。本公司股份於二零一四年九月二十六日在聯交所開始買賣。

25. 儲備

(a) 本集團

於本年度及過往年度，本集團儲備數額及其變動呈列於綜合權益變動表。

(i) 其他儲備

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

(ii) 匯兌波動儲備

匯兌波動儲備包括將財務運營報表換算為港元以外功能貨幣產生的所有相關匯兌差額。

(iii) 儲備金

根據有關中國規則及法規以及本公司於中國成立附屬公司的組織章程細則將保留溢利轉化為儲備金。

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25. RESERVES (Cont'd)

(b) Company

| | | Share premium 股份溢利 HK\$' 000 千港元 | Retained profits 保留溢利 HK\$' 000 千港元 | Total 總計 HK\$' 000 千港元 |
|--|------------------------------|---|--|---------------------------------|
| At 25 February 2014 (date of incorporation) | 於二零一四年 二月二十五日 (註冊成立日期) | — | — | — |
| Profit and total comprehensive income for the year | 年內溢利及全面收入總額 | — | 28,346 | 28,346 |
| Issue of shares pursuant to the Share Swap (note 24(ii)) | 根據股份互換的股份發行 (附註 24(ii)) | 113,720 | — | 113,720 |
| Issue of shares pursuant to the Share Offer (note 24(iii)) | 根據股份發售的股份發行 (附註 24(iii)) | 109,980 | — | 109,980 |
| Share issue expenses | 股份發行開支 | (10,360) | — | (10,360) |
| Interim special 2014 dividend (note 12) | 二零一四年中期特別股息 (附註 12) | (30,000) | — | (30,000) |
| At 31 December 2014 | 於二零一四年 十二月三十一日 | 183,340 | 28,346 | 211,686 |

25. 儲備(續)

(b) 本公司

26. ACQUISITION OF SUBSIDIARIES

On 15 February 2013, the Group entered into a sale and purchase agreement with Ms. Wong Shu Ying and Ms. Judy Chan (a close family member to Mr. Chan Kwan, a director of the Company) to acquire a 100% equity interest in Greatcorp at an aggregate consideration of HK\$18,397,000. Greatcorp and its subsidiary (collectively “Greatcorp Group”) are principally engaged in the wastewater treatment services in Mainland China. The acquisition was completed on the same day.

The fair values of the identifiable assets and liabilities of Greatcorp Group as at the date of acquisition were as below:

26. 收購附屬公司

於二零一三年二月十五日，本集團與王穗英女士及陳芳女士（本公司董事陳昆先生的家族成員）訂立買賣協議，以總代價18,397,000港元收購宏皓全部股權。宏皓及其附屬公司（統稱「宏皓集團」）主要於中國內地從事污水處理服務。收購事項於同日完成。

於收購日期，宏皓集團的可識別資產及負債的公允值如下：

| | | Notes 附註 | Fair value recognised on acquisition 於收購時確認 的公允值 HK\$'000 千港元 |
|--|----------------------|-------------|---|
| Property, plant and equipment | 物業、廠房及設備 | 14 | 77 |
| Receivables under service concession arrangements | 服務特許權安排下的應收款項 | | 86,692 |
| Prepayments and other receivables | 預付款項及其他應收款項 | | 13,121 |
| Inventories | 存貨 | | 107 |
| Amount due from a related party | 應收一名關聯方款項 | | 7,722 |
| Cash and bank balances | 現金及銀行結餘 | | 13,350 |
| Trade payables | 貿易應付款項 | | (301) |
| Other payables and accruals | 其他應付款項及應計費用 | | (3,046) |
| Amounts due to related parties | 應付關聯方款項 | | (59,674) |
| Interest-bearing bank borrowing | 計息銀行借款 | | (25,350) |
| Income tax payables | 應付所得稅 | | (4,002) |
| Deferred tax liabilities | 遞延稅項負債 | 22 | (6,623) |
| Provision for major overhauls | 重大檢修撥備 | 23 | (266) |
| Total identifiable net assets at fair value | 按公允值可識別資產淨值總額 | | 21,807 |
| Total consideration satisfied by amounts due to beneficial shareholders | 以應付實益股東款項支付 的總代價 | | 18,397 |
| Less: Fair value of net assets recognised | 減：已確認資產淨值的公允值 | | (21,807) |
| Gain on bargain purchase of subsidiaries | 議價購買附屬公司收益 | | (3,410) |

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26. ACQUISITION OF SUBSIDIARIES (Cont'd)

The fair values of the receivables under service concession arrangements and other receivables as at the date of acquisition amounted to HK\$86,692,000 and HK\$12,996,000, respectively. The gross contractual amounts of receivables under service concession arrangements and other receivables were HK\$86,692,000 and HK\$12,996,000, respectively. None of these balances are expected to be uncollectible.

Acquisition-related costs are minimal and were expensed in profit or loss for the year ended 31 December 2013.

The bargain purchase was arisen from the acquisition as the Group's interest in net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date exceeded the aggregate of the fair value of the consideration transferred.

An analysis of the cash flows in respect of the acquisition of Greatcorp Group is as below:

| | | HK\$'000 千港元 |
|--|----------------------------|-----------------|
| Cash and bank balances acquired | 收購現金及銀行結餘 | 13,350 |
| Net inflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動產生的現金流量的現金及現金等價物流入淨額 | 13,350 |

Since the acquisition, Greatcorp Group contributed HK\$16,392,000 to the Group's turnover and HK\$9,094,000 to the Group's profit for the year ended 31 December 2013.

Had the combination taken place at the beginning of the year ended 31 December 2013, the Group's revenue and profit for the year would have been HK\$67,300,000 and HK\$34,967,000, respectively.

26. 收購附屬公司(續)

於收購日期服務特許權安排下的應收款項及其他應收款項的公允值分別為86,692,000港元及12,996,000港元。服務特許權安排下的應收款項及其他應收款項的總合約金額分別為86,692,000港元及12,996,000港元。預期該等結餘均不會無法收回。

收購相關成本極低且於截至二零一三年十二月三十一日止年度損益內支銷。

議價購買來自由於本集團在於收購日期計量的被收購方可識別資產及負債的公允值中的權益超過轉讓代價公允值總額而進行收購。

有關收購宏皓集團的現金流量的分析如下：

| | | HK\$'000 千港元 |
|--|----------------------------|-----------------|
| Cash and bank balances acquired | 收購現金及銀行結餘 | 13,350 |
| Net inflow of cash and cash equivalents included in cash flows from investing activities | 計入投資活動產生的現金流量的現金及現金等價物流入淨額 | 13,350 |

自收購起，宏皓集團於截至二零一三年十二月三十一日止年度為本集團營業額貢獻16,392,000港元及為本集團溢利貢獻9,094,000港元。

倘合併於截至二零一三年十二月三十一日止年度初已發生，本集團的年內營業收入及溢利將分別為67,300,000港元及34,967,000港元。

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27. MATERIAL NON-WHOLLY-OWNED SUBSIDIARY THAT HAS A MATERIAL NON-CONTROLLING INTEREST

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

Group

| Name of subsidiary 附屬公司名稱 | Percentage of equity interest held by non-controlling interest 非控股權益所持股權百分比 | | Profit for the year allocated to non-controlling interest 分配予非控股權益的年內溢利 | | Accumulated balance of non-controlling interest 非控股權益的累計結餘 | |
|------------------------------|--|---------------|--|------------------|--|------------------|
| | 2014 二零一四年 | 2013 二零一三年 | 2014 二零一四年 | 2013 二零一三年 | 2014 二零一四年 | 2013 二零一三年 |
| | % | % | HK\$' 000 千港元 | HK\$' 000 千港元 | HK\$' 000 千港元 | HK\$' 000 千港元 |
| Haian Hengfa 海安恆發 | 30 | 30 | 2,008 | 1,635 | 28,234 | 26,906 |

27. 擁有重大非控股權益的重要非全資附屬公司

擁有重大非控股權益的本集團附屬公司的詳情載列於下：

本集團

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27. MATERIAL NON-WHOLLY-OWNED SUBSIDIARY THAT HAS A MATERIAL NON-CONTROLLING INTEREST (Cont'd)

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

27. 擁有重大非控股權益的重要非全資附屬公司(續)

下表闡述上述附屬公司的概述財務資料。所披露數額乃屬進行任何公司間對銷前：

| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|-------------------------|-------|-----------------------------------|-----------------------------------|
| Current assets | 流動資產 | 12,497 | 55,613 |
| Non-current assets | 非流動資產 | 107,066 | 98,210 |
| Current liabilities | 流動負債 | (7,720) | (53,417) |
| Non-current liabilities | 非流動負債 | (17,729) | (10,722) |

| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|--|-----------|-----------------------------------|-----------------------------------|
| Revenue | 營業收入 | 27,489 | 13,203 |
| Total expenses | 總開支 | (20,796) | (7,753) |
| Profit for the year | 年內溢利 | 6,693 | 5,450 |
| Total comprehensive income for the year | 年內總全面收入 | 4,429 | 7,950 |
| Dividends paid to non-controlling interest | 派付非控股權益股息 | — | — |

| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
|---|-----------------------|-----------------------------------|-----------------------------------|
| Net cash flows from operating activities | 經營活動產生的 現金流量淨額 | 7,020 | 337 |
| Net cash flows used in investing activities | 投資活動使用的 現金流量淨額 | (244) | (500) |
| Net cash flows from/(used in) financing activities | 融資活動產生/(使用) 的現金流量淨 | (35,441) | 22,954 |
| Net increase/(decrease) in cash and cash equivalents | 現金及現金等價物 增加/(減少)淨額 | (28,665) | 22,791 |

28. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

During the year ended 31 December 2014, shareholders' loans of HK\$51,482,000 and HK\$30,822,000 owed by the Group to Everbest Investment Haian and Wealthy Sea, respectively, were capitalised as other reserve upon the completion of the Reorganisation on 25 February 2014.

29. CONTINGENT LIABILITIES

As at 31 December 2014, the Group had no significant contingent liabilities (2013: Nil).

As at 31 December 2014, the Company had a guarantee given to a bank in connection with a facility granted to a subsidiary. The bank facility guaranteed by the Company was utilised to the extent of HK\$9,750,000 as at 31 December 2014.

30. OPERATING LEASE ARRANGEMENT – AS LESSEE

The Group leases certain of its office premises under an operating lease arrangement. The lease for these office premises is negotiated for a term of two years.

As at the end of the reporting period, the Group had a total future minimum lease payment under a non-cancellable operating lease falling due as follows:

| | | Group 本集團 | |
|---|--------------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Within one year | 一年內 | 276 | — |
| In the second to fifth years, inclusive | 第二至第五年 (包括首尾兩年) | 184 | — |
| | | 460 | — |

At the end of the reporting period, the Company had no significant operating lease arrangements.

28. 綜合現金流量表附註

截至二零一四年十二月三十一日止年度，本集團分別欠付恆發投資海安及潤海的51,482,000港元及30,822,000港元股東貸款於二零一四年二月二十五日完成重組後撥充資本為其他儲備。

29. 或然負債

於二零一四年十二月三十一日，本集團概無重大或然負債(二零一三年：無)。

於二零一四年十二月三十一日，本公司就授予一間附屬公司的融資向銀行提供擔保。於二零一四年十二月三十一日，本公司擔保的銀行融資已動用9,750,000港元。

30. 經營租賃安排 – 作為承租人

本集團根據經營租賃安排租賃若干辦公室物業。該等辦公室物業的租賃期定為兩年。

於報告期末，本集團根據不可撤銷經營租賃，於下列期間到期的未來最低租賃款項總額如下：

於報告期末，本公司並無重大經營租賃安排。

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31. COMMITMENTS

At the end of the reporting period, the Group had the following significant capital commitments with respect of service concession arrangements:

| | | Group 本集團 | |
|------------------------------------|---------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Contracted, but not provided for | 已訂約但未撥備 | 35,287 | 4,916 |
| Authorised, but not contracted for | 已授權但未訂約 | 51,645 | 56,753 |
| | | 86,932 | 61,669 |

At the end of the reporting period, the Company had no significant commitments.

32. RELATED PARTY TRANSACTIONS

(a) Recurring transaction with related parties and commitment with related parties

The Group has sub-leased the commercial premises located at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong (the "Office Premises") for use as offices from Dragonfield Management Limited ("Dragonfield"), a company substantially owned by Ms. Judy Chan and Ms. Wong Shu Ying at nil consideration during the period from 1 January 2014 to 26 August 2014 (2013: Nil consideration). On 5 September 2014, the Group entered into a commercial premises sub-lease agreement with Dragonfield for the continuing use and occupation of the Office Premises after the Listing, retrospectively, effective from 27 August 2014 to 26 August 2016 at a rental of HK\$276,000 per annum. The amount charged to profit or loss during the year ended 31 December 2014 was HK\$115,000. The Group expects total rental expenses to Dragonfield in 2015 and 2016 to be approximately HK\$276,000 and HK\$184,000, respectively.

31. 承擔

於報告期末，本集團擁有以下與服務特許權安排有關的重大資本承擔：

| | | Group 本集團 | |
|------------------------------------|---------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Contracted, but not provided for | 已訂約但未撥備 | 35,287 | 4,916 |
| Authorised, but not contracted for | 已授權但未訂約 | 51,645 | 56,753 |
| | | 86,932 | 61,669 |

於報告期末，本公司並無重大承擔。

32. 關聯方交易

(a) 與關聯方的經常性交易及與關聯方的承擔

於二零一四年一月一日至二零一四年八月二十六日期間，本集團已以零代價(「二零一三年：零代價」)向龍田管理有限公司(「龍田」)(由陳芳女士及王穗英女士實質擁有的公司)分租位於香港華蘭路20號華蘭中心11樓1-3室的商用物業(「辦公室物業」)用作辦公室。於二零一四年九月五日，本集團與龍田訂立商用物業分租協議，以持續使用及佔用辦公室物業，並追溯生效，自二零一四年八月二十七日起至二零一六年八月二十六日止，年租金為276,000港元。截至二零一四年十二月三十一日止年度，自損益扣除的金額為115,000港元。本集團預期與龍田於二零一五年及二零一六年的總租賃開支分別約為276,000港元及184,000港元。

32. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Non-recurring transactions with related parties

- (i) During the year ended 31 December 2013, certain of the Group's wastewater treatment concession rights were pledged to secure a bank loan of Greatcorp. Prior to the acquisition as detailed in note 26, Ms. Judy Chan and Ms. Wong Shu Ying effectively each held 50% in Greatcorp. This bank loan was also secured by personal guarantees provided by Mr. Chan Kwan, Ms. Wong Shu Ying and Mr. Chan Chun Keung and certain properties provided by Ms. Wong Shu Ying and Mr. Chan Chun Keung (note 21).
- (ii) On 15 February 2013, the Group acquired Greatcorp from Ms. Wong Shu Ying and Ms. Judy Chan at an aggregate consideration of HK\$18,397,000. Details of the transaction are included in note 26 to the financial statements.

(c) Outstanding balances with related parties

32. 關聯方交易(續)

(b) 與關聯方的非經常性交易

- (i) 截至二零一三年十二月三十一日止年度，本集團若干污水處理特許權獲抵押作為宏皓一筆銀行貸款的擔保。於附註26所詳述之收購前，陳芳女士及王穗英女士各實益持有宏皓50%股權。該筆銀行貸款亦以陳昆先生、王穗英女士及陳進強先生提供的個人擔保以及王穗英女士及陳進強先生提供的若干物業作擔保(附註21)。
- (ii) 於二零一三年二月十五日，本集團以總代價18,397,000港元向王穗英女士及陳芳女士收購宏皓。有關交易的詳情載於財務報表附註26。

(c) 與關聯方的未清償結餘

| | | Group 本集團 | |
|-----------------------------|----------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| | | Notes 附註 | |
| Due from a related party: | 應收一名關聯方： | | |
| – Mr. Chan Kwan | – 陳昆先生 | (i) | 542 |
| Due to a related party: | 應付一名關聯方： | | |
| – Mr. Chan Kwan | – 陳昆先生 | (i) | 8,965 |
| Shareholders' loans: | 股東貸款： | | |
| – Wealthy Sea | – 潤海 | (ii) | 30,822 |
| – Everbest Investment Haian | – 恆發投資海安 | (ii) | 58,507 |
| | | | 89,329 |

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32. RELATED PARTY TRANSACTIONS (Cont'd)

(c) Outstanding balances with related parties (Cont'd)

Notes:

- (i) The balances represented advances/payments that were non-trade in nature, unsecured, interest-free and repayable on demand. All of these balances had been settled by cash during the year.
- (ii) These entities are the shareholders of Everbest Water Treatment Development prior to the completion of the Reorganisation on 25 February 2014. The amounts were unsecured, interest-free and not repayable within one year. On 25 February 2014, in consideration for cancellation of shareholders' loans of HK\$51,482,000 and HK\$30,822,000 owed by the Group to Everbest Investment Haian and Wealthy Sea, respectively, 623 shares and 373 shares of HK\$1.00 each of Everbest Water Treatment Development were allotted and issued to Everbest Investment Haian and Wealthy Sea, respectively. The remaining balances had been settled by cash during the year.

(d) Compensation of key management personnel of the Group

| | | | |
|---|----------------|-------|-----|
| Short term employee benefits | 短期僱員福利 | 2,166 | 522 |
| Post-employment benefits | 離職後福利 | 55 | 8 |
| Total compensation paid to key management personnel | 支付予主要管理人員的薪酬總額 | 2,221 | 530 |

Further details of compensation of directors' emoluments are included in note 8 to the financial statements.

The related party transaction in respect of item (a) above also constitutes continuing connected transaction as defined in Chapter 14A of the Listing Rules.

32. 關聯方交易(續)

(c) 與關聯方的未清償結餘(續)

附註：

- (i) 該等結餘為非買賣的墊款／付款，無抵押、不計息及按要求償還。所有該等結餘已於本年度以現金償付。
- (ii) 於二零一四年二月二十五日完成重組前，該等實體為恆發水務發展的股東。該等款項為無抵押、免息及毋須於一年內償還。於二零一四年二月二十五日，作為註銷本集團分別欠付恆發投資海安及潤海的51,482,000港元及30,822,000港元股東貸款的代價，恆發水務發展分別配發及發行623股及373股每股面值1.00港元的股份予恆發投資海安及潤海。餘額已於本年度清償。

(d) 本集團主要管理人員的薪酬

| | | Group 本集團 | |
|---|----------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 |
| Short term employee benefits | 短期僱員福利 | 2,166 | 522 |
| Post-employment benefits | 離職後福利 | 55 | 8 |
| Total compensation paid to key management personnel | 支付予主要管理人員的薪酬總額 | 2,221 | 530 |

董事酬金的進一步詳情載於財務資料附註8。

有關上文項目(a)的關聯方交易亦構成上市規則第14A章所定義之持續關連交易。

33. FINANCIAL INSTRUMENTS BY CATEGORY

As at the end of the reporting period, all the financial assets and liabilities of the Group and the Company were loans and receivables and financial liabilities at amortised cost, respectively.

34. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Group's financial instruments reasonably approximate to their fair values.

Management has assessed that the fair values of the current portion of receivables under service concession arrangements, other receivables, amounts due from and to a related party, cash and cash equivalents, trade payables, other payables and interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair values of non-current portion of receivables under service concession arrangements and interest-bearing bank borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for interest-bearing bank borrowings as at 31 December 2014 was assessed to be insignificant.

During the year ended 31 December 2014, there was no transfer of fair value measurement between Level 1 and Level 2 and no transfer into or out of Level 3 for both financial assets and financial liabilities (2013: Nil).

33. 按類別劃分的金融工具

於報告期末，本集團及本公司的全部金融資產及負債分別為貸款及應收款項以及按攤銷成本列值的金融負債。

34. 金融工具的公允值及公允值層級

本集團金融工具的賬面值與公允值合理相若。

管理層已評估服務特許權安排下的應收款項、其他應收款項、應收及應付關聯方款項、現金及現金等價物、貿易應付款項、其他應付款項及計息銀行借款即期部分的公允值與其賬面值相若，主要由於該等工具到期時間短所致。

本集團由財務經理領導的財務團隊負責釐定金融工具公允值計量的政策及程序。財務團隊直接向財務總監報告。於各報告日，財務團隊分析金融工具價值的變動並釐定用於估值的主要輸入數據。估值由財務總監進行審批。

金融資產及負債的公允值以該工具自願交易方(而非強迫或清盤出售)當前交易下的可交易金額入賬。

服務特許權安排下的應收款項非即期部分及計銀行借款的公允值乃透過按現時應用在具相若條款、信貸風險及剩餘到期日的工具上的利率對預期未來現金流量進行貼現而計算得出。於二零一四年十二月三十一日，本集團計息銀行借款的未履約風險被評定為不重大。

截至二零一四年十二月三十一日止年度，公允值計量無第一層級與第二層級間的轉換，也無金融資產及金融負債轉入或轉出第三層級(二零一三年：無)。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The directors of the Company review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate.

For floating rate bank borrowings, a 50 (2013: 50) basis point increase/decrease in interest rate at 31 December 2014 would have decreased/increased the Group's profit before tax for the year by HK\$49,000 (2013: HK\$88,000).

Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. Individual companies within the Group have limited foreign currency risk as most of the transactions are denominated in the same currency as the functional currency of the operations in which they relate. However, as the principal subsidiaries mainly carried out transactions in RMB, therefore any appreciation or depreciation of HK\$ against RMB will affect the Group's consolidated financial position and be reflected in the exchange fluctuation reserve.

35. 金融風險管理目標及政策

本集團金融工具產生的主要風險為利率風險、外幣風險、信用風險及流動資金風險。本公司董事審閱並同意該等風險管理的政策，茲概述如下。

利率風險

本集團所面臨的市場利率變動風險主要來自於本集團所承擔的浮動利率債務責任。

對於浮動利率銀行借款，於二零一四年十二月三十一日利率上調／下調50(二零一三年：50)個基點將使本集團於年內的除稅前溢利減少／增加49,000港元(二零一三年：88,000港元)。

外幣風險

外幣風險為匯率變動導致金融工具價值波動的風險。由於本集團內各公司大部分交易採用的貨幣與其業務有關功能貨幣相同，因此本集團內各公司僅承受有限的外幣風險。但是，由於主要附屬公司主要以人民幣開展交易，因此，港元兌人民幣的任何升值或貶值將對本集團的綜合財務狀況產生影響並影響匯兌波動儲備。

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The main credit risk exposure to the Group arises from the default or delinquency in principal payment of receivables under service concession arrangements. The Group has concentration of credit risk in relation to receivables under service concession arrangements as the Group transacts only with two customers whom are municipal governments in Mainland China. The receivables under service concession arrangements are monitored on an ongoing basis. In the opinion of the directors of the Company, the credit risk is not significant.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, and financial assets included in other receivables, the Group's exposure to the credit risk arises from the default of the counterparties, with a maximum exposure equal to the carrying amounts of these financial assets in the consolidated statement of financial position.

Liquidity risk

The Group's objectives are to maintain a prudent financial policy, to monitor liquidity ratios against risk limits and to maintain contingency plan for funding to ensure that the Group maintains sufficient cash to meet its liquidity requirements.

35. 金融風險管理目標及政策(續)

信用風險

信用風險為金融工具的一方未能履行責任將導致另一方產生財務損失的風險。

本集團所承擔的主要信用風險來自服務特許權安排下的應收款項重大付款拖欠。由於本集團僅與兩名中國內地市政府客戶交易，故就服務特許權安排下的應收款項存在信用集中風險。服務特許權安排下的應收款項按持續基準獲監控。本公司董事認為信用風險並不重大。

就本集團其他金融資產(包括現金及現金等價物以及計入其他應收款項的金融資產)產生的信用風險而言，本集團所承受的信用風險來自交易對手拖欠，所承擔最高風險等於綜合財務狀況表內該等金融資產的賬面值。

流動資金風險

本集團的目標為保持審慎金融政策、針對風險限制監控流動資金比率並維持籌資或然計劃，以確保本集團保持充足現金以滿足其流動資金需求。

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35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Liquidity risk (Cont'd)

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

Group

| | | Within 1 year or on demand 1年內 或按要求 HK\$'000 千港元 | Between 1 and 2 years 1至2年 HK\$'000 千港元 | Between 2 and 5 years 2至5年 HK\$'000 千港元 | Total 總計 HK\$'000 千港元 |
|----------------------------------|---------------|--|--|--|--------------------------------|
| At 31 December 2014 | 於二零一四年十二月三十一日 | | | | |
| Trade payables | 貿易應付款項 | 5,062 | — | — | 5,062 |
| Other payables (note 20) | 其他應付款項(附註20) | 883 | — | — | 883 |
| Interest-bearing bank borrowings | 計息銀行借款 | 13,227 | 3,477 | 2,525 | 19,229 |
| | | 19,172 | 3,477 | 2,525 | 25,174 |

35. 金融風險管理目標及政策(續)

流動資金風險(續)

以已訂約未貼現付款為基準，本集團於報告期末的金融負債到期情況如下：

本集團

| | | Within 1 year or on demand 1年內 或按要求 HK\$'000 千港元 |
|---------------------------------|---------------|--|
| At 31 December 2013 | 於二零一三年十二月三十一日 | |
| Trade payables | 貿易應付款項 | 2,474 |
| Other payables (note 20) | 其他應付款項(附註20) | 41,968 |
| Amounts due to related parties | 應付關聯方款項 | 8,965 |
| Interest-bearing bank borrowing | 計息銀行借款 | 17,550 |
| | | 70,957 |

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Company

As at 31 December 2014, all of the Company's financial liabilities, including a guarantee given to a bank in connection with a bank loan granted to a subsidiary amounting to HK\$9,750,000, were repayable within one year or on demand.

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2014 and 2013.

35. 金融風險管理目標及政策(續)

本公司

於二零一四年十二月三十一日，本公司所有的財務負債，須於一年內或按要求償還，當中包括就授予一間附屬公司的銀行貸款9,750,000港元而給予銀行的擔保。

資本管理

本集團資本管理的主要目標為保障本集團以持續基準繼續經營，以及維持合理的資本比率支持其業務。

本集團根據經濟狀況變動管理其資本架構及作出調整。為維持或調整資本架構，本集團可調整支付予股東的股息、向股東退回資本或發行新股。截至二零一四年及二零一三年十二月三十一日止年度，管理資本的目標、政策或過程並無變動。

Notes to Financial Statements 財務報表附註

31 December 2014 二零一四年十二月三十一日

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

Capital management (Cont'd)

The Group monitors capital using a gearing ratio, which is calculated by dividing total debt by total equity. Total debt is the sum of other payables and accruals, an amount due to a related party, interest-bearing bank borrowings and shareholders' loans which represent payables of the Group incurred out of the ordinary course of business. The Group's policy is to maintain the gearing ratio at a reasonable level. The gearing ratios as at the end of the reporting periods were as follows:

Group

| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|----------------------------------|-----------------|----------------------------------|----------------------------------|
| Other payables and accruals | 其他應付款項 及應計費用 | 6,424 | 43,003 |
| Amount due to a related party | 應付一名關聯方款項 | — | 8,965 |
| Interest-bearing bank borrowings | 計息銀行借款 | 18,341 | 17,550 |
| Shareholders' loans | 股東貸款 | — | 89,329 |
| Total debt | 債務總額 | 24,765 | 158,847 |
| Total equity | 權益總額 | 364,829 | 215,252 |
| Gearing ratio | 資產負債比率 | 0.1 | 0.7 |

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 March 2015.

35. 金融風險管理目標及政策(續)

資本管理(續)

本集團按資產負債比率(以債務總額除以權益總額計算)監管資本。債務總額指並非於日常業務過程中產生的本集團應付款項總額,包括其他應付款項及應計費用、應付一名關聯方款項、計息銀行借款及股東貸款。本集團的政策為將資產負債比率維持於合理水平。於報告期末的資產負債比率如下:

本集團

| | | 2014 二零一四年 HK\$'000 千港元 | 2013 二零一三年 HK\$'000 千港元 |
|----------------------------------|-----------------|----------------------------------|----------------------------------|
| Other payables and accruals | 其他應付款項 及應計費用 | 6,424 | 43,003 |
| Amount due to a related party | 應付一名關聯方款項 | — | 8,965 |
| Interest-bearing bank borrowings | 計息銀行借款 | 18,341 | 17,550 |
| Shareholders' loans | 股東貸款 | — | 89,329 |
| Total debt | 債務總額 | 24,765 | 158,847 |
| Total equity | 權益總額 | 364,829 | 215,252 |
| Gearing ratio | 資產負債比率 | 0.1 | 0.7 |

36. 財務報表的批准

於二零一五年三月十八日,財務報表獲得董事會批准及授權刊發。

Four-Year Financial Summary 四年財務概要

The consolidated results of ELL Environmental Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) for the year ended 31 December 2014 and the consolidated assets, liabilities and non-controlling interest of the Group as at 31 December 2014 are those set out in the audited financial statements.

The summary of the consolidated results of the Group for each of the three years ended 31 December 2011, 2012 and 2013 and of the consolidated assets, liabilities and non-controlling interest of the Group as at 31 December 2011, 2012 and 2013 has been extracted from the prospectus issued on 12 September 2014 in connection with the listing of the Company’s shares on the Main Board of the Stock Exchange of Hong Kong Limited on 26 September 2014.

No financial statements of the Group for the year ended 31 December 2010 have been published.

The summary below does not form part of the audited financial statements.

RESULTS

強泰環保控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一四年十二月三十一日止年度的綜合業績以及本集團於二零一四年十二月三十一日的綜合資產、負債及非控股權益載於經審核財務報表。

本集團截至二零一一年、二零一二年及二零一三年十二月三十一日止三個年度各年的綜合業績以及本集團於二零一一年、二零一二年及二零一三年十二月三十一日的綜合資產、負債及非控股權益概要摘錄自日期為二零一四年九月十二日有關本公司股份於二零一四年九月二十六日在聯交所主板上市的招股章程。

本集團並無刊登截至二零一零年十二月三十一日止年度的財務報表。

以下概要並不構成經審核財務報表的一部分。

業績

| | | Year ended 31 December 截至十二月三十一日止年度 | | | |
|---------------------|-------|--|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 | 2012 二零一二年 HK\$' 000 千港元 | 2011 二零一一年 HK\$' 000 千港元 |
| Revenue | 收益 | 85,183 | 65,090 | 46,900 | 44,560 |
| Profit before tax | 除稅前溢利 | 22,136 | 47,974 | 34,007 | 31,325 |
| Income tax expense | 所得稅開支 | (10,861) | (14,080) | (6,973) | (5,784) |
| Profit for the year | 年內溢利 | 11,275 | 33,894 | 27,034 | 25,541 |

Four-Year Financial Summary 四年財務概要

ASSETS, LIABILITIES AND NON-CONTROLLING INTEREST

資產、負債及非控股權益

| | | As at 31 December 於十二月三十一日 | | | |
|--------------------------|-------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | 2014 二零一四年 HK\$' 000 千港元 | 2013 二零一三年 HK\$' 000 千港元 | 2012 二零一二年 HK\$' 000 千港元 | 2011 二零一一年 HK\$' 000 千港元 |
| Total assets | 總資產 | 437,796 | 425,682 | 433,969 | 362,189 |
| Total liabilities | 總負債 | (72,967) | (210,430) | (260,897) | (218,006) |
| Non-controlling interest | 非控股權益 | (28,234) | (26,906) | (24,521) | (22,775) |
| | | 336,595 | 188,346 | 148,551 | 121,408 |



ELL
Environmental
Holdings Limited