



ELL
Environmental
Holdings Limited

2015
Annual Report
年報

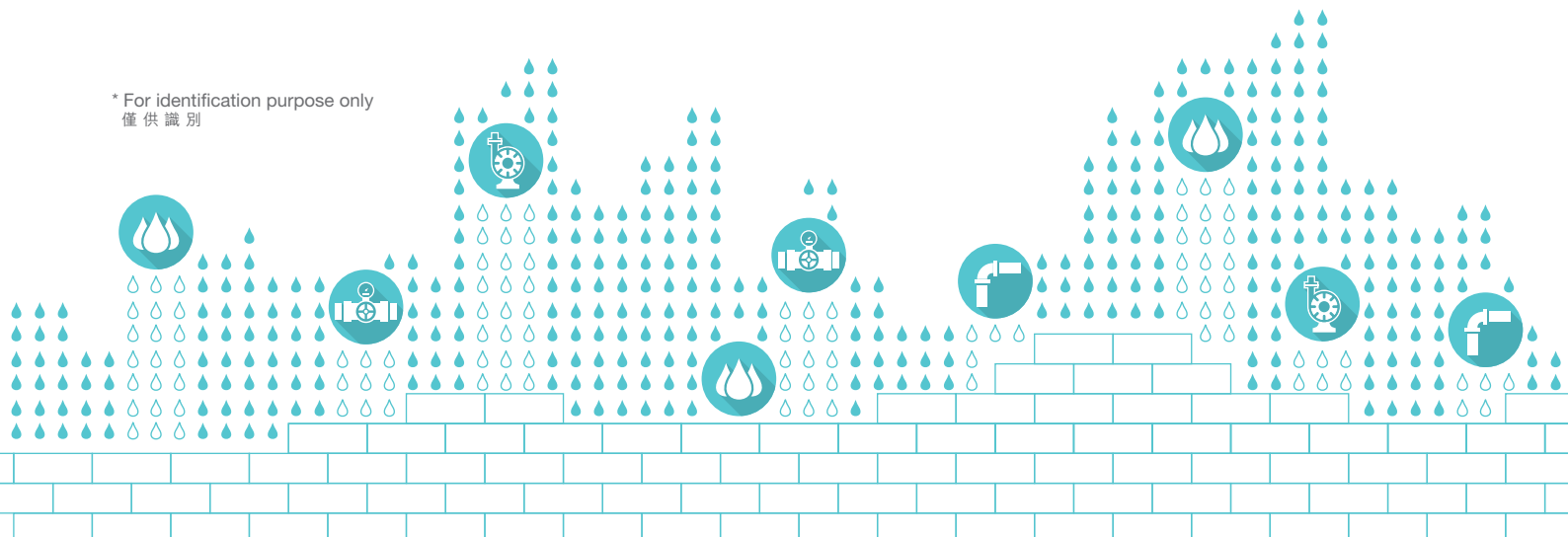
ELL Environmental Holdings Limited 强泰環保控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

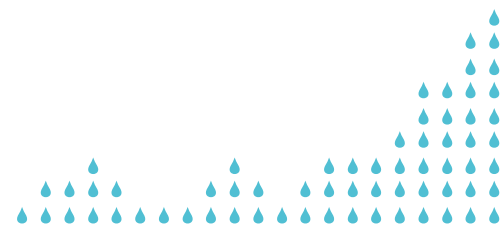
Stock Code 股份代號 : 1395

* For identification purpose only
僅供識別



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Corporate Information

公司資料

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 (“INEDS”)

NG Chung Yan Linda
NG Man Kung
SZE Yeuk Lung Benedict

BOARD COMMITTEES

AUDIT COMMITTEE

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

NOMINATION COMMITTEE

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

REMUNERATION COMMITTEE

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

REGISTERED OFFICE

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

董事

執行董事

周安達源 (*主席*)
陳昆 (*行政總裁*)

非執行董事

陳柏林
周致人

獨立非執行董事 (「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



Corporate Information 公司資料

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

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

AUTHORISED REPRESENTATIVES

CHAN Kwan
KWOK Siu Man FCS

COMPANY SECRETARY

KWOK Siu Man 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

HONG KONG BRANCH SHARE REGISTRAR

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

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

香港主要營業地點

香港
華蘭路20號
華蘭中心11樓1-3室

授權代表

陳昆
郭兆文 FCS

公司秘書

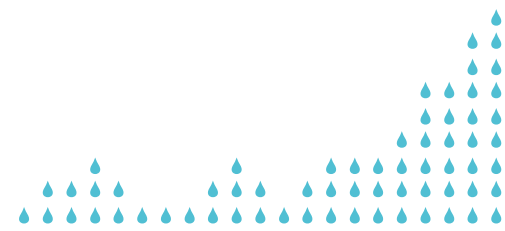
郭兆文 FCS

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

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:

H. M. Chan & Co.

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：

陳浩銘律師事務所

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



Chairman Statement 主席報告

Dear Shareholders,

On behalf of the board of directors (the “Directors” or 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 2015 (the “Year”).

In 2015, the global economy remained volatile and unstable as it was faced with a slowing economy and deteriorating financial strengths in corporates. In addition, increased Renminbi volatility has created considerable pressure on the domestic economy. Nevertheless, the water industry maintained consistent growth thanks to increased commitment to and continued investment in the environmental sector from the Central Government and society.

In a bid to achieve the environmental targets envisaged under China’s 12th Five-Year Plan (2011-15), investments in the wastewater treatment sector accelerated. On 1 January 2015, China’s new Environmental Protection Law was enforced, introducing more stringent requirements for enterprises, local governments and regulators. On 16 April 2015, the State Council rolled out the Water Cleanup Action Plan, also known as the “Ten Rules for Water Pollution Control”, to increase efforts to tackle water pollution and address China’s water quality needs by introducing rigorous controls on waste disposal and facilitating economic restructuring. Meanwhile, it sets higher requirements for wastewater treatment in urban areas. For example, effluents from wastewater treatment plants in environmentally sensitive cities and towns have to fully comply with Class A standards by the end of 2017.

During the year, the Ministry of Finance and the Ministry of Environmental Protection jointly issued an opinion paper on advancing water cleanup and implementing Public-Private-Partnership (PPP) projects with a view to facilitating partnerships between the public sector and private investors for wastewater treatment projects, which was of great significance to the enhancement of quality of public goods and services and the improvement of water cleanup capabilities and efficiency.

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」）及其附屬公司，（統稱「本集團」）董事（「董事」）會（「董事會」）欣然呈報本集團截至二零一五年十二月三十一日止年度（「本年度」）的年報。

二零一五年，全球經濟整體處於動盪難測的態勢，各經濟體系復甦不確定性因素增加。中國經濟增長進入放緩階段，再加上人民幣匯率波動加劇，整體經濟下行壓力增加。雖然如此，水務行業在中央政府及社會日益注重環保帶動下，對環保行業維持投資額度，令行業得以持續增長。

為完成「十二五」規劃中的目標，國內污水處理投資領域的投資將會全面提速。於二零一五年一月一日，中央政府便實施新環保法，對企業、地方政府及監管部門要求更嚴格。於二零一五年四月十六日，國務院落實推出《水污染防治行動計劃》（亦稱「水十條」），通過控制污染物排放、推動經濟結構轉型升級等方面切實加大水污染防治力度，保障國家水安全。同時，對城市污水處理提出了較高的要求，其中敏感區域城鎮污水處理設施應於二零一七年底全面達到一級A排放標準。

年內，中國財政部及環境保護部聯合印發《關於推進水污染防治領域政府和社會資本合作的實施意見》，在水污染防治領域大力推廣運用政府和社會資本合作（PPP）模式，對提高環境公共產品與服務供給質量，提升水污染防治能力與效率具有重要意義。



Chairman Statement

主席報告

At present, ELL Environmental has three wastewater treatment facilities in Jiangsu Province, namely the Hai'an Hengfa Facility, the Rugao Hengfa Facility and the Rugao Honghao Facility. They have a maximum capacity for wastewater treatment totaling 83,500 tonnes per day. Thanks to the favourable policies initiated by the Central Government and the completion of the upgrade works to the Rugao Hengfa Facility, a strong engine for growth, the Group has performed very well throughout the year. For the year ended 31 December 2015, ELL Environmental has recorded a revenue of HK\$145.5 million with a year-on-year growth of 70.8%. The gross profit was HK\$50.4 million, up by 5.1% year-on-year. The net profit was HK\$40.1 million, up by 2.6 times year-on-year. Amid the volatile financial market and RMB depreciation risks, the Group's prudent financial policy has maintained a strong financial position successfully.

Looking ahead, on the back of the national environmental strategy, water businesses are poised to benefit from the rapid pace of urbanisation and the government's support to the water industry. The implementation rules for the "Ten Rules for Water Pollution Control" unveiled last year are expected to be released this year. The Ministry of Environmental Protection has recently set higher standards for discharge in the effluents of wastewater treatment plants, which will push out the underperformers and reward those able to survive under the new stringent regulations.

Wastewater treatment in Jiangsu province has been the major business for ELL Environmental. It is the cornerstone of the Group's development in the environmental industry, and is a proven success of the Group's vision and its commitment in the pursuit of excellence. The Group will continue to exploit its multi-year industry experience and good relationships with the local governments to consolidate the position in the market. Despite having an attractive and stable profitability throughout the years, the Group has never stopped in exploring new business opportunities to accelerate the future growth. In the trend of the current global market development and China's strategic plans of economic growth in Asia, the Group sees a huge prospect in other markets, including Indonesia. The Group is proactive in seeking for further diversity in the environmental protection businesses that are in line with the corporate value and direction of ELL Environmental, and is confident in delivering a satisfactory result to the investors in the near future.

目前，強泰環保的三座污水處理設施均位於江蘇省，包括海安恆發設施、如皋恆發設施及如皋宏皓設施。三座污水處理設施的最高處理能力每日合共83,500噸。受惠政策刺激行業保持穩健增長勢頭，再加上如皋恆發設施改造工程於年內完成，為本年度本集團增長帶來顯著動力，本集團全年表現理想。截至二零一五年十二月三十一日止年度，強泰環保錄得全年營業收入145.5百萬港元，同比增長70.8%；毛利50.4百萬港元，同比增長5.1%；純利40.1百萬港元，同比增長2.6倍。受到經濟動盪及人民幣匯率下行的風險影響，期內負債水平處於低位，本集團厲行穩健的財務狀況，以對抗不可預計的市場風險。

展望未來，在國家戰略的推動下，環保水務企業將從急速加快的中國城鎮化進程以及中國政府對水務行業的政策支持中獲益，行業宏觀環境理想，去年出台的「水十條」，今年有望公布落實細則。環保部近日提高污水處理廠標準，行業汰弱留強，留下來的業者營運回報提高。

位於江蘇省的污水處理業是強泰環保的主要市場。這為本集團在環保行業的發展奠定了基礎，並將引領本集團追求卓越，成就美好願景。本集團將繼續善用我們良好的往績及與地方政府機關密切的合作關係鞏固我們的市場地位。儘管本集團的盈利連續數年表現出色及穩健，但本集團仍不斷發掘新商機以加快未來業務發展。鑑於目前全球市場發展趨勢及中國的亞洲經濟增長戰略計劃，本集團預期其他市場（包括印尼）蘊含巨大潛力。本集團將積極採取一系列符合強泰環保企業價值和方針的措施，進一步增強環保業務的多元性，並相信在不久將來可為投資者帶來滿意的回報。



Chairman Statement 主席報告

Here I would like to express my gratitude to the directors and staff for their diligence and endurance in the challenging year of 2015. I would also like to express my gratitude to the shareholders and clients for their continued trust and support, which are essential for our creative and growth-minded company. In future, the Group will strive to excel in keeping up on the existing business performance as well as delivering a satisfactory result in business expansion so as to generate attractive returns to our shareholders.

Chairman

Chau On Ta Yuen

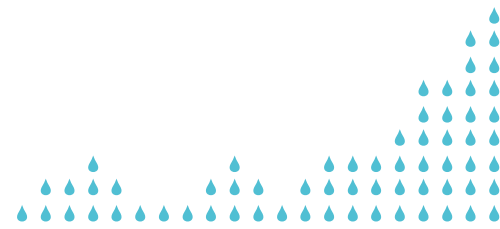
Hong Kong, 18 March 2016

在此我向各位董事及員工表示感謝，感謝大家在充滿挑戰的過去一年裡睿智參謀和奮力拼搏。同時要向廣大股東和客戶對我們一貫的信任和 support 表示感謝，他們是我們創新和增長的無窮動力。未來，本集團上下將繼續悉力以赴，爭取更多污水處理項目及穩定發展業務，務求為股東帶來更令人滿意的穩定回報。

主席

周安達源

香港，二零一六年三月十八日



Management Discussions and Analysis

管理層討論與分析

BUSINESS REVIEW

Looking back into 2015, the overall economic and financial environment was very challenging as the global markets remained volatile. The PRC government's monetary policy was a matter of concern in the market. The significant depreciation of Renminbi against the US dollars has lifted investors' anxieties on the stability of the China market and the future development of the businesses. In light of the risks and uncertainties in the market, the Company exercised extra care and prudence in the past year.

The environmental protection industry in China, on the other hand, is becoming more mature. On 16 April 2015, the State Council introduced the Water Pollution Prevention and Control Action Plan, also known as the "Ten Rules for Water Pollution Control", to step up the prevention and control of water pollution, and to set higher requirements for sewage treatment in urban areas. To further increase the capacity and efficiency of water pollution prevention and control, the Ministry of Finance and the Ministry of Environmental Protection jointly published on 27 April 2015 the "Implementing Opinions on Carrying Out Public-Private-Partnership in the Field of Water Pollution Prevention and Control" to encourage the adoption of a public-private-partnership (PPP) model in the sector of water pollution prevention and control. In October 2015, the State Council released two documents, which stated that controls on water prices will be lifted in the future. The documents include "Opinions on Reforms of the Country's Pricing Mechanism" and "Guidelines to Push Forward the Sponge City Campaign". They aimed to promote better development of the water treatment supply industry. According to the "Report on the Analysis of Production and Sales Demand and Investment Forecast in China's Sewage Treatment Equipment Industry for 2016-2021" published by the Research Institute for Prospective Industries, the sewage treatment industry is still going through a growth period, and that the strong demand for sewage treatment systems in urban or rural areas, which will foster the sustainable and rapid development of the industry. This makes the industry which highly attractive for investment. Therefore, the management of the Company remains optimistic about the development of the sewage treatment industry in the future, while expecting the development of more water treatment projects in the market. The Company will seize more opportunities in the hope of exploring more areas for business growth.

業務回顧

回顧二零一五年，環球市場處於動盪態勢，整體經濟及金融環境形勢嚴峻。中國的貨幣政策如何走備受市場關注。人民幣兌美元大幅貶值令投資者對中國市場的穩定性及未來業務發展的憂慮加劇。鑑於市場風險及不穩定性，本公司在過去一年以務實及審慎的態度拓展業務。

另一方面，中國環保行業的發展日益成熟。於二零一五年四月十六日，國務院推出《水污染防治行動計劃》（亦稱「水十條」），加快水污染防治的步伐，並就城市污水處理設立更嚴格的規定。為進一步提升水污染防治能力與效率，財務部和環境保護部於二零一五年四月二十七日聯合發佈《關於推進水污染防治領域政府和社會資本合作的實施意見》，在水污染防治領域大力推廣運用政府和社會資本合作模式。於二零一五年十月，國務院印發兩份文件，當中指出未來將加強對水價的控制。該等文件包括《關於推進價格機制改革的若干意見》和《關於推進海綿城市建設的指導意見》，旨在推進水處理供應行業更好地發展。根據前瞻產業研究院發佈的《2016-2021年中國污水處理設備行業產銷需求與投資預測分析報告》顯示，污水處理行業仍處於增長階段，城市及農村地區對污水處理系統的需求強勁，從而將促進行業穩定快速發展。這突顯出該行業具有高度的投資吸引力。因此，本公司的管理層對未來污水處理行業的發展持樂觀態度，並預期將會在市場上開發出更多水處理項目。本公司將把握眾多機遇，開拓更多領域，實現業務增長。



Management Discussions and Analysis 管理層討論與分析

Currently, ELL Environmental has three wastewater treatment facilities, namely the Haian Hengfa Facility, the Rugao Hengfa Facility and the Rugao Honghao Facility. They have a daily wastewater treatment capacity of 40,000 tonnes, 40,000 tonnes and 3,500 tonnes respectively. The upgrade works of Rugao Hengfa Facility was completed in December 2015 and is now undergoing the trial run stage. The negotiation with the local governments for water tariff adjustment has been carried on since the completion of the upgrade work of the Haian Hengfa Facility and the Rugao Hengfa Facility. An increase in water tariff will help further improve the Group's profitability.

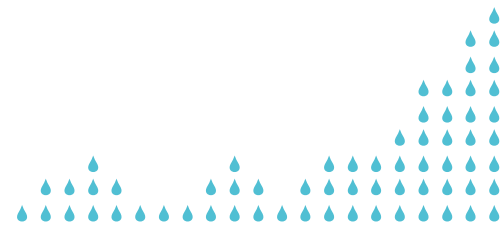
Upon satisfactory completion and inspection of the environmental protection at the Rugao Honghao Facility, Rugao Honghao obtained a permit for sewage discharge on 17 July 2015. Since then, the Group had been discussing with the Taxation Bureau of Rugao city Rugao Honghao's eligibility for tax exemption. On 30 November 2015, Rugao Honghao received a letter from the Taxation Bureau of Rugao city, confirming Rugao Honghao receiving a tax refund of RMB8.1 million (equivalent to HK\$10.0 million), equivalent to the amount paid by Rugao Honghao from 2012 to 2014. Meanwhile, the Taxation Bureau confirmed in the refund notification that Rugao Honghao was entitled to a 50% tax reduction from 2015 to 2017.

On 16 April 2015, the Group entered into a letter of intent with Fujian Wuping State-Owned Investment Group Co., Ltd. (福建武平國有投資集團有限公司) ("Fujian Wuping") in relation to the proposed acquisition of a wastewater treatment facility, namely Wuping Second Waste Water Treatment Facility (武平縣第二污水處理廠) (the "Wuping Facility"). According to the letter of intent, the Group is expected to work with Fujian Wuping on a Public-Private Partnership (PPP) model, including the acquisition of land use and housing rights of Wuping Facility and a franchise in running the facility, whilst offering technical know-how to improve the operation of the Wuping Facility.

目前，強泰環保擁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。三座污水處理設施的每日污水處理能力分別為40,000噸、40,000噸及3,500噸。如皋恆發設施的升級工程已於二零一五年十二月完成，現已進入調試階段。自海安恆發設施及如皋恆發設施的升級工程完成以來，本集團一直就水價調整與當地政府商討。上調水價將有助於進一步改善本集團的盈利能力。

於如皋宏皓設施圓滿完工及在環保方面進行檢驗後，如皋宏皓已於二零一五年七月十七日取得污水排放許可證。此後，本集團一直與如皋市稅務局商討有關如皋宏皓的稅務豁免事宜。於二零一五年十一月三十日，如皋宏皓收到如皋市稅務局發出的函件，該函件確認如皋宏皓獲得退稅人民幣8.1百萬元（相當於10.0百萬港元），相當於二零一二年至二零一四年如皋宏皓所繳付的金額。同時，稅務局在退稅通知中確認，如皋宏皓於二零一五年至二零一七年享有50%稅務減免。

於二零一五年四月十六日，本集團與福建武平國有投資集團有限公司（「福建武平」）訂立意向書，內容有關建議收購名為武平縣第二污水處理廠（「武平廠」）的污水處理廠。根據意向書，本集團預期將運用政府和社會資本合作模式與福建武平合作，包括收購武平廠的土地使用權及房屋所有權以及經營工廠的專營權，同時提供技術改善武平廠的營運狀況。



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FUTURE OUTLOOK

With the increasing challenges and opportunities in the market, the Company will be prudently optimistic with an aim to maintaining its excellent business performance and competitiveness. Under the condition that risks and returns are in line with the Group's interest, the management is proactively looking at business expansions within new sewage treatment projects, as well as other environmental protection projects, locally and abroad. In the future, new projects or acquisitions will be the major growth driver for the Company. The Group will make the best of the advantages from the government policies to formulate appropriate business development strategies with an aim for a continuous growth for our shareholders. We expect to fund such new projects and acquisitions from proceeds from our share offer completed in September 2014 and the placing of shares completed in May 2015.

FINANCIAL REVIEW

REVENUE

Our total revenue increased by 70.8% to HK\$145.5 million for the Year from HK\$85.2 million for the previous year. The increase in revenue was primarily attributable to the increase in construction revenue arising from the upgrade works of Rugao Hengfa Facility, which amounted to HK\$79.8 million (2014: HK\$16.7 million).

COST OF SALES

Our total cost of sales increased by 155.3% to HK\$95.0 million for the Year from HK\$37.2 million for the previous year, primarily due to (i) the incurrence of total construction costs of HK\$60.6 million as a result of the upgrade works of the Rugao Hengfa Facility during the Year (2014: HK\$14.7 million), and (ii) the increase in overhead costs of HK\$11.8 million, which was mostly attributable to the increased electricity consumption and raw materials costs due to the increase in volume of wastewater treated.

GROSS PROFIT AND GROSS PROFIT MARGIN

Our gross profit increased by 5.1% to HK\$50.4 million for the Year from HK\$48.0 million for the previous year, primarily due to the net effect of (i) the recognition of construction margin as a result of the upgrade works of the Rugao Hengfa Facility which amounted to HK\$19.2 million, and (ii) the decrease in the operating margin of HK\$16.9 million as a result of the increase in volume of wastewater treated as abovementioned.

未來前景

面對機遇與挑戰並存的市場環境，本公司將持審慎樂觀態度，並致力於維持優良的業務表現及競爭力。在有關風險及回報符合本集團利益的情況下，管理層將積極留意海內外的新污水處理項目及其他環保項目，尋求業務擴張的機會。未來，新項目或收購將成為本公司發展的主要驅動力。本集團將充分發揮政府政策優勢，制定合適的業務發展策略，不斷為股東創造新的價值。我們預計利用來自二零一四年九月完成的股份發售及二零一五年五月完成的股份配售所得款項為相關新項目及收購事項提供資金。

財務回顧

營業收入

我們的營業收入總額由去年 85.2 百萬港元增加 70.8% 至本年度 145.5 百萬港元。營業收入增加乃主要由於如皋恆發設施的升級工程令建設營業收入增加 79.8 百萬港元（二零一四年：16.7 百萬港元）。

銷售成本

我們的銷售成本總額由去年 37.2 百萬港元增加 155.3% 至本年度 95.0 百萬港元，主要由於 (i) 本年度如皋恆發設施的升級工程令建設成本總額增加 60.6 百萬港元（二零一四年：14.7 百萬港元），及 (ii) 間接成本增加 11.8 百萬港元，主要原因是污水處理量增加令電力消耗量及原材料成本增加。

毛利及毛利率

我們的毛利由去年 48.0 百萬港元增加 5.1% 至本年度 50.4 百萬港元，主要由於下列事項的淨影響所致：(i) 如皋恆發設施的升級工程致使確認建設利潤 19.2 百萬港元，及 (ii) 如上文所述污水處理量增加令營運利潤減少 16.9 百萬港元。



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Our gross profit margin decreased to 34.7% for the Year from 56.3% for the previous year, primarily due to (i) the gross profit margins for the construction revenue of the upgrade works of the Rugao Hengfa Facility are lower than the gross profit margins for the operation of our wastewater treatment facilities, and (ii) the increase in cost of sales with the increase in volume of wastewater treated as abovementioned.

ADMINISTRATIVE EXPENSES

As a percentage of our revenue, our administrative expenses represented 12.6% and 36.2% for the year ended 31 December 2015 and 2014, respectively. Our administrative expenses decreased by 40.7% to HK\$18.3 million for the Year from HK\$30.8 million for the previous year. The decrease was primarily attributable to (i) the absence of the professional fees of HK\$20.1 million incurred in relation to the listing of our Shares during the year ended 31 December 2014, (ii) the increase in directors' fees, other office and administrative expenses, and legal and professional fees in relation to, among other things, regulatory compliance with the Listing Rules incurred for the Year, and (iii) foreign exchange loss due to depreciation in Renminbi against Hong Kong dollar incurred for the Year.

FINANCE COSTS

Our finance costs increased by 7.5% to HK\$1.25 million for the Year from HK\$1.16 million for the previous year.

PROFIT BEFORE TAX

Our profit before tax increased by 63.7% to HK\$36.2 million for the Year from HK\$22.1 million for the previous year, primarily due to the factors mentioned above.

INCOME TAX

We recorded an income tax credit of HK\$3.9 million for the Year as compared to an income tax expense of HK\$10.9 million for the previous year, primarily due to (i) the tax refund of HK\$10.0 million from the Taxation Bureau of Rugao city and (ii) the change in Group's dividend policy for its PRC subsidiaries which resulted in the reversal of deferred tax provision made on the distributable profits of the PRC subsidiaries in prior years amounted to approximately HK\$4.7 million.

PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

Our profit attributable to owners of the parent increased by 3.3 times to HK\$39.5 million for the Year from HK\$9.3 million for the previous year, primarily due to the factors mentioned above.

我們的毛利率由去年56.3%下降至本年度34.7%，主要由於(i)如皋恆發設施的升級工程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，及(ii)如上文所述污水處理量增加令銷售成本增加。

行政開支

截至二零一五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為12.6%及36.2%。我們的行政開支由去年30.8百萬港元下降40.7%至本年度18.3百萬港元。該減少主要由於(i)沒有截至二零一四年十二月三十一日止年度產生股份上市相關專業費用20.1百萬港元，(ii)本年度董事袍金、其他辦公及行政開支以及有關(其中包括)上市規則監管合規事宜的法律及專業費用增加，及(iii)本年度因人民幣兌港元貶值產生外匯虧損所致。

融資成本

我們的融資成本由去年1.16百萬港元增加7.5%至本年度1.25百萬港元。

除稅前溢利

我們的除稅前溢利由去年22.1百萬港元增加63.7%至本年度36.2百萬港元，主要由於上文所述原因所致。

所得稅

我們於本年度錄得所得稅抵免3.9百萬港元，而去年則錄得所得稅開支10.9百萬港元，主要由於(i)如皋市稅務局退稅10.0百萬港元及(ii)本集團中國附屬公司的股息政策變動致使於過往年度就中國附屬公司可分派溢利計提的遞延稅項撥備約4.7百萬港元回撥所致。

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9.3百萬港元增加3.3倍至本年度39.5百萬港元，主要由於上文所述原因所致。



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BANK BORROWINGS

As at 31 December 2015, the Group had a three-year bank loan with a carrying amount of HK\$5.4 million (2014: HK\$8.6 million), which was denominated in Renminbi with a fixed interest rate at 6.77% per annum. This bank loan was secured by the land use right and properties used in the operation of the Group's wastewater treatment business.

During the Year, the Group has drawn down a one-year bank loan with a carrying amount of HK\$29.8 million as at 31 December 2015, which was denominated in RMB with a fixed interest rate at 4.5% per annum. The loan is unsecured and repayable on demand. To mitigate the foreign currency risks of the loan arising from the fluctuation of the exchange rate of Hong Kong dollar against Renminbi, the Group has entered into a one-year cross currency swap contract at the same time with nominal amount and payment terms equal to and offsetting the principal and interest payments of the loan. The net cash flow of the loan and the cross currency swap contract resembles a HK\$ denominated loan of HK\$30.3 million with a fixed interest rate at 2.6% per annum.

LIQUIDITY AND FINANCIAL RESOURCES

Our principal liquidity and capital requirements primarily relate to investments in our projects, construction of our wastewater treatment facilities and purchase of equipment, as well as costs and expenses. As at 31 December 2015, the net asset value of the Group was HK\$515.1 million (2014: HK\$364.8 million), increased by 41.2% when compared with 2014.

The Group's gearing ratio is calculated by dividing total debt by total equity and total debt is the interest-bearing bank borrowings. The gearing ratio was kept stable, being 0.1 as at 31 December 2014, and 0.1 as at 31 December 2015.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet its funding requirements from time to time. Surplus cash will be invested appropriately so that the Group's cash need in support of the Group's strategy direction from time to time can be met.

銀行借款

於二零一五年十二月三十一日，本集團有一筆賬面值為5.4百萬港元(二零一四年：8.6百萬港元)的三年期銀行貸款，該貸款以人民幣計值，按6.77%的固定年利率計息。該筆銀行貸款以用於本集團污水處理業務營運的土地使用權及物業作抵押。

於本年度內，本集團已提取一筆於二零一五年十二月三十一日賬面值為29.8百萬港元的一年期銀行貸款，該貸款以人民幣計值，按4.5%的固定年利率計息。該貸款乃無抵押及須按要求償還。與此同時，為降低因港元兌人民幣的匯率波動引致的貸款外匯風險，本集團已訂立一項一年期交叉貨幣互換合約，其名義金額及付款條款與該貸款的本金及利息付款相等且相抵銷。貸款及交叉貨幣互換合約的現金流量淨額相當於一筆固定年利率為2.6%及以港元計值的貸款30.3百萬港元。

流動資金及財務資源

我們主要的流動資金及資本需求主要與我們的項目投資、污水處理設施建設及設備購買以及成本及開支有關。於二零一五年十二月三十一日，本集團的資產淨值為515.1百萬港元(二零一四年：364.8百萬港元)，較二零一四年增加41.2%。

本集團的資產負債比率按債務總額除以權益總額計算，而債務總額為計息銀行借款。資產負債比率維持穩定，於二零一四年十二月三十一日及於二零一五年十二月三十一日分別為0.1及0.1。

庫務政策

本集團已對其庫務政策採取審慎的財務管理方針，故於本年度內維持健康的流動資金狀況。董事會緊密監察本集團的流動資金狀況以確保本集團的資產、負債及其他承擔的流動資金結構可應付其不時的資金需求。為支持本集團不時之策略方向，過剩的現金將用作投資以滿足本集團的現金需要。

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CAPITAL EXPENDITURES

Our major capital expenditures consist primarily of expenditures to upgrade and improve the Group's wastewater treatment facilities. For the Year, our capital expenditures amounted to approximately HK\$60.6 million. These capital expenditures were funded by funds generated from our operating activities and the proceeds from the Share Offer and the Placing.

FOREIGN EXCHANGE RISKS

Individual companies in Mainland China within the Group have limited foreign currency risk as most of the transactions are denominated and settled in Renminbi. As at 31 December 2015, approximately 30.1% of our cash and cash equivalents were denominated in Renminbi, 2.5% were denominated in United States dollars and 67.4% were denominated in Hong Kong dollars. The Group did not have significant foreign currency exposures from its operations. However, our consolidated financial statements 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 management monitors the Group's foreign exchange fluctuation exposure closely. In light of the increased volatility of the exchange rate of Hong Kong dollar against Renminbi recently, the Group has managed to reduce the exposures in Renminbi by converting a majority of the cash and bank balances into United States dollars or Hong Kong dollars.

SIGNIFICANT INVESTMENT

The Group has invested its surplus cash in securities, which comprise mainly bonds and investment funds ("the Portfolio") for stable interest income. The management adopted a prudent investment strategy that focuses on the diversification of markets and sectors to minimise concentration risks. The management also monitors the investment performance of the Portfolio on a regular basis. During the Year, the Portfolio generated an interest income of HK\$2.1 million (2014: Nil) and a gain on disposal of investments of HK\$0.2 million (2014: Nil). As at 31 December 2015, a loss of HK\$0.8 million (2014: Nil) due to the changes in fair value of the investments was recorded and included in other comprehensive income of the consolidated statement of comprehensive income. The total value of investments was amounted to HK\$127.9 million as at 31 December 2015 (2014: Nil). As the Portfolio comprised primarily of investment grade bonds, the management considers the change in fair value of the investments to be temporary.

資本開支

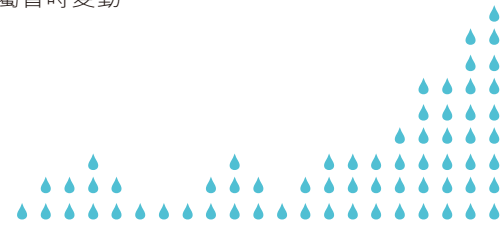
我們的重大資本開支主要包括本集團污水處理設施升級及改造工程的開支。本年度，我們的資本開支達到約60.6百萬港元。該等資本開支由我們的經營活動所得資金及股份發售及配售所得款項撥付。

外匯風險

由於大部分交易均以人民幣列值及結算，因此本集團旗下位於中國內地的個別公司僅承受有限的外幣風險。於二零一五年十二月三十一日，我們的現金及現金等價物約30.1%以人民幣計值、2.5%以美元計值及67.4%以港元計值。本集團之業務並無重大外幣風險。然而，我們的綜合財務報表以港元呈列。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。管理層密切監察本集團的外匯風險。由於近期港元兌人民幣匯率波動劇烈，本集團透過將大部分現金及銀行結餘轉換為美元或港元以減少人民幣風險。

重大投資

本集團已將其過剩的現金用作投資證券，主要包括可獲取穩定利息收入的債券及投資基金（「投資組合」）。管理層採取審慎的投資策略，專注於多個市場及分部以將集中風險最小化。管理層亦定期監察投資組合的投資表現。於本年度內，投資組合產生利息收入2.1百萬港元（二零一四年：無）及出售投資收益0.2百萬港元（二零一四年：無）。於二零一五年十二月三十一日，因投資的公允值變動而錄得虧損0.8百萬港元（二零一四年：無），已計入綜合全面收入表內的其他全面收入。於二零一五年十二月三十一日，投資價值總額為127.9百萬港元（二零一四年：無）。由於投資組合主要包括投資級別債券，管理層認為投資的公允值變動屬暫時變動。



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CONTINGENT LIABILITIES

As at 31 December 2015, the Group had no contingent liabilities.

EMPLOYEE AND REMUNERATION POLICIES

As at 31 December 2015, the Group had 78 (2014: 75) employees (including the Directors). Employee costs (including Directors' emoluments) amounted to HK\$9.8 million for the Year (2014: HK\$8.3 million). Our remuneration policy for the Directors and our senior management members is based on their experience, level of responsibility, length of service and general market conditions. Any discretionary bonus and other merit payments are linked to the profit performance of the Group and the individual performance of the Directors and senior management members. The Company has adopted a share option scheme on 5 September 2014 for the purpose of providing incentives and rewards to eligible directors and employees of the Group.

EVENT AFTER THE REPORTING DATE

The Group had no material event subsequent to the end of the Year and up to the date of this annual report.

FINAL DIVIDEND

A final dividend of HK1 cent per Share has been recommended by the Board for the Year (2014: Nil) to be paid to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company on Thursday, 31 May 2016. Subject to the passing of the relevant resolution at an annual general meeting of the Company (the "AGM") to be held, the final dividend is expected to be paid to the Shareholder on or around Monday, 20 June 2016, in cash in Hong Kong dollars.

或然負債

於二零一五年十二月三十一日，本集團並無或然負債。

僱員及薪酬政策

於二零一五年十二月三十一日，本集團共有78名(二零一四年：75名)僱員(包括董事)。本年度的僱員成本(包括董事酬金)為9.8百萬港元(二零一四年：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。本公司於二零一四年九月五日採納一項購股權計劃，旨為激勵及獎勵本集團的合資格董事及僱員。

報告期後事項

於本年度結束後及直至本年報日期，本集團概無重大事項。

末期股息

董事會建議向於二零一六年五月三十一日(星期四)名列本公司股東名冊的本公司股東(「股東」)派付本年度的末期股息每股股份1港仙(二零一四年：無)。待相關決議案於將舉行的本公司股東週年大會(「股東週年大會」)上獲通過後，預期末期股息將於二零一六年六月二十日(星期一)或前後以港元現金派付予股東。



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 68, 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 was an executive director of China Ocean Shipbuilding Industry Group Limited (stock code: 651) from September 2007 and then re-designated as a non-executive director and appointed as an honorary Chairman in June 2015. Mr. Chau has also been appointed as 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.

周安達源先生

周安達源先生，68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）執行董事及其後獲調任為非執行董事，並於二零一五年六月獲委任為名譽主席。周先生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亦獲委任為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。

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 33, 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 10th board of directors of the Hong Kong Federation of Fujian Associations (香港福建社團聯會), the chief supervisor of the 9th Hong Kong Minxi Association Ltd. (香港閩西聯會), the vice-president of the 11th Supervision Committee of Lung Yen Residents Association of Hong Kong Limited (香港龍岩同鄉會), and the 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.

陳昆先生

陳昆先生，33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十屆董事會常務會董、香港閩西聯會第九屆監事長、香港龍岩同鄉會第十一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。



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 27, was appointed as a director of the Company on 18 March 2014 and was re-designated as a non-executive director of the Company on 5 September 2014. He has been a member of the remuneration committee of the Board since 5 September 2014. Mr. Chan obtained a bachelor's degree in Communication from Purdue University in the United States in May 2011. Since March 2013, Mr. Chan has been working as marketing and sales director at PT. Indoferro. He has been involved in the business of the Group since September 2012 when he was appointed as a director of Exuberant Legacy Holdings Ltd. ("Exuberant"), a company incorporated in Hong Kong, which was intended by the then shareholders of Everbest 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.

Mr. Chau Chi Yan Benny

Mr. Chau Chi Yan Benny, aged 34, 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.

陳柏林先生

陳柏林先生，27歲，於二零一四年三月十八日獲委任為本公司董事，並於二零一四年九月五日調任為本公司非執行董事。彼自二零一四年九月五日起一直為董事會的薪酬委員會成員。陳先生於二零一一年五月獲美國普渡大學頒發傳播學學士學位。自二零一三年三月起，陳先生一直在PT. Indoferro擔任市場推廣及銷售總監。彼自二零一二年九月起已參與本集團業務，當時彼獲委任為一間香港註冊成立公司強泰控股有限公司（「強泰」）的董事，而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。

周致人先生

周致人先生，34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 40, 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. She has been a part-time lecturer in the School of Continuing and Professional Education of City University of Hong Kong since October 2015, a part-time lecturer at HKCA Learning Media Limited since August 2010, and was a part-time lecturer at Accountancy Training Company (International) Limited from September 2007 to April 2010. She is the author of "Financial Reporting in Hong Kong: SME Edition 2015/16" published in December 2015 and "Practical Guide to Financial Reporting Standards in Hong Kong" published by CCH Hong Kong Limited since September 2013. She was a director of Learning Is Fun Association Limited from June 2007 to June 2012. Ms. Ng was a staff accountant at Ernst & Young from September 2000 to September 2001, and was promoted to senior accountant in October 2001 until she left that firm in October 2002.

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

伍頌恩女士

伍頌恩女士，40歲，於二零一四年九月五日獲委任為本公司獨立非執行董事。彼自二零一四年九月五日起一直為董事會的審核委員會主席以及董事會的薪酬委員會及提名委員會各自之成員。

伍女士自二零一二年四月起擔任伍頌恩會計師事務所有限公司(前稱蔣伍會計師事務所有限公司)董事，此前彼於二零零八年一月至二零一三年四月為會計師行伍頌恩會計師事務所的獨資經營者。伍女士亦自二零零四年二月起擔任Futurelink Limited的董事。彼自二零一五年十月起為香港城市大學專業進修學院的兼職講師、自二零一零年八月起為HKCA Learning Media Limited的兼職講師、自二零零七年九月至二零一零年四月為Accountancy Training Company (International) Limited的兼職講師。彼為於二零一五年十二月出版的《Financial Reporting in Hong Kong: SME Edition 2015/16》的作者及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。彼自二零零七年六月至二零一二年六月擔任Learning Is Fun Association Limited的董事。伍女士於二零零零年九月至二零零一年九月為安永會計師事務所的會計職員，其後於二零零一年十月獲晉升為高級會計師，直至二零零二年十月離職。

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

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

Mr. Ng Man Kung

Mr. Ng Man Kung, aged 64, 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 was a business consultant of China Orient Asset Management (International) Holding Limited, a company principally engaged in investment, from January 2014 to April 2015. He worked at Chiyu Banking Corporation Ltd. from July 1969 to December 2012 and was a chief executive from April 1992 to July 2012. Mr. Ng was an honorary president of the 37th Chinese Bankers Club, Hong Kong, a member of the Council of Hong Kong Polytechnic University from April 1999 to March 2003 and a member of the 10th Fujian Province Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議福建省委員會). Mr. Ng completed an extension course in banking at the Hong Kong Polytechnic University in September 1982. Mr. Ng has also been an independent non-executive director of Fujian Holdings Limited (stock code: 181) since June 2014, and each of Global Tech (Holdings) Limited (Stock Code: 143) and Topsearch International (Holdings) Limited (Stock Code:2323) since March 2016.

吳文拱先生

吳文拱先生，64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至二零一五年四月擔任中國東方資產管理(國際)控股有限公司的業務顧問，該公司主要從事投資業務。彼於一九六九年七月至二零一二年十二月於集友銀行有限公司任職，於一九九二年四月至二零一二年七月擔任總經理。吳先生為第37屆香港銀行華員會名譽會長、於一九九九年四月至二零零三年三月為香港理工大學校董會成員及為中國人民政治協商會議第十屆福建省委員會委員。吳先生於一九八二年九月修畢香港理工大學銀行業校外課程。吳先生自二零一四年六月起亦擔任閩港控股有限公司(股份代號：181)及自二零一六年三月起擔任耀科國際(控股)有限公司(股份代號：143)及至卓國際(控股)有限公司(股份代號：2323)各自的獨立非執行董事。



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 45, 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 Dentons. 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 16th 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，45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十六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. Fan Chi Chiu

Mr. Fan Chi Chiu, aged 30, joined our Group in April 2015 and was appointed as the chief financial officer of the Company on 1 June 2015. He is mainly responsible for financial management and reporting, investor relations, fund raising and capital management of our Group. He assists the chief executive officer in our strategic planning and business development, as well as the Group's compliance with applicable laws and regulations in Hong Kong and in the PRC.

Prior to joining the Group, Mr. Fan was a finance director of Vantasia Holdings (H.K.) Limited from April 2014 to March 2015. He was an analyst in Barclays Investment Bank from July 2011 to March 2014 and a senior associate of Pricewaterhouse Coopers from October 2007 to June 2011.

Mr. Fan obtained a bachelor's degree in professional accountancy from the Chinese University of Hong Kong in July 2007. Mr. Fan is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Wang Zili

Mr. Wang Zili, aged 53, was appointed as the deputy general manager of the Hai'an Hengfa Facility on 18 March 2014. Mr. Wang joined the Group in February 2005 and is mainly responsible for overseeing operational matters related to the Hai'an Hengfa Facility. Prior to joining the Group, Mr. Wang was vice chairman and general manager 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.

高級管理層

范智超先生

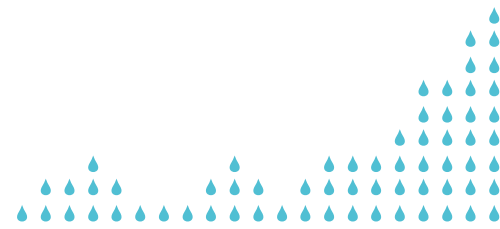
范智超先生，30歲，於二零一五年四月加入本集團，於二零一五年六月一日獲委任為財務總監。彼主要負責本集團的財務管理和申報、投資者關係、集資和資金管理。彼協助行政總裁實施策略規劃及業務發展以及監督本集團遵守香港及中國適用法律法規的情況。

於加入本集團前，范先生於二零一四年四月至二零一五年三月為萬安控股(香港)有限公司財務主管。彼於二零一一年七月至二零一四年三月為巴克萊投資銀行研究員及於二零零七年十月至二零一一年六月為羅兵咸永道會計師事務所高級審計員。

范先生於二零零七年七月獲得香港中文大學頒發專業會計學學士學位。范先生為香港會計師公會會員。

汪自力先生

汪自力先生，53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。



Directors' and Senior Management's Biographical Details

董事及高級管理層之個人履歷

Mr. Zhou Yinbing

Mr. Zhou Yinbing, aged 38, was appointed as the deputy general manager of the 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.

周銀兵先生

周銀兵先生，38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。於加入本集團前，周先生於一九九七年九月至二零零四年二月在南通飛龍煤氣設備製造廠任職，為生產部門提供技術支持。

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



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

COMPANY SECRETARY

Mr. Kwok Siu Man

Mr. Kwok Siu Man, aged 57, has been appointed as the company secretary of the Company since 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. He is presently a fellow member of each of the Institute of Chartered Secretaries and Administrators and the Institute of Financial Accountants in England, The Hong Kong Institute of Chartered Secretaries ("HKICS"), The Association of Hong Kong Accountants, The Hong Kong Institute of Directors and the Institute of Public Accountants in Australia. He also possesses professional qualifications in arbitration, tax, securities and investment, financial planning and human resource management. He was the chief examiner of the "Corporate Secretaryship/Hong Kong Company Secretarial Practice" module of the international qualifying examinations of the HKICS and its longest-serving council member/director. In addition, Mr. Kwok completed the Common Professional Examination in England and Wales, obtained a post-graduate diploma in laws and earned a bachelor's degree of arts and a professional diploma in company secretaryship and administration.

Mr. Kwok has an aggregate of over 25 years of extensive in-house corporate secretarial, legal and management experience gained at company secretary and other senior positions from overseas and Hong Kong (including Hang Seng Index Constituent stock and Hang Seng Mid-Cap 50) listed companies. He was the managing director of a top-notch financial printer in Hong Kong with international affiliation and an independent non-executive director of a company listed on the Main Board of the Stock Exchange. He was named in the "International WHO'S WHO of Professionals" In 1999 and has been an adjudicator of the Best Annual Reports Awards organised by the Hong Kong Management Association and a member of the Board of Review appointed by the government of Hong Kong under the Inland Revenue Ordinance. He is currently the company secretary and a joint company secretary of a number of companies listed on the Stock Exchange and the vice-chairman of a charity trust in Hong Kong.

公司秘書

郭兆文先生

郭兆文先生，57歲，自二零一四年三月十八日以來出任本公司的公司秘書。郭先生為寶德隆企業服務(香港)有限公司的企業秘書部主管及我們香港證券登記分處寶德隆證券登記有限公司的董事。彼現為英國特許秘書及行政人員公會、英國財務會計師公會、香港特許秘書公會(「港秘書會」)、香港專業會計師協會及香港董事學會以及澳洲公共會計師協會的資深會員。彼亦具備仲裁、稅務、證券及投資、財務策劃及人力資源管理方面等專業資格。彼曾為港秘書會國際會員資格考試「企業秘書學／香港公司秘書實務」的主考官及為該會服務年資最長的理事會成員／董事。此外，郭先生已完成英格蘭及威爾士的普通法專業考試，取得法學深造文憑，且擁有文學學士學位及公司秘書及行政學專業文憑。

郭先生於多家海外及香港(包括生指數成份股及恒生50中型股指數成份股)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逾25年的豐富經驗。彼曾為一間擁有國際聯繫並具領先地位的香港財經印刷公司的董事總經理及一間於聯交所主板上市的公司的獨立非執行董事。彼於一九九九年名列國際專業人士名人錄(International WHO'S WHO of Professionals)，並曾擔任香港管理專業協會舉辦的「最佳年報獎」的評判以及獲香港政府按稅務條例委任為稅務上訴委員會成員。彼目前為多間聯交所上市公司的公司秘書及一間香港慈善信託的副總裁。



Corporate Governance Report 企業管治報告

The Company is committed to fulfilling its responsibilities to the Company's shareholders (the "Shareholders") and protecting and enhancing Shareholder value through good corporate governance.

The directors of the Company (the "Directors") recognize 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

The Company has applied the principles and complied with all applicable code provisions as set out in the Corporate Governance Code set out in Appendix 14 to the Listing Rules (the "CG Code") throughout the Year, except as disclosed in this report.

SECURITIES TRANSACTIONS BY DIRECTORS

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

本公司致力履行其對本公司股東(「股東」)之職責，並透過良好企業管治維護及提高股東價值。

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。

企業管治慣例

除本報告所披露者外，本公司於本年度內應用原則及遵守上市規則附錄十四所載企業管治守則(「企業管治守則」)的所有適用守則條文。

董事進行證券交易

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則(「標準守則」)，作為董事進行證券交易之操守準則。經本公司向全體董事作出具體查詢後，彼等確認其於本年度一直遵守標準守則所規定之準則。



Corporate Governance Report 企業管治報告

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 the review and recommendation of the audit committee of the Board (the “Audit Committee”); approving the 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 (the “Senior Management”) 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 if and when considered appropriate. The Senior Management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and assigned to it from time to time.

COMPOSITION

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

Currently, the Board comprises the following seven Directors:

Executive Directors (the “EDs”)

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

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層(「高級管理層」)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層若干職能。高級管理層主要負責執行董事會採納及不時獲指派的業務計劃、策略及政策。

組成

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

目前，董事會由以下七位董事組成：

執行董事(「執行董事」)

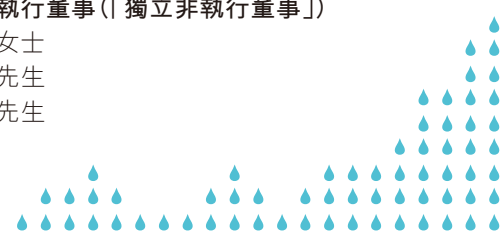
周安達源先生(主席)
陳昆先生(行政總裁)

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



Corporate Governance Report 企業管治報告

The biographical details of each of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” 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 EDs are responsible for the leadership and control of the Company and overseeing the Group’s businesses development, strategic formulation and are collectively responsible for promoting the success of the Company by directing and supervising its affairs.

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

Throughout the Year, the Company had three INEDs, which complied with the requirement of the Listing Rules that the number of INEDs must represent at least one-third of the Board members and 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 during the Year and up to the date of this annual report.

Proper insurance coverage in respect of legal actions against the Directors’ liability has been arranged by the Company.

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。

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。

本公司於本年度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，於本年度及直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。

本公司已就董事可能面對之法律訴訟作適當投保安排。



Corporate Governance Report 企業管治報告

DIRECTORS' INDUCTION AND CONTINUING PROFESSIONAL DEVELOPMENT

Any Director shall receive formal, comprehensive and tailored-made induction on the first occasion of his/her appointment to ensure a proper understanding of the Company's operations and business and full awareness of the Director's responsibilities under the statutes and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

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. According to the training records maintained by the Company, each of Mr. Chau On Ta Yuen, Mr. Chan Kwan, Mr. Chan Pak Lam Brian, Mr. Chau Chi Yan Benny, Ms. Ng Chung Yan Linda, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict has attended seminars/conference/forums and/or read newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities.

MEETINGS OF BOARD AND BOARD COMMITTEES AND DIRECTORS' ATTENDANCE RECORDS

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

董事就任須知及持續專業發展

任何董事於首次接受委任時均應接受正式、全面及專門為其而設之就任須知，以確保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。

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。根據本公司存置之培訓記錄，周安達源先生、陳昆先生、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各人已出席有關經濟、通用商務、企業管治及董事職責及責任的研討會／會議／論壇及／或閱讀相關報章、期刊及最新資訊。

董事會會議、董事會轄下委員會及董事出席記錄

董事會每年舉行四次會議，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本公司之公司秘書（「公司秘書」）之意見和服務，以確保董事會程序及所有適用規則和法規得到遵守。公司秘書負責保管所有董事會會議記錄。於每次會議後，通常於合理期間內提供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。

Corporate Governance Report

企業管治報告

During the Year, one annual general meeting and four Board meetings were held. The table below sets out the attendance by the Directors of these meetings:

於本年度，董事會共召開一次股東週年大會及四次董事會會議。下表載列董事出席該等會議之情況：

Name 姓名		Meetings attended/ Eligible to attend 出席會議次數/ 有資格出席會議次數	
		Board 董事會	General Meeting 大會
EDs 執行董事			
Chau On Ta Yuen	周安達源	4/4	1/1
Chan Kwan	陳昆	4/4	1/1
NEDs 非執行董事			
Chan Pak Lam Brian	陳柏林	2/4	0/1
Chau Chi Yan Benny	周致人	4/4	1/1
INEDs 獨立非執行董事			
Ng Chung Yan Linda	伍頌恩	4/4	0/1
Ng Man Kung	吳文拱	4/4	0/1
Sze Yeuk Lung Benedict	施若龍	4/4	0/1

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

除董事會會議外，董事會主席於本年度亦與所有非執行董事（包括獨立非執行董事）召開沒有執行董事參加的會議。

Code provision A.6.7 of the CG Code provides that independent non-executive directors and other non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders. One NED and all the INEDs were not able to attend the annual general meeting of the Company (the "AGM") held on 8 May 2015 (the "2015 AGM") due to their respective business engagements. Other Board members who attended the 2015 AGM were already of sufficient calibre and number for answering questions raised by the Shareholders at the 2015 AGM.

企業管治守則之守則條文第A.6.7條規定，獨立非執行董事及其他非執行董事應出席股東大會，對股東的意見有公正的了解。一名非執行董事及所有獨立非執行董事因有各自的公務安排，未能出席本公司於二零一五年五月八日舉行的股東週年大會（「股東週年大會」）（「二零一五年股東週年大會」）。出席二零一五年股東週年大會的其他董事會成員已具備相當才幹且人才亦足夠以回應股東於二零一五年股東週年大會上提出的問題。



Corporate Governance Report 企業管治報告

BOARD DIVERSITY POLICY

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

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

CHAIRMAN AND CHIEF EXECUTIVE

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

BOARD COMMITTEES

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

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

董事會多元化政策

董事會於二零一四年九月五日採納董事會多元化政策，並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、種族、文化及教育背景、族裔、專業經驗、技能、知識及服務年期）挑選候選人。本公司將根據所挑選候選人將會對董事會作出的功績及貢獻作出最終決定。

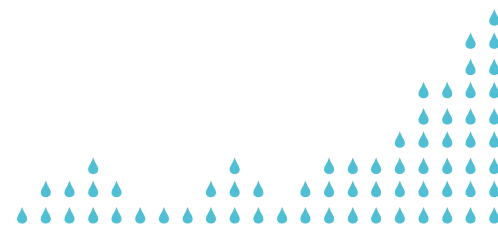
主席及行政總裁

主席及行政總裁負責不同任務及由不同人士擔當，以確保權力及授權之平衡，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。



Corporate Governance Report

企業管治報告

AUDIT COMMITTEE

The Audit Committee was established with written terms of reference in compliance with the CG Code. It consists of three INEDs, namely Ms. Ng Chung Yan Linda, serving as the chairlady, Mr. Ng Man Kung and Mr. Sze Yeuk Lung Benedict and a NED, namely Mr. Chau Chi Yan Benny. The terms of reference was revised and adopted on 11 December 2015 to include the responsibility arising from the Stock Exchange's proposal on risk management and internal control under the CG Code applicable to accounting periods on or after 1 January 2016.

The principal responsibilities of the Audit Committee include:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, approving the remuneration and terms of engagement of the external auditor, and considering any questions of resignation or dismissal of that auditor;
- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;
- developing and implementing a policy on the engagement of an external auditor to supply non-audit services and reporting the same to the Board, and identifying and making recommendations on any matters in respect of which it considers that action or improvement is needed;
- discussing with the external auditor before the audit commences, the nature and scope of the audit and reporting obligations;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements and ensuring proper co-ordination where more than one audit firm is involved;
- discussing problems and reservations arising from the interim and final audits, and any matters the external auditor may wish to discuss (in the absence of management where necessary);
- monitoring the integrity of the Company's financial statements, annual report and accounts, half-year report and, if prepared for publication, quarterly reports, and reviewing significant financial reporting judgements contained in them;

審核委員會

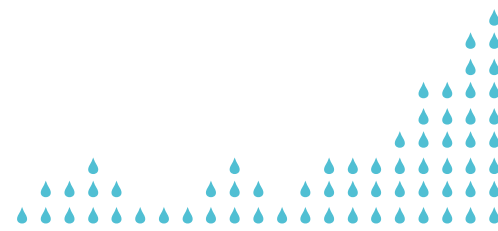
董事會設立具備書面職權範圍及符合企業管治守則之審核委員會。審核委員會包括三名獨立非執行董事，即伍頌恩女士(主席)、吳文拱先生及施若龍先生及一名非執行董事，即周致人先生。職權範圍經修訂並於二零一五年十二月十一日獲採納，以包括聯交所就風險管理建議產生的責任，以及根據適用於二零一六年一月一日及之後會計期間的企業管治守則的內部管控。

審核委員會主要責任包括：

- 就外部核數師的委聘、續聘及解聘向董事會提供建議、批准外部核數師薪酬及聘用條款，及考慮任何有關該核數師辭職或解聘的問題；
- 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；
- 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；
- 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及若涉及多於一間核數公司，確保各公司之間相互妥為協調；
- 討論中期及年度核數過程中產生的問題及保留意見，以及外聘核數師可能希望討論的任何事宜(有需要時，應在管理層不在場情況下進行有關討論)；
- 監察本公司財務報表、年度報告及賬目、半年度報告及(如為刊登而擬備)季度報告之完整性，並審查其中所載重大財務匯報判斷；

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- reviewing the Company's financial controls, risk management and internal control systems;
- discussing the risk management and internal control systems with the Senior Management to ensure that the Senior Management has performed its duties in establishing and maintaining effective systems, including matters on adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- considering major investigations findings on risk management and internal control matters as delegated by the Board or on its own initiative and the Senior Management's response to these findings;
- where an internal audit function exists, ensuring co-ordination between the internal and external auditors, ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
- reviewing the Group's financial and accounting policies and practices;
- reviewing the external auditor's management letter, any material queries raised by such audit to the Senior Management about the accounting records, financial accounts or systems of control and the Senior Management's response;
- ensuring that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- reporting to the Board on the matters set out in the Audit Committee's terms of reference;
- reviewing arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters and ensuring that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;
- acting as the key representative body for overseeing the Company's relations with the external auditor;
- 審查本公司財務管控、風險管理及內部管控制度；
- 與高級管理層討論風險管理及內部管控制度，確保高級管理層已履行職責建立及維持有效的系統，包括本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠、以及培訓課程及有關預算又是否充足的事宜；
- 根據董事會委託或其本身主動提議，考慮對風險管理及內部管制事項主要調查結果及高級管理層對有關調查結果之回應；
- 倘若有內部核數功能，確保內部與外部核數師之間的協調，確保內部核數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；
- 審查外部核數師管理層函件、該核數向高級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高級管理層之回應；
- 確保董事會將會就外部核數師管理層函件所提出事項及時給予回應；
- 就審核委員會職權範圍所載事宜向董事會匯報；
- 檢討本公司設定的以下安排：本公司僱員可暗中就財務匯報、內部監控或其他方面可能發生的不正當行為提出關注，確保有適當安排，讓本公司對此等事宜作出公平獨立的調查及採取適當跟進行動；
- 擔任本公司與外部核數師的主要代表，負責監察兩者之間的關係；



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- establishing a whistle-blowing policy and system for employees of the Company and those who deal with the Company (e.g. customers and suppliers) to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Company;
- developing and reviewing the Company's policies and practices on corporate governance and making recommendations to the Board;
- reviewing and monitoring the training and continuous professional development of the Directors and the Senior Management;
- reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors;
- reviewing the Company's compliance with the CG Code contained in Appendix 14 to the Listing Rules and the disclosure in the Corporate Governance Report in the Company's annual report;
- reviewing on-going connected transactions of the Company and ensuring compliance with the terms of approval by the Shareholders;
- reviewing the findings of internal investigations the Senior Management's responses in relation to any suspected fraud or irregularities or failures of internal controls or infringement of laws, rules and regulations; and
- considering any other topics as determined by the Board.
- 制定舉報政策及系統，讓僱員及其他與公司有往來者（如客戶及供應商）可暗中向審核委員會提出其對任何可能關於公司的不當事宜的關注；
- 制定及檢討本公司的企業管治政策及慣例，並向董事會提出建議；
- 檢討及監察董事及高級管理層的培訓及持續專業發展；
- 檢討及監察本公司在遵守法律及監管規定方面的政策及慣例；
- 制定、檢討及監察適用於僱員及董事的操守準則及合規手冊（如有）；
- 檢討本公司遵守上市規則附錄十四所載企業管治守則的情況及在本公司年報內企業管治報告內的披露；
- 檢討本公司的持續關聯交易，確保其符合本公司股東批准的條款；
- 檢討內部調查的成果以及高級管理層對任何欺詐及違規嫌疑、違反內部控制或違法違規嫌疑的反應；及
- 考慮董事會釐定的任何其他議題。

During the Year, three Audit Committee meetings were held whereat the Audit Committee (i) reviewed the audited consolidated financial results of the Company for the year ended 31 December 2014; (ii) reviewed the unaudited financial results of the Company for the six months ended 30 June 2015; (iii) considered the nature and scope of the audit of the financial statements of the Group for the Year and (iv) reviewed the internal control and risk management system of the Group. The attendance of individual members was set out in the following table.

於本年度內，舉行三次審核委員會會議，審核委員會於會議上分別(i)審閱本公司截至二零一四年十二月三十一日止年度的經審核綜合財務業績；(ii)審閱本公司截至二零一五年六月三十日止六個月的未經審核財務業績；(iii)考慮本集團本年度財務報表的核數性質與範疇及(iv)檢討本集團的內部控制及風險管理系統。下表載列個別成員的出席情況。



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Name 姓名	Meetings attended/ Eligible to attend 出席會議次數/ 有資格出席會議次數
Ms. Ng Chung Yan Linda 伍頌恩女士	3/3
Mr. Ng Man Kung 吳文拱先生	3/3
Mr. Sze Yeuk Lung Benedict 施若龍先生	3/3
Mr. Chau Chi Yan Benny 周致人先生	3/3

REMUNERATION COMMITTEE

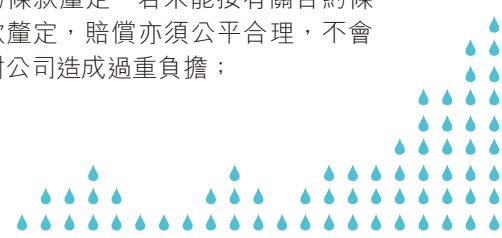
The Remuneration Committee was established with written terms of reference in compliance with the CG Code. The Remuneration Committee consists of three INEDs, namely Mr. Ng Man Kung, serving as the chairman, Ms. Ng Chung Yan Linda and Mr. Sze Yeuk Lung Benedict, and a NED, namely Mr. Chan Pak Lam Brian.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

- making recommendations to the Board on the Company's policy and structure for the remuneration of all Directors and the Senior Management and on the establishment of a formal and transparent procedure for developing a remuneration policy;
- reviewing and approving the Senior Management's remuneration proposals by reference to the Board's corporate goals and objectives;
- making recommendations to the Board on the remuneration packages of individual EDs and the Senior Management and such packages include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- making recommendations to the Board on the remuneration of the NEDs;
- considering salaries paid by comparable companies, time commitment, responsibilities and employment conditions elsewhere in the Group;
- reviewing and approving compensation payable to the EDs and the Senior Management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;

薪酬委員會

董事會已設立具備書面職權範圍及符合企業管治守則的薪酬委員會。薪酬委員會成員包括三名獨立非執行董事，即吳文拱先生（擔任主席）、伍頌恩女士及施若龍先生及一名非執行董事，即陳柏林先生。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層薪酬政策及結構、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，審查及批准高級管理層薪酬建議；
- 就個別執行董事及高級管理層的薪酬組合向董事會提供推薦意見，而有關薪酬組合包括實物利益、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的任何應付補償）；
- 就非執行董事的薪酬向董事會提供推薦意見；
- 審閱可供比較公司所支付薪金、時間的投放、責任及本集團其他成員的僱用條件；
- 檢討及批准向執行董事及高級管理層就喪失或終止其職務或委任有關的賠償，以確保有關賠償按有關合約條款釐定，若未能按有關合約條款釐定，賠償亦須公平合理，不會對公司造成過重負擔；



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- reviewing and approving compensation arrangements relating to the dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration; and
- reviewing the Group's policy on expense reimbursements for the Directors and the Senior Management.
- 檢討及批准關於罷免或解聘行為不當董事的補償安排，以確保有關安排按合約條款釐定，若未能按有關合約條款釐定，有關賠償亦須合理適當；
- 確保概無董事或其任何聯繫人士(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 Year, two Remuneration Committee meetings were held whereat the Remuneration Committee reviewed and recommended to the Board for consideration the adjustment on the Director's fee of all the Directors with effect from 1 January 2015 and the bonus payment to the EDs. The attendance of individual members was set out in the following table.

於本年度內，舉行兩次薪酬委員會會議，薪酬委員會於會議上審閱及向董事會推薦考慮自二零一五年一月一日起調整全體董事的董事袍金及向執行董事支付花紅。下表載列個別成員的出席情況。

Name 姓名	Meetings attended/ Eligible to attend 出席會議次數/ 有資格出席會議次數
Mr. Ng Man Kung 吳文拱先生	2/2
Ms. Ng Chung Yan Linda 伍頌恩女士	2/2
Mr. Sze Yeuk Lung Benedict 施若龍先生	2/2
Mr. Chan Pak Lam Brian 陳柏林先生	2/2

NOMINATION COMMITTEE

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

提名委員會

董事會已設立具備書面職權範圍及符合企業管治守則的提名委員會。提名委員會包括三名獨立非執行董事，即伍頌恩女士、吳文拱先生及施若龍先生及兩名執行董事，即周安達源先生及陳昆先生。周安達源先生擔任提名委員會主席。提名委員會主要責任包括：

- 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;
- 至少每年檢討董事會結構、規模及組成(包括技巧、知識及經驗及觀點多元化)，並就任何建議變動向董事會提供推薦意見，以補充本公司的企業策略；



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- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships, with due regard for the benefits of diversity on the Board;
 - assessing the independence of the INEDs;
 - reviewing the Board diversity policy of the Company, as appropriate; and reviewing the measurable objectives that the Board has set for implementing such policy, and the progress on achieving the objectives; and
 - making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for the Directors, in particular, the Chairman and the chief executives.
- 物色具備合適資格可擔任董事的人士，並就挑選提名有關人士出任董事向董事會提供推薦意見，並適當考慮董事會多元化的益處；
 - 評估獨立非執行董事的獨立性；
 - 檢討本公司董事會多元化政策(如適用)；及審查董事會為推行該政策所設定可衡量宗旨及實現該等宗旨的進度；及
 - 就董事委任或重新委任以及(尤其是主席及行政總裁)的繼任計劃，向董事會提供推薦意見。

During the Year, one Nomination Committee meeting was held whereat the Nomination Committee (i) assessed the independence of the INEDs; (ii) recommended to the Board for consideration the re-appointment of all the retiring Directors as Directors at the AGM held on 8 May 2015; (iii) reviewed the structure, size and composition of the Board; and (iv) reviewed the Board diversity policy. The attendance of individual members was set out in the following table.

於本年度內，舉行一次提名委員會會議，提名委員會於會議上(i)評估獨立非執行董事的獨立性；(ii)推薦董事會考慮於二零一五年五月八日舉行的股東週年大會上重新委聘所有退任董事為董事；(iii)檢討董事會結構、規模及組成；及(iv)檢討董事會的多元化政策。下表載列個別成員的出席情況。

Name 姓名	Meetings attended/ Eligible to attend 出席會議次數/ 有資格出席會議次數
Mr. Chau On Ta Yuen 周安達源先生	1/1
Mr. Chan Kwan 陳昆先生	1/1
Mr. Ng Man Kung 吳文拱先生	1/1
Ms. Ng Chung Yan Linda 伍頌恩女士	1/1
Mr. Sze Yeuk Lung Benedict 施若龍先生	1/1

BOARD'S CORPORATE GOVERNANCE FUNCTIONS

The Company has adopted the code provisions stated in the CG Code 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.

董事會的企業管治職能

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



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

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

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

According to the Articles of Association,

- (a) the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the Board. Any Director so appointed shall hold office only until the next following AGM and shall then be eligible for re-election at that meeting; and
- (b) the Company may by ordinary resolution 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 AGM and shall then be eligible for re-election.

However, the Company will comply with Code provision A.4.2 of the CG Code that any Director who fills a casual vacancy shall hold office until the following general meeting of the Company.

委任及重選董事

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

各非執行董事(包括獨立非執行董事)根據其各自與本公司訂立的委任書已獲委任，初始任期為三年，自二零一四年九月五日開始。

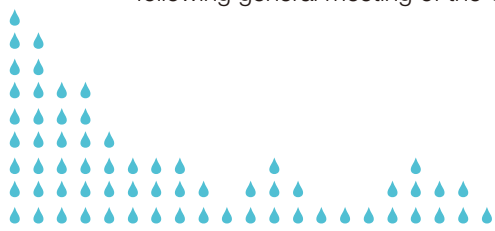
概無董事已或擬與本公司或其任何附屬公司訂立服務合約，惟不包括將於一年內屆滿或僱主可確定無須作出補償(法定補償除外)的合約。

全體董事(包括獨立非執行董事)須依據組織章程細則輪席退任及符合重選資格。於每次股東週年大會上，當時三分之一董事(如數目少於三(3)或三(3)的倍數，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。

根據組織章程細則，

- (a) 董事會可不時及隨時委任任何人士為董事，以填補董事會臨時空缺或出任董事會新增成員。就此獲委任的任何董事僅任職至下屆股東周年大會舉行為止，惟屆時將符合資格膺選連任；及
- (b) 本公司可通過普通決議案於股東大會選出任何人士出任董事，以填補董事會臨時空缺或出任董事會新增成員。就此獲委任的任何董事僅任職至本公司下一屆股東周年大會舉行為止，惟屆時將符合資格膺選連任。

然而，為遵守企業管治守則之守則條文第A.4.2條，填補臨時空缺的任何董事須任職至本公司下一屆股東大會舉行為止。



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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) whose particulars are contained in the section headed "Biographical Details of Directors and Senior Management" in this annual report for the Year by band is set out below:

Remuneration band (in HK\$) 薪酬組別 (港元)		Number of individuals 人士數目
Nil to 1,000,000	零至 1,000,000	3

INDEPENDENT AUDITORS' REMUNERATION

The fees charged by Ernst & Young, the Group's independent auditors, in respect of the audit and non-auditing services for the Year amounted to approximately HK\$1,600,000 and HK\$310,000, respectively. The non-auditing services rendered relates to the performance of agreed-upon procedures on interim financial report for the six months ended 30 June 2015.

There is no disagreement between the Board and the Audit Committee on the re-appointment of the independent auditors, and they both have agreed to recommend the re-appointment of Ernst & Young as the Company's independent auditors for the ensuing year at the 2016 annual general meeting of the Company.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

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

董事及高級管理層薪酬

本年度內董事的薪酬詳情列載於綜合財務報表附註8內。

根據企業管治守則之守則條文B.1.5，高級管理層(董事除外)薪酬(其資料按組別載列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：

獨立核數師酬金

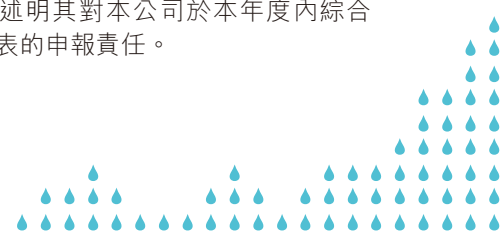
本年度內，本集團獨立核數師安永會計師事務所就提供核數服務及非核數服務收取的費用分別約1,600,000港元及310,000港元。所提供的非核數服務與截至二零一五年六月三十日止六個月的中期財務報告履行協議程序有關。

董事會及審核委員會於續聘獨立核數師方面並無意見分歧，且其均同意建議於本公司二零一六年股東週年大會上續聘安永會計師事務所為本公司來年的獨立核數師。

董事對財務報表的責任

董事知悉彼等有責任編製本年度的綜合財務報表，以真實公平方式反映本集團於本年度的事務狀況及本集團的業績及現金流量，並根據適用的法定規定及會計準則按持續經營基準妥為編製。董事並無發現有任何可能影響本集團業務的重大不確定因素或影響本集團持續經營能力的重大懷疑。

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的申報責任。



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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.

The Audit Committee and the Board have conducted a review of the effectiveness of the internal control and risk management on a yearly basis systems of the Group. Despite the fact that the Group does not have a designated internal audit function, the Company has engaged an external consultant to perform internal control reviews and the result is considered satisfactory. As such, the Directors (including the INEDs) consider that the internal control measures of the Company are adequate and effective.

COMPANY SECRETARY

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

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

SHAREHOLDERS' RIGHTS

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT SHAREHOLDERS' MEETINGS

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

內部監控

董事會負責確保本公司的內部監控系統在任何時候穩健妥善而且有效，以保障股東的投資及本集團的資產。本公司已採取一系列內部監控政策及程序，旨在為實現高效營運、可靠財務報告以及遵守適用法律及法規等目標提供合理保證。

審核委員會及董事會每年對本集團的內部監控系統及風險管理的成效進行檢討。儘管本集團並無設立內部審核功能，但本公司已外聘顧問對內部監控進行檢討且結果令人滿意。因此，董事（包括獨立非執行董事）認為本公司的內部監控措施屬充分及有效。

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的聘任函件向本公司提供若干企業秘書服務。郭先生就公司秘書事宜與本公司聯絡的主要人士為財務總監范智超先生。

由於郭先生原初於一九九一年獲一家香港恒生指數成份股股份公司委任作為公司秘書，並曾於若干在聯交所上市的其他良好聲譽公司長期擔任該職位，因此，彼無須根據上市規則於年內接受至少15個小時相關連續專業發展培訓。然而，儘管享有上述豁免，但郭先生於本年度內舉辦並出席超過15個小時相關研討會。

股東權利

在股東大會上提呈建議的程序

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

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PROCEDURES FOR SHAREHOLDERS TO CONVENE AN EGM

Article 12.3 of the Articles of Association stipulates that:

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

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

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitioner(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitioner(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

PROCEDURES FOR SHAREHOLDERS TO SEND ENQUIRES TO THE BOARD

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

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

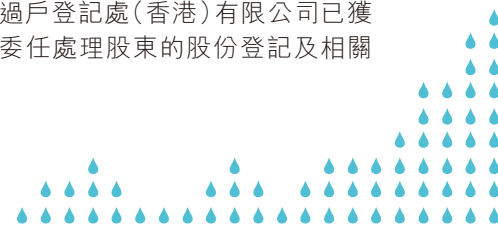
本公司亦可按其中一位股東的書面要求召開股東大會，該股東應為認可結算所（或其代名人），其請求書存放於本公司在香港的主要辦事處內，指明本次會議的對象，並由請求人簽署，條件是該請求人於存放請求書之日須持有本公司不少於十分之一的繳足股本，賦予他於本公司股東大會的投票權。

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

股東向董事會發出查詢的程序

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

股東可將有關彼等持股的問題透過郵件至本公司的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的股份登記及相關事宜。



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COMMUNICATION WITH SHAREHOLDERS

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

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

CONSTITUTIONAL DOCUMENTS

There were no changes in the constitutional documents of the Company during the Year.

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

股東通訊

本公司採用股東通訊政策，旨在加強投資者關係和投資者對本公司之經營業績和策略之理解。

本公司向股東及投資人士傳達本公司資料的主要渠道為：本公司的財務報告（中期及年度報告）、股東週年大會及其他可能召開的股東大會，並將所有呈交予聯交所的披露資料及公司通訊登載在聯交所及本公司網站。

憲章文件

於本年度內，本公司的憲章文件並無改動。

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



Directors' Report 董事會報告

The directors of 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 2015 (the “Year”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are the provision of wastewater treatment services in Jiangsu Province, the People's Republic of China (the “PRC”). The principal activities and other particulars of its subsidiaries are set out in note 1 to the consolidated financial statements.

RESULTS

The results of the Group for the Year and the state of affairs of the Group at that date are set out on pages 62 to 146 of this annual report.

DIVIDENDS

On 21 August 2015, the Company declared an interim dividend of HK2 cents per ordinary share of the Company, absorbing a total of HK\$19.0 million. Such dividend was paid on 31 October 2015.

A final dividend of HK1 cent per ordinary share is declared by the Board for the Year.

BUSINESS REVIEW

A review of the business of the Group during the Year and the potential future development of the Group's business is set out in the Chairman's Statement on pages 5 to 7 of this annual report.

There is no important event affecting the Group that has occurred since the end of the Year.

The performance analysis using financial key performance indicators is set out in the Management Discussions and Analysis on pages 8 to 14 of this annual report.

PRINCIPAL RISKS OF THE GROUP

This section lists out the principal risks and uncertainties facing the Group. This is a non-exhaustive list and there may be other risks and uncertainties further to the principal areas of risk outlined below. The financial risks are covered in note 34 to the consolidated financial statements. A more comprehensive analysis of the Group's risk factors is set out on pages 29 to 46 of the prospectus of the Company dated 12 September 2014 (the “Prospectus”).

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」)截至二零一五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。

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1。

業績

本集團於本年度之業績及於該日期之財務狀況列載於本年報第62頁至第146頁。

股息

於二零一五年八月二十一日，本公司宣派中期股息每股本公司普通股2港仙，總額為19.0百萬港元。有關股息於二零一五年十月三十一日支付。

董事會宣派本年度的末期股息每股普通股1港仙。

業務回顧

本集團本年度之業務回顧與本集團潛在的未來業務發展之論述均載於本年報主席報告第5頁至第7頁。

自本年度末起概無發生任何影響本集團之重大事件。

採用財務關鍵表現指標的表現分析載於本年報管理層討論與分析第8頁至第14頁。

本集團主要風險

本節載列本集團面臨的主要風險和不明朗因素。下列因素並非詳盡，以及以下所述存在主要風險的領域或會存在其他更多風險和不明朗因素。財務風險載於綜合財務報表附註34。有關本集團風險因素的更多綜合分析載於本公司日期為二零一四年九月十二日的招股章程(「招股章程」)第29頁至第46頁。

Directors' Report 董事會報告

RISKS ASSOCIATED WITH WATER TARIFF ADJUSTMENT DUE TO INCREASE IN ACTUAL OPERATING COSTS

The increase in actual operating costs of the Group due to the increase in utilization of the wastewater treatment plants may not be compensated fully and timely by the adjustment of the water tariff under the build-operate-transfer (the "BOT") agreements. The profitability and financial condition of the Group may therefore be adversely affected.

CREDIT RISKS OF AND PAYMENT DELAYS BY CUSTOMERS

The customers are a local government authority and a local government administrative committee in Jiangsu Province, the PRC. The repayment period is usually longer than the Group's credit period granted to them mainly due to the complexity of their internal administrative procedures. In addition, the Group had not been paid on a regular basis by Rugao Economic and Technological Development Zone Administrative Committee in respect of the services that the Group provided to them under the BOT agreement for the wastewater treatment facility operated by Rugao Honghao Metal Water Treatment Company Limited, an indirect subsidiary of the Company. The cash flow and liquidity could be negatively affected by delays in payments by the Group's customers.

ENVIRONMENTAL RISKS ASSOCIATED WITH THE SURROUNDING AREA OF THE WASTEWATER TREATMENT PLANTS

The Group is exposed to environmental risks due to the nature of its business operations. Water supplies may be exposed to pollution. The types and amounts of pollutants in the wastewater may increase unexpectedly. If the wastewater is not treated or the pollutants are not removed from the wastewater adequately and efficiently, the Group could be held liable for health and environmental damages. It could materially affect the Group's business and reputation.

RISKS ASSOCIATED WITH CHANGES IN REGULATIONS FOR WASTEWATER TREATMENT SERVICES

The wastewater treatment projects are required to meet effluent emission standards imposed by the relevant environmental protection administration authorities, which are subject to changes in the future. If more stringent standards are adopted, the operational costs to meet such higher standards will increase. In addition, any changes in legislative, regulatory or industrial requirements may render the Group's wastewater treatment solutions obsolete. Upgrades to the existing technologies and facilities to meet the standards may be necessary, which could incur higher operating costs, more human resources and other consumptions. These could adversely affect the Group's operating performance.

由於實際運營成本增加導致有關水價調整之風險

污水處理工廠的使用增多導致本集團實際運營成本增加，而費用可能不會被完全及及時根據建設—經營—移交（「BOT」）協議調整水價得以補償。因此，本集團的盈利能力及財務狀況或會受到不利影響。

客戶的信用風險及拖延付款風險

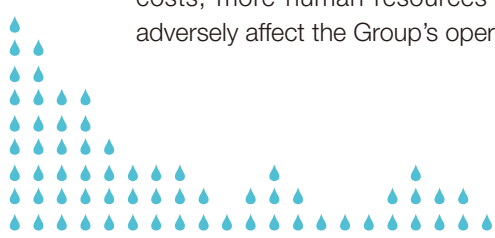
我們的客戶為中國江蘇省地方政府部門及地方政府管理委員會。付款期主要因其內部管理程序複雜而通常會超過本集團授予其的信用期。此外，本集團根據BOT協議就如皋宏皓金屬表面水處理有限公司（本公司間接附屬公司）營運的污水處理設施向如皋經濟技術開發區管委會提供的服務不能定期收到付款。由於本集團客戶拖延付款，本集團的現金流量及流動資金將受到不利影響。

有關污水處理廠周邊區域之環境風險

本集團面臨因本身業務性質而產生的環境風險。供水可能承受污染的風險。污水中的污染物種類及數量或會突如其來增加。若未能充分及有效地處理污水或除去污水中的污染物，本集團須就所造成的健康及環境損害承擔責任。這將會對本集團的業務及聲譽造成重大影響。

有關污水處理服務的法規變動之風險

污水處理項目須符合相關環境保護行政機關實施的污水排放標準，亦須符合其日後變動。若實施更嚴格的標準，運營成本將增加以滿足該等更高標準。此外，立法、監管或行業規定的任何變動，可能導致本集團若干污水處理方案過時。提升現有技術及改造設施以符合標準屬必要舉措，而這將產生更多的運營成本、更多的人力及其他資源消耗。該些將對本集團的經營業績造成不利影響。



Directors' Report 董事會報告

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group strives to offer a one-stop approach to the provision of wastewater treatment services to reduce the environmental impact of wastewater discharges. Adhering to the principle of sustainable cleaner production, our two wastewater treatment facilities adopted wastewater reuse and water recycling designs in order to save water. Meanwhile, the Group continued to promote greening efforts in our wastewater treatment facilities and further improved our odor control facilities in an effort to minimize the potential impact on neighboring communities. In addition, in order to further reduce final discharge of pollutants and in response to the new environmental protection policies promulgated by the Chinese government, the Group conducted improvement works at the Rugao Hengfa Facility in 2015 to save energy and reduce emissions.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS THAT HAVE A SIGNIFICANT IMPACT ON THE GROUP

The Group and its business are governed and regulated by certain laws and regulations that have a significant impact on the Group which are stated on pages 75 to 86 of the Prospectus. During the Year, no violation of any of the relevant laws and regulations has been identified.

KEY RELATIONSHIPS WITH STAKEHOLDERS

As a Group of the environmental industry, we are fully aware of the importance of our operating performance to the general public — one of the key stakeholders of the Group. We strive to ensure that the quality of water output from the wastewater treatment plants meets the required industry standards. In addition, the Group is concerned with the impact of the operation on other passive stakeholders. For example, the odor of the wastewater and sludge could affect the habitat and the quality of life of the residents near our wastewater treatment plants. The Group has addressed the problem by constructing covers over the containers to minimize the impact. Protecting the environment and delivering good-quality services to the society remain the Group's primary goal.

Other stakeholders include the Group's employees, vendors and the relevant local government authority or administrative committee.

The Group is committed to providing its staff with a fair workplace where individuals with diverse cultural backgrounds are treated equally. It encourages career advancement of its staff and provides good opportunities for learning and development. The Group offers competitive compensation according to the staff's qualifications and experience, level of responsibility and performance.

環保政策及表現

本集團致力提供一站式污水處理服務，從而減輕污水排放對環境的污染。本集團秉承可持續清潔生產的宗旨，旗下兩家污水處理廠已採用污水回用及水循環利用設計方案來節約用水；同時，本集團不斷加強污水處理廠的綠化工作以及進一步完善臭味控制設施，以減少污水處理廠可能對鄰近地方造成的影響。另一方面，為進一步減少污染物最終排放，並響應中國政府的新環保政策，本集團於二零一五年對旗下擁有的如臯恒發污水處理廠進行提標改造建設工程，從而促進節能減排工作。

遵守相關法律及法規對本集團有重大影響

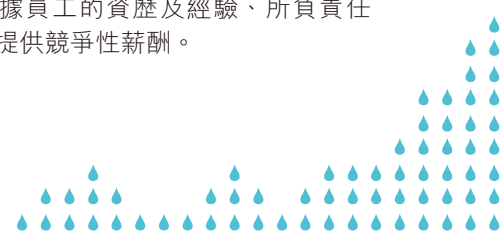
本集團及其業務受若干法律及法規的規管及管制，相關法律及法規對本集團的重大影響載於招股章程第75至86頁。於年度內，本集團確認並無違反任何相關法律及法規。

與主要利益相關者之關係

由於本集團屬環保行業，我們充分意識到公眾（本集團主要利益相關者）對經營業績的重要性。我們努力確保污水處理工廠處理後的水質符合行業標準要求。此外，本集團關注其他相關利益相關者對營運的影響。例如，污水的氣味及污泥將影響生存環境及污水處理廠周圍居民的生活品質。本集團透過建造覆蓋容器的設備以減小影響來解決問題。保護環境以及向社會提供優質服務仍是本集團的主要目標。

其他利益相關者包括本集團僱員、銷售商及有關地方政府部門或管理委員會。

本集團致力於向員工提供公平的工作環境，其中擁有不同文化背景的員工能夠獲得平等的待遇。本集團鼓勵員工向上晉升並提供良好的學習及發展機會。本集團根據員工的資歷及經驗、所負責任及表現提供競爭性薪酬。



Directors' Report

董事會報告

The Group maintains a good relationship with its vendors and communicates with them proactively to ensure that they are committed to delivering high-quality and sustainable products and services. It has internal control procedures in place to assess the quality of the existing vendors regularly, as well as to ensure sufficient tenderers are sought for in case of new acquisitions of raw materials, machineries, etc.

The local government authority and administrative committee are the key customers of the Group. The Group communicates with them regularly to ensure that it shares the same vision in the industry and its future development. The Group is also concerned with the opportunities and challenges faced by each party, and aim to maximize benefits of both sides in the course of cooperation in existing operations and future projects.

FINANCIAL SUMMARY

A summary of the results for the Year and the assets and liabilities of the Group as at 31 December 2015 and for the past four 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 2016 AGM will be held on 20 May 2016, and the AGM notice will be published and dispatched to the Shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

IN RELATION TO AGM

To determine the Shareholders' entitlement to attend and vote at the AGM, the register of members will be closed from Tuesday, 17 May 2016 to Friday, 20 May 2016 (both dates inclusive), during which no transfer of Shares will be effected. In order to qualify for attending the forthcoming AGM, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited, at 31/F., 148 Electric Road, North Point, Hong Kong, for registration not later than 4:30 p.m. on Monday, 16 May 2016.

本集團與銷售商維持良好的合作關係並積極與其交流，以確保他們致力於提供優質且可持續的產品及服務。本集團實施內部控制程序以定期評估現有銷售商的質素，以及確保在有原材料、機械等新收購的情況下能夠尋求充足的投標方。

地方政府部門及管理委員會是本集團的主要客戶。本集團與其定期交流以確保對行業前景及未來發展擁有一致的看法。本集團亦關注各方面臨的機遇及挑戰並致力於將雙方在現有業務及未來潛在項目的合作過程中的利益最大化。

財務摘要

本集團的本年度業績及於二零一五年十二月三十一日及過去四個財政年度之資產及負債摘要列載於本年報第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

本公司將於二零一六年五月二十日舉行二零一六年股東週年大會，股東週年大會通告將於稍後時間刊登及寄發予股東。

暫停辦理股份過戶登記手續

就股東週年大會而言

為釐定股東出席股東週年大會並於會上投票的權利，本公司將自二零一六年五月十七日(星期二)至二零一六年五月二十日(星期五)(包括首尾兩日)暫停股份登記，期內將不會辦理股份過戶登記手續。為符合資格出席應屆股東週年大會，所有過戶文件連同有關股票須於二零一六年五月十六日(星期一)下午四時三十分前送達本公司香港股份過戶登記分處寶德隆證券登記有限公司，地址為香港北角電氣道148號31樓，以辦理登記手續。



Directors' Report 董事會報告

IN RELATION TO THE PROPOSED FINAL DIVIDEND

Conditional on the passing of the resolution approving the declaration of a final dividend by the Shareholders at the AGM, the register of members will be closed from Friday, 27 May 2016 to Tuesday, 31 May 2016 (both dates inclusive), during which no transfer of Shares will be effected. In order to qualify for the final dividend, all transfer documents, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar in Hong Kong, 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 Thursday, 26 May 2016.

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 a pro-rata basis to existing Shareholders.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the Group's revenue was attributable to two customers who are local government authorities. They jointly accounted for 100% of the Group's revenue, with each of them accounting for 91.5% and 8.5% of the Group's revenue, respectively. The percentage of purchases attributable to the largest supplier and the five largest suppliers of the Group accounted for 43.5% and 63.5%, respectively.

None of the Directors or any of their close associates (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange" and the "Listing Rules", respectively)) or any Shareholders (who, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers and suppliers.

SHARE CAPITAL

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

就擬派末期股息而言

待股東於股東週年大會上通過批准宣派末期股息的決議案後，本公司將自二零一六年五月二十七日(星期五)至二零一六年五月三十一日(星期二)(包括首尾兩日)暫停股份登記，期內將不會辦理股份過戶登記手續。為符合資格收取建議派發的末期股息，所有過戶文件連同有關股票須於二零一六年五月二十六日(星期四)下午四時三十分前送達本公司香港股份過戶登記分處寶德隆證券登記有限公司，地址為香港北角電氣道148號31樓，以辦理登記手續。

優先購買權

根據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。

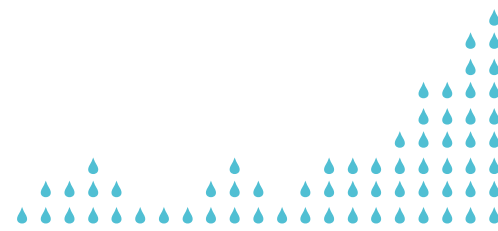
主要客戶及供應商

於本年度，本集團的營業收入來自兩名客戶，其為地方政府機關。其合共佔本集團的營業收入100%，並各自分別佔本集團的營業收入91.5%及8.5%。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43.5%及63.5%。

概無董事或其任何緊密聯繫人(定義見香港聯合交易所有限公司(「聯交所」)證券上市規則「上市規則」)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。

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。



Directors' Report 董事會報告

DISTRIBUTABLE RESERVES OF THE COMPANY

As at 31 December 2015, the Company's reserves available for distribution to the Shareholders amounted to approximately HK\$13.5 million (2014: approximately HK\$28.3 million).

In addition, under the Companies Law of the Cayman Islands, the share premium account of the Company in the amount of HK\$329.5 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.

DIRECTORS

The following are the Directors during the Year and up to the date of this report:

Executive Directors

CHAU On Ta Yuen (Chairman)^N

CHAN Kwan (Chief Executive Officer)^N

Non-Executive Directors (the "NEDs")

CHAN Pak Lam Brian^R

CHAU Chi Yan Benny^A

Independent Non-executive Directors (the "INEDs")

NG Chung Yan Linda^{A/R/N}

NG Man Kung^{A/R/N}

SZE Yeuk Lung Benedict^{A/R/N}

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 Article 16.18 of the Articles of Association, Mr. Chau On Ta Yuen, Mr. Chan Pak Lam Brian and Ms. Ng Chung Yan Linda shall retire at the 2016 AGM and all of them, being eligible, have offered themselves for re-election.

本公司之可分派儲備

於二零一五年十二月三十一日，本公司可分派予股東之儲備約為13.5百萬港元（二零一四年：約28.3百萬港元）。

此外，根據開曼群島公司法，本公司股份溢價賬為329.5百萬港元，可用於支付股東的分派或股息，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。

董事

於本年度及直至本報告日期之董事如下：

執行董事

周安達源（主席）^N

陳昆（行政總裁）^N

非執行董事（「非執行董事」）

陳柏林^R

周致人^A

獨立非執行董事（「獨立非執行董事」）

吳頌恩^{A/R/N}

吳文拱^{A/R/N}

施若龍^{A/R/N}

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16.18條，周安達源先生、陳柏林先生及伍頌恩女士將於二零一六年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。



Directors' Report 董事會報告

CONFIRMATION OF INDEPENDENCE OF INEDs

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

DIRECTORS' BIOGRAPHIES

The biographical details of the Directors are set out on pages 15 to 23 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 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 three months' written notice by the Company to the NED or INED concerned or vice versa.

None of the Directors being proposed for re-election at the forthcoming 2016 AGM has a service contract or an appointment letter with the Company that is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in note 31 to the consolidated financial statements, no Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

CHARITABLE DONATION

During the Year, the Group made charitable donations amounting to HK\$0.1 million (2014: Nil).

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、吳文拱及施若龍先生依據上市規則第3.13條對其獨立性之年度確認書。本公司於本報告日期認為彼等均具獨立性。

董事之個人履歷

董事之個人履歷詳情載於本年報第15至23頁。

董事服務合約

執行董事已各自與本公司訂立服務合約，及依據有關服務合約，彼等各自同意擔任執行董事，初始固定任期為三年，自二零一四年九月五日開始。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，任期三年，自二零一四年九月五日開始。非執行董事或獨立非執行董事之委任可由本公司向有關非執行董事或獨立非執行董事發出三個月書面通知(反之亦然)予以終止。

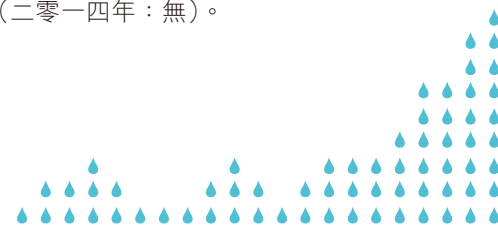
擬於下屆二零一六年股東週年大會上膺選連任之董事概無與本公司訂立本公司不能決定於一年內無需做出賠償(法定補償除外)之服務合約或委任函件。

董事於重大交易、安排或合約的權益

除綜合財務報表附註31所披露者外，於本年度內，概無董事與本公司或任何其他附屬公司訂立對本集團業務屬重大的任何交易、安排或合約中直接或間接擁有重大權益。

慈善捐款

於本年度內，本集團作出慈善捐款0.1百萬港元(二零一四年：無)。



Directors' Report 董事會報告

SHARE OPTION SCHEME

On 5 September 2014, the Company has 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. 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 2015.

The principal terms of which are set out as follows:

1. PURPOSE

The purpose of the Share Option Scheme is to enable the Company to grant options to Eligible Participants (as defined in paragraph 2 below) as incentives or rewards for their contribution or potential contribution to our Group.

2. ELIGIBLE PARTICIPANTS

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine to any full-time or part-time employees, potential employees, executives or officers (including executive, non-executive and independent non-executive Directors) of the Company or any of its subsidiaries, and any suppliers, customers, agents and advisers who, in the sole opinion of the Board, will contribute or have contributed to our Company and/or any of its subsidiaries (the "Eligible Participants").

3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

The maximum number of Shares in respect of the options granted by the Company under the Share Option Scheme and any other share option schemes must not in aggregate exceed 80,000,000 Shares (representing 10% of the Shares in issue immediately upon completion of the Share Offer (as defined in the Prospectus) and approximately 8.40% as at the date of this report).

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。之後概無授出、行使、註銷任何購股權或有任何購股權失效，且於二零一五年十二月三十一日，購股權計劃下無任何購股權未獲行使。

購股權計劃之主要條款載列如下：

1. 目的

購股權的目的為令本公司向合資格參與者（定義見下文第2段）授出購股權作為彼等對本集團作出貢獻或潛在貢獻的激勵或獎勵。

2. 合資格參與者

董事會可酌情向董事會可能決定的本公司或其任何附屬公司的任何全職或兼職僱員、潛在僱員、行政人員或高級職員（包括執行、非執行及獨立非執行董事）及董事會單獨認為將會對或已經對本公司及／或其任何附屬公司作出貢獻的任何供應商、客戶、代理人及顧問（「合資格參與者」）授出購股權以認購有關數目新股份。

3. 可發行的股份數目上限

本公司根據購股權計劃及任何其他購股權計劃授出的購股權所涉及的股份數目合共不得超過80,000,000股股份（分別相當於緊接股份發售（定義見招股章程）完成後已發行股份的10%及於本報告日期已發行股份的約8.40%）。



Directors' Report 董事會報告

4. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT UNDER THE SHARE OPTION SCHEME

The maximum number of Shares comprising in the options that may be granted under the Share Option Scheme to any Eligible Participant, shall not, when aggregated with

- (a) any Shares issued upon exercise of options or options under other schemes which have been granted to that Eligible Participant;
- (b) any Shares which would be issued upon the exercise of outstanding options or options under other schemes granted to that Eligible Participant (except for the INEDs and substantial shareholders (as defined in the Listing Rules) of the Company); and
- (c) any cancelled Shares which were the subject of options or options under other schemes which had been granted to and accepted by that Eligible Participant,

in any 12-month period up to the offer date, exceed one per cent. of the number of Shares in issue on the offer date. Any further grant of options in excess of this one per cent. limit shall be subject to:

- (i) the issue of a circular by the Company to the Shareholders which shall comply with the Listing Rules; and
- (ii) the approval of the Shareholders in a general meeting at which that Eligible Participant and his/her associates (as defined in the Listing Rules) shall abstain from voting.

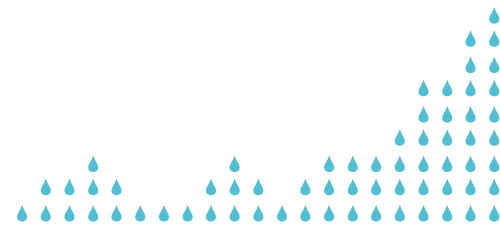
4. 各合資格參與者於購股權計劃下的最高權益

於直至要約日期止任何12個月期間，根據購股權計劃可能授予任何合資格參與者的購股權所涉及的最多股份數目計及以下各項

- (a) 行使購股權或根據其他計劃已經授予該合資格參與者的購股權已發行的任何股份；
- (b) 行使未行使的購股權或根據其他計劃已經授予該合資格參與者的購股權將發行的任何股份（不包括本公司獨立非執行董事及主要股東（定義見上市規則））；及
- (c) 註銷購股權或根據其他計劃已授予合資格參與者並獲合資格參與者接納的購股權所涉及的任何股份，

不得超過於要約日期已發行股份的1%。任何進一步授出超過該1%限制的購股權應受以下各項規限：

- (i) 本公司遵守上市規則向股東發佈通函；及
- (ii) 股東於股東大會批准合資格參與者及其聯繫人（定義見上市規則）應放棄投票。



Directors' Report 董事會報告

5. THE PERIOD WITHIN WHICH THE SECURITIES MUST BE EXERCISED UNDER AN OPTION

Unless otherwise provided in the respective grantee's offer document, each of the grantees to whom an option has been granted under the Share Option Scheme shall be entitled to exercise his/her option in the following manner:

- (a) up to 33% of the Shares that are subject to the option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing from the first anniversary of the date (the "Commencement Date") on which such option is granted and ending on the expiry of the period (the "Option Period") to be notified by the Board to each grantee within which the option may be exercisable provided that such period of time shall not exceed a period of ten years commencing on the Commencement Date;
- (b) up to 66% of the Shares that are subject to the option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing on the second anniversary of the Commencement Date and ending on the expiry of the Option Period; and
- (c) up to 100% of the Shares that are subject to the Option so granted to him/her (rounded down to the nearest whole number) at any time during the period commencing on the third anniversary of the Commencement Date and ending on the expiry of the Option Period.

6. THE MINIMUM PERIOD, IF ANY, FOR WHICH AN OPTION MUST BE HELD BEFORE IT CAN BE EXERCISED

There is no minimum period for which an option granted must be held before it can be exercised unless otherwise imposed by the Directors.

7. PERIOD FOR AND CONSIDERATION PAYABLE ON ACCEPTANCE OF AN OPTION

An offer for the grant of option must be accepted within the time period specified in the relevant offer document. A sum of HK\$1.00 is payable as consideration upon acceptance of the offer.

5. 證券必須在期限內根據購股權行使

除非各承授人的要約文件另行規定，否則根據購股權計劃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(「惟該期限自開始日期起不應超過十年」)，承授人獲授予的購股權所涉及股份的最多33%(四捨五入至最接近的整數)；
- (b) 於開始日期的第二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%(四捨五入至最接近的整數)；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%(四捨五入至最接近的整數)。

6. 購股權在其可行使之前必須持有的最短期限(如有)

除非董事另行施加規定，概無就所授出購股權設有在其可行使之前必須持有的最短期限。

7. 接納購股權的期限及應付代價

授出購股權的要約必須在有關要約文件指定的期限內接納。接納要約後，應付1.00港元作為代價。



Directors' Report 董事會報告

8. THE BASIS OF DETERMINING THE EXERCISE PRICE

The exercise price in relation to each option offered to an Eligible Participant shall be determined by the Board (or its committee) in its sole discretion, save that such price shall not be less than the highest of:

- (a) the official closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant, which must be a day on which the Stock Exchange is open for business of dealing in securities;
- (b) the average of the official closing price of the Shares 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
- (c) the nominal value of a Share.

9. THE REMAINING LIFE OF THE SHARE OPTION SCHEME

The Share Option Scheme will remain in force for a period of 10 years commencing on 26 September 2014.

ARRANGEMENTS FOR DIRECTORS TO ACQUIRE SHARES

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

MANAGEMENT CONTRACT

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

REMUNERATION OF DIRECTORS AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

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

8. 釐定行使價的基準

提供予合資格參與者的各份購股權的相關行使價應當由董事會(或其委員會)全權釐定, 惟有關價格將不得低於以下各項最高者:

- (a) 授出日期(須為聯交所開市進行證券交易業務的日子)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) 股份的面值。

9. 購股權計劃的剩餘期限

購股權計劃將自二零一四年九月二十六日起計10年期間仍然有效。

董事購入股份的安排

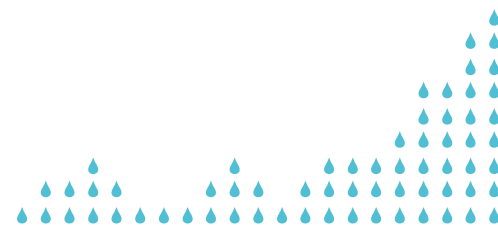
本公司或其任何附屬公司於本年度任何時間概無訂立任何安排, 致使董事可藉購入股份或其他法人團體的任何股份而獲益。

管理合約

於本年度內, 就本公司或其附屬公司整體或任何重要環節業務方面並無訂立或存在管理及行政合約。

董事薪酬及五名最高薪酬人士

於本年度內, 董事薪酬及五名最高薪酬人士的詳情分別載於綜合財務報表附註8及9。



Directors' Report

董事會報告

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

As at 31 December 2015, 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 Issuers as set out in Appendix 10 to the Listing Rules, were as follows:

Interest in the Company's ordinary shares of HK\$0.0001 each (the "Shares")

Name of Directors/Chief Executive 董事／最高行政人員姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares Held 所持股份數目	Approximate Percentage of Shareholding in the Company 於本公司概約持股百分比
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⁾	23.63%
Chan Kwan ("Mr. Chan") 陳昆(「陳先生」)	Interest in a controlled corporation 受控法團權益	375,000,000 ⁽²⁾	39.39%

Notes:

- (1) 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.
- (2) 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 ("Ms. Chan") and Mr. Chan, an Executive Director and the Chief Executive Officer of the Company, respectively. Ms. Wong Shu Ying ("Ms. Wong") is the mother of both Ms. Chan and Mr. Chan.

- (3) 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

於二零一五年十二月三十一日，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港元的普通股(「股份」)權益

Name of Directors/Chief Executive 董事／最高行政人員姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares Held 所持股份數目	Approximate Percentage of Shareholding in the Company 於本公司概約持股百分比
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⁾	23.63%
Chan Kwan ("Mr. Chan") 陳昆(「陳先生」)	Interest in a controlled corporation 受控法團權益	375,000,000 ⁽²⁾	39.39%

附註：

- (1) 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%。
- (2) 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(「陳女士」)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(「王女士」)為陳女士及陳先生的母親。
- (3) 上述所有股份均以好倉持有。

Directors' Report 董事會報告

Save as disclosed above, as at 31 December 2015, none of the Directors or chief executives of the Company had any interest or short positions in any shares, underlying shares, or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange or to be entered in the register referred to the SFO.

除上文所披露者外，於二零一五年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的任何股份、相關股份或債權證中擁有須知會本公司及聯交所或須登記於證券及期貨條例所指登記冊的權益或淡倉。

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

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

As at 31 December 2015, 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:

於二零一五年十二月三十一日，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：

Interest in the Shares

股份權益

Name of Shareholders 股東姓名	Capacity/Nature of Interest 身份／權益性質	Number of Shares Held 身所持股份數目	Approximate Percentage of Shareholding in the Company 於本公司概約 持股百分比
Everbest Environmental Everbest Environmental	Beneficial interest 實益權益	375,000,000 ⁽¹⁾	39.39%
Ms. Wong 王女士	Interest in a controlled corporation 受控法團權益	377,000,000 ⁽¹⁾	39.60%
Chan Chun Keung 陳進強先生	Interest in a controlled corporation and interest held by spouse 受控法團權益及配偶所持權益	377,000,000 ⁽¹⁾	39.60%
Wealthy Sea 潤海	Beneficial interest 實益權益	225,000,000 ⁽¹⁾	23.63%
Wong Mei Ling 黃美玲	Interest held by spouse 配偶所持權益	225,000,000 ⁽¹⁾	23.63%



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Notes:

- (1) Each of Everbest Environmental and Hightop Investments Limited ("Hightop") is owned as to 50% by Ms. Wong and, therefore, Ms. Wong is deemed to be interested in the 375,000,000 Shares and 2,000,000 Shares held by Everbest Environmental and Hightop respectively pursuant to the SFO. In addition, Hightop is owned as to 50% by Mr. Chan Chun Keung, the husband of Ms. Wong. Therefore, Mr. Chan Chun Keung is deemed to be interested in the 2,000,000 Shares held by Hightop and 375,000,000 Shares deemed to be held by Ms. Wong pursuant to the SFO.
- (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.

RETIREMENT BENEFIT SCHEMES/PENSION SCHEME

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

The employees of the Group's operations in the PRC are required to participate in 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.

附註：

- (1) Everbest Environmental及高峻投資有限公司(「高峻」)各由王女士擁有50%，因此，根據證券及期貨條例，王女士被視為分別於Everbest Environmental及高峻所持有的375,000,000股及2,000,000股股份中擁有權益。此外，高峻由陳進強先生擁有50%(王女士的丈夫)。因此，根據證券及期貨條例，陳進強先生被視為於高峻所持有的2,000,000股股份及視為王女士所持有的375,000,000股股份中擁有權益。
- (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。

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。

Directors' Report 董事會報告

SUFFICIENCY OF PUBLIC FLOAT

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

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 31 to the consolidated financial statements.

CONNECTED TRANSACTIONS

During the Year, 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 transactions disclosed in note 31 to the consolidated 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) or are fully exempt continuing connected transactions under Rule 14A.73 of the Listing Rules.

DEED OF NON-COMPETITION

Each of Ms. Chan, Mr. Chan (the Chief Executive Officer and an Executive Director), Ms. Wong, 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 other members of the Group that it/he/she would not, and would procure its/his/her close associates (other than members of the Group) not to, directly or indirectly, either on its/his/her own account or in conjunction with or on behalf of any person, firm or company, among other things, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise, and whether for profit, reward or otherwise) any activity or business which competes or is likely to compete, directly or indirectly, with the business of operating wastewater treatment facilities in the PRC by the Group as described in the Prospectus and any other business from time to time conducted, carried on or contemplated to be carried on by any member of the Group

足夠公眾持股量

根據本公司所取得的資料及據董事所知，本公司於本年度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

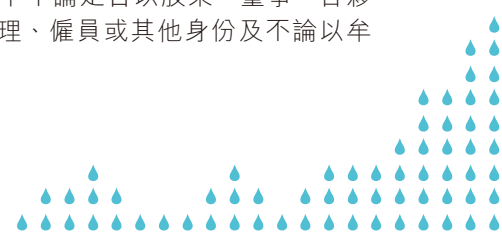
本集團於本年度在日常業務過程中進行的關聯方交易詳情載於綜合財務報表附註31。

關連交易

於本年度內，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）。綜合財務報表附註31披露為關聯方交易之交易，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），或根據上市規則第14A.73條規定獲全面豁免的持續關連交易。

不競爭契據

陳女士、陳先生（行政總裁兼執行董事）、王女士、Everbest Environmental（一家由王女士、陳女士及陳先生分別擁有50%、30%及20%的公司）、周先生（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



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or in which any member of the Group is engaged or has invested or which any member of the Group has otherwise publicly announced its intention to enter into, engage in or invest in (whether as principal or agent and whether undertaken directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement).

The Company has received from each of the Controlling Shareholders an annual written declaration as to the compliance with the terms of the Deed of Non-Competition during the Year. The INEDs have reviewed the compliance by each of the Controlling Shareholders with the Deed of Non-Competition and confirmed that the Controlling Shareholders had not been in breach of the Deed of Non-Competition during the Year.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

Save as disclosed above, during the Year and up to the date of this report, none of the Directors 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 and in note 31(a) to the consolidated financial statements, no Shareholder had a material interest, either directly or indirectly, in any contract of significance (whether for the provision of services to the Company or not) to the business of the Group to which the Company or any of its subsidiaries was a party during the Year.

PERMITTED INDEMNITIES

Pursuant to the Company's articles of association, every Director shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director in defending any proceedings, with their civil or criminal, in which judgment is given in his favour, or in which he is acquitted. In addition, proper insurance coverage in respect of legal actions against the Directors' liability has been arranged.

利、獎勵或以其他方式)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。

於本年度內，本公司已接獲各控股股東就遵行不競爭契據條款的年度書面聲明函。獨立非執董事已審閱各控股股東遵行不競爭契據之情況，並確認控股股東於本年度並無違反不競爭契據。

董事於競爭業務的權益

除上文所披露者外，於本年度及直至本報告日期，概無董事被認為於與本集團業務直接或間接競爭或可能產生競爭的業務中擁有權益及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

除上文及綜合財務報表附註31(a)所披露者外，概無董事於本年度內在本公司或其任何附屬公司屬訂約方且與本集團業務有關的任何重大合約(不論是否向本公司提供服務)中直接或間接擁有任何重大權益。

獲准許彌償

根據本公司的組織章程細則，每名董事倘以董事身份對任何訴訟(不論民事或刑事)進行抗辯而得直或獲釋，所引致或蒙受之一切損失或債務應從本公司資產當獲得彌償。此外，本公司已就董事可能面對之法律訴訟作適當投保安排。



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UPDATE ON THE DIRECTORS INFORMATION UNDER RULE 13.51B(1) OF THE LISTING RULES

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the information of Directors since the date of the last interim report of the Company required to be disclosed in this report are as follows:

Mr. Ng Man Kung was appointed as an independent non-executive director of each of Global Tech (Holdings) Limited (Stock Code: 143) and Topsearch International (Holdings) Limited (Stock Code: 2323) in March 2016.

EMPLOYEES AND EMOLUMENT POLICY

As at 31 December 2015, the Group had 78 employees (2014: 75 employees). Employee costs, including Directors' emoluments, amounted to approximately HK\$9.8 million (2014: approximately 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.

ISSUE OF EQUITY SECURITIES

On 22 April 2015, (i) Wealthy Sea (the "Subscriber"), a substantial shareholder (as defined in the Listing Rules) of the Company and (ii) Convoy Investment Services Limited and Yicko Securities Limited (collectively, the "Placing Agents") entered into a top-up placing agreement, pursuant to which the Subscriber agreed to sell up to 160,000,000 Shares to be placed (the "Top-up Placing Shares") and the Placing Agents agreed, as agents of the Subscriber, to place the Top-up Placing Shares, at the placing price of HK\$0.98 each, to not less than six places who were (i) independent of and not and would not become connected persons (as defined in the Listing Rules) of the Company and (ii) not acting in concert together (the "Placing"). On the same day, the Subscriber and the Company entered into a top-up subscription agreement, pursuant to which the Subscriber conditionally agreed to subscribe for such number of the Top-up Placing Shares (the "Subscription"). Upon completion of the Subscription on 5 May 2015, an aggregate of 160,000,000 Shares were issued and allotted to the Subscriber at HK\$0.98 per Share. For details, please refer to the Company's announcements dated 22 April 2015 and 5 May 2015.

根據上市規則第13.51B(1)條更新 董事資料

根據上市規則第13.51B(1)條，須於本報告中予以披露的自本公司上份中期報告發出之日起董事資料變更如下：

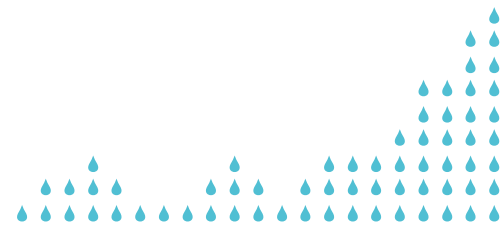
吳文拱先生於二零一六年三月獲委任為耀科國際(控股)有限公司(股份代號：143)及至卓國際(控股)有限公司(股份代號：2323)各自的獨立非執行董事。

僱員及薪酬政策

於二零一五年十二月三十一日，本集團共有78名僱員(二零一四年：75名僱員)。於本年度，僱員成本(包括董事酬金)約為9.8百萬港元(二零一四年：約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鉤。

發行股本證券

於二零一五年四月二十二日，(i)本公司主要股東(定義見上市規則)潤海(「認購人」)與(ii)康宏證券投資服務有限公司及益高證券有限公司(統稱「配售代理」)訂立先舊後新配售協議，據此，認購人同意出售將予配售之最多160,000,000股股份(「先舊後新配售股份」)，而配售代理同意作為認購人的代理按每股0.98港元的配售價向不少於六名承配人配售先舊後新配售股份，該等承配人為(i)獨立於本公司及並非且不會成為本公司之關連人士(定義見上市規則)及(ii)並非一致行動人士(「配售事項」)。同日，認購人與本公司訂立先舊後新認購協議，據此，認購人有條件同意認購有關數目的先舊後新配售股份(「認購事項」)。於二零一五年五月五日認購事項完成後，合共160,000,000股股份已按每股股份0.98港元發行及配發予認購人。有關詳情，請參閱本公司日期為二零一五年四月二十二日及二零一五年五月五日的公告。



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The aggregate nominal value of the Shares issued as a result of the Placing and the Subscription was HK\$16,000. The closing price of the Shares was HK\$1.200 per Share as quoted on the Stock Exchange on the date of the agreements for the Placing and the Subscription. The net price per Share under the Placing was approximately HK\$0.945. The gross and net proceeds from the Subscription were HK\$156.8 million and HK\$151.1 million, respectively. The said net proceeds were intended to be used for (i) the potential acquisition of the Wuping Second Waste Water Treatment Facility (武平第二污水處理廠) and other potential investments subject to the execution of the relevant definitive agreements for such potential acquisition and investments; and (ii) further capital expenditure required for the upgrade works of the wastewater treatment facility operated by Rugao Hengfa Water Treatment Company Limited, an indirect wholly-owned subsidiary of the Company established in the Jiangsu Province, the PRC, in addition to the projected capital expenditure disclosed in the prospectus of the Company dated 12 September 2014.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, the Company repurchased 8,000,000 Shares on the Stock Exchange for an aggregate consideration of HK\$4.9 million excluding transaction costs. All the repurchased Shares had been cancelled on 9 October 2015. The nominal value of the total issued capital of the Company was reduced by HK\$800.

Particulars of the repurchases during the Year are as follows:

Period of repurchase 回購月份	Number of Shares repurchased 回購股份數目	Price per Share 每股價格		Aggregate consideration (excluding transaction costs) 總代價 (不包括 交易成本) (HK\$) (港元)
		Highest 最高 (HK\$) (港元)	Lowest 最低 (HK\$) (港元)	
August 2015 二零一五年八月	4,175,000	0.63	0.57	2,506,000
September 2015 二零一五年九月	3,825,000	0.63	0.63	2,410,000
	<u>8,000,000</u>			<u>4,916,000</u>

因配售事項及認購事項而發行股份的面值總額為16,000港元。於配售事項及認購事項協議日期，股份於聯交所報每股股份的收市價為1.200港元。因配售事項而發行的每股股份淨額約為0.945港元。認購事項的所得款項總額及淨額分別為156.8百萬港元及151.1百萬港元。上述所得款項淨額擬(i)用於潛在收購武平第二污水處理廠及其他潛在投資，惟待訂立相關確定協議後方可作實；及(ii)除本公司日期為二零一四年九月十二日的招股章程所披露的預計資本開支外，用於如皋恆發水處理有限公司(本公司於中國江蘇省成立的間接全資附屬公司)經營的污水處理設施升級工程所需的額外資本開支。

購買、銷售或贖回上市證券

於本年度內，本公司於聯交所以總代價4.9百萬港元(不包括交易成本)回購8,000,000股股份。所有回購股份已於二零一五年十月九日註銷。本公司的全部已發行股本面值減少800港元。

於本年度內，回購詳情如下：



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Save as disclosed herein and under the heading "ISSUE OF EQUITY SECURITIES" above, the Company did not redeem any of its Shares listed on the Main Board of the Stock Exchange nor did the Company or any subsidiaries purchase or sell any of such Shares during the Year.

CORPORATE GOVERNANCE

Details of the principal corporate governance policies and practices adopted by the Company are set out on pages 24 to 40 of this annual report.

REVIEW BY AUDIT COMMITTEE

The Company has established an Audit Committee in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules 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 chairlady), 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.

INDEPENDENT AUDITOR

The consolidated financial statements have been audited by Ernst & Young who retire and, being eligible, offer themselves for reappointment at the forthcoming 2016 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 its remuneration will be proposed at the forthcoming 2016 AGM.

On behalf of the Board

Chau On Ta Yuen
Chairman

Hong Kong, 18 March 2016

除本項及上文「發行股本證券」項下所披露者外，本公司概無贖回其於聯交所主板上市的任何股份，且本公司或其任何附屬公司亦無於本年度內買賣任何該等股份。

企業管治

本公司採納之主要企業管治政策及慣例之詳情載於本年報第24至40頁。

由審核委員會審閱

本公司已遵照載於上市規則附錄十四之上市規則第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。

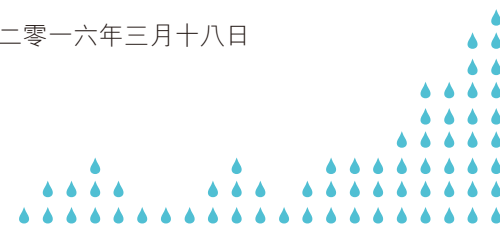
獨立核數師

綜合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二零一六年股東週年大會接受續聘。經董事會根據審核委員會的推薦意見批准，續聘請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二零一六年股東週年大會提呈。

代表董事會

主席
周安達源

香港，二零一六年三月十八日



Independent Auditors' Report

獨立核數師報告



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

We have audited the consolidated financial statements of ELL Environmental Holdings Limited (the "Company") and its subsidiaries set out on pages 62 to 146, which comprise the consolidated statement of financial position as at 31 December 2015, 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62至146頁所載強泰環保控股有限公司(「貴公司」)及其附屬公司的綜合財務報表，當中包括於二零一五年十二月三十一日的綜合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會計師公會頒佈的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。



Independent Auditors' Report 獨立核數師報告

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

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 financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance 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 2016

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事項的審核憑證。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。

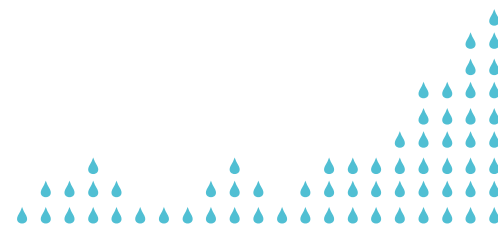
吾等相信，吾等獲得的審核憑證足以及適合用作吾等審核意見的基礎。

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 貴公司及其附屬公司於二零一五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財務表現及現金流量，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

二零一六年三月十八日



Consolidated Statement of Comprehensive Income

綜合全面收入表

For the year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		Notes 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
REVENUE	營業收入	5	145,462	85,183
Cost of sales	銷售成本		(95,035)	(37,225)
Gross profit	毛利		50,427	47,958
Other income and gains	其他收入及收益	5	5,318	6,140
Administrative expenses	行政開支		(18,269)	(30,802)
Finance costs	融資成本	7	(1,247)	(1,160)
PROFIT BEFORE TAX	除稅前溢利	6	36,229	22,136
Income tax credit/(expense)	所得稅抵免/(開支)	10	3,920	(10,861)
PROFIT FOR THE YEAR	年內溢利		40,149	11,275
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:	匯兌差額：			
— Translation of financial statements of entities not using Hong Kong dollars ("HK\$") as functional currency	— 換算並非以港元為功能貨幣的實體的財務報表		(16,224)	(7,863)
— Reclassification upon deregistration of a subsidiary	— 撤銷註冊一間附屬公司時重新分類		—	(5,779)
Available-for-sale investments:	可供出售投資：			
— Changes in fair value	— 公允值變動	15	(555)	—
— Reclassification adjustment for gains on disposal included in profit or loss	— 計入損益的出售收益的重新分類調整	15	(246)	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	年內全面收入總額		23,124	(2,367)
Profit attributable to:	以下各方應佔溢利：			
Owners of the parent	母公司擁有人		39,506	9,267
Non-controlling interest	非控股權益	26	643	2,008
			40,149	11,275
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		23,765	(3,695)
Non-controlling interest	非控股權益		(641)	1,328
			23,124	(2,367)
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			
Basic and diluted	基本及攤薄	12	HK4.37 cents 4.37 港仙	HK1.42 cents 1.42 港仙

Consolidated Statement of Financial Position 綜合財務狀況表

As at 31 December 2015 於二零一五年十二月三十一日

		Notes 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產			
Property, plant and equipment	物業、廠房及設備	13	2,310	2,778
Receivables under service concession arrangements	服務特許權安排下的應收款項	14	349,807	292,759
Available-for-sale investments	可供出售投資	15	127,921	—
Total non-current assets	非流動資產總值		480,038	295,537
CURRENT ASSETS	流動資產			
Inventories	存貨		246	308
Receivables under service concession arrangements	服務特許權安排下的應收款項	14	40,410	42,240
Prepayments and other receivables	預付款項及其他應收款項	16	1,289	647
Income tax recoverable	可收回所得稅		693	—
Cash and cash equivalents	現金及現金等價物	17	87,763	99,064
Total current assets	總流動資產		130,401	142,259
CURRENT LIABILITIES	流動負債			
Trade payables	貿易應付款項	18	12,186	5,062
Other payables and accruals	其他應付款項及應計費用	19	3,543	6,424
Derivative financial instrument	衍生金融工具	20	794	—
Interest-bearing bank borrowings	計息銀行借款	21	32,864	12,720
Income tax payables	應付所得稅		627	848
Total current liabilities	總流動負債		50,014	25,054
NET CURRENT ASSETS	流動資產淨值		80,387	117,205
TOTAL ASSETS LESS CURRENT LIABILITIES	總資產減流動負債		560,425	412,742



Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 December 2015 於二零一五年十二月三十一日

		Notes 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
NON-CURRENT LIABILITIES	非流動負債			
Interest-bearing bank borrowing	計息銀行借款	21	2,336	5,621
Deferred tax liabilities	遞延稅項負債	22	36,514	37,017
Provision for major overhauls	重大檢修撥備	23	6,440	5,275
Total non-current liabilities	非流動負債總額		45,290	47,913
Net assets	資產淨值		515,135	364,829
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	95	80
Reserves	儲備	25	487,447	336,515
			487,542	336,595
Non-controlling interest	非控股權益	26	27,593	28,234
Total equity	權益總額		515,135	364,829

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 2015 截至二零一五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 HK\$'000 千港元 (note 24) (附註24)	Share premium 股份溢價 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元 (note 25(a)) (附註25(a))	Exchange fluctuation reserve 匯兌 波動儲備 HK\$'000 千港元 (note 25(b)) (附註25(b))	Reserve funds 儲備金 HK\$'000 千港元 (note 25(c)) (附註25(c))	Retained profits 保留溢利 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Non- controlling interest 非控股權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
At 1 January 2014	於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)
Reclassification of exchange fluctuation reserve upon deregistration of a subsidiary (note 5)	撤銷註冊一間附屬公司時 匯兌波動儲備 重新分類(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 a share swap (note 24(ii))	根據股份互換的 股份發行(附註24(ii))	60	113,720	(113,780)	—	—	—	—	—	—
Issue of shares pursuant to a share offer (note 24(iii))	根據股份發售的 股份發行(附註24(iii))	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	轉發至儲備金	—	—	—	—	2,611	(2,611)	—	—	—
Interim special 2014 dividend (note 11)	二零一四年中期特別股息 (附註11)	—	(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



Consolidated Statement of Changes in Equity

綜合權益變動表

Year ended 31 December 2015 截至二零一五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	Share premium	Other reserve	Exchange fluctuation reserve	Reserve funds	Available- for-sale investment revaluation reserve	Treasury shares	Retained profits	Non- controlling interest	Total equity	
		已發行股本	股份溢價	其他儲備	波動儲備	儲備金	可供 出售投資 重估儲備	存庫股份	保留溢利	總計 非控股權益	權益總額	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
		(note 24) (附註 24)		(note 25(a)) (附註 25(a))	(note 25(b)) (附註 25(b))	(note 25(c)) (附註 25(c))	(note 25(d)) (附註 25(d))	(note 25(e)) (附註 25(e))				
At 1 January 2015	於二零一五年 一月一日	80	183,340	(31,476)	25,678	13,830	—	—	145,143	336,595	28,234	364,829
Profit for the year	年內溢利	—	—	—	—	—	—	—	39,506	39,506	643	40,149
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	—	—	—	(14,940)	—	—	—	—	(14,940)	(1,284)	(16,224)
Changes in fair value of available-for-sale investments	可供出售投資 的公允價值變動	—	—	—	—	—	(555)	—	—	(555)	—	(555)
Reclassification adjustment for gains on disposal of available-for-sale investments included in profit or loss	計入損益的可供 出售投資出售 收益的重新 分類調整	—	—	—	—	—	(246)	—	—	(246)	—	(246)
Total comprehensive income for the year	年內全面收入總額	—	—	—	(14,940)	—	(801)	—	39,506	23,765	(641)	23,124
Issue of shares pursuant to the a top-up placing and top-up subscription (note 24 (iv))	根據先舊後新配售 協議及先舊後新 認購協議發行 股份(附註 24(iv))	16	156,784	—	—	—	—	—	156,800	—	—	156,800
Placing expenses	配售開支	—	(5,657)	—	—	—	—	—	(5,657)	—	—	(5,657)
Share repurchase (note 25(e))	股份回購 (附註 25(e))	—	—	—	—	—	—	(4,921)	—	(4,921)	—	(4,921)
Cancellation of shares repurchased (note 25(e))	註銷購回股份 (附註 25(e))	(1)	(4,920)	—	—	—	—	4,921	—	—	—	—
Transfer to reserve funds	轉撥至儲備金	—	—	—	—	4,485	—	—	(4,485)	—	—	—
Interim 2015 dividend (note 11)	二零一五年中期特別 股息(附註 11)	—	—	—	—	—	—	—	(19,040)	(19,040)	—	(19,040)
At 31 December 2015	於二零一五年 十二月三十一日	95	329,547*	(31,476)*	10,738*	18,315*	(801)*	—	161,124*	487,542	27,593	515,135

* These reserve accounts comprise the consolidated reserves of HK\$487,447,000 (2014: HK\$336,515,000) in the consolidated statement of financial position.

該等儲備賬目組成綜合財務狀況表中的綜合儲備487,447,000港元(二零一四年: 336,515,000港元)。

Consolidated Statement of Cash Flows 綜合現金流量表

Year ended 31 December 2015 截至二零一五年十二月三十一日止年度

	Notes 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 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	36,229	22,136
Adjustments for:	對以下各項作出調整：		
Bank interest income	銀行利息收入	(370)	(239)
Interest income from available-for-sale investments	可供出售投資的利息收入	(2,068)	—
Depreciation	折舊	472	434
Provision for major overhauls	重大檢修撥備	1,122	1,000
Finance costs	融資成本	1,247	1,160
Gain on deregistration of a subsidiary	撤銷註冊一間附屬公司的收益	—	(5,779)
Gains on disposal of available-for-sale investments	出售可供出售投資的收益	(246)	—
Fair value loss of a derivative financial instrument — a transaction not designated as a hedge	衍生金融工具的公允值虧損 — 並非指作對沖的交易	794	—
		37,180	18,712
Decrease in inventories	存貨減少	50	33
Increase in receivables under service concession arrangements	服務特許權安排下的應收款項增加	(72,591)	(3,013)
(Increase)/decrease in prepayments and other receivables	預付款項及其他應收款項 (增加)/減少	(688)	954
Increase in trade payables	貿易應付款項增加	7,600	2,669
(Decrease)/increase in other payables and accruals	其他應付款項及應計費用 (減少)/增加	(2,809)	1,550
Cash generated from/(used in) operations	經營產生/(使用)的現金	(31,258)	20,905
Income tax refunded/(paid), net	退回/(已付)所得稅，淨額	4,202	(16,781)
Net cash flows from/(used in) operating activities	經營活動產生/(使用)的現金流量淨額	(27,056)	4,124
CASH FLOWS FROM INVESTING ACTIVITIES	投資活動產生的現金流量		
Purchases of items of property, plant and equipment	購買物業、廠房及設備項目	(117)	(758)
Purchases of available-for-sale investments	購買可供出售投資	(140,570)	—
Proceeds from disposal of available-for-sale investments	出售可供出售投資的所得款項	11,627	—
Bank interest received	已收銀行利息	370	239
Interest received from available-for-sale investments	已收可供出售投資的利息	1,510	—
Decrease in amounts due from related parties	應收關聯方款項減少	—	533
Net cash flows from/(used in) investing activities	投資活動產生/(使用)的現金流量淨額	(127,180)	14

Consolidated Statement of Cash Flows

綜合現金流量表

Year ended 31 December 2015 截至二零一五年十二月三十一日止年度

		Notes 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 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		30,250	11,168
Repayment of bank borrowings	償還銀行借款		(12,262)	(10,378)
Decrease in amounts due to related parties	應付關聯方款項減少		—	(15,849)
Interest paid	已付利息		(920)	(907)
Decrease in an amount due to a non-controlling equity holder of a subsidiary	應付一家附屬公司的一名非控股 權益擁有人款項減少		—	(32,847)
Gross proceeds from a share offer	股份發售所得款項總額	24(iii)	—	110,000
Gross proceeds from a top-up placing and top-up subscription	先舊後新配售及 先舊後新認購所得款項總額	24(iv)	156,800	—
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)
Payment of expenses directly attributable to a top-up placing and top-up subscription	先舊後新配售及 先舊後新認購 直接應佔開支付款		(5,657)	—
Share repurchase	股份回購	25(e)	(4,921)	—
Dividends paid	已付股息	11	(19,040)	(30,000)
Net cash flows from financing activities	融資活動產生的現金流量淨額		144,250	20,827
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等價物增加/ (減少)淨額		(9,986)	24,965
Cash and cash equivalents at beginning of year	年初現金及現金等價物		99,064	75,625
Effect of foreign exchange rate changes, net	外匯匯率變動的影響，淨額		(1,315)	(1,526)
CASH AND CASH EQUIVALENTS AT END OF YEAR	年末現金及現金等價物		87,763	99,064



Notes to Financial Statements 財務報表附註

31 December 2015 二零一五年十二月三十一日

1. CORPORATE AND GROUP 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 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 of Hong Kong Limited (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 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. 公司及集團資料

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。

根據本公司就其股份於香港聯合交易所有限公司(「聯交所」)上市進行之重組(「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「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 2015 二零一五年十二月三十一日

1. CORPORATE AND GROUP INFORMATION (Cont'd)

INFORMATION ABOUT SUBSIDIARIES

Particulars of the Company's principal subsidiaries are as follows:

Name 名稱	Place of incorporation/ registration and place of business 成立/ 註冊地點及 業務 地點	Issued ordinary/ registered share capital 已發行 普通/ 已註冊 股本	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	
Everbest Water Treatment Development 恆發水務發展	Hong Kong 香港	HK\$82,304,273 82,304,273 港元	—	100%	Investment holding 投資控股
Haian Hengfa Wastewater Treatment Company Limited (海安恆發污水處理有限公司) ("Haian Hengfa")*/^ 海安恆發污水處理有限公司 (「海安恆發」)*	The People's Republic of China (the "PRC")/ Mainland China 中華人民共和國 (「中國」)/ 中國內地	RMB30,000,000 人民幣 30,000,000 元	—	70%	Wastewater treatment 污水處理
Rugao Hengfa Water Treatment Company Limited (如皋恆發水處理有限公司) ("Rugao Hengfa")**/^ 如皋恆發水處理有限公司 (「如皋恆發」)**	The PRC/ Mainland China 中國/ 中國內地	US\$9,880,000 9,880,000 美元	—	100%	Wastewater treatment 污水處理
Rugao Honghao Metal Surface Water Treatment Company Limited (如皋宏皓金屬表面水處理有限公司) ("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.

** These entities are registered as wholly-owned foreign enterprises under the laws of the PRC.

^ The English names of these entities represent management's best effort at translating their Chinese names as these entities did not register any official English names.

1. 公司及集團資料(續)

附屬公司資料

本公司主要附屬公司的詳情如下：

附註：

* 該實體根據中國法律註冊為中外合資經營企業。

** 該等實體根據中國法律註冊為外商獨資企業。



Notes to Financial Statements 財務報表附註

31 December 2015 二零一五年十二月三十一日

2.1 BASIS OF PREPARATION

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affect the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investments and a derivative financial instrument which have been measured at fair value. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

BASIS OF CONSOLIDATION

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the “Group”) for the year ended 31 December 2015. 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).

2.1 編製基準

上表列出的本公司附屬公司，為按董事意見對本集團年內業績造成重大影響或構成本集團資產淨值重要部份者。董事認為，倘詳列其他附屬公司的資料將會使篇幅過於冗長。

該等財務報表乃按照香港會計師公會（「香港會計師公會」）頒佈的香港財務報告準則（「香港財務報告準則」）（包括所有香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋）、香港公認會計原則以及香港公司條例披露規定編製。該等財務資料乃按歷史成本慣例編製，惟可供出售投資及衍生金融工具乃按公允值列賬。該等財務報表以港元（「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。

綜合基準

綜合財務報表包括本公司及其附屬公司（統稱「本集團」）截至二零一五年十二月三十一日止年度的財務報表。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（即現時賦予本集團指導被投資方相關活動的能力的現有權力）影響有關回報，則本集團擁有該實體的控制權。



Notes to Financial Statements

財務報表附註

31 December 2015 二零一五年十二月三十一日

2.1 BASIS OF PREPARATION (Cont'd)

BASIS OF CONSOLIDATION (Cont'd)

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

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

2.1 編製基準(續)

綜合基準(續)

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。

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

倘本集團失去對附屬公司的控制權，則終止確認(i)該附屬公司的資產(包括商譽)及負債，(ii)任何非控股權益的賬面值及(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 2015 二零一五年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

Amendments to HKAS 19 *Defined Benefit Plans: Employee Contributions*

Annual Improvements to HKFRSs 2010-2012 Cycle

Annual Improvements to HKFRSs 2011-2013 Cycle

The nature and the impact of each amendment is described below:

- (a) Amendments to HKAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.
- (b) The *Annual Improvements to HKFRSs 2010-2012 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:
- HKFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in HKFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

2.2 會計政策及披露之變動

本集團已就本年度之財務報表首次採納下列經修訂準則。

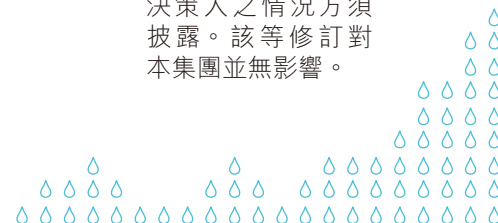
香港會計準則第19號之修訂界定福利計劃：僱員供款

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

香港財務報告準則二零一一年至二零一三年週期之年度改進

各修訂之性質及影響詳述於下文：

- (a) 香港會計準則第19號之修訂適用於僱員或第三方向界定福利計劃供款。該等修訂簡化並非以僱員服務年資而定供款的會計處理，例如按薪金固定百分比計算的僱員供款。倘供款金額並非以服務年資而定，則實體獲准於提供相關服務期間將該等供款確認為服務成本減少。該等修訂對本集團並無任何影響，因為本集團並無界定福利計劃。
- (b) 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之修訂。於本年度生效之修訂詳情如下：
- 香港財務報告準則第8號經營分類：釐清實體於應用香港財務報告準則第8號內之綜合標準時必須披露管理層作出之判斷，包括所綜合經營分類之概況及評估分類是否類似時所用之經濟特徵。該等修訂亦釐清分類資產與總資產之對賬僅在該對賬報告予主要營運決策人之情況方須披露。該等修訂對本集團並無影響。



Notes to Financial Statements

財務報表附註

31 December 2015 二零一五年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

(b) (Cont'd)

- HKAS 16 *Property, Plant and Equipment* and HKAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets.

The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- HKAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

2.2 會計政策及披露之變動(續)

(b) (續)

- 香港會計準則第16號物業、廠房及設備及香港會計準則第38號無形資產：釐清物業、廠房及設備以及無形資產之重估項目之賬面總額及累計折舊或攤銷之處理。

該等修訂對本集團並無任何影響，原因為本集團並無就計量該等資產採納重估模型。

- 香港會計準則第24號相關人士披露：釐清管理實體（即提供主要管理人員服務的實體）為相關人士，須遵守相關人士披露規定。此外，使用管理實體的實體須披露就管理服務產生的開支。該等修訂對本集團並無任何影響，原因為本集團並無接受其他實體提供的任何管理服務。



Notes to Financial Statements 財務報表附註

31 December 2015 二零一五年十二月三十一日

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

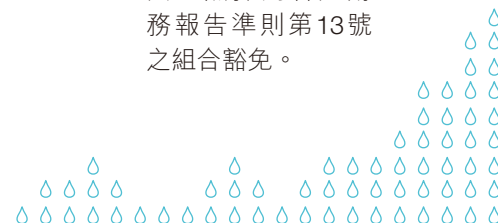
(c) The *Annual Improvements to HKFRSs 2011-2013 Cycle* issued in January 2014 sets out amendments to a number of HKFRSs. Details of the amendments that are effective for the current year are as follows:

- HKFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of HKFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.
- HKFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in HKFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of HKFRS 9 or HKAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which HKFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in HKFRS 13.

2.2 會計政策及披露之變動(續)

(c) 於二零一四年一月頒佈的香港財務報告準則二零一一年至二零一三年週期之年度改進載列多項香港財務報告準則之修訂。於本年度生效之修訂詳情如下：

- 香港財務報告準則第3號業務合併：釐清合營安排(惟非合營公司)不屬於香港財務報告準則第3號範圍內，而範圍豁免情況僅適用於合營安排本身財務報表中之會計處理。該修訂即將應用。該修訂對本集團並無任何影響，原因為本公司並非合營安排及本集團於年內並無組成任何合營安排。
- 香港財務報告準則第13號公允值計量：釐清香港財務報告準則第13號的組合豁免不僅可應用於金融資產及金融負債，亦可應用於香港財務報告準則第9號或香港會計準則第39號範圍內的其他合約。該修訂自香港財務報告準則第13號初次應用的年度期間開始時起預期應用。該修訂對本集團並無任何影響，原因為本集團並無採用香港財務報告準則第13號之組合豁免。



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財務報表附註

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2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (Cont'd)

(c) (Cont'd)

- HKAS 40 *Investment Property*: Clarifies that HKFRS 3, instead of the description of ancillary services in HKAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as the Group did not have any acquisition of investment properties during the year.

In addition, the Company has adopted the amendments to The Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") issued by the Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.2 會計政策及披露之變動(續)

(c) (續)

- 香港會計準則第40號投資物業：釐清須使用香港財務報告準則第3號以釐定交易為購買資產或業務合併，而非使用將投資物業與自用物業加以區分的香港會計準則第40號的配套服務說明作釐定。該修訂預期應用於收購投資物業。該修訂對本集團並無任何影響，原因為本集團於年內並無收購任何投資物業。

此外，經參考香港公司條例(第622章)後，本公司已於本財政年度採納聯交所頒佈對聯交所證券上市規則(「上市規則」)有關財務資料披露的修訂。對財務報表的主要影響在於財務報表內若干資料的呈列及披露。



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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

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

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)之修訂
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)之修訂
Amendments to HKFRS 11
香港財務報告準則第11號之修訂
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 1
香港會計準則第1號之修訂
Amendments to HKAS 16
and HKAS 38
香港會計準則第16號及
香港會計準則第38號之修訂
Amendments to HKAS 16
and HKAS 41
香港會計準則第16號及
香港會計準則第41號之修訂
Amendments to
HKAS 27 (2011)
香港會計準則第27號
(二零一一年)之修訂
Annual Improvements
2012-2014 Cycle
二零一二年至二零一四年
週期之年度改進

*Financial Instruments*²
金融工具²
*Sale or Contribution of Assets between an Investor and its
Associate or Joint Venture*⁴
投資者與其聯營公司或合營公司之間之資產出售或注資⁴

*Investment Entities: Applying the Consolidation Exception*¹

投資實體：應用綜合豁免¹

*Accounting for Acquisitions of Interests in Joint Operations*¹
收購共同營運權益之會計處理¹

*Regulatory Deferral Accounts*³
監管遞延賬目³

*Revenue from Contracts with Customers*²
客戶合約收入²

*Disclosure Initiative*¹
披露措施¹

*Clarification of Acceptable Methods of Depreciation and
Amortisation*¹
釐清可接受之折舊及攤銷方法¹

*Agriculture: Bearer Plants*¹

農業：生產性植物¹

*Equity Method in Separate Financial Statements*¹

獨立財務報表之權益法¹

Amendments to a number of HKFRSs¹

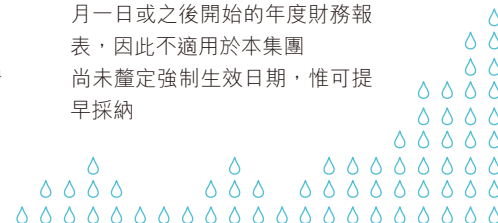
多項香港財務報告準則之修訂¹

2.3 已頒佈但尚未生效之香港財務報告準則

本集團並未於該等財務報表中應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

- ¹ Effective for annual periods beginning on or after 1 January 2016
- ² Effective for annual periods beginning on or after 1 January 2018
- ³ 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
- ⁴ No mandatory effective date is determined but is available for early adoption

- ¹ 於二零一六年一月一日或之後開始的年度期間生效
- ² 於二零一八年一月一日或之後開始的年度期間生效
- ³ 對首次採納香港財務報告準則的實體生效，適用於二零一六年一月一日或之後開始的年度財務報表，因此不適用於本集團
- ⁴ 尚未釐定強制生效日期，惟可提早採納



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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

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

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 is currently assessing the impact of the standard.

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under HKFRSs. In September 2015, the HKICPA issued an amendment to HKFRS 15 regarding a one-year deferral of the mandatory effective date of HKFRS 15 to 1 January 2018. The Group expects to adopt HKFRS 15 on 1 January 2018 and is currently assessing the impact of HKFRS 15 upon adoption.

2.3 已頒佈但尚未生效之香港財務報告準則(續)

預期適用於本集團之該等香港財務報告準則之進一步資料如下：

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體，以取代香港會計準則第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。本集團目前正在評估該準則的影響。

香港財務報告準則第15號建立一個新的五步模式，將計入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。於二零一五年九月，香港會計師公會頒佈香港財務報告準則第15號之修訂，其有關將香港財務報告準則第15號之強制生效日期延遲一年至二零一八年一月一日。本集團預期於二零一八年一月一日採納香港財務報告準則第15號，目前正評估採納香港財務報告準則第15號的影響。



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2.3 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS (Cont'd)

Amendments to HKAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

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

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of comprehensive income. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

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.

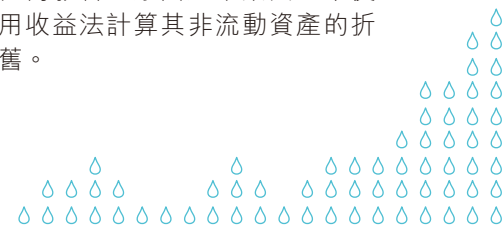
2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港會計準則第1號之修訂載有對財務報表的呈報及披露範疇內具針對性的改善。該等修訂釐清：

- (i) 香港會計準則第1號內的重重大性規定；
- (ii) 全面收入表及財務狀況表內之特定項目可予細分；
- (iii) 實體就彼等呈列財務報表附註的順序擁有靈活性；及
- (iv) 使用權益法入賬的分佔聯營公司及合營公司的其他全面收益必須作為單獨項目匯總呈列，並且在將會或不會其後重新分類至損益的該等項目間進行歸類。

此外，該等修訂釐清於財務狀況表及全面收入表內呈列額外小時適用的規定。本集團預期於二零一六年一月一日起採納該等修訂。該等修訂預期不會對本集團的財務報表產生任何重大影響。

香港會計準則第16號及香港會計準則第38號之修訂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。該等修訂將預期應用。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。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

FAIR VALUE MEASUREMENT

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

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

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

2.4 重大會計政策概要

公允值的計量

本集團於各報告期末按公允值計量可供出售投資及衍生金融工具。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技術，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。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FAIR VALUE MEASUREMENT (Cont'd)

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

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

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

IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories 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.

2.4 重大會計政策概要(續)

公允值的計量(續)

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

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。



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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IMPAIRMENT OF NON-FINANCIAL ASSETS (Cont'd)

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.

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;

2.4 重大會計政策概要(續)

非金融資產減值(續)

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。

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；



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

RELATED PARTIES (Cont'd)

A party is considered to be related to the Group if: (Cont'd)

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);

2.4 重大會計政策概要(續)

關聯方(續)

在下列情況下，有關一方將被視為與本集團有關聯：(續)

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；



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

RELATED PARTIES (Cont'd)

A party is considered to be related to the Group if: (Cont'd)

- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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.

2.4 重大會計政策概要(續)

關聯方(續)

在下列情況下，有關一方將被視為與本集團有關聯：(續)

- (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；及
- (viii) 該實體或構成該實體一部分之任何集團成員公司，向本集團或本集團之母公司提供主要管理層成員服務。

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。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

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

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.

2.4 重大會計政策概要(續)

物業、廠房及設備與折舊(續)

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。



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2.4 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.

2.4 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。



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2.4 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 any 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.

2.4 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。

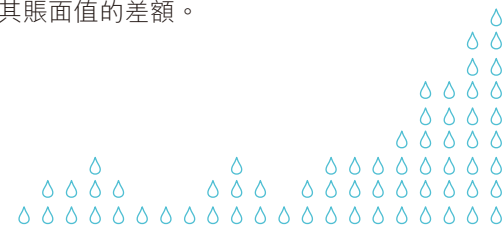
修復基礎設施至特定可提供服務水平的合約責任

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予人之前，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(任何升級部分除外)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。



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2.4 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 using 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 and available-for-sale financial investments. 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, except in the case of financial assets recorded at fair value through profit or loss.

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

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

2.4 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，並採用完工百分比方法確認入賬，及參考截至當日已產生的成本佔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以及可供出售金融投資。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，惟透過損益按公允值列賬的金融資產除外。

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

金融資產的其後計量視乎其如下分類而定：



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Cont'd)

LOANS AND RECEIVABLES

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

AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments and debt securities. Equity investments classified as available for sale are those which are neither classified as held for trading not designated as at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in market conditions.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

2.4 重大會計政策概要(續)

投資及其他金融資產(續)

貸款及應收款項

貸款及應收款項為有固定或可確定付款額，但在活躍市場中並無報價的非衍生金融資產。於初始計量後，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其他收入及收益。減值產生的虧損於開支」確認。貸款及應收款項減值產生的虧損會在損益分別確認為融資成本及其他開支。

可供出售金融投資

可供出售金融投資為上市及非上市股權投資及債務證券的非衍生金融資產。分類為可供出售的股權投資為該等不會被分類為持作買賣或透過損益按公允值列賬的投資。此分類項下的債券證券為擬無限期持有的債務證券，並可能因應流動資金需要或市況變化而出售。

初始確認後，可供出售金融投資其後按公允值計量，未變現收益或虧損於可供出售投資重估儲備確認為其他全面收入，直至終止確認投資(累計收益或虧損於損益確認為其他收入)或釐定投資已減值(累計收益或虧損自可供出售投資重估儲備重新分類至損益的其他收益或虧損)為止。持有可供出售金融投資所賺取的利息及股息分別呈報為利息收入及股息收入，根據下文「營業收入確認」所載政策於損益確認為其他收入。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INVESTMENTS AND OTHER FINANCIAL ASSETS (Cont'd)

AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS (Cont'd)

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

DERECOGNITION OF FINANCIAL ASSETS

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

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

2.4 重大會計政策概要(續)

投資及其他金融資產(續)

可供出售金融投資(續)

本集團會評估在短期內出售可供出售金融資產的能力及意向是否仍屬適當。在罕有的情況下，當基於市場不活躍而導致本集團無法買賣該等金融資產時，倘管理層有能力且有意於可預見未來持有該等資產或持有該等資產至到期，則本集團可選擇將該等金融資產重新分類。

終止確認金融資產

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。



Notes to Financial Statements 財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

DERECOGNITION OF FINANCIAL ASSETS (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.

IMPAIRMENT OF FINANCIAL ASSETS

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

2.4 重大會計政策概要(續)

終止確認金融資產(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。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IMPAIRMENT OF FINANCIAL ASSETS (Cont'd)

FINANCIAL ASSETS CARRIED AT AMORTISED COST

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed 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).

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

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

2.4 重大會計政策概要(續)

金融資產減值(續)

按攤銷成本列賬的金融資產

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。

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」。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

IMPAIRMENT OF FINANCIAL ASSETS (Cont'd)

AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss — is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. Impairment losses on debt instruments are reversed through profit or loss if the subsequent increase in fair value of the instruments can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

2.4 重大會計政策概要(續)

金融資產減值(續)

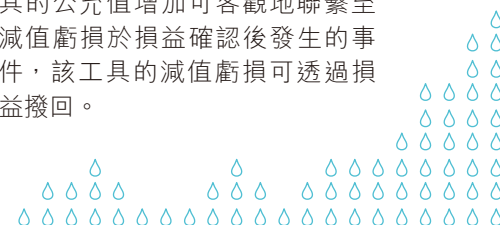
可供出售金融投資

至於可供出售金融資產，本集團於各報告期末對是否有客觀證據表明投資或投資組發生減值作出評估。

倘股權投資被列作可供出售類別，則客觀證據將包括該項投資的公允值大幅或長期跌至低於其成本值。「大幅」是相對於投資的原始成本評估，而「長期」則相對於公允值低於原始成本的時期而評估。倘出現減值證據，則累計虧損(按收購成本與現時公允值的差額減該項投資先前在損益內確認的任何減值虧損計量)將從其他全面收益中移除，並於損益內確認。歸類為可供出售的股權工具的減值虧損不可透過損益撥回，而其公允值於減值後的增加部份會直接於其他全面收益中確認。

確定是否屬「大幅」或「長期」時須作出判斷。在作出判斷時，本集團會評估(其中包括)一項投資的公允值少於其成本的持續時間或程度。

倘債務工具被列作可供出售類別，則會根據按攤銷成本列賬的金融資產相同的標準進行減值評估，惟列賬的減值金額為按攤銷成本與當期公允值(減過往就該投資於損益確認的任何減值虧損)之間差額計量的累計虧損。日後利息收入會就該資產的削減賬面值持續累計，並按計量減值虧損時對未來現金流進行貼現時使用的利率累計。利息收入按財務收入的一部分列賬。若其後債務工具的公允值增加可客觀地聯繫至減值虧損於損益確認後發生的事件，該工具的減值虧損可透過損益撥回。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and loans and borrowings. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, a derivative financial instrument and interest-bearing bank borrowings.

SUBSEQUENT MEASUREMENT

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

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by HKAS 39. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

LOANS AND BORROWINGS

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

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

2.4 重大會計政策概要(續)

金融負債

初始確認及計量

金融負債於初始確認時分類為透過損益按公允值列賬的金融負債以及貸款及借款。就貸款及借款而言，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。

本集團的金融負債包括貿易及其他應付款項、衍生金融工具及計息銀行借款。

其後計量

金融負債的其後計量視乎其如下分類而定：

透過損益按公允值列賬的金融負債

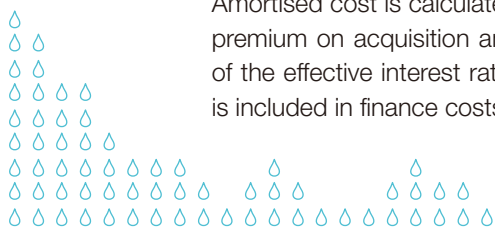
透過損益按公允值列賬的金融負債包括持作買賣的金融負債。

倘金融負債的目的為於短期內購回，則分類為持作買賣。該類別包括本集團所訂立及並非香港會計準則第39號所界定的指定為對沖關係中作為對沖工具的衍生金融工具。持作買賣負債的收益或虧損於損益確認。於損益確認的公允值收益或虧損淨額不包括就該等金融負債而收取的任何利息。

貸款及借款

初始確認後，計息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融資成本。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

DERECOGNITION OF FINANCIAL LIABILITIES

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

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

OFFSETTING OF FINANCIAL INSTRUMENTS

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

TREASURY SHARES

Own equity instruments which are reacquired and held by the Company and the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

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.

2.4 重大會計政策概要(續)

終止確認金融負債

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。

庫存股份

本公司及本集團回購及持有本身的權益工具(庫存股份)按成本直接於權益中確認。因購買、出售、發行或註銷本集團本身的權益工具產生的收益或虧損不會於損益中確認。

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

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2.4 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 consolidated 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.

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.

2.4 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自有現金、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。

就綜合財務狀況表而言，現金及現金等價物包括用途不受限制的現有現金及銀行現金(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。

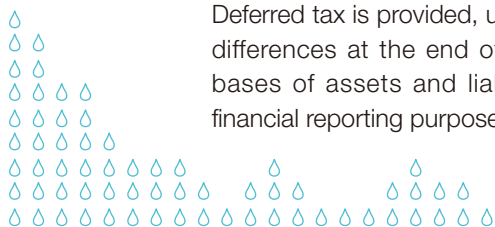
倘折現的影響重大，則就撥備確認的金額為預期須用作償還債務的未來支出於報告期末的現值。因時間流逝而產生的折現現值增額會計入損益的「融資成本」。

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。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INCOME TAX (Cont'd)

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.

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

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

2.4 重大會計政策概要(續)

所得稅(續)

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。

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。



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財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

INCOME TAX (Cont'd)

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.

GOVERNMENT GRANTS

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

2.4 重大會計政策概要(續)

所得稅(續)

遞延稅項資產的賬面值於各報告期末作出檢討，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。

政府補助

政府補助在合理肯定能收到補助且符合所有附帶條件的情況下按公允值確認。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。



Notes to Financial Statements 財務報表附註

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2.4 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 services are 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.

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.

2.4 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。

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退休福利計劃(「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作出，並根據強積金計劃規則規定於須支付時自損益扣除。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。



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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

EMPLOYEE BENEFITS (Cont'd)

PENSION SCHEMES (Cont'd)

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.

DIVIDENDS

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.4 重大會計政策概要(續)

僱員福利(續)

退休金計劃(續)

本集團於中國內地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。供款乃由本集團按參與僱員薪金的某一百分比作出，並根據中央退休金計劃的規則於須支付時自損益扣除。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。

股息

末期股息將於股東大會上獲股東批准後確認為負債。

由於本公司的組織章程大綱及細則授予董事權利宣派中期股息，中期股息的擬派及宣派乃同步進行。因此，中期股息於擬派及宣派後即時確認為負債。



Notes to Financial Statements 財務報表附註

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2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

FOREIGN CURRENCIES

The financial statements are presented in Hong Kong dollars, which is the Company's functional 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

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 HK\$ 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 HK\$, 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.

2.4 重大會計政策概要(續)

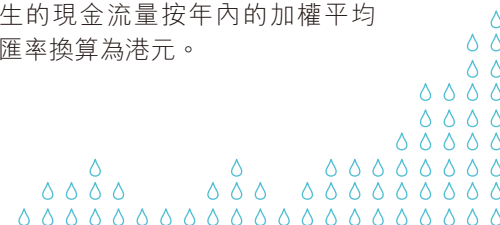
外幣

財務報表以港元呈列，而港元為本公司的功能貨幣。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。以外幣按公允值計量的非貨幣項目採用計量公允值當日的匯率換算。換算按公允值計量的非貨幣項目所產生收益或虧損被視為等同於確認該項目公允值變動所產生收益或虧損（即於其他全面收入或損益內確認公允值收益或虧損的項目的換算差額，亦分別於其他全面收入或損益中確認）。

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報告期末的適用匯率換算為港元，其收益或虧損以年內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。出售功能貨幣為港元以外貨幣的業務時，與該特定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。該等附屬公司於年內經常產生的現金流量按年內的加權平均匯率換算為港元。



Notes to Financial Statements

財務報表附註

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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 using the percentage-of-completion method, measured by reference to the proportion of costs incurred to date to the estimated total cost of the relevant contract.

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，並採用完工百分比方法確認入賬，及參考截至當日已產生的成本佔有關合約的估計總成本的比例計量。



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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 2015 was HK\$6,440,000 (2014: HK\$5,275,000), 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國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。於二零一五年十二月三十一日的綜合財務狀況表內列作負債的重大檢修撥備的賬面值為6,440,000港元(二零一四年：5,275,000港元)，有關進一步詳情載於財務報表附註23。



Notes to Financial Statements

財務報表附註

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

IMPAIRMENT OF RECEIVABLES UNDER SERVICE CONCESSION ARRANGEMENTS

The policy for provision for impairment of receivables under service concession arrangements is based on the evaluation of collectability and ageing analysis of accounts and on management's estimation. A considerable amount of estimation is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each 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 carried as assets in the consolidated statement of financial position as at 31 December 2015 was HK\$390,217,000 (2014: HK\$334,999,000). Further details are set out in note 14 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減值

服務特許權安排下的應收款項減值撥備政策乃根據可收回性評估及賬目賬齡分析以及管理層的估計作出。於評估該等應收款項的最終變現數額時須作出大量估計，包括各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。於二零一五年十二月三十一日的綜合財務狀況表內列作資產的服務特許權安排下的應收款項的賬面值總額為390,217,000港元(二零一四年：334,999,000港元)。有關進一步詳情載於財務報表附註14。

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。



Notes to Financial Statements 財務報表附註

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

CURRENT TAX AND DEFERRED TAX (Cont'd)

Deferred tax liabilities have been recognised for withholding taxes that would be payable on certain portion of the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Mainland China since it is probable that these subsidiaries will distribute such earnings in the foreseeable future. Where the final distribution portion of earnings is larger than the amount that initially recorded, the differences will impact on the income tax in the periods in which the distribution is made. Further details of the temporary difference associated with investment in subsidiaries are set out in note 22 to the financial statements.

IMPAIRMENT OF AVAILABLE-FOR-SALE FINANCIAL ASSETS

The Group classifies certain assets as available for sale and recognises movements of their fair values in equity. When the fair value declines, management makes assumptions about the decline in value to determine whether there is an impairment that should be recognised in profit or loss. During the year, no impairment losses have been recognised for available-for-sale assets (2014: Nil). The carrying amount of available-for-sale assets as at 31 December 2015 was HK\$127,921,000 (2014: Nil).

FAIR VALUE OF UNLISTED AVAILABLE-FOR-SALE INVESTMENTS AND A DERIVATIVE FINANCIAL INSTRUMENT

The Group's unlisted available-for-sale investments are traded through over-the-counter market and the Group measured them based on the quoted prices extracted from electronic media such as Bloomberg. These extracted quoted prices may not reveal to a wide range of market participants such that the fair value of the unlisted available-for-sale investments cannot be reliably measured.

The Group's derivative financial instrument is measured using valuation techniques that incorporate various observable inputs. Judgement is required in determining the observable inputs used and will impact the fair value measurement of the derivative financial instrument.

3. 重大會計判斷及估計(續)

即期稅項及遞延稅項(續)

已就本集團於中國內地所成立的附屬公司須繳納預扣稅的未匯回盈利的預扣稅確認遞延稅項負債，原因為該等附屬公司於可見將來可能會分派有關盈利。倘盈利的最終分派部份高於最初入賬的金額，該等差額將影響分派期間的所得稅。與於該等附屬公司之投資相關的暫時性差額的進一步詳情載於財務報表附註22。

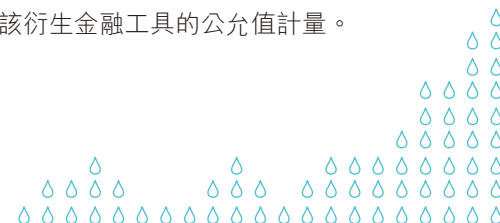
可供出售金融資產減值

本集團將若干資產分類為可供出售，並於權益中確認其公允值變動。於公允值下降時，管理層會就價值減少作出假設，以釐定是否應於損益內確認減值。年內並無就可供出售資產確認任何減值虧損(二零一四年：無)。於二零一五年十二月三十一日，可供出售資產的賬面值為127,921,000港元(二零一四年：無)。

非上市可供出售投資及衍生金融工具的公允值

本集團的非上市可供出售投資乃透過場外交易市場買賣及本集團乃基於摘錄自電子媒介(例如彭博)的報價計量其公允值。該等摘錄的報價未必會向廣大市場參與者公佈，從而導致該等非上市可供出售投資的公允值不能可靠地計量。

本集團的衍生金融工具採用包含多項可觀察輸入數據的估值方法計量。於確定所用的可觀察輸入數據時需作出判斷，故將會影響該衍生金融工具的公允值計量。



Notes to Financial Statements

財務報表附註

31 December 2015 二零一五年十二月三十一日

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 (excluding receivables under service concession arrangements and available-for-sale investments) 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:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Customer A	客戶A	N/A 不適用*	27,489
Customer B	客戶B	133,167	57,694

* The corresponding revenue of this customer is not disclosed as it individually did not contribute over 10% of the Group's total gross revenue for the relevant year.

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設及運營。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中國內地的客戶，且本集團所有的非流動資產（不包括服務特許權安排下的應收款項及可供出售投資）均位於中國內地。

有關主要客戶的資料

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：

* 該客戶相應的營業收入未予披露，原因是該客戶於相關年度對本集團營業收入總額的貢獻未超過10%。



Notes to Financial Statements 財務報表附註

31 December 2015 二零一五年十二月三十一日

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents: (1) an appropriate proportion of contract revenue of construction contracts under service concession arrangements; (2) revenue from the operation of wastewater treatment facilities under service concession arrangements, net of value-added tax and government surcharges; and (3) the imputed interest income on receivables under service concession arrangements.

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

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Revenue	營業收入		
Construction services	建設服務	79,752	16,680
Wastewater treatment facility operation services	污水處理設施營運服務	48,952	54,011
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	16,758	14,492
		145,462	85,183
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	370	239
Interest income from available-for-sale investments	可供出售投資的利息收入	2,068	—
Foreign exchange gains, net	外匯收益淨額	—	77
Government grants [#]	政府補助 [#]	1,703	45
Gain on deregistration of a subsidiary	撤銷註冊一間附屬公司的收益	—	5,779
Gains on disposal of available-for-sale investments	出售可供出售投資的收益	246	—
Refund of value-added tax	增值稅退稅	483	—
Realised gain on a cross currency swap contract	交叉貨幣互換合約的已變現收益	146	—
Others	其他	302	—
		5,318	6,140

[#] 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 2014 and 31 December 2015.

5. 營業收入、其他收入及收益

營業收入指：(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（扣除增值稅及政府附加費）；及(3)服務特許權安排下應收款項的推算利息收入。

營業收入、其他收入及收益的分析如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Revenue	營業收入		
Construction services	建設服務	79,752	16,680
Wastewater treatment facility operation services	污水處理設施營運服務	48,952	54,011
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	16,758	14,492
		145,462	85,183
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Other income and gains	其他收入及收益		
Bank interest income	銀行利息收入	370	239
Interest income from available-for-sale investments	可供出售投資的利息收入	2,068	—
Foreign exchange gains, net	外匯收益淨額	—	77
Government grants [#]	政府補助 [#]	1,703	45
Gain on deregistration of a subsidiary	撤銷註冊一間附屬公司的收益	—	5,779
Gains on disposal of available-for-sale investments	出售可供出售投資的收益	246	—
Refund of value-added tax	增值稅退稅	483	—
Realised gain on a cross currency swap contract	交叉貨幣互換合約的已變現收益	146	—
Others	其他	302	—
		5,318	6,140

[#] 就實施環保工程得到江蘇省地方政府的補助。於二零一四年十二月三十一日及二零一五年十二月三十一日概無有關該等補助的未完成條件或或然事件。

Notes to Financial Statements

財務報表附註

31 December 2015 二零一五年十二月三十一日

6. PROFIT BEFORE TAX

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

	Notes 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Cost of construction services	建設服務成本	60,647	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	34,388	22,541
Depreciation	折舊	472	434
Minimum lease payments under operating leases	根據經營租賃 的最低租金付款	276	115
Auditors' remuneration	核數師薪酬	1,600	1,384
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
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	9,168	7,724
Pension scheme contributions*	退休金計劃供款*	661	598
		9,829	8,322
Fair value loss of a derivative financial instrument — a transaction not designated as a hedge**	衍生金融工具的 公允值虧損 — 並非 指作對沖的交易**	794	—
Foreign exchange differences, net	匯兌差額淨額	1,077	(77)
Provision for major overhauls	重大檢修撥備	1,122	1,000

* At 31 December 2015, the Group had no forfeited contributions available to reduce its contributions to the pension schemes in future years (2014: Nil).

** The fair value loss of a derivative financial instrument for the year is included in "Administrative expenses" in the consolidated statement of comprehensive income.

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：

* 於二零一五年十二月三十一日，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(二零一四年：無)。

** 本年度衍生金融工具的公允值虧損計入綜合全面收入表內的「行政開支」。



Notes to Financial Statements 財務報表附註

31 December 2015 二零一五年十二月三十一日

7. FINANCE COSTS

		Note 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Interest on bank loans	銀行貸款的利息		920	907
Increase in discounted amounts of provision for major overhauls arising from the passage of time	由於時間流逝而產生的重大檢修撥備的貼現金額增加	23	327	253
			1,247	1,160

7. 融資成本

8. DIRECTORS' AND THE CHIEF EXECUTIVE'S REMUNERATION

Directors' remuneration for the year, disclosed pursuant to the Listing Rules, Section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

8. 董事及最高行政人員薪酬

董事於年內的薪酬根據上市規則、香港公司條例第383(1)(a)、(b)、(c)及(f)條及公司(披露董事利益資料)規例第2部披露如下：

			Group 本集團	
			2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Fees	袍金		1,960	218
Other emoluments:	其他薪酬：			
Salaries, allowances and benefits in kind	薪金、津貼及實物利益		154	158
Discretionary bonuses	酌情花紅		—	222
Pension scheme contributions	退休金計劃供款		—	—
			154	380
			2,114	598



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財務報表附註

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8. DIRECTORS' AND THE CHIEF EXECUTIVE'S REMUNERATION (Cont'd)

(a) INDEPENDENT NON-EXECUTIVE DIRECTORS

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

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Ms. Ng Chung Yan Linda	伍頌恩女士	120	38
Mr. Ng Man Kung	吳文拱先生	120	38
Mr. Sze Yeuk Lung Benedict	施若龍先生	100	33
		340	109

The independent non-executive directors of the Company were appointed on 5 September 2014.

There were no other emoluments payable to the independent non-executive directors during the year (2014: Nil).

8. 董事及最高行政人員薪酬 (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：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Ms. Ng Chung Yan Linda	伍頌恩女士	120	38
Mr. Ng Man Kung	吳文拱先生	120	38
Mr. Sze Yeuk Lung Benedict	施若龍先生	100	33
		340	109

本公司的獨立非執行董事於二零一四年九月五日獲委任。

年內並無支付獨立非執行董事其他報酬(二零一四年：無)。



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財務報表附註

31 December 2015 二零一五年十二月三十一日

8. DIRECTORS' AND THE CHIEF EXECUTIVE'S
REMUNERATION (Cont'd)

(b) EXECUTIVE DIRECTORS AND NON-EXECUTIVE
DIRECTORS

8. 董事及最高行政人員薪酬
(續)

(b) 執行董事及非執行董事

		Salaries, allowances and benefits		Discretionary bonuses	Pension scheme	Total remuneration
		in kind	contributions			
		Fees 袍金	薪金、津貼 及實物利益	酌情花紅	退休金 計劃供款	酬金總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$000 千港元	HK\$000 千港元	HK\$'000 千港元
2015	二零一五年					
Executive directors:	執行董事：					
Mr. Chau On Ta Yuen	周安達源先生	1,320	74	—	—	1,394
Mr. Chan Kwan (Chief Executive Officer)	陳昆先生 (行政總裁)	100	80	—	—	180
		1,420	154	—	—	1,574
Non-executive directors:	非執行董事：					
Mr. Chan Pak Lam Brian	陳柏林先生	100	—	—	—	100
Mr. Chau Chi Yan Benny	周致人先生	100	—	—	—	100
		200	—	—	—	200
		1,620	154	—	—	1,774
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 (Chief Executive Officer)	陳昆先生 (行政總裁)	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

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財務報表附註

31 December 2015 二零一五年十二月三十一日

8. DIRECTORS' AND THE CHIEF EXECUTIVE'S REMUNERATION (Cont'd)

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

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.

9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included one (2014: one) director, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining four (2014: four) non-director, highest paid employees are as follows:

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物利益	1,863	2,129
Discretionary bonuses 酌情花紅	209	370
Pension scheme contributions 退休金計劃供款	96	60
	2,168	2,559

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	
		2015 二零一五年	2014 二零一四年
Nil to HK\$1,000,000 零至1,000,000港元		4	3
HK\$1,000,001 to HK\$1,500,000 1,000,001港元至1,500,000港元		—	1
		4	4

8. 董事及最高行政人員薪酬 (續)

(b) 執行董事及非執行董事 (續)

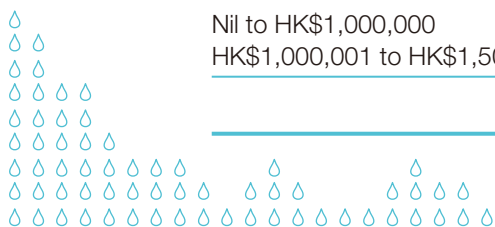
周安達源先生及陳昆先生分別於二零一四年三月十八日及二零一四年二月二十五日獲委任為本公司之執行董事。陳柏林先生及周致人先生於二零一四年三月十八日獲委任為本公司之非執行董事。陳昆先生於二零一四年三月十八日獲委任為本公司之行政總裁。

年內並無任何董事放棄或同意放棄任何薪酬的安排。

9. 五名最高薪酬僱員

年內五名最高薪酬僱員包括一名(二零一四年：一名)董事，其薪酬之詳情載列於上文附註8。年內餘下四名(二零一四年：四名)非董事之最高薪酬僱員之薪酬詳情載列如下：

薪酬屬於以下範圍非董事的最高薪酬僱員的數目如下：



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31 December 2015 二零一五年十二月三十一日

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 (2014: Nil).

The provision for 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 and Rugao Hengfa obtained preferential income tax treatment whereby their income taxes are charged at the taxable profit based on 90% of the revenue generated for the year.

In the current year, Rugao Honghao has confirmation from the relevant tax authority that it is entitled to full exemption on corporate income tax for 2012 (being the tax year in which Rugao Honghao began generating profit), 2013 and 2014 and a three-year 50% reduction in corporate income tax rate from 2015 to 2017. Tax refunds of HK\$9,998,000 in total relating to the tax years of 2012, 2013 and 2014 were received during the year.

10. 所得稅

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

由於本集團於本年度內並無於香港產生任何可評稅溢利，故概無計提香港利得稅撥備（二零一四年：無）。

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規例所釐定的各企業所得稅率而作出。

海安恆發及如皋恆發獲得所得稅優惠待遇，據此，其所得稅按應課稅溢利（基於其於本年度內產生的90%營業收入）繳納。

於本年度內，如皋宏皓取得相關稅務部門確認書，如皋宏皓可獲完全豁免繳納二零一二年（即如皋宏皓開始產生溢利的稅務年度）、二零一三年及二零一四年的企業所得稅以及獲減免二零一五年至二零一七年三年50%的企業所得稅。本年度收到有關二零一二年、二零一三年及二零一四年稅務年度的退稅共計9,998,000港元。

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Current — Mainland China	即期 — 中國內地		
Charge for the year	年內開支	5,100	8,220
Overprovision in prior years	過往年度超額撥備	(212)	(216)
Tax refunds	退稅	(9,998)	—
Deferred (note 22)	遞延(附註22)	1,190	2,857
Total tax charge/(credit) for the year	年內稅項開支/(抵免)總額	(3,920)	10,861



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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/(credit) at the Group's effective tax rate is as follows:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Profit before tax	除稅前溢利	36,229	22,136
Tax at the statutory tax rates	按法定稅率計算的稅項	9,548	7,327
Adjustments in respect of current tax of previous periods	有關過往期間即期稅項的調整	(212)	(216)
Tax refunds	退稅	(9,998)	—
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	(4,590)	1,391
Income not subject to tax	毋須課稅收入	(1,437)	(2,650)
Expenses not deductible for tax	不可扣稅開支	2,769	5,009
Tax charge/(credit) for the year	年內稅項支出/(抵免)	(3,920)	10,861

For the year ended 31 December 2015, the weighted average applicable tax rate was 26.4% (2014: 33.1%). The change in the average applicable tax rate is caused by a change in the financial results of companies within the Group in the respective jurisdictions.

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/(抵免)的對賬如下：

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Profit before tax	36,229	22,136
Tax at the statutory tax rates	9,548	7,327
Adjustments in respect of current tax of previous periods	(212)	(216)
Tax refunds	(9,998)	—
Effect of withholding tax on the distributable profits of the Group's subsidiaries in Mainland China	(4,590)	1,391
Income not subject to tax	(1,437)	(2,650)
Expenses not deductible for tax	2,769	5,009
Tax charge/(credit) for the year	(3,920)	10,861

截至二零一五年十二月三十一日止年度，加權平均適用稅率為26.4% (二零一四年：33.1%)。平均適用稅率之變動乃由本集團於各司法權區公司之財務業績變動所引致。

11. DIVIDENDS

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Special interim — Nil (2014: HK5 cents) per ordinary share	特別中期 — 每股普通股零港仙 (二零一四年：5港仙)	—	30,000
Interim — HK2 cents (2014: Nil) per ordinary share	中期 — 每股普通股2港仙 (二零一四年：無)	19,040	—
Proposed final — HK1 cent (2014: Nil) per ordinary share	擬派末期 — 每股普通股1港仙 (二零一四年：無)	9,520	—
		28,560	30,000

11. 股息



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31 December 2015 二零一五年十二月三十一日

11. DIVIDENDS (Cont'd)

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.

On 21 August 2015, the Company declared an interim dividend of HK2 cents per ordinary share of the Company, absorbing a total of HK\$19,040,000. Such dividend was paid on 31 October 2015.

The proposed final dividend for the year is subject to the approval of the Company's Shareholders at the forthcoming annual general meeting.

12. 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 2015 is based on the profit for the year attributable to ordinary equity holders of the parent of HK\$39,506,000 (2014: HK\$9,267,000), and the weighted average number of ordinary shares of 903,061,000 (2014: 653,151,000, as if the Reorganisation had been effective since 1 January 2014) in issue during the year.

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 shares of the Company issued upon incorporation (note 24(i)) and the 599,999,000 new ordinary shares issued in the Share Swap (as defined in 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 (as defined in note 24(iii)).

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 December 2015 and 2014 as the Group had no potentially dilutive ordinary share in issue during the years ended 31 December 2015 and 2014.

11. 股息(續)

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。

於二零一五年八月二十一日，本公司宣派中期股息每股本公司普通股2港仙，總額為19,040,000港元。有關股息於二零一五年十月三十一日支付。

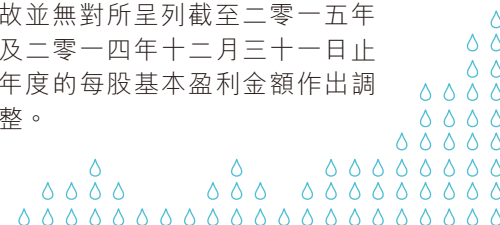
本年度擬派末期股息須經本公司股東於應屆股東周年大會上批准後，方可作實。

12. 母公司普通股股權持有人應佔每股盈利

截至二零一五年十二月三十一日止年度的每股基本盈利金額乃根據母公司普通股股權持有人應佔本年度溢利39,506,000港元(二零一四年：9,267,000港元)及本年度已發行普通股加權平均數903,061,000股(二零一四年：653,151,000股，猶如重組於二零一四年一月一日起生效)計算。

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(定義見附註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(定義見附註24(iii))。

由於本集團於截至二零一五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二零一五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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13. PROPERTY, PLANT AND EQUIPMENT

13. 物業、廠房及設備

		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 2015	二零一五年 十二月三十一日				
At 1 January 2015:	於二零一五年 一月一日：				
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
At 1 January 2015, net of accumulated depreciation	於二零一五年 一月一日， 扣除累計折舊	1,989	483	306	2,778
Additions	添置	3	114	—	117
Depreciation	折舊	(237)	(179)	(56)	(472)
Exchange realignment	匯兌重列	(81)	(21)	(11)	(113)
At 31 December 2015, net of accumulated depreciation	於二零一五年 十二月三十一日， 扣除累計折舊	1,674	397	239	2,310
At 31 December 2015:	於二零一五年 十二月三十一日：				
Cost	成本	2,357	951	987	4,295
Accumulated depreciation	累計折舊	(683)	(554)	(748)	(1,985)
Net carrying amount	賬面淨值	1,674	397	239	2,310



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31 December 2015 二零一五年十二月三十一日

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

13. 物業、廠房及設備(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 2014	二零一四年 十二月三十一日				
At 1 January 2014:	於二零一四年 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



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14. 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.

14. 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。



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31 December 2015 二零一五年十二月三十一日

14. SERVICE CONCESSION ARRANGEMENTS (Cont'd)

As at 31 December 2015, the Group had 5 (2014: 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:

14. 服務特許權安排(續)

於二零一五年十二月三十一日，本集團與兩個中國內地政府機關訂立5項(二零一四年：5項)服務特許權安排，主要服務特許權安排的主要條款概要載列如下：

Name of company as operator 作為運營商 的公司名稱	Name of wastewater treatment facility 污水處理 設施名稱	Location 位置	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 (tonnes/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
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， 從二零一三年 起計至二零三 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 起計至二零三 二年止， 並於二零零九 年延長至二零 三五年



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14. SERVICE CONCESSION ARRANGEMENTS (Cont'd)

14. 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 (tonnes/day) 設計 處理能力 (噸/天)	Service concession period 服務特許期
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 二零三九年

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

Pursuant to the service concession agreements entered into by the Group, the Group is granted the rights to use the property, plant and equipment of the wastewater treatment facilities and certain related land during the service concession periods, 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 2015, the title certificates with respect to certain land use rights of certain wastewater treatment facilities to which the Group's service concession arrangements relate have not been registered under the names of the relevant 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.

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。於二零一五年十二月三十一日，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有效佔用或使用該等與上述土地使用權有關的樓宇及土地。



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31 December 2015 二零一五年十二月三十一日

14. SERVICE CONCESSION ARRANGEMENTS (Cont'd)

For the year ended 31 December 2015, revenue and profit were recognised for exchanging construction services for a financial asset amounting to HK\$79,752,000 (2014: HK\$16,680,000) and HK\$19,105,000 (2014: HK\$1,996,000), respectively, and no revenue (2014: 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 position.

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 were pledged to secure a bank loan granted to the Group. This bank loan was fully repaid in February 2015.

14. 服務特許權安排(續)

截至二零一五年十二月三十一日止年度，分別確認有79,752,000港元(二零一四年：16,680,000港元)及19,105,000港元(二零一四年：1,996,000港元)的營業收入及溢利就以建造服務交換金融資產，概無(二零一四年：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綜合財務狀況表確認為「服務特許權安排下的應收款項」。

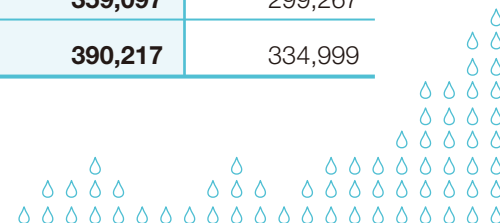
於二零一四年十二月三十一日，本集團若干污水處理特許權(包括賬面值為225,139,000港元的服務特許權安排下的應收款項)獲抵押作為授予本集團的銀行貸款的擔保。該銀行貸款已於二零一五年二月悉數償還。

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Receivables under service concession arrangements	服務特許權安排下的應收款項	390,217	334,999
Portion classified as current assets	分類為流動資產的部份	(40,410)	(42,240)
Non-current portion	非流動部份	349,807	292,759

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

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：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Billed:	已開具發票：		
Within 3 months	3個月內	16,426	15,947
4 to 6 months	4至6個月	14,694	14,784
7 to 12 months	7至12個月	—	5,001
Not yet billed	尚未開具發票	31,120 359,097	35,732 299,267
		390,217	334,999



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14. 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 who are local government authorities in Mainland China and therefore concentration of credit risk exists. 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:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Neither past due nor impaired	既未逾期亦未減值	359,097	299,267
Less than 1 month past due	逾期1個月以內	6,826	6,259
1 to 3 months past due	逾期1至3個月	9,600	9,688
4 to 6 months past due	逾期4至6個月	14,694	14,784
7 months to 1 year past due	逾期7個月至1年	—	5,001
		390,217	334,999

15. AVAILABLE-FOR-SALE INVESTMENTS

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Listed equity investments, at fair value	上市股權投資，按公允值	30,080	—
Listed debt securities, at fair value	上市債務證券，按公允值	36,759	—
Unlisted debt securities, at fair value	非上市債務證券，按公允值	61,082	—
		127,921	—

During the year, the gross loss in respect of the Group's available-for-sale investments recognised in other comprehensive income amounted to HK\$555,000 (2014: Nil), of which a gain of HK\$246,000 (2014: Nil) was reclassified from other comprehensive income to profit or loss for the year.

14. 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：

15. 可供出售投資

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Listed equity investments, at fair value	上市股權投資，按公允值	30,080	—
Listed debt securities, at fair value	上市債務證券，按公允值	36,759	—
Unlisted debt securities, at fair value	非上市債務證券，按公允值	61,082	—
		127,921	—

年內，就本集團於其他全面收入內確認的可供出售投資總虧損為555,000港元(二零一四年：無)，其中年內收益246,000港元(二零一四年：無)乃自其他全面收入重新分類至損益。

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16. PREPAYMENTS AND OTHER RECEIVABLES

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Other receivables	其他應收款項	104	181
Prepayments	預付款項	1,185	466
		1,289	647

None of the above assets is either past due or impaired. The financial assets included in the above balances relate 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. 預付款項及其他應收款項

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。

17. CASH AND CASH EQUIVALENTS

		2015 二零一五年 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	63,078	49,004
Time deposits	定期存款	24,685	50,060
		87,763	99,064
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」)	26,419	43,751
HK\$	港元	59,153	55,279
United States dollars ("US\$")	美元(「美元」)	2,191	34
		87,763	99,064

17. 現金及現金等價物



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17. CASH AND CASH EQUIVALENTS (Cont'd)

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.

18. 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:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Within 1 month	1個月以內	9,490	3,900
1 to 3 months	1至3個月	482	404
Over 3 months	3個月以上	2,214	758
		12,186	5,062

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

17. 現金及現金等價物(續)

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。

18. 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：

貿易應付款項為不計息及一般於30日內清償。



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19. OTHER PAYABLES AND ACCRUALS

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Other payables	其他應付款項	145	883
Accruals	應計費用	3,398	5,541
		3,543	6,424

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

其他應付款項及應計費用為不計息及一般按要求償還。

20. DERIVATIVE FINANCIAL INSTRUMENT

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Cross currency swap	交叉貨幣互換	794	—

In 2015, the Group has entered into a one-year cross currency swap contract to manage its exchange rate exposure related to a RMB denominated interest-bearing bank loan. The cross currency swap contract is not designated for hedge purposes and is measured at fair value through profit or loss. Changes in the fair value of the non-hedging currency derivative amounting to HK\$794,000 (note 6) were charged to profit or loss during the year (2014: Nil).

於二零一五年，本集團訂立一項一年期交叉貨幣互換合約，以管理其與人民幣計值的計息銀行貸款有關的匯率風險。交叉貨幣互換合約並非指定作對沖用途，乃透過損益按公允值計量。非對沖貨幣衍生工具的公允值變動794,000港元(附註6)已於年內自損益扣除(二零一四年：無)。



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21. INTEREST-BEARING BANK BORROWINGS

21. 計息銀行借款

		2015 二零一五年		2014 二零一四年	
		Maturity 到期日	HK\$'000 千港元	Maturity 到期日	HK\$'000 千港元
Current	即期				
Bank loans — secured	銀行貸款 — 有抵押	2016 二零一六年	3,034	2015 or on demand 二零一五年 或按要求	12,720
Bank loan — unsecured	銀行貸款 — 無抵押	On demand 按要求	29,830	N/A 不適用	—
			32,864		12,720
Non-current	非即期				
Bank loan — secured	銀行貸款 — 有抵押	2017 二零一七年	2,336	2016 — 2017 二零一六年 至二零一七年	5,621
Total	總計		35,200		18,341

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 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	32,864	12,720
In the second year	第二年	2,336	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
		35,200	18,341



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

As at 31 December 2015, the Group had a three-year bank loan with a carrying amount of HK\$5,370,000 (2014: HK\$8,591,000) 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 profit or loss in the prior years of construction in accordance with HK(IFRIC)-Int 12. The related receivables under service concession arrangement amounted to HK\$102,981,000 as at 31 December 2015 (2014: HK\$109,860,000).

During the year, the Group has drawn down a one-year bank loan with a carrying amount of HK\$29,830,000 as at 31 December 2015, which was denominated in RMB with a fixed interest rate at 4.5% per annum. The loan is unsecured and contains a repayable on demand clause. To mitigate the foreign currency exposure of the loan arising from the fluctuation of the exchange rate of HK\$ against RMB, the Group has entered into a one-year cross currency swap contract (note 20) at the same time with the nominal amount and payment terms equal to and offsetting the principal and interest payments of the loan. The net cash flow of the loan and the cross currency swap contract resembles a HK\$ denominated loan of HK\$30,250,000 with a fixed interest rate at 2.6% per annum.

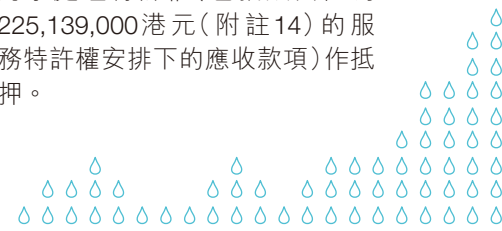
During the year, the Group repaid a bank loan with a carrying amount as at 31 December 2014 of HK\$9,750,000. This bank loan was a five-year term loan, repayable on demand and denominated in US\$ with a floating interest rate at 1.25% above the US\$ prime rate per annum. As at 31 December 2014, it was secured by the wastewater treatment concession rights comprising receivables under service concession arrangements with a carrying amount of HK\$225,139,000 (note 14).

21. 計息銀行借款(續)

於二零一五年十二月三十一日，本集團有一筆賬面值為5,370,000港元的三年期銀行貸款(二零一四年：8,591,000港元)，該貸款以人民幣計值，按6.77%的固定年利率計息。該筆銀行貸款以用於本集團污水處理業務營運的土地使用權及物業作抵押，有關土地使用權及物業的總建築成本為6,047,000港元，已根據香港(國際財務報告詮釋委員會)——詮釋第12號於過往建築年度自損益內的銷售成本扣除。於二零一五年十二月三十一日，服務特許權安排下的相關應收款項為102,981,000港元(二零一四年：109,860,000港元)。

於本年度內，本集團已提取一筆於二零一五年十二月三十一日賬面值為29,830,000港元的一年期銀行貸款，該貸款以人民幣計值，按4.5%的固定年利率計息。該貸款乃無抵押及包含須按要求償還條款。與此同時，為降低因港元兌人民幣的匯率波動引致的貸款外匯風險，本集團已訂立一項一年期交叉貨幣互換合約(附註20)，其名義金額及付款條款與該貸款的本金及利息付款相等且相抵銷。貸款及交叉貨幣互換合約的現金流量淨額相當於一筆固定年利率為2.6%及以港元計值的貸款30,250,000港元。

於本年度內，本集團已償還一筆於二零一四年十二月三十一日賬面值為9,750,000港元的銀行貸款。該筆銀行貸款為須按要求償還的五年定期貸款，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，其以污水處理特許權(包括賬面值為225,139,000港元(附註14)的服務特許權安排下的應收款項)作抵押。



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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:

		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 2015	於二零一五年 十二月三十一日	34,146	2,413	36,559
At 31 December 2014	於二零一四年 十二月三十一日	11,588	7,974	19,562

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:

		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 2014	於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 and 1 January 2015	於二零一四年十二月三十一日 及二零一五年一月一日	1,319	(27,551)	(10,785)	(37,017)
Credited/(charged) to profit or loss during the year (note 10)	計入/(扣自)年內損益 (附註10)	362	(7,692)	6,140	(1,190)
Exchange realignment	匯兌重列	(71)	1,485	279	1,693
At 31 December 2015	於二零一五年十二月三十一日	1,610	(33,758)	(4,366)	(36,514)

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項條款還款的影響，該等貸款於報告期末的到期情況如下：

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)及年內的變動如下：



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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:

	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Net deferred tax liabilities	36,514	37,017

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：

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，適用於二零零七年十二月三十一日之後獲得的盈利。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 the reporting period. The future expenditure on these maintenance and restoration costs is collectively referred to as "major overhauls". The estimation basis is reviewed on an ongoing basis, and revised where appropriate.

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

		Notes 附註	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
At 1 January	於一月一日		5,275	4,134
Additional provision	額外撥備	6	1,122	1,000
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	7	327	253
Exchange realignment	匯兌重列		(284)	(112)
At 31 December	於十二月三十一日		6,440	5,275

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，按報告期末履行現有責任所需開支的最佳估計金額列賬。有關該等保養及修復費用的未來開支統稱為「重大檢修」。估計基準持續獲檢討並於適當時修訂。

年內，該等設施的重大檢修撥備變動如下：



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24. SHARE CAPITAL

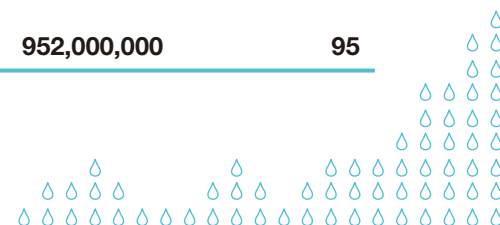
24. 股本

		2015 二零一五年 HK\$'000 千港元	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	380
Issued and fully paid:	已發行及繳足：		
952,000,000 (2014: 800,000,000) ordinary shares of HK\$0.0001 each	952,000,000 股 (二零一四年： 800,000,000 股) 每股面值 0.0001 港元 的普通股	95	80

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

本公司的已發行股本變動概述如下：

		Notes 附注	Number of ordinary shares in issue 已發行 普通股數目	Issued capital 已發行 股本 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)		—	—
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 and 1 January 2015	於二零一四年 十二月三十一日 及二零一五年 一月一日		800,000,000	80
Issue of shares pursuant to the Placing	根據配售的股份發行	(iv)	160,000,000	16
Cancellation of share repurchased	注銷回購的股份	25(e)	(8,000,000)	(1)
At 31 December 2015	於二零一五年 十二月三十一日		952,000,000	95



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24. SHARE CAPITAL (Cont'd)

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 in connection with the listing of the Company.
- (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").
- (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.
- (iv) On 5 May 2015, 160,000,000 new ordinary shares of HK\$0.0001 each were issued at a price of HK\$0.98 per ordinary share pursuant to the top-up placing and top-up subscription agreements entered into by the Company under the general mandate of the Company (the "Placing") for a total cash consideration, before expenses, of HK\$156,800,000. Further details are set out in the announcements of the Company dated 22 April 2015 and 5 May 2015.

24. 股本(續)

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，本公司按每股股份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就本公司上市進行重組完成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全資附屬公司，作為本公司向彼等分別配發及發行374,999,375股及224,999,625股普通股的代價（「股份互換」）。
- (iii) 就本公司股份於聯交所上市（「股份發售」）而言，每股0.0001港元的200,000,000股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。
- (iv) 於二零一五年五月五日，根據本公司一般授權項下本公司所訂立的先舊後新配售協議及先舊後新認購協議，160,000,000股每股0.0001港元的新普通股已按每股普通股0.98港元的價格發行（「配售事項」），總現金代價（未計入有關開支）為156,800,000港元。進一步詳情載於本公司日期為二零一五年四月二十二日及二零一五年五月五日的公告。



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25. RESERVES

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

(a) OTHER RESERVE

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

(b) 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\$.

(c) 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.

(d) AVAILABLE-FOR-SALE INVESTMENT REVALUATION RESERVE

The available-for-sale investment revaluation reserve comprises the accumulative net change in fair value of available-for-sale financial assets held at the end of each reporting period.

(e) TREASURY SHARES

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

25. 儲備

於本年度及過往年度，本集團儲備數額及其變動呈列於綜合權益變動表。

(a) 其他儲備

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

(b) 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。

(c) 儲備金

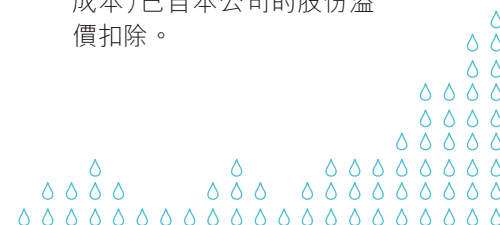
根據有關中國規則及法規以及本公司於中國成立的附屬公司的組織章程細則將保留溢利轉化為儲備金。

(d) 可供出售投資重估儲備

可供出售投資重估儲備包括於各報告期末持有的可供出售金融資產的公允價值累計淨變動。

(e) 庫存股份

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



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26. PARTIAL-OWNED SUBSIDIARY WITH MATERIAL NON-CONTROLLING INTEREST

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

Name of subsidiary	附屬公司名稱	Percentage of equity interest held by non-controlling interest		Profit for the year allocated to non-controlling interest for the year		Accumulated balance of non-controlling interest	
		2015 二零一五年 %	2014 二零一四年 %	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Haian Hengfa	海安恆發	30	30	643	2,008	27,593	28,234

The following tables illustrate the summarised financial information of the above subsidiary. The amounts disclosed are before any inter-company eliminations:

26. 擁有重大非控股權益的非全資附屬公司

擁有重大非控股權益的本集團附屬公司的詳情載列於下：

下表概述上述附屬公司的財務資料。所披露數額乃屬進行任何公司間對銷前：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Current assets	流動資產	13,774	12,497
Non-current assets	非流動資產	100,034	107,066
Current liabilities	流動負債	(6,931)	(7,720)
Non-current liabilities	非流動負債	(14,901)	(17,729)
Revenue	營業收入	12,295	27,489
Total expenses	總開支	(10,151)	(20,796)
Profit for the year	年內溢利	2,144	6,693
Total comprehensive income for the year	年內總全面收入	(2,138)	4,429
Dividends paid to non-controlling interest	派付非控股權益股息	—	—
Net cash flows from operating activities	經營活動產生的現金流量淨額	5,319	7,020
Net cash flows used in investing activities	投資活動使用的現金流量淨額	(59)	(244)
Net cash flows used in financing activities	融資活動使用的現金流量淨額	(3,609)	(35,441)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	1,651	(28,665)

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27. NOTES TO THE CONSOLIDATED STATEMENTS 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.

28. CONTINGENT LIABILITIES

As at 31 December 2015, the Group did not have any significant contingent liabilities (2014: Nil).

29. OPERATING LEASE ARRANGEMENT

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:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Within one year	一年內	184	276
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	—	184
		184	460

30. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had the following significant capital commitments with respect of service concession arrangements:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Contracted, but not provided for	已訂約但未撥備	—	35,287

27. 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。

28. 或然負債

於二零一五年十二月三十一日，本集團概無任何重大或然負債(二零一四年：無)。

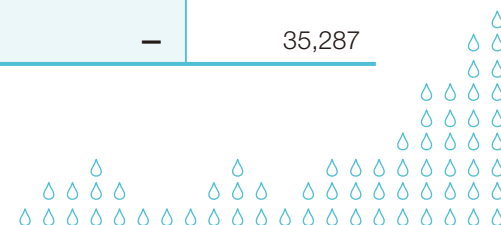
29. 經營租賃安排

本集團根據經營租賃安排租賃其若干辦公室物業。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：

30. 資本承擔

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：



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31. RELATED PARTY TRANSACTIONS

- (a) The Group has sub-leased the commercial premises located at Units 1-3, 11th Floor, Westlands Centre, 20 Westlands Road, Hong Kong (the "Office Premises") for use as offices from Dragonfield Management Limited ("Dragonfield"), a company substantially owned by Ms. Judy Chan and Ms. Wong Shu Ying, both being beneficial shareholders of the Company, at nil consideration during the period from 1 January 2014 to 26 August 2014. 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 2015 was HK\$276,000 (2014: HK\$115,000).

In addition, on 11 December 2015, the Group entered into an administrative services sharing agreement with Dragonfield in connection with the sharing of administrative services, retrospectively, effective from 1 July 2015 to 30 June 2018. The Group was charged for the shared administrative services on a cost basis. The amount charged to profit or loss during the year ended 31 December 2015 was HK\$1,662,000 (2014: Nil).

31. 關聯方交易

- (a) 於二零一四年一月一日至二零一四年八月二十六日期間，本集團已以零代價向龍田管理有限公司（「龍田」）（由陳芳女士及王穗英女士（彼等均為本公司的實益股東）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。截至二零一五年十二月三十一日止年度，自損益扣除的金額為276,000港元（二零一四年：115,000港元）。

此外，於二零一五年十二月十一日，本集團已就共享行政服務與龍田訂立行政服務共享協議，並追溯生效，自二零一五年七月一日起至二零一八年六月三十日止。相關共享行政服務按成本基準向本集團收費。截至二零一五年十二月三十一日止年度，自損益扣除的金額為1,662,000港元（二零一四年：無）。



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31. RELATED PARTY TRANSACTIONS (Cont'd)

(b) Compensation of key management personnel of the Group

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,826	2,166
Post-employment benefits	離職後福利	89	55
Total compensation paid to key management personnel	支付予主要管理人員的薪酬總額	2,915	2,221

Further details of compensation of directors' emoluments are included in note 8 to the financial statements.

The related party transaction disclosed in note (a) above also constitute continuing connected transaction as defined in Chapter 14A of the Listing Rules.

32. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at 31 December 2015 are as follows:

FINANCIAL ASSETS

	Loans and receivables 貸款及應收款項 HK\$'000 千港元	Available-for-sale financial assets 可供出售金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investments	—	127,921	127,921
Receivables under service concession arrangements	390,217	—	390,217
Financial assets included in prepayments, deposits and other receivables (note 16)	104	—	104
Cash and cash equivalents	87,763	—	87,763
	478,084	127,921	606,005

31. 關聯方交易(續)

(b) 本集團主要管理人員的薪酬

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Short term employee benefits	短期僱員福利	2,826	2,166
Post-employment benefits	離職後福利	89	55
Total compensation paid to key management personnel	支付予主要管理人員的薪酬總額	2,915	2,221

董事酬金的進一步詳情載於財務報表附註8。

上文附註(a)所披露的關聯方交易亦構成上市規則第14A章所定義的持續關連交易。

32. 按類別劃分的金融工具

於二零一五年十二月三十一日，各類別金融工具的賬面值如下：

金融資產

	Loans and receivables 貸款及應收款項 HK\$'000 千港元	Available-for-sale financial assets 可供出售金融資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investments	—	127,921	127,921
Receivables under service concession arrangements	390,217	—	390,217
Financial assets included in prepayments, deposits and other receivables (note 16)	104	—	104
Cash and cash equivalents	87,763	—	87,763
	478,084	127,921	606,005

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32. FINANCIAL INSTRUMENTS BY CATEGORY (Cont'd)

FINANCIAL LIABILITIES

		Financial liability at fair value through profit or loss 透過損益按公允值列賬的金融負債 HK\$'000 千港元	Financial liabilities at amortised cost 按攤銷成本列賬的金融負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Trade payables	貿易應付款項	—	12,186	12,186
Financial liabilities included in other payables and accruals (note 19)	計入其他應付款項及應計費用的金融負債(附註19)	—	3,543	3,543
Derivative financial instrument	衍生金融工具	794	—	794
Interest-bearing bank borrowings	計息銀行借款	—	35,200	35,200
		794	50,929	51,723

As at 31 December 2014, all the financial assets and liabilities of the Group were loans and receivables and financial liabilities at amortised cost, respectively.

於二零一四年十二月三十一日，本集團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賬的金融負債。

33. 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, 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.

33. 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、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。



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33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

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 borrowing 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 borrowing as at 31 December 2015 and 2014 was assessed to be insignificant.

The fair values of available-for-sale investments are based on quoted market prices.

The Group enters into a derivative financial instrument with a financial institution with an investment grade credit rating. The derivative financial instrument, which is a cross currency swap, is measured using valuation techniques similar to swap models, using present value calculations. The models incorporate various market observable inputs including the foreign exchange spot and forward rates and interest rate curves. The carrying amount of the cross currency swap is the same as its fair value.

33. 金融工具的公允值及公允值層級(續)

本集團由財務經理領導的公司財務團隊負責釐定金融工具公允值計量的政策及程序。公司財務團隊直接向財務總監報告。於各報告日，公司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息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。於二零一五年及二零一四年十二月三十一日，本集團本身對計息銀行借款的不履約風險被評估為並不重大。

可供出售投資之公允值乃按市場報價計算。

本集團與一間具投資級別信貸評級的金融機構訂立衍生金融工具。衍生金融工具(即交叉貨幣互換)採用現值計算法按類似互換模型的估值技巧計量。該模型納入多項可觀察市場輸入數據，包括外匯現貨、遠期匯價及利率曲線。交叉貨幣互換的賬面值與其公允值相同。



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財務報表附註

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33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

FAIR VALUE HIERARCHY

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

ASSETS MEASURED AT FAIR VALUE:

As at 31 December 2015

		Fair value measurement using 按以下方式計量的公允值			
		Quoted prices in active markets (Level 1) 於活躍 市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 主要 可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 主要 不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Available-for-sale investments:	可供出售投資：				
Equity investments	股權投資	30,080	—	—	30,080
Debt investments	債務投資	97,841	—	—	97,841
		127,921	—	—	127,921

LIABILITIES MEASURED AT FAIR VALUE:

As at 31 December 2015

		Fair value measurement using 按以下方式計量的公允值			
		Quoted prices in active markets (Level 1) 於活躍 市場 的報價 (第一級) HK\$'000 千港元	Significant observable inputs (Level 2) 主要 可觀察 輸入數據 (第二級) HK\$'000 千港元	Significant unobservable inputs (Level 3) 主要 不可觀察 輸入數據 (第三級) HK\$'000 千港元	Total 總計 HK\$'000 千港元
Derivative financial instrument	衍生金融工具	—	794	—	794

33. 金融工具的公允值及公允值層級(續)

公允值層級

下表列示本集團金融工具的公允值計量層級：

按公允值計量的資產：

於二零一五年十二月三十一日

按公允值計量的負債：

於二零一五年十二月三十一日



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33. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (Cont'd)

FAIR VALUE HIERARCHY (Cont'd)

LIABILITIES MEASURED AT FAIR VALUE: (Cont'd)

The Group did not have any financial assets and financial liabilities measured at fair value as at 31 December 2014.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for both financial assets and financial liabilities (2014: Nil).

34. 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 long term debt obligations with a floating interest rate.

Since the Group did not have any long-term debt obligations as at 31 December 2015, the Group's exposure to interest rate risk is minimal.

For the year ended 31 December 2014, in respect of a floating rate bank borrowing, a 50 basis point increase/decrease in interest rate at 31 December 2014 would have decreased/increased the Group's profit before tax for that year by HK\$49,000.

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 in Mainland China 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.

33. 金融工具的公允值及公允值層級(續)

公允值層級(續)

按公允值計量的負債：(續)

於二零一四年十二月三十一日，本集團並無按公允值計量的任何金融資產及金融負債。

年內，金融資產及金融負債第一級與第二級公允值計量之間並無轉移，亦無轉入或轉出第三級(二零一四年：無)。

34. 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長期債務責任。

由於本集團於二零一五年十二月三十一日並無任何長期債務責任，本集團面臨的利率風險甚微。

截至二零一四年十二月三十一日止年度，就浮息銀行借款而言，於二零一四年十二月三十一日利率上調/下調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。

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。由於本集團旗下位於中國內地的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。



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31 December 2015 二零一五年十二月三十一日

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

FOREIGN CURRENCY RISK (Cont'd)

As at 31 December 2015, individual companies in Hong Kong within the Group have translational currency exposure because available-for-sale investments of HK\$127,921,000 were denominated in US\$ and an interest-bearing bank loan of HK\$29,830,000 was denominated in RMB.

The Group considers that the currency exposures in related to the US\$ are insignificant as HK\$ is pegged to the US\$. In order to manage the foreign currency exposure of the RMB denominated bank loan in Hong Kong, the Group has entered into a cross currency swap contract to minimise its impact in profit or loss.

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 who 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.

34. 金融風險管理目標及政策 (續)

外幣風險 (續)

於二零一五年十二月三十一日，由於可供出售投資127,921,000港元以美元計值及計息銀行貸款29,830,000港元以人民幣計值，故本集團旗下的香港各公司須承擔換算貨幣風險。

由於港元與美元掛鈎，本集團認為與美元相關的貨幣風險甚微。為管理香港以人民幣計值的銀行貸款的外匯風險，本集團已訂立一項交叉貨幣互換合約，以降低對其損益的影響。

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。



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31 December 2015 二零一五年十二月三十一日

34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

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.

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:

		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	Total 總計 HK\$'000 千港元
At 31 December 2015	於二零一五年 十二月三十一日			
Trade payables	貿易應付款項	12,186	—	12,186
Other payables and accruals	其他應付款項及應計費用	3,543	—	3,543
Derivative financial instrument	衍生金融工具	794	—	794
Interest-bearing bank borrowings	計息銀行借款	33,151	2,413	35,564
		49,674	2,413	52,087

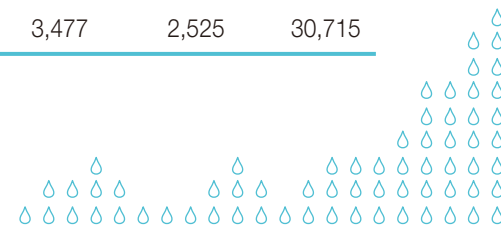
		Within 1 year or on demand 1年內 或按要求 HK\$'000 千港元	Between 1 and 2 years 1至2年 HK\$'000 千港元	Between 2 and 5 years 2至5年 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 31 December 2014	於二零一四年 十二月三十一日				
Trade payables	貿易應付款項	5,062	—	—	5,062
Other payables and accrual	其他應付款項及應計費用	6,424	—	—	6,424
Interest-bearing bank borrowings	計息銀行借款	13,227	3,477	2,525	19,229
		24,713	3,477	2,525	30,715

34. 金融風險管理目標及政策 (續)

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。

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：



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34. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

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 2015 and 2014.

The Group monitors capital using a gearing ratio, which is calculated by dividing total debt by total equity. Total debt comprises the interest-bearing bank borrowings. 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:

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Total debt	債務總額	35,200	18,341
Total equity	權益總額	515,135	364,829
Gearing ratio	資產負債比率	0.07	0.05

34. 金融風險管理目標及政策 (續)

資本管理

本集團資本管理的主要目標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。截至二零一五年及二零一四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。

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。債務總額包括計息銀行借款。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：



Notes to Financial Statements 財務報表附註

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35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

35. 本公司的財務狀況表

於報告期末有關本公司財務狀況表的資料如下：

		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
NON-CURRENT ASSETS	非流動資產		
Investments in subsidiaries	於附屬公司的投資	113,781	113,781
Available-for-sale investments	可供出售投資	127,921	—
Total non-current assets	非流動資產總值	241,702	113,781
CURRENT ASSETS	流動資產		
Prepayment	預付款項	173	—
Due from subsidiaries	應收附屬公司	68,309	16,571
Cash and cash equivalents	現金及現金等價物	34,030	82,765
Total current assets	總流動資產	102,512	99,336
CURRENT LIABILITIES	流動負債		
Accrual	應計費用	1,885	1,350
Due to a subsidiary	應付一間附屬公司	—	1
Total current liabilities	總流動負債	1,885	1,351
NET CURRENT ASSETS	流動資產淨值	100,627	97,985
Net assets	資產淨值	342,329	211,766
EQUITY	權益		
Issued capital	已發行股本	95	80
Reserves	儲備	342,234	211,686
Total equity	權益總額	342,329	211,766



Notes to Financial Statements

財務報表附註

31 December 2015 二零一五年十二月三十一日

35. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Cont'd)

Note:

A summary of the Company's reserves is as follows:

		Share premium 股份溢價 HK\$'000 千港元	Available-for-sale investment revaluation reserve 可供出售投資重估儲備 HK\$'000 千港元	Treasury shares 庫存股份 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 11)	二零一四年中期特別股息 (附註11)	(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
Profit for the year	年內溢利	—	—	—	4,182	4,182
Change in fair value of available-for-sale investments	可供出售投資的公允價值變動	—	(555)	—	—	(555)
Reclassification adjustments for gains on disposal included in profit or loss	計入損益的出售收益的重新分類調整	—	(246)	—	—	(246)
Total comprehensive income for the year	年內全面收入總額	—	(801)	—	4,182	3,381
Issue of shares pursuant to the Placing (note 24(iv))	根據配售的股份發行 (附註24(iv))	156,784	—	—	—	156,784
Placing expenses	配售開支	(5,657)	—	—	—	(5,657)
Share repurchase (note 25(e))	股份回購(附註25(e))	—	—	(4,921)	—	(4,921)
Cancellation of shares repurchased (note 25(e))	註銷回購的股份 (附註25(e))	(4,920)	—	4,921	—	1
Interim 2015 dividend (note 11)	二零一五年中期股息 (附註11)	—	—	—	(19,040)	(19,040)
As 31 December 2015	於二零一五年十二月三十一日	329,547	(801)	—	13,488	342,234

35. 本公司的財務狀況表(續)

附註：

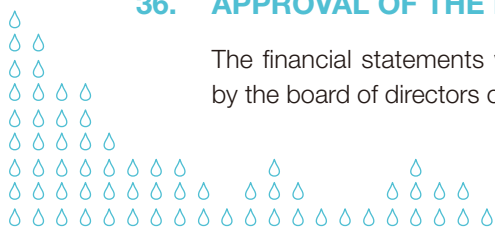
本公司儲備之概要如下：

36. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 18 March 2016.

36. 財務報表的批准

於二零一六年三月十八日，財務報表獲得董事會批准及授權刊發。



Five Year Financial Summary 五年財務概要

The consolidated results of ELL Environmental Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) for the years ended 31 December 2015 and 2014 and the consolidated assets, liabilities and non-controlling interest of the Group as at 31 December 2015 and 2014 are extracted from the published audited financial statements.

強泰環保控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)截至二零一五年及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二零一五年及二零一四年十二月三十一日的綜合資產、負債及非控股權益乃摘錄自己刊發的經審核財務報表。

The summary of the consolidated results of the Group for the 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.

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年度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香港聯合交易所主板上市的招股章程。

The summary below does not form part of the audited financial statements.

以下概要並不構成經審核財務報表的一部分。

RESULTS

業績

Year ended 31 December 截至十二月三十一日止年度

		2015 二零一五年 HK\$'000 千港元	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	營業收入	145,462	85,183	65,090	46,900	44,560
Profit before tax	除稅前溢利	36,229	22,136	47,974	34,007	31,325
Income tax credit/(expenses)	所得稅抵免/ (開支)	3,920	(10,861)	(14,080)	(6,973)	(5,784)
Profit for the year	年內溢利	40,149	11,275	33,894	27,034	25,541



Five Year Financial Summary

五年財務概要

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				
		2015 二零一五年 HK\$'000 千港元	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	610,439	437,796	425,682	433,969	362,189
Total liabilities	總負債	(95,304)	(72,967)	(210,430)	(260,897)	(218,006)
Non-controlling interest	非控股權益	(27,593)	(28,234)	(26,906)	(24,521)	(22,775)
		487,542	336,595	188,346	148,551	121,408





ELL
Environmental
Holdings Limited

